U.S. Steel to restart its Keetac facility

United States Steel Corp. will restart its idled Keetac Taconite Mine and pellet plant in Minnesota after securing third-party orders for pellets, the company has announced.

"U. S. Steel will adjust its iron ore pellet production in order to take full advantage of these business opportunities. Included in the adjustments is a restart of the Keetac Plant in Keewatin, Minn.," the company said in a statement. The facility has been idle since May 2015. The company said it plans to begin recalling workers this month and resume production in March.

U. S. Steel didn't say how many workers would be recalled, but U.S. Rep. Rick Nolan, who represents Minnesota's Iron Range, said company executives told him that about 200 jobs are to be restored. "Keetac's reopening is wonderful news for the Iron Range," Nolan said in a statement.

"This accomplishment is the result of a team effort with the mining companies, steelworkers, the Obama administration and those of us in Washington who have championed the cause of securing high tariffs and taxes on subpar, low-quality steel subsidized by foreign governments and dumped into our market by trade-cheater nations. These high tariffs and taxes have already shown great results for our American mining industry, and they will continue to improve market conditions over the next five years." U. S. Steel didn't say to whom it would be selling pellets, but a company official said that one of them is Stelco, U.S. Steel's former Canadian subsidiary. "The third-party pellet sales include supplying U. S. Steel's former Canadian operations," U. S. Steel spokeswoman Erin DiPietro said.

"Outside of the agreement with our former Canadian operations, we do not discuss our commercial relationships related to other potential third-party pellet sales." The Keetac plant has an annual production capacity of about six million net tons.

Nigeria to link Ajaokuta Steel plant with rail

Nigeria plans to start construction this month of a railway linking its decades delayed Ajaokuta steel plant to iron-ore mines and a port, as the government accelerates efforts to reduce the economy's reliance on oil. Ministry of Transport Permanent Secretary Sabiu Zakari said in an interview from the capital, Abuja, that Julius Berger Nigeria Plc which won a contract in 2009 to build a 275 kilometer (171-mile) rail line, should start work very soon, and completion is expected in about two years. We are determined to do this project that has dragged on for thirty years."

Construction of the steel plant on the banks of the Niger river started in 1979 before stalling, partly because of the absence of a railway to carry raw materials and finished product. Now authorities are seeking to revive the project, as part of President Muhammadu Buhari's efforts to invest in mining, agriculture and infrastructure.

Government revenue from oil, which accounts for 90 percent of the nation's export earnings, has shrunk after crude prices fell from a peak reached in 2014 and as attacks on pipelines in the Niger Delta curb production.

Zakari said that the new railroad will link the steel plant to an iron-ore mine in the central Kogi state, as well as the port city of Warri to the south and Kaduna state, north of the capital. Once complete, the government plans to hire a private operator for the rail line. Several companies have expressed interest in the concession, but declined to name them.

Sales of steel in Indonesia expected to grow 7 pc

Sales of steel in Indonesia are expected to grow 7% year on year to 15 million tonnes in 2017, from an estimated 14 million tonnes of steel sales this year. This growth is attributed to rising infrastructure development in Indonesia and the lower gas price (which is expected to be a reason for the nation's steel manufacturers to boost output).

Purwono Widodo, Director for International Relations of the Indonesian Iron and Steel Association said that steel sales in Indonesia fell in 2015 but rebounded in 2016.

Over the past couple of years, the global steel industry has been plagued by aggressive dumping of imported steel products, mostly originating from China, the world's largest steelmaker and steel consumer (accounting for about 50 percent of total global demand). However, due to China's economic slowdown, steel demand fell rapidly hence leading to a major supply glut. As China started to export its excess steel reserves at very attractive prices, most steel millers in other countries including Indonesia became uncompetitive (resulting in widening losses, while operations at various manufacturers almost came to a complete standstill).

The steel price is expected to remain stable in 2017 (but with limited upside potential) as China had earlier signaled that it is committed to curtail domestic steel production through the consolidation of domestic steel groups. Upside potential is limited because of the structural oversupply in China. Measures taken by China's government are not enough to absorb this excess capacity and supply. In late 2015 and early-2016 the steel price touched distress levels. However, in recent months the price has rebounded to around USD 525 per tonne.

Widodo said the Indonesian government has showed its commitment to protect Indonesian steel by encouraging usage of domestically-produced steel in the government-led infrastructure projects. Although it is impossible to refuse steel imports (after all Indonesia's steel demand is higher than production capacity), the government is eager to combat unfair trading.