



Sinopec, China Firms Seek Canadian Financing, Resources

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By Rob Delaney

Sept. 15 (Bloomberg) -- **China Petroleum & Chemical Corp.**'s finance subsidiary said it held talks with Macquarie Group Ltd.'s Canadian unit as part of efforts to raise funds for the refiner's operations.

"We've had discussions over what kind of cooperation we can have in the area of financial services," said Song Guoming, a Sinopec Finance Co. Ltd. manager who held talks with Australia's biggest investment bank yesterday in Toronto. "We're studying their methods of raising funds."

Executives at Beijing-based **China Petroleum**, known as Sinopec, are in Canada's largest city this week with officials from more than 100 Chinese companies looking for financing channels as well as suppliers of natural resources, agricultural products and other raw materials at the 3rd Canada China Business Forum.

Sinopec, Asia's biggest refiner, plans "rapid" overseas expansion to secure oil supplies, **Huang Wensheng**, a company spokesman, said in an Aug. 24 interview. **PetroChina Co.**, the country's largest oil company, agreed on Sept. 1 to pay C\$1.9 billion (\$1.7 billion) for a stake in Athabasca Oil Sands Corp's Canadian projects, in its biggest North American acquisition.

"Chinese companies want to invest in many industries, particularly in natural resources, agriculture and fisheries," said **Yu Ping**, vice-chairman of the China Council for the Promotion of International Trade, a government body. "There's great potential for Chinese companies to invest in Canada, but many feel the financing isn't easy to get."

U.S. Dependence

Canada, the second-biggest exporter to the U.S. after China, wants to strengthen trade ties with the Asian country to reduce its dependence on the slumping U.S. economy. China's energy companies have agreed to buy at least \$13 billion in overseas assets since December, looking to take advantage of lower valuations amid the global recession.

Today's investment forum was organized by Yu's trade promotion group and the Canada China Business Council.

"I'm looking for supplies of zinc and lead here in Canada to support our smelting operations in China, and I'm prepared to pay whatever is necessary," **Xu Duofeng**, deputy general manager of government-owned miner Baiyin Nonferrous Group Co., said in an interview at the business forum.

Baiyin plans to use the proceeds of a share sale in Shanghai and some of the 10 billion yuan (\$1.46 billion) in annual revenue to buy the material, Xu said.

Citic Group, China's biggest state-owned investment company, and its subsidiary agreed last year to buy 49 percent of Baiyin.

Chinese Delegation

Executives from the finance arms of companies including **Aviation Industry Corp. of China**, **China State Shipbuilding Corporation Finance Co.** and **Shenergy Co.** also joined the delegation to

Canada.

Canadian Finance Minister **Jim Flaherty** met his counterpart **Xie Xuren**, Vice Premier **Li Keqiang**, Chinese central bank Governor **Zhou Xiaochuan** as well as financial industry regulators and municipal government officials last month in China. Flaherty, traveling with Manulife Chief Executive Officer **Donald Guloien**, sought to win more business for Canadian companies.

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