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HD Port's foreign affair heats up

AU JAMES WAGSTAFF

BY By JAMES WAGSTAFF

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LP FOREIGN sharks are circling the \$5 billion sale of southeast Australia's food and fibre gateway.

Hong Kong-based Hutchison Port Holdings and Chinese state-owned China Merchants Group are reportedly among foreign entities that have expressed interest in buying the leasehold to the Victorian Government-owned Port of Melbourne, after the Coalition announced plans for its sale.

TD The Coalition said it would take a medium-term lease of the port to the market early next year with the proceeds to be spent on infrastructure programs across Victoria.

Melbourne is Australia's biggest container port. Its main exports include cereal grains, dairy products, fruit and vegetables, stockfeed and meat.

The Weekly Times earlier this month revealed the port lease could be sold to foreign interests without proper scrutiny. Under the Foreign Acquisitions and Takeover Act, approval from the Foreign Investment Review Board would not be required for a sale to a foreign buyer as the port is owned by a state government.

This concerns farmers and industry, who fear that with the port expected to reach capacity within the next 10 years, a foreign buyer could restrict access and force prices up.

Victorian Farmers Federation president Peter Tuohey said the sale of the port lease "should go through the same FIRB process as anyone else".

"We're not particularly concerned who the owners are, it's more how it is managed," Mr Tuohey said.

The VFF raised its concerns about the sale process during a meeting with Port of Melbourne officials last week.

Hutchison Port Holdings has investments in the ports of Brisbane and Botany, as well as throughout the UK, Asia and Egypt, while China Merchants Group recently purchased the Port of Newcastle in a joint venture with Hastings Funds Management for \$1.75 billion.

Hutchison was a short-listed bidder for the development of the Port of Melbourne's third international terminal at Webb Dock but recently lost the contract for a consortium comprising former P&O boss Richard Setchell and Philippines company International Container Terminal Services.

A spokeswoman for Treasurer Michael O'Brien said there had been no formal approach to the Government in regards to the sale. • Don't deny world in need, Page 24

CO hutpor : Hutchison Port Holdings Limited | hutwam : Hutchison Whampoa Limited

IN i5020017 : Harbor Construction | i763 : Port/Harbor Operations | i502 : Heavy Construction | iconst : Construction | icre : Real Estate/Construction | iship : Water Transport/Shipping | itsp : Transportation/Shipping

RE austr : Australia | melb : Melbourne | victor : Victoria (Australia) | apacz : Asia Pacific | ausnz : Australia/Oceania

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