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Belt and Road delegation to open markets for trade

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The business-based Australia-China Belt and Road Initiative — which has just taken a large delegation to China — is finalising plans to collaborate closely with China's newly formed “world's largest purchasing team”.

As part of these plans, the Australian group — chaired by Malcolm Broomhead, chairman of Orica and a director of BHP Billiton — is establishing a task force to identify and develop new Australian products to bring to the Chinese market, and to seek to resolve access issues.

A core challenge for the group next year will be to participate in China's inaugural import expo, to be held in Shanghai in November, which is based on the anticipated growth in the country's annual import demand past \$10 trillion, as revealed by the Commerce Ministry during the group's recent visit to Beijing.

The latest, second ACBRI delegation to China was focused on agribusiness, especially on food and fibre, and included executives from Elders, RuralCo, ANZ, NAB, Rabobank, KPMG, King & Wood Mallesons, La Trobe University, Seafarms Group and Rubicon Systems, with support from the Victorian state government.

Mr Broomhead told *The Australian* that the Victorian government team on the delegation focused on developing more detailed protocols for the trade in fruit and vegetables, while other delegates pushed for large-scale investments in Australian agricultural production.

He said that a delegation last year that focused on infrastructure, and which he also led alongside former trade minister Andrew Robb, was described by China's Commerce Ministry as “one of the top 10 most notable highlights of Australia-China economic relations” that year.

The ACBRI delegates, he said, were informed by “the need to unlock capital for export growth”.

An ANZ research report estimated that Australia could more than double the value of its annual agricultural exports by 2050, he said.

“But to make this \$1.7 trillion Australian revenue boost a reality, we’ll need to attract \$1 trillion in capital investment. One thing we learnt on this delegation was that these numbers are quite normal when put in the context of the Belt and Road Initiative, which is amassing an investment pool of \$10 trillion.”

Mr Broomhead said that “as Australia’s largest trading partner, worth an annual \$10.3 billion in agricultural exports, it seems inconceivable that Australia would not embrace trade and investment opportunities under the Belt and Road banner”.

In some cases, he said, this could involve capital projects grouping together local and federal governments alongside private enterprises — as happened with the sale of the Port of Melbourne, which included the Chinese Investment Corporation.