TOP NEWS

Philippine minister asks Duterte to halt second mine review she earlier supported

The Philippine environment minister has asked President Rodrigo Duterte to halt a second review of 28 mines that she ordered closed or suspended, challenging its legality despite initially supporting it.
The U-turn by Environment and Natural Resources Secretary Regina Lopez comes as she faces pressure to defend her decision to shut more than half the country's mines, a move that prompted an industry outcry and concerns about lost revenue.
The government's Mining Industry Coordinating Council (MICC), an inter-agency panel that includes the finance ministry, is conducting a review of the mines following criticism from miners that the original decision was baseless and lacked due process.
"The MICC is not mandated to do a review of any mining operation. The only agency that can do a review of mining operations is DENR, and that's what we've done," Lopez told Reuters, referring to her environment agency.
Duterte's spokesman, Ernesto Abella, declined to comment on Lopez's latest move, saying it was not discussed in a cabinet meeting.
Duterte, who last year warned miners to abide by stricter environmental rules or close down, has so far backed Lopez, a committed environmentalist, in the increasingly contentious dispute.
She faces a Philippine legislative hearing set for Wednesday to confirm her appointment after an initial hearing was postponed last week. She is among just a few of Duterte's appointees yet to get the green light from lawmakers. Lopez on Feb. 2 ordered the closure of 23 of 41 mines in the world's top nickel ore supplier and suspended five others to protect watersheds after a months-long review last year by the environment agency.
Members of the MICC met a week later and agreed to a second review of the affected mines, issuing a joint resolution signed by Lopez and Finance Secretary Carlos Dominguez who co-chair the mining council.
"Whether I signed it or not the fact of the law is the law," Lopez said.
The MICC was created through a 2012 executive order by former President Benigno Aquino and tasked, as part of its duties, to review mining laws and regulations and ensure their implementation.
Lopez said she's challenging the review after learning that the second assessment will cost 50 million pesos ($1 million). "I've already done the review, what more do you want?" she asked.
Dominguez said he was surprised by Lopez's about-face, recalling that it was Lopez's lawyer who drafted the Feb. 9 resolution, ABS-CBN News reported, citing Dominguez.
Miners have contested the closure and suspension orders, which a mining industry group has said would affect 1.2 million people that depend on mining for their livelihood.

India mulls local steel requirement for $59 bln infrastructure spend

India may soon mandate the use of local steel in government infrastructure projects worth billions of dollars, sources said, pitching it as a WTO-compliant protectionist measure aimed at further cutting cheap imports, mainly from China.
The government expects the move to boost sales of local companies such as JSW Steel and Tata Steel, and eventually attract global steelmakers such as ArcelorMittal and POSCO to invest in the country, five steel ministry sources told Reuters.
India, the world's third largest steel consumer, has budgeted a record $59 billion for 2017/18 for steel-intensive infrastructure projects such as ports, roads, railways and power.
"The preference in procurement will enhance demand and thus production. Definitely it is 'Make in Steel' and thus 'Make in India'," Steel Minister Chaudhary Birender Singh told Reuters.
"It is preference with no compromise on quality and competitive pricing. To use domestic produce is an acceptable norm."
Analysts said a similar proposal by U.S. President Donald Trump requiring the use of domestic steel to build two energy pipeline projects could violate international trade laws, but Indian officials say their plan will fall within WTO rules.
A government document on the proposal, seen by Reuters, cites an article under the General Agreement on Tariffs and Trade of the World Trade Organisation, allowing an exception to "procurement by governmental agencies of products purchased for governmental purposes and not with a view to commercial resale or with a view to use in the production of goods for commercial sale".
Abhijit Das, head of the New Delhi-based think-tank Centre for WTO Studies, said the provision had been invoked by the United States in the past and India could do the same.
The protectionist move would, however, shrink foreign

companies' sales in the world's fastest growing steel market.
Japan has already threatened to take India to the WTO over some recent steel restrictions.

