
Production pruning - US Steel Serbia to idle one BF by year end

Tuesday, 03 Nov, 2009

Reuters reported that US Steel Serbia would idle one of its two furnaces by the end of 2009 and slash output.

US Steel said in a statement that "We believe that this difficult decision to temporarily idle a blast furnace at US Steel Serbia is a necessary answer to the current conditions in the steel market." It added that it would stop producing from one of the two blast furnaces temporarily some time in the fourth quarter of this year.

It may be noted that in March 2009, US Steel's unit in Smederevo shut down both furnaces, its steel mill and another production line, while maintaining business in hot and cold rolling mills and sheet metal production.

The company resumed production in June and July when the furnaces started again, helping Serbia's August industrial output figure. In August, Serbia's industrial output fell by 10% as compared to falls of 15.4% in July and 21.1% in April when the year's sharpest fall was recorded.

Economics Institute said that "The August industrial downfall would have been sharper if US Steel didn't resume production. The current output cut is unlikely to have a major impact on industrial production this year, but if the production is not resumed next year, consequences will be grave."

(Sourced from www.reuters.com)

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