

BROADENING AUSTRALIA'S IMAGE IN THAILAND:

THE AUSTRALIAN GOVERNMENT'S ROLE

Address by Senator the Hon Gareth Evans QC, Minister for Foreign Affairs,
to the Australia-Thailand Business Council, Park Lane Hotel, Sydney,
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When Prime Minister Anand addressed this Council one year ago, he said that if we Australians could make up our mind who we are, where we belong, and where we want to be in the future, then Asian countries like Thailand would readily accept our decision.

For me, and I suspect everyone in this room, that makes things much easier: we have made up our minds. Happily, we have reached a stage in our history where our place in the world and our future coincide with our geography. We are a multicultural nation of the Asia Pacific region, comfortable with that fact and enthusiastic about the future that lies ahead. As Prime Minister Keating and I have become fond of saying, the old "tyranny of distance" has been replaced by a new recognition of "the advantage of proximity".

Of course, given the pace of change both in Australia and our immediate region it is not surprising that sections of our two communities have yet to catch up with the new realities. A large number of Australians themselves are still coming to terms with the new Australia which is fundamentally different from that of a decade ago. One result is that our regional friends sometimes receive mixed signals about where Australia is now and where it is heading.

In my experience 'conventional wisdom', as false perceptions are sometimes generously described, has a very long shelf life - and is a difficult product to shift. The lesson in all this, and I think this is the more subtle point that Prime Minister Anand was making, is that perceptions matter, that false perceptions are an impediment.

Who then is responsible for getting the perceptions right? The short answer is

a great many of us, but there are particular roles for government, not exclusive roles, but roles where government can carry the main burden. I have in mind such things as articulating the vision, getting the macro and micro economic settings right at home, broadcasting the message abroad, and working assiduously to open up the global trading system.

Over the past decade the Australian Government has, quite properly, taken on a leadership role in substantially restructuring our domestic economy and in articulating in a very clear and forthright manner that our future lies in our immediate neighbourhood. The historic transformation of the Australian economy has enabled Australian business to reposition itself to take advantage of the booming Asian markets.

Favourable conditions now exist in Australia for sustained output growth. We have low inflation (down to 1.9 per cent last financial year), low interest rates, low Commonwealth public debt, the lowest tax to GDP ratio in the industrialised world, better underlying profitability, improved international competitiveness, strong export growth, and a focus on productivity improvements.

We have had five successive quarters of output growth and last financial year real output grew by 3.3 per cent. Our recent growth rate has been stronger than virtually all industrialised countries, including Japan, the US and Germany. Most importantly, it has occurred despite a subdued global economy, very poor performance in most of the OECD area and weak commodity prices. In anyone's language, that is a pretty respectable performance.

The fact that we have been able to grow as we have attests to the extent to which we have engaged with the burgeoning markets of Asia and is reflected in the recent trade growth between our two nations. In 1992/93, our bilateral trade grew by 33 per cent to reach almost \$2 billion, with Australian exports to Thailand growing by an impressive 46 per cent: in two years Thailand went from our 20th to our 12th largest export market. Sophisticated manufactures made an important contribution to that export growth, growing by 19 per cent in 1992 and accounting for 24 per cent of our merchandise trade with Thailand.

I should make the point, however, that given the complementarities between our two economies and the relatively low share we each enjoy of the other's trade - less than 2 per cent each way - there is room for those relations to expand considerably. Take investment: while the way the figures are compiled can substantially understate the true level of Australian foreign investment, our investment - increasingly a precursor of trade growth - remains much lower than many of us would like.

Clearly, we have a broad base of relations upon which to build: our Embassy in Bangkok is one of our largest, we work very closely together in the Cairns Group, Thailand was one of the earliest and strongest supporters of the APEC initiative and is actively participating in its working groups. There is significant defence cooperation between our two countries, and we cooperate closely on narcotics control, refugee settlement and education. With Bangkok as Qantas's regional hub, we are also witnessing increased people to people contact through improved two way tourist flows. In the first six months of this year alone the number of Thais visiting Australia almost doubled to 22,000, while around 200,000 Australians choose Thailand as their holiday destination each year.

Overall, however, Australia continues to be best known as a supplier of agricultural and mineral products - and, increasingly, as a holiday destination - but not as a supplier of high tech goods and services. Obviously that is not good enough.

We need to get the image right in both Thailand and other countries of the region. While ultimately, it will be how individual Australians and Australian companies conduct themselves in Thailand that determines how we are perceived as a nation, the Government can nevertheless play a leading role in broadening Australia's image. In recognition of this responsibility, the Government has a number of programs in place or in prospect aimed at enhancing our engagement of the region and at promoting an accurate understanding of contemporary Australia. These include the Market Australia campaign announced in the recent budget and the "Australia in Asia" package of initiatives which I launched earlier this year.

The \$21 million Market Australia campaign, which will be launched later this

year, will form an important part of our public diplomacy. It will promote Australia as an advanced economy which, in addition to great strengths in mining and agriculture, is drawing on its high-tech base to produce high value-added goods and services for the booming Asian markets. It will not deny the fact that Australia is a first-rate farm, supplier of minerals and holiday resort, but it will make the point that we are much more than that. In Thailand, it will point to the export of the Australian built Toyota Camry to show that Australia makes products to world standards of quality, price and delivery. And it will also point to the Australian firm, Concrete Constructions, building Bangkok's tallest skyscraper, the Baiyoke II tower. Market Australia will also show that success is not limited to the large companies and point to the recent report by the international consulting firm McKinsey & Co which showed that 700 small to medium sized manufacturing companies in Australia have doubled export sales in five years to \$8 billion and are expected to double them again in the next five years.

