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## Jiuquan Steel 2008 net profit dips by 96% YoY

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It is reported that Gansu-based Jiuquan Iron & Steel Co Ltd has reaped its 2008 performance report on April 27th. It has finished 4.19 million tonnes of pig iron down by 0.45 million tonnes or 9.7% YoY, 4.45 million tonnes of converter steel down by 0.24 million tonnes or 5.12% YoY and 2.23 million tonnes of steel products up by 0.09 million tonnes or 4.21% YoY including 0.78 million tonnes of high speed wire rods, 0.47 million tonnes of steel bars and 0.98 million tonnes of slabs down 0.02 million tonnes up 0.06 million tonnes and 0.04 million tonnes YoY respectively.

To its holding subsidiary company, Shanxi Yicheng Steel Co Ltd has produced 0.98 million tonnes of pig iron, 1.23 million tonnes of crude steel and 1.24 million tonnes of steel products, down 0.02 million tonnes, 0.11 million tonnes and up 0.03 million tonnes YoY respectively.

In the report period, JISCO has realized CNY 32.48 billion of operating incomes up by CNY 10.16 billion or 45.53% YoY CNY 19 million of total profits down by CNY 0.96 billion or 98.07% YoY and CNY 34 million of net profits down by CNY 0.77 billion or 95.74% YoY. The main drivers behind the growth of operating incomes are the price hikes of steel products in the first three quarters in 2008. Although have taken a series of measures to cope with the financial crisis, the company saw a sliding performance in 2008 with ESP hitting at CNY 0.05.

As per report, the whole steel industry has suffered a cold winter last year impacted by the economic recession, with shrinking market demands. Especially in the fourth quarter, the prices of steel products and raw materials all eyed a big dive, leading the company to face the great losses in costs and sales.

(Source: <http://www.hexun.com>)

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