BOOST PRODUCTION, CUT IMPORTS
India wants to nearly triple its production capacity by the next decade and acquire technology to produce higher value products including automotive steel.
"Current level of capacity utilisation of domestic steel producers is below 80 percent," said Sanak Mishra, secretary-general of the Indian Steel Association in New Delhi.
"If demand picks up on account of increased government spending on infrastructure and government mandates the use of domestic steel in such projects, the domestic steel producers are fully capable of raising the production level."
The proposal to use local steel, which will not be applicable to smaller projects, will be taken to Prime Minister Narendra Modi's cabinet in a month, two of the sources said.
Modi, under pressure to create millions of jobs, wants steel to contribute heavily to the government's target of raising the share of manufacturing in the economy to 25 percent by 2022 from 17 percent now, according to a steel ministry document seen by Reuters.
"In the absence of domestic capacity, India would have to largely rely on China for its steel requirement since it is the only country with adequate surplus capacity to meet India's requirement," said the document. "For a strategic product like steel which has uses in defence and infrastructure sector, this is a worrying proposition."

DEBT BURDENS
Most Indian steel companies are so saddled with debt, however, that large-scale expansions will be difficult, analysts say. The steel industry contributes 29 percent of overall banking sector bad debt of around $135 billion, according to government data.
Most companies have reported losses as prices fell after imports into India more than doubled to 13 million tonnes in 2015/16 from the levels of 2013/14. China contributed to more than a third of the imports.
Following some restrictions on imports, April-to-January shipments into India fell a third to around 6 million tonnes.
"The steel ministry has found an innovative way of clearing the bad debt by ensuring procurement," said one of the sources. "When we say we will give preference to Indian steelmakers, the fence-sitters (among foreign steelmakers) will gear up to start investing in India."
Global companies including POSCO have made multiple field visits over the past few months but have not committed to any new projects in India.
Steel ministry officials have also unsuccessfully courted Hyundai Steel, including offering them a strategic stake in SAIL's money-losing units, over the past months.
POSCO and Hyundai Steel declined to comment about their India investment plans.

Hebei aims to shut last 'zombie' steel mills in small victory on excess
China's biggest steelmaking province, Hebei, will close its last "zombie" steel mills by the end of next year, the governor said on Tuesday, marking a small victory in the region's years-long battle to clean up its air and cut excess capacity.
This year, the province will shut four "zombie" mills, or plants that have stopped production but have not closed down, and another four in 2018, Governor Zhang Qingwei said at a briefing on the sidelines of the country's annual parliament meeting.
"We need to cut down the total number of steel plants, they can't be everywhere," he said.
The move helps solve a headache that has dogged the country as it has tried to make its bloated steel industry more efficient.
China, the world's top steelmaker, accounts for half of the world's output, but its oversupply is four times U.S. output levels.
But Hebei, a northern province with some of the country's smoggiest cities, still has a fight on its hands to cut its use of dirty fuels like coal and deal with the costly consequences of the restructuring: how to find new jobs or incomes for laid off workers.
Hebei is home to 104 mills that account for nearly a quarter of China's total steel output. The province has pledged to cut steel and iron making capacity by 31.17 million tonnes by 2017 and by 49.13 million tonnes by 2020.
Zhang repeated that the province plans to close all steel mills in the cities of Langfang, Baoding and Zhangjiakou, which will co-host the 2022 Winter Olympics with Beijing, by the end of 2020.
He also wants to cut the number of steel plants in the province and build 10 specialty steel mills by the end of 2020.

COLUMN-Why has the metals rally left tin behind?
Andy Home

Industrial metals are buzzing again.
The London Metal Exchange (LME) index of base metals has risen from a trough of 2,049.00 in January 2016 to a current 2,859.20.
Fears of a global, particularly Chinese, slowdown have been largely been assuaged over the intervening year.
Attention is once more focusing on supply constraints across the industrial metals spectrum.
Only one metal has been left behind.
Tin, currently trading at $19,330 per tonne in London, is down 7.8 percent on the start of January. It is the only LME-traded metal to be in negative territory.
What little fund money is committed to one of the LME's least liquid markets has flown. The money manager net long position has halved to a one-year low of 1,173 contracts since the start of the year.
In Shanghai, where the price has arguably held up better, market open interest has slid from over 24,000 lots to just 13,400 over the same time-frame.
Why has tiny tin fallen so out of favour?

