

## PRESS RELEASE

# MIIT Further Controls Iron & Steel Industry for Environmental Purposes

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In order to further clarify the work relating to the intensification of energy saving and emission reduction to speed up the structural adjustment of the iron and steel industry, the Ministry of Industry and Information Technology (MIIT) has recently released a notice specifying relevant issues.

### **A. Reinforce impelling the merger and reorganization of the iron and steel industry so to increase industry concentration**

Industrial departments from all areas need to understand the basic information about its own region's iron and steel industry so to research and draft merger and reorganization plans as soon as possible. The plans should obey the following rules:

1. They should be drafted based on the principle of market operation, equity and free will, and governmental guidance;
2. Merger and reorganization of state-owned enterprises should strengthen their contacts with local managing departments;
3. Merger and reorganization should respect all parties' rights and interests;
4. The possibility of merging and reorganizing local major enterprises with out-of-region major enterprises should be considered.
5. Attention need to be paid in combining merger and reorganization with eliminating the lagged and improving technology.

### **B. Regulate producing and managing order so to reinforce industry management**

Industrial departments from all areas need to examine and report their work on a regular basis. For instance, those steel and iron enterprises with an annual output of steel less than 1 million tons in 2009 shall be provided with guidance subject to the specific situations and categories. And local enterprises should cooperate actively with central iron and steel enterprises.

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**C. Eliminate the lagged so to promote energy saving and emission reduction of the iron and steel industry**

Those enterprises that meet the regulated conditions for the equipment and the national standard requirements for the product quality shall be guided to be involved in the merger and reorganization; and those producing heavy pollution with poor equipment and unassured product quality shall be forced to withdraw from the production of iron and steel.

Fleur Chen, Senior Attorney of Lehman, Lee & Xu, said, “The newly released notice would contribute greatly to building a better iron and steel industry. Moreover, it could also help protect the environment.”

Lehman, Lee & Xu is a prominent Chinese corporate law firm and trademark and patent agency with offices in Beijing, Shanghai, Shenzhen, Hong Kong, Macau, and Mongolia. The firm has also been recognized as one of the top full service and intellectual property firms in China by several international magazines. The law firm is managed by Mr. Edward Lehman, a leading expert on corporate law with 20 years of practice experience in Mainland China.

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