

SPEECH BY THE PRIME MINISTER  
OPENING OF THE THIRD CHINA-AUSTRALIA SENIOR EXECUTIVE FORUM  
BEIJING - 20 MAY 1986

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PREMIER ZHAO

DISTINGUISHED PARTICIPANTS

THIS THIRD MEETING OF THE CHINA-AUSTRALIA SENIOR EXECUTIVE FORUM IS A FURTHER INDICATION OF THE GROWING STRENGTH OF THE COMMERCIAL RELATIONSHIP BETWEEN OUR TWO COUNTRIES. THE FORUM WILL PROVIDE YOU WITH THE OPPORTUNITY FOR BUSINESS CONTACT, FOR EXCHANGING INFORMATION ON HOW BUSINESS IS DONE IN BOTH COUNTRIES, AND FOR EXPLORING COMMERCIAL JOINT VENTURE PROSPECTS IN CHINA AND AUSTRALIA. YOUR SUCCESS IN THESE ENDEAVOURS WILL BRING OUR NATIONS CLOSER TOGETHER AND WILL STRENGTHEN THE FRIENDSHIP THAT HAS BEEN DEVELOPED BETWEEN US. I FULLY ENDORSE AND APPLAUD YOUR EFFORTS, AND I WISH YOU EVERY SUCCESS.

MUCH HAS ALREADY BEEN ACHIEVED IN ECONOMIC COOPERATION BETWEEN OUR TWO COUNTRIES AND I WILL BE REVIEWING THIS IN MY REMARKS. NATURALLY, WHEN THE PROSPECTS ARE SO EXCITING AND THE REWARDS, BOTH COMMERCIAL AND SOCIAL, SO PROMISING, THERE IS CONSIDERABLE IMPATIENCE.

HOWEVER, I BELIEVE IT HAS TO BE REMEMBERED AT ALL TIMES THAT WHAT WE ARE TRYING TO BUILD IS A STRUCTURE THAT WILL ENDURE AND PROSPER INTO THE 21ST CENTURY AND BEYOND. GOVERNMENT AND BUSINESS NEED TO BRING TO THIS TASK A LONG VIEW AND A PREPAREDNESS TO LOOK FURTHER THAN NEXT MONTH OR NEXT YEAR FOR RESULTS.

OCCASIONALLY, WE WILL BE FRUSTRATED, SOMETIMES BECAUSE RESULTS ARE SLOW IN COMING AND SOMETIMES BECAUSE IT IS JUST NOT POSSIBLE FOR THE PEOPLE OF OUR TWO COUNTRIES TO REACH EARLY AGREEMENT ON SOME PROJECTS.

WE ARE INVOLVED IN A COMPLEX LEARNING PROCESS IN ECONOMIC RELATIONSHIPS AND IT WILL TAKE US TIME TO ACHIEVE ALL THE POTENTIAL. I AM ABSOLUTELY CONFIDENT THAT WE WILL SUCCEED IN THE END, NOT LEAST BECAUSE OF THE EFFORTS WHICH HAVE BEEN MADE AND ARE BEING MADE BY REPRESENTATIVES OF COMMERCIAL INSTITUTIONS OF BOTH OUR COUNTRIES.

THE FRUSTRATIONS I HAVE REFERRED TO IN NO WAY DIMINISH THE IMPORTANCE OF WHAT WE ARE DOING, THE ENTHUSIASM WITH WHICH WE APPROACH THE TASK OR THE PROSPECT OF A VERY LONG, MUTUALLY BENEFICIAL AND FRIENDLY RELATIONSHIP AT ALL LEVELS - POLITICAL, SOCIAL, CULTURAL AND COMMERCIAL.

BOTH OUR ECONOMIES HAVE GROWN STRONGLY IN RECENT YEARS. PREMIER ZHAO ZIYANG'S IMPORTANT STATEMENT TO THE NATIONAL PEOPLE'S CONGRESS EARLIER THIS YEAR DESCRIBED THOROUGHLY CHINA'S PROGRESS. ECONOMIC GROWTH IN CHINA HAS BEEN EXCEPTIONALLY RAPID IN THE PERIOD OF THE SIXTH FIVE YEAR PLAN, REACHING ABOUT 12 PER CENT PER ANNUM OVER THE PAST TWO YEARS. IN 1985 ALONE, INVESTMENT ROSE BY A STAGGERING 54 PER CENT AND INDUSTRIAL OUTPUT BY 18 PER CENT. AUSTRALIA'S GROWTH OVER THE LAST THREE YEARS HAS AVERAGED ABOUT 5 PER CENT PER ANNUM, MAKING AUSTRALIA ONE OF THE FASTEST GROWING OF THE WESTERN INDUSTRIALISED COUNTRIES.

