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TRUST QASCO STEEL TO BE THE TOUGH BACKBONE OF ALL YOUR STRUCTURES



*Sincere Felicitations and
Best Wishes to*

H.H. Sheikh Hamad Bin Khalifa Al Thani
the Emir of the State of Qatar

H.H. Sheikh Tamim Bin Hamad Al Thani
the Heir Apparent

the Government and the people of Qatar on the occasion of the
34th Anniversary of Qatar's Independence.

Yousef Hussain Kamal

Minister of Finance & Chairman of QASCO

Board of Directors,
General Manager, Management &
Staff of Qatar Steel Company Q.S.C.
(QASCO)

A subsidiary of Industries Qatar (IQ)



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EDITOR'S MESSAGE

Dear Alsolb Reader,

The 75th Issue of Al Solb Magazine coincides with the Independence Day, which embodies freedom, glory and national pride under the leadership of H.H. Sheikh Hamad Bin Khalifa Al Thani, the Emir of the State of Qatar and H.H. Sheikh Tamim Bin Hamad Al Thani, the Heir Apparent.

Qatar Steel Company (QASCO) plays an important role in and contributes vigorously to the present economic boom, prosperity and development in Qatar. This remarkable contribution is represented in the increase of production in order to meet the demand of the local and overseas markets through the new expansions of QASCO which has favorable and enhancing influences on the economy of Qatar which is prospering under the wise leadership of H.H. the Emir.



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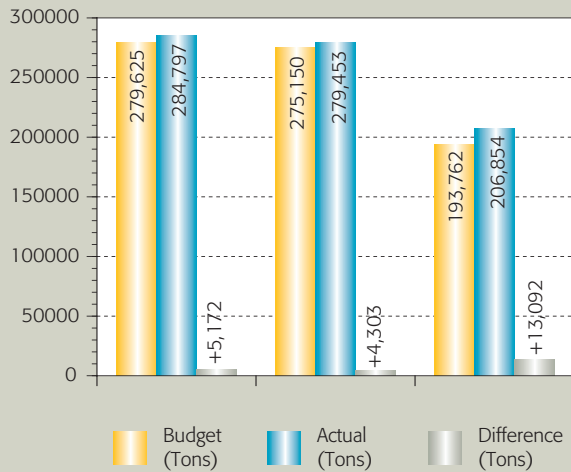
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PRODUCTION DIVISION

PRODUCTION UNITS IN THE MANUFACTURING DEPARTMENT

The performance of all the production units in the Manufacturing Department (EF/CC/RM) showed overwhelming results during May to July 2005 and exceeded the budgeted figures. The results achieved against the budget in each shop are illustrated below:

	EF Section (Molten Steel)	CC Section (Billet)	RM Section (Bar)
Budget (Tons)	279,625	275,150	193,762
Actual (Tons)	284,797	279,453	206,854
Difference (Tons)	+5,172	+ 4,303	+ 13,092



PRODUCTION RESULT OF EF/CC/RM (May-July 2005)





Special Report: Focusing on Strategic Procurement

Web-based supply-chain solutions free purchasing professionals from many administrative tasks that interfere with strategic procurement

Many purchasing departments' personnel spend close to 80% of their time on the administrative aspects of processing orders for new inventory and supplies, monitoring delivery and resolving discrepancies between what was ordered and what arrived. This time can consume as much as 40% of a purchasing department's overhead budget.

Even if the figures for a department are not as high, it is likely that an analysis would reveal that much could be gained through streamlining administrative activities.

Strategic procurement supports maximum utilization of plant assets by assuring that the best materials are obtained at the best prices, and available when and where they are needed. This is done through optimized scheduling and timely, cost-effective Maintenance Repair and Operating (MRO) purchases.

Strategic procurement requires two things that have not been readily available to the metals industry purchasing professionals: timely information about what is needed in the mill, and more time to research, negotiate, and build relationships with vendors based on this information.

Web-based supply chain solutions help in both of these areas, providing them with more timely and accurate data and tools that automate many manual administrative functions.

Most companies still rely on telephones, fax machines and e-mail - first to request needed production and MRO supplies internally, and then to communicate externally with suppliers regarding pricing and availability.

This is the type of non-value-added activity that can easily consume up to 80% of a purchasing department's time. It's also the type of work that can be reduced easily so that the staff can spend more time on strategic initiatives.

One key to improving efficiency is migration to a web-based supply chain management process. Until recently, this has been easier said than done. Web-enabling your supply chain has traditionally required a large investment totaling well into six-figure levels.

Systems, such as electronic data integration (EDI) or portals, often carry a significant level of complexity. Beyond the issue of cost, many purchasing departments have been sidetracked because of the technical strain such systems put on the IT department to ensure security and compatibility with the IT infrastructure.

