US scrap prices continue moving up

- 28 Jan 2008

Platts reported that US domestic prices of heavy melting scrap moved higher in the Northeast and Midwest regions last week, while most other grades remained stable at the higher levels established in the second week of January 2008.

Scrap was sold at USD 365 per long ton delivered this week to an East Coast mill. The same grade was sold in the Midwest in a range of USD 360 to USD 365 per long ton on a delivered mill basis over the past 10 days. This compares with transactions earlier this month reported in a range of USD 325 to USD 340 per long ton in the same regions.

There were indications that the premium for cut plate and structural steel scrap, which widened to as much as USD 20 to USD 25 per long ton above the heavy melt price in some regions early January 2008, has now narrowed again.

The report cited a processor in the Northeast as saying that cut plate and structural scrap are selling at USD 276 per long ton, only USD 11 more than he reported getting for number1 heavy melt. He added that "I think the market will continue higher. I think we may see record breaking prices before too long."

Shredded scrap hit the USD 400 per long ton mark earlier January 2008 but prices for this grade were little changed so far this week. Current price levels for ferrous scrap in general, however, are approaching record levels in the US market. Prompt industrial grades such as bushelling and factory auto bundles are in relatively short supply and are reported to have sold earlier this month in the Midwest region in a range of USD 410 to USD 420 per long ton delivered mill. These two grades hit an all time high slightly above the USD 440 per long ton mark in 2006.

Processors exporting from the US East Coast meanwhile have been forced to increase their dock side buy prices to match domestic levels. Processors in the New York Philadelphia corridor were reported to be paying USD 360 to USD 365 per long ton this week for heavy melt delivered to the dock. Number 1 and number 2 heavy melt are the main export grades, followed by plate and structural steel scrap.

Randon to start works on foundry in December 2008

- 28 Jan 2008

BNamericas reported that Brazilian metal products group Randon expects to start operations at its 30,000 tonnes per year iron and steel foundry plant in southern Rio Grande do Sul state in December 2008.

Mr David Randon VC of Random said that the plant, to be installed in Caxias do Sul city, was originally scheduled to enter a test stage in July or August 2008.

He added that “Reasons for starting operations in December 2008 reflect the normal paperwork in the environmental licensing process and the company's strategy."

Random makes steel products including highway equipment and vehicle parts. The foundry plant will satisfy a portion of Randon's foundry part needs and is due to require investments of some BRR 100 million.

SS scrap prices to rebound on returning nickel strength

- 25 Jan 2008

It is reported that after the sharp drop of nickel price in December last year, the LME price of nickel has stuck around USD 28,000 per tonne in recent weeks.

The nickel price is going up from the valley since the beginning of 2008 and the nickel behavior did not show any large drop in January. This has led the transaction price rebound of stainless steel scrap up to NTD 82 per kilogram and NTD 84 per kilogram in Taiwan, increasing by NTD 10 per kilogram than early January.

Currently, the steel scrap containing 8% nickel is offered averagely as NTD 73 per kilogram to NTD 75 per kilogram which has picked up from the bottom of NTD 62 per kilogram in last two months.

World crude steel output in 2007 up by 7.5% to 1.343 billion

- 24 Jan 2008

The International Iron and Steel Institute announced that world crude steel output reached 1.343 billion tonnes for the year 2007 up by 7.5% YoY as compared to 2006.

While the overall output remained high, 2007 has seen a small slowdown in the growth rate, YoY growth peaking at the end of the first quarter. This slowdown in growth was seen in nearly all the major producing countries and regions including China, EU, CIS and the US. The exception was in the Middle East where production growth accelerated during the second half of the year.

China’s steel production in 2007 reached 489 million tonnes, a 15.7% increase on 2006. This represents a growth reduction from the 18.8% achieved in 2006, 26.8% in 2005 and 26.1% in 2004. The slowdown in 2007 was most apparent during the last quarter, with an 8.6% growth rate. However, China remains the driving force behind the still strong world production figures. Without China world crude steel production would have only grown at 3.3%.

Other BRIC countries also maintained relatively high growth, with India and Brazil recording 7.3% and 9.3% increases respectively. In Russia production growth was flat from the end of the second quarter leading to an annual growth figure of 2%. The BRIC share of world production has been growing rapidly since 2000. It has grown from 31% of total in 2001 to 48.2% in 2007.

