
Steel production in China to rise 6pct - MIIT

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According to figures from the Ministry of Industry and Information Technology, steel production in China will rise 6% this year as demand from manufacturers and builders increases.

Mr Zhang Dechen a researcher at the ministry said output will reach 530 million tonnes. Production was 500.5 million tonnes in 2008.

He said that the room for domestic demand to consume the redundant capacity is very limited. The pace to phase out obsolete capacity is too slow.”

Mr Zhang said the government is drawing up a plan to speed closure of outdated steel plants, including restricting bank loans to companies with the facilities. China has 660 million tonnes of steel capacity.

According to Bloomberg data, steel output jumped to a record in August, a fourth month of gain spurring a 19% decline in benchmark Chinese steel prices since August 4th. China produced 369 million tonnes in the first eight months of this year.

(Sourced from www.chinapost.com.tw)

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