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Contents

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Rio Tinto begins full ramp-up of HIsmelt plant in Western Australia

PERTH — Rio Tinto will ramp up its HIsmelt molten iron plant at Kwinana in Western Australia to full capacity and is examining plans to use the new technology at its Corumba iron ore mining project in Brazil.

The 800,000 tpy HIsmelt plant will reach full capacity in the next three years, after it began continuous production of molten iron from its smelt reduction vessel, Rio said on Tuesday. The pig iron produced will be stockpiled and then sold once sufficient material has accumulated.

The USA's Nucor and China's Shougang Corp are expected to receive the first shipments of pig iron early next year. Further sales contracts are planned for customers in Southeast Asia and China.

The Kwinana plant will be fed with iron ore fines from Rio Tinto's Pilbara mines and coal from Queensland. It is designed to use a wide range of raw materials including haematites, magnetites, blends, blast furnace waste and thermal coals without the need for a sinter plant or coke ovens.

"In Brazil, at Corumba, we are looking at the application of the technology of HIsmelt," Warwick Smith, md of Rio Tinto expansion projects, said at MB's Asia Pacific Iron Ore Conference. "But we need to walk before we can run and achieve ramp-up at Kwinana first."

Rio is studying plans to expand its Corumba project to as much as 15 million tpy from 2 million tpy. It is also considering engaging a joint-venture partner to build an associated steelmaking facility adjacent to the mine.

The HIsmelt technology could be used in Corumba to produce pig iron from some of the more complex ores in the project.

BHP plans major expansion at Olympic Dam

SINGAPORE — BHP Billiton may expand its copper output fivefold at its Olympic Dam mine in South Australia, making it one of the world's largest copper mines.

The company could increase copper production to 1 million tpy and its uranium output to nearly 30,000 tpy from 4,500 tpy at present, said a company spokesman, citing an environmental impact report recently filed with the government.

BHP is seeking government approval for the expansions and, if granted, it will make the mine — already the world's largest uranium mine — the world's second-largest copper mine after Escondida.

If approved, BHP Billiton will produce 500,000 tpy of copper initially before considering increasing output to a maximum of 1 million tpy, the spokesman said.

Management may buy out Refco's metals trading business

LONDON — Refco's metals trading business may be the subject of a management buyout with the financial backing of US alternative investment and asset management company Marathon Asset Management in a move that would keep eleven dealers on the ring of the London Metal Exchange, market sources told MB.

A deal is said to have been struck last week and an announcement is expected soon.

"There is going to be an MBO backed by Marathon," said a market source.

"It would be difficult to put a figure on the value of the operations, but [Refco Overseas] could be less than a quarter of what Man paid for the entire set of assets."

That would value Refco Overseas at around $80 million since Man Financial, a London Metal Exchange category I member and a wholly owned subsidiary of Man Group, bought Refco's regulated commodity futures businesses in the USA, London, Asia and Canada for $323 million on November 10. Refco Overseas, which runs the ring-dealing desk on the LME, was included in that deal.

Any sale that enables Refco to continue to trade would be welcomed by traders at the LME as it will keep the number of dealers on the ring unchanged at eleven and ensure continued liquidity.

Minmetals in copper, iron ore and alumina talks

SHANGHAI — China Minmetals Corp is negotiating with overseas companies to raise its copper concentrates, iron ore and alumina resources to counter China's raw materials shortages, said Liu Lijun, general manager of Minmetals' Strategy & Planning Division.

Minmetals is holding talks with companies from South America, including Chile, and Asia, Liu said on the sidelines of MB's 2nd Chinese Copper Conference/3rd Chinese Aluminium Conference.

While declining to go into specifics, Liu identified copper concentrates, iron ore and alumina as the resources in shortage in China, adding that controlling resources through mining and metal production is one of two strategic focuses of Minmetals, the other being the further expansion of its distribution network.

