

# SeeNews

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## Industry Report

# Manufacture of basic metals 2016 ROMANIA

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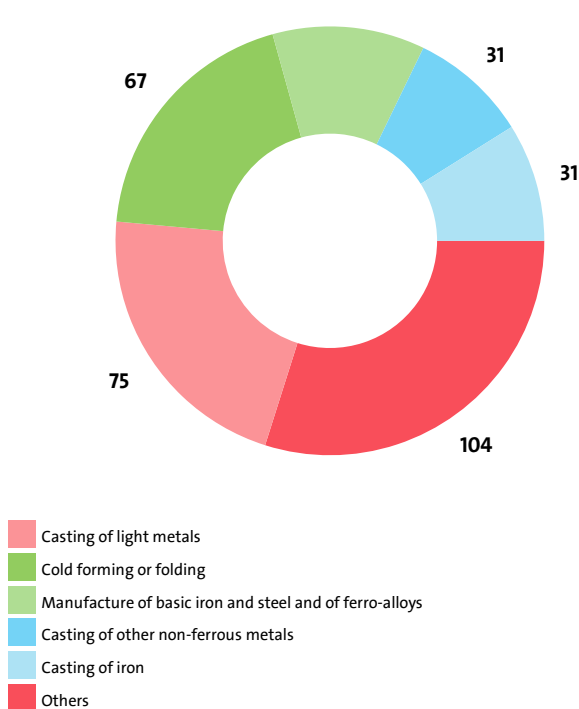
## I. KEY INDICATORS

- The Manufacture of basic metals industry in Romania was represented by 348 companies at the end of 2016, compared to 362 in the previous year and 364 in 2014.
- The industry's net loss amounted to RON 5,726,139 in 2016.
- The industry's total revenue was RON 14,386,052,384 in 2016, down by 11.50% compared to the previous year.
- The combined costs of the companies in the Manufacture of basic metals industry reached RON 14,332,723,680 in 2016, down by 11.86% year-on-year.
- The industry's total revenue makes up 1.54% to the country's Gross domestic product (GDP) in 2016, compared to 1.88% for 2015 and 1.97% in 2014.
- A total of 23,666 people were employed in the Manufacture of basic metals industry in 2016, compared to 24,505 in 2015 and 24,629 in 2014.
- Most of the companies in the industry are based in Bucharest, followed by Olt and Mures.

## II. INTRODUCTION

In 2016 the companies in the Manufacture of basic metals industry numbered 348, distributed in 15 sectors.

INDUSTRY STRUCTURE BY SECTORS AND NUMBER OF COMPANIES



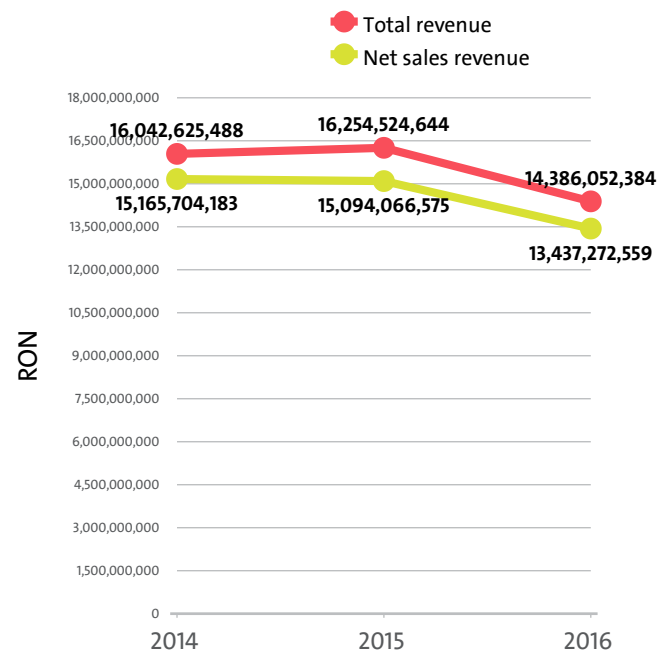
In 2015 there were a total of 362 companies operating in the industry. In 2014 their number totalled 364.

## NUMBER OF COMPANIES IN MANUFACTURE OF BASIC METALS INDUSTRY BY SECTORS

SECTOR	2016	2015	2014
CASTING OF LIGHT METALS	75	79	79
COLD FORMING OR FOLDING	67	68	71
MANUFACTURE OF BASIC IRON AND STEEL AND OF FERRO-ALLOYS	40	40	41
CASTING OF OTHER NON-FERROUS METALS	31	34	33
CASTING OF IRON	31	35	33
MANUFACTURE OF TUBES, PIPES, HOLLOW PROFILES AND RELATED FITTINGS, OF STEEL	26	26	27
ALUMINIUM PRODUCTION	26	25	25
PRECIOUS METALS PRODUCTION	13	16	13
CASTING OF STEEL	8	8	9
COPPER PRODUCTION	7	7	7
LEAD, ZINC AND TIN PRODUCTION	6	6	6
COLD DRAWING OF BARS	6	6	6
OTHER NON-FERROUS METAL PRODUCTION	4	2	4
COLD ROLLING OF NARROW STRIP	4	5	5
COLD DRAWING OF WIRE	4	5	5

## III. REVENUES

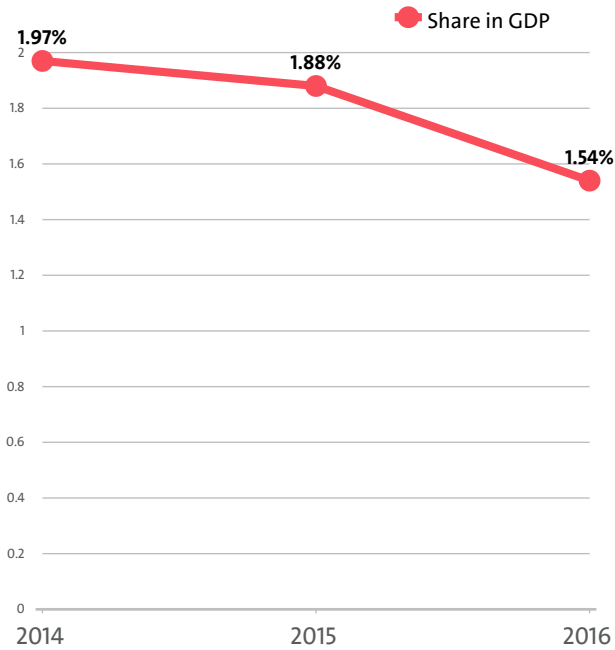
The total revenue in the industry was RON 14,386,052,384 in 2016, RON 16,254,524,644 in 2015 and 16,042,625,488 in 2014.



