



DANIELI  
THE RELIABLE & INNOVATIVE  
PARTNER IN THE METALS INDUSTRY



# DANIELI & C. Officine Meccaniche S.p.A.

INDIA: Conoscere per agire  
Witness of Danieli Group  
26 Ottobre 2012  
Renato Pezzano

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	INDIA	CHINA
POPULATION	1,2 BILLION	1,3 BILLION
CURRENT STEEL PRODUCTION	72 MTPA	683 MTPA
CURRENT STEEL CONSUMPTION (PER PERSON)	35 KILOGRAMS	400 KILOGRAMS
PROPOSED STEEL PRODUCTION (BY 2017)	120 MTPA	850 MTPA



Producer	Existing Capacity MTPA		Capacity by 2017 MTPA	
<b>LARGE INTEGRATED STEEL PLANT OWNED BY GOVERNMENT COMPANIES</b>				
	SAIL	12	21	
	RINL	3	6	
	NMDC	0	<b>15</b>	<b>30</b>
<b>LARGE INTEGRATED STEEL PLANTS OWNED BY PRIVATE COMPANIES</b>		<b>26</b>		<b>56</b>
<b>OTHER SMALLER STEEL PLANTS / SECONDARY STEEL PRODUCING PLANTS OWNED BY PRIVATE COMPANIES</b>		<b>31</b>		<b>34</b>
<b>TOTAL</b>		<b>72</b>		<b>120</b>

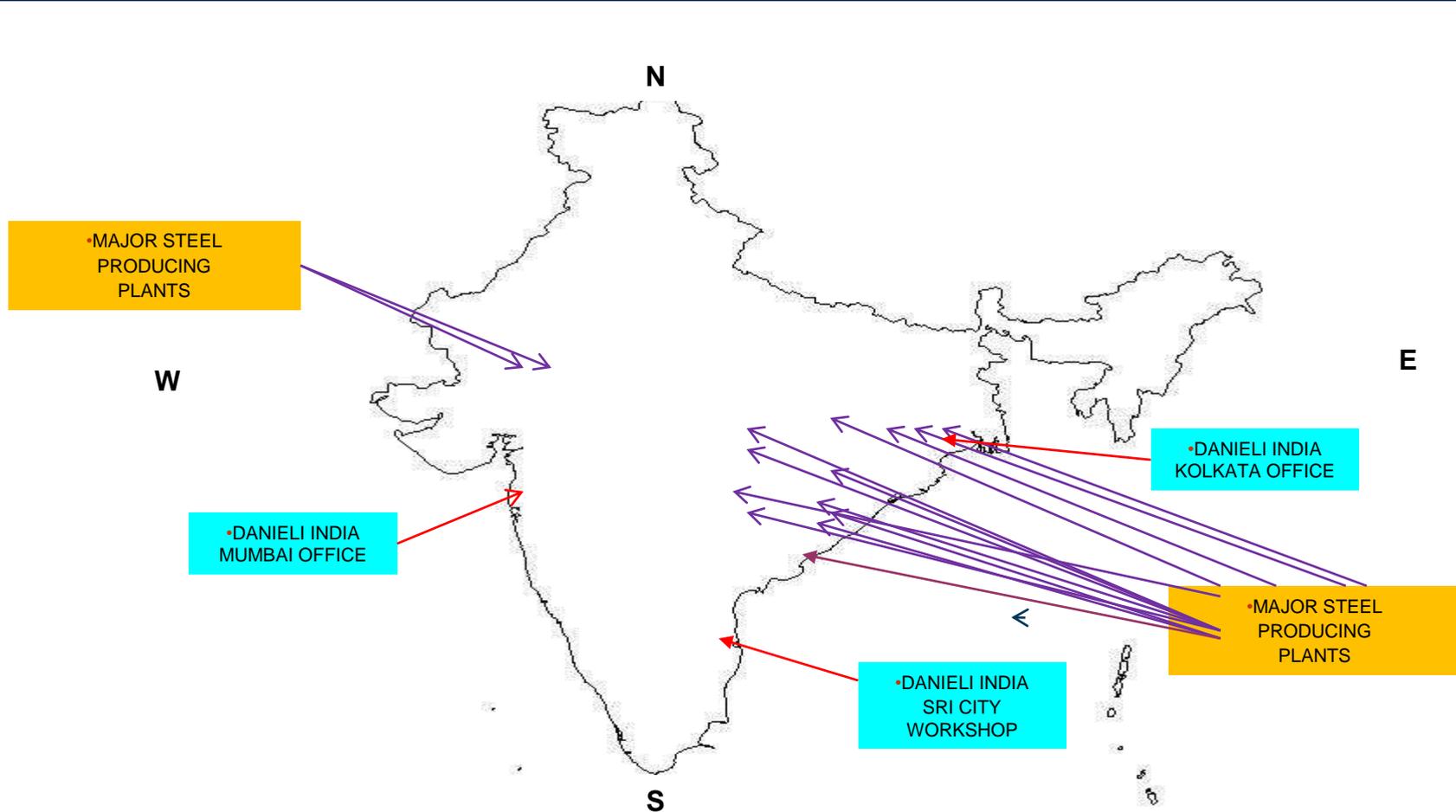




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# DANIELI INDIA LTD.

