

## Media Roundup Issue 32 (05/08/17 – 11/08/17)

### 1. Chinese M&A investment in Australian jumps 126pc

**07/08/2017**

**Bridget Carter & Scott Murdoch**  
**The Australian**

The value of Chinese investment in Australia has jumped by 126 per cent in the past financial year as the local market remains a favourite destination for Chinese asset buyers.

A new Mergermarket report shows there was \$US16.2 billion (\$20.4bn) worth of merger and acquisition activity led by the Middle Kingdom over the past 12 months. The headline deal was CKI's purchase of Duet Group for \$US9.8bn and was followed by Chow Tai Fook spending \$US3.07bn on Alinta.

In the past year, the most active buy-side advisers were PwC, Macquarie, ANZ, Morgan Stanley and Goldman Sachs. On the sell side, KPMG, Credit Suisse, Goldman Sachs, UBS and Macquarie were at the top.

*Read more (Paywall):*

<http://www.theaustralian.com.au/business/dataroom/chinese-ma-investment-in-australian-jumps-126pc/news-story/87fd5ab0db57963731b4c33386869dd4>

### 2. Australia denounces China's South China sea aggression in joint statement

**07/08/2017**

**Lindsay Murdoch**  
**Sydney Morning Herald**

Australia, the United States and Japan have denounced island-building and militarisation of the South China Sea in a joint statement likely to prompt an angry response from China.

In a statement issued on the sidelines of Asia's biggest security forum in Manila, Australia's foreign Minister Julie Bishop and her two counterparts also called

on China to abide by a UN-backed tribunal last year that rejected Beijing's claims to almost all of the strategically important and resource-rich waterways.

China has refused to recognise either the tribunal sitting at The Hague or the ruling and insists that the US and its allies should stay out of what Beijing says are purely bilateral disputes with its neighbours.

*Read more:*

<http://www.smh.com.au/world/australia-denounces-chinas-south-china-sea-aggression-in-statement-with-allies-20170807-gxra5u.html>

### 3. Diggers and Dealers: China's \$11 billion surge on Perth Mint's gold brings miners their aura

**07/08/2017**

**Babs McHugh**

**ABC News Online**

The seemingly insatiable hunger from China for Australian minerals goes well beyond bulk commodities like coal, iron ore and increasingly LNG.

Despite China being the largest producer of gold in the world, exports of Australian gold to the middle kingdom have soared in the past six years.

The Perth Mint sold \$11 billion worth of bullion to China last year alone, and demand continues to climb.

Demand is so strong that Perth Mint brings in gold from mines in other countries like Papua New Guinea and New Zealand, and jewellery from south-east Asia that is refined down to the Mint's signature 99.99 per cent gold bullion.

*Read more:*

<http://www.abc.net.au/news/rural/2017-08-07/chinas-11-billion-dollar-surge-on-perth-mint-gold/8774586>

#### 4. As Beijing gets tough Wanda tests market for \$2 billion Australian exit

**07/08/2017**

**Matthew Cranston**

**Australian Financial Review**

China's Dalian Wanda Group, which is under pressure to crimp its offshore expansion and facing a freeze on bank lending at home, is fielding offers for its two giant development projects in Australia.

The move could be the first of many by mainland companies pulling back from Australia as Beijing tightens its control over outbound investment, potentially putting downward pressure on prices for property, infrastructure and agricultural assets.

The Australian Financial Review has been told by two sources discussions are underway in Hong Kong for the sale of Wanda's \$1 billion Circular Quay apartment and hotel tower in Sydney and its \$900 million Jewel resort on the Gold Coast.

*Read more (Paywall):*

<http://www.afr.com/real-estate/commercial/development/as-beijing-gets-tough-wanda-tests-market-for-2-billion-australian-exit-20170807-gxr458>

#### 5. Coalition 'drifting' on China, Labor's Penny Wong says

**08/08/2017**

**Primrose Riordan**

**The Australian**

Labor's foreign affairs spokeswoman Penny Wong has accused the Coalition of allowing relations with China, Japan and the ASEAN bloc to 'drift' as she laid out Labor's plans for her portfolio.

Speaking at an Australian National University event Senator Wong also said Labor would only support Foreign Minister Julie Bishop's white paper if it took into account former Prime Minister Julia Gillard's Australia in the Asian Century paper which has been essentially disregarded by the Coalition.

Senator Wong slammed Ms Bishop for being “nostalgic” in a speech in Singapore earlier this year where she warned China it will never reach its full potential unless it embraces democracy and called on the US to increase engagement in the Asia-Pacific.

*Read more (Paywall):*

<http://www.theaustralian.com.au/national-affairs/coalition-drifting-on-china-labors-penny-wong-says/news-story/ab5b42c10372a64da4d4a06ceeceee94>

## 6. ASEAN cops canning over surrender to Beijing on South China Sea

**08/08/2017**

**Primrose Riordan & Amanda Hodge  
The Australian**

Australia yesterday joined the US and Japan in issuing a rebuke to China over the South China Sea at a meeting directly after ASEAN took a softer stance on the issue.

The Association of South East Asian Nations and China should establish a code of conduct that was “legally binding, meaningful, effective, and consistent with international law”, said Foreign Minister Julie Bishop, US Secretary of State Rex Tillerson and Japanese Foreign Minister Taro Kono in a joint statement issued after their annual Trilateral Strategic Dialogue in Manila this year.

After years of insisting any code of conduct for the South China Sea must be legally binding, the 10 ASEAN foreign ministers on Sunday in Manila capitulated to Beijing, agreeing instead to begin negotiations later this year on a set of rules for the contested waters that may not be enforceable. This which despite lobbying by Vietnam, now the most vocal critic of Chinese territorial aggression in the region.

