
Pingxiang Steel boasting steady growth amid turmoil

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It is reported that Jiangxi Pingxiang Iron & Steel Company Limited has bucked the trend amid the overall steel market downturn. When the whole steel industry starts the production suspension, Pingxiang Steel is on the process of full load production, with stockpiles keeping below 10,000 tonnes.

Pingxiang Steel a large size enterprise with steel output of over 4 million tonnes per year has been engaged in the full load production so far this year.

Mr Tu Jianmin board chairman of the company said that the steel mill has realized daily steel products output of over 12,00 tonnes and the daily profits of the mill have averaged more than CNY 2 million since November and the mill also has recruited 600 employees in the month.

Mr Tu said that Pingxiang Steel continues to keep a nice production momentum resulted from the strategies of product mix optimization and cost reduction. Pingxiang Steel only depended on the purchase of high cost spot iron ore to meet its production demand in earlier days. And Mr Tu believes that the ore price falls both at home and abroad provide a new chance to obtain a long term ore contract with a lower price for Pingxiang Steel. Currently, the steel mill has signed 7 million tonnes of low priced contract ore.

The major products of Pingxiang Steel are wire rod and rebar, with the production in the front rank among home peers. Its first stage renovation project, a 1.8 million tonnes per year of wire rod and rebar production line at Jiujiang in Jiangxi is expected to finish working in 2009.

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