"In the next ten to 20 years, the contradiction between long-term demand for iron ore, copper concentrates and alumina, as well as other mineral resources from domestic steel and non-ferrous metals industries, and the undersupply of domestic resources will become increasingly prominent," Liu told delegates at the conference.

Chinese Al exports to fall, but market impact remains unclear

SHANGHAI — Exports of aluminium from China will continue to fall because of government restrictions, analysts said.

Growing domestic demand and changes in state policy have cut exports as the debate about whether this will be a permanent change continues, analysts predicted.

"China's primary aluminium exports will gradually decline [and] China may become a net importer again after 2008," said China International Capital Corp (CICC) analyst Chris Ding.

Beijing's restrictions on aluminium exports may cut exports to 800,000 tonnes in 2006 from about 1.3 million tonnes this year, Ding said.

Is the fall good for the market? Click here for details

More Chinese Al smelters to close

SHANGHAI — China's crackdown on the aluminium industry will leave it with just 60 primary aluminium producers by the end of 2006, down from 119 at the end of 2004, according to Zhang Fang, analyst at China Securities Research Institute.

The government's policy will also consolidate the power of China Aluminium Corp (Chalco) and increase its share of Chinese production to about 30 percent over the next few years, Zhang said.

"More companies are going to close shop in [2005 and] 2006 due to the overwhelming difficulties they are facing," Zhang said.

Click here for more stories from MB's conference

Outokumpu Copper to close UK subsidiary

LONDON — Outokumpu Copper Products will close its UK-based technology subsidiary, Outokumpu Holton Ltd, as the Finnish company's cost-cutting efforts continue.

The Finnish copper products producer has been assessing all its operations in order to concentrate on its core markets since it was bought by Nordic Capital for $768 million in June.

Copper loses ground at LME as stocks rise

LONDON — Copper dipped during the official trading session on the London Metal Exchange on Tuesday after an influx of stocks into warehouses saw almost $50 wiped off the value, amid mounting speculation over China's position in the market.

The red metal dropped $47 from its close on Monday to end the session with a three-month price of $4,167/68 per tonne. It had closed at $4,215 at the final bell on the previous day.

Total stocks rose a further 725 tonnes to 66,325 tonnes.

Speculation has mounted that the inflow of material over the last two days — a further 2,525 tonnes was delivered yesterday — is the start of the deliveries that the Chinese State Reserve Bureau (SRB) is said to be obliged to make to cover its short position of 100,000-200,000 tonnes.

Click here for other metals

LME Stocks (tonnes)

Copper	rose	725 to	67,050
Tin	fell	220 to	12,775
Lead	fell	225 to	44,350
Zinc	fell	1,750 to	450,950
Aluminium	rose	4,100 to	620,075
Aluminium Alloy	unchanged at		55,560
Nickel	rose	162 to	21,408
NASAAC	fell	40 to	126,200

Comex Gold Dec	$491.80 per oz
Comex Silver Dec	814.00 cents per oz
Nymex Platinum Jan	$977.00 per oz
Nymex Palladium Dec	$260.20 per oz

London Precious Metals

Gold am	$493.00 per oz
Spot Silver midday	816.50 cents per oz
Platinum am	$977.00 per oz
Palladium am	$265.00 per oz

Barclays Bank

$/£	1.7117 - 1.7120
$/£ 3 months	1.7111 - 1.7115
$/€	1.1694 - 1.1696
£/Yen	204.38 - 204.42

Alcan and Alcoa World Alumina strike deal for Guinean refinery

PITTSBURGH — Alcan and Alcoa World Alumina have signed a basic agreement with the government of the Republic of Guinea for the development of a 1.5m tpy alumina refinery in the West African country.

The agreement lays down the framework for the smelter project.

Click here for full story

Tight zinc concentrate market clouds '06 TCs

NEW YORK — The zinc concentrate market remains tight with negligible spot activity as major players respond to declining mine production, sources said.

While negotiations have yet to produce a benchmark number for 2006 treatment charges (TCs), spot TCs downward.