STOCKS UP (RELATIVELY), PRICE DOWN
Tin's relative under-performance has coincided with the dissipation of an aggressive cash squeeze in London that lasted most of the fourth quarter of 2016.
The LME's benchmark cash-to-three-months spread spent most of that period in backwardation, the cash premium flexing out to $270 per tonne at one stage in November.
That spread ended Friday valued at a contango of $39 per tonne.
LME headline stocks have rebuilt from under 3,000 tonnes in November to a current 5,415 tonnes. Open tonnage, which is the metal available for contract settlement, has recovered from a desperately low 1,125 tonnes to 4,065 tonnes.
But this recovery in stocks liquidity is highly relative.
Two years ago LME stocks totalled over 10,000 tonnes.
Moreover, after peaking at 5,995 tonnes in mid-February, the headline figure is falling again.
The LME contract remains a very tight space. One entity controls 30-40 percent of available tonnage and another 40-50 percent, according to the exchange's latest dominant positions report.
It's a moot point as to how long the easier tone in time-spreads is going to last.

INDONESIAN EXPORTS UP (RELATIVELY)
This relative rebuild in LME stocks has taken place against a backdrop of higher exports from Indonesia, the world's largest tin-exporting nation.
Exports jumped 180 percent year-on-year to 6,964 tonnes in January, although that dramatic percentage change is down to a low base last year, when Indonesian tin production was hit by the double-whammy of flooding and another turn of the licensing screws by the government.
Exports over the last three reported months have been running strongly at an annualised 71,000 tonnes, which seems to reflect a robust production performance by PT Timah, the country's largest producer, in the closing months of 2016.
However, the long-term trend is still falling.
Cumulative exports last year were 63,560 tonnes, down 9.4 percent on 2015. It was the fourth consecutive year of decline.
PT Timah is aiming to lift production to 30,000 tonnes this year from 24,000 tonnes last year but it will do so in part by buying in more ore, potentially translating into lower output among Indonesia's independent producers.
Tin producers body ITRI said it expects "officially reported Indonesian refined shipments this year to remain broadly level with 2016", albeit with "significant uncertainty" around that forecast.

CHINESE WILD CARD
Set against the longer-term downtrends in both LME stocks and Indonesian shipments, tin's fall from grace looks anomalous.
There is one other key factor to consider, however.
China is the world's largest producer, but it has historically not exported much metal because of a 10 percent export duty that has been in place since 2008.
That duty has been dropped this year, opening up the potential for greater arbitrage flow of tin out of the country.
There were no exports of refined tin at all in January but that's probably down to the lack of any official announcement by the Chinese authorities. It's taken several weeks for even local producers to confirm that the duty has really gone.
ITRI has in the past suggested there might be significant stocks in China, although how significant is anyone's guess.
And it's not as if Chinese producers are immune from the ore depletion that has affected just about every other producer around the world.
Two out of the four biggest producers in the country reported lower production last year, according to ITRI.

Chinese operators have come to rely increasingly on imports of raw material from neighbouring Myanmar to compensate for falling domestic mine production.
Superficially the flow of ore across the border continues to boom, up 63 percent last year.
But, according to ITRI, analysing January's cross-border trade, "the presence of high-grade ore in shipments has reportedly been sparce and we have lowered our estimate of average tin content (...) to 15 percent tin."
Even Myanmar, it seems, is struggling with grade depletion.

WATCH OUT FOR CHINESE EXPORTS
Tin's usage profile, concentrated as it is on soldering, is not the most exciting.
ITRI was expecting usage growth of just one percent last year, but relative to the new-found optimism pervading the rest of the industrials metal pack, tin's under-performance so far this year still looks slightly strange.
There are still structural supply problems in this market.
Six out of 10 of the world's largest tin producers saw output drop last year, according to ITRI.
Most established producers are struggling to maintain, let alone increase, production.
Myanmar has provided a lifeline to China's producers but it too is showing signs of the falling mine grades that are the root of challenged supply.
With LME stocks still historically low and once again sliding, the only readily identifiable reason for tin's fall in price this year is the potential threat of more exports from China.
That country's trade figures are going to warrant close scrutiny over the coming weeks and months.

