

SE Finance
HD **Miners bid to spread the message on coal**
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MINING giants are targeting Australia's most influential superannuation funds to convince them that **coal** is here to stay in a dramatic escalation of a strike against environmentalists campaigning for the divestment of fossil fuel assets.

The Australian can reveal that the Minerals Council of Australia -- whose members include BHP Billiton, Rio Tinto and Glencore -- has been pitching the case for **coal** to more than 1000 powerbrokers at big investors.

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As well as industry funds including Australian Super and Uni Super, the campaign has targeted investment managers Colonial First State, investment bank Goldman Sachs and the Australian arm of the world's biggest asset manager BlackRock, as well as ratings agencies.

The move is an escalation of the industry's plans to take on the fossil fuel divestment campaign, where green groups are pushing investors to dump their holdings in **coal** companies. The approach is modelled heavily on the South African divestment campaign against apartheid.

The Greens have been demanding that the \$96.6 **billion** Future Fund get out of **coal**.

This week, the director of Oxford University's Stranded Assets Program, Ben Caldecott, starts a speaking tour in Australia.

Last year, a report by the program into divestment campaigns found the direct effects on **equity** or debt are likely to be limited -- though effects on **coal** companies would be more substantial -- but the main impact would be "triggering a process of stigmatisation" of fossil fuel businesses.

A document commissioned by the Minerals Council to go to investors today, obtained by The Australian, says the "available evidence" presents a different picture to the arguments of pro-divestment proponents.

Pro-divestment advocates argue that **Chinese coal** demand is waning and there is a switch to renewables because of government policy in the world's most populous country.

But the document says that **coal** demand in **China** would continue to rise because of overall economic growth and rising household wealth.

The document was produced by ITS Global, which the Minerals Council has retained to put out monthly analyst notes on **coal**.

"The question investors should really be asking around divestment is whether the strength of evidence used by divestment advocates matches that used by **energy** experts and the reality on the ground in **China**," the document says.

Minerals Council chief executive Brendan Pearson said the industry was ``determined to ensure the debate about **coal** investment is properly informed by data and facts by going directly to investment decision makers".

``The anti-**coal** movement is pursuing an ideologically-motivated campaign to scare investors away from the **coal** sector," Mr Pearson said. ``It is a campaign heavy on hyperbole and emotive rhetoric and light on facts. It is a political campaign dressed up as investment advice."

The research going to investors today points to forecasting by bodies including the International **Energy** Agency, which predicts in its 2013 world **energy** outlook that the growth in **coal** demand will slow over the period to 2020, but will continue to dominate power generation.

Mr Pearson said the divestment campaign ``will not stop the world using **coal**". ``Activist campaigns attacking the Australian **coal** industry's financial underpinnings fail to acknowledge that it will be the low-cost global **energy** source for decades -- transforming economies and helping eliminate poverty," he said.

CO mncasr : Minerals Council of Australia

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