Steel production in the EU (27) from the second quarter remained stable, with year-end figures of 210.3 million tonnes, a 1.7% growth over 2006.

In the US steel production showed negative growth in the first three quarters but showed a turnaround in the fourth quarter with three consecutive months of growth. Total crude steel production for the US was 97.2 million tonnes, a 1.4% reduction on 2006 figures.

Rank	Country	2007	2006	Change
1	China	489.0	422.7	15.7
2	Japan	120.2	116.2	3.4

3	United States	97.2	98.6	-1.4
4	Russia	72.2	70.8	2.0
5	India	53.1	49.5	7.3
6	South Korea	51.4	48.5	6.0
7	Germany	48.5	47.2	2.8
8	Ukraine	42.8	40.9	4.7
9	Brazil	33.8	30.9	9.3
10	Italy	32.0	31.6	1.2

Readers are requested to note that
1. IISI monthly statistics are compiled using data submitted by the 67 reporting countries. However, the end of year annual figures include estimates for non reporting countries. The totals provided in the end of year annual figures will be greater than the cumulative monthly figures.
2. China's figures for December are estimates supplied by the China Iron and Steel Association and will be confirmed at the end of this month.

The International Iron and Steel Institute is the largest steel industry associations in the world. IISI represents approximately 180 steel producers, including 19 of the world's 20 largest steel companies, national and regional steel industry associations, and steel research institutes. IISI members produce around 75% of the world's steel, excluding China and the growing membership in China now accounts for over 20% of Chinese production.

IMF warns of serious meltdown

- 23 Jan 2008

According to Mr Dominique Strauss-Kahn MD of IMF all developed countries are suffering from the slowdown in the US putting the world economy in a serious situation. His comments came after world stock markets fell sharply and demand for safe haven bonds.

He said the situation is serious. He warned that emerging market growth could also be dragged down by the outlook in the US. Meanwhile, top European finance officials stressed that their economies remained solid as global stock markets plunged on concerns about a risk of recession in the US.

Mr Joaquin Almunia EU Economic and Monetary Affairs Commissioner said "The excess of volatility of the markets is not good news. I hope they will become quieter because at least in Europe the fundamentals of our economies are sound."

Mr Wouter Bos Dutch Finance Minister said a US slowdown will have an impact on the European economy but it will be moderate."

Mr Andrej Bajuk Slovenian Finance Minister whose country holds the rotating EU presidency said that "We are all concerned. We are following the events on a daily basis we hope things will not be as bad as they may look."

Mr Pedro Solbes Spanish Finance Minister acknowledged that "We are worried in the sense that we have to follow what's happening every hour and to try to understand what's happening."

MEPS sees upward trend in steel price to continue in Q2

- 23 Jan 2008

UK based MEPS said that "Following ArcelorMittal's recent price announcement, it now seems unlikely that any strip mill product increases will be implemented in the second quarter of 2008."

MEPS added that "The Company intends to defer the rise, which will reflect escalation in raw material costs, until period two. Inventories in most countries under review are still not at comfortable levels and third country imports, ordered some time ago, continue to arrive. We have very few price changes to report as most fourth quarter sales were finalized last month. Annual contract negotiations with automotive and domestic appliance makers appear to be at an impasse."

MEPS said that "In Germany, service centers still have high inventories and mills are holding stocks which have yet to be called off by customers. This is adversely affecting the market as buyers hold back from placing new orders. Producers are highlighting escalating input costs as the driver for price rises in the second trimester but many players do not believe the market will be sufficiently strong to support big increases. The mills may have to, at least initially, absorb some of the costs themselves."

MEPS added that "Prices in the French market is slow to restart after the holidays but demand is expected to pick up within the next couple of weeks. For now, in early January 2008, prices are stable, compared to the end of the year. Strip mill product values are expected to move up for second quarter supplies."

MEPS said that "Although third country activity levels remain low in Italy following the late return to work. The price tendency over the first and second quarters is likely to be positive as mills will be obliged to recoup some of their soaring input costs. However, huge increases are not anticipated. Many buyers are covered through to February to March 2008 and are only purchasing material to fill gaps in their inventories, which are now more under control. For recent deals, Riva has withdrawn the small discounts offered in early December 2007, putting prices back to the November 2007 level."

