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## Iron ore price negotiations - Details on CISA iron ore price guidance

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Reuters cited Mr Shan Shanghua general secretary of CISA as saying that the China Iron and Steel Association is preparing to set up a system of price guidance for imported iron ore.

Mr Shan said CISA, the country industry group and sole representative in annual iron ore term price talks will take a broad range of factors into account including iron ore output, steel mills profitability and production costs when setting its price guidance.

Mr Shan said "The confirmed guide price will be a base price for a national unified price for importing iron ore, adding that the price guidance system would include conversion formulas to determine prices of difference grades of ore."

CISA is still seeking a price cut of more than 33% in protracted contract price talks with foreign miners Rio Tinto, BHP Billiton and Vale although analysts have said it was unlikely to succeed.

(Sourced from Reuters)

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