



Speech by

Hon. J. ELDER

MEMBER FOR CAPALABA

Hansard 29 October 1999

MINISTERIAL STATEMENT

Light Metals Industry; Teksid

Hon. J. P. ELDER (Capalaba—ALP) (Deputy Premier and Minister for State Development and Minister for Trade) (9.37 a.m.), by leave: The Beattie Government's efforts to develop the Smart State and smart industries and value adding enterprises is an ongoing campaign. That is why I wish to inform the House of my recent meeting in Italy with the executives of one of the world's leading light metal components manufacturers, Teksid. Teksid is owned by the European car manufacturers Fiat and Renault. The company is currently looking at a site for a plant somewhere in the Asian region.

As I have said, the company is a major player on the world stage. It has 12 aluminium foundries worldwide, including one in Nanjing, China. It has three magnesium foundries in the US, Canada and Italy. Today, Teksid accounts for 16% of all aluminium cylinder heads and 48% of the world's production of magnesium auto parts. Its global work force totals 15,000.

I visited the company's aluminium plant near Turin and met with the company's president, Mr Filmeni, and the honorary chairman, Professor Gallo. While Professor Gallo is well known in Queensland, having visited here on a number of occasions, the visit provided the opportunity to reinforce with Mr Filmeni the Government's long-term commitment to create a downstream light metals industry in this State. It was clear following the meeting that Teksid's interest in Queensland is genuine and I believe that the meeting provided the company's executives with an even greater degree of confidence and comfort that Queensland can be a base for its future in the Asian manufacturing sector.

Also present was Teksid's representative and founder of Australia's magnesium metals industry, Mr Ian Howard-Smith. Just like Ian Howard-Smith, this Government has faith in Queensland's magnesium industry growing into a world-class industry. The company he founded, Queensland Metals Corporation, in conjunction with the Australian Magnesium Corporation joint venture recently reported that the Gladstone demonstration plant had produced magnesium metal.

At the recent general meeting, QMC's managing director, Mr Creagh O'Connor, told shareholders that current forecasts suggest AMC will be in a position to commit to an \$800m commercial magnesium plant by mid next year. Further, the shareholders were told that, apart from the existing supply arrangements with the giant motor vehicle group Ford, the company hoped to add further contracts as the year progresses.

Talks between AMC and Teksid remain ongoing and continue at a high level. Without pre-empting the outcome of these commercial negotiations, Teksid is certainly interested in Australia, and recent discussions can only reinforce this State's standing for aluminium and magnesium dye-casting investment by Teksid. The magnesium smelter project is important to this State, as is Comalco's aluminium smelter in Gladstone. But to make sure that the State gets maximum advantage from these projects, this Government will work vigorously to ensure bolt-on industries are also established to ensure Queensland becomes the light metals hub not just for the nation, but for the Asia-Pacific region.