

**TALKING POINTS**

- The Foreign Investment Review Board has been working with China Nonferrous Metal Mining Group and Lynas Corporation on their foreign investment proposal.
- The application has some sensitive aspects.
- In particular, the Treasurer pays careful attention to proposals that involve a foreign customer potentially exerting control over a domestic producer, and where a proposal may restrict Australia's ability to remain a reliable supplier to our many trade partners.
- The Treasurer gave this proposal careful consideration, and offered to approve it subject to:
  - CNMC holding no more than 49.9% of Lynas Corporation and less than half of the total board seats;
  - CNMC and Lynas agreeing to market the rare earths product on an arms - length basis.
- [ s36 ]
- Regrettably, we have been advised that CNMC does not wish to continue the investment on these terms.
- The Treasurer has asked me to indicate his belief that China and Australia have a mutually beneficial trade and investment relationship.
- The Government has approved a record \$35 billion worth of Chinese investment applications since coming to Government, most without condition [ s 36 ]
- Australia's good relationship with China is squarely in our national interest.