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PM halts US\$10.6 billion steel plant

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The 3D image of the Hoa Sen Cà Ná Steel plant in the south-central province of Ninh Thuận. — Photo hoasengroup.vn

Viet Nam News HÀ NỘI — Prime Minister Nguyễn Xuân Phúc has halted construction of the US\$10.6-billion Hoa Sen Cà Ná steel plant in south-central Ninh Thuận Province, while requiring more studies to be completed on the consumer demand and the environmental impact of the plant.

A statement from the Government Office has cited Phúc as saying that the preparations for the project had been too “hasty” and had only provided a preliminary assessment.

Accordingly, he asked the province to clarify the effects on the environment, domestic steel demand, as well as the total investment of the project.

He further said all parties should carefully review the planning of steel plants, material supplies and suitable time and scale for the construction.

In addition, they also need to assess the technology and possible environmental impacts to prevent a disaster similar to the one caused by Taiwan’s Formosa, he said, adding that the Cà Ná project can proceed if studies prove it is viable.

The project should also clarify how it fits in the overall development of deep seaports, railways and roads.

The PM noted that the project was proposed after the Formosa scandal, thus making it “very sensitive”.

Earlier, the public voiced concerns that the project, which will produce about 16 million tonnes of products per year, might harm the environment.

Also, Vietnamese citizens worried that the project near the sea could bring about damages similar to those caused by Taiwanese steel firm Formosa along the central coast, which resulted in massive fish deaths earlier last year.

The Cà Ná construction of the project was expected to be done in five stages between 2017 and 2031. The first stage would begin operation in 2019, take up an area of 240ha, and enable a manufacturing capacity of 1.5 million tonnes per year. Hoa Sen Group leaders said the company would try to minimise environmental impacts with various measures, including approaches that save materials and optimise production capacity.

Almost 97 per cent of Hoa Sen shareholders approved construction of the mammoth steel plant.

The company, based in the Sóng Thần 2 Industrial Zone in southern Bình Dương Province, reportedly represents 40 per cent of the steel sheet market and 20 per cent of the steel pipe market in Việt Nam. It exports products to 65 countries and territories.

Minister of Industry and Trade Trần Tuấn Anh said at a meeting with national legislators in November that steel plants will not be built at the cost of the environment. The ministry has included construction of the plant in a national steel development plan for 2025, with a vision toward 2035, despite the project not being officially licensed. — VNS

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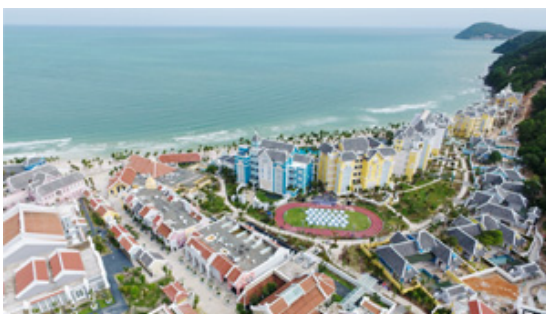




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