

CHINA'S ONE BELT ONE ROAD

Opportunities for Australian Industry



AUSTRALIA CHINA
OBOR INITIATIVE

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Forwards

“一带一路”倡议由中华人民共和国习近平主席于2013年首倡，即“丝绸之路经济带”和“21世纪海上丝绸之路”，代表了中国加强与各参与国共同建立长期经济社会繁荣的战略愿景。

“一带一路”是中国构建开放型经济新格局和经济外交的顶层设计。“一带一路”建立在包容、合作和共赢的基础上，旨在为增进全球贸易和投资提供新的战略机会，进一步提升全球贸易投资一体化。

迄今为止，超过60多个国家参与“一带一路”建设表示了浓厚的兴趣，随着中国对外开放的深度和广度的推进，中国欢迎世界各国加入“一带一路”的全球化贸易投资的融合。

2014年11月，习近平主席在澳大利亚议会发表讲话，再一次提出中国“欢迎澳大利亚参与到海上丝绸之路”的热情邀约。

在推进“一带一路”具体项目过程中，我们认为，必须先考虑每个国家的参与意愿、发展现状以及对于“一带一路”的理解程度，从而将合作伙伴凝聚成一个核心团队。

澳大利亚和中国具有很强的经济互补关系，中国澳大利亚自由贸易协定更是进一步巩固了双边经贸关系。“一带一路”将进一步深化双边经贸关系，为中澳企业互利互惠谋求福祉。

我们非常高兴看到澳中“一带一路”产业合作促进会在积极推进澳大利亚产业和公司参与到“一带一路”建设中来并重点关注双方切实可行的合作方向和落地项目。

我们高度赞赏澳中“一带一路”产业合作促进会推进“一带一路”所做的努力和贡献。谨在此对本报告的发行表示热烈祝贺，殷切希望促进会进一步推进中澳双边经贸深度融合，衷心祝愿澳中“一带一路”产业合作促进会前途光明。

欧晓理



推进“一带一路”办公室负责人
国家发展改革委员会西部司副司长



China's Belt and Road Initiative (also known as One Belt One Road) was first outlined by H.E. President Xi Jinping in 2013. It refers to the 'Silk Road Economic Belt' and the '21 Century Maritime Silk Road'. The Initiative represents President Xi Jinping's strategic vision for jointly strengthening the long-term economic and social prosperity of participating countries.

The Initiative aligns with China's transition to a more open economy which includes economic and governance reform. It also presents an opportunity to significantly enhance global trade and investment connectivity – founded on principles of inclusiveness, cooperation and collaboration.

More than 60 countries have so far shown interest in participating, however we would like to emphasise that collaboration is not restricted to any one country and we would like to invite more countries to join.

President Xi Jinping reiterated this stance in November 2014 in his address to the Australian Parliament where he said China 'welcomed Australia's participation in the Maritime Silk Road'.

In the course of driving this Initiative, we understand that we must take into account each country's willingness to take part, their conditions for development and, in particular, their understanding of the Initiative so as to build a core team of willing partners.

Australia and China have and continue to share a strong and complementary economic relationship, strengthened most recently by the enactment of the China Australia Free Trade Agreement. The Belt and Road Initiative will enable us to further build and expand on this important relationship – providing mutually beneficial avenues for Australian businesses and Chinese enterprises to partner and collaborate.

I commend ACOBORI for initiating engagement with the Australian business community and support its practical focus on linking the Belt and Road Initiative to clear outcomes for businesses in both Australia and China.

I highly appreciate the effort ACOBORI has made in promoting Belt and Road cooperation opportunities between China and Australia and I am pleased to congratulate the issuing of this report. I sincerely wish ACOBORI a prosperous future, in which the organisation continues to enhance the bilateral business cooperation between China and Australia.

Ou Xiaoli



**Director of leading group office for the Belt and Road Initiative
Deputy Director-General
Department of Western Development
National Development and Reform Commission**

China is Australia's largest and one of our most important trading and investment partners.

Over the last decade Australian businesses operating in sectors such as agriculture, education, energy and resources have been able to successfully develop a strong export link with China. Likewise Chinese enterprises and investors remain key contributors to foreign direct investment in Australia.

The signing of the China Australia Free Trade Agreement (ChAFTA) in late 2015 marked a very powerful strategic point in our relationship with China. Equally, the official announcement of Australia as a major shareholder in the Asia Infrastructure Investment Bank in the same year further reinforced Australia and China's commitment to increasing infrastructure investment in our region.

I am equally excited about the establishment of the Belt and Road Initiative. It presents an overarching and collaborative framework for Australia, China and our joint trading partners to work together to grow trade, investment and people-to-people links across our region. Similarly, it sets out a pathway for Australian businesses to directly engage with Chinese business counterparts in the delivery of strategic projects.

