



China meets 2016 target for steel capacity cuts

China has come in ahead of schedule in its target of cutting 45 million tonnes of steel capacity in 2016, reaching the goal before the end of October, the country's state economic planner said.

China also hoped to achieve its 2016 goal of cutting 250 million tonnes of coal capacity before the year-end, Li Pumin, general secretary of the National Development and Reform Commission (NDRC), had said earlier.

China plans to eliminate 100 million to 150 million tonnes of annual steel production over the next five years as the industry battles with excess capacity.

However, steel capacity cuts have so far done little to rein in output, and Europe and the United States have accused China of



dumping its excess steel overseas, hitting producers and hurting global prices.

Thermal coal prices CZCcv1 have hit fresh records on an almost daily basis in recent weeks after government-enforced closures earlier this year tightened supplies

for power utilities, triggering a scramble ahead of the winter.

Li said China will balance coal supply and demand to ensure stable prices.

China's power consumption in the first 10 months of 2016 rose 4.8 percent from a year earlier, the NDRC said.

The state planner also said it has approved 15 fixed-asset investment projects in October totalling 218.8 billion yuan (25 billion pounds).

Li said the government will step up investment in key areas of the economy, including water conservancy, urban sewerage drainage and rural infrastructure.

A British entrepreneur has already entered the race to invest in the American industries that Donald Trump has promised to resurrect.

Beijing braces for steel backlash from US and EU



Beijing is bracing for a US and European backlash against Chinese steel, as the rise of Donald Trump threatens to escalate overseas opposition to a domestic industry that accounts for half the world's output.

China's domestic steel consumption fell last year but exports have so far soaked up excess production, helping mills defy Beijing's efforts to rein in surplus capacity. That export crutch could weaken as attitudes harden in other big steel-producing regions.

In the US, president-elect Trump campaigned on a platform of limiting Chinese imports, while the European steel industry has lobbied hard against granting China market economy status by December as stipulated in the terms of its 2001 entry to the World Trade Organisation.

Over the weekend, China's Ministry of Commerce protested after the EU closed in on a deal to impose punitive anti-dumping tariffs. "China has expressed great concerns and worries about the

EU's trade protectionist tendency over steel," the ministry said in a statement on its website.

"The European steel industry's problems are due to weak economic growth, not because of competition with Chinese steel products," it said, while calling for better communication and exchanges "to properly

solve problems that the steel industry is facing". Chinese steel exports for the first 10 months of the year rose about 1 per cent to 93m tonnes, and are likely this year to come close to last year's record 112m tonnes. Asian countries account for more than half its exports.

This year China and the EU agreed on a bilateral 'platform' to track Chinese steel shipments, a model that some have indicated the US and China could also adopt. But big international steel producers also face a second, harder-to-fight threat from China's overcapacity — Chinese shipments to developing regions including Africa and the Middle East erode those regions' purchases from developed countries.

This section is a compilation from various company press releases, business dailies & trade publications.

JOIN US **Steelworld**



To Get More Updates On

Iron and Steel Industry

Use the below Link & Like the Page

<https://www.facebook.com/pages/Steelworld/621590691216613>

To Know the Inside of Industry

<http://steelworldblog.wordpress.com/>