

Workshop on the Reform and Development of CISC by Chongqing Government

Reporter: Liu Shihua 25 March 2013

On 21 March 2013, in Meeting Room 2102 of the Chongqing Government Building, a workshop was chaired by Mr Ma Zhengqi, member of the Standing Committee CPC Chongqing and Deputy-Mayor of Chongqing Municipal Government, on the reform and development of Chongqing Iron and Steel (Group) Company Limited (CISC). The workshop heard the work report by CISC, thrashed out the difficulties and problems CISC met in development, and aimed to further promote its development.

The attendees were:

- Mr Wang Yinfeng, Deputy Secretary-General of Chongqing Government, and
- representatives from the city government agencies including
 - DRC,
 - Economic and Information Technology Committee,
 - Financial Bureau,
 - Local Taxation Bureau,
 - Financial Service Office,
 - local government of Dadukou District and Changshou District,

and also representatives from

- CDB Chongqing,
- Southwestern Securities, and
- Yufu Assets Management Group.

The CISC attendees were:

- Mr Liu Jiakai, Board Chairman and Party Secretary,
- Mr Guo Deyong, Vice General Manager,
- Mr Yuan Jinfu, Vice General Manager and CFO, and
- representatives from the Administration Office and Financial Division.

The workshop heard CISC's report on the current operation, environmental relocation and Australian Iron Ore Project, and thrashed out the problems and difficulties CISC currently met in reform, development, stabilisation and the carrying forward of Australian Iron Ore Project.

Mr Ma Zhengqi addressed that, CISC is an enterprise with long history and had positive contribution to the development of Chongqing; in recent years, according to the planning and allocation of Chongqing Municipal Government,

CISC has experienced ownership reform, overcome mountains of difficulties, withstood the test of market, and completed well the task of environmental relocation; after the relocation from Dadukou to Changshou, the new CISC has overall upgraded its producing facilities, technological level and product quality, and the relocation has also made way for the development of main urban area of Chongqing, thus obtained benefits economically and socially; Currently, due to the declining market of iron and steel market, CISC is facing difficulties in development; the relevant government

agencies of the City level and local district/county level, together with the relevant financial institutes, were required to pay great attention, pull together and take practical steps to help CISC on overcoming the difficulties and to promote the enterprise in reform and development.

Mr Ma required that, CISC should, in line with the market demand, further restructure its products, enhance internal management, improve its product quality and boost its core competitiveness; and strengthen reform and innovation and assets restructuring, enlarge the dominant assets, activate the stock assets, and enhance the development vitality of the enterprise; and actively introduce strategic partners; and extend the industrial chain on the current product basis to improve the economic performance; and speed up the peel off of social functions and light the burdens on enterprise, and thus to go forward with a light pack.

Mr Ma emphasised that, the Australian Iron Ore Project (Project) by CISC is a major project in the “go out” strategy implemented by Chongqing Government, and it will completely overcome the resource security challenge in the future development of CISC. As to the current financing difficulties in the Project development, and the standstill due to funding may result in possibly losing the ensurance of water, power and port, the relevant agencies of Chongqing Government , together with CISC, must focus on the Project proceeding and ensure the Project be early constructed and put into operation and make profit. At the same time, CISC should promote the integrated use of V-Ti resource in Xichang Sichuan Province, speed up the development and ensure the earliest operation and make profit.