INTERVIEW-Russia's biggest steelmaker NLMK can withstand anti-dumping duties

Russia's largest steelmaker NLMK is well-placed to weather the impact of European Union and U.S. anti-dumping duties and may expand into new markets such as Turkey and Asia to secure greater profits, it said on Monday.
The steelmaker, which is Russia's largest by output, predicts prices will stay volatile as oversupply continues for the foreseeable future, but it said the markets where it is present -- the United States and Europe, including Russia -- would outperform.
Earlier on Monday it said its core earnings rose in the fourth quarter as steel prices recovered from a two-year slump.
NLMK sees 3 percent growth in the United States this year and 1.5 percent in Europe, compared with global growth of one percent for the next decade.
These markets have also been boosted by anti-dumping duties that make low-cost imports more expensive and less likely to take market share from domestic producers.
"We've positioned ourselves as a strong player in a weak industry," Grigory Fedorishin said in an interview.
Previously, chief financial officer, Fedorishin was made senior vice president in charge of strategy on Monday.
The duties target major exporters, including China and Russia, following concerns they were exporting at unfairly low prices.
Because NLMK has operations in the United States and Belgium, for instance, it benefits from the duties alongside the domestic manufacturers.
"On the U.S. side, we benefit more than we lose," Fedorishin said.
NLMK has also sent exports formerly destined for Europe to other markets.
"That was one of the ideas behind this model to hedge steelmaking supply and to make sure we are close to final customers and the markets where our steel is consumed," he said.
"It's a more or less unique model. We don't know any other companies which have this sort of model on this sort of scale."
Russia has appealed to the World Trade Organization over EU anti-dumping duties, but NLMK said it had no update on the case.
Fedorishin said the prime target was China, the world's biggest steel exporter, and NLMK had been unfairly "bundled with the Chinese".
Although cautious about acquisitions, preferring organic growth, NLMK is considering both.
"We are in the market, put it that way, but we are not desperate for an acquisition," Fedorishin said.
NLMK could expand in, for instance, Turkey, which is a major export market for the company, Fedorishin said, adding that North Africa, the Middle East and parts of Asia could also make sense.

Midas touch: China's tech, financial firms eye virtual gold rush

China's virtual gifting market, typically the domain of plugged-in young consumers celebrating special occasions or flirting, is luring major financial institutions keen to boost trade of another auspicious commodity: gold.
Tencent's digital gold packets, known as "microgold",

are backed by the country's biggest bank, Industrial and Commercial Bank of China (ICBC). They allow users to send funds that track the real-time value of gold to friends over the firm's popular messaging platform WeChat.

It's a financial innovation on the concept of virtual gifts, such as digital roses and chocolates, more commonly used in online communities and which have more sentimental value than any tangible economic worth.

For financial institutions, China's booming virtual goods and smartphone-driven exchanges offer new markets to boost trading volumes in everything from banking services to gems.

ICBC, in an internal memo seen by Reuters and sent to staff on Friday, said the WeChat microgold platform had helped drive "explosive growth" in new gold accounts.

Over the recent Lunar New Year period, WeChat users sent 70,000 microgold packets worth just under 100 million yuan ($14.51 million) across the chat platform, the ICBC document said. It expects over 300,000 new gold accounts to be opened as a result of the Tencent tie-up. Neither ICBC nor Tencent were immediately available for comment.

While the volumes are relatively small, the take-up of similar virtual products on the WeChat platform suggests room for growth.

The gold packets are based on WeChat's popular virtual red envelopes, or digital "hongbaos", that also allow users to send funds to friends, albeit of a fixed nominal cash amount. Over the Lunar New Year period, users gifted 46 billion virtual red envelopes over WeChat.

For many Chinese, the yellow metal has both emotional and economic significance.

A Tencent user who goes by the name Liri Kuangjiu posted he had sent 1.3 grams of virtual gold and 520 yuan in a digital hongbao to his girlfriend.

"The money isn't much but it's a matter of affection," he said.

Kong Lingxin, a 20-year-old student from the northern city of Tianjin, uses her smartphone to buy, gift and hoard gold online.

Kong has spent 10,000 yuan ($1,452.88) of her savings on gold derivative products this year on Alibaba Group Holding Ltd-linked platform "Cun Jinbao" - literally "store golden treasure".

"My family has a history of collecting gold bars, which influenced my choice of investment," said Kong. "I chose an internet platform because it's easy to track gold prices, see your profits and make trades."

GOLD DEMAND

Gold analysts said the push by tech firms into the sector, though still at an early stage, had potential longer-term to stir up a sluggish Asian market if it caught on.

