Australian Competition & Consumer Commission

MediaRelease

Attention: Mining writers

A.C.C.C. ALLOWS BHP BILLITON JOINT VENTURE IN THE PILBARA REGION

The Australian Competition and Consumer Commission has approved a joint venture managed by BHP Billiton to develop an iron ore field in the Pilbara, ACCC Chairman, Professor Allan Fels, said today.

"The ACCC believes that this joint venture is likely to result in significant public benefits", Professor Fels said. "In particular, it is likely to increase exports, assist in the development of this section of the Australian mining industry, and boost the economy of the Pilbara region."

The iron ore is primarily destined for the export market. The joint venture, known as the POSMAC joint venture, will mine Marra Mamba iron ore, a type of iron ore that is relatively new to the world market.

The Joint Venture will be managed by BHP Billiton, and will also involve CI Minerals Australia Pty Ltd, Mitsui Iron Ore Corporation Pty Ltd, and POS-Ore Pty Ltd. BHP Billiton estimates that the Joint Venture will give rise to export revenue in the region of A$525 million per annum.

Without authorisation* from the ACCC, the joint venture may have raised concerns under the competition provisions of the *Trade Practices Act 1974*.

Further information
Professor Allan Fels, Chairman, pager (02) 6285 6170
Ms Jennifer McNeill, Commissioner, (02) 6243 1112
Ms Lin Enright, Director, Public Relations, (02) 6243 1108 or (0414) 613 520
MR 45/03
6 March 2003

* The *Trade Practices Act 1974* prohibits agreements between competitors that might substantially reduce competition between them. Authorisation provides immunity from court action arising from such agreements but can only be granted where the ACCC is satisfied that the public benefit arising from the conduct outweighs any public detriment.