

RECOGNISING EXCELLENCE

Speech by Senator Gareth Evans, Minister for Foreign Affairs, representing the Minister for Trade, Australian Exports Awards presentation dinner, Sydney, 28 November 1995.

My colleague Bob McMullan would have loved to have been here tonight presenting these awards, but he had to forego the pleasure in order to be in Washington taking up the export cause on behalf of Australian farmers.

It was crucial that the Trade Minister be in Washington this week as the new US Farm Bill neared completion - to represent Australia's interests and, with representatives of Australian rural industry, to argue against the extension of export subsidies which would affect Australian farm product.

However, Bob McMullan's disappointment is my gain. It is my very great pleasure to be here tonight and acknowledge the importance and the achievements of Australia's exporters.

Tonight we honour *achievement*. The Australian Export Awards seek to recognise and honour excellence in exporting.

Finalists in the 1995 Awards include an astonishing range of markets and products. There is fused zirconia and alumina bound for refractory industries; shark liver oil; upholstery leather, rock music and rolling stock ... just to name a few.

As a former Minister for Resources and Energy I would never undervalue the crucial importance in our economic history and to this day of our more traditional exports - wool and wheat and beef, and coal and iron ore and oil and all the rest. They underpinned our standard of living for many decades, and continued to do so to a significant extent.

But the achievements of our exporters honoured tonight are of a different order. And they have had to be. Because since the late 1980s, we simply

haven't been able to rely on our commodity exports to the extent we traditionally did.

A decline in our terms of trade meant that we were increasingly getting less in terms of prices for any given quantity of commodities. By the late 1970s this had become systemic and irreversible. Our narrow (but still rich) economic base faced long-term erosion. Our former strengths were becoming less potent.

We faced a fork in the road: muddle through and rely on our traditional strengths, or develop new strengths, bringing new groups in our community to the task of winning income abroad, and generally internationalising our economy, connecting more of its sectors with the new global economy which emerged at same time our terms of trade deteriorated.

- We of course chose the latter road.

The task of changing the economy and better connecting it with the reality of the global economy goes on. But tonight is an opportunity to look at how far we have come since we took that path at the fork.

What is really important about tonight and what it stands for is the variety of the sectors in the export game - coal to community hospitals, sugar to scientific instruments, engineering to rock bands - and the diversity of the sizes and types of firms exporting these days

- it is not just the big wheat and iron ore companies, but the smaller, more specialised companies picking off global opportunities.

When just a handful of exporters - the 37 to be exact who are finalists tonight - can generate \$2.3 billion in export sales in just 12 months, something right must be happening.

And of course, through the 1980s and 1990s, Australians have worked hard, together, to make sure that we do get it right.

Australian business has worked hard to acquire an export culture and has, increasingly, demonstrated it has got what it takes to win foreign markets: that is, a good product sold with sheer persistence and guts.

And the Australian Government has worked hard to build a more competitive and efficient and outward-looking economy - and to create a global market place where competitive and efficient and outward-looking exporters are rewarded.

I know this as Foreign Minister.

Whether it was working to improve the global trade environment as we did through the Uruguay Round of the GATT negotiations - and as we plan to do in the next Round of trade negotiations under the new World Trade Organisation

- or whether it is working on a government to government basis to open the door for Australian firms competing for contracts or for a niche in the foreign market place

- or whether it is working through APEC to secure more liberal trading rules in the Asia-Pacific region

the goal for the Australian Government has been the same: to secure Australia's future through exports.

Let me add a few words about APEC - the Asia Pacific Economic Cooperation forum. Last month Prime Minister Keating attended the summit of APEC leaders at Osaka, and Bob McMullan and I attended the related ministerial meetings. These meetings produced benefits of lasting significance to Australians exporters.

The APEC region has half of the world's production, two fifths of the world's population and now accounts for around three quarters of Australia's merchandise trade - up from two thirds a decade ago.

It is a region of fundamental importance to our future. Most of Australia's largest trading partners are APEC members. So it was of fundamental importance, last year, when the APEC leaders committed themselves to freeing up trade and investment in the Asia Pacific region by the first two

decades of the next century. And it was of fundamental importance last month at Osaka when the leaders reaffirmed that commitment and laid down an Action Plan to achieve it.

We estimate the APEC commitments on trade facilitation and liberalisation will lift the income of APEC economies by some 3.8 per cent - equivalent to the combined size of the Australian and Korean economies. They will lift Australia's annual income, when all the effects have flowed through, by some 6.8 per cent, or \$40 billion - and through the course of the process, will generate around 500,000 new jobs in Australia.

At Osaka, APEC countries announced preliminary "downpayments" to show they are serious about freeing up trade. As the Prime Minister told Parliament recently, these measures showed that the APEC economies have done something that the G7 economies could not bring themselves to do earlier this year. APEC has indeed become the principal catalyst for global trade liberalisation.

The Osaka agreement will bring many benefits to Australia - for example, in the form of protection for wine makers using geographical names on wine labels; better access to tariff data; and improved mobility for business travellers. Small to Medium Enterprises, who are well represented here tonight, will benefit from the APEC commitment to remove impediments to their growth including in the area of standards and customs.

Those of you with a deep aversion to red tape and regulatory requirements will be interested to know that an APEC survey found that the average international business transaction involved 27 to 30 parties; 40 documents, 200 data elements - 30 of which are repeated at least 30 times - and the re-keying of 60-70 per cent of the data at least once. The APEC customs initiatives will benefit business, reduce transaction costs and speed up trade flows by cutting at the red tape.

So these Export Awards remind us of some very important truths about ourselves as Australians and about our place in the world.

If there's one thing in this country that can and should unite us - across party

lines, public/private sector lines, employer/employee lines - it should be a shared determination to lift the nation's level of exports and raise national wealth.

If we are going to sustain and increase the standard of living we cherish in this country

- if we're going to have sustainable economic growth with low inflation, low interest rates and high investment and high employment

- if we're going to continue creating jobs for Australians

- and that is certainly what we are about in this country

then we simply have to export.

And over time we have to reduce our reliance on exporting agricultural and mineral commodities and build up our export of high-value-added manufactured goods and services.

That is what we recognise tonight, and it is a pleasure to be here to join in honouring the 1995 Export Award winners.