GM to cut 30,000 US jobs, closing a dozen facilities

CHICAGO — General Motors will cease operations at twelve North American assembly, stamping, powertrain and parts facilities and cut 30,000 jobs in a restructuring aimed at returning the company to profitability.
Executives of the Detroit-based auto giant said three assembly plants, one metal centre and two parts distribution facilities will close in 2006, followed by other shutdowns in 2008.
Among the first plants scheduled to close are assembly plants in Lansing, Michigan, Spring Hill, Tennessee, and Oklahoma City, as well as a metal centre in Lansing.
Later closures and cutbacks include assembly plants at Doraville, Georgia, Moraine, Ohio, and Oshawa, Ontario, a metal centre in Pittsburgh, a powertrain components facility in St Catharines, Ontario, and the North 3800 engine facility, also known as Factory 36, in Flint, Michigan.
The actions, which will cut GM's North American assembly capacity by about 1 million vehicles by the end of 2008, follow a previous 1-million-unit reduction between 2002 and 2005.
Including a new facility in Lansing, which will begin production next year, the company will have North American capacity to produce 4.2 million vehicles per year.
"It's a big move," Rick Wagoner, chairman and ceo of GM, said in a Detroit press conference on Monday on the restructuring, which will cut the company's work force by more than 25 percent.

SA gold production slumps 15.4% in Q3

JOHANNESBURG — South African gold production slumped to 72.4 tonnes in the third quarter of 2005, 15.4 percent below figures for the corresponding period of 2004, as the strong rand continued to curb output from the world's largest producer of the precious metal.
Production in the September quarter fell from the 73.4 tonnes produced in the second quarter and 76.4 tonnes in the first quarter, according to the country's Chamber of Mines.
South African gold production dropped 13.9 percent to 222.2 tonnes for the first nine months of the year from the corresponding period of last year.
The strong rand has slashed profits and raised production costs at South African miners, forcing some of them such as Harmony Gold and DRD Gold to shut marginal mines and lay off workers.

No quick decision on LME's China warehouse

SHANGHAI — The London Metal Exchange is working towards approving a warehouse in Shanghai, though a decision is not imminent, according to the exchange's ceo, Simon Heale.
"A number of elements make up [the process for approving Shanghai as a warehouse location] and I know that the authorities are now working on their application," Heale told MB's 2nd Chinese Copper/3rd Chinese Aluminium conference in Shanghai.
It will "take time" before any approval, Heale said. "We are, however, in close contact with the Chinese authorities and I am delighted with the interest and commitment that is being shown."

Lepanto to cut 2005 gold output target

SINGAPORE — Lepanto Consolidated Mining has cut its gold output target by almost half and booked a net loss mainly due to a strike, the company said in an announcement to the Philippine Stock Exchange.
The Philippines-based company cut its target for 2005 to 56,096 oz from last year's 96,866 oz, stating it needs to do more work to bring its Benguet mine in the north of the country up to par following a strike earlier this year.
Lepanto has been gradually increasing its output from the mine in Benguet since striking workers began returning to work following a wage dispute.

LME plastics rise as energy market lifts

LONDON — Plastics made healthy gains across the board during official trading on the London Metal Exchange on Tuesday on rises in the energy market.
Linear low density polyethylene (LL) for delivery next month rose to $1,100/10 from $1,075/85 per tonne on Monday, while the January contract climbed to $1,110/20 per tonne from $1,085/90.
"We are seeing a slight firming in plastics prices this morning on a stronger energy complex and some merchant long positioning," said Man Financial in its daily plastics report.
Polypropylene (PP) edged up to $1,065/75 per tonne for material delivered in December from $1,025/35 on Monday.

Chrometco secures rights to 10m tonnes of chrome ore

JOHANNESBURG — South African junior chrome developer Chrometco has secured exploration rights to an area which may contain 10 million tonnes of chrome ore.
The government's Dept of Minerals & Energy has awarded rights on the Vaalboschlaagte farm to Versatex Trading, a private company, of which Chrometco has the right to secure 74 percent majority control, Chrometco said.

