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Evraz Czech Unit Halts Production

By The Moscow Times

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Czech steel company Evraz Vitkovice Steel, a unit of Russia's Evraz, has halted its production line until Aug. 6 because of weak demand, a spokesman said on Monday.

"The situation on the market still sees the offer above demand, and the situation is best described by the fact that our operations are currently running at around 65 percent [of capacity]," spokesman Jaromir Krisica said.

He added that the company's rolling mill would also go offline between July 22 and Aug. 5 because of workers' holidays.

Evraz Vitkovice previously halted its primary steel production for a month in April.

Evraz, which like other Russian steelmakers has been disposing of assets to manage its debt load, said in April that it might permanently halt smelting capacity at the Czech unit or sell the entire business.

Speculation in the past month about another production halt at Evraz has also weighed on Czech hard coal miner New World Resources, which provides fuel to a major supplier of Evraz.

But Patria Finance analyst Tomas Sykora said the impact might not be big.

"During previous stoppages at Evraz in the Czech Republic, we did not register significantly lower revenue from the sale of coking coal," he said.

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