
40% small mills restart production in Tangshan

Sunday, 30 Nov, 2008

It is reported that steel market in Hebei Tangshan has shown sign of reviving affected by the nation's impetus policies and local government's support with idled capacity of the total dropping to 34% from the earlier 58%. And over 40% of the retired capacity has resumed production since November.

As per report, the deepening global financial crisis has plunged most steelmakers in Tangshan into huge losses since August. Some of them only run half of their capacity due to liquidity strains. To counter the market winter, local government has pushed for steel consolidation to strengthen presences, with steel production of the local top 5 mills taking up 49.1% of the total and the production ratio of flats reaching 65.4% up by 7 percentage points from the earlier period.

Local government has constructed 21 projects like gas-driven generator, steel-slag utilization, etc for steel mills so far this year, with total costs of CNY 1.3 billion. The city has shut down 45 outdated blast furnaces, 20 converters and 18 electric furnaces in 2007 as requested by the central government, with total iron making capacity of 5.77 million tonnes and steel making capacity of 5.58 million tonnes. In the mean time, Tangshan has commanded 267 enterprises featuring with high polluting and energy costs to suspend for rectification, including 13 steel smelters and 39 independent rolling mills. Local authority has provided CNY 130 million bank loans for medium and small companies so far.

(Sourced from MySteel.net)

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