The companies in the Manufacture of basic metals market of Romania earned combined net sales revenues of RON 13,437,272,559 in 2016.

In annual terms, sales marked a decline of 10.98% compared to 2015. In comparison to 2014 they fell by 11.40%. In 2015 sales dropped by 0.47% year-on-year.

The Manufacture of basic metals industry total revenue make up 1.54% to the country's GDP in 2016, compared to 1.88% for 2015 and 1.97% in 2014.

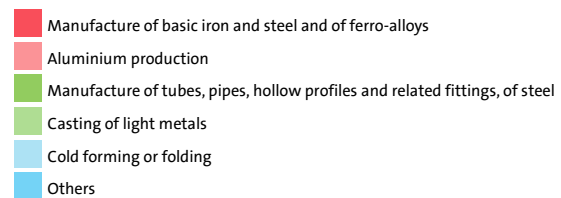
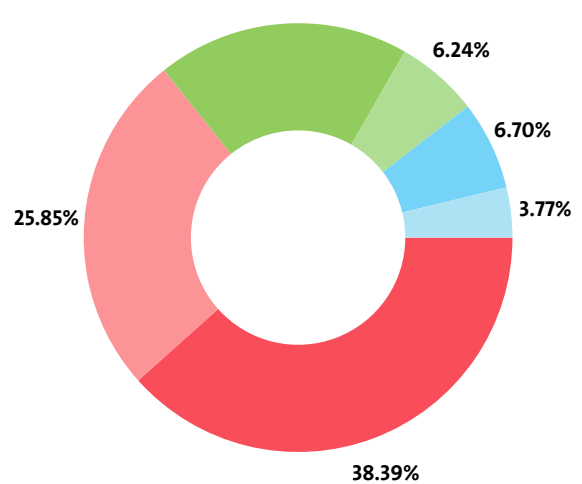


We expect, based on the trend in the last three years, the total revenue of the Manufacture of basic metals industry to change at a compound annual growth rate (CAGR) of -5.30% in 2017.

#### NET SALES REVENUE BY SECTORS

RANK	SECTOR	NET SALES REVENUE (RON)
1	MANUFACTURE OF BASIC IRON AND STEEL AND OF FERRO-ALLOYS	5,158,737,424
2	ALUMINIUM PRODUCTION	3,474,135,247
3	MANUFACTURE OF TUBES, PIPES, HOLLOW PROFILES AND RELATED FITTINGS, OF STEEL	2,559,121,090
4	CASTING OF LIGHT METALS	838,602,785
5	COLD FORMING OR FOLDING	506,989,958
6	LEAD, ZINC AND TIN PRODUCTION	221,857,300
7	CASTING OF OTHER NON-FERROUS METALS	202,491,521
8	CASTING OF IRON	121,700,095
9	PRECIOUS METALS PRODUCTION	116,139,454
10	COPPER PRODUCTION	66,232,896
11	COLD DRAWING OF WIRE	55,534,442
12	COLD DRAWING OF BARS	51,086,329
13	COLD ROLLING OF NARROW STRIP	28,823,323
14	OTHER NON-FERROUS METAL PRODUCTION	19,776,127
15	CASTING OF STEEL	16,044,568

INDUSTRY'S NET SALES REVENUE STRUCTURE BY SECTORS



The highest growth, of 65.95%, was recorded by Other non-ferrous metal production, while Manufacture of tubes, pipes, hollow profiles and related fittings, of steel registered the sharpest decline, of 21.16%.

#### TOP COMPANIES' REVENUE BY SECTORS

SEGMENT	COMPANY	TOTAL REVENUE (RON)	NET SALES REVENUE (RON)
MANUFACTURE OF TUBES, PIPES, HOLLOW PROFILES AND RELATED FITTINGS, OF STEEL	SILCOTUB SA	1,317,546,680	1,234,287,117
	TMK-ARTROM SA	822,594,717	761,920,075
	ARCELOR MITTAL TUBULAR PRODUCTS IASI SA	329,969,190	314,231,496
ALUMINIUM PRODUCTION	ALRO SA	2,416,242,882	2,139,862,434
	ALUM SA	639,788,265	556,144,083
	UNIVERSAL ALLOY CORPORATION EUROPE SRL	456,657,170	347,130,334
PRECIOUS METALS PRODUCTION	MAGIC SILVER DISTRIBUTION SRL	114,286,867	114,030,554
	REXO METALS SRL	1,152,561	1,152,473
	CIP ZET SRL	425,146	184,269
LEAD, ZINC AND TIN PRODUCTION	MONBAT RECYCLING SRL	190,439,207	162,255,112
	WERCO METAL SRL	26,439,615	26,056,897
	SOMETRA SA	24,667,738	19,898,276
COPPER PRODUCTION	LAROMET SA	51,876,449	64,836,918
	TURNATORIA CARPATICA SRL	529,245	528,992
	M.M.SRL	493,889	493,430
OTHER NON-FERROUS METAL PRODUCTION	ZIROM SA	21,192,013	18,911,581
	PRIAMEX SRL	477,186	477,186
	NEFEROPROD DISTRIBUTION S.R.L.	390,023	387,360
COLD FORMING OR FOLDING	JORIS IDE SRL	131,322,035	127,741,861
	FIERCTC SIBEL SRL	101,194,787	100,476,031

PROINVEST GROUP SRL	96,892,373	93,046,105
<b>CASTING OF OTHER NON-FERROUS METALS</b>		
HARSHA ENGINEERS EUROPE SRL	75,676,201	73,959,470
GLOBAL IDEAL TRANS SRL	60,948,431	60,858,150
BRONZE ALU CARPATI SRL	37,338,924	36,816,657
<b>COLD DRAWING OF BARS</b>		
GRANTMETAL SA	30,903,302	24,751,437
MGT GRUP SRL	15,924,560	15,486,559
GML STEEL GRUP SRL	6,408,298	5,977,116
<b>CASTING OF IRON</b>		
SATURN SA	86,222,692	84,939,440
EURO CASTING SRL	9,085,035	8,083,185
UPSS SA	7,911,593	4,812,291
<b>CASTING OF LIGHT METALS</b>		
EUCASTING RO SRL	166,333,795	146,756,862
CIE MATRICON SA	122,813,495	112,817,438
METALSIL PROD SRL	107,124,935	106,294,774
<b>CASTING OF STEEL</b>		
PLASMATERM SA	11,434,523	11,214,114
TRANSCOM-METAL SRL	2,559,352	2,541,970
METFORM SRL	1,512,688	1,438,804
<b>MANUFACTURE OF BASIC IRON AND STEEL AND OF FERRO-ALLOYS</b>		
ARCELORMITTAL GALATI SA	3,482,957,789	3,466,867,877
ARCELORMITTAL HUNEDOARA SA	519,295,375	474,908,361
TMK - RESITA SA	405,707,306	389,127,992
<b>COLD ROLLING OF NARROW STRIP</b>		
GALFINBAND SA	16,031,136	15,185,006
METAL LINE AUTOMATIC S.A.	7,854,783	7,888,833
METALBAND SRL	5,661,097	5,749,484
<b>COLD DRAWING OF WIRE</b>		
SIRME SI CABLURI SA	61,293,455	55,103,709
STEEL OIL PROD SRL	470,014	430,733

The top 10 companies in terms of total revenue in Manufacture of basic metals accounted for 74.36% of the industry's total in 2016, 73.94% in 2015 and 73.33% in 2014.

