
Iron ore price negotiations - Fortescue discusses with CISA

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It is reported that Fortescue Metals Group is discussing with China about whether the discount will continue in the iron ore supply in the fourth quarter of 2009.

In August 2009, the China Iron & Steel Association and FMG entered into an agreement, under which the Australian supplier would mark down its iron ore supply 35% YoY to China, compared with the 33% markdown agreed by the world's top three iron ore suppliers and Japanese and South Korean steelmakers.

However, according to the statement of FMG, the precondition for the agreement is that the Chinese financial organizations and the Australian supplier should land a financing agreement involving about USD 6 billion before the end of September.

The financing agreement was not signed before September 30th 2009, but the CISA stressed that the agreement should not be linked with the iron ore supply.

(Sourced from www.163.com)

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