

**IRON ORE MARKETS
FORECAST TILL 2025**

**Global market
Russia
Ukraine**

September 2013

ABOUT METAL EXPERT CONSULTING

Metal Expert Consulting is a functional unit of Metal Expert that renders consulting services:

- Market researches and recommendations
- Development (optimization) of the market strategy
- Conceptual research of projects
- Development of pre-feasibility studies of investment projects
- Investigation of investment projects
- Independent monitoring of implementation of investment projects
- Informational and analytical support of commercial negotiations

Our advantages:

- Many years' experience of analytical activity (we have provided consulting services since 1996), deep understanding of the industry
- Monitoring of developments in the key regional markets by commodities
- Use of both widely available and exclusive data sources
- Effective methodology of setting up consulting projects that guarantees good results in conditions of limited resources and time
- Staff potential including experience of over 300 qualified experts and market analysts
- Status of a private independent company provides for objective assessment

Clients:

Producers, consumers, traders, transport companies, investors, including the following companies:



SUMMARY

The report presents the results of the research into the global, Russian and Ukrainian markets for iron ore.

The main assumptions made in the research as well as the key conclusions as to the prospects for the global iron ore market, its dependence on China, consequences for Russian and Ukrainian exporters are given in **Introduction**. The ways of cutting the cost of iron ore transportation from Russia to the global market are shown.

The global iron ore market analysis, including the actual and forecast demand-supply and global trade balance, analysis of the key suppliers' costs, is presented in **Global Market, the first section of the report**. The market of the world's largest iron ore consumer and producer – China – is examined in detail. The outlook for iron ore demand and production growth in China as well as possibilities of buying raw materials from incorporated assets located abroad is analyzed. The offered global iron ore price forecast is compared with the consensus forecast of the largest investment companies and sectoral analysts.

Iron ore supplies to Russian steelmakers are examined in **Russia, the second section**. Ore availability to the key consumers is assessed, the existing long-term contracts and possibility of buying diversification are analyzed. The forecast of the Russian market balance and iron ore export prospects is based also on the provided iron ore production, beneficiation and transportation cost estimates.

The main trends in the Ukrainian iron ore market, including ore availability to holdings and the free market capacity, are covered in **Ukraine, the third section**. The outlook for exports of Ukrainian iron ore is assessed with special attention.

The sources of the information on prices and volumes used in the research are official statistics (Russia's Federal State Statistics Service, Kazakhstan's Statistics Agency, Ukraine's State Statistics Service, China's National Bureau of Statistics, customs statistics of the mentioned countries), data from companies focusing on mining and metallurgical industry (Rudprom, MySteel, TexReport, Platts, ISSB, Metal Expert, ABARE, Worldsteel), from international institutions and organizations (WorldBank, IMF, EIA, IEA), from investment companies and banks (ABN AMRO, ANZ, BMO, CIMB Group, Citigroup Inc., Commonwealth Bank, Credit Suisse, Deloitte Access Economics, Deutsche Bank, ETLA, Goldman Sachs, HSBC, IHS Global Insight, Investec, J.P. Morgan, KPMG, Liberium Capital, Macquarie Bank, Merrill Lynch, Morgan Stanley, National Australia Bank, Numis, RBC Capital Markets, Renaissance Capital, Standard Bank, UBS, VTB Capital, Westpac, Wilson HTM).

The report can be used by managers and experts of steelmaking, raw material and transportation companies, who are engaged in sales, procurement, marketing, strategic planning activities, by investment companies as well as everyone interested in gaining a deep insight into processes currently taking place in iron ore markets, getting independent and well-grounded forecast of changes in the markets.

The results are to help identify risks and new opportunities in iron ore purchases, build an effective purchase strategy and ensure stabler raw material supply, find potentially attractive markets and new opportunities in iron ore procurement, analyze competitors' costs, estimate and forecast direction, volumes and structure of raw material flows, identify raw material assets attractive for investments.

The research consists of the pdf-report and **detailed statistical supplement in Excel** that includes:

- statistics on global iron ore production and trade for 2008-2012;
- the key price indicators in the markets of China, Russia and Ukraine for 2008-2012 (domestic, export, import prices on a monthly and yearly basis);
- detailed statistics on volumes in the Russian and Ukrainian iron ore markets (by segments and companies), including the free market;
- estimate of iron ore production costs and transportation to the key consumers;
- forecasts of the key price and volume indicators.

The report includes 174 pages with 128 tables and 38 figures. Excel supplement to the report includes 49 pages.

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