

FOREIGN INVESTMENT REVIEW BOARD MINUTE

PDR No. MS19-000285

6 February 2019
File: s 47E(d)

Treasurer

SALIC AUSTRALIA PTY LTD – ACQUISITION OF UP TO A 100 PER CENT INTEREST IN BALADJIE PTY LTD, AND INTERESTS IN AGRICULTURAL LAND IN WESTERN AUSTRALIA

Timing: Notice given: 13 December 2018. Decision Date: **Tuesday 12 February 2019.**

Statutory deadline: Wednesday 13 February 2018. s 47E(d)

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- Saudi Arabian Government investor SALIC Australia Pty Ltd (**SALIC Australia**), proposes to acquire up to a 100 per cent interest in Baladjie Pty Ltd (**Baladjie**), and Baladjie’s interests in agricultural land in Western Australia, for a consideration of s 45
- The target land, known as the Central East Aggregation, is located in the wheat belt region and covers an area of 210,000 ha, of which 76,000 ha is freehold land and 134,000 ha is leasehold land. The land is used for a wheat and sheep farming business.

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- SALIC Australia was incorporated in November 2018 and does not as yet have any activities. Its ultimate holding company is the Saudi Agricultural and Livestock Investment Company (SALIC), which is wholly owned by Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF). A group structure diagram is in Additional Information.
- PIF's international investments are a key ingredient in Saudi Arabia's 'Vision 2030', which is intended to ensure food supply for Saudi Arabia, including the importation of over 50 per cent of 'strategic' commodities. SALIC considers Australia a major hub for grain and red meat.

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Opportunities for Australians to acquire the land

- This proposal has complied with the open and transparent sale process required for acquisitions of interests in agricultural land. The properties were publicly advertised on widely used real estate listing websites for at least 30 days within the six months immediately prior to the agreement date. A summary of the public advertising is in Additional Information.

Economic Considerations

- SALIC Australia intends to maximise the growth potential of the Central East Aggregation, by investing substantial funds and utilising latest farming technology in combination with local expertise, to enhance productivity. It also intends to support local business by sourcing inputs to the farming operation, machinery, infrastructure, consulting and supply of products on local markets.
- SALIC Australia states that it will offer employment to all current staff, on no less favourable terms and conditions than those on which they are currently employed, as well as engage additional local employees, all of whom will be based in Merredin in rural Western Australia.

National Interest

- No national interest concerns have been identified, including through consultations.

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s 47E(d)

- The Foreign Investment Review Board considered the application and has no objections.

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Contact Officer: s 22
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ADDITIONAL INFORMATION

Open and transparent sale process

- Baladjie engaged CBRE, a real estate service provider, to conduct a public marketing campaign on its behalf, consisting of a range of print advertising, online advertising and editorials, commencing on 21 May 2018 and ending on 3 July 2018.

s 45, s 47E(d)

