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## China to curb cement overcapacity in 12 five year plan

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It is reported that in an effort to curb the cement industry production overcapacity, the China Cement Association has changed its development policy for the cement industry.

Accordingly, the association will step away from the 11th Five Year Plan vigorous development of new dry process cement production technology towards appropriate development in the 12th Five-Year Plan.

According to statistics released by the Ministry of Industry and Information Technology, China cement output hit 1.34 billion tonnes in the first ten months of this year up by 18.7% YoY.

As per report, with the new dry process prevalently being used in cement production, the proportion of new dry process cement rose to 71.8% in 2009, a 9 percentage point YoY increase. This achieved the 11th Five-Year Plan development goal proposal which targeted a 70% proportion of new dry process cement by 2010.

The ministry pointed out that although China has accelerated the elimination of backwards cement production capacity, it still contains 500 million tonnes of it.

Mr Kong Xiangzhong secretary general of the association, expressed that another key point of the 12th Five-Year Plan for the cement industry would be mergers and acquisitions.

The country will promote the development of energy saving and emission reduction technological transformation projects as well as the industry structural adjustment for urging the formation of large enterprises. It also aims to raise the industry's production concentration in a bid to solve chaotic competition. As result, a number of small and medium sized companies will be forced out of the market.

(Sourced from [www.chinamining.org](http://www.chinamining.org))

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