
Production pruning - TATA Corus to restart BF No 4 at Port Talbot works

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BBC reported that steel giant Corus is to restart the number 4 blast furnace at its Port Talbot works in South Wales, 10 months after it was mothballed amid the recession.

It may be noted that the Port Talbot furnace was shut down in December 2008, alongside one in Scunthorpe and in the Netherlands.

Corus said that the restart will give its UK strip products arm more flexibility. Initially, the Port Talbot shutdown had been scheduled for two months but that was extended at the recession continued to hit orders.

Dr Jonathan Deacon of the University of Wales Newport Business School said that the Port Talbot furnace restart was an indication that confidence is returning to manufacturing, particularly in Europe.

He added that "I did not expect this so soon. I didn't think we would see some of these plants returning to production at all, let alone coming out of mothballs. It reflects some of the little green shoots that people talk about happening elsewhere in the economy. Sadly I do not think they are necessarily in the UK economy. They are slightly further afield, in Germany in particular. Those markets are requiring things being made. Those things are made out of steel."

Dr Deacon said he thought Corus's decision to prepare its Port Talbot and Llanwern plants for increased production was the firm having a little bit of punt on the confidence returning to the market.

Corus had already announced that it is restarting production at the Llanwern strip mill at nearby Newport, because of improving business. One expert called it a sign of growing confidence in manufacturing.

(Sourced from www.bbc.co.uk)

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