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# Spotlight On

## Stellar Tube & Pipe Group Co., Ltd. A rising star in the Chinese Stainless Steel Industry

There are many seamless stainless steel pipe manufacturers in China. Some are already famous on the world stage, but some are relatively young. For the younger companies, it is not particularly easy to get a foothold in the competitive global market. Nevertheless, Stellar Tube & Pipe Group, established in 2006 as a member of Tsingshan Steel Group, the largest producer of stainless steel long products in China, ranks among the bests in the stainless steel tubes and pipes industry in China. During a visit to one of their production bases, a large and modern facility in Wenzhou, China, our correspondent was impressed by the interview with the group's chairman, Mr Chen Shangson and by the company's determination to further penetrate the export market.

By Huang Juan

Only an hour's drive from Wenzhou airport, in a small Tsingtian village, sits the Stellar Group's largest seamless stainless steel tubes production base. The production base includes two main workshops of the Stellar Group: the Zhejiang Tsingshan Steel Pipe Co., Ltd and Zhejiang Stellar Steel Pipe Co., Ltd. Both have well laid out facilities including comprehensive advanced production lines and testing equipment. Here, Stellar Group's heavy investments during the past few years are quite evident.

### Heavy investments in large production capacity

During our discussion, it was obvious that Mr Chen Shangsong, chairman at Stellar, is very proud of the group's rapid development since its establishment in December 2006. "Compared with other companies, Stellar has grown fastest in the Chinese stainless steel pipe industry," he proudly stated. "Take the output of the group for example; the monthly production was only 500 tonnes when the group's first seamless stainless steel pipe workshop Tsingshan Steel Pipe Co., Ltd. started operation in 2004." Mr Chen maintains "however, it now booms to 2,500 tonnes within the group and the sales volume has achieved 2nd place in China's domestic stain-

less steel pipe market place."

To ensure a leading position in both domestic and international markets, the group invested over 10 million Euros in 2008 to establish Zhejiang Stellar Pipe Co., Ltd and Songyang Stellar Precision Stainless Steel Co., Ltd. as two new workshops for seamless stainless steel pipe. When passing by a large green machine in Zhejiang Stellar Steel Pipe workshop, Mr Chen explained, "This Model 280 cold-rolling line can handle pipes with a maximum OD up to 325mm which seldom can be found in other Chinese plants." Relying on the advanced production facilities in each workshop and their experienced staff, today's Stellar Group produces a wider range of products for more applications. Here, all standard seamless stainless steel pipes in austenitic 304/304L, 321, 310s, 347H, S A F 2 2 0 5, 316/316L/316Ti, 317L with an outside diameter from 6mm up to 830mm, and wall thickness from 1 to 40mm as well as some duplex pipes are available to clients. These products have wide ranging applications in many industry sectors, including oil & gas, petrochemical, aerospace, ship building, power generation, water treatment, sea water desalinization, offshore drilling and food & beverage.

"We also have achieved class B of supply qualification for nuclear power generation," added Mr Chen. He continued by saying, "Apart from the seamless stainless steel pipes, Stellar will also be able to offer welded stainless steel pipes since its subsidiary Irestal (Shanghai) Stainless Pipe Co., Ltd., a jointed venture with Spanish Irestal Group, will start operation later this year."



Stellar Chairman: Mr. Chen Shangsong

### Quality products delivery at short notice

It is one thing to have a widely producible size range of products and another to receive a confirmation that the quality of the products is good. "As a member of Tsingshan Steel Group, the largest producer of stainless steel long products in China, Stellar is very much aware of the brand

and reputation of the whole Tsingshan Steel Group. Therefore, it has always had a strong focus on quality," stated Mr Chen.

To accomplish this essential mission, Stellar has made great efforts. In addition to a full wide range of inspection facilities for semi-finished and finished products, such as a reading spectrometer and instrumentation for chemical analysis, in

DIN2462/17458/17456 and EN 10216-5.

Owing to the premium quality of products, Stellar has become a reliable supplier for both domestic and overseas customers, such as CNPC, CNOOC, Keppel Group in Singapore, IMS Group in Europe and ALG Group in South America. Later this year, they expect approval from Petrobras. "Our products even contributed to the launch pad for Spacecraft Shenzhou 7!" said Mr Wan Chengbei, the export manager.

When further discussing Stellar's competitive edge, Mr Chengbei elaborated on Stellar's short delivery times, "Actually, in many cases, Stellar won the orders by its fast delivery which our competitors cannot equal. One example can be the delivery to CNPC-Indonesia pipeline project. We deliver 10km 316L pipe for this project per year. Actually, there was another company who once supplied this project, but Stellar has been selected to be the only supplier from 2006 until now. The reason is that our delivery is much faster than that of our competitor!"

"Another example can be the award of contract with the stated owned project with Jingtang Steel group, which also relied on our outstanding fast delivery." Added Mr. Chen who then continued, "And we guarantee fast delivery because we have a strong mother and brother be-



### Facts & Figures

**Name:**  
Stellar Tube & Pipe Group Co., Ltd  
**Founded:** 2006  
**Main Products:**  
all standardized seamless stainless steel pipes in austenitic steel with outside diameters from 6mm up to 830mm and wall thicknesses from 1 to 40mm.  
**Key applications:**  
oil & gas, petrochemical, aerospace, ship building, power generation, water treatment, sea water desalinization, offshore drilling and food & beverage.  
**Employees:**  
1200



# Spotlight On

## Bulletins

### Offer to acquire Crowflight Minerals

China Jinchuan Group has offered CAD 150 million in cash to acquire Canadian junior nickel miner Crowflight Minerals Inc, driving Crowflight's shares up by 44%. The deal will see Jinchuan take control of Crowflight's Bucko Lake nickel mine in Manitoba. The offer is premised on Jinchuan obtaining 100% of the output from the Bucko Lake mine and any other Crowflight exploration properties that are subsequently put into production. The move is the latest of several recent moves by Chinese companies to gain partial or full control of Canadian mining assets to lock in supply of base metals.

