

China issues regulation to curb cement overcapacity

The Ministry of Industry and Information Technology (MIIT) issued a draft regulation on the access threshold for the cement industry yesterday to curb the industry's overcapacity, the China Business News reported.

New cement production lines in provinces where clinker output capacity exceeds 1,000 kg per capita will be ceased, the regulation said. It means provinces like Anhui and Zhejiang will not approve new cement production lines.

According to statistics, in the first seven months of the year, investment in the cement industry totaled 88.16 billion yuan (\$12.91 billion), up 66 percent year-on-year. It is estimated that about 100 new production lines will be put into use by the end of this year and approximately 200 more in 2010, according to chinacements.com, an industry portal.

The regulation also suggests the reconstruction of cement enterprises and the lifting of requirements on cement producers in new production.

The draft regulation calls for comments by September 20.

Some industry insiders said provinces in Northwest China do not have overcapacity problems in the cement industry. In Guangdong province about 30 to 40 percent of the old production lines are to be abandoned so there is still some development space for new production lines.

Source: chinadaily.com.cn
