Economic Impacts of McArthur River Mine Decision Spreads

The economic impact of the McArthur River Mine decision is beginning to bite in the international market place.

Yesterday the Dow Jones issued a notice under the banner headline “Mine Closure Would Add Years To Zinc Shortage” and the share price for Xstrata on the London Stock exchange has fallen sharply on the announcement of Marion Scrymgour’s decision.

“The ramifications of this decision were not well considered by the Minister at all”, Shadow Mines Minister, Fay Miller said today.

“The Dow Jones report says that a global shortage of zinc and lead has pushed zinc prices up about 60%. The announcement by the Minister would remove another up to 180,000 tonnes of zinc and up to 40,000 tonnes of lead a year out of the market place.

“These extra costs would find their way back to Territorians because common products such as galvanized iron are zinc reliant and are often used in the Territory.

“The Territory forms part of the international community and is a commodity supplier. I don’t believe that the Minister has realised how far her decision has impacted. The commodity market forms a large part of the Territory’s GSP and these signals to international companies will simply mean that they will begin to look elsewhere.

“Again I urge that this recommendation be ignored by the Mines Minister, Kon Vatskalis, so that the Territory’s reputation and economic integrity can be repaired.”

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