

Australian regulator approves logistics giant takeover

SYDNEY - The break-up of Australian logistics giant Asciano between local and international suitors cleared a key hurdle on Thursday after the nation's corporate regulator approved their Aus\$9.05bn (US\$6.78bn) bid.



© AFP/Flle | The takeover announced in March will see Asciano's assets split between Canada's Brookfield Infrastructure Group, Australia's Qube and other consortium members.

The takeover announced in March will see the rail, freight and ports operator's assets split between Canada's Brookfield Infrastructure Group, Australia's Qube and other consortium members, including a Chinese sovereign wealth fund.

The consortiums now need a sign-off from Australia's foreign investment advisory body after the decision by the Australian Competition and Consumer Commission.

"After careful consideration, the ACCC has concluded there is not likely to be a substantial lessening of competition in any market," ACCC chairman Rod Sims said in a statement.

The bidders restructured their proposal after the regulator in May raised concerns about reduced competitions at ports.

Qube's managing director Maurice James welcomed the decision as a "major milestone" and said he expected the acquisition to be completed in mid-August.

Shares in Asciano rose 0.88% to Aus\$9.12 in afternoon trade in Sydney. Qube stocks lifted by 3.39% to Aus\$2.44.

The announcement came more than a year after Brookfield made a Aus\$8.8bn offer for Asciano. Qube led a consortium in October to challenge the bid, before the two parties submitted a joint application in March.

Asciano specialises in bulk and container shipping and transportation, with port and train operations across Australia. It handles nearly half of all container traffic entering or leaving the country.

Brookfield's initial bid came during a flurry of acquisitions in Australia's transport sector, including Japan Post Holdings' purchase of Toll Holdings, amid a softening local currency and Canberra's push for infrastructure spending.

Source: AFP

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