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## Shagang may acquire Zhangjiagang Wanda Steel Plate Co

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It is reported that Jiangsu Shagang Group, the top private steel mill in China, has locked in an acquisition target Zhangjiagang Wanda Steel Plate Co Ltd just in the wake of the steel revitalization plan released by local government lately.

Once the acquisition deal succeeds, Shagang would expand its industrial chain into galvanized sheet and CR products field and which will lay solid floor for it to realize its 30 million tonnes steel capacity target by 2010.

Boasting production capacity of 28 million tonnes for crude steel and ranking No 5 in China in steel output in 2008, Shagang has no business in CR and galvanized sheet products field so far. And figures show the China's top private mill yielded 20.56 million tonnes of finished products, 2.15 million tonnes of steel bar, 6.25 million tonnes of billet, 5.83 million tonnes of wire rod, 1.53 million tonnes of medium plate and 4.21 million tonnes of HR products etc in 2008.

Shagang has been hunting for valuable plants for acquisitions over the years. And Wanda Steel Plate located in the same city and also a private mill under Jiangsu Panhua Group has annual production capacity of 0.5 million tonnes of galvanized sheet and nearly 1 million tonnes of CR with total capacity breaking 1 million tonnes.

Mr Jia Xiangrong Shagang vice-chairman told China Business News that it is mulling to acquire Wanda Steel Plate. And Mr Gong Sheng president of the group also declared lately it was launching a probe into a CR and galvanized sheet producer in Zhangjiagang. What he means is Wanda.

Insiders of Wanda also confirmed the news. However, it is still unknown how much Shagang would offer since the investigation is still in the prophase.

So far this year, Shougang Group has announced to acquire Shanxi private mill Meijin Steel while Baosteel has finished its purchasing of Ningbo Jianlong Steel. And market insiders believe it is the global financial turbulence that forced some mills to unload assets.

(Sourced from MySteel.net)

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