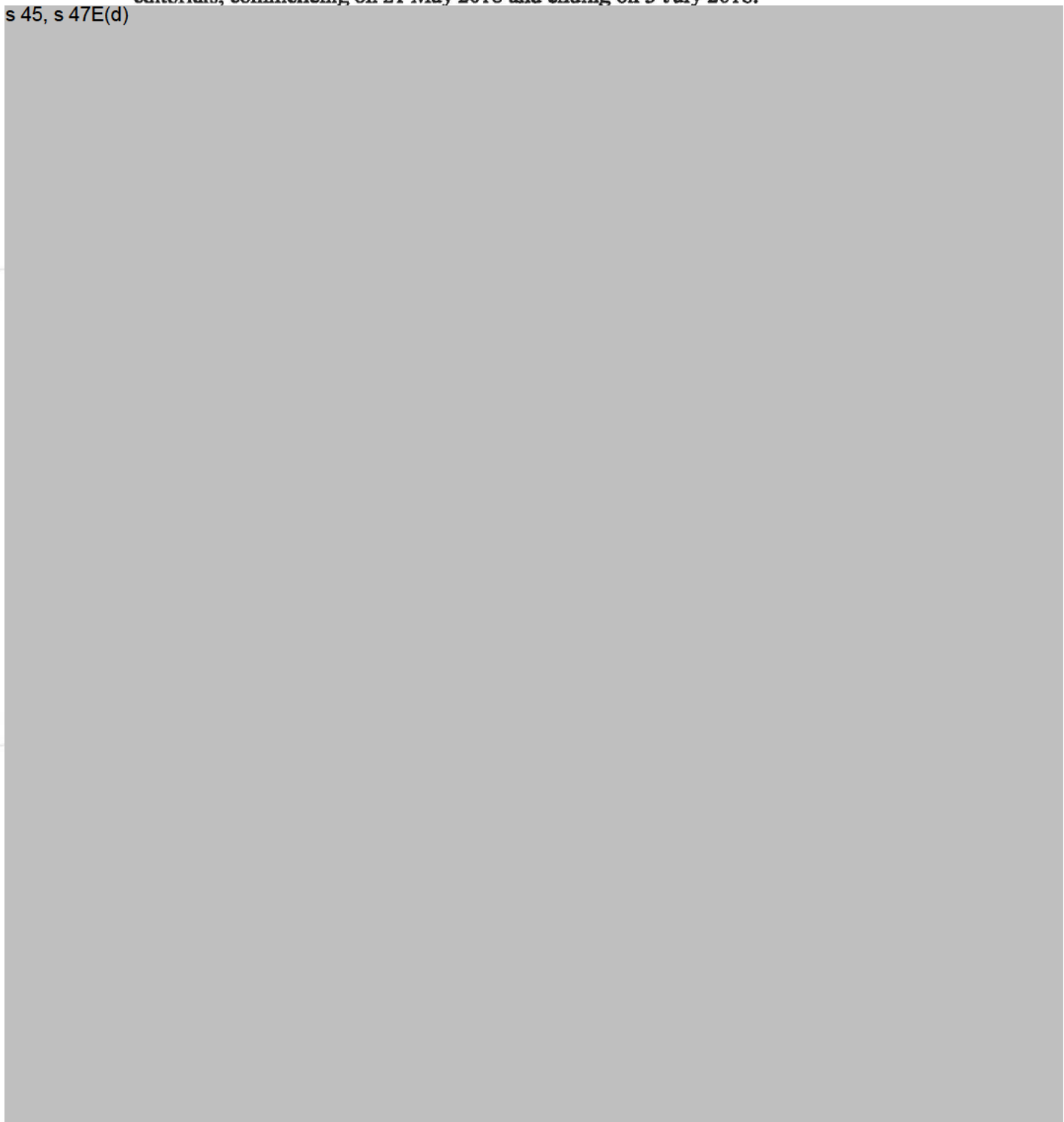


Table 2: Public advertising of target land

Activity	Publication	Dates
Press advertising	Australian Financial Review	21/05/18, 28/05/18, 04/06/18, 11/06/18
	The West Australian	23/05/18, 30/05/18, 06/06/18, 13/06/18
	Farm Weekly	24/05/18, 31/05/18, 07/06/18, 14/06/18
Online advertising	Realcommercial, CBRE Website, Auctions Plus Online	11/05/18
Editorials and additional exposure	The West Australian	• 14/05/18
	Grain Central	• 16/05/18
	The Land	• 16/05/18
	Farmers Weekly	• 16/05/18
	Farm Tender	• 16/05/18
	Agri Investor	• 17/05/18
	Agrarheute	• 17/05/18
	Trade Farm Machinery	• 18/05/18
	Jordbruks Aktuellt	• 21/05/18
	Press Reader	• 14/06/18
	The Western Producer	• 28/06/18
	The West Australian	• 03/07/18
Information memorandum	Finalised and distributed to all interested parties s 47E(d)	• 24/05/18

s 47E(d)

Parties

Acquiring party: SALIC Australia Pty Ltd (SALIC Australia)

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- PIF subsidiaries have investments in Canada (a grain handling business), the Ukraine (agricultural businesses), and in Minerva S.A, a South American company with operations in the beef, pork, and poultry segments in Brazil, Paraguay, Uruguay, Columbia, and Argentina.

