
Power restrictions to cut capacity utilization and boost steel prices in China

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Bloomberg quoted Credit Suisse Group AG as saying that power restrictions by local governments in China may lead to the suspension of 25 million tonnes of annual steel capacity helping boost prices.

The suspended capacity includes a Baosteel Group Corp blast furnace in Ningbo.

Ms Trina Chen a Credit Suisse analyst said disruption to steel production has started as local governments rush to meet year end power efficiency targets.

Ms Chen said in the report that the production cuts should have positive impact on the fourth quarter steel prices, as it combines with the industry production cut in July to August.

(Sourced from Bloomberg)

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