

Evraz Q2 production drops on weak demand and Chinese imports

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20 Jul 2015

Troubled steelmaker, Evraz Highveld Steel and Vanadium (EHS) on Friday reported a 21% drop in steel production for the second quarter due to weak domestic demand and a surge of cheap Chinese imports.



skeeze via [pixabay.com](#)

The country's second-largest steel producer, which is currently in business rescue, said hot steel production declined to 119,027 tons in the second quarter from 150,510 tons the previous quarter. Year on year, hot steel output was 38% lower.

Vanadium slag output fell 18% in the second quarter to 1,466-million tons, mainly due to lower demand and excess supply, the company said in a statement on Friday. Vanadium slag is used to produce an alloy for high-strength steels.

"The domestic market remains under pressure as a result of poor demand further exacerbated by a surge of low price imports from China," the company said. During the first quarter, 488,000 tons of cheap steel had been imported - amounting to almost half of what was imported during all of last year.

Evraz Highveld, owned by global steelmaker Evraz Plc, was placed under business rescue in April after it said it could no longer meet its short-term loan obligations due to operational difficulties, sustained financial losses and a capital constrained environment.

The company's shares were subsequently suspended in the same month.

Source: *BDpro*

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