
IUD sees recovery in Ukrainian steel sector

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Ukrainian steel giant Industrial Union of Donbass feels that the regulation about increasing the competitiveness of mining and steel industry in Ukraine will finally lead to recovery.

Mr Sergey Taruta chairman of the board of Directors of IUD said “Currently there are some improvements but we can’t speak about changing the situation in the whole mining and steel branch. Today metallurgists do not have problems with sales, there’s a problem of cost. It doesn’t allow the metallurgists to enter the market with attractive prices.”

Mr Taruta added that “Enterprises have the shortage of circulating assets since they have to make advance payments for raw materials, and the consumers pay for the factory shipments by installments. At the same time we can’t expect that the government will give us money because it’s a utopia.”

Mr Taruta added “But there exist other mechanisms. It’s the law which we called the regulation about the increase of the competitiveness of the enterprises. We called it in such a way not to be sanctioned for protectionism by other countries. The mechanism provides for granting the state guarantees for taking out loans for the modernization of the mills of mining and steel branch. There’s one more mechanism which involves advance payments for the reduction of emissions within the framework of Kyoto protocol. Both mechanisms are quite real variants.”

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