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## Molybdenum price in upward trend – Codelco

*Friday, 12 Sep, 2008*

According to Mr Victor Perez marketing director of Codelco, booming demand for molybdenum, used to produce stainless and other specialty steels, means prices for the minor metal are unlikely to return to the historic lows seen in the previous two decades.

Mr Perez said that "Molybdenum is at an extraordinarily high price, but I don't think molybdenum is going to return to the historical levels that we saw in the 1980s and 1990s of less than USDS 5 per pound."

He said that a huge backlog in infrastructure projects in emerging economies, most notably in China and, increasingly, in India, meant demand for steel will remain firm over the next decade or more. He added that "I see there is a lot of demand, which will be the main driver of maintaining an attractive price for the primary and secondary molybdenum industry, the new equilibrium price for molybdenum is going to be between USD 15 per pound and USD 25 per pound for a period of time."

Meanwhile, Codelco's board of directors is due to approve in October or November 2008 a new 20,000 million tonnes per year processing plant at Mejillones port in northern Chile at a cost of USD 120 to USD 150 million. It is also investing in existing installations at its Andina, El Teniente and Codelco Norte divisions to improve molybdenum recovery by three or four points.

Finally, Codelco is holding an international tender to select a partner for a new JV that will use cutting edge technology to process the immense quantity of copper slags at its divisions.

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