



Jiuli's new expanded industry park for seamless pipes/tubes production.

Jiuli: Happy, Health, Safety and Environment (HHSE) on top of high-tech production

Jiuli, more than just a leading stainless steel pipe and tube supplier in China, has been an active player on the world stage for over twenty years. Fifteen months after Stainless Steel World's visit in September 2008, after its IPO, the company was listed on the Shenzhen Stock Exchange in China at the end of 2009. What has this significant step brought for Jiuli during the past two years and what is the new strategy of this stainless steel giant for the near future? Stainless Steel World returned at the end of March 2011 to catch up with Mr. Denny Lee, the Deputy General Manager, and Mr. Robin Wang, International Dept. Manager of the company to get some answers.

By Huang Juan

So what has been happening at Jiuli during the past two years? To begin with, since August 2009, the production line for continuously welded stainless steel pipes (O.D. 219 – 630 mm, with an annual production capacity of 10,000 tons, equipped with on line heat treatment, on line hydro testing and on line non destructive testing to guarantee excellent product quality, has been put into operation. These products are mainly used for

pipe lines in the oil & gas industry. This investment has enabled the company to achieve a total production capacity of more than 70,000 tons of pipe and tube in 2010.

High-tech products

“Since our listing on the Shenzhen Stock Exchange on Dec. 11th, 2009, production has been further developed and optimized with financial support coming from public investment,” says

Mr. Denny Lee, “we have more capabilities to produce the high performance alloys, like super-duplex, nickel alloys and titanium, and we have greatly advanced in our product offering.” It is clear that Jiuli has positioned itself well as a specialist, high-tech market player in the stainless steel industry, and it continues to invest in its R&D program to develop new products.

There are many stories of success with

Environment acts

high performance alloys in 2010. The company supplied N10276 U tube to a domestic heat exchanger for end-user PetroChina, which demonstrates their rapid leap forward in technological innovation. "N10276 alloy is one of the most complicated alloys with truly unsurpassed corrosion resistance. It is part of the nickel-based alloy family and is widely used in the petrochemical and chemicals industries, as well as for flue gas desulfurization, and other high corrosive industrial processes," Mr. Lee says.

"We have supplied 100 tons of N08825 heat exchanger tubes and 8" N08800 piping to Saudi Aramco's refinery projects, as well as 904L heat exchanger tubes for their maintenance projects. N06600 welded pipes with WT 20mm have been supplied to Sinopec for an acetic acid-ethylene project. N08367, in sizes up to 8" seamless pipes have been delivered to AkzoNobel in Brazil," says Mr. Wang.

Duplex and super duplex is an interesting topic that Jiuli shared with us. Mr. Denny Lee mentioned: "Jiuli has been successfully awarded an order of 281 kilometers of duplex line pipe from Petroleum Development Oman, which is one of the biggest single orders for duplex in the world up to now. And, just a few months ago, Jiuli was awarded another order for supplying heavy wall (up to 1.5inches) welded duplex pipe for a gas project. This shows Jiuli is one of the most competitive suppliers for duplex products today".

High-end markets

The R&D progress in high-tech material products that has been taking place will serve as a springboard for Jiuli to further execute their plans to penetrate into all high-end markets.

With the help of public funding at the stock market, three major investment projects have been successfully carried out at Jiuli targeting applications with demanding technical requirements. The first has been an upgraded production line of seamless stainless steel tubes used in ultra super-critical boilers in power plants, and the operation has been running since the end of 2010. Further, a high-grade nickel alloy OCTG project is also under construction, and a production line for precision tubes and nuclear power tubes will commence operation by the end of 2011.

"As one of the most advanced companies in stainless steel technology in China, Jiuli has become one of the

most outstanding players in many high-end markets, such as oil & gas, chemical & petrochemical, offshore, seawater desalination, coal, and power generation. Compared with our local competitors, some eye-catching 'firsts' cannot be ignored" says Mr. Denny Lee. "For example, Jiuli is the only domestic company in China that has gained China National Nuclear Authority approval for both stainless steel seamless and welded pipes. Similarly, we are the only company that has been qualified according to ASME Section III in the Chinese stainless steel pipe and tube industry".

"In addition, like all far-sighted companies", continues Mr. Lee, "Jiuli has also been focusing on new energy markets". According to him, the company is the first in China that has been qualified by the Chinese authorities for the manufacture of ultra super-critical boiler tube products that are used in thermal power generation. Moreover, in the domestic solar energy market, Jiuli has taken up a 70% market share in supplying stainless steel tubular products. In addition, they have recently been highly praised by a domestic client for their N08810 products. Before working with Jiuli, the client used to rely on imported products.

"Considering our rich experience and general world market trends, the oil & gas, chemical & petrochemical, offshore, seawater desalination and



Mr. Zhou Zhijiang (Chairman) at the company listing ceremony in Shenzhen

nuclear power industries will remain the major markets on which Jiuli concentrates for the coming years,” adds Mr. Lee.

High-quality clients

“Due to our enhanced and optimized production, and our reputation in project services, Jiuli has become increasingly involved in the project business with some remarkable results during the past few years,” states Mr. Robin Wang.

Long-term partnerships have been established with some outstanding international companies and there have been projects with Shell, ExxonMobil, Saudi Aramco, Dow Chemical, Petrobras, BASF, Bayer, Alstom, to name but a few.

