
BHPB JV essential for Rio Tinto future - Mr Albanese

Thursday, 12 Nov, 2009

According to Mr Tom Albanese CEO Rio Tinto Ltd its proposed iron ore production joint venture with BHP Billiton Ltd in Western Australia will be critical for its future success.

Mr Albanese said "The joint venture will bring together the Western Australian iron ore assets of both companies, while keeping marketing arrangements totally separate within each company."

Mr Albanese said "We will be better positioned for future demand growth and will capture substantial synergies. He said the long-term demand fundamentals for iron ore remained strong but when we are fully out of the slump, we don't expect 'normal' to be the same as before the recession.

He added that "Global economic power is shifting from west to east has been accelerated by the global financial crisis."

Mr Albanese said "Over the next five years, China is expected to consume more iron ore than Australia has exported throughout its history. China will be crucial to the future wealth of this country."

Rio Tinto recently abandoned a plan to jointly market up to 15% of the joint ventures iron ore amid concerns it could be a stumbling block for gaining approval from the European Commission for the planned tie-up.

(Sourced from news.smh.com.au)

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