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## Iron ore price negotiations - Vale wants to start talks

*Thursday, 19 Nov, 2009*

The Australian reported that Brazilian miner Vale wants to start annual benchmark negotiations for 2010-2011 iron ore prices this month.

When asked whether Vale would begin the annual iron ore negotiations this month or next, Mr Renato Neves president of Vale International and global iron ore director of Vale said that he hoped negotiations would start this month.

Mr Neves wouldn't comment on pricing for next year but he said the sea borne iron ore market is expected to return to a very tight situation in 2010.

He added that Vale was operating close to full capacity after restarting mines that had been shutdown due to weak demand stemming from the economic downturn.

The world's three largest iron ore miners namely Vale, and Anglo Australian diversified miners BHP Billiton and Rio Tinto traditionally have negotiated annual benchmark prices for iron ore with the world's largest steelmakers, which are typically Chinese. The annual benchmark negotiations, however, broke down this year after China failed to reach an agreement with the three iron ore miners. The miners have been selling iron ore to China on provisional contracts or through the fast growing spot market instead.

(Sourced from [www.theaustralian.com.au](http://www.theaustralian.com.au))

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