

Nippon Steel swings to profit for April-June quarter

Japan's Nippon Steel & Sumitomo Metal said Friday, 28 July, it returned to profit in the April-June quarter thanks to brisk demand from the auto sector, but warned overproduction by China could hit its full-year earnings.



© pevgeniy – 123RF.com

The Tokyo-based company, one of the world's biggest steel producers, posted a net profit of 71.4-billion yen (\$642m) in the fiscal first quarter, recovering from a net loss of 14.6-billion yen a year ago.

Revenue, meanwhile, jumped 29% to 1.36-trillion yen, it said.

"Steel demand at home was steady mainly in the auto and other manufacturing sectors, while steel demand overseas was firm in the US, Europe and ASEAN countries," the firm said, referring to members of the Association of Southeast Asian Nations.

Nippon Steel & Sumitomo Metal, which has yet to announce its full-year net profit forecast, added: "Since the issue of China's overproduction capacity has not been resolved, we need to continue paying attention to future developments."

Last year the global steel industry suffered from oversupply and weakening demand as China's economic growth slowed from the breakneck rates that helped global commodity suppliers grow fat off demand for big ticket infrastructure projects.

Source: AFP

For more, visit: <https://www.bizcommunity.com>