

Services business is missing the boat on China's new infrastructure plan

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BHP Billiton director Malcolm Broomhead has warned that businesses may miss out on a once-in-a-generation Chinese regional infrastructure development plan by failing to understand its full potential.

Mr Broomhead has backed a new advocacy group promoting President Xi Jinping's [One Belt, One Road](#) (OBOR) plan because he thinks many companies think it is all about selling resources to China when it should be seen as a new doorway to the country's expanding services sector.

His comments reinforce the driving forces in this week's higher than expected economic growth figures with exports pushing annual growth to 3.1 per cent, including services.

The group chaired by Mr Broomhead has produced a report on the \$US100 billion (\$140 billion) OBOR plan with detailed explanations of its various road, rail and port development projects across the Eurasian landmass and ways that Australian companies can get involved.

It argues that after being excluded from China's initial plans and the tensions over the Asian Infrastructure Investment Bank, Australia is now explicitly part of the OBOR and even Chinese investment in northern Australia will qualify.

Mr Broomhead, who also chairs Orica and Asciano, said: "This is not just about infrastructure and resources exports, it's also about softer infrastructure: tourism, education, banking and professional services."

He is concerned Australian business have largely ignored the whole program when it is a new business opportunity that will go on for decades.

Mr Broomhead, who visits China regularly as a director, said getting involved in OBOR projects was likely to mean Australian companies would get approvals to set up in China fast-tracked, get more help finding good partners and potentially get access to cheaper finance than usual.

He said this could then be the way to develop a broader business in the country.

"Where we can add value with what China doesn't have we will be very welcome to be part of the process," he said.

He said he was concerned that many business executives saw the OBOR initiative as a government to government development program and the report was aimed at making them see it as a series of potential business partnerships.

"If I was still a CEO, this is what I would be wanting to see right now," he said.

The report from the Australia China One Belt, One Road Initiative group coincides with the release of another study last week which argues that [Australian tourist providers will have to do more work](#) on infrastructure and services to be able to manage a doubling of Chinese visitor arrivals to 2 million by 2025.