

SE Business
 HD **Billionaires** take falling **ore** price hit
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RESOURCES **IRON** prices slumped to a near two-year low yesterday, further denting Australia's largest export earner and the wallets of two of the country's **mining billionaires** Andrew Forrest and Gina Rinehart.

Amid growing fears of slowing steel demand in **China** and an oversupply of **iron ore**, the spot price of **iron ore** fell to \$US102.75 a tonne, its lowest level since September 2012 and well down from its September 2011 peak of more than \$US180 a tonne.

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"**Iron ore** exports to **China** are surging. Australia is exporting record volumes but demand and sentiment in the **Chinese** steel industry remains relatively flat," the Australian managing editor for the **energy** and metals information service Platts, Paul Bartholomew, said.

Despite slowing **Chinese** demand for steel, Australia has seen its **iron ore** exports grow around 40 per cent over the past two years to more than 400 **million** metric tonnes. Australian exports are expected to grow a further 90 **million** tonnes this year.

The supply of Australian **iron ore** will increase even further when the Roy Hill mine, 70 per cent owned by Gina Rinehart's Hancock Prospecting, is expected to start production by 2016.

The mine aims to export 55 **million** tonnes of **iron ore** a year. Australia already accounts for more than half of **China's iron** or imports.

Fortescue Metals shares fell 10c to \$4.71. The miner's share price has fallen 22 per cent since mid-February, shaving \$1.35 **billion** off chairman Andrew Forrest's **stake**. BHP Billiton shares fell 20c to \$37.144 while Rio Tinto closed 5c higher after hovering a near six month low in intraday trade.

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