Undoubtedly previous positive cooperation with these companies has generated a solid basis for Jiuli to take part in future projects. The cooperation with Saudi Aramco provides a good example. After supplying Saudi Aramco with a trial order of 800 tons of pipes in 2008, Jiuli now finds itself in the enviable position of becoming a stable and regular supplier for Saudi Aramco projects, and has delivered thousands of tons of pipes and tubes for its Manifa and Jubail refinery projects.

Mr. Lee emphasizes: “Because of our good reputation among project owners and EPC contractors we are often invited to participate in their new projects.”

Optimized services

Committed to meeting the requirements of global industrial facilities, Jiuli is very much aware of the necessity of good sales support for projects in combination with the delivery of its high-tech products.

“Take a Petrobras project for example, our customer has urgently required a small quantity of heat exchanger tubes in Grade 904L. After having received the requirement, we put all our efforts into arranging a fast track production schedule. Finally this supply of 904L tubes has been successfully delivered to the customer within 2 months.” Says Mr. Lee, “we always respect the customer’s requirement and satisfaction as our first and final goal. And there are



Welded pipe with heavy wall thickness.

many similar stories Jiuli can report. For the US Gulf LNG project completed in 2009, the customer ordered 6 meter long products. When the goods were ready for delivery, we were told that they had changed the design to a length of 12 meters. To reduce the customer’s extra cost for on site work, we immediately invested in a new facility to supply them with 12 meters. The customer was highly appreciative of our efforts and finally awarded Jiuli as an Excellent Supplier for this project.”

To better serve its clients geographically from both a project business and distribution perspective, and in order to look for more overseas cooperation opportunities in terms of sales development, R&D cooperation, and human resources, Jiuli has established support branches in the US, Europe and the Middle East.

Moreover, with the support from its sister company Huzhou Jiuli Pipe Fittings Co., Ltd., who is specialized in producing fittings in various metals including stainless steel, (super) duplex and nickel alloys, Jiuli is now able to offer even more efficiency and flexibility in servicing projects. “A good example with an Indonesian customer comes to my mind,” says Mr. Denny Lee, “They needed some 10” S32750 pipes and

fittings to be delivered at very short notice for a seawater desalination project. Jiuli delivered within a very short time, which greatly pleased our client. This happened similarly to a famous pressure vessel fabricator who needed a few pieces of N10276 and N06600 piping and fittings which is almost impossible to find in the market, but we managed to supply.”

Another specialty of Jiuli when handling projects is their attention to after sales. Mr. Lee explains. “After supplying the bulk of the material for projects, we also accommodate client needs for small and urgent additions to orders, and take care of the last minute changes that do occur frequently with projects during implementation”.



A selection of products from Jiuli Fittings to meet your requirements.

Anti-dumping

When talking about anti-dumping issues, Mr. Denny Lee told us that “for the US Anti-dumping (AD) and Countervailing Duty (CVD) regulation policy on welded pipes (with a size up to 16 inches), Jiuli just got a de minimis AD of 0.01% after Preliminary Results of Review in March 2011, with totally 1.11% AD and CVD. This will ensure Jiuli is able to continue to supply welded pipe to the US market”. For EU Anti-dumping Investigations on China Origin seamless stainless steel pipe, Denny says: “Instead of being caught up in the price competition, Jiuli has a clear focus on the high end market. What it has been supplying to the market has always been high-tech and high-quality products with its premium brand awareness. Also, we have a well organized accounting system. And Jiuli has always been very cooperative with anti-dumping investigations. These are some of the reasons why our sales have not been influenced much by anti-dumping rulings.”

Social face

Today Jiuli, as a public company, pays considerable attention to its social responsibilities. Through cooperation with Shell, ExxonMobil, etc., Jiuli has much improved its Health, Safety and Environment management. We can easily see the sign of Shell’s 12 Life Saving Rules in the office and factory. The company has a clear goal to optimize H-HSE management based on



The new 24" continuous welding line for the production of high-quality pipes with a long length without circumferential welding.

the traditions of HSE. “The extra ‘H’ added especially by Jiuli stands for ‘Happy’,” explains Mr. Lee. “We hope that all of our employees, clients, suppliers and shareholders can work happily with us and we believe that a pleasant and good working environment, whether in the office, on the production line, or in the surroundings of our facilities will create a positive effect on all individuals and will be reflected in higher efficiencies, better quality, and real job satisfaction. Further, the protection of the environment and the health of our employees and local residents are of great importance to Jiuli. The company is qualified to ISO14001. We also have initiated several continuous programs of awareness and training to instil the necessary alertness and attitudes in our

employees. Concern for the environment and safety has to become second nature for us,” says Mr. Lee. And preaching becomes practice at Jiuli for, at the end of the interview, we were pleased to learn that the Headquarters’ new office building will be equipped with a geothermal heating system so that all the office employees will then be able to benefit from a cleaner, safer and more environmentally friendly heating system.

“During the past twenty years, we have served thousands of our clients with high-tech products and solutions. Today, Jiuli, rich in experience in cooperating with some of the world’s top-class end-users and with a strong social responsibility, is confident in saying that what it has supplied to clients is not only high-tech quality products, but also those incorporating HHSE,” concludes Mr. Lee.



Jiuli has rich experience in manufacturing U-tubing

Facts and figures

Name:	Jiuli Hi-Tech Metals
Founded:	1987
Main Products:	stainless, (super) duplex, nickel alloys, titanium seamless/welded pipes and tubes
Size range:	Seamless: 6- 711mm (O.D.) x 0.5- 35mm (W.T.) Welded: 6-3000mm (O.D.) x 0.5- 65 mm (W.T.)
Employees:	1900
Production base:	7 plants