THESE ARE REMARKABLE ACHIEVEMENTS. THEY ARE A TESTIMONY TO THE SUCCESS OF THE ECONOMIC POLICIES OF OUR TWO GOVERNMENTS. BUT IN PURSUING OUR GROWTH STRATEGIES WE BOTH HAVE ENCOUNTERED BOTTLENECKS IN THE DEVELOPMENT PROCESS.

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CHINA'S TRANSPORTATION SYSTEM, FOR EXAMPLE, HAS BEEN STRETCHED TO THE LIMIT, CONSTRAINING BOTH THE PACE AND BREADTH OF ECONOMIC DEVELOPMENT.

CHINA'S BALANCE OF PAYMENTS HAS ALSO EXERTED A RESTRAINING INFLUENCE.

THE INVESTMENT BOOM IN CHINA HAS CALLED FORTH MASSIVE INCREASES IN IMPORTS OF FINISHED IRON AND STEEL, TOGETHER WITH OTHER IMPORTED INTERMEDIATE PRODUCTS. CHINA'S RAPID GROWTH IN CONSUMER DEMAND HAS PLACED FURTHER STRAINS ON ITS BALANCE OF PAYMENTS. HIGH CONSUMER DEMAND ALSO HAS CONTRIBUTED TO A 9 PER CENT INCREASE IN THE RETAIL PRICE INDEX IN 1985, COMPARED WITH ABOUT 2½ PER CENT THE PREVIOUS YEAR.

AUSTRALIA, TOO, HAS FACED IMBALANCES IN ITS EXTERNAL ACCOUNTS WHICH ARE PLACING LIMITS ON SUSTAINABLE GROWTH IN DOMESTIC DEMAND, AT LEAST FOR A TIME.

THE LARGEST PART OF AUSTRALIA'S DIFFICULTY WAS THE MANIFEST UNCOMPETITIVENESS OF IMPORTANT AREAS OF OUR ECONOMY IN THE PERIOD PRIOR TO THE DEPRECIATION OF OUR CURRENCY IN 1985. RESTORATION OF OUR COMPETITIVENESS OVER THE PAST YEAR HAS UNLEASHED POWERFUL FORCES TO REDRESS THOSE IMBALANCES.

HOWEVER, WE HAVE ENCOUNTERED A FURTHER DIFFICULTY STEMMING FROM A SHARP DETERIORATION IN THE PRICES WHICH WE RECEIVE FOR OUR EXPORTS COMPARED TO WHAT WE PAY FOR IMPORTS. THIS IS A REFLECTION OF THE POOR PRICES AVAILABLE FOR MANY COMMODITIES ON WORLD MARKETS - AND HAS BEEN EXACERBATED RECENTLY BY THE FALL IN CRUDE OIL PRICES.

OUR DOMESTIC ECONOMIC POLICY STANCE HAS NEEDED TO ADJUST TO FACILITATE AN IMPROVEMENT IN OUR CURRENT ACCOUNT POSITION. AFTER A PERIOD IN 1985 WHEN DEMAND WAS GROWING AT AN ANNUAL RATE OF SEVEN PER CENT, AUSTRALIA IS NOW MAKING THE TRANSITION TO A GROWTH RATE WHICH IS STILL HIGH BY MOST STANDARDS, BUT MORE COMPATIBLE WITH SUSTAINED GROWTH. AS PART OF THIS TRANSITION WE HAVE TAKEN STEPS TO EASE INFLATIONARY PRESSURES AND TO SECURE THE MAXIMUM FEASIBLE SUSTAINED IMPROVEMENT IN OUR COMPETITIVENESS.

OUR EMPHASIS IS TO PROVIDE AN APPROPRIATE MACRO-ECONOMIC ENVIRONMENT AND OTHERWISE TO SUPPORT OUR COMPETITIVENESS IN OPEN WORLD TRADE BY POLICIES TO CONTAIN THE GROWTH OF OUR DOMESTIC COSTS AND TO MAXIMISE PRODUCTIVITY. WE ESCHEW POLICY ALTERNATIVES WHICH WOULD PLACE ADDITIONAL ARTIFICIAL RESTRAINTS ON THE GROWTH OF TRADE.