#### TOP 10 COMPANIES BY TOTAL AND NET SALES REVENUE IN THE INDUSTRY

RANK	COMPANY	TOTAL REVENUE (RON)	NET SALE REVENUE (RON)
1	ARCELORMITTAL GALATI SA	3,482,957,789	3,466,867,877
2	ALRO SA	2,416,242,882	2,139,862,434
3	SILCOTUB SA	1,317,546,680	1,234,287,117
4	TMK-ARTROM SA	822,594,717	761,920,075
5	ALUM SA	639,788,265	556,144,083
6	ARCELORMITTAL HUNEDOARA SA	519,295,375	474,908,361
7	UNIVERSAL ALLOY CORPORATION EUROPE SRL	456,657,170	347,130,334
8	TMK - RESITA SA	405,707,306	389,127,992
9	ARCELOR MITTAL TUBULAR PRODUCTS IASI SA	329,969,190	314,231,496
10	VIMETCO EXTRUSION SRL	306,778,171	268,091,326

The total revenues of the top 10 companies in the Manufacture of basic metals were 1.15% of GDP in 2016, compared to 1.39% for 2015 and 1.44% in 2014.

The top 10 by assets in the Manufacture of basic metals sector made up RON 9,987,260,374, or 74.33% of the total net sales revenue.

#### TOP 10 BY TOTAL ASSETS IN THE INDUSTRY

RANK	COMPANY	RON
1	ARCELORMITTAL GALATI SA	2,970,478,964
2	ALRO SA	2,394,831,174
3	SILCOTUB SA	2,074,693,437
4	TMK-ARTROM SA	1,003,440,921
5	UNIVERSAL ALLOY CORPORATION EUROPE SRL	675,871,262
6	TMK - RESITA SA	669,014,323
7	DOOSAN IMGB SA	569,921,704
8	ARCELORMITTAL HUNEDOARA SA	530,976,574
9	ALUM SA	493,603,695
10	ARCELOR MITTAL TUBULAR PRODUCTS IASI SA	266,165,748

#### TOP 10 COMPANIES BY TOTAL REVENUE IN THE MARKET MANUFACTURE OF TUBES, PIPES, HOLLOW PROFILES AND RELATED FITTINGS, OF STEEL WERE:

COMPANY	RON
SILCOTUB SA	1,317,546,680
TMK-ARTROM SA	822,594,717
ARCELOR MITTAL TUBULAR PRODUCTS IASI SA	329,969,190
MAIRON TUBES SRL	131,168,959
ARCELORMITTAL TUBULAR PRODUCTS GALATI SRL	76,469,965
UPRUC CTR SA	38,130,957
ARMAX STEEL EXPERT SRL	9,575,755
AXOTECH SRL	1,080,228
TERMA STAR SRL	884,063
KRONVENT E.B. GROUP SRL	378,583

The 10 largest companies in terms of total revenue in sector Manufacture of basic metals earned total revenue of RON 2,727,799,097 and accounted for 18.96% of the industry's total revenue.

#### TOP 10 COMPANIES BY TOTAL REVENUE IN THE INDUSTRY ALUMINIUM PRODUCTION WERE:

COMPANY	RON
ALRO SA	2,416,242,882
ALUM SA	639,788,265
UNIVERSAL ALLOY CORPORATION EUROPE SRL	456,657,170
VIMETCO EXTRUSION SRL	306,778,171
GRUPPO RAGAINI ROMANIA SRL	67,178,709
DELTA ALUMINIU SRL	58,434,762
ALBA ALUMINIU SRL	38,585,371
FIERALUM SRL	9,188,169
EMIRAI SRL	4,993,040
ALUSET ROMANIA SRL	2,454,028

The 10 largest companies in terms of total revenue in sector Manufacture of basic metals earned total revenue of RON 4,000,300,567 and accounted for 27.81% of the industry's total revenue.

#### TOP 10 COMPANIES BY TOTAL REVENUE IN THE SECTOR PRECIOUS METALS PRODUCTION WERE:

COMPANY	RON
MAGIC SILVER DISTRIBUTION SRL	114,286,867
REXO METALS SRL	1,152,561
CIP ZET SRL	425,146
RENOMET SRL	360,880
ARASAHIM GRUP SRL	171,519
GESAM NEFERAL SRL	103,522
GOLD RING PROD SRL	75,221

CAMI N.IMPEX SRL	53,704
ORIZONT DESCHIS SRL	41,283
VERDE & CO SRL	18,982

The 10 largest companies in terms of total revenue in sector Manufacture of basic metals earned total revenue of RON 116,689,685 and accounted for 0.81% of the industry's total revenue.

#### TOP COMPANIES BY TOTAL REVENUE IN THE FIELD LEAD, ZINC AND TIN PRODUCTION WERE:

COMPANY	RON
MONBAT RECYCLING SRL	190,439,207
WERCO METAL SRL	26,439,615
SOMETRA SA	24,667,738
MANOX THERM SRL	13,346,777
SIGILROM COMPANY SRL	473,820

The largest companies in terms of total revenue in sector Manufacture of basic metals earned total revenue of RON 255,367,157 and accounted for 1.78% of the industry's total revenue.

#### TOP COMPANIES BY TOTAL REVENUE IN THE FIELD COPPER PRODUCTION WERE:

COMPANY	RON
LAROMET SA	51,876,449
TURNATORIA CARPATICA SRL	529,245
M.M.SRL	493,889
DIM INDUSTRIAL SRL	373,556
DMP DONAU MINERAL PROCESSING SRL	11,130

The largest companies in terms of total revenue in sector Manufacture of basic metals earned total revenue of RON 53,284,269 and accounted for 0.37% of the industry's total revenue.

#### TOP COMPANIES BY TOTAL REVENUE IN THE MARKET OTHER NON-FERROUS METAL PRODUCTION WERE:

COMPANY	RON
ZIROM SA	21,192,013
PRIAMEX SRL	477,186
NEFEROPROD DISTRIBUTION S.R.L.	390,023

The largest companies in terms of total revenue in sector Manufacture of basic metals earned total revenue of RON 22,059,222 and accounted for 0.15% of the industry's total revenue.

