

The Daily Telegraph

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HD **Australia and China strike free trade deal**
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CHINA and Australia have struck a major trade deal to remove tariffs from 95pc of Australian goods in return for more investment opportunities for **Chinese** companies.

The deal will see **China** will open its borders to **billions** of pounds of Australian **dairy**, meat, seafood and **wine**. In return, **Chinese** companies will be able to **buy** Australian firms worth up to A\$1.08bn (£600m) without coming under government scrutiny.

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Last year, Australia exported A\$52.65bn of iron ore, A\$9.08bn of coal and A\$8.07bn of gold to **China**. But now it is trying to expand from a "mining boom" to a "dining boom".

In particular, Australian **dairy** farmers will get lucrative access to **China's** baby formula market, where parents have shunned local brands following a toxic **milk** scandal in 2008.

The announcement was made during a state visit by Xi Jinping, the **Chinese** president, after the G20 summit. Mr Xi noted that 200,000 **Chinese** study in Australia and **China** gets more than half of its iron ore from Australian mines.

Mr Xi also gave a rare speech to the Australian parliament, in which he vowed that **China** would not use force to achieve its strategic goals and promised cooperation over maritime boundaries. "**China** has settled land boundary issues with 12 of its 14 neighbours through friendly consultation. And we will continue to work in this direction."

President Barack Obama earlier warned over spats in the East and South **China** Seas, saying: "Disputes over territory – remote islands and rocky shoals – threaten to spiral into confrontation."

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