"It will become a support for gold demand and the gold price if WeChat gold packets become popular, considering the amount of traditional red envelopes users send," said Guotai Junan gold analyst Xie Qingpeng.

Beijing has taken note of the trend. The Ministry of Industry and Information Technology (MIIT) issued a guideline last week, calling for tech to play a bigger role in gold trading.

China's millennial consumers, loosely defined as those born between 1980 and 2000, are seen as the drivers of future growth in everything from retail to housing.

They make up over 60 percent of internet-based gold trading, according to a September report issued by G-banker, an online gold-trading platform backed by venture capital firm Softbank China Venture Capital and Alibaba.

Amid a property price spike, gold offers younger buyers a more affordable and accessible investment.

"It's nearly impossible for young people to invest in property in first tier cities in China. Alternatively, they put small amounts into gold, as a low risk investment," said Helen Lao, Singapore-based metals analyst at Argonaut Securities.

Newmont joins gold 'staking rush' in Canada's once-fabled Yukon

Newmont Mining on Monday became the latest of the world's biggest gold miners to invest in Canada's Yukon territory, the site of a famous gold rush 120 years ago, as miners hunt for rich, new deposits in safe regions.

U.S.-based Newmont, the world's No. 2 gold producer, unveiled an agreement with small explorer Goldstrike Resources to spend $39.5 million to explore and develop Goldstrike's Plateau property in the Yukon.

With this deal, Newmont follows moves by rivals Goldcorp Inc and Agnico Eagle Mines last year into the northwestern Canadian territory at a time when gold miners are loosening their purse strings after five years of belt-tightening when bullion prices fell.

"It's a stable mining jurisdiction with high-quality gold prospects," Newmont spokesman Omar Jabara said.

Goldcorp, the world's fourth biggest gold producer by ounces, started off the mini-stampede last May when it paid C$520 million for Kaminak Gold Corp and its Yukon-based Coffee gold project. A month later it acquired an almost 20 percent stake in Independence Gold, which owns a neighboring property.

In December, Agnico Eagle, the world's ninth biggest gold producer, bought a stake in a Yukon-focused miner.
The Klondike region of the Yukon was the center of a stampede of some 100,000 treasure seekers between 1896-1899 after gold was discovered in the area.
Fortunes were made but many left empty-handed, with some heading on to Alaska after gold was discovered there in 1899.

Heavy rain cuts Port Hedland February iron ore exports to China

Iron ore shipments to China from Australia's Port Hedland terminal, used by BHP Billiton and Fortescue Metals Group, fell 12 percent in February from the month before due to heavy rain, port data showed on Tuesday.
Iron ore exports to China, the top destination from the port, dropped to 30.19 million tonnes in February from 34.49 million tonnes in January, Pilbara Ports Authority said on Tuesday.
Overall shipments from the world's biggest iron ore export terminal declined to 35.67 million tonnes in February, a shorter month, from 40.30 million tonnes in January.
"The weakness in February appears to reflect heavy rainfall early in the month and doesn't reflect a fall away in demand," said Shaw and Partners analyst Peter O'Connor, adding that rising freight rates and iron ore prices that month indicated a pick-up in demand.
Cyclones and heavy rainfall typically stall shipping in the southern hemisphere summer months.