#### TOP 10 COMPANIES BY TOTAL REVENUE IN THE INDUSTRY COLD FORMING OR FOLDING WERE:

COMPANY	RON
JORIS IDE SRL	131,322,035
FIERCTC SIBEL SRL	101,194,787
PROINVEST GROUP SRL	96,892,373
TECHNO DOPO TOTAL S.A.	53,108,561
KOVOSTROJ SRL	40,962,197
AIVA DUCT DIRECT SRL	11,007,032
TOP PROFIL SISTEM SRL	10,495,411
WEKOTATECH SRL	9,488,375

FREE STAR INDUSTRY SRL	7,924,542
STEEL ROOF-ART SRL	5,968,285

The 10 largest companies in terms of total revenue in sector Manufacture of basic metals earned total revenue of RON 468,363,598 and accounted for 3.26% of the industry's total revenue.

#### TOP 10 COMPANIES BY TOTAL REVENUE IN THE FIELD CASTING OF OTHER NON-FERROUS METALS WERE:

COMPANY	RON
HARSHA ENGINEERS EUROPE SRL	75,676,201
GLOBAL IDEAL TRANS SRL	60,948,431
BRONZE ALU CARPATI SRL	37,338,924
LAUREX PROD SRL	5,220,462
BROMOCAST SRL	5,160,743
ORION SRL	5,079,627
RANCON SRL	3,748,795
COMARO SRL	3,249,406
SICAST SRL	2,587,081
ADORIAN 2000 SRL	2,036,410

The 10 largest companies in terms of total revenue in sector Manufacture of basic metals earned total revenue of RON 201,046,080 and accounted for 1.40% of the industry's total revenue.

#### TOP COMPANIES BY TOTAL REVENUE IN THE INDUSTRY COLD DRAWING OF BARS WERE:

COMPANY	RON
GRANTMETAL SA	30,903,302
MGT GRUP SRL	15,924,560
GML STEEL GRUP SRL	6,408,298
PROFILMET SRL	4,899,170

The largest companies in terms of total revenue in sector Manufacture of basic metals earned total revenue of RON 58,135,330 and accounted for 0.40% of the industry's total revenue.

#### TOP 10 COMPANIES BY TOTAL REVENUE IN THE INDUSTRY CASTING OF IRON WERE:

COMPANY	RON
SATURN SA	86,222,692
EURO CASTING SRL	9,085,035
UPSS SA	7,911,593
TURNATORIA METALUL SRL	3,775,793
TURNAROM SA	3,654,912
METAL PROD SRL	3,362,202
TRANSMETAL SRL	3,204,010
TUR FONT DESIGN SRL	2,456,190
MAE SRL	2,440,661
ALPRECO SRL	1,525,627

The 10 largest companies in terms of total revenue in sector Manufacture of basic metals earned total revenue of RON 123,638,715 and accounted for 0.86% of the industry's total revenue.

**TOP 10 COMPANIES BY TOTAL REVENUE IN THE FIELD CASTING OF LIGHT METALS WERE:**

COMPANY	RON
EUCASTING RO SRL	166,333,795
CIE MATRICON SA	122,813,495
METALSIL PROD SRL	107,124,935
SCHULTE & SCHMIDT SRL	80,148,874
ALMET SA	76,894,609
FONDAL INTERNATIONAL SRL	68,037,295
TURNATORIE IBERICA SRL	46,257,930
A.MORELLI EXPORT IMPORT SRL	27,706,973
ALU METALL GUSS SRL	23,627,064
SELWERK SRL	21,107,841

The 10 largest companies in terms of total revenue in sector Manufacture of basic metals earned total revenue of RON 740,052,811 and accounted for 5.14% of the industry's total revenue.

**TOP COMPANIES BY TOTAL REVENUE IN THE SECTOR CASTING OF STEEL WERE:**

COMPANY	RON
PLASMATERM SA	11,434,523
TRANSCOM-METAL SRL	2,559,352
METFORM SRL	1,512,688
PACEHANA PIESE TURNATE S.R.L.	499,327
STEEL INTERNATIONAL CENTER SRL	352,077

The largest companies in terms of total revenue in sector Manufacture of basic metals earned total revenue of RON 16,357,967 and accounted for 0.11% of the industry's total revenue.

**TOP 10 COMPANIES BY TOTAL REVENUE IN THE INDUSTRY MANUFACTURE OF BASIC IRON AND STEEL AND OF FERRO-ALLOYS WERE:**

COMPANY	RON
ARCELORMITTAL GALATI SA	3,482,957,789
ARCELORMITTAL HUNEDOARA SA	519,295,375
TMK - RESITA SA	405,707,306
DOOSAN IMGB SA	301,119,327
DAN STEEL GROUP BECLEAN SA	207,730,134
ERDEMIR-ROMANIA SRL	106,282,122
TITAN STEEL 1921 SRL	91,347,570
POWER STEEL COMPANY SRL	87,331,687
ROVAMIN MATFER SRL	37,598,526
APROMET DISTRIBUTIE SRL	15,697,039

The 10 largest companies in terms of total revenue in sector Manufacture of basic metals earned total revenue of RON 5,255,066,875 and accounted for 36.53% of the industry's total revenue.

**TOP COMPANIES BY TOTAL REVENUE IN THE SECTOR COLD ROLLING OF NARROW STRIP WERE:**

COMPANY	RON
GALFINBAND SA	16,031,136
METAL LINE AUTOMATIC S.A.	7,854,783
METALBAND SRL	5,661,097

The largest companies in terms of total revenue in sector Manufacture of basic metals earned total revenue of RON 29,547,016 and accounted for 0.21% of the industry's total

revenue.

**TOP COMPANIES BY TOTAL REVENUE IN THE SECTOR COLD DRAWING OF WIRE WERE:**

COMPANY	RON
SIRME SI CABLURI SA	61,293,455
STEEL OIL PROD SRL	470,014

The largest companies in terms of total revenue in sector Manufacture of basic metals earned total revenue of RON 61,763,469 and accounted for 0.43% of the industry's total revenue.

## IV. EXPENSES

The combined costs of the companies in the Manufacture of basic metals industry reached RON 14,332,723,680 in 2016.

In annual terms, total expenses fell by 11.86% compared to 2015 and fell by 11.89% in comparison to 2014.

