



Pulverized coal injection into blast furnaces

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On February 28 the presentation of the contract concluded between Zaporizhstal JSC and the German company 'Küttner' for supply of equipment for integration of the new technology of pulverized coal injection (PCI) in blast furnaces was held.

In the course of presentation Alexander Putnoki, the Deputy Chairman of the Board and Technical Director of Zaporizhstal JSC, noted that at the Works the technical reequipment programme was developed and is currently integrated including power saving and environmental protection measures. One of the main phases of the programme is construction of PCI plant for the blast furnaces. Integration of PCI process will enable reduction in the annual natural gas consumption by 335.9 M cu m and that of coke rate by 330,600 tpy. The new equipment is scheduled to be commission in two phases and will be finally brought on stream in August 2009.

The supplier of the equipment is the German company 'Küttner'. Götz-Alexander Küttner, the company's President, said that his firm had a vast experience of cooperation with the leading European steelmaking companies and the very technology conforms to the environmental Eurostandards. 'It is very important that this plant is a progressive one from the viewpoint of the environment protection since the entire process takes place in the pressurized tanks', he stressed.

While discussing the project economical component Alexander Rabtsun, the Deputy Chairman of the Board and Financial Director of Zaporizhstal JSC, stressed that Zaporizhstal has already made a 15 % prepayment to 'Küttner'. On the total the Works will finance 25% of the cost of the equipment through its internal funds. The remaining 75% of the cost will be attracted as credit resources for 6 years from a number of European banks with participation of insurance company 'Germes'.

Further Alexander Rubtsun noted as follows: 'The Ukrainian Government while approving the budget referred to it as an innovative one. However, it did not cancel the 12% duty on imports of the equipment to the territory of Ukraine. This duty was established with the aim of protecting the interests of Ukrainian producers. However, PCI equipment is not produced in Ukraine. Apart from payment of 12% custom duty to the budget in imports of the unique equipment, payment of 20% VAT is also made what raises the plant's expenditures for such projects by more than one third'. To this effect to encourage the plants for implementation of the environment protection and power saving programs it would be expedient to cancel the custom duty on the equipment the analogues of which are not produced in Ukraine. Also Zaporizhstal suggests to set the VAT zero rate for expenditures related to implementation of such projects'.

Remember that the integration of PCI process is a regular phase of Zaporizhstal technical retooling program For updating, technical retooling and integration of power saving technologies and construction of environment protection facilities from 2001 to 2006 the Works allocated over 3,000,000 hrn of the own funds.

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