

## Program for direct steelmaking

The Japanese Ministry of International Trade and Industry, through its Departmental Council, has developed a program for direct steel production. It was decided to design, construct, and operate a pilot plant within a six-year period at a total cost of some \$1.35 billion.

The associated research work necessary to produce such a plant was divided into the four major areas:

- 1) Ultrahigh temperature heat exchanger
- 2 Ultrahigh temperature resisting alloys
- 3) Reducing gas producing equipment
- 4) Steel production and handling equipment

The program calls for participation by the entire iron and steel industry as well as the academic community.

## Gold imports liberalized in April bring massive shipments

The Japanese liberalized imports of gold on April first and experienced a twofold increase in the rate of imports. Prior to the change in policy it was ex-

pected that imports would not increase significantly. However, the April imports amounted to 31,054 kg as compared to 14,600 kg in March.

The new import procedures allow tourists to bring in a one-kg bar of gold without any declaration. This has made gold bars the new rage of returning tourists, in place of duty-free alcoholic beverages.

Close behind the decision to liberalize the imports of gold bullion, the Ministry of International Trade and Industry announced a liberalization on the import of gold bearing ores, concentrates, and residues. The new system will make it unnecessary to return gold recovered from such material as copper concentrates to the shipper, but will allow the smelters to buy the gold as well as the copper.

## Fiscal 1972: Exports fall but value rises nine percent

Steel exports from Japan during Fiscal 1972 totaled 22,773,000 metric tons worth \$4.1 billion. Volume was down

6.1% from the year before but up 9.3% in value on a dollar value, only 2.5% on a yen sale basis. The increase in average value was from \$154.00 per ton to \$179.00, an increase of \$25, or 16.2%, for steel shipped to the United States and Europe.

Exports of ordinary steel products totaled 19.6 million tons, down 3.9% from the previous year. Special steels experienced a decline of 18.2% while semi-finished products declined a massive 45.2%.

The United States continued to be the largest single purchaser of Japanese steel, importing 6.3 million tons, an increase of 3.7% from the previous year. The U. S. share was 27.8% of all exports.

China was the second largest buyer, having taken 1.9 million tons, a decrease of 11.2%.

South Korea was one of the bright spots in the Japanese export picture. Shipments increased by some 50.0% to 1.3 million tons. Some of this increase was further processed and shipped to the United States.

## Steelmakers urged to slow exports in favor of domestic sales

The Japanese Ministry of International Trade and Industry has lately been requesting steelmakers to slow down exports in order to place priority on filling the backlog of domestic orders. The main purpose of the request is the cooling-off of the overheated prices now being charged domestic users who are reportedly being hit hard by the short supply of steel products.

In April MITI ordered steelmakers to ship 247,000 tons of the items in shortest supply and permitted an increase of 300,000 tons to the 28.5-million-ton guideline quantity for the first quarter of Fiscal 1973. It is expected that MITI will order an additional 150,000-ton shipment if the desired results do not show up quickly.

The unexpectedly strong domestic demand is now anticipated to continue into the second half of the year. To meet domestic demands without putting standby facilities into service, MITI believes exports must be slowed. Some industry sources do not favor the MITI move because of the strong demand from overseas customers, combined with higher prices for exports. These same sources believe exports could easily reach 25 million tons if the steel is available.

## Renewed optimism steps up expansion plans

A general recovery in the Japanese steel industry, which started in the second half of Fiscal 1972, is causing a renewed wave of optimism in the ability to increase production to new heights.

The Japanese Ministry of Interna-

tional Trade and Industry announced that the guidepost for crude steel production in the second quarter of Fiscal 1973 would be 30.8 million metric tons. This is the first time that production of over 10.0 million tons per month has ever been forecast. For the past three quarters the MITI guidepost has always been modified upward during the quarter and actually exceeded to some degree by the steel industry. MITI is estimating that the total crude steel production for Fiscal 1973 will exceed 120 million tons.

The Japanese steel industry has recently announced construction plans for new blast furnaces, some of which already have the necessary MITI approval, for the period through Fiscal 1975. The total capacity of these blast furnaces would be in the 22 million-ton-per-year range, as all eight proposed blast furnaces are in the 4,500 to 5,000 cu m size. Only the United States, West Germany, and the Soviet Union had industries as large as this projected increase in 1972. One reason for the announcement of plans at this time is the need to begin lobbying within MITI and the Economic Planning Agency, as their approval must be obtained.

Nippon Steel recently came forward with a novel plan for allowing the steel companies to bypass government approval by building standby furnaces that could not be utilized under present conditions. This would allow for slower construction and less of a crash program with its associated higher costs for equipment.

## Saganoseki smelter operations suspended due to pollution complaints

Nippon Mining Company, Ltd. recently announced that all smelting and refining operations at the Saganoseki Works were being suspended due to strong protests from local residents over both air and water pollution. Local fishermen mobilized hundreds of vessels to cordon off the smelter harbor so that ships carrying raw materials could not enter nor could vessels carrying products leave.

The Saganoseki Smelter has been producing about 14,000 tons of electrolytic copper, 3,000 tons of electrolytic lead, 1,500 tons of ferro-nickel, and 44,000 tons of sulfuric acid per month. Surplus blister copper has been going to the Hitachi Smelter at the rate of about 10,000 tons per month.

Last year the smelter cut down on the use of very high sulfur-bearing copper concentrates in an effort to eliminate some of the pollution.

Japan is dependent on the surrounding seas for most of the daily protein found in the diet. Recently the government has proclaimed the waters in some areas, including Saganoseki Bay, so highly contaminated that the fish are unfit for human use.

Nippon Mining executives say they are optimistic about an early resumption of operations. ■

# Japan watching