

SUEK Opens in Tokyo, While Metalloinvest Sells to China

By [The Moscow Times](#)

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Coal exporter SUEK is opening a new Tokyo office to expand its sales into Asia, the company said Wednesday. The Pacific region has become an increasingly important market for Russian thermal and coking coal because demand there, led by China, has boomed while Russia's traditional key market in Europe has stagnated.

SUEK has invested heavily in building its own port at Vanino in Muchka Bay on the Pacific coast that it will expand again this year so it can boost Asia sales. SUEK said it is exporting about 12 million tons a year through three different ports in the Far East into the Pacific region, primarily to Japan, China, South Korea and Taiwan.

"Yoshio Mizuma will be joining SUEK AG on Dec. 1, 2010, and will head up SUEK's Tokyo office," SUEK said. SUEK aims to begin Tokyo-based sales operations by mid-January 2011. Mizuma was formerly Metallurgical Coal Marketing Manager at BHP Billiton Japan.

The new Tokyo office is part of the expansion in the Pacific region by SUEK, which opened Beijing and Seoul offices earlier this year in addition to the existing Taipei and Jakarta offices. This expansion will be completed in 2011 with the opening of an office in India.

Last month the company announced the securing of a \$900 million credit line from a consortium of banks, in order to refinance existing debt.

Iron ore miner Metalloinvest agreed Wednesday to supply 2 million metric tons of ore, worth about \$320 million, to Baosteel, as the Chinese giant diversifies its supply sources.

Metalloinvest chief executive Eduard Potapov told reporters the final terms of the agreement are still under discussion and that pricing will be determined on a monthly basis.

Wednesday's Shanghai iron ore prices remained at a six-month high of \$170 to \$172 per ton.

The two firms inked the deal at the Fifth Russian-Chinese business forum, attended by Premier Wen Jiabao.

The two nations are strengthening ties as Chinese firms step up raw material and energy purchases from their resource-rich neighbor.

Baosteel, China's second largest steel producer, traditionally buys from global leaders such as VALE, Rio Tinto and BHP Billiton.

Metalloinvest said it would send the ore to China by ship and rail and that it could lead to further deals.

"The agreement signed today will be a beginning of a long-term and mutually beneficial cooperation," Potapov said in a statement.

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