

# QATAR STEEL

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## Qatar Steel becomes a Strategic Partner in South Steel Company, Saudi Arabia



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Strategic Partnership in South Steel Company, Saudi Arabia

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New Rebar Pattern Launched

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Qatar Steel Participates in the 3rd Qatar Career Fair

# BS4449:2005 Grade B500B



## Herringbone Rib Pattern Deformed Reinforcement Bars

Matching with the International requirements of BS4449:2005 Grade B500B, QATAR STEEL is shifting towards the production of Herringbone Rib Pattern Rebars (D10-D40).

The current production of rebars is as per BS4449:1997 Grade 460B & BS4449:2005 Grade B500B and it will ensure that both standards are met by single reinforcement steel. The full production of all the sizes will start from March 2010.

Committed to deliver high quality products and create reliable association with our customers

## We Make Steel Matter



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## Dear Reader

This is Issue No. 93 of Qatar Steel Magazine. It will provide you with a brief insight into various news items and events at Qatar Steel, including the signing of a strategic partnership deal with South Steel Company, Saudi Arabia, which is a qualitative step towards achieving the Company's future vision and strategic plan.

With a view towards creating widespread awareness among the Company's distributors and consumers alike, regarding the Company's decision to adopt British standards in its rebar production, the Commercial Division of Qatar Steel launched a campaign through the local newspapers.

Qatar Steel participated in the 3rd Qatar Career Fair which was held under the auspices of HH Sheikh Tamim Bin Hamad Bin Khalifa Al-Thani, the Heir Apparent. The motto of the fair was 'Discover Today, Succeed Tomorrow'. Sheikh Nasser Bin Hamad Al Thani, Director and General Manager of Qatar Steel said that the Company's decision to place pronounced emphasis on Qatarization and the development of Qatari manpower resources stems from its deep-rooted conviction of the vital role Qatarization will play in the overall development of the Country.

This issue also covers a wide range of other interesting news and views.

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# QATAR STEEL BECOMES A STRATEGIC PARTNER IN SOUTH STEEL COMPANY, SAUDI ARABIA

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Qatar Steel has become a strategic partner in South Steel Company, with a 20% stake in the ownership of the Company. "Qatar Steel is one of the key players in the regional steel industry and is one of the earliest plants in the GCC region. The strategic partnership with Qatar Steel signals a quantum leap into the future and will facilitate the fulfilment of our strategic plan, which includes setting up an integrated steel complex in Jazan Industrial City. The decision to forge this landmark partnership stems from our joint desire to create a strong entity in the steel industry and thereby meet the expectations of our target markets for steel bars and other products.", Sheikh Sulaiman Bin Saleem Al Harbi, Chairman of South Steel Company stated.

"Following our agreement with Qatar Steel, South Steel Company has now acquired all the factors that are vital for the success of this project. The State has supported this project with an SR 600,000,000 soft loan secured from the Industrial Development Fund. The first phase of the project is presently being implemented. This phase includes setting up a steel melt shop, with a production capacity of 1,000,000 tons of steel billets and 500,000 tons of steel bars, on an area that spans over 5.5 million square meters in Jazan Industrial City. Other expansion plans will be completed on a priority basis after completing the required technical and financial studies for these projects.", he added.



operation systems, production, management, marketing and training. This partnership reflects the desire of the two countries to forge solid economic relationships between them. This is the first time a Saudi and Qatari company are joining hands in a vital industrial project.", Sheikh Nasser added.

South Steel Company is a Saudi closed joint stock company owned by Saudi Pan Kingdom Company and other Saudi and GCC investors. It has a capital of SR 450,000,000. The first phase of its investments – production of steel blocks and steel bars – which is worth SR 1,400,000,000 is presently being implemented in Jazan Industrial City, Production, which is scheduled to commence by mid 2011, will meet the existing shortage in the local markets. It will cover the requirements of the markets in the Southern Province. Any surplus will be sold to markets in other KSA provinces as well as Yemen and other neighbouring African countries.

