
FMG price agreement not tied to funding - Mr Shan Shanghua

Sunday, 18 Oct, 2009

Reuters cited Mr Shan Shanghua China Iron and Steel Association Secretary General as saying that Chinese steel mills' iron ore price agreements with Fortescue Metals Group Ltd are not linked to funding for the Australian miner.

Mr Shan said "China iron and steel association and Baosteel are supporting Fortescue to win funding from Chinese financial institutions, but whether it reaches funding deals depends on the decisions of Chinese financial institutions."

Fortescue missed a self-imposed September 30th deadline to obtain up to USD 6 billion in debt financing from the Chinese after agreeing to sell Chinese mills iron ore at a 3% discount compared with rival miners, although the miner has since said it could self fund expansion costs.

(Sourced from Reuters)

For more news visit at www.steelguru.com