
Details of forthcoming Chinese steel sector revitalization plan

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China Metallurgical News citing an official from Department of Industry of National Development and Reform Commission said details of three major measures under steel industry revitalization plan ie guideline of steel M&A steel industry access and obsolete capacity elimination and compulsory standards for construction steel will soon be released.

According to the official, 5 out of the total 12 measures have been published. Export duty adjustment for steel products has been implemented effectively boosting steel exports and will be satisfied if total export volume reaches 20 million tonnes this year compared with about 60 million tonnes in 2008.

Besides, technical innovation in steel industry is under way. CNY 800 million investments by central government may increase in the coming days and has triggered local investment of over CNY 20 billion. Moreover, fair trade measure and self discipline pact have been introduced and overseas resources exploitation has made progress.

An official from Ministry of Industry and Information Technology said drafts of industry access and M&A guideline have been hammered out yet still need amendments. He said that that financial subsidy is an effective measure to urge enterprises and local governments to wash out outdated capacities yet better measures should be sought due to the large number of subsidies needed.

China will regulate steelmakers in product quality, environment protection, energy consumption, resource utilization and production scale by the industry access and will officially publish qualified enterprises. M&A guideline has also vowed to specially aid nationwide M&A initiated by 3 to 5 internationally competitive steelmakers and promote M&A by 6 to 7 major steelmakers.

(Sourced from China Metallurgical News)

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