

RESULTS

Large projects key for success

Provider of process and engineering technology, Metix is showing a "healthy bottom line" and has a good outlook for its future, the company announced recently. This is despite ferrochrome prices plummeting and local producers running at 20% of their usual ferrochrome production, according to the company.

"We have a very healthy balance sheet at the moment and are in a strong cash position. We have been in the fortunate position to be able to increase our retained income in the past year, and it has been that way year-on-year since our inception," says Metix financial director, Frank Gunther. Metix says it still has large projects on its books, including massive sinter plants at Middleburg Ferrochrome and ASA

Metals, which are set to be commissioned in the second quarter of 2009.

"We are set to finish on site in quarter three of 2009," says Gunther. "We will still be working on the enclosure of Heric's No 1 and No 2 furnaces over the next couple of months. Metix is also busy conducting a few studies for clients around the globe," he says.

At prices as low as US\$0,55/lb Cr, India is currently supplying much of the world's ferrochrome. "India was traditionally a higher cost producer than South Africa due to the cost of our electricity being far lower. However, South Africa's electricity costs are rising now and India has the advantage of being highly labour intensive, which makes capital costs on their plants lower. At these

prices, however, India is merely liquidating assets," details Gunther.

He estimates that the ferroalloy industry worldwide is running at around 32% of its rated capacity, but Metix is currently exploring a number of opportunities. "We are in discussion with various companies in the East as well as in the Middle East," he says. "The manner in which we can enclose a furnace is also getting attention right now, as clients are looking not only to improve productivity, but to work with more environmentally-sound equipment. It's also a good time to upgrade, with some of the big producers only expected to ramp-up production or to come back online in the third quarter of 2009," adds Gunther. ☪