## DANIELI LOCATIONS & MAJOR INDIAN STEEL CUSTOMERS

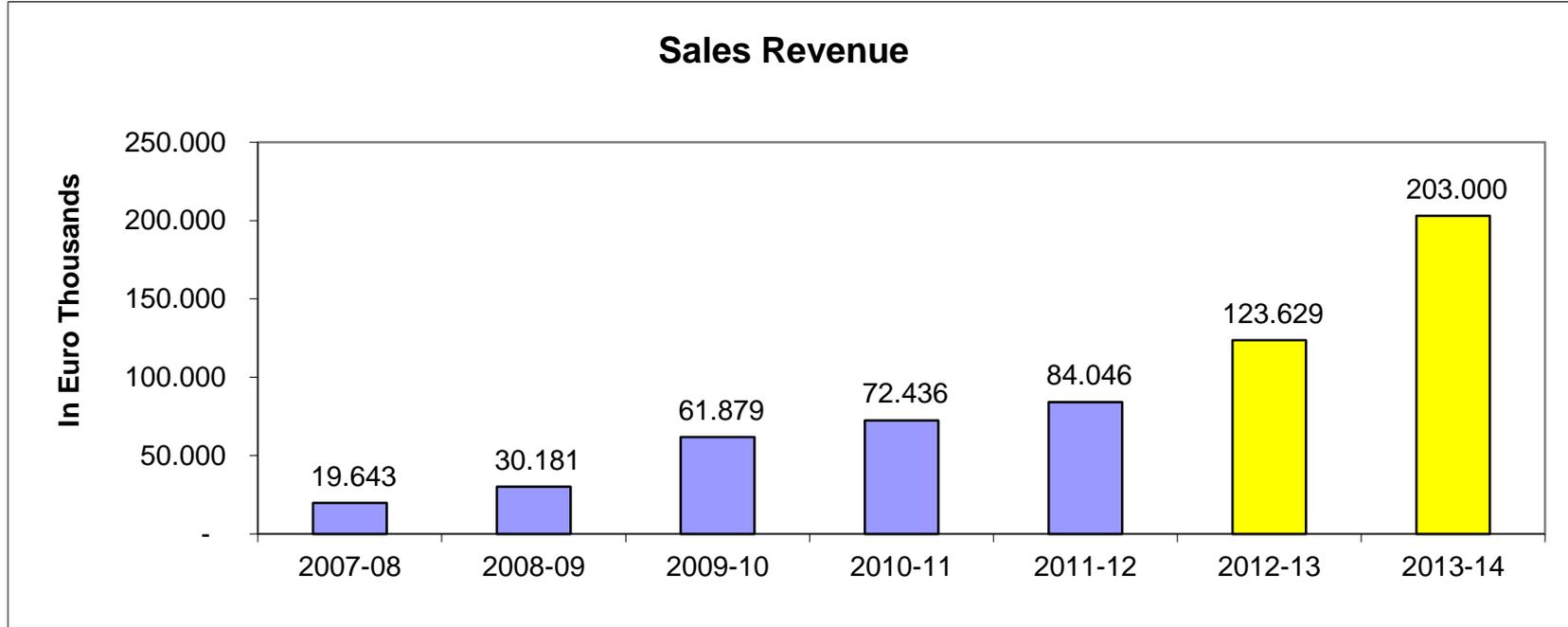




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# DANIELI INDIA LTD.

