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## China mid June steel output hits 2009 high -CISA

*Friday, 03 Jul, 2009*

Reuters quoted data from the China Iron & Steel Association reports that China's steel output hit 1.522 million tonnes per day in June 11th to 20th the highest daily output this year.

The rate of output is equivalent to an annual production of 555.5 million tonnes more than 10%t above 2008 output of 500 million tonnes and sets a pace that could leave June close to the all-time record for monthly steel production.

The accelerating rate of steel production will further weaken the case for a 40% cut in annual iron ore prices that CISA is demanding in talks with top mining firms which have run past a June 30th deadline without agreement.

CISA wants Rio Tinto, BHP Billiton and Vale, the companies that control most of the global iron ore trade to cut prices back to 2007 levels which would mean a deeper cut in 2009 prices than many other steel mills have accepted.

Despite a slump on the global steel market, China steel production has rebounded strongly this year after a slump at the end of 2008 spurred by a CNY 4 trillion state stimulus plans.

According to figures from the National Bureau of Statistics in June 2008, China produced 46.944 million tonnes of crude steel, the highest monthly volume ever. May 2009 was the second-highest at 46.46 million tonnes.

(Sourced from Reuters)

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