

Vanderbijlpark steel plant to start ramping up in March

Dineo Faku

ARCELORMITTAL South Africa expected to resume full production at the Vanderbijlpark plant by the end of April after it was ravaged by a fire a fortnight ago, Africa's biggest steel producer said on Friday.

The resumption of production will come as a relief for manufacturers as Vanderbijlpark represents about 80 per cent of the group's total liquid steel production.

ArcelorMittal SA had completed an assessment of the causes of the fire and a

"recovery process" had been undertaken with the assistance of ArcelorMittal group experts, it said. An assessment of the potential financial impact was expected to be available towards the end of the month.

"It is expected that some part of the steelmaking operations can resume at this facility during March 2013 with completion now estimated by end of April 2013, at which point the plant will be back in full production," it said.

The company said it was sourcing semi-finished products from the group's various

plants and products were expected to arrive in six weeks.

"ArcelorMittal SA is diverting more steel to the domestic customers from Saldanha Works to the extent of about 40 000 tons per month, and the company is also exploring the possibility of increasing production at this facility," it said.

The company did not say how it would transport the product from Saldanha.

"The company is working closely with its insurers in this process," it said.

The company said the Gauteng Department of Agriculture

and Rural Development would withdraw a compliance notice issued on October 22 last year.

The department had issued an order against ArcelorMittal SA requiring it to switch off the electric arc furnace at the Vanderbijlpark plant because of environmental concerns.

Trade union Solidarity appealed to the department to lift the order after the fire last week, saying this would allow operations to resume at the plant thereby avoiding job losses.

ArcelorMittal SA shares rose 2.06 percent to close at R31.65 on the JSE on Friday.