
Baosteel asked to resubmits Aquila bid plan

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China Baosteel Group has been asked by Australia Foreign Investment Review Board to resubmit its application to take a 15% stake in junior coal and iron ore group Aquila Resources.

China's biggest steelmaker plans to invest up to USD 285.6 million in Aquila to earn a stake of up to 15% and to provide the Australian miner with sources of low cost financing from Chinese institutions for its projects.

FIRB has 30 days to make a ruling on foreign investments and can then extend for a further 90 days if it decides it needs more time.

The regulator and the Australian government have been wrestling with a fresh influx of investment in the nation key mining sector by Chinese state-owned enterprises and have been asking many investors to withdraw and resubmit their applications as the 30 day deadline approaches, rather than trigger the 90 day extension.

FIRB has said the Australian government preference is for state backed entities to take minority stakes in junior Australian miners, a requirement the Aquila deal meets, and that it will assess whether deals are in the national interest on a case by case basis.

(Sourced from www.theaustralian.news.com.au)

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