



Japanese coking coal business bounces back to profitability



Japanese half of a mining venture that supplies almost a third of the world's coking coal exports is making money again, but its future was in question just a few years ago. A recovery in prices and deep cost cuts helped Mitsubishi Corp's Australian coal business swing back to profit in the first half of the fiscal year, with JPMorgan Chase & Co. predicting the best annual return since 2010.

The outlook was very different two years ago as a rout in commodities brought Mitsubishi Development Pty to its knees and led its parent company to post the first annual loss last year, according to the executive responsible for turning the business around.

Mr Kanji Nishiura, the head of the trading company's metals and coal business, said in an interview "Two years ago, it was said that MDP was finished. Now we are in the top fourth of cost competitiveness. We cut contractors to the lowest level possible, hired cheaper contractors, reduced machine maintenance frequency as much as we could while assuring safety."

He said "No one thinks that it will return to the price at the beginning of the year. I'm proud of what we have done at MDP. If MDP were to swing to a net loss, then I'm sure there won't be a single company in the coking coal sector making a profit."

MDP operates BHP Billiton Mitsubishi Alliance, a joint venture with BHP Billiton Ltd and the world's biggest shipper of seaborne metallurgical coal. It booked a total net income of JPY 22.3 billion (USD 190 million) in the first two quarters ending September, swinging to profit after a net loss of JPY 57.7 billion in the fiscal year ended March.

Liberty House closer to buying Arrium Steel



Liberty House Group is closer to taking over Australia's steel producer Arrium Ltd as the London-based steel manufacturer and metals trader is completing the purchase of units of Tata Steel Ltd. and Rio Tinto Plc in the U.K.

Mr Sanjeev Gupta, Executive Chairman of Liberty House in an interview in Dubai said that "We're in the second round on Arrium, we've been shortlisted among four bidders."

Gupta said that "Australia should be a powerhouse of steel because it's endowed with the best natural resources as far as steel is concerned. There is an opportunity to recycle steel in the UK because at the moment we export all our scrap. There's also a lot of room for steel growth in the US where quite a lot of scrap is still exported. There's room for more mini mills in the U.S."

A \$14.3 b mine inaugurated in Brazil



(LP) was granted in June 2012 and, a year later, the Installation License (LI) was issued. On December 9, the Operation License (LO) was granted. Commercial operations start in January 2017 and the mine's lifespan is expected to be 30 years.

S11D is also the largest private investment

A massive iron ore mine in Brazil was inaugurated what is hailed as the largest in its history and what the world's largest iron ore producer says is the biggest ever in the mining industry. While that is quite a claim, delving into the details of the \$14.3-billion S11D complex shows that Vale is most likely correct.

Located in Canaã dos Carajás in Southeast Pará, the project – which includes the mine, processing plant, railroad and port logistics – has been 15 years in the making, starting with the first technical and feasibility studies in 2001. The Preliminary License

made in Brazil in a decade, which Vale says will boost the economies of the states of Pará and Maranhão. The company says its operations in Minas Gerais will also benefit from the project, since that ore will be blended with that extracted from S11D. "For me, seeing the completion of S11D is much more than just witnessing a new landmark in the mining industry. More than an enterprise embodying the latest technology, low cost and high productivity, the S11D portrays Vale's ability to make things happen," Vale's CEO, Murilo Ferreira, said in a press release describing the project in detail.

ArcelorMittal to increase output at Sagunto factory



ArcelorMittal Spain has decided to increase Sagunto's factory output in 2017, according to Geert Van Poelvoorde, head of ArcelorMittal's flat products division in Europe. The Valencian plant, which has a workforce of 850 employees, is one of four in the group in Europe that manufactures a steel patented by ArcelorMittal and denominated Usibor. It has an aluminum-sided coating that supplies the hot stamping centers, which in turn are suppliers of automobile manufacturing plants.