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Xinhua General News Service

June 28, 2006 Wednesday 7:00 AM EST

CHINESE, AUSTRALIAN PMS UNVEIL FIRST EVER GAS PROJECT

BEIJING

Chinese Premier Wen Jiabao and Australian Prime Minister John Howard opened the first ever Sino-Australian liquefied natural gas (LNG) project in south China's Guangdong province on Wednesday.

The two premiers pushed the start-up button together in Dapeng Bay, Shenzhen city, in a ceremony marking the opening of the first stage of the project.

The project, with a total investment of 7.12 billion yuan (890 million U.S. dollars) for its first phase construction, is the first ever project for China to import LNG from abroad.

Under the contract, Australia will provide 3.7 million tons of LNG annually to China, which will supply domestic users in Shenzhen, Dongguan, Guangzhou, Foshan, Huizhou cities of Guangdong, and Hong Kong.

The project signals a deepening of China-Australia trade relations.

Wen welcomed Howard to the ceremony, saying it symbolized increasingly close China-Australia ties.

During his visit to Australia in April, the two sides agreed to develop comprehensive cooperative ties for mutual benefit in the 21st century with a series of goals and tasks, Wen said.

He told Howard that although only three months had passed since his visit, many agreements had already been actively implemented.

"China-Australia ties are regarded as an example of friendly cooperation between countries of different social systems," he said.

China-Australia exchanges and cooperation were more active than ever before, Wen said.

"We are willing to continue high-level exchanges with Australia, enhance strategic dialogues, and actively promote free trade negotiations in a bid to reach a high-quality bilateral agreement," Wen said.

China was ready to expand cooperation with Australia in the energy field, including "clean coal", new energy forms, alternative energy as well as safety of coal production,

he said.

Wen called on the two countries to cooperate in the peaceful use of nuclear energy, enhance educational and cultural exchanges and strengthen coordination in regional issues.

Howard said Wen's visit to Australia had boosted relations and China's economic boom offered opportunities to all countries, including Australia.

Australia would continue to work with China to promote cooperation and common prosperity, he said.

Howard said the two countries had enjoyed sound relations despite the different cultural backgrounds.

The LNG project symbolized stronger Australia-China economic ties, he said.

With abundant energy resources, Australia offered China a long-term, stable and quality supply of energy, he said.

Australia would like to boost cooperation with China in trade, energy and other fields, push the free trade negotiations and encourage cooperation in the peaceful use of nuclear energy, he said.

He also pledged to step up exchanges and cooperation on regional and international issues.

Howard is on a working visit to China from June 27 to 29 as guest of Wen. He will also attend a symposium on a China-Australia free trade zone on Wednesday in Shenzhen.