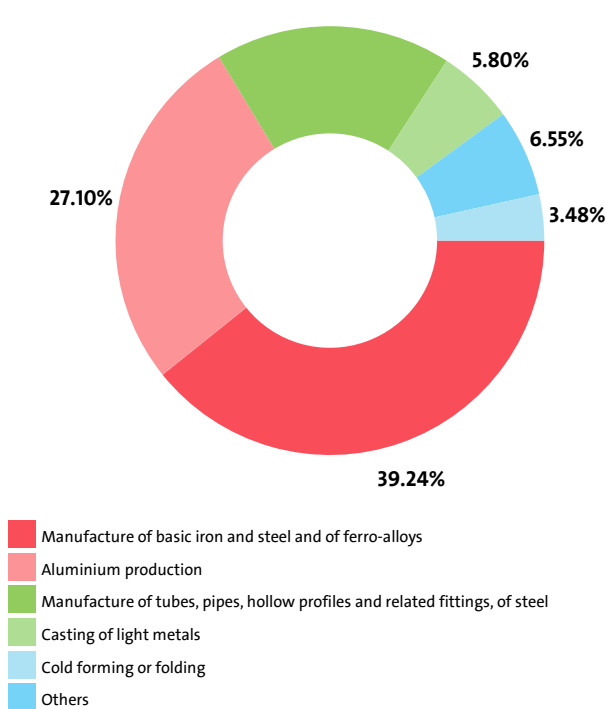
We expect, based on the trend in the last three years, the total costs of the Manufacture of basic metals industry to change at a compound annual growth rate (CAGR) of -6.13% in 2017.

**TOTAL COSTS BY SECTORS**

RANK	SECTOR	TOTAL COSTS (RON)
1	MANUFACTURE OF BASIC IRON AND STEEL AND OF FERRO-ALLOYS	5,623,862,011
2	ALUMINIUM PRODUCTION	3,884,525,369
3	MANUFACTURE OF TUBES, PIPES, HOLLOW PROFILES AND RELATED FITTINGS, OF STEEL	2,555,385,565
4	CASTING OF LIGHT METALS	831,337,608
5	COLD FORMING OR FOLDING	498,499,903
6	LEAD, ZINC AND TIN PRODUCTION	243,793,973
7	CASTING OF OTHER NON-FERROUS METALS	205,361,306
8	CASTING OF IRON	126,819,952
9	PRECIOUS METALS PRODUCTION	119,018,106
10	COLD DRAWING OF WIRE	59,148,906
11	COPPER PRODUCTION	57,807,243
12	COLD DRAWING OF BARS	54,327,576
13	OTHER NON-FERROUS METAL PRODUCTION	29,720,925
14	COLD ROLLING OF NARROW STRIP	28,359,748
15	CASTING OF STEEL	14,755,489



INDUSTRY'S TOTAL COSTS STRUCTURE BY SECTORS



Other non-ferrous metal production marked the highest annual rise in total expenses, of 28.13%, while total expenses dropped the most, by 41.36%, for Lead, zinc and tin production.

The biggest spenders in the industry, with costs of over 10% of industry's costs, numbered 8, including ARCELORMITTAL GALATI SA, TMK-ARTROM SA, TMK - RESITA SA, ALRO SA, ARCELORMITTAL HUNEDOARA SA. The medium spenders, or those in the 5% and 10% range count 4 and include VIMETCO EXTRUSION SRL, DOOSAN IMG B SA, ARCELOR MITTAL TUBULAR PRODUCTS IASI SA, DAN STEEL GROUP BECLEAN SA. Below 5% threshold are 336 companies, including MENEFMAR SRL, COFUNDI INTERNACIONAL SRL, KEOPS SERVCONSTRUCT COMPANY SRL, KIWI STEEL SRL, FERAL SRL.

Employment expenses in the Manufacture of basic metals industry grew by 2.24% on the year to RON 1,244,154,897 in 2016.

The highest growth in labour costs, of 19.89%, was registered by Cold drawing of bars, while Lead, zinc and tin production marked the sharpest fall, of 22.78%.

The monthly costs per employee in the Manufacture of basic metals industry averaged RON 4,381 in 2016, RON 4,138 in 2015 and RON 4,017 in 2014.

#### EMPLOYMENT EXPENSES IN MANUFACTURE OF BASIC METALS BY SECTORS IN 2016

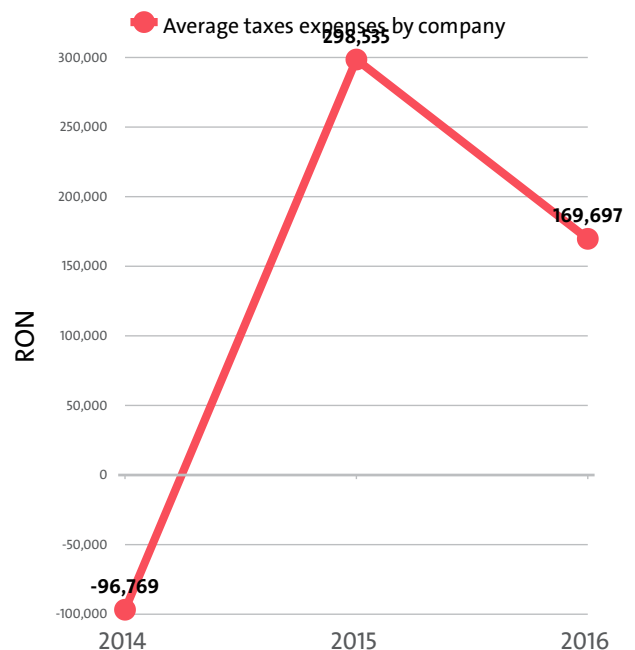
RANK	SECTOR	EMPLOYMENT EXPENSES (RON)	AVERAGE EXPENSES PER EMPLOYEE (RON)
1	MANUFACTURE OF BASIC IRON AND STEEL AND OF FERRO-ALLOYS	447,706,935	50,338
2	ALUMINIUM PRODUCTION	328,284,697	66,562
3	MANUFACTURE OF TUBES, PIPES, HOLLOW PROFILES AND RELATED FITTINGS, OF STEEL	236,941,583	64,125

4	CASTING OF LIGHT METALS	92,000,426	37,783
5	COLD FORMING OR FOLDING	39,766,471	34,281
6	CASTING OF IRON	36,914,936	40,880
7	CASTING OF OTHER NON-FERROUS METALS	20,516,161	40,071
8	LEAD, ZINC AND TIN PRODUCTION	10,688,554	50,181
9	COLD DRAWING OF WIRE	10,018,830	32,112
10	OTHER NON-FERROUS METAL PRODUCTION	5,157,090	38,486
11	COPPER PRODUCTION	4,807,048	46,222
12	CASTING OF STEEL	4,335,499	30,318
13	COLD DRAWING OF BARS	3,651,305	29,929
14	COLD ROLLING OF NARROW STRIP	2,820,381	33,181
15	PRECIOUS METALS PRODUCTION	544,981	24,772

#### THE TOP 10 COMPANIES BY AVERAGE MONTHLY COSTS PER EMPLOYEE IN THE INDUSTRY

RANK	COMPANY	RON
1	TITAN STEEL 1921 SRL	17,655
2	DOOSAN IMG B SA	7,588
3	FINE METAL SRL	7,294
4	VIMETCO EXTRUSION SRL	7,271
5	SICAST SRL	6,986
6	ALRO SA	6,595
7	FERAL SRL	6,356
8	SILCOTUB SA	6,269
9	KS ATAG ROMANIA SRL	6,149
10	JORIS IDE SRL	5,754

The industry's tax expenses stood at RON 59,054,843 in 2016. In 2015 it paid taxes of RON 108,069,913. In 2014 the industry collected RON 35,223,779 in tax revenue.





