
Shougang Jingtang sets up coal tar JV with Kailuan Clean Coal

Thursday, 11 Dec, 2008

It is reported that Shougang Jingtang Iron & Steel Co Ltd has signed a letter of intent on cooperation with Tangshan-based Kailuan Clean Coal Co Ltd recently to build a coal tar processing JV in Caifeidian, an island 70 kilometers south of Hebei Tangshan.

Beijing-based steel giant Shougang is relocating to the neighboring Hebei province and setting up a new 51 to 49 JV with Tangshan Iron & Steel Group, named Shougang Jingtang Iron & Steel Corp. The project is in line with Beijing's request that new steel plants are built in port cities.

With total investments of CNY 2.5 billion, the JV includes 0.6 million tonnes per year coal tar primary processing and 0.8 million tonnes per year deep-processing projects. Construction will be carried out in two stages, with first stage building 0.3 million tonnes per year primary processing project, and the second establishing another 0.3 million tonnes per year and 0.8 million tonnes per year deep-processing project.

Detailed shareholding ratio has not been confirmed yet, and the two investors said a third party investor might be introduced when necessary. In the mean time, both sides proclaimed that their purchases and supplies with the JV should go in tandem with the market prices.

(Source: www.caijing.com.cn)

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