

SE SNL Extra
HD Fortescue attempts to distance itself from Clive Palmer's anti-China tirade
BY Angela Kean
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Fortescue Metals Group Ltd. CEO Neville Power has labeled Palmer United Party leader Clive Palmer's recent derogatory remarks about China as "unhelpful," in an attempt to distance the Australian iron ore producer from the anti-China comments.

"Clearly they're not helpful comments, and it just sounded like a bit of ranting and raving, and I'm sure that the Chinese will dismiss them for what they are," Power told reporters during an Aug. 20 earnings call.

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He added that the comments do not do a lot to continue to build the strong relationship that Australia already has with China.

Palmer made comments on the ABC News "Q&A" program Aug. 18, claiming that the Chinese government was trying to take over Australia's ports to get the country's resources for free.

"So far they have shipped more than [A]\$200 million worth of iron ore out of this country without paying for it, and I don't mind standing up against the Chinese bastards and stopping them from doing it," he said.

He went on to say that Australia has had three judgments made in federal and Supreme courts, as well as arbitration against "these Chinese mongrels."

"I'm saying this because they're communists, because they shoot their own people, they haven't got a justice system and they want to take over this country, and we're not going to let them do it," he continued.

Palmer is embroiled in a court battle with China's CITIC Pacific Ltd., a partner in the A\$10 billion Sino-Iron mine in Western Australia, over his financial dealings relating to the operation of the Cape Preston port. He is alleged to have withdrawn A\$12 million slated for the operation of the port to instead fund his political campaign.

Power said both the Australian opposition and government have distanced themselves from Palmer's comments and made it very clear where the country stands and the same goes for Fortescue.

"We have very strong relationships with our Chinese customers and with the Chinese people generally, not just through the delivery of iron ore," he said. "We also purchase a lot of major mining equipment in China.

"Our ties with China are very deep and very strong and I think we represent the face of what Australian business really means in terms of its relationship and ongoing partnership with China."

Meanwhile, the Liberal-led Australian government took the opportunity to reiterate its respect for China on the back of Palmer's comments.

Minister for Trade and Investment Andrew Robb said in an Aug. 19 statement that the government "wants to make it perfectly clear that it greatly values Australia's strong and growing relationship with China and its people."

China is the country's largest trading partner, with two-way trade approaching A\$150 **billion**, representing more than 20% of Australia's total trade.

The government hopes to conclude a free trade agreement with **China** in 2014, as well as strengthen business ties with the nation following Prime Minister Tony Abbott's 700-strong business mission earlier in 2014.

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