Chinese return to B.C. to secure badly needed raw materials

BY JOANNE LEE-YOUNG
VANCOUVER SUN

China’s shopping spree

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Chinese firms will do ‘what it takes’ to get commodities

From C7

"Then, suddenly, everyone comes along and blues very quickly and in big numbers. It’s off putting,"

Dong said that following the spectacular growth of commodities in key countries like China and India, many Canadian firms have adapted their approach, stressing instead not only the value of their commodities but also their companies’ ability to deliver.

Christopher Eckert, equities strategist at New York-based Haldane-son & Company, which follows Latin American mining companies for hedge funds, said this merger charade by companies like Teck Cominco, it’s more politically feasible for the Chinese to buy Canadian companies with assets that are widely outside Canada.

Once a Chinese company acquires a Canadian company with assets elsewhere, this goes through a lot of red tape and it’s much more expensive and complicated by the time they get to this stage of negotiations. They have to move to buying a Canadian company with Canadian assets.

There are other East-meets-West clashes that are happening right now, and Dong, "When you consider all these things, it’s not the Chinese companies that don’t always have the patience to look at something and make a profit. It’s the ones that don’t want to deal with nurture the babies," he said. "They went in as poor-old-child.

"They generally also want to out-right buy companies for control, as opposed to taking smaller, strategic slices and dealing with other shareholders. Their strategies are different, and it doesn’t always go over very well."

He believes that Chinese companies are committed to reaching resources wherever they are and to pursue resources, flexible, flexible ways. They “will go directly to companies in remote wild resources.” They “will just look at what it takes to get resources wherever they are.”

Dong Hong-ping (a contributor)
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By JOANNE LEE-YOUNG

China's shopping spree

China's shopping spree for raw materials is just the latest in a string of transactions that show China's ascendancy in global commodity markets. The country's growing appetite for raw materials has been a boon for mining companies worldwide, as China's demand for commodities like iron ore, coal, and copper continues to rise. This trend has not only boosted prices, but it has also put pressure on producers to increase output and investment in new mines.

China's appetite for raw materials is driven by its rapid economic growth and expanding industrial base. The country's demand for commodities such as iron ore and coal has been met by a combination of domestic production and imports from overseas. China is the world's largest consumer of raw materials, and its growing economy is fuelling a global commodities boom.

The Chinese government's plans to develop new infrastructure, such as high-speed rail and power plants, have also contributed to the country's demand for raw materials. The government's efforts to diversify its energy mix and reduce its reliance on coal have also increased demand for other commodities, such as natural gas and renewable energy sources.

Chinese companies are known for their aggressive approach to securing resources. They have been involved in a range of deals, from acquiring mining companies to partnering with local governments and businesses. The country's entry into new markets has been driven by its quest to secure raw materials and expand its economic reach.

Chinese companies have also been keen to expand their presence in the mining sector. In recent years, Chinese companies have made several high-profile acquisitions of mining companies and projects around the world. These deals have helped China secure a greater share of global resource markets and solidify its position as a major player in the commodities sector.

China's shopping spree for raw materials is one of the most significant trends in the global commodities market. The country's growing demand for resources has transformed commodity prices and has had a profound impact on the world's energy and materials industries. As China continues to expand its economic footprint, its demand for raw materials will remain a key driver of global commodity prices and market dynamics.