



JFE Steel, Baosteel forms JV to make powdered steel

JFE Steel will team up with the biggest steelmaker in China, Baosteel Metal, to sell steel powder used to create car parts, a move to boost the Japanese company's competitiveness in the Chinese automarket.

JFE Steel, which is a subsidiary of JFE Holdings, entered in a 50-50 joint venture with China's Baosteel Metal, a unit of Baowu Steel Group. The joint venture will start manufacturing premixed iron powders uniformly coated with copper and nickel alloys starting 2018.

The partnership will allocate an estimated \$15.7 million to build a factory in Shanghai. The facility will include equipment that will mix alloyed metals with externally procured iron powder.

The Japanese firm is the first to introduce the production of iron powder to China. because mixing alloy evenly with iron powder needs a high level of technology.

Steel output rises in Jan-Feb by 5.8 pc

China's steel output in the first two months of 2017 rose 5.8 percent from the same period a year ago as mills boosted production amid higher prices and firm demand as Beijing moves to cut excess capacity in the sector.



China's steel output for January and February combined rose to 128.77 million tonnes, the National Bureau of Statistics (NBS) said. The NBS provided information for January and February together to smooth the impact of the Lunar New Year holiday, and did not give a separate monthly breakdown.

Steel mills are currently making a profit of up to CNY 800 (USD 115.74) a tonne by producing rebar, the strongest level since 2011, analysts said.

China produced 808.4 million tonnes of crude steel output in 2016, up 1.2 percent.

Hebei Steel to cut output in \$6.2 bln upgrade project



Hebei Steel Group, China's biggest steelmaker by output, has won approval for a 42.4 billion yuan (USD6.2 billion) project that will reduce its steel capacity by nearly 2 mln tons and upgrade old technology, Hebei province's economic planner said.

China, the world's biggest producer and consumer of steel, is prioritizing supply-side reform in its steel and coal sectors, seeking to tackle pollution and cut an output capacity glut that has weighed on both domestic and global prices.

The Development and Reform Commission (DRC) of Hebei, China's largest steelmaking province, approved the project for four units of the Hebei Steel Group in a March document that was published by China Steel News.

The four entities, including two units of listed subsidiary Hesteel Co Ltd and

Xuansteel Co, have vowed to phase out 9.15 mln tons of iron capacity and 9.34 mln tons of steel capacity, according to the document.

"To cut excess capacity, upgrade technology and clean up the air for the coming Winter Olympic Games, Hebei Steel Group has planned to upgrade and relocate Xuansteel," Wei was quoted in a press report.

"Xuansteel will build new modernized plants in Laoting. After the new facilities pass assessments, a number of out-dated steel mills of Hebei Steel Group will be halted," Wei said.

Xuansteel will build four new blast furnaces and five new converters with total iron and steel capacity of 7.32 mln tons and 7.47 mln tons, respectively.

Then, when the outdated steel mills are phased out, that will cut Hebei Steel's annual iron capacity by 1.8 mln tons and drop its steel capacity by about 1.9 mln tons.

Hebei is home to 104 mills that account for nearly a quarter of China's total steel output. The province has pledged to cut steel and iron making capacity by 31.17 mln tons by 2017 and by 49.13 mln tons by 2020.

China has launched a campaign to shut down substandard steel output in its war on pollution and industrial overcapacity. It is planning to close 100-150 mln tons of annual steel production capacity over the 2016-2020 period.

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