CHINESE FUND POISED TO ENTER BIDDING WAR FOR LONDON CITY AIRPORT

News / Airports / Routes, Finance

A secretive Chinese investment fund is understood to be poised to enter the 2 billionn bidding war for London City Airport.

Gingko Tree, a division of the Chinese state's foreign exchange regulator, is believed tobe in talks with Australia's Macquarie about teaming up to make an offer for the East London airport.

An agreement has not yet been reached with Macquarie.

However, if Gingko does join the auction for the airport it would be the first Chinese suitor to emerge for City.

Bidding has not yet begun for the airport, which was put up for sale by private equity giant Global Infrastructure Partners (GIP) in August.

Nevertheless, a number of consortia have started to form, including a group that boasts the support of the sovereign wealth fund of Kuwait and Canadian giant Ontario Teachers' Pension Plan.

An information memorandum on the sale is expected to be issued later this month, with first-round bids for City likely to be submitted by the end of November.

Gingko is a little-known London-based fund that makes infrastructure and property investments for China's State Administration of Foreign Exchange, the agency that is responsible for managing the nation's US$3.6?trillion of foreign reserves.

Last year, Gingko joined forces with the Crown Estate for a 345.5 million pounds swoop on Fosse Park, an outdoor shopping complex in Leicester, and it also owns 40 percent of UPP, the student accommodation group.

GIP, which also owns Gatwick and Edinburgh airports, hopes that City will fetch at least 2 billion pounds and wants a sale wrapped up by the end of the year.

Some bankers have expressed scepticism about the mooted price tag, but GIP believes that the scarcity value of the airport will work in its favour.

A spokesman for Macquarie declined to comment and Gingko Tree could not be reached for comment.

04 OCTOBER 2015

SOURCE: THE TELEGRAPH
ARTICLE LINK:
https://50skyshades.com/news/airports-routes/chinese-fund-poised-to-enter-bidding-war-for-london-city-airport

