

Iron ore production boosts BHP Billiton

MELBOURNE, AUSTRALIA: Mining giant BHP Billiton on Wednesday (23 January) reported that iron ore production in resource-rich Western Australia recorded another strong performance in the six months to December, while petroleum output was steady.



After commodity price volatility last year, which prompted the mining company to shelve some expansion plans, BHP said iron ore production for the half year was 81.9m tons, a two percent increase year-on-year.

"Western Australian Iron Ore delivered a 12th consecutive December half year production and sales record as the business continued to benefit from the company's decade-long investment in supply chain capacity," it said.

BHP said it was on track for iron ore production from Western Australia to rise by five percent to about 183m tons this year. Most of the iron ore is exported to China.

In the petroleum sector, expected to account for a greater amount of revenue in coming years, the company produced 121m barrels of oil during the six months to December, an 11% increase from same period in the previous year.

It expects to produce 240m barrels of oil this year.

In its half-year production report, the world's biggest diversified mining group also said it expected a "substantial reduction" in unit costs at Queensland coal operations after it closed an unprofitable mine in that state.

BHP's production of metallurgical coal, used in steel-making, climbed five percent in the December quarter.

"At the end of the December, Queensland Coal production was approaching full supply chain capacity," BHP said.

"The associated increase in productivity, broader economies of scale and the closure of high-cost capacity is expected to deliver a substantial reduction in unit costs in the second half of the financial year."

Copper output was also strong, jumping five percent over the quarter compared with the previous year but aluminium production fell five percent and nickel was down 10%.

Source: *AFP* via I-Net Bridge

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