Gold rises on Putin support for lifting gold reserves

LONDON — Gold rallied early in London after Russian President Vladimir Putin indicated his support for moves by the country's central bank to increase its gold reserves. Gold fixed in the morning in London at $493 per oz, up from $488.95 on Monday afternoon.
"Gold rallied early on Putin's comments," said one trader. "He basically said it was a good idea [to increase its reserves]."
Earlier this week, a representative of the Russian central bank had signalled to the London Bullion Market Assn's (LBMA) conference in Johannesburg plans to double the bank's gold holdings.
Trading was also driven in part by the impending two-day holiday in the USA.
"People are trying to get it flat. They don't want a position going into the holiday," the trader added, regarding the Thanksgiving holiday for which US markets will shut on Thursday and Friday.
Click here for more prices

October crude steel output higher despite Q4 cuts

LONDON — Most of the global steel output rise of 4.6 percent reported by the IISI for October came from Asia, which now represents 52 percent of global production. Asia's output of 50.6 million tonnes in October increased by 12.1 percent over the same month of last year.

This increase comes as various Asian producers announced production cuts for the fourth quarter. Chinese mills agreed in October to cut fourth-quarter output by 5 percent (MB Oct 24) amid plunging flat product prices.

And Japan's JFE Steel said it would slash fourth-quarter production by 500,000 tonnes, which the company said would be maintained through the first quarter of 2006 to counter an increase in Chinese imports into Japan.

But while Japan's crude steel output for the first month of the fourth quarter decreased, China's October output spiked by 18.9 percent to 31.7 million tonnes over last October's 26.6 million tonnes. Over the first ten months of 2005, China's total crude steel production increased by 26.5 percent to 286.8 million tonnes, compared with the corresponding period of 2004.

But the production cuts by Chinese producers were announced in the latter part of October, and did not affect the October output numbers.

KIOCL mulls options for aftermath of Kudremukh closure

LONDON — Kudremukh Iron Ore Company (KIOCL) will end its mining operations at Kudremukh on December 31. "We will switch off all our equipment that night and try to move the equipment to a warehouse," a KIOCL spokesman confirmed to MB.

KIOCL's Kudremukh mine has been forced to close following a ruling by India's Supreme Court on September 30 that the mine, which has produced around 20 million tpy of run-of-mine ore for nearly 33 years, is illegal because it occupies protected forestland.

KIOCL has taken steps to limit the impact of the closure of its Kudremukh mine on the rest of its operations. "Our pellet plant at Mangalore will produce 3.5-3.7 million tpy of pellets. We have made arrangements to transport fines from the Bellary Hospet region to [supply] the pellet plant," he said.

KIOCL has installed three grinding facilities at the Mangalore pellet plant to crush the iron ore fines received, the spokesman said. The grinding mills can process 15,000 tpd of fines below 10mm in size to produce 12,000 tpd of pellet feed.

Click here for further details

Voestalpine's half-year profits double on higher steel prices

LONDON — Austrian steelmaker Voestalpine's net income before tax in the first half of the 2005-06 financial year doubled on the corresponding period of last year as stable demand and higher steel prices more than compensated for an increase in raw materials costs.

Voestalpine's net income before tax was €347.9 million for the six months to September 30, compared with €172.9 million for the first six months to September 30 2004.

The company's half-year sales revenue also increased to €3.3 billion in the same comparison.

The company said the strong half-year results promise record results for the whole financial year. Voestalpine expects Ebit of more than €600 million and an increase in sales revenue to more than €6 billion for the whole of 2005-06.

The average price level for Voestalpine's steel division in the first six months of the business year was higher than the prices in the corresponding 2004 period, while demand remained stable, it said.

"The considerable price increase in the raw materials sector was more than compensated by higher revenues," the company said.

Its railway systems division also posted positive results, Voestalpine added, with seamless tubes obtaining the highest price level ever amid a booming energy sector. The automotive division also posted strong results with an upturn in the economic situation having a positive effect on the auto industry.

