

Executives hit the road to unlock China trade opportunities

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A delegation of 25 Australian resources and energy executives arrived in Beijing yesterday, underlining the rapid restoration of regular business exchanges with China after a period of diminished activity due to political signalling.

The delegation will discuss with Chinese corporate peers and senior government officials, ways for Australia to meet the needs of the evolving market as China's overall demand for imported energy and resource products continues to grow.

Orica chairman and BHP director Malcolm Broomhead is leading the group — the third such delegation organised by the Australia-China Belt and Road Initiative, following earlier groups focused on infrastructure and agriculture.

The new delegation includes representatives of BHP, Rio Tinto, the Downer Group, Orica, Metro Mining, KPMG, McKinsey, Elders, Wesfarmers, ANZ, Minter Ellison, Resource Capital Funds, the Minerals Council of Australia, and the Victorian and West Australian governments.

Mr Broomhead told *The Weekend Australian*: "The approval system and the funding process have been much enhanced by the Belt and Road Initiative thrust." He said Australian companies were well placed to benefit from the BRI, especially in the country's resources and energy sector.

The three-day visit would help the participants understand what funding is available, and how it might best be tapped. “It’s much easier to progress a project” — whether in China, Australia or in a third country — “which comes under the BRI umbrella, because it is then part of an officially sanctioned process”.

Orica, he said, was already partnering with the Poly Group, a conglomerate originally based in the defence industry. Senior executives from Poly, Sinosteel, Shenhua Coal, Baosteel and Shandong Gold were among those meeting the delegation.

“Dealmaking is not the core aim of our visit, although of course it’s great if deals are concluded,” Mr Broomhead said, adding that the main aim was to improve Australian understanding of opportunities with China and to form relationships. “There are differences between our governments, we understand that,” he said.

“But we should continue to do business and build on our trading relationship.”

The need for a social licence to operate along the Belt and Road countries between China and Europe will also be discussed.

The delegation will be briefed at the Development Research Centre of the State Council on supply-side structural reform and its impact on future resource needs, including on demand for gas, clean coal and renewables, and on China’s ambitious plans for electric vehicles and energy storage. Professor Zha Daojiong of Peking University will tell the delegation about potential responses to China’s “energy insecurity”.