## EXPENSES ON TAXES BY SECTORS

RANK	SECTOR	RON	Y/Y CHANGE
1	MANUFACTURE OF TUBES, PIPES, HOLLOW PROFILES AND RELATED FITTINGS, OF STEEL	21,867,694	-54.44%
2	ALUMINIUM PRODUCTION	20,395,538	-47.27%
3	CASTING OF LIGHT METALS	7,131,750	-33.93%
4	COLD FORMING OR FOLDING	3,653,900	39.48%
5	LEAD, ZINC AND TIN PRODUCTION	2,259,746	198.44%
6	MANUFACTURE OF BASIC IRON AND STEEL AND OF FERRO-ALLOYS	1,016,759	-64.24%
7	CASTING OF OTHER NON-FERROUS METALS	988,588	-54.31%
8	COLD DRAWING OF BARS	505,500	-27.64%
9	COLD DRAWING OF WIRE	388,466	144850.00%
10	CASTING OF STEEL	307,879	70.65%
11	CASTING OF IRON	249,126	-76.44%
12	PRECIOUS METALS PRODUCTION	162,204	-11.24%
13	COLD ROLLING OF NARROW STRIP	111,708	24.98%
14	COPPER PRODUCTION	9,311	102.50%
15	OTHER NON-FERROUS METAL PRODUCTION	6,674	260.95%

## V. PROFITABILITY

The industry's net loss amounted to RON 5,726,139 in 2016, compared to a net loss of RON 82,544,585 in 2015 and a net loss of RON 188,496,468 in 2014.

## TOP 10 COMPANIES BY HIGHEST NET PROFIT IN MANUFACTURE OF BASIC METALS

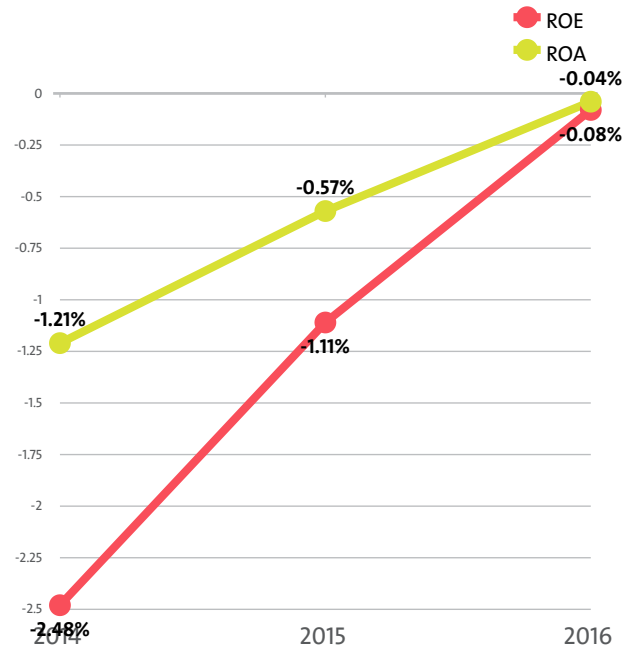
RANK	COMPANY	RON
1	SILCOTUB SA	134,127,875
2	ALRO SA	67,220,024
3	UNIVERSAL ALLOY CORPORATION EUROPE SRL	43,135,412
4	EUCASTING RO SRL	22,076,782
5	ARCELORMITTAL TUBULAR PRODUCTS GALATI SRL	11,532,509
6	CIE MATRICON SA	11,179,641
7	SCHULTE & SCHMIDT SRL	10,661,667
8	MONBAT RECYCLING SRL	10,174,568
9	TURNATORIE IBERICA SRL	7,657,866
10	VIMETCO EXTRUSION SRL	7,344,350

## TOP COMPANIES BY HIGHEST NET LOSS IN MANUFACTURE OF BASIC METALS

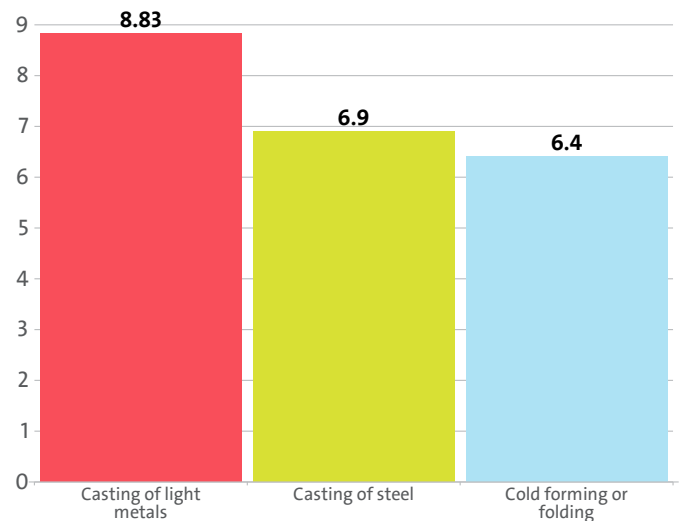
RANK	COMPANY	RON
1	ARCELORMITTAL GALATI SA	271,358,373
2	ARCELORMITTAL HUNEDOARA SA	26,718,822
3	ALUM SA	16,632,600
4	FERAL SRL	14,751,860
5	ZIROM SA	8,008,354

The Manufacture of basic metals industry's return on equity (ROE) is -0.08% compared to -1.11% in 2015 and -2.48% in 2014.

