
Ruukki to strengthen facilities for ferrochrome at Krugersdorp plant

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TEX reported that Ruukki Group of Finland, which is the parent company of Mogale Alloys (Pty) Limited in South Africa as a producer of ferrochrome, has been unofficially investigating to reform and enlarge the facilities to produce ferrochrome at Mogale's Krugersdorp plant.

At present, Mogale Alloys has held the capacity to produce 100,000 tonnes per annum of charge chrome at the Krugersdorp plant but, in order to expand this capacity to produce charge chrome on a scale of 400,000 to 450,000 tonnes per annum in the future, the Ruukki Group has moved to perform a feasibility study for this project. The main point is to construct two new direct current electric furnaces with transformer capacity of 60 MVA per furnace. In addition, the project to reform and rationalize the existing three electric furnaces has been under consideration. It is planned to complete the reformation of electric furnaces in 2010 and to set up new structure, which produces 400,000 to 450,000 tonnes per annum of charge chrome from 2011.

An expansion of the world demand for ferrochrome is anticipated to increase hereafter mainly in China and India and this project to strengthen the facilities for production of ferrochrome is supposed to be the operational strategy to comply with this trend of the chrome demand.

However, since a crisis on supply of electric power emerged in 2008, Eskom, which is national electric power corporation in South Africa, has determined to suspend the allocation of electric power to be required from new plants to produce ferrochrome for the next 3 to 4 years. Therefore, apart from reformation and rationalization of the existing electric furnaces, the construction of large electric furnaces has a possibility to face the wall against making sure of electricity supply. Particularly, the plants in South Africa have revived to produce more ferrochrome from October to December quarter of 2009 and, accordingly, a signal to resume the restriction on supply of electric power is anticipated to come up again in 2010.

(Sourced from TEX Report Limited)

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