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## Downsizing deals - Corus rescue only succeed if find a shared owner

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Lord Mandelson has warned that talks to rescue the Corus steelworks will only succeed if the company can find a shared owner.

The Business Secretary said that the only other options were an alternative use for the plant, or the site altogether both of which would, it appeared, mean closure Lord Mandelson's comments, to The Northern Echo, at Westminster, confirm that a plan put forward by the region's MPs for a temporary wage subsidy have been ruled out.

However, he seized on the decision to delay the mothballing of the plant for one month as a glimmer of hope and vowed that efforts to save Corus would continue at the highest level with parent company TATA until the last.

It is understood that Mr Gordon Brown has dispatched one of his closest aides, a well known name, to Asia to lead negotiations on bringing an equity partner to the table. However, even that company's buy in would not be enough to rescue Corus on its own, hence the government's caution about its prospects beyond the new closure date of the end of February.

Lord Mandelson said that "Look, they mothballing it they are not closing it which creates the hope that it can be un mothballed. Production will be continuing for five or six weeks longer than we originally thought, but what TATA is saying is that they are under considerable pressure, because the plant is loss making. They can't sustain it indefinitely I hope very much that they will find a shared owner for the plant, or an alternative use for the plant, or for the site altogether. We will keep talking to them, in those three areas."

However asked to place odds on Corus' survival and the jobs of 1,600 workers facing redundancy, Lord Mandelson declined, saying that "I'm not a betting man."

Meanwhile, the Business Secretary launched a furious attack on remote, ivory tower universities warning them they must start serving the economy or face decline.

He criticized Vice Chancellors for not investing in the courses and supplying the skilled graduates badly needed for emerging technologies. And he revealed he had given university chiefs a dressing down in the latest meeting of the government's recession busting Regional economic Council.

Lord Mandelson insisted their task was to deliver skilled workers and research for fast growing opportunities in biosciences, pharmaceuticals, low carbon jobs and the civil nuclear industry. And he said that "Universities are not ivory towers, they are not remote islands in the regions where they are located. Universities are still not investing in the courses and supplying skilled graduates to do the jobs that these new business activities are demanding. That mismatch is fatal. Those individuals are going to miss out, and the economy as a whole is going to miss out, because we will not be able to build the supply chain we want."

(Sourced from [www.thenorthernecho.co.uk](http://www.thenorthernecho.co.uk))

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