MEPS also said that "UK prices remained firm over the December 2007. Demand is steady but not strong and shows no signs of improvement. Stocks at customers are adequate for current consumption through to March to April 2008. It is apparent that suppliers want to lift prices, certainly by period two, but it is questionable whether buyers will accept this. However, there is very little alternative non EU material on offer."

MEPS said that "The de stocking movement is still in progress in Belgian. Mill prices have not changed from December but customers expect to face advances quite soon as ArcelorMittal is reportedly telling some buyers that the first quarter is already sold out. There are very few new arrivals at Antwerp port, especially from China. Resale values are now keeping pace with last year's mill hikes."

MEPS added that "In Spain, the majority of period one business was booked before Christmas. Although mills are claiming a roll-over of prices, our research shows some modest discounts on the final quarter 2007. However, any unsold quantities are likely to be more expensive as there is almost no third country competition. Buyers have purchased quite large volumes from European suppliers ahead of a perceived rise in the second trimester."

Nucor seeks huge hike in sheet steel prices

- 20 Jan 2008

According to Purchasingdata.com Nucor has continued the steel sheet price inflation charge, blaming the recent explosion in steel scrap prices for the USD 80 per tonne price increase for hot rolled sheet in coil.

As per report “If the proposed price sticks, delivered hot rolled coil from Nucor would cost USD 660 per tonne in March. The last time HRC was this high was in 2004.

As per Purchasing.com, hot rolled steel sheet prices have jumped from an average USD 544 in December to USD 565 this month and USD 580 for February deliveries. Other producers were planning for USD 640 price proposals in March.

Mr John Anton steel market economist at Global Insight said that he is having trouble reconciling all the announced price increases with a soft demand outlook. Mr Anton agreed that “Costs of production are certainly higher and mills do desire to pass these along. But there is only so much the market can bear and I fear we may find the breaking point.”

Hot band spot prices moving towards record levels

- 18 Jan 2008

SteelBenchmarker reported that the US hot rolled band spot price for January 14th 2007 surged by 6.1% to USD 659 per ton on FOB basis after 5th consecutive rises, world export HRB price rise by 5.3% to USD 633 per tonne FOB the port of export for the third consecutive time, Chinese HRB ex works price rose by 3.4% to USD 543 per tonne and the Western European HRB price up by 4.7% to USD 718 per tonne ex works for the second consecutive time.

USA
USD 659 per ton FOB the mill
Up by USD 38 per ton from USD 621 three weeks ago
Up by USD 99 per ton from low of USD 560 on August 13th 2007
Up by USD 29 per ton from recent high of USD 630 on April 9th 2007

China
USD 543 per tonne ex works
Up by USD 18 per tonne from USD 525 three weeks ago
Up by USD 73 per tonne from low of USD 470 on October 22nd 2007
Up by USD 56 per ton from high of USD 487 on September 10th 2007

Western Europe
USD 718 per tonne ex works
Up by USD 32 per tonne from USD 686 three weeks ago
Up by USD 55 per tonne from low of USD 663 on July 23rd 2007
Up by USD 22 per tonne from high of USD 696 on June 11th 2007

World Export Price
USD 633 per tonne FOB the port of export
Up by USD 32 per tonne versus USD 601 three weeks ago
Up by USD 83 per tonne from low of USD 550 on July 23rd 2007
Up by USD 37 per tonne from high of USD 596 on March 26th 2007

SteelBenchmarker publishes steel benchmark prices for HRB, CR coil, rebar, and standard plate in the US, Western Europe, mainland China, and the world export market every fortnight.

AK Steel increases prices for carbon steels by USD 30 per ton

- 18 Jan 2008

AK Steel Holding Corporation will increase spot market prices for its carbon steel products by USD 30 a tonne with effect from March 1st 2008 as demand and costs for steel making inputs has increased.

AK Steel said that its March 2008 order book is now open for hot rolled products, but said that there are limited quantities of cold rolled and galvanized products.

US auto demand to fall in 2008

- 17 Jan 2008

It is reported that after years of crisis, the big three US automakers face another brutal year with demand expected to dip again due to an economic downturn threatening to snuff out 2007's timid recovery.

The world's major automakers exhibit upcoming models and the concept cars of the future from Sunday as media previews kick off for the Detroit motor show. But the extravaganza comes amid gloomy predictions for the market.

Mr Bruce Clark an analyst at Moody's financial research group said that "It's pretty clear that demand in the US will decline during 2008. He said at this point we are anticipating total retail shipments of about 15.7 million units. But actual shipment levels could be even lower depending on the overall state of the US economy."

