

ISD DUNAFERR GROUP TO CUT 800 JOBS



The ISD Dunafer Group is a name that many of you may not have heard in the past. After all when a company makes things that other companies buy they don't do a lot of marketing to the general public. For those of you who are not familiar with the company here is a look at how they have chosen to [describe themselves](#), "ISD Dunafer Group was founded in 1950. Today our group of companies, with its headquarters in Dunaújváros, more than 7500 employees, and consolidated sales revenue surpassing one billion euros, is one of the biggest manufacturing groups in Hungary. ISD Dunafer produces annually up to 1.3-1.4 million tons of pig iron, 1.6-1.7 million tons of LD steel, the finished steel product output is about 2 million tons. Thanks to integrated technology, the company group provides a wide range of products including hot rolled coils and sheets, pickled coils and sheets, cold rolled coils and sheets, hot dipped galvanized coils and sheets and cold bent steel sections as well." Sadly, the company is getting ready to shut down its Lorinci Rolling Mill facility. That closure will mean the loss of about 800 jobs when all is said and done. The company [put out a statement](#) about the job cuts that they are making, but it is not very heavy on the details of what will become of the workers, "It is probably not very polite, but let me start from bad news. Our traditional European markets are in very poor shape. Prices for our finished goods never recovered since 2008 crisis. This is further aggravated by weakening euro, resulting in 'price scissors' between dollar-denominated raw materials and our mostly revenues in euro, as well as increasing social obligations. As a result, Dunafer continues to lose its competitiveness in its traditional markets. Should we fail to buck this negative trend, 2012 is likely to become fourth year in a row when the Group suffers losses. To say the least, our continuing operations are under threat and I should not surprise anyone by saying that Dunafer remains intact mostly because of continuing financial support from the shareholders.... Many of us will be affected during these times of austerity. First target will be in-kind part of compensation packages: use of corporate cars will be restricted, and Dunafer will no longer provide free accommodation to management. A huge reserve of efficiency lies in the reduction of headcount. With more than seven thousand people in the organization, of which significant amount works in various administrative and management positions, Dunafer is set to remain far behind its major European peers. In my opinion, level of red-tape makes our economics non-sustainable as too many people are working with papers rather than with steel. " As you may imagine this is not the only company in the steel industry that is cutting back on workers. Here is a look at some of the job cuts that another company, Schnitzer Steel, is [making to its workforce](#), "Sadly the company has made an announcement that is bad news for their current workers. The company has decided to take on a substantial restructuring, one that will impact [several hundred jobs](#)"