

GFC a 'bump' in the boom: Wal King

● The global financial crisis is just a "bump" in Australia's commodities boom, the chief executive of Leighton Holdings, Wal King, says. But he acknowledges that the company is more affected by a downturn in its iron ore operations than in its general contract-mining business.

The downturn has given Australia time to "plan for the future" to avoid skills shortages and infrastructure bottlenecks, King told a Melbourne Mining Club lunch.

Not only is growth strong in China, but "India is emerging quickly as a destination for Australian resources", he says. It has "not been affected by the downturn", growing at 5.4 per cent this year.

In the global financial crisis "earthquake", King says the "economic plates moved and are not returning to where they were. At the end of the street, you see some doing well, while at the other end ... you see a pile of economic rubble." The anticipated growth of world population to about 9 billion people will underpin demand for Australian resources, he says.

Leighton has operations in Indonesia, the Philippines and Mongolia. The company's Asian arm held its annual meeting in Mongolia this year to mark the company's recent expansion into the country.

King is bullish on Australia's position in the Asia-Pacific region but far less optimistic about Africa, which he regards with some scepticism.

The company has tried to avoid graft, he says. "We have always maintained that corruption is not only unethical but bad business."

David James