According to the firm Autodata the three US manufacturers used to hold 95% of the market but this has been chiseled to just over half as Asian firms seized 47% with Japan leading the charge. Japanese giant Toyota for the first time passed Ford in the US auto sales rankings in 2007, taking second place behind General Motors Ford was pushed back into third place, with Chrysler in fourth.

SS production may rise by 8.6% in 2008 – CRU

- 16 Jan 2008

Research group CRU said that stainless steel production will expand as much as 8 times faster in 2008 than in 2007 as mills replenish stockpiles.

Ms Vanessa Davidson research manager for CRU's special steels and alloys division said that last year's estimate of 1% growth will be revised in March 2008. Growth may be as fast as 8.6%, with almost half the 2.5 million tonne increase from China. She added that "We are looking for decent growth in 2008.''

Ms Davidson said that China is expanding output from 7.5 million tonnes in 2007 after building up capacity to supply export industries. Tangshan Iron & Steel Co will start production this year at a mill with annual capacity of 600,000 tonnes. Shanxi Taigang Stainless Steel Co, Zhangjiagang Pohang Stainless Steel Co and Lianzhong Stainless Steel are also increasing capacity.

She further added that Western Europe is now the most buoyant stainless steel market. Steel mills began replenishing stockpiles toward the end of 2007 and demand has strengthened. She said “Mills in Europe said they are fully booked in January and February 2008 and some through March 2008.''

Ms Davidson said in Germany, the base price for cold rolled coil was raised by 7.1% in December 2007. Base prices reflect demand for metal and exclude the cost of ingredients including chrome and nickel, which are paid through a separate premium. She said “If demand from distributors and end users in North America and Asia doesn't pick up soon from current levels, perhaps we may see growth of 4 to 5%.''

Growth in stainless steel production may be lower than expected should weaker demand in Japan and the US, encourage mills to extend production cuts beyond January 2008.

Yuan breaks 7.25 mark

- 16 Jan 2008

Chinese yuan has hit a new high against the US dollar on Tuesday, breaking the 7.25 mark to reach a central parity rate of 7.2454 yuan to one dollar. The yuan, also known as the Renminbi, went up 112 basis points from Monday.

Analysts said mounting expectations for interest rate cut by the Federal Reserve of the United States helped push down the US dollar continuously. On Monday, the greenback went down on global FOREX markets in response to the news about Citibank writing off 24 billion dollars of assets.

The yuan rose 6.9% against the dollar last year and has appreciated against the greenback by more than 12% since a new currency regime was imposed in July 2005 to discontinue the local currency's peg to the dollar.

The analysts forecast that the Chinese currency would appreciate at least 7% to 10 percent against the US dollar for the whole of 2008.

Rising yuan is a nightmare for Chinese exporters, especially the smaller ones. Tens of thousands of small and medium sized exporters face closure because of the rising yuan and scrapped or reduced export tax rebates. The smaller firms don't have that easy an access to such financial tools to manage their foreign exchange risks.

UBS Canada lowers 2008 forecast for base metals prices

- 15 Jan 2008

It is reported that UBS Securities Canada Inc has lowered its forecast for base metal prices this year by between 8% and 23% while at the same time it has raised its prediction for gold.

The UBS Canada team, led by analysts Mr Brian MacArthur, Mr Tony Lesiak and Mr Alec Kodatsky, reduced the base metal price forecasts to reflect what they expect will be weaker demand growth in light of the anticipated marked slowdown in industrial production in advanced economies in 2008.

According to the companion report from UBS Ltd "We had previously been expecting 2009 to be a year of weakness; it now appears increasingly likely that this will be 2008. Accordingly, we believe that 2009 could be a year of recovery, where developing economies continue to grow rapidly in the context of recovering growth in the advanced economies. We expect that this recovery could coincide with restocking, which could take market balances into deficit and result in rising metals pricing."

The UBS Ltd report said "We continue to recommend that investors maintain exposure to both thermal coal and iron ore. Preferred global mining equities include: Goldcorp, Impala Platinum, CVRD, Norilsk Nickel and Xstrata."

Oil market outlook

- 15 Jan 2008

Thai Oil has released an outlook for oil market as under

After hitting record of USD 100.09 a barrel on January 3rd 2008 West Texas Intermediate prices have continued to retreat on uncertainty over the possibility of a US recession and forecasts of milder weather in the US Northeast, the largest heating oil market.

