

## Centravis: Finding fresh opportunities

Headquartered in Nikopol, Ukraine, Centravis is a leading supplier of high-quality solutions in seamless stainless steel tubes & pipes with the clear vision to be the company of choice for worldwide customers. Impressively, the company is number two within the Custom Union (CU) – former CIS, number four within the European Union (EU) and number eight within the world for sales volumes with a global market share of 3.8 percent. Its production facility is located in Nikopol town in Dnepropetrovsk region of Ukraine and is one of the largest European facilities that specializes in manufacturing seamless stainless steel tubes and pipes. It houses both hot-extrusion and cold-drawing shops.

Proudly offering a product portfolio that includes over 1000 sizes of more than 100 corrosion and heat resistant steel grades, Centravis has six distinct product segments: Instrumentation Tubes; Boiler Tubes; Hollow Bars, Furnace or Heater Pipes; Heat-Exchanger Tubes; and General Tubes & Pipes. The company's entire product range encompasses more than 100 international certification standards including American Society for Testing and Materials (ASTM) and the Regional Standards (GOST) maintained by the Euro-Asian Council for Standardization, Metrology and Certification (EASC). Centravis supplies products to major industries including oil & gas downstream, chemical & petrochemical, power generation, automotive and mechanical engineering to such worldwide markets as EU, NAFTA, Middle East, CIS and Asia. Ready to assist clients, Centravis has a broad network represented by sales offices and agents across all key geographies.

Despite this strong global presence, the first half of 2016 has been a challenging time for the worldwide tube and pipe industry and Centravis has been no exception. *Stainless Steel World Americas* spoke with Mr. Yuriy Dinets, Sales and Marketing Manager for Centravis Sales America and Mr. Peter Gorban, Head of Business Development and Sales Support for Centravis Production Ukraine about how the company has managed to cope amidst the global market decline.

By Candace Allison

### North American activities

When Centravis was last featured in the *Stainless Steel World Americas* Spotlight in August 2014, Centravis Sales America Team detailed that, "We entered the US market in 2002, and in 2005 the company opened its representative office in Houston, the energy capital of the world. In only nine years it has transformed itself into a force to be reckoned with. In 2014 we are already well on our way to once again doubling our presence in the North American Free Trade Agreement (NAFTA) market."

Yuriy clarified that now, two years later, Centravis has continued to pursue its strategy to significantly grow its market presence in the United States. However, since there has been a noticeable slowdown in the overall oil & gas industry due to the low price of oil, the company has had to take into account the current North American economic climate and explore new market niches. With that being said, this overall 'market slump' in the USA did not interfere with Centravis' constant goal of always making its client relationships a number one priority. For instance, Centravis has become a preferred supplier for many

of the big name companies across a variety of industries. Establishing these working relationships has been the company's main task and it has been more than successful. These strong customer relationships help the stakeholders plan their activities more strategically to be able to rely on certain commitments when estimating the sales numbers, which in turn helps keep the company in a stable and profitable position.

Also reported, was the company's launch of "Team America" which was intended as a way of gaining a larger presence in North America by implementing changes that would help the Ukraine mill and the Houston location work together more efficiently. This team was formed at the Nikopol mill to provide North American sellers and customers additional support in their own time zone, it was made up of technical, planning, marketing and logistics managers as well as documentation personnel, who could immediately answer questions and provide support to the customer when it was needed most.

Yuriy substantiates that now, two years later, "This project has proven

itself to be highly valuable with clear and tangible results: Within the two years since the project launched, we have trained and educated a team of experts on every aspect of working within the NAFTA markets. We have even sent those team members on educational trips to the US to learn in the proper context. With all of our team members being accomplished experts in their own areas of knowledge and expertise (such as product engineering, production planning, supply chain management costing and logistics). The joint expertise of these professionals with the familiarity and knowledge of the business climates in United States, Canada and Mexico has become an invaluable asset in further establishing Centravis as one of the market's top suppliers. This lets our customers know how serious we are about our service and our commitment to them and their needs."

### Exploring other markets

Part of this commitment includes Centravis offering the North American market all the flagship products the company is well known for overseas such as heat-exchanger tubes and furnace or heater pipes. As a result of the equipment upgrades American clients



Mr. Yuriy Dinets, Sales and Marketing Manager for Centravis Sales America.

can choose from the entire range of furnace pipes including ones with a maximum length of up to 15 meters. Regardless of size, all the tubes are manufactured with the highest quality standards and are ready to be shipped within eight to 10 weeks from the order placement date. Competitive delivery times, size selection and ability to meet special requirements (e.g. four hour thermal stabilization for certain heater-specific grades) have made, in the last several years, the furnace pipes one of Centravis' flagship products in the US.

General Tubes and Pipes (GTP) and instrumentation tubes for oil & gas industry are also very popular in the US market. Even though Centravis has gained a well-respected reputation in the worldwide industrial marketplace with these innovative products, the current downturn in oil and gas has caused many projects to be either delayed or shutdown entirely. As a result, the company has wisely begun to explore other niche markets where its products are well-received and widely used.

For example, the company's boiler tubes, available in a variety of corrosion-resistant alloys, are becoming an increasingly popular item throughout North America's power generation industry as they can be used in high temperature environments. Centravis is an expert in this area as it has achieved over 50 years of experience manufacturing boiler tubes for coal-fired power plants in CIS countries. Company's goal now is to share existing experience with the purpose to ensure the best service to customers





## amidst the global market decline



Mr. Peter Gorban, Head of Business Development and Sales Support for Centraviv Production Ukraine.

at other markets. Like the boiler tubes, the company's hollow bars are also a product that is being widely used in industries outside the direct oil and gas market such as mechanical engineering, chemical and petrochemical, shipbuilding and automotive industries. Peter explained, "Hollow bars are manufactured specifically for production of radially machined components: valves, actuators, axes and shafts, connection components, etc. The use of hollow bars minimizes material losses when compared to solid bars and reduces overall need in machining completely excluding operation of equipment for deep drilling."

