
BHPB bid for Rio - Boon for Oakajee port

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The News cited Mr Chris Eves CEO of Oakajee Port and Rail as saying that the failed Rio Chinalco deal was the best thing that could have happened to his USD 4 billion project.

Mr Eves while speaking from Geraldton during a tour of the Oakajee site said that the failed Chinalco deal was nothing but positive' for the Mid-West iron ore region, making it more attractive to Asian buyers.

He said that "I think there will be renewed and extended interest in the Mid-West as a result of the Rio Chinalco deal. If you're a steel mill in China and you had Rio Tinto competing against BHP and now they're in a joint venture the next logical place to look that has already made significant billions of dollars of investments in acquiring stakes in mines such as An Steel in Gindalbie and Sinosteel in Midwest is to look at the Mid-West region.

He said that "What has been 3 international suppliers of ore has overnight become two. What that means if you're a purchaser of ore is you need to start to diversify those from whom you can purchase ore to ensure price competitiveness. We are here and open for business."

If all goes to plan, Oakajee will open in 2014 and start to rival the Pilbara for iron ore exports. But right now the site remains a strip of coastline 20 kilometers north of Geraldton that resembles any other farmland. Construction of the 2 kilometers breakwall and wharf will be a feat in itself in 20 meters deep water. The task lies with OPR, a JV between Mid-West miner Murchison Metals and Japanese firm Mitsubishi Group, which won the Oakajee tender over a China-backed JV including rival Sinosteel Midwest Corporation.

(Sourced from news.com)

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