



## Pakistani steel mills welcome import protection



Leading steel makers and rerollers in Pakistan have welcomed the imposition of 15% Regulatory Duty on steel imports, citing that the heavy imports were adversely affecting the local industry as per newspaper reports.

Pakistan Steel Manufacturers Association Vice Chairman Khalid Khan said, "We applaud the government's ingenuity of providing an opportunity where importers can continue importing without having spill over effects on the local industry. Before the imposition of RD on steel products, a lot of mills were

just utilising 40 to 60% of their capacity because imported products were being dumped in the market. The regulatory duty will foster an investment friendly environment that will bring more capacity into the country."

The Pakistan Ship Breakers Association chairman Mr. Dewan Rizwan Farooqi said "It appreciates the government for this bold move which has helped save hundreds of thousands of jobs as well as the local steel industry. Since 2010, the ship breaking industry has been providing 1.2 million tons of steel raw materials annually to the re-rolling, wire rod and steel melting industry."

But the tax increase provided no relief to the state-run Pakistan Steel Mills. Mr. Shazim Akhtar PSM spokesman said, "The government has not raised duty on hot rolled coils, which is the main product of Pakistan Steel. At present the duty on import on HRCs is 5% for consumers and 10% for traders. On the contrary, PSM pays 23% taxes on HRCs. The huge difference between duties on imported

HRCs and local HRCs is not in favor of Pakistan Steel. We appeal to the government to provide a level playing field. Either the government should reduce duty on HRCs manufactured by PSM or increase import duty."

Weeks ago, the government slapped 15% duty on the import of billets, bars, and wire rods and 5% on imported cold rolled coils and galvanised plated sheets.

The government's decision has come as a response to lengthy lobbying on part of the steel industry, which was trying to secure its survival in the face of international competition and claimed that the difference between locally manufactured and imported products that had swelled to PKR 10,000 to PKR 15,000 per tonne.

According to the central bank, the country imported steel products worth USD 622 million from neighbouring China during July-September 2014. The import surged by 25 % over the same period a year ago.



### Benxi Steel's sales revenue exceeds CNY 100 billion in 2014

Despite the sluggish steel market, sales revenue of Benxi Iron & Steel (Group) Co Ltd exceeded CNY 100 billion for the third time in 2014. Its export increased by 24.5% compared to last year.

Over the recent years, steel's market share has kept going down due to the fierce competition among homogenized products. Low profits, low price and high pressure have become the new normal of the steel industry.

Faced with a tough situation, Benxi Steel strived to adjust and research in order to accelerate the transformation. It stuck to market-oriented policy, exploring new markets and customers while stabilizing the intrinsic market share.

The company, located in Benxi, Liaoning province, is one of the main iron and steel producers in China with an annual output of 20 million metric tons of high-quality steel products.

Besides China, the company's products are sold overseas. Last year, its export contract value took the lead among major steel corporations in the country for four consecutive years.

### Worthington Industries to acquire Rome Strip Steel

Worthington Industries Inc announced that it has signed an agreement to acquire the business of Rome Strip Steel Company Inc. The transaction is expected to be completed later this month.

Rome manufactures cold rolled strip steel to extremely tight tolerances, primarily for the automotive industry. Rome Strip Steel is located at Rome in NY, with a warehouse facility at Walhalla in SC and employs 130 people. In business since 1926, Rome's capabilities include rolling, annealing and slitting a wide range of cold rolled alloy, high carbon, low carbon close tolerance strip steels and various grades of high and low strength alloy steels. The addition of Rome will expand the Company's cold rolled strip steel production capacity to three facilities including Columbus and Cleveland, Ohio. Rome's 2013 sales were approximately USD 70 million.

Mr. Geoff Gilmore president of Worthington Industries Steel Processing said "Rome is one of the best in the industry with a culture similar to Worthington. The addition of Rome will expand our ability to process close-tolerance material with custom surface finishes and increase our overall production capacity. This acquisition supports our strategy to focus our growth on high value-added products."