
Downsizing deals - Corus blundered by closing plate mill in 2001

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It is reported that Corus will be accused of blunders dating back 9 years that led to the devastating loss of 1,700 jobs at its mothballed steelworks.

As per report, a committee of MPs will attack the 2001 decision to close a coil plate mill able to roll steel into a useful finished product as evidence of fatal short sightedness in the company's approach to the Redcar plant. It means the steelworks is incapable of exploiting the booming demand for steel for new technologies, including thousands of wind turbines earmarked for the North Sea, the MPs will say.

Their report will also condemn Corus for its failure to talk to potential buyers of the site, accusing it of cynically trying to block a potential competitor regardless of the damage to the community.

And it will launch a personal attack on Mr Kirby Adams CEO of Corus, for refusing to either give evidence to the inquiry or talk to trade unions.

A source close to the committee said that "Mr Adams has been very evasive."

But The Northern Echo understands the North East Select Committee will pull its punches on the Government's efforts to save the steelworks.

The source said that "The report does not discuss the issue of nationalization. In fact, some of the MPs are apoplectic with Dari for calling for it they are spitting feathers. They think it doesn't make sense, but has now left the impression that any MP not calling for nationalization is letting the side down."

When questioning Mr John Bolton MD of Teesside Cast Products in January 2010, the MPs were aghast to learn that the North Sea's wind farms would need to be supplied from plants elsewhere plants with onsite mills.

Corus was accused of failing to invest in Teesside in the boom times, with a suggestion that it made GBP 800 million profit in four years.

The source said that "The report says it was very shortsighted to close the mill, because the Redcar slab can't be turned into a finished product directly causing the problems we have today."

But the company blamed the mothballing on the decision, by a consortium of four companies, to pull out of a contract to buy 80% of its steel for a decade.

(Sourced from www.thenorthernecho.co.uk)

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