

# Tata Steel's Europe Business Announces Restructuring

Tata Steel's Long Products Europe business announced proposals to stop production of steel plate. This comes in response to a shift in market conditions caused by a flood of cheap imports, particularly from China, a strong pound and high electricity costs.

As a result, Tata Steel has been forced to make changes to its Long Products Europe business. The proposed changes would lead to around 1,200 job losses about 900 in Scunthorpe and 270 in Scotland as well as a small number at other Long Products Europe sites. Plate mills in Scunthorpe, Dalzell and Clydebridge would be mothballed while one of the two coke ovens at the Scunthorpe steelworks would be closed.

Karl Koehler, Chief Executive of Tata Steel's European operations, said "I realise how distressing this news will be for all those affected. We have looked at all other options before proposing these changes.

"We will work closely with affected employees and their trade union representatives. We will look to redeploy employees, wherever possible, and minimise employee hardship.

"The UK steel industry is struggling for survival in the face of extremely challenging market conditions. This industry has a crucial role to play in rebalancing the UK economy, but we need a fairer system to encourage



growth. The European Commission needs to do much more to deal with unfairly traded imports inaction threatens the future of the entire European steel industry."

In the past two years, imports of steel plate into Europe have doubled and imports from China have quadrupled, causing steel prices to fall steeply. At the same time, a stronger pound has undermined the competitiveness of the business's Europe-bound exports, and encouraged more imports.

In response, Tata Steel is concentrating on higher-value markets with a focus on developing stronger and lighter products for its customers.

Bimlendra Jha, Executive Chairman of the stand-alone Long Products Europe business, said "Today's proposals mark the

next step in reshaping our business to give it the best chance of survival in this fiercely-competitive global marketplace. We are looking closely at the performance of all parts of Long Products Europe as part of a focus on returning to profitability."

The consultation process with Tata Steel employees and their trade union representatives begins.

Tata Steel's subsidiary UK Steel Enterprise will look at how it can provide more support to the local communities affected by announcement and help stimulate new job creation in those areas. Over the last four decades the company has helped to regenerate local economies with £88 million of support and created more than 75,000 new jobs across the UK.

## ArcelorMittal Continues to Rely on SMS Group

ArcelorMittal Kryviy Rih, Ukraine, has placed an order with SMS group for the supply of a further horizontal coil compactor for its two-strand wire rod mill.

After successful commissioning of a new coil compactor in 2013 and a second one in 2014, ArcelorMittal has now placed an order with SMS group for the supply of a third coil compactor of type HP 4700 - PWT2. In addition to the mechanical equipment, the scope of supply includes the electrical equipment, machine automation and the complete hydraulic systems.

SMS will integrate the new compactor into the existing plant environment and optimize all process interfaces. One of the



technological benefits provided by the new compactor is that it will turn the coils automatically. This will make it possible to produce coils with eight straps positioned at equal distances from one another by four strapping units.



This ensures safe coil transport even over long distances. This strapping method is also suitable for higher-strength grades. Delivery of the third coil compactor is scheduled for the end of 2015.