Acesita boosts silicon capacity and studies CR mill expansion

LONDON — Brazilian stainless and silicon steel mill Acesita, of which the Arcelor group is acquiring control, has recently increased its silicon steel products capacity by 50,000 tpy to 220,000 tpy, Arcelor stainless vp Jean-Yves Gilet told MB.

The capacity increase was achieved by debottlenecking, he said.

Acesita, whose total stainless steelmaking capacity is now nearly 1 million tpy, is studying the possibility of new cold rolling mill installations as part of Arcelor's global development strategy, according to Gilet.

Acesita has cold rolling capacity of 300,000 tpy and hot rolling capacity of 800,000 tpy.

Weakness in the stainless market caused the Minas Gerais works to halt some of its production lines for two weeks in July, cutting 15,000 tonnes of production.

But inventories are now lower and no further production cuts appear to be necessary, Gilet said.

Allegheny Ludlum lifts electrical steel charge

LONDON — Allegheny Technologies subsidiary Allegheny Ludlum in the USA is raising its electrical steel surcharge by 7.9 percent to $340 per short ton, effective with December 1 shipments, from $315 at present.

The increase follows a similar move by fellow US producer AK Steel, which boosted its electrical steel surcharge for December by 50 percent to $330 per ton from $220.

US electrical steel surcharges have fluctuated wildly since they were initiated in early 2004, hitting a recent low of $50 per ton in September this year compared with a high of $410 per ton in February.

Hancock explores finance options for Roy Hill deposit

PERTH — Hancock Prospecting will seek a letter of intent and investigate financing options in 2007 for Roy Hill 1, its 660 million tonne iron ore resource in the eastern Pilbara region of Western Australia.

Roy Hill 1, which is in the pre-feasibility stages of development, is wholly owned by Hancock and is unconnected to the 50:50 Hope Downs iron ore joint venture with Rio Tinto, according to Hancock owner Gina Rinehart, who spoke to MB after addressing MB's Asia Pacific Iron Ore Conference.

"Roy Hill is in the pre-feasibility stages, but by 2007 we will be seeking letters of intent [from steelmakers] and look at our financing options to mine the ore. Any bankable feasibility study done these days will end up costing well over A$20 million [$14.7 million]," she said.

Hancock plans to complete a full survey during 2006, it has already completed more than 40,000 metres of drilling with over 800 holes during 2005 testing on a 400 metre by 400 metre test area.

The drilling has revealed Roy Hill 1 is a JORG compliant resource of 660 million tonnes of iron ore, ranging from mid-50 percent Fe content goethitic detrital material up to a "significant amount" of 68 percent Fe content microplaty haematite, according to Rinehart. Phosphorus levels have been found to be between 0.025 and 0.055 percent.

In 2007, Hancock will need to examine transport options for the ore, which is located just 80km from BHP Billiton's rail link from its Pilbara deposits to Port Hedland.

Click here for full story

Ten bidders selected for Pakistan Steel sale

SINGAPORE — Pakistan's Ministry of Privatisation & Investment (MPI) has chosen ten out of 13 bidders to proceed with the process of acquiring a stake in state-owned Pakistan Steel Mills Corp, an official close to the company's privatisation told MB.

The ten companies are Saudi Arabia's Al-Tuwairqi Group, which is partnering Arif Habib Securities, a leading Pakistani brokerage; China's Shanghai Baosteel Group; Russia's Magnitogorsk Iron & Steel; Kuwait's Noor Financial Investment Co; the Investment & Development office of the Government of Ras Al-Khaimah in the United Arab Emirates; Switzerland's International Mineral Resources; Saudi Arabia's Al-Jomaih Holding Co; Karachi's International Industries; a textile group from Lahore, Nishat Mills; and Ukraine's System Capital Management.

The ministry has given Karachi's Aqeel Karim Dhedhi Securities until November 25 to submit additional documents, after which the MPI will decide whether to allow the company to proceed.

