
Credit squeeze would not affect large steel mills a lot - CISA

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21st Century Business Herald cited Mr Wu Xichun Honorary President of China Iron and Steel Association as saying that "Credit squeeze would not send more impacts to China steel industry."

Mr Wu said that the steel industry was indeed in face of credit squeeze which may impact the down-stream traders more, owing to the high inventory, in his opinion.

He said that the government should work out policies to speed up inefficient capacity elimination and industrial recombination as quickly as possible.

According to the report, before this China Bank Regulatory Commission signed documents to disclose its attention on credit risks in steel industry and hold meetings with NDRC, MIIT and CISA etc on January 6th. Meanwhile, on January 21st the State Council has issued strict market and land admittances to steel, electricity and coal industries.

In 2009, Chinese government continuously pushed out a series of economic stimulus policies, in a bid to cope with the financial crisis. As per statistics, the current steel stocks recovered 2009 level showing signs of increasing further.

(Sourced from 21st Century Business Herald)

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