Crowded herd of lithium explorers faces culling as supplies rise

The crowded field of explorers fighting for capital to produce lithium faces a painful reckoning as supplies build and prices flatten, leaving those with low costs and powerful partners still standing, industry consultants say.
Prices of the critical component in rechargeable batteries used in electric cars and mobile phones spiked last year and demand is projected to soar 60 percent to 300,000 tonnes of lithium carbonate equivalent (LCE) annually by 2020, National Bank Financial said.
Even so, it said new players could flood the market.
"It's crowded, no doubt about it, and it will get culled," said Jon Hykawy, president of Stormcrow Capital, calling lithium, the "latest bubble sector."
Explorers are gathering at the Prospectors & Developers Association of Canada mining convention in Toronto through Wednesday.
To survive, suppliers must produce at low cost, enabling them to withstand price corrections, Hykawy said.
Dozens of companies globally look to be "pump and dump" schemes, unlikely to produce a single tonne, said consultant Joe Lowry of Global Lithium. Investors who back them risk being burned, he said.
Even potential new players are nervous.
"If there is one screw-up, one fly-by-night (company), it affects every single one of us," said Carlos Vicens, chief financial officer of early-stage explorer Neo Lithium Corp.
Canada's TMX Group has 35 listings related to lithium, compared with 20 three years ago, spokesman Shane Quinn said.
Prices have little upside, because demand growth has met with aggressive supply build-up, similar to rare earths and vanadium in past cycles, Paul Robinson, director at consultancy CRU Group, said on the convention's sidelines.
Partnering with existing producers helps.
Lithium Americas Corp's $425-million first-phase Argentina project is substantially funded by a partnership with producer SQM, and investments by Jiangxi Ganfeng Lithium Co and Bangchak Petroleum. It aims to start construction by June.
Technical expertise is hard to find, said Lithium Americas President John Kanellitsas. After new entrants' exuberance, the complexity of lithium production sets in.
"It's niche and it wasn't strategically important until recently," he said. "So there's a lack of experienced talent."
Nemaska Lithium Inc, armed with off-takes with FMC Corp and Johnson Matthey Battery Materials, looks to raise C$500 million in debt and equity over 18 months to build its mine and plant. Nemaska's advantage is that operations are vertically integrated, its CEO Guy Bourassa said.
Advantage Lithium Corp's Chief Executive David Sidoo said, "where you're headed right now is (determining) who are the pretenders and who are the real deal."

India's Tata Steel says in "constructive discussions" with ThyssenKrupp

Tata Steel Ltd is still in talks with Germany's ThyssenKrupp AG about a potential merger of their European steel assets, the Indian company said on Monday.

The statement was in response to reports in the British media on Sunday that India's largest steel company might be in the process of calling off a potential deal with the Germans.

The company is in "constructive discussions" with ThyssenKrupp, said Tata Steel. "However, until a definitive agreement is reached, there can be no assurances that these discussions will result in a transaction."

Tata Steel began talks with ThyssenKrupp last July after it called off the sale of its Port Talbot works in Wales because of uncertainty caused by the Brexit vote and its burgeoning pension liabilities.

A deal would cut costs and reduce overcapacity but Thyssenkrupp Chief Executive Heinrich Hiesinger warned in January that it would take time and may yet fail.

Thyssenkrupp has looked at the option of splitting its European steel business into a separate company that could be floated if a merger does fall through, German weekly WirtschftsWoche reported last week.

Reuters reported in February that the deal faces extensive delays as the German major would not go ahead with the tie-up unless the pension liabilities of Tata Steel's UK assets are carved out into a separate entity.

However, the separation is a cumbersome exercise and involves significant issues.

Tata is currently involved in seeking regulatory approval to spin off the 15 billion pound scheme. But the regulator is still not convinced about "imminent insolvency" of Tata Steel UK - a precondition for separation.

Two investor groups vie to buy Italy's Ilva steel plant

Italy's Ilva steel group has received bids from two consortiums for its loss-making plant in southern Italy, itsaid on Monday, two years after the state took it over to save thousands of jobs and clean up the polluted site.

The first bid came from ArcelorMittal, the world's largest steelmaker, and Italy's Marcegaglia, a family-run group, who said they would invest 2.3 billion euros ($2.4 billion) and boost production at Europe's biggest steel plant by output capacity.

A consortium including India's JSW Steel and Italian state holding company Cassa Depositi e Prestiti made a rival binding offer but provided no details of their plans for the site.

The government is expected to make a decision on the bids in about a month.

None of the parties involved revealed the size of the bids for the 15 sq km site near the city of Taranto.

Ilva was placed under court administration in 2013 after magistrates seized 8.1 billion euros of assets belonging to its former owners, the Riva family, amid allegations that toxic emissions were causing abnormally high rates of cancer.

The government took over administration of the business in 2015 to try to save jobs and clean up its polluting furnaces.

With two of its five furnaces closed, Ilva produced 5.8 million tonnes of steel last year, well below the 8 million tonnes it is authorised to produce. This was an increase of more than 1 million tonnes from 2015 and helped to reduce the plant's operating loss, which is still a hefty 220 million euros.

Italy wants a buyer that will restore profitability at a site that employs about 11,000 people in an economically depressed area. Last month the government arranged a temporary layoff scheme for up to 3,300 Ilva employees.

