
Sinosteel to set up steel scrap centre in Shenyang

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China Business News cited Mr Huang Tianwen chairman of Sinosteel as saying that Sinosteel, China's biggest steel trading house, plans to build up a 1 million tonnes per year steel scrap processing centre in Northeast Shenyang, costing an initial investment of CNY 500 million. The project is slated to run production within two years

Mr Huang said that "Rapidly developing steel industry has produced huge amount of steel scrap, which can be used as substitute for iron ore to make new steel products. And we plan to introduce advanced equipment from US. He said that the company has just concluded takeover of Australian iron ore prospector Midwest Corp, and it continues to show great appetite for securing more reliable raw materials. Steel sector is poised to sustain steady growth in next 10 to 15 years although the rate might ease to 10% to 15%.

He said that "Steel prices are set to hover over a high track given that steelmaking ingredients prices continue to roar up. The squeezed profit margin would phase out those mills with less competitiveness, which would help accelerate the steel consolidation in the sector across the country."

According to the report a number of its mining projects are slated to come on stream quite soon. It plans to start production at the nickel ore project in Indonesia before the year end, and run its iron ore mine at Cameroon soon. Its iron ore project in Zimbabwe has already commenced operation and its JV ferronickel plant with Baosteel already started production.

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