Australian industry participants are well positioned to play a role and benefit from opportunities derived from this Initiative and the potential for collaboration will be extensive.

It provides a platform for both countries to reinforce existing economic strengths. However, it importantly paves the way for even greater diversification. For Australia this means expanding outbound and inbound trade and investment opportunities to a number of existing and importantly, emerging sectors.

It is also relevant to Australia's infrastructure development. Investment in this area is recognised as a economic priority for Australia, included in such plans as developing Northern Australia.

I support the formation of Australia-China One Belt One Road initiative and its efforts in developing Australian industry.

This is a report that provides a preliminary perspective on the Belt and Road Initiative and notably highlights its potential application for some of Australia's key industries.

I encourage Australian businesses to use this report to reflect on why engagement with Chinese enterprises through the Belt and Road Initiative could benefit them, and provide a clear narrative for how they can get involved.

The Hon Andrew Robb AO MP



Special Envoy for Trade





China's Belt and Road Initiative exemplifies China's comprehensive and ongoing economic reform process and provides an overarching guidance for Chinese foreign investment. It presents a plan to enhance linkages between Asia, Europe, Africa, Oceania and the Middle East through a program of diplomacy, investment in new infrastructure and promotion of more efficient global trade of goods and services.

This Initiative provides Australian companies with different approach to securing investment opportunities which they may currently have limited access to. Firstly, it has the support of the Chinese President and government. Secondly, it provides an approval mechanism which should enhance participation of business partnerships. Thirdly, it offers access to funding that has been set up to specifically support the Initiative.

The goals, geographic scope and priorities of the Initiative present an outline for how Australian and Chinese companies can work together to identify and scope commercial projects in Australia, China and other strategic markets.

The opportunity to participate in these projects can extend to a number of our industries – infrastructure, banking and finance, resources, tourism, education, healthcare, professional services among others.

To partake, Australian company representatives need to be able to clearly position the competitive advantages of their industry, and the mutual value that could be realised from an Australian and Chinese commercial partnership.

As a participant in the Australian business community, I encourage you to examine the possible benefits in engaging with this Initiative could provide to your company. We understand the key to making this assessment is developing a practical understanding of what the Initiative is and what it is seeking to achieve.

This report deliberately seeks to simplify the Initiative and its potential application to the Australian business community. In doing so, it is hoped that it will help to raise broad awareness and prompt companies to question how the Initiative can be applied as a framework for strengthening collaboration with the Chinese market.

Malcolm Broomhead

**Chairman of Advisory Board, Australia-China One Belt One Road Initiative
Chairman and Independent Non-Executive Director, Asciano Limited
Chairman and Independent Non-Executive Director, Orica Limited
Non-Executive Director, BHP Billiton Ltd and BHP Billiton Plc**

Introduction

What is this report setting out to achieve and why is it important?

This report presents a practical outline of China's new Belt and Road Initiative (otherwise known as One Belt One Road) and the complementary role government and business can play in its implementation.

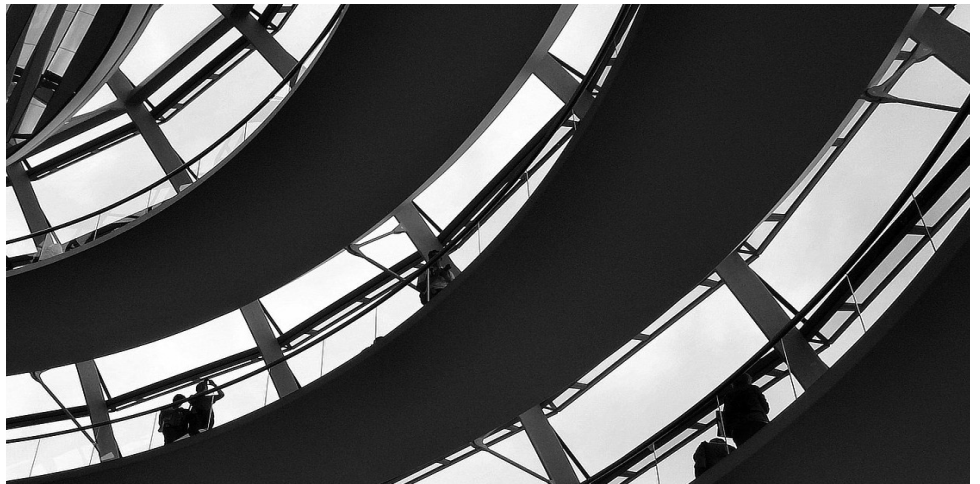
The messages contained within this report are intended to provide representatives of Australia's industries and professional services with a better understanding of current Belt and Road projects. As well as provoke a level of enquiry and consideration about the breadth and depth of capability that Australia could contribute to the implementation of the Belt and Road Initiative.

