

Part I

Introduction

The report was commissioned by the Fridge Committee in 2002 to identify new markets and clients for the supply of Blanks, Laser Blanks, Pressings, Stampings Components and Finished Products from South African suppliers. The term “BPSFC” is used as abbreviation for **B**lanks (including Laser Blanks), **P**ressings, **S**stampings, **F**inished Products and **C**omponents.

To gather the necessary data fabricators of BPSFC had to be visited and contacted in pre-selected regions and certain end use segments. The visits were supported by telephonic interviews.

The data collected represents stainless steel and BPSFC consumption for a sample of companies within end use sectors in three regions:

- Western Europe
- North America
- Asia

for the following end use sectors:

- Metal Goods
- Electro & Electronic
- Engineering
- Building & Construction

In the course of preparing this report:

- **1,350** companies were contacted telephonically or via fax/mail.
- **778** of these companies have provided information
- **75** fabricators, traders and re-rollers were physically visited.

1. Visits

The following list presents the 75 visited companies (fabricators and traders) in Northern America, Western Europe and Asia by region/country:

Visited Companies by Area / Country

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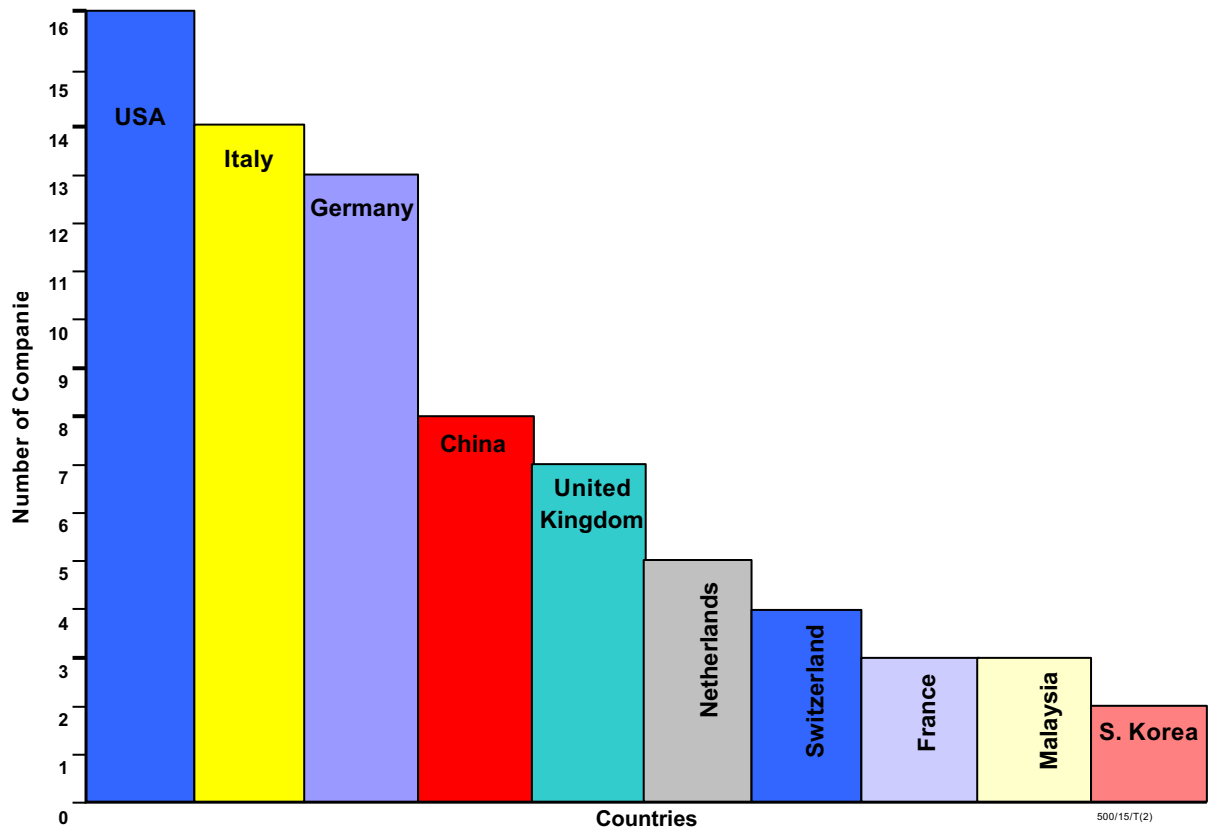
North America	Asia	Western Europe		
<p><i>- United States</i></p> <p>Autofry Beverage Air Bon Chef CDC Elkay Insinkerator Lambertson Industrie Marlo Manufacturing MG Newell Corp. Moyer Diebel / Champion National Bar Systems Perlick Corporation Polar Ware Spartanburg Stainless Vollrath Company LLC Wells / Bloomfield</p>	<p><i>- China / Hong Kong</i></p> <p>Artsstar Chigo Kangbao Rixing Rongsheng Wah Keung Wei Yit</p> <p><i>- Malaysia</i></p> <p>BT Engineering Jinhui Juramatics Kim Ban</p> <p><i>- South Korea</i></p> <p>INI Steel Tong Yang Moolsan</p>	<p><i>- Italy</i></p> <p>Alessi Becchetti Candy Electrolux Enofrigo ELICA Foinox IME LSI Merloni Ronda Smeg Whirlpool Zani</p> <p><i>- France</i></p> <p>Charvet Fours Fringand SEB</p>	<p><i>- Germany</i></p> <p>Blanco Blefa Blomberg Hupfer Krones Meiko Mueller Pott Rational Rösle Schmolz & Bickenbach Schrader Wiegand (GEA)</p> <p><i>- Switzerland</i></p> <p>Franke Forster Hamo Stöcklin</p>	<p><i>- United Kingdom</i></p> <p>Alumask Grundy Counterline GDA Hiram Wild Olympic Pland Stainless Viscount</p> <p><i>- Netherlands</i></p> <p>ATAG Hendi Ifö-Kampri Roba SSP Lichtenvoorde</p>