A SIMILAR TRANSITION IS TAKING PLACE IN CHINA. MEASURES ADOPTED BY THE CHINESE GOVERNMENT SINCE MID-1985 ARE BEGINNING TO LOWER OVERALL ECONOMIC GROWTH AND TO EASE THE STRAINS ON INFRASTRUCTURE AND ON PRODUCTION CAPACITY IN KEY SECTORS. BUT CONSTRAINTS ON GROWTH WILL CONTINUE TO BE IMPOSED IN THE NEAR FUTURE BY CHINA'S BALANCE OF PAYMENTS DIFFICULTIES.

THE PROSPECTS OF A SUBSTANTIAL OVERALL IMPROVEMENT IN CHINA'S EXPORTS HAVE ALSO BEEN DAMAGED BY THE OIL PRICE DROP, WHICH AFFECTS ABOUT ONE QUARTER OF CHINA'S EXPORTS; BY CONTINUED SLUGGISHNESS IN WORLD DEMAND FOR COMMODITIES AND POOR PRICES; AND BY SIGNS OF GROWING PROTECTIONISM AGAINST CHINA'S TEXTILE, CLOTHING AND FOOTWEAR PRODUCTS.

IT WAS AGAINST THE BACKGROUND OF THE REMARKABLE ACHIEVEMENTS OF THE SIXTH FIVE YEAR PLAN, AND THE BOTTLENECKS ENCOUNTERED ALONG THE WAY IN IMPLEMENTING THE PLAN, THAT THE SEVENTH FIVE YEAR PLAN WAS DEVELOPED.

THE SEVENTH PLAN, UNVEILED BY PREMIER ZHAO IN MARCH, IS ONE OF CONSOLIDATION ON THE SUCCESSES TO DATE AND OF THE CONTINUATION OF STRONG, BUT MORE SUSTAINABLE ECONOMIC GROWTH - IN THE ORDER OF 7 TO 8 PER CENT PER ANNUM. OVER THE LIFE OF THE PLAN GNP IS PROJECTED TO RISE BY 44 PER CENT, INVESTMENT BY 70 PER CENT AND IMPORTS BY 40 PER CENT.

THERE IS CONCERN IN THE PLAN TO PROMOTE EXPORT GROWTH SO AS TO HELP EASE THE CONSTRAINTS ON PROGRESS IMPOSED BY THE PRESENT IMBALANCE IN CHINA'S EXTERNAL ACCOUNTS. UPGRADING CHINA'S TRANSPORTATION SYSTEM IS A MAJOR PRIORITY IN THE SEVENTH PLAN, TOGETHER WITH INCREASED DOMESTIC SUPPLY OF RAW MATERIALS - ESPECIALLY IRON AND STEEL. THE PLAN ENVISAGES AN INCREASE OF AT LEAST 10 MILLION TONNES IN DOMESTIC OUTPUT OF STEEL PRODUCTS BY 1990, FROM THE 46.6 MILLION TONNES PRODUCED IN 1985. AUSTRALIA IS WELL PLACED TO SHARE IN THE ASSOCIATED GROWTH IN CHINESE DEMAND FOR STEEL-MAKING INPUTS.

THE PLAN REQUIRES A SUBSTANTIAL BOOST IN CHINA'S DOMESTIC ENERGY SUPPLIES. AND ECONOMIC AND SOCIAL REFORM ARE TO BE UNDERPINNED BY IMPROVEMENTS IN THE ACCESSIBILITY AND QUALITY OF EDUCATION, TOGETHER WITH THE DEVELOPMENT OF SCIENCE AND TECHNOLOGY IN CHINA.

SIMILARLY THE AUSTRALIAN GOVERNMENT'S ECONOMIC POLICY APPROACH WILL CONTINUE TO BE GROWTH-ORIENTED.

THE STABLE MACRO-ECONOMIC ENVIRONMENT THAT HAS BEEN CREATED IN AUSTRALIA HAS ALLOWED THE GOVERNMENT TO BEGIN IMPLEMENTING GROWTH-PROMOTING STRUCTURAL REFORMS. THESE REFORMS ARE DESIGNED TO TURN THE ORIENTATION OF BUSINESS IN AUSTRALIA AWAY FROM RELIANCE ON A SMALL, PROTECTED DOMESTIC MARKET AND TOWARDS THE MUCH LARGER INTERNATIONAL MARKETS.

