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## Shanghai customs supporting Baosteel

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It is reported that under the combined influence of rising international iron ore price and domestic macro control, Chinese steel makers' production costs climbs up during recent years. In order to back up Baosteel, Shanghai Customs further facilitate customs clearance for the steel makers' goods.

Driven by violent capacity expansion in domestic steel industry, China became a net steel exporter for the first time in 2006. However, the problem is that the capacity is dispersed over more than 4000 enterprises. Total outputs of top 10 steel makers only account for 35% of the nation's steel outputs during the first half of 2007. There is still a certain gap between the goals of reaching proportion of 50% in 2010.

In order to promote the industry's combination and upgrading by limiting exports, Chinese government published to cancel the export rebates for most steel products and even impose certain export duty as well as implement export license system on some high energy consuming and low added value products from Jan 2007.

A senior official from Baosteel Group said that Chinese government's macro control had little influence on Baosteel as exports of high added value products took up about 65% of the steel maker's total steel product export. And the steel maker had already adjusted its production to further raise export ratio of sheet/plate products and other high-added value products, like oil well pipe. The export of CR steel pipe and CR coil would be lifted up by 46% and 17% respectively.

In order to meet Baosteel's rising demand of customs clearance for high added value products, Shanghai Customs takes several steps. Both parties set up cooperation mechanism. Shanghai Customs has a detailed knowledge of Baosteel's requirements in terms of customs clearance and offers personalized service to the steel maker.

(Sourced from MySteel.net)

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