

# IRON ORE MANUAL 1998 - 1999

## Table of Contents

INTERNATIONAL MARKET .....	1
World Iron Ore Market for 1998 .....	3
Up 2.82% for Fines and Up 2.94% for Lump Ore .....	3
Briefing of Process to Price Settlement in the Japanese Market .....	3
Price Change of Iron Ore for 13 Years in Japanese/European Markets .....	4
World Seaborne Iron Ore Trade for 1997 Recorded at 423 Million tons ...	5
Market Situation before Negotiations on Iron Ore Prices for 1998 .....	7
Views of Buyers and Sellers at Time of Completion of Preliminary Talks..	8
European Market: CVRD Called for Price Rise with Abstract Expression ..	10
Japanese Market: Outline of the 1st-Round Price Negotiations .....	10
Agreement Reached on Price for Fines at Up 2.82%/Lump Ore at Up 2.94%..	13
European Market Settled First Iron Ore Price for 1998 on Jan 22, 1998..	15
Price Settlements on Iron Ore for FY1998 in Japan until February 1998..	16
Price Negotiations after march 1998 in the Japanese Market .....	18
Iron Ore Prices by Ore Brand/Type for FY 1998 in Japan (Price List) ...	19
Iron Ore Prices by Ore Brand/Type for CY 1998 in Europe (Price List) ..	20
Analysis on Price Formation of Iron Ore by Ore Type .....	21
Changes and Comparison of Prices for Fines in Japan and Europe .....	21
Price Difference between Ore Types .....	21
Price Formula of Pellet Feed .....	23
World Iron Ore Trade and Japan's Position in the World .....	23
Iron Ore Imports in Asian Four Major Countries .....	24
World Production of Pig Iron and Crude Steel for 1st Half of 1998 .....	26
Chronological Noticeable Records of Price Settlements .....	29
Iron-/Steelmaking Facilities at Major Steelworks in 3 Asian Countries..	32
World Crude Steel Production And Seaborne Iron Ore Trade .....	34

Exports of Major Iron Ore Exporting Countries by Destination .....	35
Australia .....	35
Brazil, Peru .....	36
Venezuela, Chile .....	37
India, Canada .....	38
Sweden, South Africa .....	39
Mauritania .....	40
World Iron Ore Imports (1987 - 1997) .....	41
Iron Ore Imports of Major Importing Countries by Source .....	42
<b>DRI AND PELLETS .....</b>	<b>45</b>
Summary of DRI Operations in 1997 Compiled by MIDREX .....	47
Current Situation and Future Prospective of World DRI Production .....	48
World Production of DRI by Country/Process .....	49
DRI Production by Country .....	50
World Production of DRI by Process .....	51
DRI Projects by Country .....	52
World Direct Reduction Plants by Process .....	57
World DRI Grade Iron Ore Production in 1997 .....	60
Operating Pellet Plants in the World .....	62
Operating Pellet Plants in Europe and Former USSR .....	63
Operating Pellet Plants in North America .....	64
Operating Pellet Plants in Latin America .....	65
Operating Pellet Plants in Asia and Oceania .....	66
<b>SUMMARY OF JAPANESE STEEL MILLS .....</b>	<b>67</b>
Procurement of Iron Ore Resources for the 21st Century .....	69
Japan's Medium-to-Long-Term Procurement of Iron Ore (1998 - 2000) .....	70
Contracts for Australian Iron ore .....	71
Contracts for Brazilian Iron Ore .....	72

Contracts for Indian Iron Ore .....	73
Long-Term Contracts for Iron Ore by Region .....	74
Long-Term Contracts for Iron Ore by Country .....	74
Long-Term Contract Status by Eight Major Blast Furnace Steel Mills ....	75
Import Contracts on Australian/Brazilian Iron Ore by Steel Mill .....	75
Nippon Steel .....	76
NKK .....	78
Kawasaki Steel .....	79
Sumitomo Metal .....	81
Kobe Steel .....	82
Nisshin Steel .....	84
Nakayama Steel .....	85
Steel Mill's Iron Ore Imports by Ore Brand and Importer in FY1998 .....	86
NSC (Nippon Steel Corporation) .....	86
NKK .....	88
Kawasaki Steel .....	90
Sumitomo Metal Industries .....	92
Kobe Steel .....	94
Nakayama Steel .....	95
Nisshin Steel .....	96
Estimated Ore Brand-wise Iron Ore Intake Tonnage for FY 1998 .....	97
Importers' Share for FY 1998 by Steel Mill .....	98
Importers' Share for FY 1998 by Region .....	99
Importers' Share of Major Brands to Steel Mills for FY 1998 .....	100
Importers' Handling Tonnages Classified by Brand and Steel Mill .....	105
Mitsui & Co., Nissho Iwai .....	105
Mitsubishi Corp., Marubeni Corp., Itochu Corp. ....	106
Sumitomo Corp. Kawasho Corp., Nittetsu Shoji .....	107
Okura & Co., Tomen Corp., Tonan Trading, NKK Trading .....	108

