
Steel prices in Vietnam begin to decline - Report

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According to Mr Pham Chi Cuong chairman of the Viet Nam Steel Association, steel prices have dropped slightly this month. Early this month, Viet Nam Steel Association members said that they would maintain their current selling price even though Viet Nam based its prices on the world market price.

The local steel industry said it could lower prices because several traders had been speculating on steel with hopes of making a huge profit. Before cutting prices, though, they must sell their products and pay back bank loans.

In the first quarter, steel imports increased 110.7% in value compared to 2007, with 3.44 million tonnes at a total cost of USD 2.4 billion.

A Viet Nam Steel Association report shows that steel consumption in February and March was 296,000 tonnes and 350,000 tonnes, respectively, higher than average consumption last year.

Viet Nam Steel Association estimates that domestic steel consumption this year would increase by 20 % over last year due to strong foreign investment and the number of State projects, such as the Son La Hydro power plant and Dung Quat Oil Refinery that are still under construction.

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