
North Chinese mills may face production halt for Olympics

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It is reported that Chinese steel prices rally would gain further strength from the possible production halts in provinces surrounding Beijing in addition to spiking raw materials costs in the months ahead. The authority is to implement strict environmental protection policy during the Olympics therefore, steel mills in North China might be required to halt or slash production.

Executive from a Hangzhou based steel mill told China Securities News that the company is upbeat about HRC and medium plate price outlook on back of production halt along Beijing-Shenyang Railway during the session of the Games. That would lead to tight supply in the market.

Some market analysts told the newspaper that steel output disruption due to Beijing Olympics may be more of an excuse for market speculation since the real impact may not be as severe as expected.

About 70 steel mills in Hebei province, China have been ordered to control air and water pollution by June 15th 2008 prior to the start of the Olympic Games in August. Failures to do so could result in closure the mills have been warned.

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