AS ONE ELEMENT OF OUR APPROACH THE GOVERNMENT HAS ADOPTED PROGRAMS FOR GRADUALLY REDUCING PROTECTION OF AUSTRALIAN INDUSTRY, CONCENTRATING ESPECIALLY ON THE STEEL, MOTOR VEHICLES AND TEXTILE, CLOTHING AND FOOTWEAR INDUSTRIES. AT THE SAME TIME WE HAVE LIBERALISED OUR FINANCIAL MARKETS IN ORDER TO FACILITATE INVESTMENT AND TO HELP ENSURE THAT RESOURCES ARE CHANNELLED INTO THEIR MOST PRODUCTIVE USES. WE HAVE BEGUN TO REDUCE BUSINESS REGULATION, WE HAVE REMOVED THE EXPORT CONTROLS ON SOME PETROLEUM PRODUCTS AND WE HAVE SIMPLIFIED AND RATIONALISED THE ADMINISTRATION OF SOME OF OUR FOREIGN INVESTMENT GUIDELINES

THE EMPHASIS OF OUR TWO COUNTRIES ON ECONOMIC AND SOCIAL REFORM THROUGH GROWTH HAS PROVIDED OPPORTUNITIES FOR COOPERATION BETWEEN US IN TRADE AND INVESTMENT. SINCE 1983, TRADE BETWEEN CHINA AND AUSTRALIA NOT ONLY HAS GROWN STRONGLY, THERE HAS BEEN ENCOURAGING DIVERSIFICATION IN THE PRODUCTS BEING TRADED. AUSTRALIA NOW IS EXPORTING TO CHINA SIGNIFICANT AMOUNTS OF IRON AND STEEL AND RELATED RAW MATERIALS (A\$337M IN 1985, TREBLE THE AMOUNT IN 1983), NON-FERROUS METALS (A\$145M IN 1985 COMPARED WITH JUST A\$35M IN 1983), AND WOOL, (A\$282M IN 1985, ALMOST 2½ TIMES THE 1983 LEVEL), TOGETHER WITH A GROWING RANGE OF GOODS AND SERVICES EMBODYING SPECIALIST TECHNOLOGY.

CHINA'S EXPORTS TO AUSTRALIA ARE MORE MODEST, BUT THERE ARE SIGNS OF AN INCREASINGLY VARIED RANGE OF MANUFACTURED CHINESE PRODUCTS GAINING A FOOTHOLD IN AUSTRALIAN MARKETS. OUR TWO-WAY TRADE IS BEING FACILITATED BY THE ESTABLISHMENT OF CLOSER FINANCIAL LINKS: THE BANK OF CHINA HAS NOW A BRANCH IN AUSTRALIA, AND A NUMBER OF AUSTRALIAN BANK OFFICES HAVE BEEN SET UP IN CHINA.

COOPERATION BETWEEN CHINA AND AUSTRALIA ON THE INVESTMENT FRONT HAS BEEN GATHERING MOMENTUM WITH THE ESTABLISHMENT OF JOINT VENTURES IN CHINA IN SUCH DIVERSE INDUSTRIES AS WHITEGOODS, FIRE-FIGHTING EQUIPMENT, FOOD PROCESSING, SOAP MANUFACTURE, PRINTED CIRCUIT BOARDS AND OF COURSE, TEXTILES. THERE HAS BEEN A RECIPROCAL INTEREST BY CHINA IN JOINT VENTURES IN AUSTRALIA, MOST NOTABLY IN NATURAL RESOURCE BASED INDUSTRIES. AND I SHOULD ALSO MENTION THE INCREASING CULTURAL EXCHANGES AND TOURISM BETWEEN OUR TWO COUNTRIES.

WITHIN OUR GENERAL EMPHASIS ON OPEN TRADING RELATIONSHIPS, THE AUSTRALIAN GOVERNMENT'S FRAMEWORK FOR STRENGTHENING THE BILATERAL ECONOMIC RELATIONSHIP WITH CHINA HAS A PARTICULAR FOCUS IN THE CHINA ACTION PLAN. THE PLAN SEEKS TO ENSURE THAT GOVERNMENT-TO-GOVERNMENT MECHANISMS ARE IN PLACE TO FACILITATE TRADE AND INVESTMENT BETWEEN OUR TWO COUNTRIES; TO UNDERTAKE SPECIFIC MARKETING ACTIVITIES IN TARGETED PROVINCES AND INDUSTRIAL SECTORS IN CHINA; AND TO ASSIST CHINA IN UNDERSTANDING AND WORKING THE AUSTRALIAN MARKET.

