
Hubei Province to continue promoting steel industry

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It is reported that Hebei government is going to sign and issue the Steel Industrial Restructuring and Revitalization Plan in coming days. This is a significant move made by local government to promote local economic growth.

Steel industry is one of the economical pillars for Hubei Province. In 2008, it fulfilled Industrial added value of CNY 33.28 billion yielding 19.91 million tonnes of steel, 18.93 million tonnes of iron and 21.51 million tonnes of steel product respectively hiking 12.4%, 9.6% and 15.4% from last year and ranking eighth, sixth and seventh across over the country. Now there are 138,400 employees serving in the industry.

The development of the local steel industry has for long years been badly shackled by the irrationality of the industrial structure. The lack of industrial chains and colonies, single product structure, and short of deep processing capability have greatly prolonged the progress of the industry.

For this reason, the Plan puts the industrial restructuring the most highlighted place.

1. Related authorities and steel mills should strengthen the improvement of industrial structure, uphold corporate consolidation, upgrade industrial concentration and eliminate backward capacities, with a view to further expanding the industrial scale, trying to hit 28 million tonnes of steel, 26 million tonnes of iron and 32 million tonnes of steel product by 2011.
2. The deep processing capability for high value added products should be further improved with a target of achieving 10 million tonnes of deep-processed steel by 2011.
3. Steel mills should upgrade equipments and introduce advanced management, put more efforts in research and development of innovation of products, changing the adverse situation in product mix and low technology content.
4. A completed industrial chain should be built up.

Some experts believed that the short of steel industrial chains and colonies is to a dominant extent responsible for the backward steel industrial structure in Hubei province. On the other side, as the bulk of resources such as iron ore are imported, greatly pushing up the transportation cost for steel making in the province, which is far from the coast. What's more, if the end consumers are not near the mills, the cost on the way to the users is out of imagination. As a result, just the offer price alone will face fierce challenge when competing in the international market.

Hubei steel industry could feed itself in constructions with its made steel products through promoting resource consolidation and allocation, not only cutting transportation cost for both buyers and sellers, but push forward inter-industries' resource circulation. In the international market, steel mills should improve product mix and the added values so as to push up the products competitiveness.

As to raw materials, the local government should encourage development of high phosphorus iron ore resource in west Hebei province, in order to scale down the dependence on imported raw materials in steel industry.

Besides, the Plan also emphasizes the importance of promoting energy saving and emission reduction by regulating that the major enterprises should strictly control integrated energy consumption less than 620 kilogram standard coal for one ton steel, and newly consumed water below 5 tonnes.

(Source from www.jjxww.com.cn)

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