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## **Baotou Steel to slash operating cost in 2009**

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It is reported that Baotou Steel hammers out this year's cost cutting target of CNY 801 million lately in a bid to sustain the development under the influence of global financial crisis.

Pursuant to the target, the iron smelting plant is required to cut cost of CNY 150 million the biggest percentage of the total. The mill's Bayunshan mine plans to decrease cost of CNY 30.26 million higher than the given figure of its parent company.

The material company targets at cost-reduction of CNY 28.9 million that means, the company should build up stable channels for the supplement of raw materials. The coking plant plans to cut cost of CNY 20 million in 2009 through upgrading coal-blending, etc.

The steelmaking plant aims to fulfill goal of CNY 108 million by cutting cost and increasing benefits from rail steel. The plant will extend the production of 350 kilometers per hour, 250 kilometer per hour and 160 kilometer per hour rail steel to meet the strong appetite.

The rail & beam plant targets at CNY 61.7 million centralizing in expanding rail steel production to 1.25 million tonnes, 0.1 million tonnes more than previous yearly plan. Meanwhile, the plant plans to increase the outputs of 100 meter length rail to 0.5 million tonnes this year to improve the product mix.

The sheet plant is asked to subtract CNY 64.4 million in 2009, the sales company to decrease cost of CNY 100 million the thermal power plant to decrease cost of CNY 32.85 million.

(Source: Baotou Steel)

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