Anglo American Met Coal Output Up 9% in Q2

Anglo American's metallurgical coal production in the second quarter rose 9% year-on-year on increased output from its Moranbah North mine and first shipments of development coal from its Grosvenor project.

The mining major produced 5.3 million tonnes of met coal during the three months to June, compared with 4.8 million tonnes in the June 2014 quarter, Anglo said. "Moranbah production was higher due to a long wall move in Q2 2014, and first development coal was delivered from Grosvenor, more than offsetting Peace River Coal being place on care and maintenance in December 2014," according to the statement.

The Moranbah North mine produced 1.38 million tonnes of coal in the June quarter, up from just 434,600 tonnes in the corresponding period last year. Out of the 5.3 million tonnes of met coal output, 1.5 million tonnes was pulverised coal injection (PCI) coal, Anglo said.

The June quarter production was also up from the 5 million tonnes produced in the first quarter of this year. On the sales front, Anglo sold 5.1 million tonnes of met coal during April-June, largely flat with 5.15 million tonnes in the June 2014 quarter and 5.11 million tonnes in the March quarter this year. Separately, Anglo expects to record non-cash impairments of $3-4 billion on a post-tax basis relating to Minas Rio and certain Australian coal assets.

"The first six months of 2015 have seen significant further weakness and ongoing volatility in the prices of the bulk commodities, particularly iron ore and metallurgical coal," the statement noted. The miner added that it has therefore reviewed its near and longer-term commodity price assumptions at midyear.

Anglo has started to market a new brand of hard coking coal, German Creek No 8. The brand is believed to be a blend between its existing German Creek and Moranbah North products, according to mill sources.

Arcelormittal Asks South Africa for Steel Tariff Protection

Africa's largest steel maker, ArcelorMittal has asked the government to impose a 10 per cent import duty on steel and in return it may offer shares to black empowerment partners.

Shares in the unit of the world's largest producer of steel are trading around their lowest levels in more than a decade and the company has said South Africa's high labour costs, poor rail Infrastructure and slowing economy have forced it to consider cutting back operations and jobs.

Steel baron Lakshmi Mittal was in South Africa in June, where he briefed President Jacob Zuma's government on the challenges in the steel industry and asked for intervention to counter cheap Chinese imports. "Rome is burning, every single day the industry loses millions and it is, really a concern," Paul O'Flaherty, the CEO of ArcelorMittal South Africa said. He said "the local economy is dead, there is just no infrastructure spend".

According to Thomson Reuters data, shares in the company have dropped over 60 percent in the last 12-months and 54.8 percent so far this year. ArcelorMittal South Africa has not made a profit in the past five years and in exchange for protection from steel imports, Mittal would be prepared to offer shares to black South African consortiums."We are at a stage where the major shareholder understands that we need an ownership deal and we are putting plans in place to do one. However you need an industry that you can invest in," O'Flaherty said. ArcelorMittal is expected to decide by the end of July on the future of its Vandebijlpark operations, outside Johannesburg, its biggest loss-maker, which employs 4,500 workers.

AGA to Detect Undervalued Steel Products : Maxico

In the last two months, six companies were written off the list of steel importers to Mexico, after the General Administration of Customs (AGA) detected that certain performed procedures undervalued steel products.

Ricardo Trevino of the AGA reported that there are over 15 companies under investigation for alleged wrongdoings pertaining to steel imports, but for the moment there is no evidence that they will be discharged.

Further, an additional package of administrative measures to give strength and security to the domestic industry was announced by the Ministry of Economy (SE) against unfair trade in products steelmakers, such as triangulation or undervaluation of goods. Officials said that in the coming days there will be coordination meetings and an exchange of information with authorities of the SE and representatives of the steel industry on this issue, in order to further strengthen the controls.