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## Iron ore price negotiations - BHP CFO calls for market pricing

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ABC News reported that BHP Billiton is pushing for a more transparent pricing system for trading iron ore, partly to prevent misunderstandings with buyers, such as China.

Mr Alex Vanselow CFO of BHPB aid trading commodities at market price is a better way of doing business.

He has told ABC TV's Inside Business program that the existing system of negotiation needs to change. He said that "Nobody is asking how we are negotiating a copper price into China because there is a pricing mechanism."

He told that "That's global and it's accepted worldwide that you sell at that price, and the same thing should happen with iron ore."

Mr Vaneslow said that market pricing could prevent situations like the one Hu is caught up in.

He added that "I do not know what the problem is for Stern Hu so it's hard to make that assumption but I am saying transparent prices is for everybody to benefit. That creates a situation where this type of question wouldn't even be possible."

(Sourced from ABC News)

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