### Low residual stress U-Bend tubing

RathGibson, a manufacturer of welded, welded and drawn, and seamless stainless steel, nickel, and titanium tubing, now has the capability to control the residual stress levels in U-Bend tubing for Stress Corrosion Cracking (SCC) alloys used in SCC environments. RathGibson produces U-Bend tubing with the residual stress controlled to 5000psi or less for SCC susceptible alloys. The effectiveness is verified by actual SCC testing. The tubing is fabricated at RathGibson's integrated in-line U-Bend Manufacturing Center, located at the Janesville, Wisconsin, US facility. Using stainless steel, duplex stainless steel, super austenitic, and super ferritic/ferritic, U-Bend tubing is offered across a wide range of tube ODs and wall thicknesses. All tubing complies with ASTM / ASME A688 / SA688 and / or A803 / SA803 specifications as applicable.

### Iron ore in Brazilian Northeast

Indian-owned, UK-based Zamin Resources has one major iron ore project under way in Brazil and is keen on developing others in the country and neighbouring Uruguay. Zamin owns 50% of Bamin JV with Kazakhstan Eurasian Natural Resources Corp. that is developing a mine at Caetitê in Bahia state in the Brazilian NE. The mine will start operations in September 2012 and produce up to 25 million tonnes per year of iron ore concentrate. Iron ore reserves in the area are estimated at 2.5 billion tonnes. The company is also in the early stages of prospecting a 6 million tns/yr iron ore project called Greystone to the south of the Caetitê mine.



Stellar Export Manager, Mr. Wan Chengbei (Fourth from right) with his team was meeting their client at at Stellar's stand on Tube Düsseldorf 2010 Expo.

hind us. So our company benefits enormously from having quick access to raw materials. Our brother Tsingshan Holding Group which takes 70% of the market share in the semi-finished products material industry in China has its own steelmaking

This kind of management potentially helps us with improving efficiency and short delivery time."

### Green pioneer looks for sustainable development

The "green heart" of Zhejiang Stellar Steel Pipe workshop is the waste

sure zero-emission of waste water, over 400,000 euros have been invested only for this waste acid treatment system. Every year, we also organize staffs to plant trees." By this Stellar, as a green pioneer, proves that the co-exis-

vest more in its R&D centre to develop technology in producing super duplex and ferrite stainless steel pipes, whilst enhancing the existing production capacity of austenitic pipes from current 2500tonnes/month to planned 4000tonnes/month in a 3-5 year time.

### Future Strategies

Most sales of this year are generated from the domestic market due to this year's economic situation, nevertheless, the group plans to focus more on the international market. To be closer to the international market, Stellar hopes to cooperate with foreign enterprises in various ways, taking into consideration joint ventures in China or in the co-operator's region. "With its state of the art production facilities and strong support from the mother group, Stellar upholds the idea of serving the international market with its premium products and brand. From the very first day, quality, service and brand awareness always comes first for Stellar, profit stays the second," stated Mr Chen.



Model 280 Cold-rolling Line can handle pipes with an O.D. up to 325mm

workshop which ensures us a secure supply. Furthermore, the company is listed on a stock exchange which gives us strong financial support in delivery"

"Besides, the production efficiency benefited from Stellar's internal production management system should not be overlooked," added Mr Wan who then showed us a form in which we saw notes with detail time from different departments of the workshop. He explained, "We utilize this form to better control every production process, from raw material brought into the workshop until the finished production. Every step remains traceable whilst we offer our customers an online information search system for them to know about every process step of their orders once placed.

acid treatment system and exhaust gas collection tower. Mr Wan explained, "Stellar realizes its social responsibility and loves the land where it located, that's why we invest a lot in environment protection. To en-

tence of a modern industry production base with the natural environment is reasonable and achievable.

"We look for sustainable development," said Mr Chen who indicated that in the future Stellar will in-



Continued from page 1

The impact of the spill on those plans is still unfolding. Deputy Interior Secretary David Hayes confirmed that the administration would be announcing additional steps in the coming days to ensure drilling safety. White House press secretary Robert Gibbs said the president will reserve judgment until the cause of the rig's explosion is determined. In the meantime, the President has stopped any new offshore drilling projects in federal waters until new rules are in place to prevent a repeat of such a disaster.

## Bulletins

### Lincoln Electric celebrates 115 years

Welding equipment manufacturer Lincoln Electric is celebrating its 115th year anniversary in 2010. In 1895, John C Lincoln founded the company with a capital investment of USD 200. His younger brother, James F Lincoln, joined the company in 1907, and together the two brothers built a foundation of corporate values that still drive Lincoln Electric today.

### US to review duty on stainless flats imports

The US Department of Commerce has initiated five-year sunset reviews for antidumping and countervailing duties on various stainless sheet products from a list of host countries. The US Department of Commerce and International Trade Commission initiate and conduct these reviews every five years to determine if repealing duties will lead to the continuation or recurrence of dumping or more subsidies.

### Sandmeyer introduces its Australian office

Sandmeyer Steel Company has announced the appointment of Forgings, Flanges & Fittings (FFF) as the company's representative office and sales support center in Australia. Located in Balcatta, near Perth, in Western Australia, FFF will assist Sandmeyer Steel in penetrating the Australian and New Zealand markets for stainless steel and nickel alloy plate products.