

Metalloinvest Predicts Increased Demand

By [The Moscow Times](#)

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Metalloinvest said Thursday that economic recovery in Europe would raise demand in the second half, while a stronger yuan will buoy prices longer term by increasing purchasing power in China.

“Economic improvement in Europe will boost demand and prices in the second half, while a slowdown in Chinese growth to as low as 8 percent this year won’t significantly affect demand,” chief executive Eduard Potapov said. “Strengthening of the Chinese currency, along with improvement in developed economies, will support iron-ore prices in the medium term.”

Metalloinvest, the world’s fourth-largest producer of iron ore, plans to boost output 20 percent this year as it focuses on expansion in Russia, Potapov said in June. The closely held company slashed sales 49 percent to \$4.8 billion last year, according to a Moody’s Investors Service estimate on July 30.

“In the medium term, potential consolidation of Chinese customers and China’s investments in iron-ore mines abroad may have a negative effect on prices,” Potapov said Thursday.

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