Established in 1974, Qatar Steel is the earliest iron and steel company in the GCC region. It is one of the Industries Qatar companies to be listed on Qatar Exchange.



"Qatar Steel's decision to become a strategic partner in South Steel Company was arrived at after completing the required technical and financial studies for the project. The decision was inspired by the strategic location of the Company on the Red Sea, as well as its strategic vision and plans to penetrate other markets.", Sheikh Nasser Bin Hamad Al Thani, Director and General Manager of Qatar Steel said.

"Qatar Steel will provide South Steel Company with technical support and will supply the Plant with sponge iron, a key raw material in the manufacturing of steel. Qatar Steel will also share the experience it has gained in the steel industry in the past 30 years with South Steel Company. This will cover



# QATAR STEEL LAUNCHES A NEW REBAR PATTERN

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Year 2010 started on a positive note, even though the previous year witnessed the global financial crisis. Qatar Steel organised its Annual Traders Gathering on 17 February 2010 at Sharq Village & Spa, Doha. During the event, the Company launched its new rebar rib pattern, thereby signaling its shift from bamboo to herringbone pattern.

The Annual Traders Gathering is conducted regularly with a view towards expressing the Company's appreciation of the patronage the traders continue to exhibit towards its rebars. The event featured a wide range of activities and served as an ideal platform to further strengthen relationships and enhance brand loyalty. All the traders, both from the local and overseas markets, were presented with a dealer's certificate and a souvenir.

Qatar Steel also launched a print media advertising campaign in the local English and Arabic newspapers in order to create awareness regarding its new rebar pattern among both traders and end users. The advertisement (designed in-house) also appeared in English and Arabic newspapers in the UAE, Bahrain, Kuwait, Saudi Arabia and Oman.

With a view towards broadening the market base of its products, Qatar Steel participated in the Project Qatar and Gulf Bid exhibitions in April and May respectively and is planning to participate in The Big 5 Show in November 2010. Qatar Steel was the Diamond Sponsor of the Arab International Industrial Forum (AIIF 2010) which was held in Qatar from 25 to 28 May 2010.

Qatar Steel also expects to participate in STEEL 2010, which will be organised by MEED in Dubai in October 2010, as well as in the 14th ME Iron & Steel Conference, which will be organised by Metal Bulletin in Dubai in December 2010.



# QATAR STEEL PARTICIPATES IN THE 3RD QATAR CAREER FAIR

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Qatar Steel participated in the 3rd Qatar Career Fair which was held from 14 to 18 March 2010. The Fair, which was held under the motto 'Discover Today, Succeed Tomorrow', was inaugurated by HH Sheikh Tamim Bin Hamad Bin Khalifa Al-Thani, the Heir Apparent.

During the Fair Qatar Steel exhibited the job opportunities available at the Company and also conducted interviews with potential future employees.

Sheikh Nasser Bin Hamad AlThani, Director and General Manager of Qatar Steel said that the Company's decision to place pronounced emphasis on Qatarization as well as on the skills development of Qatari nationals stems from its firm conviction of the vital role the Qatari manpower will have to play in the development process of the Country.



Qatar Steel participated in the 3rd Qatar Career Fair which was held from 14 to 18 March 2010. The Fair, which was held under the motto 'Discover Today, Succeed Tomorrow', was inaugurated by HH Sheikh Tamim Bin Hamad Bin Khalifa Al-Thani, the Heir Apparent.



Right from its inception, Qatar Steel has been giving due importance to Qatarization. In 1978 the Company sent its first batch of nearly 20 Qatari students on scholarships to Japan. Some members of this batch are now holding leading positions in the Company.

Qatar Career Fair provided Qatar Steel with an excellent platform to showcase its achievements and future plans. We continue to adopt a wide range of attractive incentive schemes like overseas training and competitive remuneration packages in order to encourage Qatari youth to join the Company.



