
Baotou Steel Rare Earth may report quarterly loss

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Bloomberg reported that Inner Mongolia Baotou Steel Rare Earth Hi Tech Co among China's top five producers may report its Q1 loss in three years because of falling demand and prices.

The Baotou, Inner Mongolia based Company said in a statement to the Shanghai stock exchange that, the loss will be between CNY 60 million and CNY 80 million in the first three months of this year. That would be the first time since a CNY 4.86 million losses in the quarter ended December 31st 2005.

Rare earth prices have been falling since the fourth quarter as a global recession crimped demand for hybrid cars, magnetic products and glass. China, which has the world's biggest rare earth deposits, is also the world's biggest producer of the metals.

Baotou Steel Rare Earth fell by as much as 7.2% to CNY 17.80 March 30th in Shanghai, trading at CNY 18.59 compared with a 1.2% drop in the Shanghai Composite Index.

Baotou Steel Rare- Earth said without giving specifics that praseodymium and neodymium, two rare earth metals have both fallen by 65% from a year ago. The company reported net income of CNY 131.8 million in Q1 of 2008.

(Sourced from Bloomberg)

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