



## EDITORIAL

### A CASE FOR MULTI – SECTORAL IMPLEMENTATION OF THE NIGERIAN CONTENT POLICY – KABELMETAL’S ADVOCACY IN PERSPECTIVE.

One of the lingering economic initiatives which has dragged unseemly in the country is the issue of multi-sectoral *Nigeria Content* policy. Advocates of this policy are certain that the nation has a lot to gain if *local content* is implemented in the IT, Construction, Utilities, Infrastructure and other sectors of the economy. Presently, Nigeria has a local content policy for only the Oil & Gas sector. Promulgated in April 2010, this policy is acclaimed to have greatly contributed to the nation’s GDP, employment, as well as spurred development of local capacity and retention of foreign exchange.

It is in acknowledgement of the expected benefits of the extension of this policy to other sectors of the economy that Kabelmetal has deemed it fit to collaborate with industry groups to advance advocacy for this policy. Our company is at the forefront of the Manufacturers Association of Nigeria (MAN) drive. We also expect that the Cable Manufacturers Association of Nigeria (CAMAN) is joining the advocacy. MAN (under the auspices of its local content committee, CAMAN) made presentations to the relevant committee of the National Assembly that is currently considering the bill.

It is expected that when enacted, this policy will bring economies of scale to the cable industry which in turn will lead to lower product costs, improved research and development, and improved product quality.

### KABELMETAL AS A BRAND

It is a common practice that some brands assume a generic meaning for an entire industry. Such a brand often has become so ubiquitous that it comes to symbolize a product; customers identify with it even if in their mindset they may have an alternate brand in view.

Kabelmetal Nigeria as the pioneer cable manufacturing company in Nigeria has remained a defining company, and its cables have symbolized the perception of premium quality the industry has enjoyed in the country. For perceptive customers / clients, they have come to associate our products as able to meet world class

standard(s), solution to energy losses (Voltage drop), electrical, fire and environmental safety.

In a world where cut-throat competition has led companies to often optimize raw materials input mixes and operational practices, Kabelmetal has often *stuck to the old ways*, uncompromising in its raw material inputs and mixes,

corporate practices, quality management standard, rigorous Factory Acceptance Testing and product warranties.

**It is therefore no surprise that perceptive customers hold Kabelmetal as their point of reference for quality cables.**



## THE IMPORTANCE OF BV CERTIFICATION FOR KABELMETAL'S SERVICE DELIVERY

A Quality Management System (QMS) helps coordinate and direct an organization's activities to meet customer and regulatory requirements and improve its effectiveness and efficiency on a continuous basis. International Standard Organisation (ISO) is a worldwide organisation whose quality management certification is a mark of reliability for subscribing companies. ISO 9001:2015, the international standard specifying requirements for quality management systems, is the most prominent approach to this quality management system.

Kabelmetal subscribes to a reputable certification body Bureau Veritas (BV). The regular audits of the QMS by this

body serves to ensure that standards are maintained and sustained in our operational processes, especially in the areas of **Customer Focus, Product Quality, Cost, Risk Mitigation, Regulatory Audit, Improvement.**

These regular audits ensure that Kabelmetal maintains the best structure and processes that guarantee quality products and customer service for our customers.

## CORPORATE GOVERNANCE: OUR INTEGRITY IS YOUR BEST PRODUCT GUARANTEE.

In an operating environment largely considered difficult for governance ethics, sustaining best practices is challenging. However, in Kabelmetal, we believe that the desire to improve financial performance can co-exist with maintaining the best business ethics.

Our Board of Directors set the tone for companywide compliance. This is followed by a mandatory buy-in of the Executive Management and core business drivers. Oversight by independent / third party audits of the financials, process and products serve to ensure the integrity of the governance process.

How does this translate to benefits for our customers, you might ask? These rigorous corporate governance practices ensure that our manufacturing processes and product output meet the highest standards set out in our various quality manuals, policy, processes and templates. **Our customers are best assured that our cables compare with the best in the world.**



*Buy the Kabelmetal brand for maximum load efficiency and electrical safety"*

## PORT OPERATIONS AND ITS NEGATIVE IMPACT ON MANUFACTURING ACTIVITIES

Every manufacturer who depends on the importation of raw materials for its production is presently suffering untold hardship from the confusion in the nation's seaports. Around 2,000 trucks enter and leave the ports each day. The exit road is strewn with several checkpoints manned by police, customs, special brigades and others. This has increased the costs, time and hassles associated with clearing imported items. The authorities are struggling with efforts to manage the confusion. A major initiative is the Electronic Call Up System for trucks coming into the port to load consignments, which took effect from 27<sup>th</sup> February, 2021. The e-call up was designed by the Nigerian Ports Authority (NPA). It entails all port users to book electronically online through ETO website app and pay for the booking. Then a specific date is given to bring in your truck for loading. The process still needs fine-tuning because it does not seem to have abated the problems. Importers need easy access to the ports for loading of consignments, which in turn will reduce the cost of clearing goods and demurrage. With the new e-call up system, empty containers are not to be returned to the port again. All shipping companies have been mandated to provide holding bays for their empty containers outside the port. When these initiatives work, the benefits will result in faster throughput in port operations, lower costs of importation, shorter production/delivery time in product manufacturing.

