

SE Early General News
HD **China** hotplate for premium pork
BY COLIN BETTLES
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WITH a population of 1.354 **billion** that is rapidly expanding, along with a burgeoning middle class consumer demographic, **China** represents a "screaming opportunity" for premium Australian pork exports, says Australian Pork Limited chief executive officer Andrew Spencer.

He was one of 700 local business representatives in the high-level trade delegation, spearheaded by Trade Minister Andrew Robb and Prime Minister Tony Abbott who attended the Australia Week in **China** event in early April.

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The delegation visited five key cities Beijing, Shanghai, Guangzhou, Chengdu and **Hong Kong** to explore opportunities ahead of potentially signing a free trade agreement between the two countries, by the year's end.

Mr Spencer said the **China** tour showed him the "screaming opportunity" that existed for Australian agricultural exports and high-end pork products in the fast-growing market.

"If you go to **China** today, you can't talk about it as a third-world country anymore," he said.

"People have money and the development in recent years is unfathomable.

"The change that's gone on in **China** over the last 20 years has been absolutely incredible.

"And with that wealth generation and demand for high-quality food, there's clearly a major food opportunity for the future."

According to Austrade, **China** is Australia's largest trading partner, with two-way trade reaching \$130b last year.

But Minister Robb says **China**'s economy is changing, with the focus shifting away from export and investment towards domestic consumption of "an exploding middle class".

"This growth will drive incredible consumer demand and open up new opportunities for Australia across so many areas compatible with our strengths; the things we do as well as any and better than most," he said.

The **Chinese** Academy of Sciences predicts local population will reach 1.4 **billion** to 1.5b in 2050 with urban numbers reaching up to 1.2b.

In the recent The One Hour **China** Book publication, co-authors Jeffrey Towson, managing partner of investment **firm** Towson Capital, and Jonathan Woetzel, a director in McKinsey & **Company's** Shanghai office, outline the country's population blitz.

"Urbanization is arguably the most important phenomenon shaping modern **China**," they said.

"More than 300 **million** people have moved from the country to cities in the past 30 years and an additional 350m are on the way.

"China has 160 cities with populations of more than 1m, and 14 cities with more than 5m.

"Increasingly, these cities are becoming linked, creating urban areas with 30m people or more the size of many European countries."

The authors also say agribusiness is one of China's "hottest new industries" given the exploding consumer demand accompanying population growth.

"For additional evidence, look no further than the fact that the largest Chinese acquisition of a US company had nothing to do with technology, cars, or energy," they said.

"In 2013, Chinese Shuanghui International spent \$7.1b to buy American Smithfield the world's largest pork producer and processor.

"It's not surprising, then, that agribusiness is one of China's hottest new industries."

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