

Chinese Steel Industry Faces Adjustment

Affected by the high rise of imported mine and southern snow disasters, bulk raw materials markets throw the market into short turmoil. So we need to recognize and make the right direction of the market. According to customs statistic, as the emerging states in Arab States, It picked up the economic recovery and the robust demand in the major markets. Following UAE, Iran and Saudi Arab became the first top ten steel products market in Middle East in 2007. The rise in export products industry structure is an important factor in the steel increment, but only in quantity. It cannot be based on the high quantity, but thin profit though our products are lower than international market price. This is utterly opposite of some hi-tech products with high technology content. Comparing with the same class imported steel products, the price is obviously higher than the products we exporting.

Great price discrepancy expresses that some products we are exporting or has been exported are low-tech products with low technology content. And this price discrepancy cannot be lingered on in a short time, and that is also the reason that the steel products keep increasing trend. This trend will be lasted in 2008. All in all, it is estimated that the output and the price will increase. According to supervision, all kinds of steel products perform as follows: With the market demand expansion gradually, project purchase capacity is increasing. Building steel material is trending to wholly rising. Price of mid to high plat rises has been skyrocketed. The general prices level of cold rolled steel coil and hot rolled steel coil ascended by small margin.

From the view of economy globalization and the promotion of steel industry international competition, China will keep the moderate exporting policy. Chinese steel export policy is now turning export pulling type into cost supporting type. Cost efficiency is gradually above water. According to expertise, the cyclical fluctuations feature is one of the most apparent characteristics in steel industry. High price and high cost supports the steel industry texture, may be this is the strong signal forced to adjust.

Exporting climax of steel products had been past, what is the next step? Chinese steel industry department bring the new adjustment policy. Export adjustment should be regulated and controlled more accurately, more actively. It will keep controlling on low-tech steel products export, but prompt high quality steel products export and strengthen the competitiveness in international market.

No pains, no gains. It will be the long-term regulations that Chinese export entrepreneurs will be insist on consolidating and improving the harmonious system between resources and environment protection and making great efforts to eliminate backward skills.

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