

China iron-ore import forecast raised by forecaster



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China, the world's biggest consumer of iron ore, may buy 20% more than forecast of the material next year because of its Y4 trillion (US\$586 billion) stimulus package, Australia's commodity forecaster said.

China may import 637Mt of ore in calendar 2010, the Canberra-based Australian Bureau of Agricultural and Resource Economics said today in a quarterly report. That compares with its June prediction of 529Mt.

Demand for iron ore in China has surged this year as the nation's stimulus plan spurs consumption, which may boost imports by 28% on last year, the bureau said. Australia, the world's biggest shipper of iron ore, may produce 12% more ore next year, the bureau said.

"China is expected to continue to underpin demand for iron ore," the bureau said. Globally, "demand for steel, and therefore steelmaking raw materials, is expected to increase in response to an assumed economic recovery beginning in the second half of 2009," it said.

Global steel consumption may be 1,300Mt next year, up 6.5% from this year's estimated 1,200Mt, the bureau said.