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Boustead unit to tap Guangdong logistics growth

by Jamie Lee

BOUSTEAD Projects – which designs industrial spaces for aerospace and logistics companies – is tapping into plans by the Chinese government to ramp up logistics development in the Guangdong province.

It said on Monday that it will work with a Guangdong-based firm to jointly invest in and develop agricultural and commodities logistics networks in the province.

It signed a strategic framework agreement with Guangdong New Co-Operative Agricultural Products Wholesale Centre Investment Co Ltd (Guangdong New Co-Op), a business unit of Guangdong Provincial Supply & Marketing Co-Operative Society.

The framework will allow Boustead to look at joint acquisition of land, development and construction of logistics infrastructure and parks, and subsequent management or sale of completed projects.

The investments will be done through special purpose vehicles (SPVs). Guangdong New Co-

Op will take a 42 per cent shareholding in each project SPV, with Boustead taking a 30 per cent shareholding and other private investors taking up the remainder.

Boustead noted that the China co-op society remains a socio-economic tool of the Chinese Central Government to promote the bridging of urban-rural inequality and economic reform. The province is the largest provincial economy in China and represents more than 10 per cent of China's economic output. There are now plans by the Chinese government to develop logistics cities throughout the Guangdong province.

"Boustead Projects' ambitions in growing in China are underpinned by confidence that the country's markets still hold great potential for expansion and modernisation, especially within the agricultural and commodities logistics sectors," the company said in a release.