Mr. Gorban also highlighted that the company has recently invested in cutting equipment for the increasingly growing needs of the automotive segment. Yet another niche market area in the US market that Centraviv has expanded into. The company has become an expert in the industry having mastered fabrication of a variety of automotive tubing products. In fact, the company now owns approximately 30 percent of the total market share in Europe. Centraviv now aims, and is well positioned, to replicate this same success in the NAFTA markets.

### Competitive lead time & quality production

Having further expanded into these niche areas with its boiler tubes, hollow bars and automotive products, Centraviv has successfully achieved diversification in the US market. Not only does the company offer high quality products, but it also offers competitive pricing and lead times. Yuriy noted that in a mature and structured market such as the USA distributors are the main customers and majority of all sales in such markets are carried out through distribution. Outside of the US market, Centraviv also aims to expand its footprint in other North and South American markets such as Canada, Latin America and Mexico.

Another important advantage is the beneficial geographical position of Centraviv's production facility that is located in Ukraine and enjoys access to Ukraine's own international port on the Black Sea, not to mention its close proximity to other European ports, which allows for competitive and dependable shipping options. The average transit time from Nikopol to Houston is approximately four to five

weeks, but if a project is particularly time sensitive the material can be conveniently shipped via airfreight, which takes even less time.

In terms of actual production, Peter explained that, "Regardless of size and application, all of our tubes and pipes are manufactured with the highest quality standards. The company has made significant investments in all critical production equipment and quality control check points at our sole facility in Ukraine and we continue to upgrade the equipment to stay abreast of the technological advancements, so our customers can benefit from the use of modern technology and quality management processes."

### Impressive AMLs & certifications

Due to these strict and meticulous manufacturing and quality control processes, Centraviv has made outstanding progress in getting approved by A-level end-users and Equipment, Procurement and Construction (EPC) companies in not only the NAFTA markets, but also worldwide. Centraviv products are on the Approved Manufacturer Lists (AMLs) in different markets for such big end-user companies as, Exxon, Shell, BP North America, DOW Chemical, Valero, ChevronPhillips, Flint Hills Resources, Phillips 66 and Marathon Petroleum as well as EPC companies as KBR, Technip, Fluor, GE Power, CB&I, KOCH Heat Transfer and S & B Engineering, Lummus and others. It is a well-earned privilege that Centraviv is able to participate in some of the world's most important and critical projects on the market, where only a limited, so-called 'Top League,' of suppliers are even allowed to bid or participate.

Being on such a long list of AMLs for well-regarded and influential companies exemplifies Centraviv's strong current position in the global seamless tubing market as well as the vector of the company's future development. Gaining this approval confirms that Centraviv pipes and tubes have excellent durability in aggressive corrosive environments as well as at low temperatures. The company is flexible enough to offer different products which meet the specific and often very strict needs of end-users and EPCs alike.

Centraviv has recently made several organizational changes including integrating the back office along with the technical division to bring proper and prompt support as well as technical expertise to both its sales teams and customers. This strategy enables Centraviv to always be there to support clients and provide dependable tubing solutions. As Peter aptly concluded, "Centraviv is always close to its customers, ready to listen and go the extra mile to meet, and even exceed, customer expectations. Our solid local presence in many worldwide markets helps reinforce our reputation of being an ambitious company that is committed to providing stellar quality and customer service; we expect no less than being able to further strengthen our leadership position across many of the product segments in the global marketplace."



### Available steel grades

Centraviv offers clients a large selection of assorted steel grades to choose from that will suit a variety of end-use applications from heat-exchanger tubes to furnace tubes to general piping.

#### Austenitic steels

TP 304  
TP 304H  
TP 304L  
TP 316/316L  
TP 316H  
TP 321  
TP321H  
TP 316Ti  
TP317  
TP 347HFG

#### Super-Austenitic Steels

TP 904L  
UNS S31254

#### Ferritic and Martensitic steels

TP 405  
TP 410

#### Duplex

S31803  
UNS S32750

#### Nickel Alloys

UNS N08800/08810/08811  
UNS N08020  
UNS N08825

## CENTRAVIV AT A GLANCE

<b>Company name:</b>	Centraviv
<b>Global &amp; production headquarters:</b>	56 Trubnikov Avenue, Nikopol, Dnipropetrovsk Region, 53201, Ukraine
<b>American headquarters:</b>	3730 Kirby Drive, Suite 1200, Houston, Texas 77098, USA
<b>Number of employees:</b>	Over 2,000
<b>Distribution:</b>	Europe, CIS, North America & Asia.
<b>Products:</b>	<b>Types</b> Heat-exchanger tubes, instrumentation tubes, boiler tubes, furnace tubes, hollow bars and general tubes and pipes. <b>Sizes</b> <i>Hot-finished:</i> Outer diameter 56mm-245mm; Wall thickness 3.5mm-35mm <i>Cold-finished:</i> Outer diameter 4mm-114mm; Wall thickness 0.2mm-12mm
<b>Industry markets:</b>	Oil & gas, chemical & petrochemical, water & wastewater, power generation, including nuclear and automotive.
<b>Website:</b>	www.centraviv.com