
Downsizing deals - Severfield Rowen to cut output by 20pct

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Steelwork contractor Severfield Rowen has announced plans to cut production by 20%, which could lead to the loss of 155 jobs. This follows a major cost review of the business, announced in August.

Severfield Rowen also said staff and management at 5 of its business units have agreed to salary reductions and other cost saving measures. The jobs at risk are 95 positions with Severfield Reeve Structures and 60 at Atlas Ward Structures, between now and the end of 2009.

Severfield Rowen said that it expected to make cost savings of about GBP 10 million a year from January 2010. Earlier, the company said the shrinking market for constructional steel had reduced capacity across the industry but warned this was insufficient to offset a decline in prices and margins.

A recovery in prices and margins is not expected before 2011.

(Sourced from www.contractjournal.com)

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