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## Downsizing deals - Teesside steel future still uncertain

*Tuesday, 23 Feb, 2010*

It is reported that as Corus began the controversial mothballing of Teesside Cast Products last weekend, 20,000 British based workers in the rest of TATA Steel's European division, including more than 2,000 on Teesside, still faced a fragile future.

Hidden beneath the TCP headline announcement in Corus' quarter 3 results last week was a depressing forecast for the remainder of 2010, despite more than USD 1 billion in cost saving at the company and a predicted 13% recovery in worldwide demand.

While Corus achieved a remarkable turnaround, Mr Kirby Adams CEO of said that it was not out of the woods yet. He added that "Of most concern was its steel sections business, based at Scunthorpe, which is heavily reliant on a still severely depressed European construction market; while the fact that long products of which TCP is a part was profitable at all was thanks to France, which unlike the British were continuing to spend on their infrastructure."

Mr Adams had a clear message for governments in northern Europe and especially the UK keep spending. He warned that both the rate and extent of fiscal stimulus packages would impact on Corus results. Focus needed to be on rebuilding the economy of the UK to secure employment of the remainder 20,000 employees.

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

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