

Shandong Iron & Steel Industry Group completed the reorganization of the proposed five major reduction adjustment target

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Shandong Province is the country's only steel industry structure pilot provinces, Shandong Provincial Government in October this year released "Shandong Iron and Steel Industry eliminate backward production capacity compression implementation plan" after November 1, [Shandong Iron and Steel](#) merger and reorganization the program also followed the formal introduction. Under the program, the target Shandong Iron and Steel corporate mergers and acquisitions, for 2015, Shandong will

In the effort to create the large iron and steel group Shandong Iron and Steel Group, while the formation of Zibo, Weifang, Laiwu, Linyi, Binzhou five regional iron and steel enterprise groups, to achieve the province's total steel scale control to adjust the target reduction of 50 million tons. **Plans to build five regional groups** at present, Shandong Province, has refining capacity of iron and steel enterprises have 21, iron production capacity 59.65 million tons, steel production capacity of 63.07 million tons. In recent years, Shandong Iron and Steel industry irrational organizational structure more prominent, mainly are: small, large enterprise scale, low concentration, radiation driving ability, lack of iron and steel industry to lead the restructuring and development of the province's large steel enterprises; SMEs quantity, scattered layout, product quality is relatively low, extensive management, seriously affecting the transformation and upgrading of healthy development. Under the program, Shandong Iron and Steel Group, based on existing Jinan Steel, Laiwu and other affiliated companies, based on the merger Qingdao Steel, Nippon Steel, Shiheng, Qilu Special Steel, Shandong, Fujian source and other enterprises, the construction of Rizhao steel base. Concern reorganization of Shandong Iron and Steel Group, Rizhao Iron and Steel Group will be in two steps: the first step in Nippon Steel joined the Shandong Iron and Steel Group, Shandong Iron and Steel Group as a member, subject to the overall planning of Rizhao steel base deployment; the second step to explore the establishment of property rights as a link partnership. 2015, Rizhao steel base after a completion of the first phase of the project, Mountain Iron and Steel Group production capacity will reach 34 million tons, the second phase of the project completed, will reach 38 million tons, accounting for the province rose from 42% up to 76%. At the same time, the south of Zibo City Jinzhao Group, Fu Shan Group, Shandong Gold Group as the main north, the formation of Iron and Steel Group Co., Ltd. Zibo Qi Xin; Weifang City will Weifang Special Steel Group, Shandong Shouguang giant to Steel, Shandong Luli steel as the main form of Weifang Steel Group (Holdings) Limited; Laiwu City, Shandong Taishan Iron and Steel Group will, Shandong Foulon steel as the main form Shandong Iron and Steel Group Co., Ltd.; Linyi City will Linyi Jiang Xin Steel, Linyi three Gaudet steel as the main form of Linyi Steel United Co., Ltd.; Binzhou City, the West Wang Group, Shandong Guangfu Group, Shandong Chuan Yang Group as the main body, the formation of Iron and Steel Group Co., Ltd. Zouping. According to the process of implementation, Shandong Iron and Steel enterprise merger and reorganization will be released from the program from the start, the next two years will go into the implementation phase of the organization of mergers and acquisitions. However, the formation of five regional Shandong Iron and Steel Group will not be easy. Some of these local private steel companies, some local state-owned enterprises, the main different nature How can one, Shandong Iron and Steel merger implementation of the restructuring plan will face new challenges. **Restructuring the steel**

industry bases in advance according to the Shandong provincial government recently issued "Shandong Iron and Steel Industry eliminate backward production capacity compression embodiment," said Shandong coastal proportion of steel production capacity, "five-second" period will be increased to more than 43%. According to the Securities Times estimated that to achieve that goal, Shandong to invest more than 130 billion yuan, the construction of two coastal steel base in Rizhao Iron and Steel Qingdao existing basis. According to the plan, Shandong Iron and Steel (600022) plans to complete Rizhao Steel, Qingdao Iron and Steel substantial restructuring in 2013. However, there has been slow to integrate the above substantive progress, and the steel base construction has probably already begun. China Iron and Steel Association Deputy Secretary-Lee believes that the integration and bases can be carried out simultaneously. Shandong Iron and Steel, the investment needs of 130 billion yuan two bases, this may be a great burden. Li Chong said that steel companies can make use of various means of financing to complete the construction. Data show that Shandong has now formed a comprehensive production capacity of 63.07 million tons of steel, ranking No. 3, local plans to "five-second" compression capacity of 10 million tons, which means "Twelve Five" Shandong will still be 50 million tons of production capacity to coastal Shandong steel production capacity proportion increased to 43%, the coastal production capacity to 21.5 million tons. At present, Shandong Province, the only steel plant in the coastal Rizhao Iron and Steel, Rizhao Iron and steel annual production capacity of 1,000 tons, but the embodiment of the present time in Shandong Province announced plans to eliminate 410 Rizhao Steel iron production capacity in 2014-2015 tons. In other words, there Rizhao Steel product structure adjustment simultaneously. According to October 9, 2011 the State Council approved the "restructuring of the steel industry in Shandong Province pilot program", Rizhao steel base construction by the Shandong Iron and Steel Group, the overall size of 21.35 million tons, 11.35 million tons of which the new, retaining the original Japanese steel 5000000 tons of production capacity. Static total investment of 114.5 billion yuan, the annual sales income of 139.54 billion yuan. The project will use the world's most advanced production technology, the main products targeted at the shortage of domestic high-tech, high value-added products. In addition to iron and steel base in Rizhao, Qingdao Iron and Steel Holding Group Co., Ltd. City steel plant last month on the 25th held a hearing on environmental protection, new site selection project in Qingdao Jiaonan City Park under the jurisdiction of the town, plans to complete the relocation in June 2015 The total investment of 16.4 billion yuan, the formation of four million tons of steel production capacity. Rizhao and Qingdao Steel base relocation project will invest 130 billion yuan, production capacity will reach 25 million tons or more.