

KUMBA IRON ORE

Davies pushes for lower ore price

The government wanted to ensure 21.4 percent of the iron ore from Sishen was made available to local manufacturers at cost plus 3 percent, Trade and Industry Minister Rob Davies said on Friday. In March 2010, Anglo American's Kumba Iron Ore unit cancelled a 2001 agreement to supply 6.25 million tons of ore a year from Sishen to ArcelorMittal South Africa at cost plus 3 percent. Kumba said the accord had lapsed because ArcelorMittal SA failed to renew its mining licence for a portion of the deposit, an argument it rejected. In December last year, the high court awarded Kumba a 100 percent right to the Sishen mine. Kumba shares closed 0.5 percent lower at R545 on Friday. – Bloomberg