

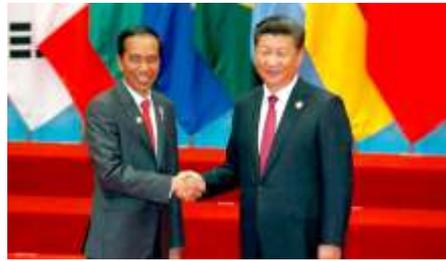
China investors interested in 271 Projects in Indonesia

Chinese investors have expressed their commitment to invest in 271 projects in Indonesia in the second quarter of 2016, according to Harjanto, director general of resilience and development of international industry access at the Industry Ministry, at the G20 Summit in China.

“China has expressed its commitment to Indonesia’s 271 investment projects worth US\$925 million, of which main contributions are from steel, electronic, food, cement and other strategic industries,” Harjanto said.

China’s investments in Indonesia were expected to have positive impacts on the national economy and the domestic industry competitiveness, he added.

Included in realized China’s investments in Indonesia are PT Sulawesi Mining Investment operating in the nickel mining sector with a production capacity of 300,000 tons per year and an investment value of US\$636 million in Morowali Industrial Park, Central Sulawesi. PT Sulawesi Mining Investment owns the first nickel smelter in Indonesia utilizing the Arc Furnace Rotary



Kiln technology. Another China’s investment is PT Virtue Dragon Nickel Industry operating in ferronickel processing sector in Konawe, Southeast Sulawesi, with a total investment of US\$5 billion and an annual production capacity of 600,000 tons.

“There’s also Anhui Conch Cement Company operating in the cement industry with a total investment value of US\$5.7 billion and an annual production capacity of 20 million tons,” Harjanto revealed.

In Indonesia, Anhui Conch Group will build five integrated plants and a grinding plant in South Kalimantan, Banten, North Sulawesi, South Sulawesi, and West Papua.

At the Indonesia Business Forum in

Shanghai, Industry Ministry Airlangga offered four industrial zones in Indonesia ready to work with foreign investors.

“We also invite Chinese investors to seize investment opportunities in Indonesia, such as those offered by mineral, coal gasification, petrochemical, agriculture, shipyard, and automotive component industries,” Minister Airlangga said.

China's steel mills on a profit roll in first 7 months



Profits nearly tripled at private steel mills in the industry’s mainland heartland in the first seven months.

Analysts said the rising profitability of steel plants in Hebei province, which has more steel capacity than Japan and the United States combined, could complicate the central government’s efforts to shrink the industry further.

The central government is pushing the industry to cut excess capacity but while state-owned mills might comply with demands to trim output, plants backed by local governments and private businesses will keep production lines going if there are profits to make.

Private steel mills in the province reported 17.1 billion yuan in combined profits over the seven months, up 283 per cent from a year earlier, quoting data from the provincial steel industry association.

Of the 78 steel mills covered by the association’s survey, 63 were profitable during the period, compared with more than 50 over the same time in 2015.

China's Tangshan city cuts industrial production to control pollution



China’s top steel making city of Tangshan has told industrial plants to cut production for two weeks, its third such suspension since July, as Beijing battles overcapacity and pollution, according to a document.

The environmental crackdown will affect steel mills, power plants, coking producers and cement producers that have failed to meet standards.

The city in the northern province of Hebei, which accounts for more than a fifth of China’s steel output, enforced similar cuts

in July and August, and will strengthen inspections of emissions. The Tangshan city government could not immediately be reached for comment.

The overcapacity has brought China under fire as its record overseas

shipments have stirred tension with other major producers. Following complaints and increased anti-dumping duties, leaders of the G20 group of countries have pledged to work together to tackle excess steel capacity.

China has promised to cut steel capacity by 45 million tonnes this year, as it tries to rejuvenate an industry suffering from slowing demand and a massive supply glut.

Steel capacity cuts in the first seven months of the year amounted to just 47 percent of the annual target and China will accelerate the pace over the rest of the year.