
Harbinger scraps plans to sell 15% stake in FMG

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It is reported that Mr Philip Falcone, a billionaire and hedge fund manager has scrapped plans to sell his 15% stake in Fortescue.

Mr Andrew Twiggy Forrest CEO of Forrest Fortescue Metals said that the decision by Mr Falcone's Harbinger Capital Partners comes as Fortescue's shares have slumped in recent months on concerns about slowing growth in China.

Although denying that demand for his company's iron ore had slowed, Mr Forrest conceded that miners chasing Chinese customers and investors for new iron ore projects had probably missed the boat, as the global credit squeeze and planned slowing of the Asian powerhouse start to bite.

Fortescue has capped its expansion at 80 million tonnes, due to credit conditions and associated market turmoil. But looking to buoy his lagging share price, Mr Forrest said the Fortescue's iron ore was of a high quality and there had been no let up in demand for it, despite reports that customers had slowed steel production.

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