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China still digging deep for Aussie assets

THE value of **Chinese** deals in Australia has surged since the beginning of the year with Sino investors continuing to move on domestic **mining** ventures.

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The value of merger and **acquisition** activity carried out by **Chinese** investors surged 42 per cent to \$2.4 **billion** in the first six months of the year compared to the same period a year earlier, a report by accounting **firm** PwC found.

The resources sector accounted for 88 per cent of the total value of the deals, dominated by **Chinese** investors moving to increase existing shareholdings in miners.

"The fact these deals are strategic moves by existing shareholders, combined with easing commodity prices and a persistently high Australian dollar, argues against calling any general turnaround in **Chinese** interest in resource sector investment," PwC's Deals Asia leader Andrew Parker said.

Guangdong Rising Assets Management's proposed takeover of Brisbane-based Laos **copper** and **gold** producer PanAust, and Baosteel taking control of Australian **iron-ore** and **coal** miner Aquila Resources, accounted for the bulk of **Chinese** merger and **acquisition** activity over the period.

Both deals were worth about \$1 **billion** each. The report covered merger and **acquisition** activity rather than direct investment and as such does not include significant spending by **Chinese** investors developing local real-estate projects.

Mr Parker said although **Chinese** deal-making remained concentrated in the resources sector, this was changing as they sought out value in the agriculture, health and consumer sectors. On Monday two **Chinese** investment groups established a \$3 **billion** fund to invest in Australian agriculture.

CO guramc : Guangdong Rising Assets Management Co., Ltd.
 IN ifinal : Financial Services | iinv : Investing/Securities
 NS ccat : Corporate/Industrial News
 RE china : China | austr : Australia | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dypcoz : Developing Economies | easiaz : Eastern Asia
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