

FINANCIAL STANDARD ONLINE

Big infrastructure underscores China growth

Wednesday, 24 October 2012 11:30am

By **Ben Collins** | In **Investment**

Big infrastructure projects that facilitate rapid urbanisation are playing a major role in reshaping China's economy.

China's high-speed rail network contributes to growth sustainability by narrowing economic disparities, and this creates opportunities for companies to capitalise on.

High speed rail aside, an additional \$156 billion worth of accelerated infrastructure spending was announced by the China government last month.

On Premium China Funds Management's recent tour of China, Australian delegates visited the Hang Seng listed, integrated IT services provider Digital China.

Much of Digital China's offerings cater to the rapid growth of Chinese cities. For the 50-plus advisers on the trip, one of the more interesting projects was a citizen ID card program that amalgamates social security and financial information.

Another product that also complements urbanisation, and the increasing interconnectivity provided by infrastructure, is a food tracking system for supermarkets.

This allows customers, for example, to scan a meat product to instantly see its source, right down to the individual animal.

Banking technology is also in high demand, with Digital China deriving a lot of business from smaller banks in tier two and three cities that need to advance their offerings.

"While there are concerns about corporate governance, the technological and social infrastructure is very different than in Australia, and it's surprising to see just how advanced it is," said Michael Kakaras, financial adviser at Australian National Adviser.

Another adviser on the trip, Michael Holmes of Financial Momentum, said he was really impressed with the sheer scale of the projects in the works at Digital China, especially the citizen ID card.

Financial Standard was a guest of Premium China Funds Management

This story was found at: <http://www.financialstandard.com.au/news/view/23482844>

Printed: **Wednesday, 24 October 2012 1:36pm**