## Company financials

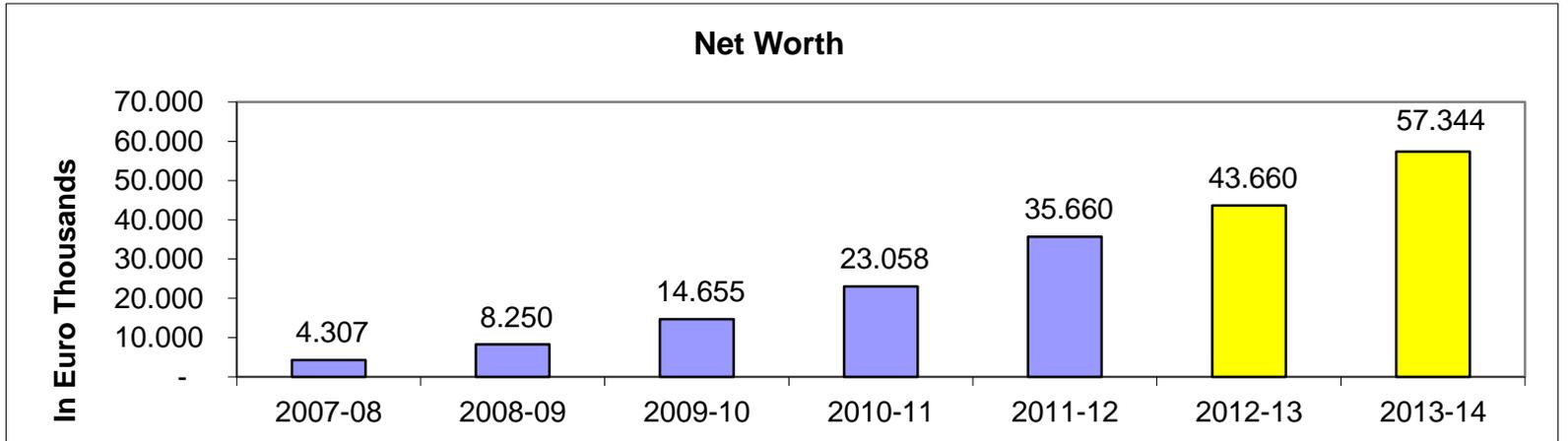
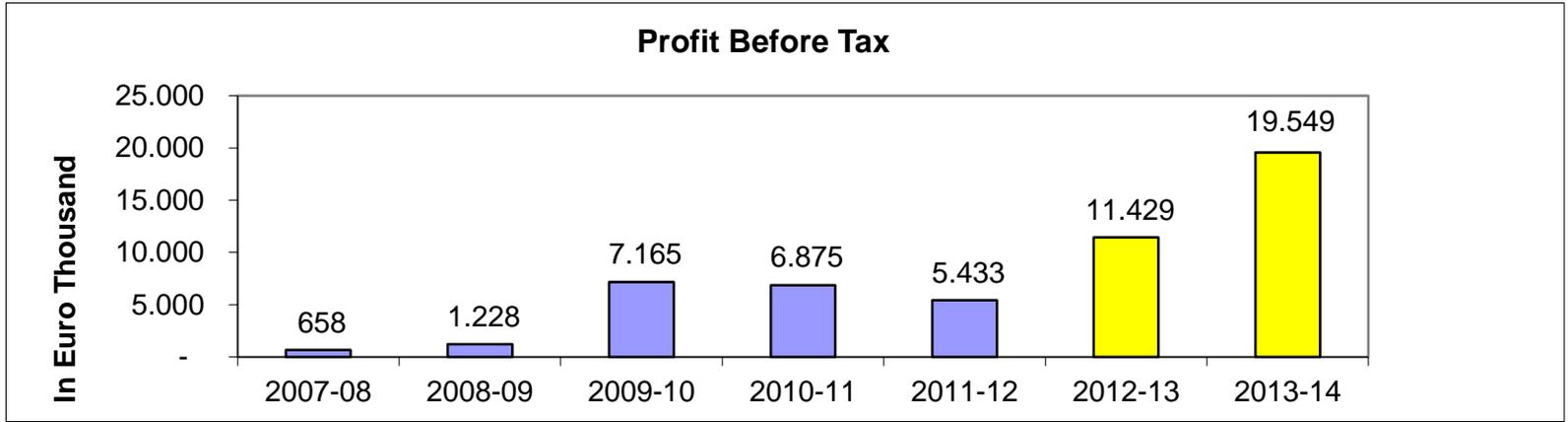




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# DANIELI INDIA LTD.

## Company financials





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# PRODUCTION FIGURES

These figures refer to first 3 years

	Fabrication	Machining	Assembly	Warehouse/shipment/Quality	Total
STEP 1	8.700 sqm	9.000 sqm	17.000 sqm	5.600 sqm	40.300 sqm

Department	unit	Step 1 (after 3 years)	Starting point
FABRICATION	person (worked hours)	84 (205,212)	24 (58,632)
MACHINING	person (worked hours)	53 (129,479)	11 (26,873)
ASSEMBLY	Person (worked hours)	176 (429,968)	31 (75,733)

Indian white collar	person	84	47
Expat white collar	person	15	8





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# Ground levelling October 2011





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# Footings (Civil) completed January to May 2012





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# Building started April 2012 to January 2013





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Today!





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# Targets

Building completion January 2013  
Landscaping October 2013





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## To be taken into account while operating in India:

- Indian businessmen are very tough and difficult to deal with, in some cases they appear arrogant and without ethics. Indeed it looks like that but true is that their ethics are simply different from ours and they are not doing it on purpose with you but with all counterparts, so we must be patient and expect any possible and impossible (for our culture) development of a negotiation.
- A business is secured only when the first payment is in your hands and even though many times the project is modified on the fly.
- Indian market is very much developing, up to 5/10 years ago, a part from rare cases, the only criteria of selection was price, now, more and more entrepreneurs are considering the prime choice suppliers and those will be the leaders in the future. On top of it Chinese companies are not very much considered by Indians.





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## To be taken into account while operating in India:

- There is a huge interchange of information also among competitors so operating properly with good quality is the best marketing tool.
- There are many so called helpers trying to demonstrate their knowledge and influence toward certain potential customers. A part from rare cases they are useless since in India final decision is usually actively taken by the Company owner and he usually is very easily accessible by potential suppliers.
- Excess of bureaucracy is a big problem in India, it extends realization time of any investment in the Country. In particular, when dealing with public companies you should be structured with the proper local team for a proper follow up of public tenders.
- If you plan to open a branch in India, is not difficult to find well educated brilliant people, only be careful to the huge personnel turnover common to any fast developing Country





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Thank you

