

INTERNATIONAL BUSINESS RELATIONS

Address by Senator Gareth Evans, Minister for Foreign Affairs and Trade, to the Function for the Bachelor of International Business Relations Degree, Griffith University, Canberra, 29 August 1991

Since I took up this job, I have been preaching the need for our trade and foreign policy to combine intelligent analysis and anticipation of events with an innovative approach combining various disciplines. I have also underlined the need for us to identify opportunities in our region. The Griffith University International Business Relations course embodies enough of those themes for me to feel justified in a bit of metaphorical table thumping and saying "I told you so".

Of course, I haven't been alone in these views. The Hawke Government took the view from the outset that Australia's future depended on a similar outlook in economic terms. It has thus fostered an outward-looking, competitive economy with a diversified export base. Both major arms of government economic policy - macroeconomic and microeconomic - have been systematically developed and applied to increase the competitiveness of the economy. In our fourth term of government, the pace of economic reform continues to accelerate, as we work our way through such difficult items as the waterfront, transport, telecommunications, education and energy.

And we are starting to see the results of eight years of economic reform. Last financial year, Australia ran a healthy surplus on its trade in goods and reduced substantially the deficit on trade in services. The current account deficit is improving, but, with a debt of \$133 billion, there is still a long way to go. This is where the new graduates from Griffith University will be able to help.

The fact is that in economic, foreign and trade policy we are confronting a radically changed world, one that demands new skills and new perceptions of us. The failure of the coup in the Soviet Union last week underlined the extent to which the ideological divide between East and West, once the organising principle of international relations, has disappeared. There is a growing international recognition that not only is liberal democracy the only way to go, but that its economic counterpart, economic liberalism, is working and that other models of development have not. Governments around the world, traditionally entranced by central economic planning, are moving to adopt more liberal policies.

The easing of super-power rivalry has encouraged a marked trend toward globalisation. The international community can now cooperate more effectively, using the mechanism of the United Nations to deal with regional disputes, such as Cambodia, that we once thought, despairingly, were intractable. There is growing acceptance that important issues, such as disarmament, the environment, trade regulation and indebtedness can be dealt with only by multilateral and global cooperation. In an age when capital and information flow freely, it is all but impossible to remain insulated from outside developments.

One development of particular relevance to Australia is the phenomenal growth of the Asia-Pacific region to become the most economically dynamic in the world and the centre of world production. About half our trade is now with the Western Pacific alone. Our future lies in comprehensive engagement with this region and in encouraging it to retain the characteristics of openness and dynamism which have served it so far.

The shape of world trade is undergoing fundamental shifts. The European community is continuing its drive towards a single market after 1992. It is very likely that a North American Free Trade Area including Mexico will soon be formed. We cannot predict yet what will result from the return of Hong Kong to China. South Africa's re-emergence to civilisation may have the effect - we certainly hope so - of giving a kick-start to the economies of the whole of Southern Africa. The rediscovery of market mechanisms in Eastern Europe will have global impact. And the results of the Uruguay Round, whatever its final outcome, will have to be taken into account.

Even the nature of trade is changing fast. Improved communications mean that more and more business is conducted on a global scale and at almost instantaneous speeds. Advances in communications are poised to revolutionise the way international and domestic business is conducted through paperless trading. And a revolution in transport has fundamentally changed the economics of the movement of people and merchandise.

We in Australia are part of these changes. We need to be able to anticipate changes intelligently and do what we can to turn them to our advantage. This holds true for both government and business. The changes I have outlined will produce a world where the competition for markets, capital and ideas is more intense. But rather than close our eyes to competition, which is what we did in the past, we should prepare ourselves for it. Those who understand and are properly equipped to use the greater efficiency that competition will bring are likely to benefit from the growth in world trade. The converse of this is also true. We can expect the ill-equipped to find increasing difficulty in coping with the more intense and widespread competition that will be a feature of the international trading system.

On the whole, I don't know that this country's performance in educating our business people to take advantage of this competition is what should be expected of a nation which exported goods worth \$51,000 million in 1990. I believe that it is essential that our international business education be improved, and particularly that our young business people learn about the joys of exporting goods and services rather than thinking of overseas as a sort of holiday that you take from the serious business of the domestic market - or that you turn to in extremis when the local market lets you down.

The Griffith University program, the first undergraduate program in international business relations in Australia, is a very welcome development in this regard. It satisfies the criteria that I mentioned at the start of my address. It covers various disciplines. It encourages an outward orientation and focuses on Australia's own region. It will produce more than 100 qualified students each year with the sorts of skills that we need if we are to profit from international competition.

I am encouraged in particular by the emphasis in the course on the languages, customs and practices of Asian economies and societies. Australian exports to Asia in 1990 totalled nearly \$30 billion, or three-fifths of our global exports. That amount is growing rapidly. Our exports to South-East Asia alone showed a remarkable growth of almost 27 per cent in 1990 over the preceding year. The skills and knowledge gained by the new graduates through the Griffith University program will be of great benefit to organizations and companies seeking to expand their activities in our fastest growing markets in North and Southeast Asia.

Naturally, education does not halt at the Campus gates. The Government recognizes that skills can be effectively augmented by on-the-ground training in language and local culture. So we are encouraging the development of these skills through the Asia-Pacific Business Fellowship Scheme which the Prime Minister announced in the 12 March industry statement. This initiative is a partnership with business. It will encourage Australian companies to develop international commercial and linguistic skills, particularly in the Asia-Pacific region. Successful candidates, with the sponsorship of their employing company, will live and work in a designated country while concentrating on developing those skills. I would encourage any of the new Bachelor of International Business graduates from Griffith University, together with their employers, to explore the opportunity presented by this program.

The Griffith University program shows the awareness of both students and educators of the need for an export culture in Australia. The increased number of candidates enrolling for the course since its inception in 1989 shows that this is a growing need. And the fact that the intake has grown while the high required entry score has been maintained shows that the right minds are accepting the challenge and opportunity that the course offers.

Australia, not just the students or their eventual employers, will be a beneficiary of this course. I am confident that the new graduates will make an impact on this country's international business activities. I wish them success in the careers now opening before them. I hope that Griffith University will continue to build and enhance its educational activities to meet the present and future needs of the people and commerce of Australia.

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