



Iron ore imports rise in March amid steel mills' restocking



China's iron ore imports rose in March after touching a 10-month-low in February, customs data showed, with steel mills replenishing their inventory as winter production restrictions started to end, according to a media report.

Arrivals of the steelmaking raw ingredient came in at 86.42 mln tons in March, according to data from the General Administration of Customs.

That was up from 83.08 mln tons in February and also up on 85.79 mln tons in March last year.

For the first quarter of 2019,

China brought in 261 mln tons of iron ore, the data showed, down 3.5 pct from 270.4 mln tons in the same period last year.

Winter season output restrictions aimed at curbing pollution in northern China were mostly lifted by the end of March, although some regions, including the top steel-making hubs of Tangshan and Handan, continued some curbs into the second quarter.

"China's domestic demand started to see big increase since mid-March as steel mills gradually resumed production amid easing winter curbs," said Fan Lu, analyst from Sinosteel Futures.

The average inventory of imported iron ore at mid- and large-steel firms in China rose to 30.4 days of use by end-March, from around 28.5 days in February.

Weekly utilisation rates at steel mills across China had risen to

69.48 pct as of April 12, the highest level since mid-July.

But analysts also warned that high iron ore prices may affect iron ore trade in the near-term.

"Steel mills are still cautious on purchases at this moment. They are only buying small amount that can support use for a few days," said Zhu Hao, analyst from Orient Futures before data was released.

The May-delivered iron ore contract on the Dalian Commodity Exchange hit a peak for the contract of 720 yuan (USD 107.18) a ton last week, fuelled by concerns over tight supply after production and shipment disruptions at top miners in Brazil and Australia.

Vessel-tracking and port data compiled by Refinitiv suggests China will import about 60.19 mln tons of seaborne iron ore in April after cyclone Veronica hit Western Australia in late March. ■

Hebei to ban expansion of steel industries

China's Hebei province announced a ban on capacity expansions in 11 industries, including steel, coking and petrochemicals, in eight cities, Xinhua News reported, citing a provincial government document.

The expansion ban could help the smog-prone Northern province, which is China's biggest steel producing region, to improve air quality while it accelerates the restructuring and upgrading of its heavy industry sector.

Companies within a specific region in the province will not be allowed to add or expand production capacities in steel, coal-



fired power, coke, cement, lime, nitrogenous fertiliser, ferrous-metal casting, ferro-alloy, carbon and any other industrial projects that use coal as major fuel in a special air pollution control zone, Xinhua said, citing the document from the Hebei provincial environment bureau.

The region includes China's two

largest steel-making cities, Tangshan and Handan, as well as the provincial capital of Shijiazhuang and another five cities near Beijing, Xinhua said. Hebei province surrounds the national capital city.

"Implementation of the policy will be included into the evaluation system of local authorities," Xinhua reported, citing the document.

Local officials in cities that are not following the policy will be named and shamed by their provincial supervisors, and more stringent restrictions would be introduced into these cities if necessary, Xinhua said. ■

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