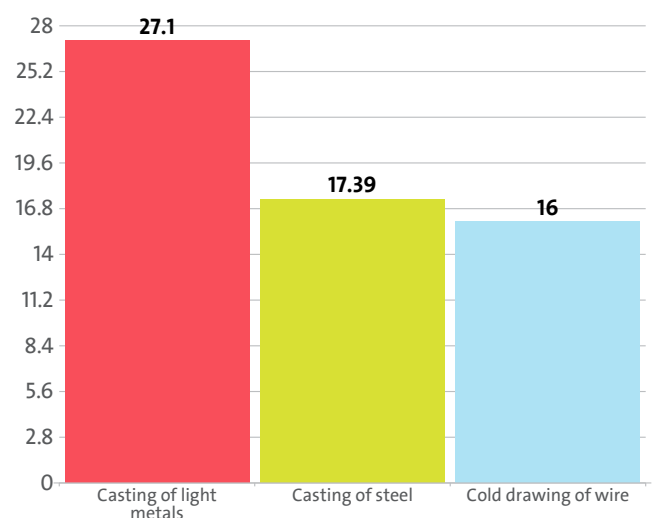
The Manufacture of basic metals's return on assets (ROA) was -0.04%, while in 2015 it amounted to -0.57% and -1.21% in 2014.



LEADING INDUSTRY'S SECTORS BY ROA



LEADING INDUSTRY'S SECTORS BY ROE



**TOP 10 COMPANIES BY HIGHEST AVERAGE NET PROFIT PER EMPLOYEE IN MANUFACTURE OF BASIC METALS**

RANK	COMPANY	RON	COMPANY HEADQUARTERS (CITY)
1	TITAN STEEL 1921 SRL	814,539	GALATI
2	NCC CLEAN RECOVERY SRL	198,143	TIMIS
3	TRANSCOM METAL IMPEX SRL	162,354	HARGHITA
4	MONBAT RECYCLING SRL	127,182	ILFOV
5	MULTICAST PROD SRL	108,365	BUCHAREST
6	EUCASTING RO SRL	102,207	ARGES
7	ARCELORMITTAL TUBULAR PRODUCTS GALATI SRL	92,260	GALATI
8	M.M.SRL	90,722	TELEORMAN
9	SILCOTUB SA	88,184	ZALAU
10	SELCASTING SRL	86,027	BRASOV

About 20.00% of the 10 leading companies in terms of net profit per employee are located in Galati, while 10.00% are Bucharest-based and 10.00% are headquartered in Ilfov.

The average net sales revenue per employee in the Manufacture of basic metals industry amounted to RON 567,788 in 2016, down by 7.82% compared to 2015 and down by 7.79% compared to 2014.

The Manufacture of basic metals field generated an average RON 607,878 in total revenue per employee. In 2015 and 2014 the figure was RON 663,315 and RON 651,371, respectively.

The average total revenue per company in the Manufacture of basic metals industry decreased to RON 41,339,231 in 2016 from RON 44,902,002 in 2015. The 2014 value was RON 44,073,147.

A company in the Manufacture of basic metals market made on average a net sales revenue of RON 38,612,852 in 2016, compared to RON 41,696,317 in 2015 and RON 41,664,022 in 2014.

The Manufacture of basic metals industry made 1.13% of the overall sales country-wide, decreasing its market share by 0.19 pp.

**AVERAGE REVENUES PER EMPLOYEE IN MANUFACTURE OF BASIC METALS IN 2016**

SECTOR	AVERAGE NET SALES REVENUE (RON)	AVERAGE TOTAL REVENUE (RON)	NUMBER OF EMPLOYEES
MANUFACTURE OF TUBES, PIPES, HOLLOW PROFILES AND RELATED FITTINGS, OF STEEL	692,590	738,598	3,695
ALUMINIUM PRODUCTION	704,407	811,898	4,932
PRECIOUS METALS PRODUCTION	5,279,066	5,304,416	22
LEAD, ZINC AND TIN PRODUCTION	1,041,584	1,200,095	213
COPPER PRODUCTION	636,855	512,349	104
OTHER NON-FERROUS METAL PRODUCTION	147,583	164,621	134
COLD FORMING OR FOLDING	437,060	450,865	1,160
CASTING OF OTHER NON-FERROUS METALS	395,491	400,220	512
COLD DRAWING OF BARS	418,740	476,519	122
CASTING OF IRON	134,773	142,597	903
CASTING OF LIGHT METALS	344,395	365,788	2,435
CASTING OF STEEL	112,200	114,793	143
MANUFACTURE OF BASIC IRON AND STEEL AND OF FERRO-ALLOYS	580,024	594,980	8,894

COLD ROLLING OF NARROW STRIP	339,098	347,612	85
COLD DRAWING OF WIRE	177,995	197,960	312

**AVERAGE REVENUE PER COMPANY IN MANUFACTURE OF BASIC METALS IN 2016**

SECTOR	AVERAGE NET SALES REVENUE (RON)	AVERAGE TOTAL REVENUE (RON)	NUMBER OF COMPANIES
ALUMINIUM PRODUCTION	133,620,586	154,010,811	26
MANUFACTURE OF BASIC IRON AND STEEL AND OF FERRO-ALLOYS	128,968,436	132,293,845	40
MANUFACTURE OF TUBES, PIPES, HOLLOW PROFILES AND RELATED FITTINGS, OF STEEL	98,427,734	104,966,184	26
LEAD, ZINC AND TIN PRODUCTION	36,976,217	42,603,383	6
COLD DRAWING OF WIRE	13,883,611	15,440,867	4
CASTING OF LIGHT METALS	11,181,370	11,875,924	75
COLD DRAWING OF BARS	8,514,388	9,689,222	6
PRECIOUS METALS PRODUCTION	8,933,804	8,976,704	13
COLD FORMING OR FOLDING	7,567,014	7,806,014	67
COPPER PRODUCTION	9,461,842	7,612,038	7
COLD ROLLING OF NARROW STRIP	7,205,831	7,386,754	4
CASTING OF OTHER NON-FERROUS METALS	6,531,985	6,610,081	31
OTHER NON-FERROUS METAL PRODUCTION	4,944,032	5,514,806	4
CASTING OF IRON	3,925,810	4,153,705	31
CASTING OF STEEL	2,005,571	2,051,921	8

The total indebtedness of the companies in the Manufacture of basic metals industry was RON 7,056,114,648 versus RON 6,313,244,298 a year ago. In 2014 the industry's indebtedness totalled RON 7,708,503,482.