*Read more (Paywall):*

<http://www.theaustralian.com.au/news/world/asean-bows-on-south-china-sea-code-of-conduct-not-binding/news-story/e3469c865c07194cb85a0bf868ff68de>

## 7. That whoosh? It's the Great Chinese Property Pullback

**08/08/2017**

**Nisha Gopalan**

**Sydney Morning Herald**

That whoosh you just heard? It's Chinese money pulling back from property in London to Sydney to New York.

Capital centres globally should brace for tumbling real-estate prices as Beijing manages to do what Brexit and higher interest rates haven't.

Reflecting tighter regulations, China overseas direct property investment could drop 84 per cent to \$US1.7 billion (\$2.15 billion) this year and about another 15 per cent to \$US1.4 billion in 2018, according to Morgan Stanley.

*Read more:*

<http://www.smh.com.au/business/property/that-whoosh-its-the-great-chinese-property-pullback-20170807-gxrfbc.html>

## 8. What's good for Rupert Murdoch should be good for Chau Chak Wing

**08/08/2017**

**John Wallace**

**Australian Financial Review**

When a successful Australian citizen or resident of Chinese background mixes with the influential and powerful and engages in philanthropy, some of it in the form of political donations, it seems that's venturing into forbidden territory. There's something about the China connection that raises the hackles of established order.

In the case of two businessmen mentioned in a recent Fairfax-ABC *Four Corners* investigation, the key concern, according to an ASIO brief to government, is that they made "foreign" political donations. One of the businessmen, Chau Chak Wing, has been an Australian citizen for 20 years. The other, Huang Xiangmo, is a permanent resident.

By contrast, Rupert Murdoch, now a US citizen, is free to travel the globe to inspect his vast media holdings, hold court with political leaders and other influentials, make donations at will, including to political parties here in Australia, and through his media rally support for favoured causes, including political parties. This behaviour is accepted as normal.

*Read more (Paywall):*

<http://www.afr.com/brand/boss/what-role-are-chinese-australians-to-be-allowed-to-play-in-public-life-20170711-gx8y50>

## 9. One Belt One Road: NT businesses welcome Chinese investment despite reluctance over 'new Silk Road'

**08/08/2017**

**Nadia Daly**

**ABC News Online**

Northern Territory businesses looking to grow in a slowing economy are turning to one of the biggest economic and geopolitical expansions the world has seen in modern times.

China's One Belt One Road is a bold, trillion-dollar plan to rework the global economic order on Beijing's terms, building huge infrastructure projects along a path based on the ancient trade route that spanned Europe, Asia and Africa.

So far 68 countries have signed up to the signature project of Chinese President Xi Jinping, which marks China's clear plans to expand its power in the region and beyond.

Despite Australia's reluctance thus far to sign up, China has northern Australia firmly in its sights.

*Read more:*

<http://www.abc.net.au/news/2017-08-08/one-belt-one-road-nt-businesses-welcome-chinese-investment/8783846>

## 10. Bellamy's shares jump after new factory gets its China export licence back

**09/08/2017**  
**Darren Gray**  
**Sydney Morning Herald**

Shares in infant formula maker Bellamy's have rocketed to their highest level this year after the company confirmed that its recently acquired Melbourne factory had got its China export licence back.

In a statement to the ASX on Wednesday morning, the Tasmanian-based company said the licence suspension had been lifted, adding it had "diligently responded to all requests and queries on behalf of the CNCA (Certification Accreditation Administration of the People's Republic of China) and worked, with the assistance of Australian officials, through the process as stipulated by the Chinese authorities".

At the time of the announcement, Bellamy's stock was trading at about \$8.04, but promptly soared to hit a high of \$8.75 just before midday on Wednesday.

*Read more:*

<http://www.smh.com.au/business/bellamys-shares-jump-after-new-factory-gets-its-china-export-licence-back-20170809-gxse9n.html>

## 11. Lessons of the Crown Resorts China affair

**11/08/2017**  
**Rowan Callick**  
**The Australian**

When Jason O'Conner, Crown Resorts' international VIP business head, is released in Shanghai tomorrow with four colleagues after 10 months' jail – the last of the Crown employees arrested last October to be freed – that may seem to draw a line under the dramatic episode.

It won't.

The consequences of having 17 staff detained, plead guilty and serve jail time will reverberate a long time for the whole casino industry, but especially for Crown.

The company revealed last week that it was poised to review its strategy for courting international high rollers and had stepped back from taking an aggressive position in the VIP market following the China arrests, just as construction on its \$2 billion flagship Sydney casino begins.

*Read more (Paywall):*

<http://www.theaustralian.com.au/news/inquirer/lessons-of-the-crown-resorts-china-affair/news-story/4f697492b0fb949dec91319d4529319e>

## 12. Qantas widens its China exposure

**11/08/2017**

**Annabel Hepworth**

**The Australian**

Qantas has signed a new deal with the online travel booking arm of Chinese e-commerce juggernaut Alibaba as it looks to increasingly tap the potential of Australia's biggest two-way trade partner.

Qantas has struck the arrangement for a strategic relationship with Fliggy, which used to be known as Alitrip, a platform that allows Chinese consumers to book airline tickets and other travel products.

It is expected the announcement will be made today.

Qantas International chief executive Gareth Evans said the partnership was another plank of the carrier's strategy for China and the broader Asia region.

*Read more (Paywall):*

<http://www.theaustralian.com.au/business/aviation/qantas-widens-its-china-exposure/news-story/2e1cd515f2600e0ee4fb7b7930a31c5b>