

CHINESE ironworks in Smederevo, after almost a year, started production on the second blast furnace, which was shut down on July 5 last year due to the pandemic and the current situation on the market.

According to earlier announcements from HBIS Group Serbia, blast furnace No. 1 was supposed to start production on August 16, but was launched two weeks earlier.

In the past year, only blast furnace number 2 worked, which, according to the claims of those responsible in the Smederevo ironworks, was a good strategic decision. The current situation on the steel market has created favorable conditions for the launch of blast furnace number 1.

It should be reminded that HBIS stopped one blast furnace in July 2020 due to problems with EU quotas for steel exports, which were significantly reduced. With production on only one blast furnace, 2020 was completed with 1.2 million tons of slabs produced.

The business plan for this year envisages working with one blast furnace as well. However, due to increased market demand, that decision was changed.

- After the negative second quarter of 2020, the demand for steel has drastically increased. Reduced production and supply of steel in Europe has led to a large positive correction in the prices of the final product, which continued to grow in the first months of this year. All this resulted in the decision to start another blast furnace in Smederevo.

The volume of production will depend on the needs of the market, because the ironworks produces for well-known customers.

Source: Novosti