

The Serbian government and the He Steel Group signed a contract on the sale of the Zelezara Smederevo steel mill. The Chinese company acquired all 98 property units of the plant for EUR 46 million.

Serbian Minister of Economy Zeljko Sertic and He Steel Group Chairman Yu Yong signed the contract at the steel mill, and the ceremony was attended by Serbian Prime Minister Aleksandar Vucic and government ministers. The He Steel investment in the steel mill will be worth at least EUR 300 million and the company plans to retain the plant's 5,000-strong workforce.

The Serbian government accepted on April 5 a binding bid submitted by the He Steel Group to buy the Smederevo steel mill for EUR 46 million. With an annual output capacity of 50 million tons, the Chinese company - which was the sole bidder - is Asia's largest steel producer. The Smederevo-based factory, then called Sartid, was in 2003 sold to U.S. Steel for USD 23 million. Until 2012 it was responsible for 13 percent of Serbia's overall exports. After the American company decided to withdraw from Serbia, the government in 2012 bought the plant back for one dollar.