



## *Forrest uses dollars to make sense with Trump; Energy transition*

Australian Financial Review

November 16, 2024 Saturday

Print & First Editions

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**Section:** WORLD; Pg. 14

**Length:** 481 words

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### **Body**

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London | **Fortescue** boss Andrew Forrest says he has already received overtures from Donald Trump, and he will urge the US president-elect to switch from a "drill, baby, drill" push for more fossil fuels to a renewables-focused policy of "build, baby, build".

Speaking from the Azerbaijani capital of Baku, where he is attending the annual COP climate summit that many CEOs have shunned this year, Dr Forrest eschewed his usual high-intensity rhetoric on the climate crisis, instead talking Trump's language of dollars and cents.

He said **Fortescue** had estimated the cost of sticking with natural gas at its iron ore operations would leave "not a lot of change at all out of \$US17 to \$US18 billion" (\$26 to \$28 billion) - almost three times the \$US6.2 billion cost of the miner's "real zero" shift to fully renewable power.

"The president-elect's office did reach out to us on the night of the election. And we'll be more than pleased to explain why real zero is the cut-through for financing what I call the economic transition," he said.

Trump, a climate sceptic, has vowed to junk President Joe Biden's Inflation Reduction Act, which is offering \$US369 billion of subsidies and incentives to companies involved in the energy transition, including **Fortescue**.

Instead, he wants the federal government to get behind a renewed expansion of the oil and gas industry, using the slogan "drill, baby, drill".

Dr Forrest conceded the slogan was "kind of interesting, catchy".

"But look where it's got us - it's got us to unreliable, unpredictable, fluctuating energy prices, which have had an extreme negative effect on everyone's living costs," he said.

"What I say is, 'build, baby, build': build out these [green energy] systems, replace fossil fuel completely and forever, and it's a great investment.

## Forrest uses dollars to make sense with Trump Energy transition

"What the president-elect will look at hard, climate sceptic or not, is that the best investment the US can make is sitting on the table. And it's proven, thanks to **Fortescue**."

Although **Fortescue** has scaled back some of its energy-transition plans, particularly on green hydrogen, it still hopes to decarbonise its mining operations in the Pilbara, without relying on carbon offsets, by 2030.

In the US, **Fortescue** has allocated \$US550 million to its proposed Phoenix Hydrogen Hub, envisaging an 80-megawatt electrolyser and liquefaction plant with a production capacity of up to 11,000 tonnes a year of liquid green hydrogen.

Dr Forrest said that winding back the IRA would be unlikely to shift **Fortescue**'s US investment plans, "but it would make other projects around the world more attractive".

Axing the IRA would "certainly make the US less competitive", he said. "'Drill, baby' drill" - as opposed to 'build, baby, build' - is not going to drive economic growth. It's not going to drive full employment."

Dr Forrest said he was using COP29 in Baku to road-test his pitch to the Trump administration.

**Load-Date:** November 18, 2024