
Production pruning - UMMC Serov Steel to restart second BF in early September

Friday, 28 Aug, 2009

Russia-based Ural Mining and Metallurgical Company has announced that its subsidiary Serov Steel Works will in the first days of September re commission operations at its second blast furnace which has a capacity of 167,000 tonnes of pig iron per year.

Accordingly, the restart of its second BF will allow Serov Steel Works to increase its monthly pig iron output to 30,000 tonnes, half of which will be used by the plant for steel production, while the rest will be sold under export contracts and also in the Russian domestic market.

Mr Alexey Shreider Serov Steel Works' director stated that "We intend to increase the share of pig iron and thus decrease the share of scrap in the metal charge used in steel melting. This is because the production costs of pig iron are lower than the current price of scrap. Since the beginning of the year, the scrap price increased by 25% and, according to experts' estimations, will continue to rise."

He said that "Thus, the re commissioning of the second BF will ensure the decrease of production costs for rolled steel products. Steel demand continues to be low, especially in the Russian domestic market, and this is why such issues as optimization and reduction of expenses remain topical for us."

In addition, the restart of additional production facilities will allow Serov Steel Works to increase the capacity utilization level of the plant's sintering production and also to ensure orders for the Bogoslovskoye mine, a Sverdlovsk region-based subsidiary of UMMC, which supplies iron ore to Serov Steel Works.

Currently, Serov Steel Works is operating at 70% of its capacity.

(Sourced from SteelOrbis)

Visit www.steelorbis.com for more

For more news visit at www.steelguru.com