## Hand Safety: Our Health, Safety and Environmental Campaign Theme for 2021

Kabelmetal Nigeria, in line with the mandate of its associate company Nexans SA is dedicating the whole of the year 2021 to a campaign aimed at improving the safety of the hand. This is because the hand is so strategic to our operations and manufacturing process that the safety of our workers depend a lot of the healthy use of their hands at the workplace.

Over the years the cable industry has worked with standard and adapted knives and razor blades. The easy availability of store "cutters" has allowed these devices to flood our work areas and they have contributed to a surge in cutter-related accidents. In a bid to ensure that our "Zero accident" target is maintained, a review of our HSE statistics for the past years

shows that there are more hand related injuries in comparison with other incidents.

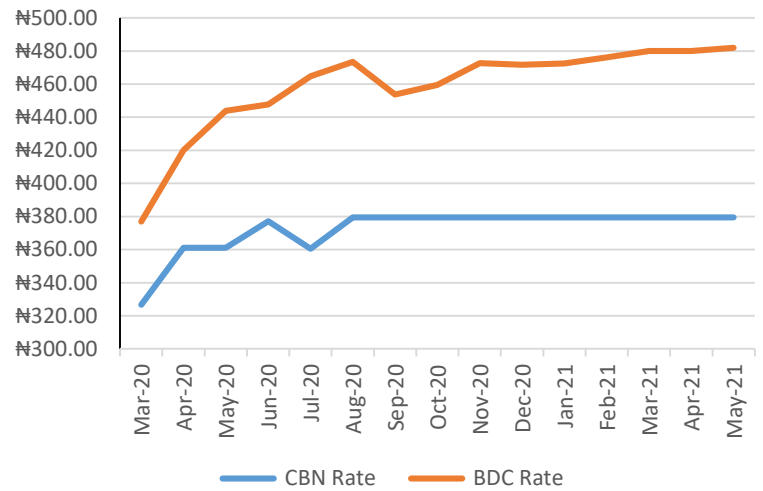
We therefore look forward to a very safe year even as we work to serve our customers with the best of products and customer service.

### WHY HAS THE PRICE OF CABLES INCREASED, YOU MIGHT ASK?

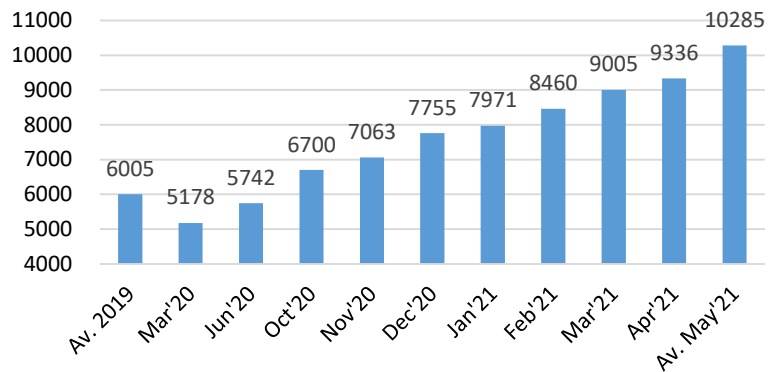
Have you wondered why the prices of cables has been on an upward trajectory in the last one year? This is due to two principal causative factors, viz; the price of copper indexed on the London Metal Exchange (LME) and the exchange rate of the naira to the US Dollar on which the import of raw materials is denominated. The London Metal Exchange is the world centre for industrial metals trading. The prices obtained on this trading platform are used as the global reference price. Copper as one of major commodities traded on LME is the main determinant of price of cables and its price instability has tremendous impact on cables market especially in Nigeria.

The price of copper per ton increased by 98.6% from \$5,178 in March 2020 to \$10,285 in May 2021. The exchange rate of the Naira to USD also trended upwards in addition to its scarcity.

### Exchange Rate Trend



### Ave. Copper LME (usd/ton)





**Kabelmetal Nigeria Plc**  
has been admired for its cable making expertise for more than 50 Years

**PAST PROJECTS**

- Total E&P Oron Phase 2 Project
- EXXON MOBIL Satellite Field Development Project
- Shell Petroleum AFAM 6 Integrated Project 1
- NLNG TRAINS 1-6
- BGT/NLNG Ships
- Shell Petroleum Gbainbiri Flow Station Upgrade 1
- Dangote Refinery
- Total Eglina Projects

**FUTURE PROJECTS**

- Shell Petroleum Southern Swamp Gas Gathering Project
- Chevron Escravos TSUB Switchgear System Upgrade 1
- Shell Petroleum Sony Terminal Integrated Project 1
- Shell Petroleum Uturogu DOMGAS Project 1
- Total E&P OML 58 Upgrade Phase 1
- ENI/NAOC DROB PROJECT 1
- Shell Petroleum K25 Project 1
- Kaxtec Engineering/Addax Petroleum Snake Island Fabrication Yard 1

- NLNG Train 7 project
- BSW Aparo FPSO project
- Zabazaba/Etan FPSO project
- MPN PUPP Project
- Dangote Refinery project
- other Projects

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### Instrumentation Cable