**INDUSTRY'S INDEBTEDNESS BY SECTORS (RON)**

SECTOR	2016	2015	2014
MANUFACTURE OF BASIC IRON AND STEEL AND OF FERRO-ALLOYS	3,044,391,238	2,634,280,002	2,885,582,473
ALUMINIUM PRODUCTION	2,176,458,063	1,996,035,435	1,999,500,176
MANUFACTURE OF TUBES, PIPES, HOLLOW PROFILES AND RELATED FITTINGS, OF STEEL	921,014,101	894,983,433	1,311,947,384
CASTING OF LIGHT METALS	389,959,138	339,208,888	391,290,553
COLD FORMING OR FOLDING	164,408,865	157,530,958	178,708,178
LEAD, ZINC AND TIN PRODUCTION	94,514,446	48,266,591	681,297,609
CASTING OF OTHER NON-FERROUS METALS	88,003,249	51,520,538	61,702,229
COLD DRAWING OF WIRE	48,651,686	48,059,504	56,067,945
CASTING OF IRON	31,494,099	25,682,020	41,652,756
COLD DRAWING OF BARS	23,838,141	26,385,716	9,809,908
COLD ROLLING OF NARROW STRIP	23,276,220	25,293,980	25,421,417
OTHER NON-FERROUS METAL PRODUCTION	16,701,321	13,711,463	11,226,261
PRECIOUS METALS PRODUCTION	12,959,332	1,600,720	3,956,944
CASTING OF STEEL	10,457,012	7,380,673	10,579,234
COPPER PRODUCTION	9,987,737	43,304,377	39,760,415

Debt-to-assets ratio of the companies in the industry is 0.48 in 2016. It was 0.44 in 2015 and 0.49 in 2014.

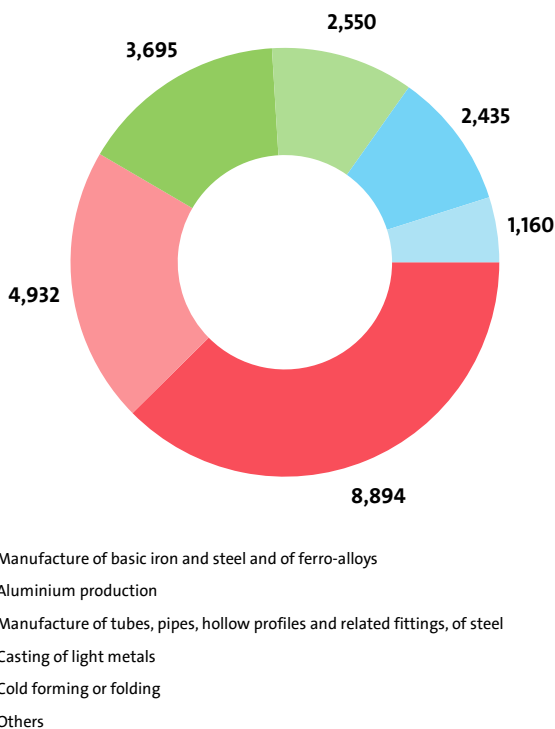
## VI. EMPLOYMENT

A total of 23,666 people were employed in the Manufacture of basic metals market at the end of 2016, compared to 24,505 in 2015 and 24,629 in 2014.

#### NUMBER OF EMPLOYEES BY INDUSTRY SECTORS

SECTOR	NUMBER	SHARE OF INDUSTRY TOTAL
MANUFACTURE OF BASIC IRON AND STEEL AND OF FERRO-ALLOYS	8,894	37.58%
ALUMINIUM PRODUCTION	4,932	20.84%
MANUFACTURE OF TUBES, PIPES, HOLLOW PROFILES AND RELATED FITTINGS, OF STEEL	3,695	15.61%
CASTING OF LIGHT METALS	2,435	10.29%
COLD FORMING OR FOLDING	1,160	4.90%
CASTING OF IRON	903	3.82%
CASTING OF OTHER NON-FERROUS METALS	512	2.16%
COLD DRAWING OF WIRE	312	1.32%
LEAD, ZINC AND TIN PRODUCTION	213	0.90%
CASTING OF STEEL	143	0.60%
OTHER NON-FERROUS METAL PRODUCTION	134	0.57%
COLD DRAWING OF BARS	122	0.52%
COPPER PRODUCTION	104	0.44%
COLD ROLLING OF NARROW STRIP	85	0.36%
PRECIOUS METALS PRODUCTION	22	0.09%

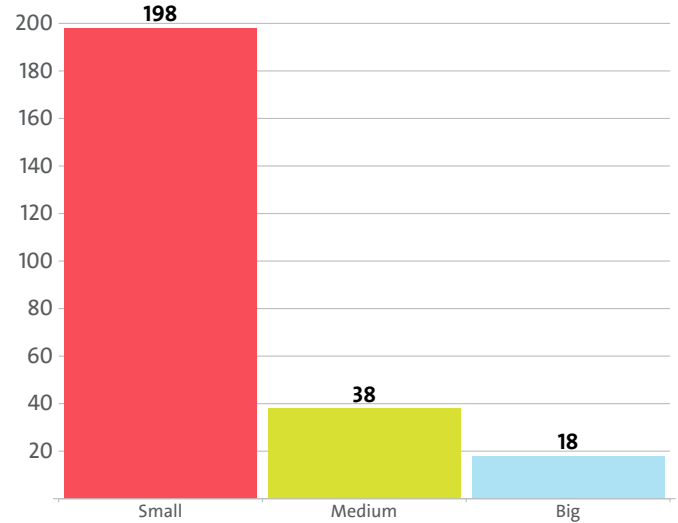
ALLOCATION OF EMPLOYEES BY INDUSTRY'S SECTORS



The analysis on companies' sizes by the number of employees, shows that 198 firms have less than 50 employees\*, 38 have between 50 and 250 employees\* and 18 companies employ more than 250\*.

\* Companies without data in the number of employees at end of the year are not taken into consideration.

COMPANIES IN THE INDUSTRY BY SIZE IN TERMS OF NUMBER OF EMPLOYEES



The employees of the leading 10 companies in terms of numbers make up 64.89% of the workforce in the industry in 2016.

#### TOP 10 FIRMS BY SHARE IN INDUSTRY'S TOTAL NUMBER OF EMPLOYEES

RANK	COMPANY	NUMBER OF EMPLOYEES	SHARE
1	ARCELORMITTAL GALATI SA	6,006	25.38%
2	ALRO SA	2,449	10.35%
3	SILCOTUB SA	1,521	6.43%
4	TMK-ARTROM SA	1,304	5.51%
5	UNIVERSAL ALLOY CORPORATION EUROPE SRL	1,023	4.32%
6	TMK - RESITA SA	715	3.02%
7	ALUM SA	711	3.00%
8	ARCELORMITTAL HUNEDOARA SA	637	2.69%
9	DAN STEEL GROUP BECLEAN SA	514	2.17%
10	SATURN SA	476	2.01%

The Manufacture of basic metals industry is the 45th largest employer in the country with 23,666 employees with the largest employer being Retail trade, except of motor vehicles and motorcycles with 437,697 and Activities of extraterritorial organisations and bodies at the bottom with 1 employees.

We expect, based on the trend in the last three years, the number of employees of the Manufacture of basic metals industry to change at a compound annual growth rate (CAGR) of -1.97% in 2017.

# Do not hesitate to contact us

We'd be glad to discuss our services or your project in detail and help you come up with a solution.

Email us at [consulting@seenews.com](mailto:consulting@seenews.com)

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