



Steel output falls due to environmental concerns



China's monthly crude steel output fell for a second straight month in July, official data showed as steel mills trimmed output amid heightened environmental measures and record raw material prices.

The world's top steelmaker produced 85.22 million tonnes of crude steel last month, data from the National Bureau of Statistics (NBS) showed, down from 87.53 million tonnes in June but still well above 81.24 million tonnes a year earlier.

China's steel production has been strong this year despite relatively thin margins, supported by firm demand from sectors such as property and infrastructure as Beijing looks to bolster its economy amid a trade row with Washington.

Average daily output of the industrial metal was 2.75 million tonnes in July, down about 6% from 2.92 million tonnes in June, according to Reuters calculations.

The decline came as local governments in northern China, including the top steelmaking province Hebei, stepped up production restrictions to improve air quality. Hebei is set to impose tougher emission requirements on industrial firms after warning three cities for their failures in controlling air pollution over the first half of this year.

At the same time, the price of iron ore, a key steelmaking raw ingredient, surged to a peak of \$126.5 a tonne in early July, data tracked by SteelHome showed, squeezing profit margins at steel mills. Weekly utilization rates at steel mills across the country fell to around 66.44% in July from 70.41% a month earlier, data compiled by Mysteel consultancy showed. However, an easing of production restrictions at some cities, such as

Handan, led utilization rates to rise to 69.48% in the week to Aug. 8.

Steel stocks held by Chinese traders have been increasing for nine straight weeks since early June, indicating weak demand over summer as construction activities slow down due to hot weather and frequent rains.

In the first seven months, China churned out 577.06 million tonnes of steel, up 9% from the same period last year, the NBS data showed. While iron ore prices have come off sharply in recent weeks, rating agency Fitch Ratings expects steel production in China to decline in the second half due to a slowdown in housing construction, environmental measures and market-driven production cuts on shrinking steelmaker margins.

"We expect weaker domestic demand and increasing trade friction to lead to a decline in average selling prices as steel margins continue to be squeezed for the rest of the year," it said in a report. ■

Vietnam delays anti-dumping probe

Vietnam Ministry of Industry and Trade has extended the time to decide the launch of an anti-dumping investigation on cold-rolled carbon steel coils and sheets imported from China by another 30 days. The MoIT's Trade Remedies Authority of Vietnam said it has received a request for the investigation on May 3.

On June 20, the agency issued an official dispatch to affirm that

the document is complete and in line with regulations set in the Law on Foreign Trade Management.

According to Clause 2 of the law's Article 70, 45 days after the document is announced as valid, based on the request from the investigation agency on trade remedies, the Minister of Industry and Trade decides if an investigation into the case will be

conducted or not. In some special occasions, the decision can be delayed one time and for no longer than 30 days.

In case of the cold-rolled carbon steel imports from China, the postponement has been issued so that the ministry could have more time to examine the document and related information.

The decision will be issued on September 3. ■

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