

Countryman

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HD **Chinese link to sale of Canning Vale markets**
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Chinese interests have emerged as the likely new owners of the Canning Vale markets if they back State Government plans to develop the site into a major export hub for local produce.

A big Hong Kong-based investment company approached Agriculture and Food Minister Ken Baston about buying the markets — valued about \$100 million — and talks with the Government are continuing.

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It is believed the company fits the Government's preference for a buyer with retail links into Asia and the capacity to invest up to another \$100 million to fully develop the 55ha site.

The Government also sounded out mining billionaire Andrew Forrest about buying and developing the markets.

It is selling off the State-owned asset to reduce debt, but hopes the process will see the markets transformed from WA's major distribution point for domestic fruit and vegetables.

It wants an export centre and shop front for all kinds of WA food, including locally manufactured grocery items, seafood, meat and wine.

A sale to the Chinese would scuttle a move by WA fruit and vegetable wholesalers to mount a bid for the markets, which have an annual turnover of \$900 million.

The Chinese company contacted Mr Baston while he was on a four-day visit to China and Hong Kong.

The WA Trade and Investment Office in Shanghai and Austrade are also involved in the talks.

The markets were independently valued at \$160 million this year, but the Perth Market Authority carries a \$50 million debt to Government after borrowing to build cool rooms.

Any deal will include restrictions to ensure the site also remains a major domestic fruit and vegetable market.

The Government has pledged to look after existing leaseholders.

There are about 20 primary wholesale tenants and more than 150 in total.

The Government expects a jump in fruit and vegetable production based on new irrigation projects and moves to open up more land for agriculture.

Mr Baston said he favoured a buyer with plans to make use of about 12ha of undeveloped land on the site and with direct ties to Asia such as a supermarket chain.

“With the Government’s \$40 million investment in new Water for Food irrigation projects across the State, we need the markets to grow into an export hub,” he said.

“Any buyer of the site should have a direct link into Asia, so growers can capitalise on our clean, green, safe food image.

“I have no doubt the markets will be a prized asset for any investor with food links into countries like China.”

Mr Baston believes there is potential for a new owner to develop common-user grading, processing and packaging facilities, as well as handling a bigger range and volume of produce.

“I want to see our small wineries, our seafood, meat and speciality items on display,” he said.

NS greg : Regional Politics | gcat : Political/General News | gpir : Politics/International Relations | gppl : Domestic Politics

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