
Downsizing deals - Corus urged to reopen TCP once steel prices rise

Tuesday, 09 Mar, 2010

(Free news on steel, iron ore, coal, nickel, copper, metals and mining)

It is reported that an inquiry into the 1,700 job losses at the mothballed Corus steelworks has been published. The report by a committee of MPs is urging the company to re open Teesside Cast Products at Redcar as soon as steel prices rise.

The North East Select Committee is also warning Corus that it must act responsibly towards the people of Redcar and the North East region to minimize the impact of job losses.

Now that the plant has been mothballed, the Committee is seeking an absolute guarantee from Corus that a sufficient number of skilled staff will be maintained on site to enable a return to production as soon as market conditions permit. Mothballing must be real and viable, and that has to mean keeping not just the plant, but the highly skilled work force, ready to restart production at short notice when market conditions change.

Ms Dari Taylor Stockton MP and also chair of the Committee said that "All eyes are on Corus now. The Company must act responsibly and do the right thing by all of the communities that have supported it all these years. The downturn in steel prices may well be temporary and if Corus' intention is to mothball the plant, rather than close it, then it must maintain enough highly skilled jobs in the area to re-open the plant when conditions change."

She added that "It seems spectacularly short sighted to end steel production on Teesside when firms here are starting production on massive new offshore wind turbines as big as the Eiffel Tower which will require huge amounts of steel."

The report points to the economic opportunities being created in the North East by the low carbon industrial revolution as evidence that steel production will be required in the region in the future. The manufacture of huge new offshore wind turbines and facilities for capturing and storing the carbon produced when burning fossil fuels will need substantial quantities of good-quality steel.

The Committee is calling on Ministers to choose the Tees Valley as one of the areas to pilot carbon capture and storage projects later this year. The Committee also warns the company that it has a duty to act responsibly to the communities of Redcar and Cleveland and Middlesbrough, which have served it for many years.

The MPs are also keen to see TATA release land for redevelopment quickly if attempts to re open the plant fail. The MPs also criticize the firm's short sighted decision to close its rolling mill in Redcar and Lackenby in 2002 which has left it unable to respond flexibly to changes in the world steel market in a way that would guarantee continued production on Teesside.

The report calls on TATA Corus and the unions to explore whether slab could continue to be produced at TCP and then rolled at the company's mill in Llanwern, South Wales which is running below capacity.

The MPs are disappointed that the Government and Corus have ruled out the possibility of using a wage subsidy to keep the plant open while we wait for prices to return to normal. The Committee is calling on the Government to keep an open mind on this should a future operator for the plant emerge.

The Committee is calling on GONE and ONE to find out as a matter of urgency whether European Globalisation Adjustment Funding would be available to assist those who might be made redundant at TCP. If such funding is available, the Committee recommend that they do not give the matter the fullest consideration but apply immediately.

(Sourced from www.thenorthernecho.co.uk)

For more news visit at www.steelguru.com