THE FOUR SECTORAL INITIATIVES UNDER THE CHINA ACTION PLAN - IN IRON AND STEEL, NON-FERROUS METALS, WOOL AND TRANSPORT - HAVE PROVIDED THE BASIS FOR INCREASED TRADE, INVESTMENT AND TECHNICAL COOPERATION BETWEEN CHINA AND AUSTRALIA.

I HAVE MENTIONED ALREADY SOME OF THE ACHIEVEMENTS OF THE CHINA ACTION PLAN IN RELATION TO TRADE AND INVESTMENT. TECHNICAL COOPERATION ALSO HAS BEEN PROCEEDING WELL. THIS COOPERATION HAS BEEN AIMED AT PROVIDING NECESSARY EXPERTISE, WHERE REQUIRED, AND AT HELPING TO IDENTIFY EMERGING AREAS OF ECONOMIC COMPLEMENTARITY BETWEEN OUR TWO ECONOMIES.

THERE HAS BEEN A SERIES OF MISSIONS OR TECHNICAL EXCHANGES UNDER EACH OF THE SECTORAL INITIATIVES. TO QUOTE BUT A FEW EXAMPLES: THE JOINT WORKING GROUP ESTABLISHED UNDER THE NON-FERROUS METALS INITIATIVE HAS PROPOSED AN EXCHANGE OF TECHNICAL MISSIONS STARTING WITH AN AUSTRALIAN MISSION TO CHINA NEXT MONTH; THERE HAS ALSO BEEN A SERIES OF TECHNICAL ASSESSMENT MISSIONS UNDER THE WOOL INITIATIVE - THE MOST RECENT BEING THE JOINT TECHNICAL WORKSHOP HERE IN BEIJING IN APRIL OF THIS YEAR; AND AUSTRALIA HAS CONTRIBUTED BOTH TECHNICAL EXPERTISE AND FINANCIAL SUPPORT TO THE FIRST STAGE FEASIBILITY STUDY FOR XIAMEN PORT. WE LOOK FORWARD TO FURTHER COOPERATION OF THIS KIND.

THE REFORMS WHICH HAVE BEEN SET IN TRAIN IN CHINA AND AUSTRALIA, AND THOSE ENVISAGED UNDER CHINA'S SEVENTH FIVE YEAR PLAN AND UNDER MY GOVERNMENT'S INDUSTRY RESTRUCTURING POLICIES, AUGUR WELL FOR OUR FUTURE TRADE AND INVESTMENT RELATIONSHIPS. THE AUSTRALIAN GOVERNMENT TAKES VERY SERIOUSLY AND ENDORSES THE SUGGESTION MADE BY GENERAL-SECRETARY HU YAOBANG, IN RECENT DISCUSSIONS WITH THE SOUTH AUSTRALIAN PREMIER, JOHN BANNON, TO DOUBLE THE VOLUME OF SINO-AUSTRALIAN TRADE IN THE PERIOD OF THE SEVENTH FIVE YEAR PLAN.

CHINA IS IN A GOOD POSITION TO TAKE ADVANTAGE OF THE EXPECTED GROWTH IN TRADE INTO AUSTRALIA OVER THE NEXT FEW YEARS. THOUGH BOTH AUSTRALIA AND CHINA ACCEPT THAT THERE IS LITTLE POINT IN SEEKING TO ACHIEVE ABSOLUTE BALANCE IN OUR BILATERAL TRADE, OF COURSE, WORK IS IN HAND TO HELP IDENTIFY PRODUCTS SUITABLE FOR CHINA TO EXPORT TO THE AUSTRALIAN MARKET. TEXTILES, CLOTHING AND FOOTWEAR ARE OBVIOUS CANDIDATES. FURTHER REDUCTIONS IN GOVERNMENT ASSISTANCE TO THE AUSTRALIAN TEXTILE, CLOTHING AND FOOTWEAR INDUSTRIES WILL OCCUR OVER THE NEXT TWO YEARS AS A RESULT OF MECHANISMS ALREADY IN PLACE, WHEREBY MARKET GROWTH IS ALLOCATED TO IMPORTS. BEYOND 1988 A NEW SECTORAL PLAN FOR THESE INDUSTRIES WILL OPERATE, AND THE GOVERNMENT HAS INDICATED THAT THIS PLAN WILL INVOLVE FURTHER REDUCTIONS IN PROTECTION.



