
Nucor CEO sees a decades of high commodity prices

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According to Mr Dan DiMicco chairman, president & CEO of Nucor, the price of steel making raw materials such as iron ore, coal and scrap metal will continue to rise for several years, keeping pressure on manufacturers and consumers.

Mr DiMicco during the American Metal Market's Steel Success Strategies conference told delegates that "The bull market for commodities will last for decades to come and our customers need to get used to it,"

He said that "Iron ore is up several hundred percent, scrap prices are USD 600 to USD 700 per ton, pig iron is USD 900 per ton and coal is rising several hundred percent even as we speak. I believe raw materials, including scrap, will continue to see escalation in prices."

In his address, Mr DiMicco gave an upbeat forecast for steel, citing favorable industry dynamics driven by global demand, especially from China, India and other emerging economies. He compared the current climate to that of the late 1940s and early '50s, when the industry was being rebuilt after the destruction of World War II.

He said that "But today is different in that we are building an infrastructure that didn't exist before. Consumption growth is rocketing to 5 percent to 7% per year and it is being driven by a demographic of 2 to 3 billion people in a world that wants a better standard of living."

His comments, during the conference, echoed those of Mr John Surma CEO of US Steel Corp. Mr Surma told Reuters that spiraling iron ore costs were pushing steel prices even higher and he warned that growing demand is straining miners' capacity to supply raw materials. Steel prices have soared almost 50 percent this year, as raw material costs continue to climb and global demand shows little sign of abating.

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