

## SEAISI updates on ASEAN iron and steel industry scenario

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South East Asia Iron & Steel Institute said that steelmaking in the ASEAN region is basically done via the electric arc furnace route. At the moment, there is only one blast furnace plant in operation, which is in Thailand. As for iron making, Indonesia and Malaysia are the only countries in the region that have iron making facilities with combined capacity of 6 million tonnes of DRI / HBI per annum.

Country	DRI/HBI	Slab	Billet	HRP/C	CRC	Coated	Long
Indonesia	1	1	17	4	5	19	58
Malaysia	3	1	7	3	3	11	30
Philippines			9	1	3	15	26
Singapore			1				1
Thailand			15	6	3	9	>46
Vietnam		1	>15	1	5	10	>40
Total Capacity	6	7.9	24.7	17.3	9.8	7.2	49.7

In tonnes

Source SEAISI

The installed capacity for roll making in ASEAN is much higher than that for steelmaking. As a result, significant quantities of billets, hot-rolled and cold-rolled coils are imported yearly as feedstock for rolling activities. In addition, the bulk of the region's requirements for high grade steel are still being met by imports, mainly to serve the automotive and electrical and electronics sectors. The region is a major importer of steel products, with total imports in 2008 amounting to 42.8 million tonnes.

In view of the above imbalance and also the good potential for steel consumption growth, the region has attracted much interest from both the regional and international iron and steel players in setting up new projects to cater for the shortfalls in supply. Many of the investment plans were, however, shelved when the global economic crisis worsened in the latter part of 2008. Nevertheless, with the world economy slowly returning to growth path, many of the projects are being reactivated and new projects planned. The followings are a summary of some of the new developments in the region.

### 1. Indonesia

The construction of the iron making plant of PT MJIS (Meratus Jaya Iron Steel) in South Kalimantan, with a capacity of 315,000 tonnes per year, is in progress. It is expected to commence production in 2012. The construction of a blast furnace by PT Indofero with a capacity of 500,000 tonnes per year.

### 2. Malaysia

Vale SA plans to establish a distribution centre for iron ore fines and palletizing plant at Teluk Rubiah in Malaysia. With deep seaport and ship size of 400K DWT, it expects to be able to handle 30 million tonnes of iron ores shipment each year and aims to expand to 90 million tonnes in the future. It aims to cover the markets in China, Middle East and to compete with Rio Tinto and BHP Billiton. It is expected to be completed by the first half of 2013.

Ann Joo Steel is in the process of building a blast furnace with a capacity of 500,000 tonnes. The process would enable the charging of hot metal into the current EAF mill and is expected to be in production by the end of this year.

A JV between Hiap Teck and Jikang Dimensi to construct a new blast furnace with a capacity of 700,000 tonnes per year. This also includes slab caster with capacity of 700,000 tonnes and a 350,000 tonnes per year capacity hot strip mill. It is expected that the first phase (blast furnace) will be completed by 2012.

A USD 1.6 billion stainless steel plant which will be 67% owned by Acerinox of Spain and 33% by Nisshin Steel of Japan.

Company is registered in the name of Bahru Stainless Steel Sdn Bhd and project will be implemented in three phases. When completed in 2020, it is expected to be the largest stainless steel plant in ASEAN with 1 million tonnes melting capacity and 600,000 cold rolling capacity.

Malaysia recently saw the establishment of electro galvanized production with the commissioning of two plants namely POSCO Malaysia and Nippon Egalv Steel. The two plants have combined capacity of 250,000 tonnes.

Perwaja Steel will restart its Concast AC furnace which has a capacity of 750,000 tonnes per year and will also upgrade its CCM capability and DR plant.

### 3. Philippines

Treasure Steelworks Corporation, a billet steelmaking plant in Mindanao Island, is constructing a mini blast furnace with an annual capacity of 400,000 tonnes.

### 4. Thailand

Thailand's Mill Con Steel Industries plans to invest THB 2.9 billion in a melting shop to support its long product rolling operation. Both MCSI and BRP are re rollers that do not have their own steelmaking capacity. The new EAF will provide MCSI with cost savings, increase its competitiveness and reduce the risk of raw material shortages.

