

FINANCIAL REVIEW

SE **Property**
HD **Greenland to bet big on local agribusiness**
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Chinese state-owned **property** developer Greenland sees "no ceiling" on the amount of funds it is prepared to invest here, declaring it will expand into agriculture, a day after the free trade agreement with **China** was signed.

Greenland chairman Zhang Yuliang told The Australian Financial Review the free trade agreement brought better and larger investment opportunities for companies like Greenland.

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"With the conclusion of the free trade agreement there will be more and more **Chinese** investment into infrastructure, urban renovation and the construction of hotels and offices, and of course agriculture, food and finance," he said.

"Our next step is to **acquire** some kind of Australian food and agriculture companies and import more Australian products into **China**."

"I believe such kind of investment will be welcomed by the Australian government," Mr Zhang added.

The developer will channel its investment efforts into **dairy**, **wine** and agriculture industries, with a particular focus on food production, processing and distribution. The **group**'s first **purchase** will occur within six months.

Plans to **wind** back import tariffs on Australian produce including **dairy**, beef, **wine**, horticulture and wool has made agriculture one of the biggest winners of the new trade agreement. Products competitive

"The agreement ... means Australian products will be very competitive in **Chinese** markets," Mr Zhang said. "Our investment in such a kind of field will help bring more and more Australian products into **China**."

Greenland generated more than \$78 **billion** in revenue during the past 12 months. In Australia, the **group** is best known for leading a charge of deep-pocketed **Chinese** developers buying up inner city sites in Sydney and Melbourne at blistering prices. The **group** has poured more than \$1.4 **billion** into its **property** holdings and developments, including the 600-**apartment** Greenland Tower skyscraper in Sydney and Melbourne's Flemington race course redevelopment, and has also partnered Crown in a bid for Brisbane's Queens Wharf casino.

As a state-owned **group**, Greenland is not able to capitalise on a new rule which allows **Chinese** groups to invest up to \$1.078 **billion** without approval of the Foreign Investment Review **Board**.

But Mr Zhang is unconcerned. **Property** interests to grow

"Actually by now we haven't felt that the [foreign investment] approval procedures of the Australian government have been very strict," he said.

The **group** will also expand its Australian **property** interests to include **commercial**, retail and **hotel** investment, in a bid to capitalise on the wave of funds **Chinese** companies move into Australian following the conclusion of the trade agreement.

The planned investment comes as Australia loses its lustre for **Chinese** companies.

Figures release by **China**'s Commerce Ministry on Tuesday show that in the first 10 months of the year non-financial direct investment in Australia dropped by 16.7 per cent. This compares with a rise of 17.8 per cent in outbound investment from **China**. The drop in Australian investment is largely a result of waning **mining** investment .

Key points Greenland is a **Chinese** state-owned **property** developer already active in Australia. It will start to invest in food production to take advantage of lower tariffs.

IN ireest : Real Estate | icre : Real Estate/Construction

RE austr : Australia | china : China | greenl : Greenland | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia | namz : North America

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