
NDRC to have third meeting for capacity control

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It is reported that the National Development & Reform Commission is to hold the third information announcement meeting this morning to introduce how to curb repeated construction of the industries with overcapacity and guide them to lead a healthy and sustainable development path.

As per report, the meeting is learned to talk about overcapacity of such sectors as steel, cement and plate glass and possible restrictive measures.

As to steel industry in 2008, China produced crude steel of 660 million tons as opposed to some 500 million tonnes of demand; but in both 2007 and 2008, steel export posted around 60 million tonnes in sharp contrast to this year net of several million tonnes. In this case, the excessive capacity is estimated to approach 200 million tonnes, considering an investment of over 140 billion tonnes in the sector in H1 2009. The building capacities of some 58 million tonnes are said mostly against the industry policy.

Mr Zhu Hongren speaker of the Ministry of Industry and Information Technology said the nation plans to intensify the elimination campaign and M&A and the draft of new policies is said to be submitted to the State council.

The information announcement meeting was born after the State Council required the ministries to share industry information for jointly supervising their capacity and utilization rate this August.

The first meeting was held in October with 10 department invited and the second only participated by the ministries of land use and environment protection. This morning is to have the third meeting, which may have new policies issued regarding overcapacity control.

(Sourced from MySteel.net)

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