

ArcelorMittal SA furnaces operational after fire

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ARCELORMITTAL SA said yesterday its basic oxygen furnaces have been recommissioned after a fire at its Vanderbijlpark works in early February knocked out flat steel production.

However, force majeure is still in place until ArcelorMittal SA makes up for a backlog in customer orders.

Flat steel is used in the automotive industry, heavy machinery, pipes and tubes, and

in construction, packaging and the making of appliances.

Since the blaze, the South African unit of the world's largest steel maker has largely been silent on the effects it had on production. However, yesterday it said the fire had caused "severe damage" to three basic oxygen furnaces. These had been repaired and recommissioned and were fully operational.

The company said an assessment into the cause of the fire had been completed, revealing the steel-making facility had been

affected by a malfunctioning sensor and computer software.

"The steel-making facility is now back in operation, which means the plant is now operating normally," ArcelorMittal SA spokesman Themba Hlengani said yesterday. "Apart from existing stocks at the time of the fire, all production from Vanderbijlpark has been offline."

ArcelorMittal SA said it would disclose the overall cost implications of the accident once all assessments had been finalised.

Mr Hlengani said that since

the fire on February 9, it had worked "very closely" with all affected customers. "The discussions with affected customers was aimed at expediting orders where the situation had reached critical levels," he said.

"Certain of our customers received products as we diverted an additional 40,000 tons to our domestic market from the Saldanha facility and after importing (about 50,000 tons of steel) slabs from Brazil and Mexico."

Market analysts, declining to be named, yesterday said that

ArcelorMittal SA had chosen its words "carefully" with regard to the fire.

The blaze added strain to a company already facing challenges. These included previous lengthy furnace outages at its Newcastle long steel works in KwaZulu-Natal; arbitration over cheap ore supplies from Kumba Iron Ore, and also significant government pressure over a "developmental" steel price.

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