

No cartel pushing up steel prices: ministry

By **Anh Minh** May 6, 2021 | 04:16 pm GMT+7

The Ministry of Industry and Trade says no cartel is behind higher steel prices, attributing the rise to costlier imports of intermediate goods.

Steel prices have risen by 40-50 percent since the end of 2020, according to the Vietnam Steel Association (VSA), troubling construction companies.

The Vietnam Association of Construction Contractors asked the Government Office to [investigate the price rise](#) and find out if steelmakers were cooperating with each other to push up prices.

The ministry said it was a baseless assumption, explaining that local steel prices depended on prices of intermediate goods needed for production, most of which are imported. The prices of intermediate goods have risen because of long shipping times as the supply chain is hindered by the ongoing pandemic.

The VSA has forecast that prices will continue rising until the end of the third quarter.

The ministry expects demand for steel and steel billet to grow 3-6 percent respectively this year as the real estate industry and construction sectors are reviving and major infrastructure projects like Long Thanh International Airport in southern Dong Nai Province and the North-South Expressway are underway.

The demand for hot rolled and cold rolled steel will hit 10.7 million tons this year, up 30 percent year-on-year, the ministry said. However, local steelmakers can only produce around 5-6 million tons of the two products, thus Vietnam will have to import hot rolled and cold rolled steel to meet domestic demand.

The ministry has recommended that the government issues favourable policies encouraging steelmakers to expand production and attracting new enterprises to the steel industry.

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