
NDRC sees Chinese crude steel capacity at 700 million tonnes

Sunday, 11 Oct, 2009

According to China's top planning body National Development and Reform Commission, China will no longer approve or support any steel project planned for pure capacity expansion.

It said "There is 58 million tonnes of crude steel capacity under construction, most of which is illegitimate. Crude steel capacity could exceed 700 million tonnes and overcapacity will intensify if curbs are not implemented in time."

NDRC reiterated China steel industry should become stronger and more competitive by obsolete capacity elimination, M&As mill relocation, structure adjustment and technical advancement, on the premise of stable or decreased capacity.

The commission also encouraged large scale steelmakers to develop key products such as heavy plate for million kilowatt-grade thermo electricity and nuclear electricity, high pressure boiler tube, grain oriented silicon steel for 250,000 Kva grade transformer and high-end tool and die steel. Besides, it also urged to improve construction steel standards and design specifications, wash out less-than-335MPa hot-rolled rebar and popularize 400MPa and plus rebar to advance construction steel upgrading.

It has also vowed to weed out 400 cubic meter and less blast furnaces and 30 tonne and less converters and electric furnaces by the end of 2011, with maximum comprehensive energy consumption per ton steel limited at 620 kilogram coal equivalent, new water consumption at 5 tonnes, dust emission at 1 kilogram and sulfur dioxide emission at 1.8 kilograms.

(Sourced from MySteel.net)

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