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## Production pruning - Heric Ferrochrome restarts two furnaces

*Saturday, 12 Sep, 2009*

Bloomberg reported that Heric Ferrochrome Limited has restarted two furnaces to meet improving demand for the steelmaking raw material and said it is supporting moves to raise fourth quarter contract prices by 30 cents a pound.

Heric has now reopened all four South African furnaces, after shutting them in December and January following a collapse in global steel demand. Ferrochrome prices, which are settled on a quarterly basis, rose to 89 cents a pound for the third quarter from 69 cents in the second, the first gain in nine months.

Mr Tetsu Kotaki CEO of Heric Ferrochrome said that "We need to see meaningful increase of the price in the fourth quarter because of the strength in the rand. We support a 30 cent a pound gain."

Heric has the capacity to produce 380,000 tonnes a year of ferrochrome. It sells ferrochrome for dollars and pays costs in the local currency, which has gained 24% against the dollar this year.

(Sourced from [www.bloomberg.net](http://www.bloomberg.net))

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