

Azerbaijan to host Euro 1.2 b Metallurgical Complex



Courtesy : Trend News Agency

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Investment in construction of a Metallurgical Complex in Azerbaijan will exceed 1.2 billion euro, said a Head of the Ministry of Economy.

The volume of investments in creation of a new metallurgical complex in Azerbaijan, that includes five plants, is estimated in 1,225 billion euro, declared the Minister of Economy of the republic Shakhin Mustafayev at a event called "Metals Industry Development: New appeals and Aims".

"A metallurgical complex, that consists of 5 plants, will be built in

Sumgait. The complex construction will be carried out in three years. The volume of investment in this project is estimated in 1,225 billion euro", - stated the minister.

According to him the construction period within the project will create 4 thousand new work positions and after the complex start up – 1.2 thousand more people.

Mustafayev mentioned that 50% of the complex production will be exported. Agreement on the project accomplishment was signed by the Italian company "Danieli & C. Officine Meccaniche S.p.A and the Azerbaijan Baku Steel Company.

According to estimates, commission of a complex will allow Azerbaijan to save 500 million dollars per year on steel products import.

"This is a very important project from the point of view of new work positions opening and decrease of dependence from import, and expansion of the country export potential. That is why the republic government completely supports this project fulfilment", - the minister highlighted.

Besides, the question concerning a new professional school in contemplation to prepare highly qualified personnel for operation at this complex.

The head of the Ministry of Economy reported that the project will be completely fulfilled by means of private investments. particularly, by means of the companies and by means from the banks.

According to the data from Baku Steel Company, the complex will produce steel products, which are supposed to be exported to Iran and Turkey, where there are important needs.

Tackle Global Steel Glut : Angela Merkel

The G20 group of leading economies must find a solution to excess capacity in the global steel industry, German Chancellor Angela Merkel said adding that overproduction in some countries was causing job losses elsewhere.

Merkel said Germany, which takes over the G20 presidency next month, would push for a collective solution for the worldwide glut that has dampened steel prices for years and raised tensions between China and other major producers.

European and U.S. leaders have pressed China to accelerate capacity cuts, blaming its big exports for slumping prices and accusing it of dumping cheap steel in foreign markets.

"For example, at the G20 summit in China, we discussed in a very open manner overproduction in the steel sector, which is resulting in people in the steel industry losing their jobs," Merkel said.

"We must solve this problem together, so



that we don't have a situation where one country wrecks damage on other countries," Merkel added.

China has vowed to cut capacity by 45 million tonnes this year, though it said in August it was behind on that target.

Last month, the European Union set provisional import duties on two types of steel entering the bloc from China to counter what it said were unfairly low prices. The measure was criticised by Beijing, which

accused the bloc of engaging in protectionism.

Some 5,000 jobs have been axed in the British steel industry in the past year as it struggles to compete with cheap Chinese imports and high energy costs.

G20 leaders pledged at a summit in China in September to work together to address excess steel capacity that has punished the global industry with low prices for years.