# FLYING DAY

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The Civil Aviation Authority and Qatar Aeronautical College jointly organised the Aviation Amateurs Festival on Saturday, 13 March 2010 in Al Khor. Qatar Steel played a prominent role in the Festival and the Chairman of the Organising Committee lauded the Company's active participation. Qatar Steel's participation in the Festival reiterates its commitment to the socio-economic development of Qatar and sets an example for the role other Qatari industrial companies should play in the overall development of the society.



Qatar Steel's participation demonstrates the exemplary role it is playing in the socio-economic development of Qatar.



During the festival Qatar Steel hosted a pavilion where souvenirs were distributed to the large number of visitors and a documentary film on its various production stages was shown.

The visitors and the organisers expressed their appreciation of the exemplary role played by Qatar Steel in the festival.



# PROCUREMENT AND WAREHOUSE DIVISION

## NEW IMPROVEMENT APPROACH

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### **CODING INTELLIGENCE AND MODERN ERP SYSTEMS PRINCIPLES**

#### **What is Coding Intelligence?**

Coding Intelligence in its simplest form is to build the inventory item code number in a systematic meaningful form, in which each digit addresses a meaning or a function of the item. You can find it in most of inventory systems and warehouses. For instance, the code number MS 165 11 0025 is not just a number, but each digit carries a meaning: MS = Maintenance Spares, 165 = a group family called 'PIPE & TUBE ACCESSORY', 11 = a group class called 'UNION' & 0025 = Serial Number.

#### **Reasons or Benefits of Intelligent Coding**

1. Identification of the item
2. Classification: To classify the items based on function or commodity etc.
3. Storing: For storing, each item requires a unique code number
4. Control: For inventory control and transaction, a unique code number is required
5. Reference and Index
6. Search
7. Cataloging

### **MIGRATING OF MODERN PRINCIPLES OF INVENTORY SYSTEMS TO UNINTELLIGENT CODING**

#### **General Understanding of ERP Systems**

- ERP is a software solution, where all the organisation's records are managed from one large database (an integrated IS)
- Tightly integrates all the functions of an enterprise to meet the organisational goals
- Organises and manages a company's business processes by sharing information across functional areas
- ERP is the planning of the 4Ms of the enterprise resources - Man, Money, Materials and Machines

#### **Importance of Item Master in ERP System**

- A main part of the infrastructure of other ERP modules are in the inventory item master database
- Item master is the base for all types of material planning in different modules - Manufacturing, eAM, Purchasing

#### **Bill of Materials (BOM) and Inventory Item-Asset Relationship in ERP**

- It is a user-defined and/or auto-defined bill of components/spares linked to an eAM asset or rebuildable item
- BOM has totally reversed the item-asset relationship from 'item points to its asset' to 'asset calls its item'
- It has converted the frozen item-asset relationship into a flexible relationship

#### **General Understanding of MRP**

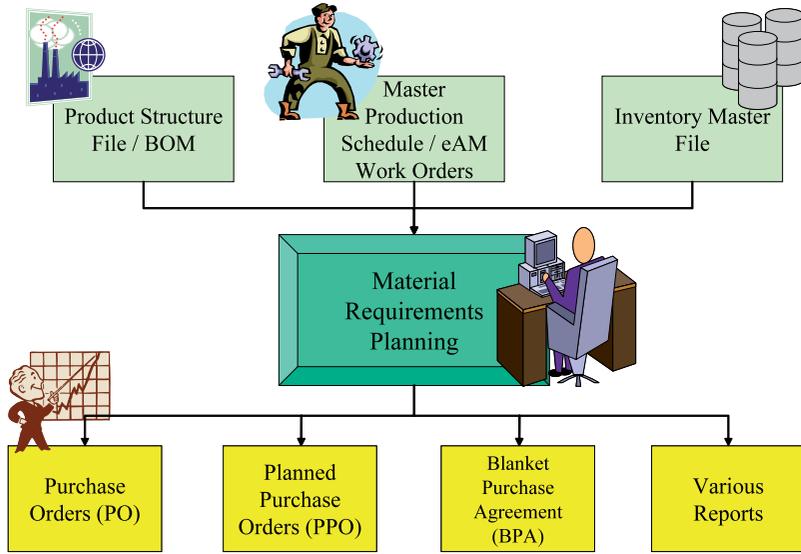
It is a process of inventory management that utilises bill of material information, a production master schedule and current inventory information to calculate the net requirements for materials.