Sumikin Bussan, Nomura Trading, Kanematsu Corp., Shinko Corp. ....	109
Nichimen Corp., Tokyo Boeki, Kokan Mining, Mitsubishi Material ....	110
Kanematsu Mining, Tsuda Kozai, Sumikin Transport Services, etc. ...	111
Major Steel Mills' Blast Furnaces and Sintering Furnace .....	112
Hybrid Pelletized Sinter (HPS) .....	114
Sintering Plant in the Philippines .....	115
Production Capacity for Pig Iron and Crude Steel in Japan .....	115
Price Settlement for 1998 .....	116
<b>STATISTICAL DATA (DOMESTIC AND OVERSEAS) .....</b>	<b>119</b>
Crude Steel Production by Steel Mills for FY 1997 .....	121
Pig Iron Production by Steel Mills for FY 1997 .....	121
Crude Steel Production by Steel Mills .....	122
Pig Iron Production for FY 1997 .....	123
Demand/Supply of Raw Materials .....	124
Japan's Crude Steel/Pig Iron Production and Iron Ore Imports .....	130
Japan's Iron Ore Import Volume by Source .....	131
Japan's Iron Ore Imports and Value by Source for FY 1997 .....	132
Japan's Iron Ore Imports and Value by Source for CY 1997 .....	133
Iron Ore Import Volume by Ore Type .....	134
Iron Ore Import Volume/Share by Source in FY 1997 .....	134
Iron Ore Imports by Steel Mills and Ore Type .....	135
Iron Ore Imports by Steel Mills and Ore Brand for FY 1997 .....	136
Iron Ore Imports by Steel Mill and Ore Brand for CY 1998 .....	138
Iron Ore Receipts and Consumption by Steel Mills for FY 1997 .....	140
World Crude Steel Production in Major Steelmaking Countries.....	142
Crude Steel Production by World Major Steel Mills .....	143
World Pig Iron Production .....	144
World Crude Steel Production .....	146
DRI Production by 11 Countries .....	148

<b>TRANSPORTATION AND PORTS</b> .....	149
Seaborne Trade Volume of World's Major Commodities .....	151
Bulk Carriers under Steel Mill's Cargo Guarantee .....	152
NSC (Nippon Steel Corporation) .....	152
NKK, Kawasaki Steel .....	153
Sumitomo Metal, Kobe Steel, Nisshin Steel .....	154
Vessels under Six Steelmakers' Guarantee .....	155
Taharoa Iron Sand (New Zealand) Carriers .....	156
Share of Japanese and Foreign Vessels for Iron Ore Transport by Source	156
Transportation of Iron Ore and Coking Coal by Japanese Flag Vessels ..	157
Long-Term Affreightment Contracts for Large Combination Carriers .....	157
Main Ports of Steel Mills .....	159
Iron Ore Loading Ports in Western Australia .....	162
Iron Ore Loading Ports (Excludes W. Australia) .....	164
Major Port Facilities for European Steel Mills .....	169
Haulage Performance of Japanese Shipping Companies .....	172
Iron Ore Haulage by Japanese Shipping Companies for JSMs in FY1997 ...	174
Source-wise Iron Ore Haulage by Japanese Shipping Companies in FY1997	175
Spot Chartering for Iron Ore Haulage during January - October 1998 ...	176
<b>MINE PROJECTS</b> .....	185
Overseas Mine Projects .....	187
Australia .....	187
Mining Area C Project, West Angelas Iron Mine .....	187
Gist of Technical Presentation of West Angelas Project .....	188
Hope Downs Iron Ore Project .....	188
Fortescue Project .....	191
Brazil .....	192
FERTECO's Plans To Develop the Port of Sepetiba .....	192
Information on WA Iron Ore Industry Compiled in 1998 by DRD .....	196