Two other companies who were bidding with a local partner — Karachi's Hassan Associates and Med-Europe Commodities International; and Lahore's Privilege Developers with Czech Republic real estate group Sekyra — were not selected.

South Korea's Posco begins trading on TSE

SINGAPORE — Posco, the world's fifth-largest steel producer, started trading its American Depository Receipts (ADR) on November 22 on the Tokyo Stock Exchange (TSE), making it the first non-Japanese company to do so.

Trading on the TSE effectively allows the South Korean steelmaker's shares to be traded on a 24-hour basis globally and also expands its shareholding base in the Asian region (MB Oct 25). Posco's shares have been trading on the New York and London stock exchanges since 1994 and 1995 respectively.

New auction to be held for Bahian iron ore

RIO DE JANEIRO — Brazilian metals consultant Metal Data will hold an international tender before the end of March for the sale of mineral rights in iron ore-rich areas in northwest Bahia state, company director Aroldo Ceotto told MB.

The rights are held by small companies and the area may contain more than 2 billion tonnes of haematite and itabirite of at least 45 percent Fe content, he said.

The areas to be put up for auction do not include those in the same region formerly held by local businessman João Cavalcanti's Mineração Brasileira de Ferro (now renamed Cía Baiana de Mineração), the rights to which were recently sold.

At least 13 major international mining companies have already signed confidentiality agreements on the areas in question and plan to participate in the auction, Ceotto said.

These are understood to include CVRD, CSN, Cleveland Cliffs, BHP Billiton and Anglo American, which were all scheduled to participate in the originally planned auction on the Mineração Brasileira de Ferro site.

The sites to be auctioned in March are around 500km from Bahia state capital Salvador, in areas extending from Caetite to Xique-Xique, Ceotto said.

The ore would have to be concentrated on site and sent by barge via the São Francisco river to Petrolina in Pernambuco state, from where it would have to be transported 180km by rail to Salgueiro, also in Pernambuco, and then by the existing CFN railway to the expanding Suape port in Pernambuco state.

Vietnam's billet output to more than double

SINGAPORE — Vietnam's steel billet output is expected to more than double to 1.9 million tonnes in 2006 from around 900,000 tonnes in 2005, an official from the Vietnam Steel Assn (VSA) said.

The VSA said the commissioning of five billet projects in the last quarter this year and the first quarter of 2006 would boost the country's capacity.

Two of the projects — Southern Steel's 500,000 tpy plant and Van Loi Steel Co's 300,000 tpy unit — are scheduled to begin operations in March 2006.

Two other companies — Cuu Long Steel Co and Dinh Vu Steel Co — are expected to start operations this month at their plants, whose capacities are 500,000 tpy and 200,00 tpy respectively.

The fifth plant, a 180,000 tpy facility operated by Hung Yen Steel Joint-stock Co, began operations in October.

Output from the projects is expected to cater to the growing demand for steel in Vietnam, which is forecast to exceed 3 million tonnes this year, of which more than two thirds is imported, the official said.

Indian government lifts scrap import ban

PERTH — The Indian government has cleared ferrous scrap imports passed by seven banned inspection agencies after several companies claimed some import certificates had been issued before the ban was in place.

Notices issued by the Indian Ministry of Finance on September 15 and October 5 banned with immediate effect seven inspection agencies and refused any pre-shipment inspection certificates issued by these agencies for scrap imports.

The Bureau of International Recycling's ambassador for India, Ikbal Nathani, md of Mumbai-based Nathani Group of Companies, appealed to the authorities to clear cargoes with certificates from the banned agencies for which consignments were already en route to India, contending that the ban notices were not widely circulated and pre-inspection certificates were still issued after the effective dates.

On Monday, the finance ministry declared all consignments with bills of loading dated before December 1 issued by any of the seven banned agencies would be cleared by customs subject to an inspection.

The government became concerned that some agencies were letting in scrap that may have been sourced from war-torn areas such as Iraq and Afghanistan without checking that the material was free from unexploded weapons.

