
9 out of 10 iron ore miners halt in Hebei

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Latest data display that nine in ten the iron ore miners in Hebei province now are suspended due to the slump steel demand and ore price crash which narrows down the miner's profit directly. It ends up a heavy profit ago for miners.

Hebei province sweeps 11 straight wins in iron ore annual output in China, with ore reserve ranks the second. During the past 7 years, Hebei's mineral industry grows flourishingly supported by its bull steel industry. However, the brilliant time has suddenly quenched with ore price crashed over 50% in August followed with the economy dive.

Mr Wang Rui-jun a local official said "Since September, many ore miners start to stop production successively owing to the stagnant steel industry. Up to now, some 90% ore miners halt in Hebei. He said that totally, there are over 4000 mine enterprises in Hebei, most of which are in small and middle size."

He added that "Since August, ore price has plummeted by over 50% directly to its cost, which causes about almost all the ore mining enterprises and ore concentrating plants halt now."

Steel output reduction creates hard time for ore miners. Besides, dull market in real estate and machinery industry limits ore output at the root. Influenced by global economic crises, this downturn is unlikely to change in short time.

Mining industry will go through an elutriation and price dive will wash out many mine enterprises this time. It's a chance for enterprises which are high value-added and contain high technology to develop themselves. As for long term effect, it drives the resource conformity, backward capacity selection as well as the energy saving and pollution reduction in Hebei province.

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