Recent advances in web-enabled asset management systems offer some relief. The Avantis unit of Invensys Process Systems has partnered with the software firm B2B Summit to provide an asset management supply chain collaboration module that is readily deployable.

It easily links business applications and processes to suppliers, customers, distributors, sister plants, and any other desired location.

The module enables secure web communication of data for such documents as purchase orders, change orders, production forecasts, maintenance planning, and order acknowledgement. By operating through the Internet, it does not require complicated and expensive portals and EDI systems that could tie up IT resources and eat into the budget. The purchasing department interacts through a web



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browser and e-mail, requiring nothing from suppliers beyond their browser and e-mail.

Asset management systems with web-enabled supply chain modules improve procurement accuracy by accommodating two-way communication with vendors. This significantly increases the accuracy of supply chain interaction by eliminating manual tasks, repetitive input of data, miscommunication, paperwork, faxing, and multiple telephone calls.

This also improves communication with customers. Sales order acknowledgement can be sent directly upon order entry and customers can log on to check their order status any time.

This solution increases availability for value-added activities to contribute more effectively to corporate goals. Now there is time to negotiate with existing suppliers, find new suppliers that offer better pricing and products, or enhance the supply chain management system so that inventory, replacement parts and supplies arrive on time and as ordered. The bottom line: time allows for improvement of the company's position to provide their customers with what they want, when they want it, at the best price available.

In the steel industry, where wear and tear on assets occurs more rapidly than other industries, fine-tuning the supply chain management is a must for the success of a maintenance program. This improves product and resource availability, while minimizing the cost of buying high volumes of MRO inventory items.

MRO inventory management requires controlling a large number of low unit value items that are subject to unpredictable demand. A web-enabled asset-management system automates the reorder process by using calculated safety stock levels, replenishment lead-time and available-to-promise' logic based on open purchase orders. This ensures that replacement parts arrive on time, so the maintenance team can proactively schedule preventive work on the assets that keep the production line running smoothly, as well as all the facility components and infrastructure that make it possible for employees to perform their jobs in a comfortable environment.

From a cost standpoint, a web-enabled supply chain solution makes even more sense, with a price tag significantly less than the full-blown EDI and portals systems. Rather than looking at an investment in the six-figure range, companies can make their supply chain more efficient for somewhere in the low double digits: US\$ 20,000 to US\$ 50,000 depending on the scope of their operations. Most companies that invest in the solution recover their costs within the first year from the time they save on order placement and follow-up.

This type of solution does require some change in mind set, since most purchasing departments have come to feel comfortable with their system of faxes and phones. After all, it is a system that works. But to remain competitive in the ever-consolidating metals industry, companies must look for opportunities that offer greater efficiencies and lower costs. Web-based supply chain management represents one of those opportunities and comes with a fast return-on-investment.

by Trevor Ruthenberg



THE TRAINING ANALYST



Mr. Mohd. Nasser M. Al-Subaiey
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The Need

The corporate world today poses a challenge to every industry in keeping pace and in tuning to the demands of the customer, and technology is a virtue, running abreast and ahead of all past developments. The industries do not wish to lose opportunities on prancing on to the advances of technology thereby losing on business growth.

The growth of an industry largely relies on the growth of technology remotes and automation and this comes with learning and enhancement of knowledge and skills.

Therefore in order to accrue advanced knowledge and skills to bridge the void between the customers' need/demand and the industrial ability, training needs are overwhelming desired. And so the need of a Training Analyst.

Best Practices

The best practices in training are the most desired and excellent forms of training. This can be obtained within an organization from the experienced line managers and well placed technicians.

Outsourced resources will not resonate or create the desired impact on the trend for the simple relative reasons.

The trainer from within the organization will be better equipped with the practical know-how and applications of each of the processes, whereas the outsourced trainer will merely stick to the theory or to his module of experiences.

However it is recommended to obtain (outsourced) short-term courses & practical information on new and advanced technology.

Purpose & Objectives

- Keep pace with the technological advances.
- Understand the needs for analysis within the context of the training cycle.
- Learn different models for conducting training need analysis.
- Learn the difference between competencies and competencies.
- Understand the importance of evaluation of training.
- Develop the knowledge to conduct evaluation at a variety of levels.

- Create a plan of action, conduct training analysis and implement.

The Role of a Training Analyst

- Apprise the stake holders (Line managers, Sr. Management).
- Study feasibility and scope of training.
- Influence variable advances of technology.
- Resources, training mediums and faculties.
- Create training programs, manuals & modules.
- Assess and analyze training outcomes.
- Motivate training process.

Training Need Analysis (TNA)

TNA must be carried out to identify the areas where development is necessary.

