

TIME BOMB

Shortfall good news for local producers

■ Kate Emery

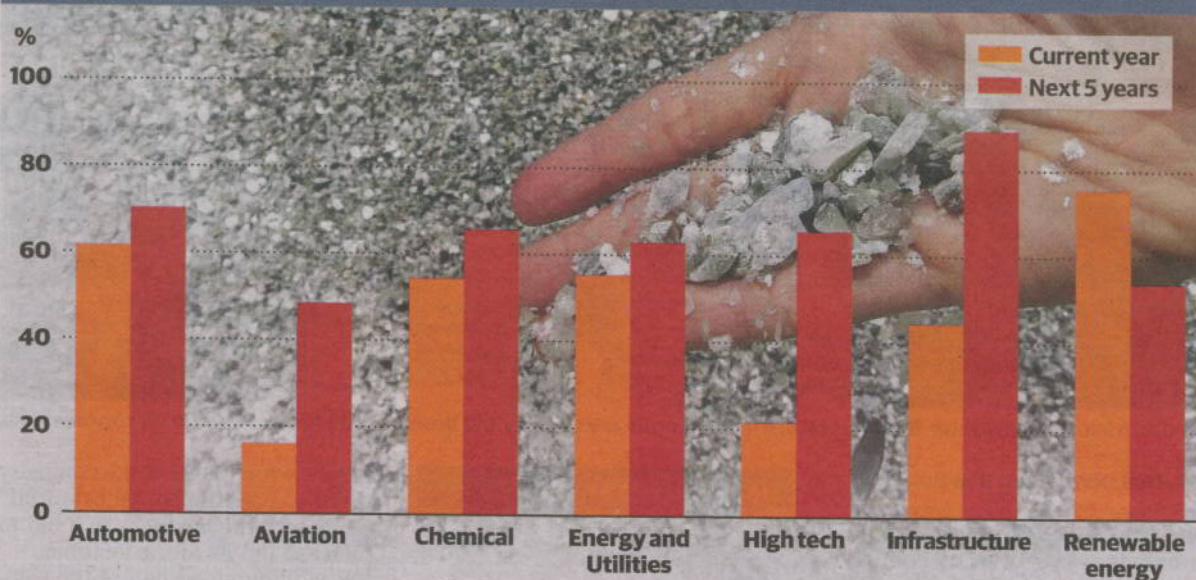
The world's manufacturers are facing a looming supply shortfall of 14 core minerals and metals. But the "ticking time bomb" could be good news for the likes of WA's Global Advanced Metals and Talison Lithium — two of the world's biggest producers of commodities soon to be on the critical list, according to a PricewaterhouseCoopers report.

The report, Minerals and Metals Scarcity in Manufacturing: the Ticking Time Bomb, found industry leaders surveyed in Europe, Asia Pacific and the US feared the shortages had the potential to disrupt supply chains and economies.

According to the report the renewable energy (78 per cent of those surveyed), automotive (64 per cent) and energy and utilities (57 per cent) manufacturing sectors were already experiencing instability of supply.

PwC global sustainability leader Malcolm Preston said business leaders "now recognise that we are living beyond the planet's means". "New business models will be fundamental to the ability to respond appropriately to the risks and opportunities posed by the scarcity of minerals and metals," he said.

INDUSTRY: WHO WILL BE HIT HARDEST



SOURCE: PWC

*Percentage of business leaders for whom unstable supply of key commodities is a concern

The commodities most at likely to be in short supply include beryllium (used in military equipment and the aerospace industry), cobalt (jet turbine engines, rechargeable batteries), tantalum (mobile phones, computers) and lithium (wind turbines, lithium-ion batteries). In some cases it is simply that a particular commodity is rare. In

others, supply is hampered by economic or political constraints.

The forecast squeeze will come as little surprise to WA's lithium and tantalum miners, which have already started preparing for an increase in demand.

Talison is in the midst of an expansion to double production capacity at its Greenbushes

operation, the world's biggest lithium mine, 250km south of Perth.

Similarly in August Global Advanced paid \$US400 million (\$389 million) to buy the tantalum processing arm of Cabot Corp, which will allow it to turn the tantalum pentoxide it produces at Wodgina near Port Hedland into more advanced products.

IN BRIEF

Rio's Alcan fined

A subsidiary of mining giant Rio Tinto has been fined \$160,000 after admitting to a big fuel spill in the Northern Territory last year. Alcan Gove pleaded guilty in the Darwin Magistrates Court yesterday to causing serious environmental harm and was fined \$160,000. The company leaked 62,000 litres of unleaded petrol from a storage tank in June last year in eastern Arnhem Land, where it runs the Gove alumina refinery.

Mobilarm queried

Marine safety technology company Mobilarm has told the Australian Securities Exchange it does not know why its share price has soared about 70 per cent this week. Mobilarm received a price and volume query from the ASX yesterday when its stock price closed at 9.3¢ after finishing at 5.4¢ last Friday.

Tepco shares slide

Shares in Tokyo Electric Power tumbled on reports the crippled Fukushima nuclear plant's operator would effectively be nationalised following a massive government share purchase. TEPCO shares plunged as much as 16.7 per cent in early Tokyo trade yesterday after a newspaper reported the Government was planning to