The release of weaker US economic data raised concern over an economic slump, adversely affecting global oil demand in the longer term. The US National Weather Service also estimated weak US heating demand, while US gasoline and heating oil inventories showed a buildup of 5.3 million and 1.5 million barrels respectively.

Nevertheless, there are growing signs that the US economic outlook will encourage the Fed to cut interest rated to boost domestic consumption, which would depress the US dollar and provide a short-term support for oil prices. Furthermore, the crude demand/supply balance continued to tighten with a consistent decline in global inventory levels and limited spare capacity from Opec.

Singapore gasoline prices eased below USD 104 a barrel last week, pressured by lower crude prices. However, Asian gasoline fundamentals remained firm on strong regional demand amid tight supply. Vietnam, Indonesia and Iran increased gasoline imports in January to meet rising domestic consumption, while China, a net gasoline exporter, resumed imports and reduced exports to alleviate a local supply shortage. Moreover, an explosion at Taiwan's CPC refinery last Saturday forced the country to suspend exports, estimated until May. We expect the gasoline market to be strong this month ahead of the Chinese New Year on February 7th 2007.

Weighed down by the decline in crude prices, Asian diesel prices dropped to USD 109 a barrel from a record high of USD 112 on January 3rd 2008, in line with weak US and European markets. Above average temperatures resulted in heating oil demand in the US falling by 38% last week.

However, robust import demand from China in January at around 5.3 million barrels will provide firm support to Asian diesel prices in the upcoming weeks.

Global coal industry index launched

- 14 Jan 2008

It is reported that the Stowe Global Coal Index of 60 global coal industry stocks has commenced real time price dissemination

The capitalization weighted, float adjusted index incorporates companies engaged in five primary coal sectors: coal mining and production, coal transportation, coal technology, coal mining equipment and coal power generation. . Data is available through most data vendors.

S&P Custom Indexes serves as calculation agent for the indexes. The Stowe Global Coal Index has been licensed to several financial services firms, who plan to offer listed investment and risk management products, including ETFs, on the index.

Mr Says Joseph LaCorte Chairman of the Stowe COAL Index Committee said that “Coal, which accounts for over 25% of world energy output and is essential to the production of steel, cement and polysilicon chips and wafers, is one of the world’s most overlooked commodities. A global index is the best way to measure this important industry’s financial dynamics.”

Mr Mike Keenan Stowe Index Committee member said that “With persistently high petroleum prices and supply constraints, the abundance and low cost of coal secures its role as a fundamental resource in the global economy. Technological advances in clean coal, coal-to-gas, coal to liquid and sequestration creates a path for coal to assume an even greater role in the years ahead. COAL is the bell weather for industry development.”

Resources sector to stay strong - ABARE

- 12 Jan 2008

According to Australian Bureau of Agricultural and Resource Economics, there is no indication yet the resources boom is about to slow.

The resource Economics said that the outlook for the year ahead remains positive, although there may be some softening of prices in base metals including copper and zinc.

Mr Alan Copeland commodity analyst said that investment in base metals continues to be strong. He said that "For the resources sector as a whole, we certainly think that the good times that we've seen over the past few years are going to continue.”

He added that "Record prices were achieved in 2007 and even though prices might soften in 2008, they are still going to be at very high levels compared to what we've seen over the past three to five years."

Scrap prices skyrocketing

- 07 Jan 2008

Platts reported that the export price of HMS ferrous scrap in Europe gained by 21% or USD 60 per tonne to a midpoint of USD 345 per metric tonne FOB Rotterdam, based on transactions.

Meanwhile, the price of A3 ferrous scrap also gained by 9.5% or USD 32.50 per metric tonne to a midpoint of USD 375 per metric tonne FOB Black Sea, as Turkish steel mills scrambled to buy material for their predominantly long product mills.

Prices for US shredded ferrous scrap rose approximately by 14% on average between early November and early December.

The upsurge comes at a time when steel mills the world over are anticipating higher raw material prices in general and for scrap in particular. What's more, the Russian and Ukrainian winters traditionally make scrap collection and shipment difficult throughout the region.

As per report, US steel mills are said to be preparing to pay more for their scrap needs this month possibly substantially more based on strong demand, competition from offshore buyers and reduced scrap availability since early December. Therefore in all likelihood, the global scrap prices are likely to further o up in short term.

