



Introduction

“Momentum – Australia and Italy Business Forum” has been held on 23rd – 24th September 2013. The event has been organised by the Italian Chamber of Commerce & Industry of Perth, with the support of Intesa Sanpaolo, in order to promote the economic connections between Italy and Australia.

The two-days conference aims to attract Italian and Australian bankers, lawyers and experts from the finance field, energy and infrastructure sectors to discuss future potential business opportunities between the two countries.

Massimo Perotti, ICCI’s Perth’s President, David Ritchie, the Ambassador of Australia for Italy and Walter Ambrogi, Head of International, Corporate and Investment Banking Division for Intesa San Paolo, delivered the opening speech on the first day. Giandomenico Ghella, ANCE President of International Contractors and Chairman of Ghella Spa, and Mark Barnaba, Chairman of Macquarie Group, presented the peculiarities of Australia and Italy’s trading, offering an interesting economic overview of the two countries. Mark Barnaba’s speech was supported by the technical contribution of James Shugg (Senior Economist Westpac Banking Corporation), Emilio Chiesi (Head of International Funding of Banca) and Andrea Montanari (Head of Italy Debt Capital Markets UBS).



Massimo Perotti – President of the Italian Chamber of Commerce & Industry - Perth



Mark Barnaba - President of Macquarie Group WA

Some interesting panels focussed on the major potential development sectors of Australia, such as mining, energy and infrastructure.

In the first panel, Craig Yaxley (KPMG Tax Partner and National Tax Leader – Mining) presented a general picture of the facts about the infrastructural development connected with the energetic sector. Simone Desmarchelier (Consul-General, Milan and Trade Commissioner - Austrade- Italy), Lucio Della Martina (CEO Nexus Energy), Daslav Brkic (Senior Vice President Business Development Saipem SpA) and Massimo Messeri (Chairman and President of Nuovo Pignone -GE Oil & Gas-) discussed and identified the main opportunities for the Italian and the international companies.



Craig Yaxley – KPMG Tax Partner and National
Tax Leader - Mining



The forum

Arent van Wassenauer (Partner Allen & Overy), Peter Sargent (Head of Global Loans and Transaction Banking Europe ANZ Bank), Simon Dodd (Intesa Sanpaolo Asia Pacific Hub General Manager, Corporate and Investment Banking Division) and Michael Dinham (Head of Infrastructure Finance & Advisory Business, ING) offered interesting directions about project financing to support infrastructure investment.

On the second day, Karyl Nairn (Head of Arbitration Skadden), Douglas Nordlinger (partner-head of Skadden's energy practice in Europe) and Ludovica Parodi, (Head of Legal GBS & ICT for Enel) analysed the Australian policy on foreign investments in the country. They also gave some useful guidelines about the initial stage on the market's introduction, with a focus on the creation of Italo-Australian joint ventures in the energy sector.



Main subjects arisen from the discussion

The main profit for the mining sector is export, with over US\$ 159,000 M in 2012/2013 and an expected growth of 10% in the next 5 years, due to the increasing demand of the Asian market (China, India, Japan and Korea).

Australia is the fourth coal producer and the first exporter in the world. It is also one of the main traders/exporters of raw iron, especially to China. Australia is expecting a huge increase in demand between 2013-2016, with a growth of 6.5%.

Among WA's main projects in the mining sector, we can see the following ones: FMG Expansion Project (US\$ 8,400 M, expected to be finished by 2105), Rio Tinto Expansion Project (US\$ 15,000 M) and Roy Hill Project (US\$ 10 M, which is expected to begin in 2015). In Queensland we have: BHP Billiton Caval Ridge Coal Project (US\$ 4,200 M, projected to begin in 2104/2014) and BHP Daunia Coal Project (US\$ 1,600 M, from 2013 onwards), Carmichael Coal and Rail Project – Adani (US\$ 10,000 M, projected to begin in 2015) and Alpha Coal Project - Hancock Prospecting PTY Ltd (US\$ 7,500 M, projected to begin in 2016).

Another developing sector is the power-generating sector, with LNG and CSG production. Australia currently is, indeed, the fifth power generator in the world.

Among the major investments in Western Australia: Gorgon Project-Chevron (US\$ 50,000 M, expected to start in 2015) and Browse Project-Woodside (US\$ 30,000 M, currently in its realising stage). In Queensland, the main projects are the Coal Seam Gas Project-Australia Pacific Lng (US\$ 23,000 M, commencing in 2015) and the Queensland Curtis LNG Project (US\$ 20,000 M commencing in 2014).

Another relevant sector for foreign investment is the infrastructure sector. In the last 10 years it has grown exponentially, driven by the mining boom and the Australian Government's support which encourage the mining industry to flourish.



Among the main future projects:

- Public transports (rail, underground and bus): the Brisbane Cross River Rail (US\$ 4,000 M), the Perth Light Rail Project (US\$ 1,800 M, intended to be finished by 2018);
- Network infrastructures (roads, tunnels and bridges): M2-F3 LINK-NSW (US\$ 4,5 M) and the East West Link in Victoria, with an US\$ 6,000-8,000 M value.

Other opportunities can be found in the sports sector, such as the new stadium in Perth, which fetches up to an estimated value of US\$ 1,000 M.

The Renewable Energy sector is also another growing industry in Australia. Australia is currently able to generate 11GW, which makes up 5% of the global production, placing it in the third place for growth rate among the G20 countries. 75% of the renewable energy comes from hydroelectric field, but also from wind power, which had a huge development over the last few years. As of 2012 the total amount of investment in the renewable energy is US\$ 4,200 M.

Some important Italian companies, which have successfully started their business in Australia (such as Eni-Saipem and Ansaldo STS), took part in “Momentum – Australia and Italy Business Forum”. ENI operates in Australia in the exploration and production of hydrocarbons and in the oilfield services, construction and engineering sector. Meanwhile, as of November 2012 Saipem has been awarded the EPC contract for engineering, procurement and construction of a gas pipeline for the Gladstone LNG Operations. Furthermore, it is proud of its more than 50 years’ experience in the energetic infrastructure field. Ansaldo STS is appointed to provide the rail telecommunications system for the Roy Hill Iron Ore project and is awarded the contract to provide all the signal system for the rail track in the Pilbara.

On the last day, the connections and the potential future opportunities between Australia and Italy have been discussed from a cultural point of view, highlighting the importance of cultural relationship between different countries and the need of encouraging investments in this sector by privates. Massimo Sterpi (Partner Studio Legale Jacobacci member of the board of the Guggenheim Venice), Stefano Carboni (Art Gallery of Western Australia), Alfonso Femia (5+1AA) and the Ambassador Ludovico Ortona (CEO of Arcus Spa) discussed the interesting topic.



The cultural panel



Walter Ambrogi from Intesa San Paolo

Conclusions

The first edition of “Momentum – Australia and Italy Business Forum” has been a successful initiative for the promotion of the connections between Italy and Australia, thanks to the support of remarkable partners, to the interest shown by all the attendees (approximately 100 people participated), and to the attention given by the media. Due to this highly successful event, a second forum will be held in Perth, Western Australia, in February 2015.



MOMENTUM FORUM

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