
Iron ore price negotiations - CISA to try plans multi suppliers plan

Friday, 06 Nov, 2009

It is reported that CISA is subtly changing their modes for iron ore negotiation as it intends to diversify China iron ore suppliers instead of insisting priority of best price.

The latest data released by China Customs showed this change. In the first nine months, the top five iron ore sources to China are Australia, Brazil, India, South Africa and Ukraine. Both volumes from and prices different importers changed a lot.

The data showed that import from Ukraine and South Africa increase strongly by 91.3% and 144% YoY respectively just behind that from Australia and Brazil. Besides, prices with freight are very different but FOB prices stand almost at the same level no matter how far the exporters away from China.

China starts to give priority to purchase from more sources. It enhances iron ore purchase from South Africa and Ukraine although prices with freight from the countries are higher than that from Australia and India and getting close to Brazil.

However, multi suppliers plan could hardly reverse CISA negative situation in negotiation but exert incremental cost on importers. Refer to China specific price demanded by CISA, big three miners are impossible to give favorable price for large quantities.

(Sourced from MySteel.net)

Visit www.Mysteel.net for real time access to China steel news

For more news visit at www.steelguru.com