
Nippon Denko diversifies sources to import manganese ore

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TEX reported that, in line with the strategic cooperation, which Nippon Denko has concluded with BHP Billiton about 10 years ago to import manganese ore, Nippon Denko has been continuing the concentrative imports of manganese ore from South Africa and Australia through BHP Billiton but has shown from the beginning of 2010 a tendency to diversify the sources to import manganese ore.

Apart from BHP Billiton, Gabon is another source for Nippon Denko to import manganese ore and, according to the statistics for 2009 released in Japan, manganese ore produced in Gabon and exported by its mine owner arrived in Japan throughout the year of 2009, which corresponded to one vessel with fully loaded cargoes of manganese ore. As for the remaining 300,000 tonnes of manganese ore, Nippon Denko imported 150,000 tonnes of South African ore and 160,000 tonnes of Australian ore in 2009 through BHP Billiton. However, from the beginning of 2010, Nippon Denko is moving to consider their purchase of manganese ore from Assmang, as a leading producer of manganese ore in South Africa.

In accordance with the actual quantities of manganese ore imported by Japan as recorded in the past many years, the sources to import manganese ore into Japan have been mainly divided to Assmang for Mizushima Ferroalloy, BHP Billiton for Nippon Denko and a combination of BHP Billiton and Assmang for Chuo Denko Kogyo and Kobe Steel. It is not clear yet how extent does Nippon Denko really diversify the sources to import manganese ore.

However, in order to produce ferromanganese with good quality in Japan, the sources, which are able to produce high grade manganese ore, have been limited. From this point of view, the matters in question are how do ferroalloy producers in Japan adopt the strategy to purchase manganese ore, how extent do major manganese mines in overseas countries attach an importance to China as the largest consumer of manganese ore in the world and how do Japanese consumers of manganese ore wrestle with this subject.

Some of major manganese mines in overseas countries are thought to be moving to change the scheme for sales of manganese ore in Japan, following the same in China. Its new conditions as already proposed from mines' side are supposed to fix ore price on monthly base, to change delivery term to on CIF Japan base, and so on.

(Sourced from TEX Report Limited)

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