The line manager, plays a vital role, with direct links with the work process and the level of skill and knowledge required for any task.

Credibility of the TNA is derived from the essence of the feedback report.



Analysis is based on the comparative outcomes of the knowledge and skill required V/S work procedures and functionality of equipment.

Analysis of experience shows deficiencies and lack of progress in the absence of influence and motivation.

Task & Competencies

Competence and competency are two forms of qualities defining the quality of performance and the ability to perform a task, and both hold importance in assessment and evaluation of skill or tasks.



Key task analysis provides a structure of description and shows how the activities fit together.

These terms define the analysis through a breakdown of hierarchy, showing the elements that describe the path of experiences the learner must take to achieve competence.

Evaluation and Return of Investment

Follow the main CONSTRUCTS during evaluation for correctness and authenticity. The constructs are denumerable as positive and negatives, like:

POSITIVES

- a) Delegation
- b) Listening
- c) Communication
- d) Help
- e) Friendly
- f) Trustworthy

NEGATIVES

- Poor speakers
- Does not Listen
- Keeps all to himself
- Un-helpful
- Non-descript
- Un-dependable

Listening is the most valuable construct in evaluation of behavior.

Evaluation of behavior and ethics is usually non-measurable and change of behavior is almost impossible, whereas attitude is changeable.

Behavior is by virtue of birth or in-born and leaves a trend, whereas attitude is developed and can be reformed.

Calculating the Cost and Returns

The concept of training revolves around the purpose of training and its benefits. The cost and the returns must be measurable.

Calculate the cost of training from the very beginning i.e. the TNA to the end result of the training period, including the opportunity costs.

The ROI (Return of Investment) can be summarized with the benefits, like improved performance, improved quality of product, reduced time, reduced waste and scaling of new developments & technological changes.

Bringing it all Together

Best results can be derived only when the course is summarized from the designing stage to the execution of analysis. Compare the training need analysis with the achievement.

The gains are apparent with the overwhelming growth and clientele response. And the purpose and objective for the need of training and the Training Analyst are justified.

QASCO SIGNS FACILITIES AGREEMENT FOR MAJOR PLANT EXPANSION



On 4th July, 2005, Qatar Steel Company (Q.S.C) (QASCO), a wholly owned subsidiary of Industries of Qatar (IQ) signed a Facilities Agreement for US\$ 483.5 Million Term Facility and US\$ 75 Million Standby Facility to fund the expansion of its steel plant operations situated in Mesaieed Industrial City (MIC), Qatar.

Sheikh Nasser Bin Hamad Al-Thani, Director and General Manager signed the agreement with the representatives of the consortium. The financing marks a significant milestone in the expansion aspirations of QASCO, which includes:

- 1) Introducing a new Direct Reduction Plant to annually produce 1.5 million tons of iron to bring DRI production up to 2.3 million tons;**
- 2) Increasing molten steel production from 1.0 million tons to over 1.5 million tons annually.**
- 3) Doubling the rolling capacity by installing a new rolling mill to increase production to over 1.5 million tons annually.**

The detailed design and engineering for the project is in progress, long lead items have been ordered and civil works have started.

The 17-member bank lending group consists of a mix of local, regional and international banks. First drawdown of the facility is expected shortly. QASCO's Financial Adviser is Standard Chartered Bank, London and Legal Adviser is Clifford Chance, Dubai.

The Lenders' Technical Adviser is W.S. Atkins and the Market Consultant employed was Metals Bulletin Research, both based in London.

The target completion date of the expansion project is in July 2007.

27TH ANNUAL SPORTS AND GAMES

Like in the years that went by this year also we concluded our 27th Annual Sport and Game on a flying note. Few new events like Badminton, Javelin Throw, Blind Man Hit the Target and Crazy Race were introduced taking into consideration the interest of the employees. As usual we started with the Marathon Event on 3rd March 2005. The final day was on 2nd June 2005. This year we kept the oldies warm by introducing another age category - 50 years and above.

The badminton tournament was held at Al-Maha Club alongwith with Childrens Football. Mr. Roopesh Rajan (I.T) won the first prize. Both were singles and doubles concluded on a happy note.

For the first time we conducted Javelin Throw in the police ground at Mesaieed. It was a day event and the weather was very good. Akbar Khan led the score chart and got the first prize. 'Blind Man Hit the Target' was a very funny event where only Hussein Nooruddin Kunju of GSD Department managed to hit the target and was adjudged the only winner of the event. People enjoyed the event as they were made to walk blind with a stick and hit the target. On the track event we introduced the crazy race. Mr. Shahbaz Khan (Utility) was the winner followed by Ragab Thamas and Yasser. All the events were conducted with good game spirit. On the final day we concluded the events with Bingo and distributed prizes to the winners.

