

Rio Tinto Alcan New Zealand's Green Party Threat Recedes . . .

A ghostly For Sale sign continues to hover above Rio Tinto Alcan New Zealand Ltd's aluminium smelter at Tiwai Point, Bluff.

HASTINGS, HAWKES BAY, NEW ZEALAND, October 21, 2014 /EINPresswire.com/ -- Rio Tinto Alcan New Zealand's Green Party Threat Recedes . . . A ghostly For Sale sign continues to hover above Rio Tinto Alcan New Zealand Ltd's aluminium smelter at Tiwai Point, Bluff. It has taken on an increasingly spectral presence now that the milk bubble has burst in New Zealand's remote province of Southland.

Until very recently the belief in this the most productive of New Zealand's pastoral regions was that strong export milk prices would fill any economic vacuum left by the departure of the smelter works which directly and indirectly underpins the employment of around 4,000 people.

Now though in contrast and following the severe drop in export milk price expectations even a mooted departure/closure date of the plant scheduled notionally for 2017 represents a terrifying economic prospect.

One comforting straw in the wind though was the nation's general election which saw dashed the hopes of the Green Party to have a decisive vote in the New Zealand parliament.

Just prior to the general election the threat of Green Party intervention for example was enough to sink an independently-financed tourist railway for the neighbouring and equally remote Fiordland region.

A recent douceur from the government of \$30million and linked to power supply usage represented little more than a token of friendship to an organisation that puts so many breakfasts on so many tables in a nation where an unemployment rate of over seven percent becomes unacceptable.

Few doubt though that Rio Tinto Alcan cannot wait to shake from its corporate shoes the bauxite dust from its gigantic site at the wild southernmost tip of New Zealand's South Island.

Management has been driven to distraction by the Greens operating from their urban professional elite strongholds with their objective of hammering the smelter with every kind of emissions penalty – even though the reason for the smelter being there in the first place is that it derives all its power from



The image shows the cover of NZManufacturer Magazine for October 2014. The main headline is "Local steel industry tackles imports head on". Below this, there is a photo of a group of people holding certificates, with the caption "NZ Steel Industry tackles imports head on". To the right, there is a section titled "Investment Opportunity" with a list of bullet points: "Hosmate Ltd, a privately owned company, is going to another level of excellence.", "Established and proven business plan to 2015/16.", "Risk Management - health and safety compliance.", "Internationally compatible.", and "Our steel investor will have a focus on health and safety and improvement in the workplace." The magazine also features a "CASE STUDY 5" on "Youths skilled with Metal Skills" and "DEVELOPMENTS 13" on "Creating world class Kiwi businesses." The cover also includes the magazine's logo, "Success Through Innovation", and the website "www.nzmanufacturer.co.nz".

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hydro lakes.

The smelter was given the green light by New Zealand's Labour government on the grounds that it would diversify industry and employment at a time when New Zealand was looking at its main customer Great Britain transferring its loyalties to the EU.

Indeed, most New Zealanders mistakenly believe that it was encouraged, sanctioned and then implemented under Premier Robert Muldoon's Think Big industrialisation policies, an entire generation later. Similarly, most people believe that if the Tiwai Point smelter went away the 15-30 percent of the nation's power supply that it consumes could and would be swiftly be deployed for the benefit of the more populous North Island.

In fact the power infrastructure will need to be re-jigged over a long period of time and at immense cost, especially in legal compliance, to cope with the northward energy re-routing.

The best hope for the smelter is of course a reduction of aluminium stockpiles in the industrialising world and especially in China. Ideally, before 2017.

A new worry is the privatisation of electricity in New Zealand and especially the near half share owned by New Zealand investors following the recent partial listing of Meridian, the plant's official supplier. Many of these new electricity shareholders are mom-and-pop investors.

The smelter in practical terms is stranded. No buyer is in sight. Sumitomo Chemical which owns the other 20 percent of the Tiwai Point smelter is not a contender. The Japanese have a horror of the noisy political contention of the type generated by the smelter which detonated for example New Zealand's first middle class conscience revolt which successfully stopped its main hydro lake level from being raised.

This meant that even at peak world demand for aluminium the Tiwai Point smelter could never process at full capacity.

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