The majority of companies listed above are stainless steel fabricators (71 companies). Three companies – Schmolz & Bickenbach (Germany), Roba (Netherlands) and LSI (Italy) - distribute stainless steel flat products. INI is a re-roller.

In addition to the above presented companies, several stainless steel and trade associations were visited in Asia.

The following graph presents a distribution of visited companies by major countries. Most visits were made in the United States (16 meetings), followed by Italy (14) and Germany (13).

Geographical Distribution of Visited Companies



1.1 Aim of Visits

Visits were made to selected companies in North America, Western Europe and Asia. The aim of the visits differed from Western Europe and North America to Asia:

a) In **W. Europe / N. America** introduction of South African BPSFC Supply Options:

- The selection process for visitations to companies in **North America** were based on special interests by company as opposed to the geographical approach.
- In **Western Europe** the method of research was mainly personal / physical interviews with some telephonic interviews / follow-ups to supplement existing information. The aim was to establish an overview of the general trends in stainless steel usage in the broader Western European market. Visits were made to most countries in Western Europe, except for Spain and Scandinavia

b) Learning from Others (Asia)

The strategy for **Asia** was slightly different: locating potential clients were important but in turn, this market appears to be as competitive as a supply opportunity as South Africa. Many Asian companies are active in global supply of BPSFCs and finished products. The aim in Asia (especially in China) was therefore to learn about industry structures, working conditions, working processes or products supplied from Asia.

1.2 Telephonic Interviews

These were conducted for two reasons: firstly in the cases where companies were reluctant to allow visits and, secondly, to obtain supplementary information to support the physical interviews.

- In North America the company visits were limited, thus extensive use of telephonic interviews was made.
- In Western Europe it was the reverse situation: many company visits and fewer telephonic interviews.
- Few telephonic interviews were conducted with Asian companies due to language barriers.

Telephonic contacts also resulted in the above mentioned 74 visits (including the Far East).

2. Methodology and Definitions

Methodology and Definitions deals with basic ideas and the structure of this study. The market had to be segmented by product, region and end use segment of interest. Further on, the collection and analysis of data and the basic concept of this study is explained as “guideline” for the reader.

2.1 Market Segmentation

2.1.1 BPSFCs

There is no standard definition to differentiate between the different products classified as **BPSFCs**. For this reason, the following general definitions were used:

- Blanks:** Flat rectangular, circular or evenly cut blanks as used in the manufacturing of products such as beer barrels, hollowware and washing machine drums.
- Laser Blanks:** Flat, cut-to-size sheets with perforations, notches, serrations and cut-outs prepared for final processing or installation. It is mainly applied in refrigerator shells, internal dishwasher panels, cabinet doors, etc.
- Pressings:** Unpolished drawn and deep drawn semi-finished products such as hollowware units, housings, kidney bowls, square Intermediate Bulk Containers (IBCs), wall panels and internal cylinders for flasks.
- Stampings:** Small, pressed, folded and perforated parts ready for use as machinery and building components. Brackets, special washers, light structural parts and baffles are typical examples of stampings.
- Components:** Stainless steel parts combined with other parts by means of a fastening technique to form a component ready for installation in a product.

2.1.2 Finished Products

Finished products are ready for sale to end users e.g. food pans / gastronorm containers. These type of products generally forms part of a larger piece of equipment. There is a close relationship to “components”. In most cases, more production steps are necessary to manufacture finished products (=higher added value than components).

Finished Products discussed in the report are not formally included in “BPSFCs” per definition but are understood as strongly related to them. Typical finished products are for instance gastronorm containers which only can be used together with other catering products such as food displays or counters. Many catering manufacturers, typically **make** displays but **buy** gastronorm containers from others as parts of food displays. Therefore, information about certain finished products purchased by interviewed companies has also to be considered as relevant to the report.

Finished products are therefore relevant in connection with BPSFC markets as:

- there is a strong interest at some fabricators to buy finished products
- fabricators consider them as alternative to BPSFCs
- they are in competition to some BPSFCs (i.e. components and pressings)
- many fabricators prefer finished products to BPSFCs or coil and sheet.

