
Chinese iron ore buyers offering 20% price premium - Grange

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Grange Resources Ltd, an Australian producer controlled by Jiangsu Shagang Group Co, said that iron ore buyers are offering to pay 20% more than the benchmark price to secure supply as demand from China increases.

Mr Russell Clark CEO of Grange at the Diggers and Dealers mining conference at Kalgoorlie in Western Australia said that “We are seeing customers coming to us on a daily basis requesting stock that we can’t fulfill for them but offering 20% premium to the benchmark. We are very confident iron ore prices will come back next year.”

Mr Clark said that China’s iron ore imports have been massive in the first three to four months of the year. Imports into major Chinese ports in July rose by 35% from a year earlier to 56.5 million tones.

Iron ore for immediate delivery to China, the biggest buyer of the steelmaking material, climbed to the highest in nine months last week, trading above the annual benchmark price agreed between Rio Tinto Group and mills in Japan, Korea and Taiwan. Chinese mills haven’t accepted the benchmark.

(Sourced from Bloomberg)

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