Twelve people were killed by an explosion at Indian cold roller Bhushan Steel & Strips in September 2004.

Alter Trading sets up new shredder plant in Alabama

PHILADELPHIA — Alter Trading Corp, the big US midwest scrap processor, is setting up a new processing yard and large shredder plant on a 40-acre site near Mobile, Alabama, in its latest move into the south of the country.

The Mobile site was acquired by the St Louis-based Alter Trading earlier this year and is expected to be up and running by the second quarter of next year, said Alter Trading chairman and ceo Robert Goldstein. The site has truck and rail access as well as water, he said.

Goldstein said the company decided to set up a new yard in Mobile because it "saw an opportunity down there".

Alter Trading will be able to ship to many of the domestic ferrous markets from Mobile, he said, and the company has not ruled out expanding into the ferrous export market as well, he added.

At present, he said the company has been shipping scrap to the new yard from the Biloxi, Mississippi site where Isle of Capri Casinos operated a riverboat casino that was destroyed by Hurricane Katrina.

Goldstein's family, which owns Alter Trading, had established Biloxi-based Isle of Capri Casinos as a publicly traded gaming company after it entered the riverboat gambling business a decade ago. Goldstein is a board member and his father, Bernard, is the gaming company's chairman.

Alter Trading's southern venture comes on the heels of the acquisition of Atlanta-based Regional Recycling by Schnitzer Steel Industries. Regional Recycling has ten scrap yards in Georgia and Alabama including those in Attalla, Birmingham and Selma, Alabama.

Goldstein denied that Alter Trading's new yard in Mobile was a move to counter the expansion by Portland, Oregon-based Schnitzer, and noted that most of Regional Recycling yards are located further north of Mobile.

This is not Alter Trading's first venture into the south, he said. The company had previously operated a yard in New Orleans, but closed that down in the 1980s.

Alter Trading has offered employment to Isle of Capri workers who lost their jobs when the gaming company's riverboat was destroyed. The new scrapyard now employs about 15 people, but will probably expand to 40 or more workers when the shredder is up and running.

Alter Trading regional vp Steve Soltis will take charge of the new facility, Goldstein said.

Alloy steel scrap

UK wholesale merchants' stainless (£/tonne)	Nov 18
18/8 turnings	440-460
18/8 solids	550-580
12-13% Cr solids	80-100
16-17% Cr solids	100-110
Cif Europe stainless ($/tonne)	
18/8 solids	1,000-1,100
18/8 turnings	850-935
UK home high speed (pence/kg)	
6-5-2 solids	170-180
6-5-2 turnings	115-120

All prices assessed on previous Friday.

Impact of GM closures on A380.1 alloy market not immediate

NEW YORK — The spot price of A380.1 aluminium alloy in the USA has increased slightly to about 87.5 cents per lb despite General Motors's announcement that it will close twelve facilities in North America, market sources said on Monday.

Higher raw material prices combined with unabated natural gas and transportation costs have helped support the price.

Some suppliers expressed surprise that the market was still strong, given the weakness in the automotive sector and the time of year. "We're still very busy, oddly enough, and we have limited ability to make additional units," one supplier said. "With auto sales where they are and the typical business drop-off at the holidays, we would expect prices to be a little lower. We'll hold our prices up there as long as we can."

Not everyone agreed on the price. One source put it as low as 86 cents per lb, while another said he was doing business at 88 cents.

Meanwhile, GM's announcement on Monday that it would slash 30,000 jobs and close 12 plants in North America by 2008 caused concern for many, but some suppliers said its impact on the A380.1 market will not be felt immediately.

"Everybody is concerned that it will have a ripple-down effect," said one direct supplier of A380.1 alloy to GM. "It is going to affect our industry, but our position is pretty solid and we're going to hang in there. If we run lower volume going forward, we'll adjust our prices."

Industry analysts said GM was not doing enough to correct its problems, and that the road forward would be anything but smooth.