
Rio has less desire for BHPB deal - JPMorgan

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According to Mr Ian Henderson of JPMorgan Chase & Co, Rio Tinto Group has less desire to complete its Australian iron ore joint venture with BHP Billiton Ltd five months after the deal was agreed on.

Mr Henderson said that “The moment of maximum stress has passed for Rio and the need to complete the transaction is not as great as it was in June.

He added that “It looks increasingly like Rio are trying to wriggle out of the idea. The industrial logic is there, but the desire for Rio to do this deal is far less than when it was agreed.”

Rio agreed in June to the venture, which both companies estimate will save more than USD 10 billion to help pay off debt. Commodity prices have rallied since then. The deal is the second attempt to combine the companies’ assets in the Pilbara region of Western Australia, following BHP’s abortive hostile offer for London-based Rio a year ago.

(Sourced from Bloomberg.net)

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