The Belt and Road Initiative aspires to increase regional cooperation and economic development with countries along the identified Silk Road routes. Beyond this geographical area, China views the Initiative as an inclusive framework, where participation will not be limited to a particular country or region, but rather offer a global model for international engagement.

Therefore, if appropriately curated and understood by both Australia and China, there will be avenues for Australian businesses to take part and benefit from the implementation of the Initiative – specifically:

1. Australian businesses could use the framework of the Initiative to attract Chinese partners in major Australian based projects (which may also involve commonwealth and state government interaction/regulatory compliance);
2. Australian businesses could use the framework of the Initiative to partner with Chinese enterprises in projects beyond Australia – both in China and in Belt and Road countries.

To participate however Australian industries and professions need to further capitalise on a strong trading relationship with China. This requires not only to reinforce the strengths of traditional trading sectors, but also to use the scope of the Initiative to identify other industry sectors where Australian businesses can bring comparative or competitive advantage.



Ms Jean Dong,
Executive Director,
Australia-China One Belt One
Road Initiative

What isn't contained within this report and why?

The intent of this report is not to present a comprehensive set of answers but to provide an introduction to the Initiative and highlight potential areas of relevance to specific sectors within Australian industry and professional services. The report concludes by raising some questions, asking business representatives to reflect on:

1. What specific capabilities can Australian companies contribute to key Belt and Road Initiative projects?
2. Why and what experience demonstrates that these capabilities are considered a strength and a comparative advantage for Australian companies?
3. Which Australian companies are recognised as industry leaders in sectors relevant to the Initiative?
4. How can this expertise complement the capability and capacity of Chinese enterprises and businesses within participating Belt and Road countries?

What are the next steps, following this report?

As the implementation of the Initiative is still in its formative stages, it is the most opportune time for Australian businesses to invest in understanding the applicability of the Initiative to their company. It is equally important for these Australian leaders to clearly outline and demonstrate competencies and experience equivalent to those of Chinese counterparts.

The perspectives shared by business leaders in both countries will play a vital role in helping to shape and inform viable trade and investment partnership opportunities – aligned with the regional priorities of the Initiative. In doing so, Australia will be ahead of powerful trading regions such as Europe, rather than lagging behind.

A key next step is to provide a platform for Australian and Chinese leaders, representing business and government, to engage in a dialogue about practical and feasible project partnership opportunities which are aligned to the framework of the Belt and Road Initiative.

The critical outcomes of this engagement will be agreement around:

- Cooperation opportunities for Chinese enterprises to work with Australian businesses to identify and potentially progress priority projects;
- Can Australian industry and professions play a role in the Belt and Road Initiative?
- How China and Australia can utilise their complementary advantages in industry and professional services to develop projects in participating Belt and Road countries.

What is the Australia-China One Belt One Road Initiative (ACOBORI)?

ACOBORI was established to provide a vital link for Australian industries and professions to focus on identifying and pursuing cooperation opportunities with Chinese enterprises regarding the Belt and Road Initiative through:

- Facilitating an industry education and engagement program between Australian and Chinese industry;
- Taking a leadership role in engaging Australian and Chinese leaders, assisting business and government in a dialogue, to help establish the relevance of the Belt and Road Initiative to Australian industry;
- Producing and publishing practical guidance about the application of the Belt and Road Initiative to Australian industry; and
- Supporting the cultivation of Belt and Road Initiative projects that are likely to be significant to key sectors of Australian industry and professional services.

These activities will enable industry and professional services in Australia to gain a practical understanding of investment and service pathways presented by the Belt and Road Initiative. In doing so, ACOBORI will contribute to the following objectives:

- Australian industry and professional service leaders are more aware of and better educated about the Belt and Road Initiative.
- Pathways for collaboration between Australian and Chinese businesses under the Belt and Road Initiative are better understood.
- The relevance of Australian industry and professional services to the Belt and Road Initiative is recognised by key Chinese decision-makers.

Jean Dong



**Executive Director of Australia-China
One Belt One Road Initiative**

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ACOBORI is a not-for-profit and non-government organisation and operates as an engagement platform that enables Australian and Chinese industry leaders to articulate clear business opportunities available through China's One Belt One Road (OBOR). ACOBORI welcomes the opportunity to work with other organisations for future research in this space, especially to either produce further industry reports and data analysis for the eight industry sectors which will be a part of ACOBORI's second research area.

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