

《China to cut excess capacity in petchem sector》

The government says China will move to cut overcapacity in its petrochemical sector by closing outdated plants and consolidating production.

The State Council said on Wednesday that the government will build seven mega-petrochemical complexes in coastal areas in eastern China to consolidate the sector. The projects include a 15-billion-US-dollar energy installation in the port city of Ningbo and a refining hub in Hebei Province.

The State Council's plan also calls for the closure of old, inefficient plants. That will be done partly by encouraging mergers and acquisitions in the industry and allowing the participation of foreign companies in such deals. The government will also support companies that want to build fertilizer and lubricant plants overseas.

China is the world's largest consumer of energy, iron ore, coal, steel and other commodities, but suffers from massive industrial overcapacity that it's moving to correct.