
Velocity of China recovery surprising - Mr Kloppers

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Bloomberg reported that BHP Billiton Ltd the world largest mining company has been surprised by the rapid recovery in China economy after the global financial crisis curbed prices and cut demand.

Mr Marius Kloppers CEO of BHP Billiton said “Over the past six months, we have seen quite a rebound in commodity prices and in particular, the velocity of the recovery in China has indeed been surprising.”

He said that “One element that continues to surprise us, however, is the resilience of the Chinese steel sector. He added that we have no reason to change our long-held view that Chinese growth will continue and will continue to be resources-intensive.”

BHP gained 0.8% to AUD 41.50 at 11:53 AM Sydney time on the Australian stock exchange. The stock, which has ten buy ratings, four hold ratings and two sell ratings, has gained 36% compared with a 27 gain on the benchmark index.

Mr Don Argus chairman of BHP said China’s economy expanded 8.9% in the Q3 the fastest pace in a year. Demand for minerals is on the verge of unprecedented growth as China and India drive consumption.

BHP said the company last month reported record Q1 production of iron ore as steel companies resume output at mills in China, Europe and the US on signs of recovery in the global economy. China accounted for USD 9.9 billion or 20% of BHP sales in the year ended June 30th.

(Sourced from Bloomberg)

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