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\$500m cement deal signed

Two Hongkong companies have concluded an agreement with the Chinese Government to build a \$500 million cement manufacturing plant in Hua Xian, north of Canton.

The managing director of Hopewell Holdings, Mr Gordon Wu, revealed that his company and another local firm will take part in the venture.

The plant will have an annual output of 120,000 tons, close to Hongkong's gross cement production.

But Mr Wu said only part of the total output would be sent to Hongkong.

The new plant will be substantially larger than the existing cement plant in Canton which supplies Hongkong.

Mr Wu said there is a great demand for cement in China as the country speeds up its construction programme.

Cement is in such short supply that some state corporations have run into difficulties in reaching agreements with Hongkong or foreign firms to build factories and hotels in the country.

Mr Wu said Japan will play an important role in the new cement project.

A Japanese syndicate will supply the expertise and equipment.