



Project News

HBIS signs MoU for USD 4.4 billion Steel Plant Project in Mindanao, the Philippines

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The Philippine Star reported that the HBIS Group, one of the world's largest steel makers from China, is set to invest USD 4.4 billion to build an integrated steel complex in Mindanao, the Philippines. The two-phase project will produce 4.5 million tonnes of hot-rolled coil and 600,000 tonnes of slab annually in the USD 3 billion first phase, according to report.

During the signing of the memorandum of understanding (MOU) on December 14, 2018, for the implementation of the project, Trade Secretary Ramon Lopez said the amount to be spent by HBIS would be the biggest industrial investment from China to the Philippines. The MOU was signed by HBIS chairman Yu Yong, Huili Investment Fund Co Ltd. chairman Meng Xiaosu, Steel Asia Manufacturing Corp. chairman and chief executive officer Benjamin Yao, Defense Secretary Delfin Lorenzana, and Board of Investments managing head Ceferino Rodolfo. HBIS, a wholly-state-owned company in Shijiazhuang City, Hebei Province, is the second largest steelmaker in China and third largest in the world, producing appliance grade and automotive grade steel products. Huili Fund, meanwhile, is a private equity firm based in Beijing, China, specializing in investing in real estate, finance and industries with a competitive edge. Steel Asia, a top rebar producer in the Philippines, has six production units located in Luzon, Visayas, and Mindanao. The project to be implemented by the parties, will occupy a 305-hectare land inside the PHIVIDEC Industrial estate in Mindanao. It will have facilities related to port operation, sintering, coking, pelletizing, iron-making, steel-making and steel

rolling. Phase 1 of the project covers the production of 4.5 million tons of hot rolled coils (HRC) and 600,000 tons of slabs with USD 3 billion worth of investments, while phase 2 involves increasing the steel manufacturing capacity to eight million metric tons. Construction and ramp-up period of the project is expected to take three to five years. (Source: The Philippine Star)