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 HD **Glencore's Ivan Glasenberg still has his eye on Rio**
 BY JAMES CHESSELL - AUSTRALIAN FINANCIAL REVIEW
 WC 360 words
 PD 7 November 2014
 SN Singleton Argus
 SC FSINGA
 LA English
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For those keeping score it is now exactly five months until [Glencore](#) could have another crack at Rio Tinto.

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Most observers in London believe this is exactly what Glencore chief executive Ivan Glasenberg will do at some point after a compulsory six-month cooling off period expires in early April.

This may well be the case. But Glasenberg will need to use all his cunning to get any \$US160 **billion** (\$190 **billion**) deal over the line.

For all the talk about the financial pros and cons of combining two of the world's largest resources companies, the real problem will be getting the Australian government to approve the transaction. Because the bottom line is Treasurer Joe Hockey is highly unlikely to sign off on a straight merger. Tax and **China** mean it won't happen.

It all began back in July when Glasenberg phoned Rio chairman Jan du Plessis to informally propose a merger of equals that would create a resource giant bigger than BHP Billiton.

Glasenberg was informed in August that the Rio board was against the idea.

Early last month the approach became public prompting Glencore to say it was no longer interested in a deal. UK takeover laws means the Swiss **company** has to stick to its word for at least half a year.

Nobody in the **mining** industry " including those working for Rio " think this is the end of the matter.

"This is likely just a shot across the bow .". we expect Glencore to play the long game with any highly desired **acquisition** target," RBC Capital Markets analyst Tim Huff told the Financial Times in early October.

Glasenberg is a voracious deal doer. It is only 18 months since he pulled off an ambitious \$US90 **billion** merger with **mining** house Xstrata. There is a lot for him to like at Rio, especially its highly efficient and highly profitable **iron ore operations** in the Pilbara. Glencore has a quality **coal** business but its portfolio is not as strong as its Anglo-Australian rival.

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