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## China Invests In PIGS

No, not Portugal, Ireland, Greece and Spain. I mean real PIGS. This [from the FT](#):

As China's construction boom slows, steel mills across the country are scrambling to find ways to bolster profits, and one has hit on an unusual strategy: raising pigs. Faced with a bleak outlook for its core business, Wuhan Iron & Steel, China's fourth-largest by production, is investing Rbm30bn (\$4.7bn) over the next five years in non-steel sectors including pig, fish and organic vegetable farming as well as logistics and chemicals.

Wuhan's pig farm has quickly become the talk of the industry, but many of China's powerful steel groups – which account for more than 40 per cent of global steel production and about 8 per cent of China's gross domestic product – are also quietly expanding beyond their core business.

Most of China's big steel producers are state-owned companies, giving them access to cheap loans. When steel making becomes unprofitable, as it is now, steel groups can get higher returns by taking loans and investing the funds in other sectors, including real estate or financing vehicles that re-lend the money.

Don't worry, Australia, everything is fine over there.