

Aussie firms can work Africa out of London

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AUSTRALIAN resources companies are being urged to base their future African operations in a city that is as “un-African” as one can imagine — London.

With Africa home to six of the 10 fastest growing national economies and an estimated two-thirds of the world’s undiscovered oil and gas reserves, the city’s promotional body, London & Partners, is making a concerted effort to sell itself as the best hub for activities in the continent.

“About 40 per cent of all overseas investment by Australian resources companies is going into Africa, and London is the logical place for those companies to work from,” chief executive Gordon Innes said.

Mr Innes, a dual Australian and British citizen who completed a law degree at Melbourne Univer-

sity, will next week tour Sydney, Melbourne and Brisbane pitching the benefits of a London office to Australian firms.

“A lot of Australian companies have already recognised that London is the right base for doing business in Africa but since the Olympics we think the arguments have become even stronger,” he said in an interview in his London office.

“London has become even more of an international hub since the Olympics because we have already had a new wave of Brazilian banks, Chinese companies and all sorts of other (foreign) companies setting up here.

“There are already 23 Australian resources companies listed here, on top of the big ones like BHP that are incorporated outside Australia, and 17 of them have done that just in the last two years.”

In the past year the Australian firms Black Mountain Resources, Rialto Energy, Bullabulling Gold, Tangier Petroleum, Wolf Minerals and Jupiter Energy have listed on the smaller AIM stock market.

One of the attractions of a London office is full access to the British government’s 14 diplomatic and trade posts on the continent, according to Mr Innes.

“You don’t have to actually list here,” he said. “Once you are just registered as a company based here you can use those posts just like a British company.”

Firms considering setting up in a local city like Johannesburg are often swayed towards choosing London by the city’s superior capital markets and access to support services such as legal, accounting and insurance companies.