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## Iron ore trade to remain slow until late 2010 - Fortis

*Friday, 25 Sep, 2009*

Bloomberg quoted Fortis Bank Nederland NV said as saying that Global trade in iron ore the primary component used in steelmaking will weaken until the H2 of 2010 as China slows imports.

Mr Piet Hein Ingen Housz MD of metals commodities at the bank said that “Lower Chinese imports will slow iron ore trade in late 2009. Iron ore trade growth will be slow in the H1 of 2010 with activity increasing later that year.

Mr Housz said that Fortis expects iron ore imports worldwide to grow 5.3% in 2010 and sees a double digit increase in 2011 led by China and other emerging economies. Record imports in the H1 of this year will bring YoY growth of 2% compared with 2008.

Declining iron ore imports will hurt dry bulk shipping rates as the commodity is the biggest cargo transported at sea and China the biggest consumer. The country’s imports fell 14% in August from July. Stockpiles rose in the week ended September 4th 2009 to the highest level since Bloomberg began compiling the data in 2006.

The Baltic Dry Index, a measure of shipping costs for commodities has fallen 55% in the past year and has declined for 9 consecutive sessions. Hire rates for Capesize class vessels that typically haul iron ore to make steel have slumped 42% this month.

(Sourced from Bloomberg)

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