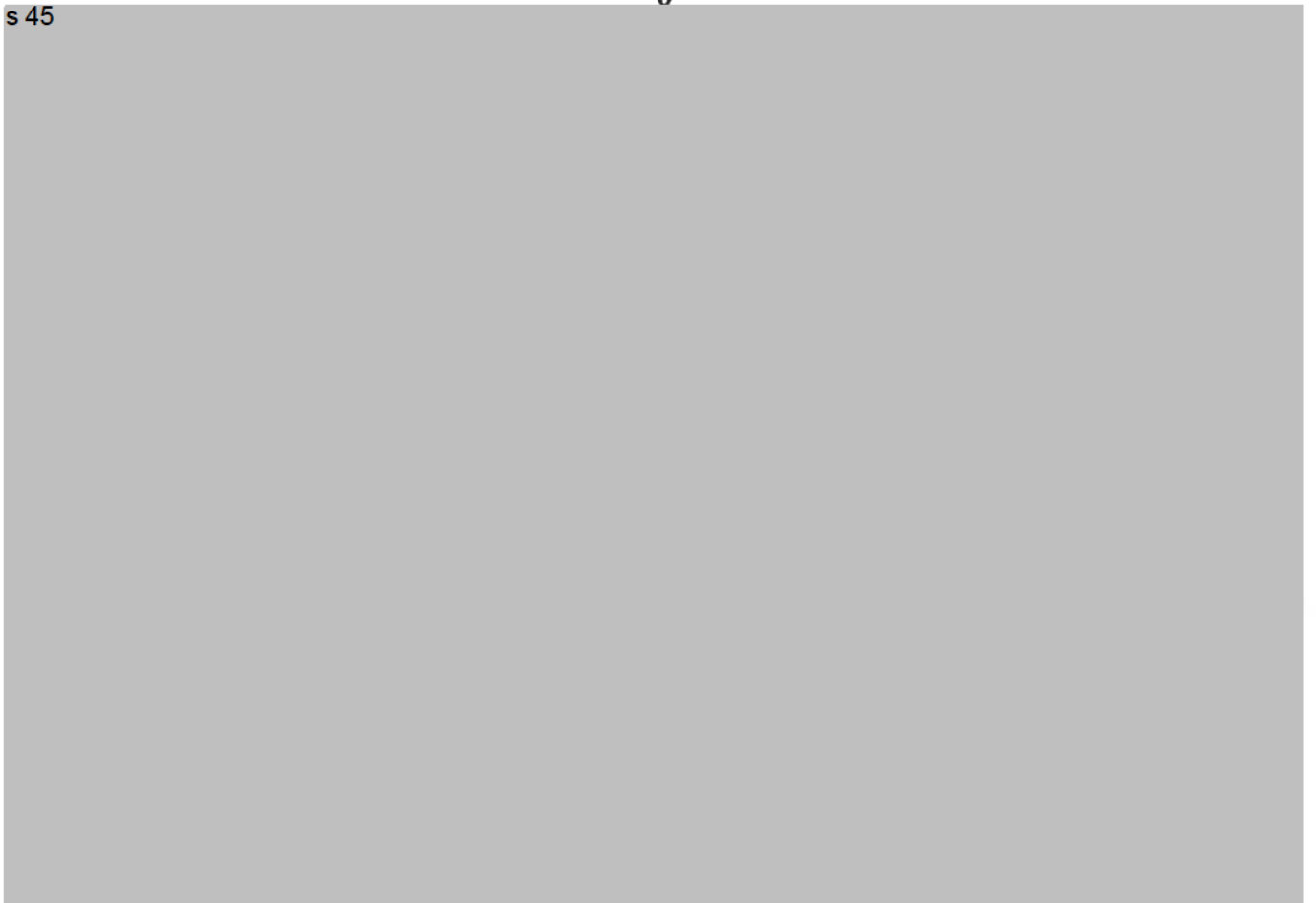
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Regional map



Media coverage

- We have not been able to locate any recent media coverage on this proposal.

s 45, s 47C



Consultations

s 47E(d)