#### **There are three basic steps of MRP**

- Identifying Requirements
- Running MRP - Creating the Suggestions
- Firming the Suggestions



**Overview of the MRP System**



**Migration Concept to the Unintelligent Coding**

- It is not a migration from the Coding Intelligence's features and characteristics
- It is a migration from one tool to another
- It is a type of evolution of the item master intelligence

**Pros and Cons of Intelligent and Unintelligent Coding Systems**

| Comparison Item                   | Intelligent Code   | Unintelligent Code |
|-----------------------------------|--------------------|--------------------|
| Logic structure                   | Yes*               | No                 |
| Meaningful                        | Yes*               | No                 |
| Easy to write, easy to read       | Yes*               | No                 |
| Flexible to accommodate new items | Less Flexibility   | High Flexibility*  |
| Simplicity                        | Complicated        | Simple*            |
| Classification limitation         | Relatively Limited | Unlimited*         |
| Predefined Flexi fields           | Yes                | No*                |
| Numbering                         | Less Flexibility   | High Flexibility*  |
| Code number length                | Long               | Short*             |
| Item relationship                 | Frozen             | Flexible*          |
| Total Advantages (*)              | 3                  | 7                  |

**The way Oracle and SAP systems deal with 'coding intelligence'**

It is an optional setting between either Intelligent or Unintelligent Coding System:

1. User-defined item number (intelligent coding option) in which the user is free to develop his own coding structure
2. Auto-created item number (unintelligent coding option) which is a complete migration to the unintelligent coding. The item number is more or less an ID number. The item number is a serial number automatically created by the system and this is the commonly used option in SAP.

**How ERP systems replaced the coding intelligence**

The master cataloging, categorisation, BOM, item cross-reference & relationship tools in ERP have worked as efficient tools for classification and grouping of items. This has inherited and improved the role of 'coding intelligence'.



# LKAB VISITS QATAR STEEL

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LKAB visiting the Rolling Mill Department

The LKAB Board Meeting, which was held in Doha on 24 February 2010 was hosted by Qatar Steel. This is a true reflection of the long standing business relationship.

Luossavaara-Kiirunavaara AB (LKAB) was founded in 1890 and has their mines in northern Sweden.

Luossavaara-Kiirunavaara AB (LKAB) is an international high-tech minerals group, one of the world's leading producers of upgraded iron ore products for the steel industry and a growing supplier of industrial mineral products to other sectors for the past 50 years. LKAB is a public limited company, wholly owned by the Swedish state.

LKAB has been consistently supplying Qatar Steel with quality Iron Ore Pellets for more

than 30 years. Qatar Steel has a long term contract with LKAB for the supply of Iron Ore Pellets.

LKAB's Board Meeting was held in Doha on 24 February 2010. It was Qatar Steel's privilege and honour to host this event on behalf of our supplier. This reflects our excellent long standing business relationship. The Board Meeting was chaired by Mr. Björn Sprängare, Chairman of the Board and Mr. Lars-Eric Aaro, President and CEO. The Meeting was attended by other members of the Board as well as the senior management team. A total of 24 members attended the meeting.

With a view towards making this event a memorable one for our distinguished guests, Qatar Steel arranged a Desert Safari as well as various other activities that showcased the culture, tradition and values of the Country for them. Qatar Steel's Director & General Manager as well as the Division & Department Managers accompanied the guests. A visit to the Museum of Islamic Art and Souq Waqf was also arranged after the Board Meeting of LKAB.