
Evraz NTMK targets 4.5 million tonnes steel capacity by 2010

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SteelOrbis reported that Nizhny Tagil Iron and Steel Works, a subsidiary of the Russian steel producer Evraz Group, plans by 2010 to increase its output to 4.5 million tonnes of steel per year as a result of a major reconstruction of its oxygen converter workshop which includes the modernization of four oxygen converters.

The reconstruction of three of the converters has already been completed, while the last one i.e oxygen converter No 4 will be modernized in 2010. In addition, NTMK plans the construction of a second new oxygen converter shop, the commissioning of which is planned for 2012. As a result NTMK will be able to increase its annual steel output to 7.5 million tonnes.

NTMK registered the highest decrease in its output in the fourth quarter of 2008; however, in Q1 2009 output started to increase and in March NTMK again recorded a profit. Currently, NTMK's production profitability on its different types of products amounts to between 15% and 30%. The deterioration of the plant's financial situation was linked principally to the decrease of steel prices by 50% to 60% to the shutdown of some old production facilities, and also to the decrease of orders from one of its main clients, i.e Russian Railways.

At the beginning of the crisis, NTMK debts amounted to RUB 10.4 billion. Currently, regardless of the crisis, the company has managed to decrease its debts to RUB 800 million.

(Sourced from SteelOrbis)

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