



Steel Trade Issues should not be Linked to MES

Steel trade issues should not be linked to Market Economy Status (MES) and should not be used as an excuse to continue discriminatory and unfair practices, the spokesperson of the Chinese Mission to the European Union (EU) has said recently.

At present, the global steel industry in general is facing overcapacity problems, the spokesperson said, and the root causes lie in the weak recovery of the global economy and a lack of effective demand for steel.

These are the main contributors to the sharp fall of global steel prices, the spokesperson said, noting the EU, the United States, Latin America and the Association of Southeast Asian Nations (ASEAN) all face

this problem, and China is no exception.

To effectively deal with this issue, the Chinese government has made unremitting efforts in recent years to accelerate economic restructuring.

In October 2013, the Chinese government issued guidance on resolving the conflict of serious excess capacity, clearly prioritizing three specific tasks -- strict control of new capacity, complete elimination of outmoded capacity, and reduction of 80 million tons of steel production capacity by the end of 2017.

The government work reports both in 2014 and 2015 focused on resolving overcapacity as an integral part of structural adjustment.



Through relentless efforts, China has succeeded in controlling steel overcapacity. During the "Twelfth Five-Year Plan" period (2011-2015), China's steel industry has cut its capacity by 77.8 million tons, while investment in iron and steel fixed assets this year fell by 12.4 percent.

Moreover, fierce market competition and pressure on the environment also prompted the automatic exit of a large quantity of steel production capacity, both in the private sector and state-owned enterprises.

Overall, the growth of Chinese steel production has basically halted. However, China will continue to take measures to address overcapacity.

At an Extraordinary Competitiveness Council meeting last month, some EU member states reportedly urged the European Commission to adopt trade remedy measures to protect the European steel industry that has been suffering from global overcapacity.

Recently, some European and American iron and steel associations voiced their opposition to the EU's automatic granting China MES in 2016, claiming that the Chinese steel industry is the predominant global contributor to the problem.

The Mission of China to the EU said steel trade problems would be better resolved through dialogue, communication and co-operation between industries.

"China is willing to work together with other countries to actively improve the international trade environment and to encourage industries to collaborate in order to achieve shared and win-win growth," it said.

Chinese Firm to Build Leading Steel Pipe Plant in Nigeria



Chinese steel pipe manufacturer, Jiangsu Yulong Group, held a groundbreaking ceremony for a large-scale factory in Nigeria's Lagos Lekki Free Trade Zone.

The groundbreaking ceremony was attended by government officials, Chinese envoys and representatives from private companies.

Jiangsu Yulong Group, which was listed on China's Shanghai Stock Exchange in November, 2011, is exploiting international market, according to Willy Wen, the company's deputy general manager.

He told Xinhua that the Yulong Lekki project, consisting three phases of investment, would be the No.1 complex welding and seamless pipe manufacturer in Nigeria.

He put the first phase of investment at 50 million U.S. dollars, which would construct a Submerged Arc Welded Pipe production unit with designed capacity of 150,000 tons annually.

The second phase of about 60 million

dollars, he said, would build an advanced equipped steel pipe production unit with another production capacity of 150,000 tons yearly.

The third phase would establish an OCTG (tubing, casing, drill pipe and line pipe) production unit and matching equipment valued at 10 million dollars, he said.

He said the project would boost Nigeria's oil and gas industries when completed.

The Consul-General of the Chinese Consulate in Lagos, Liu Kan, said at the ceremony the project was an important part of China-Nigeria industrial co-operation which would bring win-win benefit.

The project, which encompasses 180,000 square meters, is expected to create employment for over 1,000 local people and will enhance modern technology transfer by training engineers in the steel fabrication business.

The steel pipe plant, upon completion, will be one of the largest heavy industry plants in Nigeria.