
Anyang Iron and Sinosteel talk about consolidation

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It is reported that Sinosteel Corporation is contacting with Anyang Iron & Steel Group Co Ltd in a desire of making the Henan biggest steel maker in its campaign.

A source close to the top official of Anyang Steel disclosed to the paper that Sinosteel is under the talk about the M&A of the steel mill.

According to an insider the steel mill's determination on consolidation is said to be as a result of the advice of the local government.

The source near leading official of the mill said that "Anyang Steel is feeling the pinch in a wake of these years investment and progress and panting for new investor for future development."

A top official of the mill said and it is the only way for the mill to launch new project as a replacement of those less than 200 cubic meters blast furnace if it wants to go ahead. Consolidation is the only chance for the mill.

Mr Qu Xiuli director of the Finance and Assets Department of the CISA said the overcapacity in steel industry has backed up the high demand for iron ore and also dampened the steel prices.

Mr Yang Siming chairman & CEO of Nanjing Iron & Steel Co Ltd said that the price of iron ore is expected to gain 5% to 10% the next year.

The consolidation with Sinosteel will help Anyang Steel save cost in purchasing iron ore.

(Sourced from MySteel.net)

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