Intesa Sanpaolo, Italy's biggest retail bank, signed the letter of intent presented by ArcelorMittal and Marcegaglia.

The consortium said it would boost output with low-carbon steelmaking technologies, ultimately up to 9.5 million tonnes of finished products. It also said it would invest an initial 10 million euros in a research and development centre.

"It has been sad to watch the decline of this great company in recent years and we are excited to have the chance to contribute to a new renaissance of this Italian steel icon," Marcegaglia's chairman and chief executive, Antonio Marcegaglia, said in a statement.

Struggling to smelt, Venezuela state-run steelmaker grows sunflowers, crops

Workers at Venezuelan steelmaker Sidor are planting sunflowers and vegetables on company premises to ease a national food deficit as steel output has almost ground to a halt nine years after the company was taken over by the government.

The company says the crops are meant to boost food supply in Venezuela, which suffers from chronic Soviet-style product shortages as a result of an unraveling socialist economic system that has been exacerbated by low oil prices.

Late socialist leader Hugo Chavez nationalized Sidor in 2008. Since then, chronic labor disputes and deterioration of installations have decimated production and left a swollen payroll of employees twiddling their thumbs on the job.

TOP NEWS

At the behest of their bosses, workers have planted sunflowers, sorghum and vegetables on about 100 acres at the mill. The sunflowers have grown tall after about four months, but sorghum and vegetables have not grown as expected, which workers suspect is a result of the soil not being apt for such crops.

"The only harvest we have here is 100 workers looking for jobs at the Sidor gate in front of sunflowers grown by an industry that is supposed to produce steel," said Sidor employee Leonel Grisett.

Sidor's President Justo Noguera did not respond to requests for comment.

President Nicolas Maduro says his government is a victim of an "economic war" led by his adversaries. Critics counter that Venezuela suffers from unsustainable policies that have left public and private companies unable to function.

Sidor workers say the agricultural venture is a reflection of company leadership being distracted by activities that are not a core part of Sidor's mission.

The company has also built an equine-assisted therapy center, in which special-needs kids interact with horses.

"The workers are just sitting here, staring at one another," said Carlos Ramirez, who has worked at Sidor for 31 years. "I've never seen anything like this. People are very worried."

Sidor has not given official production figures in a year. But workers say liquid steel output in January signals that output this year will reach just 3 percent of its installed capacity, the lowest since it opened in 1963.

Mongolia to double land open for exploration - mining

Mineral-rich Mongolia plans to double the amount of land available for exploration in an effort to tap into the mining industry's appetite for new resources and help shore up its finances following an IMF-led bailout.

Mongolia will increase the land to 20.9 percent of the country from 9.6 percent currently, and could announce the change later this month, the minister of mining and heavy industry, Dashdorj Tsedev, said in an interview on Monday.

Miners say Mongolia ranks as one of the best prospects in the world for new copper reserves, as the best quality ore bodies in many other parts of the world have been depleted and electric vehicles raise the possibility of a surge in demand.

The expansion reflects improved geological surveys, and the land open for exploration could increase as further improvements are made, the minister said at the Prospectors and Developers Association of Canada conference in Toronto.

"A big amount of land will be up for exploration and license," said Tsedev, speaking through a translator, adding that ecologically sensitive areas are excluded.

The land-locked country is home to Rio Tinto's massive Oyu Tolgoi copper-gold mine. Rio decided in June to go ahead with a $5.3 billion expansion, which will take five to seven years.

The mine will eventually be responsible for around 30 percent of the economy, Rio said, but direct benefits for Mongolia will be delayed. According to a 2009 agreement, investors must recoup their original investment costs before Mongolia can collect dividends for its 34 percent shareholding in the mine.

Mongolia's economy grew at a double-digit annual rate over 2011-2013 as foreign investors rushed in to take advantage of its vast untapped mineral deposits, but it has been hit hard by an economic crisis since 2016 due to government overspending and declining revenues from commodity exports.

Slowing demand for coal and copper, Mongolia's chief exports, and a plunge in foreign investment have left the world's most sparsely populated sovereign country with soaring debts and a rapidly declining currency, forcing government to hike interest rates and slash spending.

(Inside Metals is compiled by Abhishek U.S. in Bengaluru)