The Market Australia campaign will also complement the whole range of initiatives that I launched earlier this year as the "Australia in Asia" package. This package of 18 specific initiatives is designed to provide more business-oriented analysis of Asian economies, to build more extensive business networks in Asia, to update our image in Asia, and to improve the knowledge and awareness of Asia in Australia. Together with the Market Australia campaign, it should go a long way to broadening Australia's image in Thailand.

One of the key initiatives is the new Asia Economic Centre, designed to assist Australian business by providing business-oriented economic analysis of export and investment opportunities in Asian countries. It will seek to establish strong linkages with similar institutes in the region and there is obvious potential to link up with Thai institutions such as the Thailand Development Research Institute.

The National Trade and Investment Outlook Conference in November, which will culminate with the Australian Export Awards, will be the most important trade and investment meeting ever held in Australia. It will bring to Australia leading business and political figures, including Dr Supachai who will visit as a Guest of the Australian Government and deliver a keynote address to the

Conference. The Conference will examine what global trade and investment trends mean for Australian business and take a sharp focus on opportunities in the Asian region.

While it will be important for Australian business to understand regional economic developments, there is also a need to expand business networks in Asia. To this end, we are funding a special business visitors program, an Asian alumni network, an Asian entrepreneurs scheme, and a management exchange plan. In addition to the business visits program, the Government is seeking to promote more accurate images of Australia through a media visits program which has already brought Thai journalists to Australia, including for this meeting of the Australia-Thailand Business Council.

Other programs in the "Australia in Asia" package focus on expanding Australia's sporting and recreational links; promoting greater linkages between Australian and Asian academic and research institutes; establishing an officials exchange program with Asian countries; and expanding on the Asia-Pacific University Mobility Program to ensure that more Australian students can undertake study and research in the region. These initiatives which underline the importance of direct people-to-people links will add to the existing bilateral visits program that, in recent years, has seen Major-General Chamlong, Dr Surakiart and Justice Minister Suwit visit Australia.

The fourth arm of the "Australia in Asia" initiatives is designed to foster a still better understanding of Asia in Australia. Under the Prime Minister's Asia lecture series, each year three eminent Asians are to be invited to deliver keynote lectures to appropriate audiences. There is an Asia Fellowships Program for Australians from a wide range of professional and occupational backgrounds to undertake short-term professional development, exchange, study and travel in Asia and for Australian teachers of Asian studies and languages to undertake short term study in Asian countries.

All these initiatives are to be reinforced by our continuing cultural relations program. This year, the program is bringing Thai artists to the Queensland Art Gallery for the opening of the Asia-Pacific Triennial which incorporates the work of seven Thai artists, while the Australia Council will continue its sponsorship of the Australian Artist-In-Residence Program at Silapakorn

University. Last year's performance by the Australian Chamber Orchestra, performed as part of the cycle of Birthday celebrations for Her Majesty the Queen, was critically acclaimed in the Bangkok press and compared favourably with groups from Italy and Germany. Building on the successful visit by the Australian Ballet Company in 1989, all these activities serve to increase awareness in Thailand of Australia as a modern, diverse and sophisticated country. They also serve to demonstrate the real benefits both countries can derive from each other's cultures.

One of the most important vehicles for broadening a country's image will always be through educational links. There is clearly room for a major expansion in this field. With a view to upgrading these links, a new position of Education Counsellor is being established at the Embassy in Bangkok. This should help meet the demand from Thai students wanting to come to Australia [there are currently around 2200 Thai students in Australia] and complement the work being undertaken by the National Thai Studies Centre at the Australian National University in Canberra.

While an Australian company might be building the tallest skyscraper in Bangkok, our current showpiece in Thailand is, of course, the "Friendship Bridge" - the first bridge ever to straddle the mighty Mekong River which divides Thailand and Laos. This \$42 million project, which was agreed between Prime Ministers Chatchai and Hawke in 1989, is our highest profile activity in the region. In a very real sense, it adds substance to Thailand's policy of turning the Indo-Chinese "battlefields into market places". Not only will it open the border between Thailand and Laos, but it will also connect South-East Asia with North-East Asia and help Thailand realise its potential as a link between these two dynamic regions. The bridge is also deeply symbolic for Australia. It is as concrete an example as you can get of our engagement with Thailand and Laos and a testament to our efforts to promote peace and economic stability in Indo-China. At the same time, it is a showpiece for Australian bridge and road design and construction expertise.

The Australian Government understands that changing people's images of others and their countries is not an easy task. Given the wide cultural divide that might, in the past, have characterised our respective approaches to the world, and given us markedly different lenses through which we might view

one another, we could never expect fundamental change to occur overnight. Clearly, fundamental change is now taking place, although there is still a good distance to travel.

It is important, therefore, for Government to continue taking the lead in helping to get the image right. But to achieve the full potential of the Australia-Thailand relationship wider effort is, of course, required. This Council has played an important role to date and will continue to do so. I therefore wish you another productive day's work.