
China may raise output of steel made through EAF route

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Bloomberg reported that China may increase the proportion of steel made by electric arc furnaces to one quarter of total production in 2014 as more scrap becomes available.

Mr Wang Zhe GM of Baosteel specialty steel unit said steel made in electric arc furnaces was about 50 million tonnes last year or about 10% of the country production. Scrap is an alternative raw material to iron ore for steelmaking.

Zhujiang Iron & Steel Co said Chinese steelmakers are seeking to diversify raw material sources as iron ore prices next year are forecast to rise to the second highest on record. Making steel in electric-arc furnaces reduce waste water and carbon emissions.

Mr Mao Xiping vice GM of Zhujiang Steel a unit of Guangzhou Iron & Steel Group said electric arc furnaces can cut carbon emissions by 86% and waste water by 87%.

Mr Liu Huatao a manager of Anshan Iron & Steel Group part of China fourth biggest mill said “We would buy 1 million tonnes of scrap steel from the domestic market next year as we faces increasing pressure from production costs. He didn’t give details.”

Mr Liu said global scrap steel prices may rise next year as a recovering global economy boost demand. Higher international prices may deter imports by China.

(Sourced from Bloomberg)

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