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## **Shanxi proposes to merge 9 coke plants into one**

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Shanxi Coking Industry Association recently submitted to the provincial government a proposal on merging nine local coke plants into one single group.

An insider from the association said that the move is aimed at collecting the scattered voices of small coking companies during talks with upstream coal producers and downstream steel makers.

He said that it will also help stave off vicious price wars among small coke producers and channel their recourses into technological upgrades.

The nine plants are all state enterprises under the administration of the local State-owned Assets Supervision and Administration Commission. They boast a combined capacity of 12.45 million tons, which together take up less than ten percent of the 150 million tons of total output in the coal rich province.

A ten percent market share isn't sufficient to produce real market influence, said one expert concerned over the effects of the merger. Only a group holding at least 25% market shares can sway the direction. Besides, five of the nine plants are listed companies, which may present a hurdle to the merger, others said.

In the coking industry booster plan published by the Shanxi government in April, the western China province laid down the goal to cut the number of coke plants from the current 270-odd to no more than 150 by 2011. It also called for a further reduction to 60 by 2015 while cultivating a batch of super large coke producers each with 5 to 10 million tons of capacity.

(Sourced from chinamining.org)

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