
BHP and Rio venture should be blocked - worldsteel

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Bloomberg quoted the World Steel Association said Rio Tinto Group and BHP Billiton Ltd proposal to combine the iron ore operations of the world's second- and third-biggest producers should be blocked by the European Commission.

Mr Ian Christmas director general of the association said today "As an industry, we would not be at all happy with the proposed consolidation. Members in the group, which includes 19 of the biggest steelmakers, produce 85% of global output."

He said that "Our colleagues in Europe are making cases on why it harmful to our steel customers. We don't see any difference in the proposal in this regard so we are hoping there will be a similar thumbs down given."

Western Australia provides 18% of the world's iron ore. Melbourne-based BHP had dropped the bid for London-based Rio citing turmoil in global markets, slumping commodity demand and Rio's debt.

(Sourced from Bloomberg)

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