AK Steel announces February surcharges for electrical and stainless Steels

- 07 Jan 2008

AK Steel has advised its customers that a USD 265 per ton surcharge will be added to invoices for electrical steel products shipped in February 2008.

AK Steel's surcharges are based on reported prices for raw materials and energy used to manufacture the products, with the December 2007 purchase cost used to determine the February 2008 surcharges.

AK Steel produces flat-rolled carbon, stainless and electrical steel products, as well as carbon and stainless tubular steel products, for automotive, appliance, construction and manufacturing markets.

Top 10 events of Chinese steel industry in 2007

- 04 Jan 2008

Umetal has summarized top ten events in Chinese steel industry in 2007 as under

1) Backward capacity elimination unsatisfactory in result

April 27th 2007, the state council held a working conference centered on elimination and closure of backward steel capacities and made this an overall plan. On the conference, 10 major steel producer provinces signed first batch of responsibility agreement with the National Development & Reform Commission. By September 2007, about 9.69 million tonnes iron smelting and 8.73 million tonnes steelmaking capacities were phased out, only fulfilling 43% and 36% of the targets.

2) Energy saving and emission reduction heavy tasks

By end of 2006, China failed to realize 4% cut in energy consumption of per production value, and steel, cement, electrolytic aluminum, ferroalloy and coke are the major targeted sectors for control.

In first three quarters 2007, the counted big and medium scale steel enterprises absorbed 160 million tonnes standard coal up by 11.2% YoY while the total energy consumption growth dipped by 6.41 percentage points for decline in per unit consumption. In details, their comprehensive absorption for per tonne steel is 624.9 kilogram standard coal down by 2.4% YoY, fresh water down by 18.7% YoY to 5.46 tonnes, the water recycling rate reached 95.95%.

Though large or medium enterprises have progressed, the smaller mills maintained backward facilities and remain heavy-polluting. Stepping up steel consolidation and backward capacity elimination are also required to save energy and reduce emission.

3) Steel export tax change started to see fruits

Rapid steel export continued from 2006 to 2007, and since April 2007, China has revised export tax for 3 times, finally putting majority products under 5% to 15% rates. Steel export then slowed from June 2007 and totaled exports in the January to November came to 57.86 million tonnes up by 54.5% YoY, 9.3 percentage points down from the figure by October 2007.

4) Merger & Acquisition needs to push ahead

Baosteel incorporated Bayi Steel January 2007 and then joined hands with Handan Steel and Baotou Steel etc, WISCO bought Kunming Steel, and Chongqing Steel planned to consolidate 12 local mills. Steel M&A made great progress throughout the year, but the resistances are still there to set back the campaign.

5) Antidumping disputes came in a throng

Earlier in November 2007, US international trade commission decided to lodge antidumping probe into HR steels import from China and some other nations. November 8th 2007, the US commerce ministry announced at its website to levy 13% to 17% preliminary countervailing duties on Chinese welded pipe producers. Besides, Eurofer had resorted to the EU commission to impose AD duty on stainless CR sheet and HDG sheet strip etc of China and other Asian origins October 2007 and it again appealed to involve wire rod import from China and Turkey in November 27.

6) Iron ore prices franticly high

In the first three quarters, the iron ore landed price posted USD 79.92 per tonne up by 27% YoY and the domestic resource also kept on climbing.

In anticipation of strong demand, the international institutes even predicted up to 50% hike on next year's benchmark ore price.

7) Chinese steelmakers went abroad for ore

In 2007, Chinese steel enterprises expedited the steps looking for ore abroad. From August to September 2007, Baosteel, Anshan Steel, Sinosteel, Shagang all signed agreements with Australian miners and started a new mining scenario.

8) 17th national congress of the CPC assisted steel industry development

The 17th national congress of the CPC brought forth China's economic development targets, giving steel industry a sound outlook. It's forecast that the nation's steel demand will break through 600mln-ton annually in the following years.

9) Low priced steel era going to end

The continuously firm demand of international market, steadily growing domestic consumption and constantly rising input costs, for environment protection, labor force, transport and raw materials, are believed to apply closure to the low priced steel epoch.

10) Steel futures in the pipeline

Earlier in November 2007, Mr Qi Xiangdong deputy secretary general of China's Iron & Steel Association said that steel futures should be tried as pilot project in due course before spread in order not to stir ups and downs on the market.