MODERNISATION OF THE CHINESE ECONOMY WILL PROVIDE OPPORTUNITIES FOR THE EXPORT OF NEW PRODUCTS SUCH AS ELECTRONIC GOODS, OF WHICH AUSTRALIA IS A LARGE IMPORTER.

THE SECTORAL PLAN IN PLACE FOR AUSTRALIA'S STEEL INDUSTRY WILL EXPIRE IN 1988. IT HAS BEEN HIGHLY SUCCESSFUL TO DATE IN ENHANCING THE PRODUCTIVITY AND INTERNATIONAL COMPETITIVENESS OF THE AUSTRALIAN IRON AND STEEL INDUSTRY. THE GOVERNMENT WANTS TO SEE THIS COMPETITIVENESS MAINTAINED AND IMPROVED BEYOND 1988. WE WILL WANT TO SEE THE IRON AND STEEL INDUSTRY BECOMING MORE EXPORT ORIENTED, AND WE WILL BE AIMING TO PUT IN PLACE POLICIES WHICH ARE CONSISTENT WITH THE ACHIEVEMENT OF THAT OBJECTIVE.

THESE ARE JUST A FEW EXAMPLES OF AREAS IN WHICH THE CHINA-AUSTRALIA BILATERAL ECONOMIC RELATIONSHIP COULD BE STRENGTHENED IN THE COMING YEARS.

CHINA AND AUSTRALIA NEED ALSO TO WORK TOGETHER IN ADDRESSING COMMON PROBLEMS IN THE WORLD TRADING ENVIRONMENT. BOTH OUR COUNTRIES ARE NET ENERGY EXPORTERS AND WILL HAVE TO ADJUST TO LOWER WORLD OIL PRICES, IF THESE ARE SUSTAINED. THERE HAS BEEN AN ALARMING GROWTH IN PROTECTIONISM AROUND THE WORLD. AUSTRALIA, CHINA AND OTHER LIKE-MINDED COUNTRIES SHOULD WORK TOGETHER IN SECURING IMPROVEMENTS IN THE EFFECTIVENESS OF THE GENERAL AGREEMENT ON TRADE AND TARIFFS. AUSTRALIA SUPPORTS CHINA'S INTEREST IN GATT MEMBERSHIP AND IS PLEASED TO PROVIDE, UNDER A MEMORANDUM OF UNDERSTANDING SIGNED DURING THIS VISIT, A CONSULTANT TO FACILITATE THIS IMPORTANT STEP. WE LOOK FORWARD TO JOINING WITH CHINA IN CONSTRUCTIVE PARTICIPATION IN A NEW ROUND OF MULTILATERAL TRADE NEGOTIATIONS.

THE AIM OF OUR TWO GOVERNMENTS IS TO PROVIDE A STABLE AND SECURE FRAMEWORK OF LAW, POLICY AND PRINCIPLE WITHIN WHICH ENTERPRISES FROM CHINA AND AUSTRALIA CAN TAKE FULL ADVANTAGE OF THE SUBSTANTIAL OPPORTUNITIES FOR TRADE AND INVESTMENT BOTH WAYS, TO OUR MUTUAL BENEFIT.

THE TASK CHINA HAS SET ITSELF IS A HUGE ONE. MR PREMIER, WE IN AUSTRALIA WANT TO BE AS FULLY ASSOCIATED AS POSSIBLE WITH YOU IN THIS EXCITING ENDEAVOUR WHICH I SAY AGAIN IS OF FUNDAMENTAL IMPORTANCE NOT ONLY FOR CHINA ITSELF BUT FOR THE REGION AND THE REST OF THE WORLD.

THERE WILL BE MANY FRUSTRATIONS AND TEMPORARY SETBACKS ALONG THE WAY. AUSTRALIA AND CHINA MUST NOT BE DETERRED FROM OUR SHARED GOALS BY SUCH TEMPORARY FRUSTRATIONS AND SETBACKS.

FOR ITS PART, AUSTRALIA, A FIRM FRIEND OF CHINA IN THE WESTERN PACIFIC REGION, WILL BE WORKING WITH CHINA BOTH THROUGH TIMES OF DIFFICULTY AND WHEN THE STRATEGY OF REFORM IN OUR COUNTRIES IS REAPING ITS FULL REWARD.

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