

# Aachen 2014: Almatiss look to positive future with diversified portfolio

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As the world's leading speciality alumina producer Almatiss' thoughts on the market are always a good indication on trends looking ahead for the whole industry. The optimism displayed by the company underscored other accounts by refractories and raw materials producers this week in Aachen and Rimini.

World leading [speciality alumina](#) producer Almatiss GmbH told IM at the sidelines of this year's 57th Colloquium on Refractories, held in [Aachen, Germany](#), that it had a positive outlook for 2015.

"We had two good years and are growing above expectations," Barbara Steuler, director of corporate marketing, told IM.

"Definitely what we have been hearing [at the Colloquium] is that the vast majority of people are positive about the next year. There are more purchasing people in attendance and people are engaging more," she added.

"From a global standpoint we have seen stronger growth in the US as well as in South America, with Brazil leading the way," Leslie Power, vice president, commercial refractories at Almatiss, added.

The company added a new trading entity in Brazil to provide better service to its growing customer base in the area and had seen that investment pay off this year, Power added.

"We are satisfied with the European environment. September is normally when people start to have a view of next year and what we have heard so far is positive," Steuler said.

Looking ahead, both Steuler and Power said that they believed that India was an area for continued growth, but also said that they had seen positive signs from, Japan, the US and South America.

## New Products

Almatiss told IM that it had developed several new products, one of which was a brown sintered alumina (BSA 96), which, Steuler said, had been received very well by customers.

The product, BSA96, was developed as a cost effective product that can substitute and outperform brown fused alumina (BFA) due to its homogeneity and consistency in performance in a number of applications. The feedstock basis is independent from China

## Chinese demand patterns

Almatiss explained that they had seen the Chinese market turn towards tabular alumina and away from the white fused alumina product, but added that this trend was isolated to the Chinese market.

"With western markets that shift took place a long time ago," Power said.

Chinese overall market demand remains growing despite the slowdown in steel production, Power said.

"China's growth is slowing, but it is such a large market and still has huge potential."

And the company believes that demand for its products will continue to be strong in China, as older steel mills continue to close down and the shift towards new, clean steel technologies continue.

In 2012 the company invested in a calcined alumina kiln in China, to develop western-spec products for the domestic market.

"The investment in the kiln was a big milestone for us and we started running it 2013-14. It has progressed nicely and we have a good growth rates into the ceramics and refractory markets. It is a premium product for the Chinese market," Steuler said.

## Prices

Almatiss said that it believed prices for Chinese products would go up for the western market, as recent forecast projects that the exchange rate between the dollar and euro will go up and as such imports less attractive. As a result, "Europe will be sourced with more European based materials."

"This will be a good opportunity for products like BSA," Steuler told IM.

The company said that it will be increasing its prices across its product base in 2015.

“We have had expanding costs over the past few years and we ended up absorbing those costs as we couldn’t pass them on to our customers,” Power explained to IM.

“In 2015 we cannot continue in this direction and need to take a portion of those cost increases to the market,” she added.

The cost increases will depend on the region, and of course the product, but will be in the range of 3-5%, Power said.

Costs have risen across the board for the company, Steuler added, pointing to increased freight and raw material costs, as well as increased labour costs.

#### Burnside

The company’s acquisition of Ormet Corp.’s [Burnside](#) refinery, based in Louisiana US, marks an important strategic step for Almatris as it will provide the Group with its own feedstock for the production of premium alumina products, supplementing external sources. “This is a major investment for the future of Almatris that will enable us to better manage and secure our long-term feedstock quality, costs and supply to our production network around the globe,” Steuler explained.

Prior to purchasing Burnside, we ran trials in order to ensure the plant was capable to meet our specialty feedstock specifications and we were very pleased with the result, Power said.

“In 2014, we’ve concentrated on building an organization that will bring the facility up to Almatris’ standards for quality control systems and EHS,” she added. In 2015, Almatris will start initiatives to expand the product portfolio out of Burnside. Standard and chemical grade aluminas from Burnside are examples, Steuler added. “We see there are many opportunities to explore” she said.