Stainless

Tornio venture reflects production growth trend

The stainless steel sector continues to chart a more-than-steady upward course, it was confirmed at the Oslo meeting of the BIR Stainless Steel & Special Alloys Committee. However, 2003 and most of 2004 were likely to be 'trying times' for vacuum quality aerospace nickel alloys and especially for the titanium markets.

AvestaPolarit's facility at Tornio, Finland, was on track to become 'the largest single stainless steel production unit in the world' following approval of a Euro 1 billion investment programme.

Jussi Nli-Niemi, Production Manager at Tornio, told BIR delegates that the plant's annual stainless steel scrap consumption capacity was 600 000 tonnes per annum. The company had built a second scrap yard at the site and was developing new dock facilities capable of receiving five or six vessels at one time. A railroad connection to Russia also featured in the company's plans. Furthermore, it was anticipated that a new Skrot Johan shredder plant would be operational by the middle of June. The aim was to process a minimum of 120 000 tonnes per annum of mainly in-house stainless steel scrap, although mild scrap would also be processed 'if required'.

Jussi Nli-Niemi, Production Manager of AvestaPolarit's facility at Tornio, Finland (left) and Sandro Giuliani of Italy, BIR Stainless Steel & Special Alloys Commitee Chairman.

Gerhard Teborg of ELG Germany (left) and Michael Wright of ELG Haniel Metals U.K.

By Ian Martin

The speaker confirmed that a VAI continuous casting machine installed last year was already proving 'very effective' and had achieved a speed of 1.7 metres per minute - 'a new world record in stainless steel casting', he claimed.

At the end of 2002, the Tornio plant enjoyed a melt shop capacity of 640 000 tonnes per annum while hot and cold rolling capacities were 650 000 tonnes and 560 000 tonnes respectively. The proposal within AvestaPolarit was for these figures to rise by 2005 to, respectively, 1.65 million tonnes, 1.65 million tonnes and 1.2 million tonnes.

Some uncertainty

Mr Yli-Niemi's presentation on the investment programme at Tornio provided an appropriate backdrop to the stainless steel market report delivered by BIR Stainless Steel & Special Alloys Commitee Chairman Sandro Giuliani of Italy. Despite some elements of uncertainty in the global economy, world stainless steel production was growing at an annual rate of 'well over 7%' during the first quarter of this year. As well as the Tornio development, he pointed to a new furnace at Ugine & ALZ in Genk, Belgium, which had recently been operating for test purposes at its full capacity of 83 000 tonnes per annum.

Mr Giuliani identified 'strong' demand from China as the driving force behind global production growth, noting figures from the country's Metallurgical Council which indicated a 21% increase in imports of stainless steel products during the first quarter of this year. However, he also pointed to 'a drop in orders and a decline in production compared to forecasts' over the days immediately leading up to the Oslo convention.

The lack of a consumption recovery among industrialised countries was having a negative effect on scrap collection, thereby accentuating the impact of export restrictions imposed by the former Soviet Union whose overseas shipments slid from 728 000 tonnes in the year 2000 to 521 000 tonnes last year.

Scant availability

Focusing specifically on the European market, Mr Giuliani commented: 'All countries record a lower or, at the most, a steady scrap availability. Only Scandinavia has recorded a slight increase in scrap collection that is, however, exceeded by an increase in production.'

Barry Hunter of the U.S. reported concern about scrap availability among consumers and suppliers in his own country. In the important Pittsburgh area, 'the continued tight supply and export competition have maintained a firm monthly price structure in spite of reported reduced needs', he observed.

Stuart Freilich, also of the U.S., suggested in his submitted report that 2003 and most of 2004 would be

In the old days, Vika was a rundown, poverty stricken area. Today, the district is full of modern shops and office buildings.

'trying times' for vacuum quality aerospace nickel alloys and especially for the titanium markets. Military spending would be an important factor over the next few years while many of the world's large, high-cost airlines would have to restructure their business model in order to survive. Mr Freilich concluded: 'The revert titanium industry, as we known it, is history and some American and European titanium producers will not exist in the future as they will not be able to compete with Russian and Chinese producers, who continue to make inroads into these markets.' □