2.2 Regions / Countries Visited

As mentioned above, three regions have been selected in the first phases of the project. As agreed, the visits were concentrated on the following countries within the regions:

North America:	United States
Western Europe	France, Germany, Italy, Netherlands, Switzerland, United Kingdom
Asia	China, Malaysia, South Korea

2.3 End Use Segments

The term “End Use Segments” puts all product groups with certain similarities together under one of the four given “segments”:

- metal goods
- engineering
- electro / electronic
- building and construction

“Product Groups” describe some sub-segments with prospective BPSFC supply options as identified in this study. Companies in the segments transport (major product groups within the sector: automotive parts and IBC containers) and tubular goods (major product groups within: welded tubes and flanges) have not been targeted in this study:

Segment	Product Groups
Metal Goods	Beer Kegs, Catering Equipment, Cutlery, Flat- and Holloware
Electro & Electronic	Appliances, Cooking Equipment (Ovens, Hoods), Small Household Appliances
Engineering	Food Processing / Beverage Production Equipment, Heat Exchangers, Vessels
Building & Construction	Fences, Sinks & Sanitaryware, Window Frames

2.4 Data Collection and Analysis

2.4.1 Sources of Information

Information from different sources was applied to create this report. Results of personal and telephonic interviews is the major source for all information about BPSFCs and finished products consumption. Besides information obtained directly from visited companies, information from several stainless steel and other associations such as NiDI, South Korean Stainless Steel Association and Centrolnox is used. Further company background details have been researched in brochures, other publications and in the internet.

Background information on stainless steel is based upon in-house information and official trade statistics published by statistical offices in several countries. For general economic background, OECD statistics and International Labour Organisation statistics were applied when it was necessary.

2.4.2 Consumption Analysis

A basic part of the report is about the stainless steel consumption at visited companies. "Normal stainless steel purchase", namely coil and sheet, play the major role in stainless steel usage. Stainless steel usage is presented as "Stainless Steel Consumption Analysis" in general and a specific "BPSFC Consumption".

The object of consumption analysis is to assess the current market size for BPSFCs and the breakdown in demand by product forms, grade, dimension and finish.

Following this, there will be a discussion of the use of BPSFC in various forms by the same sample of companies. The consumption of finished products is also discussed albeit is not within the initial scope of the report.

2.4.3 Current BPSFC Usage

Given the information collected, companies within each region are ranked on the basis of their total BPSFC use. It is not specified or given any relevance whether these BPSFCs are produced in-house or out-sourced. A breakdown of this BPSFC consumption is also given and comments on market size and attractiveness are made.

Following comments made by the companies visited in terms of expected future consumption of BPSFCs and the expected breakdown of this consumption, a second ranking of these companies is presented. On the basis of this information, the potential future market for BPSFC is assessed.

Following this, those companies that have shown interest in BPSFC supply are ranked in terms of their level of interest.

Importance is placed on certain requirements by these companies that will have to be met to ensure supply. The importance on certain criteria is assessed.

2.5 Reader's Guideline

The study encompasses the following major sections:

Part II	Industry Background
Part III	Analysis of Company Information
Part IV	BPSFC
Part V	Profiles of Prospective Companies

[Part II \(Industry Background\):](#)

Background deals with global stainless steel aspects such as world-wide actual supply & demand or apparent consumption forecast from 2004 to 2013. An end use structure for the major stainless steel consuming regions is presented in this chapter as well.

All figures refer to stainless steel hot and cold rolled flat products in general. Visited companies / countries represent a small fraction of the overall flat consumption.

This chapter gives a general overview of the environment for companies in certain segments and regions. Another aspect given in this chapter is the attractiveness of specific markets. This indicates where future market growth can be expected and in which regions future investments could be promising.

Part III (Analysis of Company Information):

The chapter gives information and results on stainless steel use at interviewed companies. It has to be distinguished between:

- a) a stainless steel consumption analysis, in which companies' stainless steel use is segmented into product forms coil, sheet and others (of which "others" include BPSFCs as major cluster), grade, gauge and surface and
- b) a specific analysis about BPSFC consumption by regions and end use segments

The chapter should firstly give a general stainless steel consumption overview for all product forms, namely coil, sheet and others. It presents secondly a discussion of actual and future requirements for BPSFCs. One of the major aims of this chapter is to filter out options for BPSFC supply.

A short description of the most promising companies for BPSFC supply options in Western Europe and North America follows next.

Part IV (BPSFC):

This chapter is built in three major parts:

- a) a more detailed Market Analysis based upon results of Chapter III (data analysis). It presents BPSFC consumption divided into blanks, pressings, stampings, components and finished products. For each segment, an individual analysis is presented.

- b) a competitive analysis (including other supply issues) which compares South African stainless steel fabricating industry with fabricators visited in other countries. Influencing parameters are discussed such as labour cost, fabrication cost, material prices or transport cost.
- c) Equipment suppliers in South Africa as newly introduced aspect.

Part V (Profiles of Prospective Companies):

This chapter as a conclusion points out basic concepts for the South African stainless steel industry (i.e. fabricators), and which further steps might be promising to introduce BPSFCs successfully to their target markets North America and Western Europe.

The following graph depicts the basic structure of this report:

Basic Study Concept

