
Iron ore price negotiations - Rio and China should bend

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Bloomberg quoted Chinese mining official said Rio Tinto Group, the world's second largest iron ore producer and Chinese steel mills should make concessions in contract price negotiations after the talks' deadline passed recently.

Caijing magazine citing an unidentified official familiar with discussions by the China Iron & Steel Association said Chinese steelmakers are ready to discuss a smaller iron ore price cut of between 33% and 40%. Mills had originally asked for reductions of as much as 45%.

Mr Zou Jian former chairman of the China Metallurgical Mining Enterprise Association a body of domestic iron ore mining companies said "I appreciate the steel association's changing its position to discuss a smaller price cut. Each side has room to make a compromise."

Mr Zou now a consultant for the association said he isn't involved in this year's price negotiations. Mr Shan Shanghua general secretary of the steel association didn't return calls seeking comment.

Spot prices in China are currently similar to the annual contract price for the year to March 31st accepted by steel mills in Japan, Korea and Taiwan.

(Sourced from Bloomberg)

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