
Chinese steel sector in doldrums - CISA

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According to CISA China steel industry is now in an awkward situation facing impact from the sliding export and soaring import and the skyward moving crude steel output which has worsened the already severe demand and supply unbalance.

Mr Luo Binsheng vice president of the Association said the steel sector should focus major work on the following three aspects in face of the difficulties including persistently strengthening the innovation and improvement in technology and techniques, energetically eliminating backward and redundant capacity and promoting the reform within steel enterprises especially inter corporate M&A.

He said that the shrinking global demand, the exchange rate changes and trade protectionism adopted in some economies directed at China's steel products are responsible for the export decline. Authorities concerned should work to improve the export environment by flexible and proper export tax policy and more backup.

On the other hand, import of steel products, especially intermediate and low products has sharply grown greatly impacted domestic market. Mr Luo said "We suggest that related authorities actively work out effective measures to check the upsurge of overseas products."

He also noted that the market of imported iron ore is now in chaos, which was particularly fueled by some deliberately building ups adversely hurt the stability in steel industry.

As a result, the registering policy for imported iron ore should be implemented strictly and it is better to adopt agent mechanism across the country so as to unify domestic iron ore prices. In addition, the number of enterprises which are qualified to import the resource should be cut.

(Sourced from www.xinhuanet.com)

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