<b>IRON ORE OF AUSTRALIA</b> .....	<b>211</b>
Iron Ore Exports of Australia .....	213
Long-Term Contract Status of Australian Iron Ores for Japan .....	216
Price Transition of Major Australian Iron Ores .....	216
Hamersley Iron Ore .....	217
Long-Term Contracts of Hamersley Iron Ore .....	220
Mt. Newman Iron Ore .....	225
Robe River Iron Ore .....	231
Mt. Goldsworthy Iron Ore .....	235
Yandi Iron Ore (BHP) .....	238
Yandi Iron Ore (Hamersley Iron Yandi: HIY) .....	236
Savage River Pellets .....	242
 <b>IRON ORE OF SOUTH AMERICA</b> .....	 <b>243</b>
Japan Imports of Brazilian Iron Ore in Past 10 Years .....	245
Exports of Itabira Iron Ore and Pellets .....	245
Exports of Carajas Iron Ore .....	246
Exports of MBR Iron Ore .....	247
Exports of Samarco Iron Ore .....	248
Exports of Chilean Iron Ore .....	248
Exports of Brazilian Iron Ore by Destination and by Mine .....	249
Exports of Peruvian Iron Ore .....	249
Long-Term Contracts of South American Iron Ore .....	252
Contracts Details of Brazilian Iron Ores .....	253
Extension Contract of CVRD South System Itabira Iron Ore .....	256
South System and North System of CVRD .....	257
Contract of Affreightment with Doce Nave .....	260
CAPANEMA Iron Mine .....	260
Nibrasco Pellets .....	261
Carajas Iron Ore .....	265

Japanese Contracts of CVRD Iron Ore .....	268
Technical Presentation of CVRD Iron Ore .....	272
MBR Iron Ore .....	275
Samarco Iron Ore .....	280
Details of Peruvian Iron Ore Contract .....	281
Details of Chilean Iron Ore Contract .....	282
Romeral Iron Ore .....	282
Romeral Pellet Feed .....	283
Algarrobo Pellets .....	283
Colorados Iron Mine Project of Chile .....	284
Gist of Technical Presentation Meeting on Chilean Iron Mines .....	285
San Isidro Iron Ore of Venezuela .....	286
Gist of Technical Presentation on Venezuelan Iron Ore .....	288
<b>IRON ORE OF INDIA AND GOA .....</b>	<b>289</b>
Share of Indian Iron Ore in Japanese Market in 10 Years .....	290
MMTC's Export Tonnage for April 1997 - March 1998 .....	290
Kudremukh's Export Tonnage for April 1997 - March 1998 .....	290
Exports of Goan Iron Ore ex Mormugao in FY 1997 .....	291
Long-Term Contract Tonnages of Indian/Goan Iron Ore .....	293
Contract Details of Indian Iron Ore .....	294
Bailadila Iron Ore .....	294
5-Year Contracts for Three MOH Loading Iron Ores.....	299
Mill-wise Quantities of Donimalai, Basic Grade/High Grade Iron Ore ...	300
Kudremukh Iron Ore .....	302
Contract of Affreightment with Indian Shipowners-FY 1998 .....	305
Contract Details of Goan Iron Ores .....	306
Iron Ore Prices Classified by Loading Facilities .....	307
Chowgule Iron Ore .....	308
Tudou Iron Ore .....	308

Dempo Iron Ore .....	309
Salgaocar Iron Ore .....	309
SMIL .....	310
Sesa Goa Iron Ore .....	310
Foment Iron Ore .....	311
Terekhol Iron Ore .....	311
Bandodkar Iron Ore .....	312
Bandecar Iron Ore .....	312
Timblo Iron Ore .....	312
<b>IRON ORE OF AFRICA AND CANADA .....</b>	<b>313</b>
Contract Status of African and Canadian Iron Ores .....	315
ISCOR Iron Ore (South Africa) .....	315
Assoman Iron Ore (South Africa) .....	319
Carol Lake Iron Ore (Canada) .....	322
QCM Iron Ore (Canada) .....	326
<b>IRON SAND, FLUORITE, SPECIFICATIONS .....</b>	<b>327</b>
New Zealand Iron Sand .....	329
Taharoa Iron Sand (New Zealand) .....	331
Goan Ferruginous Manganese Ore Contracts for 1 Year.....	332
Titaniferrous Iron Ore .....	333
Import Contracts of Mexican Fluorite .....	333
Chinese Fluorite, Movement in these 10 Years .....	335
Ship-to-Ship Variations of Iron Ore Quality in FY 1997 .....	336
Ship-to-Ship Variations of Iron Ore Quality in CY 1997 .....	340
Penalties for Main Iron Ore Brands .....	344