
Hungary to extend rescue package to Dunaferr

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Mr Peter Kiss head of the Prime Minister's Office said that the Hungarian government plans to extend a rescue package to the troubled steelmaker Dunaferr.

He added that the government wants to help the company maintain the successful activity it had created in the past years in the midst of the market difficulties of the whole industry.

He said that the government has commissioned the Hungarian Development Bank and the economy minister to prepare a package to serve this purpose.

Mr Valery Naumenko MD of Dunaferr said that steel prices dropped from EUR 700 per tonne to below EUR 300 within a few months in 2008, and sales plummeted. He added that Dunaferr had had to cut back production and had been working at 50% to 60% of full capacity since December 2008.

Mr Naumenko said that it was making efforts to prevent layoffs and were planning for a 4 day working week from April 2009 because they intended that, after the current crisis of the steel industry, all workers return to full capacity production. He added that it asked for help from the Hungarian government last autumn to prevent layoffs of its almost 8,000 staff.

(Sourced from www.realdeal.hu)

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