
China crude steel output to gain 10pct this Year - MIIT

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According to Mr Xin Guobin head of Performance Inspection & Coordination Bureau under The Ministry of Industry & Information Technology, China crude steel production is predicted to increase some 10% this year compared with the previous.

Mr Xin disclosed the nation has produced 103 million tonnes crude steel during this January to February up by 25.4% YoY with daily equivalent reaching 1.744 million tonnes hitting historic high.

He said “The nation's steel capacity had exceeded 700 million tonnes in 2009 versus 565 million tonnes of apparent consumption which included 30 million tonnes of stocks. During the year, 21.13 million tonnes backward iron smelting and 16.91 million tonnes steelmaking capacities were eliminated, while there are still 100 million tonnes and 11.29 million tonnes obsolete respectively set to be washed out before 2011.”

Otherwise, a CISA report said the steel inventory has perched high given upbeat outlook for the market after Spring Festival. By end of February the 26 major cities reported combined stock of five typical steel products at 18.09 million tonne up by 4.42 million tonnes or 32.33% MoM.

The report says steel demand has been increasing steadily. Along with higher production cost e.g. iron ore price, it drove the steel price up clearly. The industry is also to benefit from continuity and stability of the policy, domestic demand stimulus package and the improving international market. But in the meanwhile, overcapacity, relatively high stock and uncertainties of the external climate should mix the upward price trend with undulations in days ahead.

(Sourced from MySteel.net)

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