

# China to launch new round of production restrictions in autumn-winter season

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The central government is gearing up to impose fresh restrictions on industrial output during the winter months, which are likely to curtail mineral production and processing as they did in 2017.

China will launch a new round of production cuts between October 1, 2018, and March 31, 2019, in 28 cities in north, east, and central China to reduce emissions during the season when pollution levels worsen due to more coal being burned to heat homes and enterprises.

China plans to limit steel output by 50% in some major cities, including Tianjing, Shijiazhuang, Tangshan, Handan, Xingtai and Anyang, and impose 30% cuts to steel output in other cities.

Meanwhile, coking enterprises have to extend the time taken to produce coke to more than 36 hours. Other industries, like construction, non-ferrous metals, chemicals and so on, will carry out staggered peak production during the stated period.

All the 28 cities must implemented the curtailment plan by the end of September.

The announcement indicates China will continue its strict enforcement of environmental rules, and related industries will be forced to control emissions to meet standards.

Last winter, the government put in place a similar order, which led to [a four-month ban of processing operations](#) including those of several minerals, in key producing provinces such as Shanxi and Henan.

The coming winter restrictions will cause reduced production for refractory companies in the 28 cities. While some market participants expect prices to rise on limited supply, downstream production in the steel sector will also be curbed, which may mean demand for refractory materials and their raw materials may be subdued.

Most refractory raw materials prices were unchanged in the latest pricing session on thin trades.

Industrial Minerals' assessment of [magnesia, fused, 97% MgO \(Ca:Si 2:1\), prices fob China](#) was unchanged at \$1,250-1,350 per tonne on August 28.