
BHPB bid for Rio - Iron ore JV will not reduce competition - Rio

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Bloomberg reported that Rio Tinto Group JV with BHP Billiton Limited won't reduce competition with its rival.

Mr Sam Walsh CEO of Rio said "Steel mill customers will retain the choice between Rio Tinto and BHP as alternative sources for iron ore. We have heard concerns that this JV will have a negative impact on competition. My simple response is to say 'No.'"

Mr Walsh said while speaking at a conference organized by the Committee for Economic Development of Australia that "BHP and Rio will separately market their individual entitlements to output from the JV and continue to have the same incentives as we do now to compete independently with separate marketing strategies."

Rio raised USD 21 billion in June through a share sale and an agreement to create an iron ore JV with BHP Billiton to help pay debt after commodity prices plunged. The 2 companies have said that they may save more than USD 10 billion by combining assets in the Pilbara region in Western Australia.

(Sourced from Bloomberg)

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