Japanese invested long product maker, Siam Yamato Steel, formally started commercial operation at its No 2 sections mill with 400,000 tonnes per year capacity in eastern Thailand on March 1st 2010.

TATA Steel Thailand will raise its long product capacity with the start up of a new 500,000 tonnes per year mini blast furnace plant in Chonburi, east of Bangkok. The hot metal will provide energy savings to the 70 tonnes EAF at Chonburi's steel plant located adjacent to the blast furnace, while two sister plants at Rayong and Saraburi will be fed with pig iron from the mini blast furnace. The three steel plants have a combined 1.3 to 1.4 million tonnes per annum melting capacity.

### 5. Vietnam

Shengli (Vietnam) Special Steel Company Limited, established by Shengli (Fuzhou) Group Corporation and Guangdong Metals and Minerals Import & Export Corporation (China) is located in Cau Nghin industry, Quynh Phu district, Thai Binh province, Vietnam. Total investment is USD 100 million. The steel making with capacity of 500,000 tonnes billets per year was put into operation in 2009 and the 600,000 tonnes per year bar & wire rod plant will be put into operation in 2010. The equipment include a 2 x 50 tonne EAF, 1 x 60 tonnes LF, 5 flow billet CCM and bar & wire rod hot rolling line.

POSCO VIETNAM is located at Phumy in Ba Ria Vung Tau province. The first stage of the plant has been completed and operation started in 2009. It has a capacity of 700,000 tonnes per year for cold rolled steel products and 500,000 tonnes per year for cold rolled full hard steel products used for automobile and motorbike production and construction. The second stage is the hot-rolling steel plant with a capacity of 3 million tonnes per year, which is expected to be operational in 2011. As for long product, POSCO Special Steel in Phu My Industrial Park of Ba Ria Vung Tau province is investing in 1 million tonnes capacity billet centre, 700,000 tonnes per year heavy section mill and 300,000 tonnes per year bar mill.

The Hoa Phat Integrated Steel Complex, in Hiep Son commune, Kinh Mon district, Hai Duong province, has a designed capacity of 1 million tonnes per year using traditional furnace. The main products of the Complex include steel billet and construction steel made from iron ore and coke raw materials. The project is divided into two phases with total investment of around VND 8,000 billion. The first phase, put into operation in 2009, is for production of bar and wire rod with a capacity of 350,000 tonnes per year. The second phase, with an additional 650,000 tonnes per year capacity, is for the production of steel bar, round wire rod and formed steel and is expected to start in 2010.

Thep Viet Steel Corporation, a new bar mill with a capacity of 450,000 tonnes per year, started operation in Ba Ria-Vung Tau province in 2009.

Lotus Group's project at Phu My I Industrial Zone, Ba Ria Vung Tau, with total investment of up to VND 2,321 billion, consists of a production line for thick galvanizing with a capacity of 450,000 tonnes per year, a painted line capacity of 180,000 tonnes per year and five cold rolled steel production lines with a combined capacity of 1,000,000 tonnes per year. The production line of thick galvanized NOF technology will be put into commercial production in 2010.

A two million tonnes per year hot strip mill joint-venture project by VnSteel and Danieli in Phu My Industrial Park of Ba Ria Vung Tau province.

A project by Thai Trung Company to set up a 500,000 tonnes per year rolling mill for bars and wire rods.

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A joint project by VnSteel and Kunming Corp. to set up a 500,000 tonnes per year billet centre in Lao Cai province.

China Steel Corporation and Sumitomo Metal is setting up a 1.6 million tonnes per year cold rolling mill and 400,000 tonnes per year CGL in My Xuan A Industrial Park Ba Ria Vung Tau province.

A 700,000 tonnes per year billet centre and 500,000 tonnes per year rolling mill by VinaKyohei Steel Co Limited in Phu My Industrial Park, Ba Ria Vung Tau province.

Kobe Steel plans to set up a 2 million tonnes per year iron nugget production facility (based on ITmK3 technology) in Nghe An province.

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

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