

SPEECH BY THE PRIME MINISTER
ZHANGZHOU WOOL TEXTILE FACTORY
24 MAY 1986

YOUR EXCELLENCIES, SECRETARY HU QILI, GOVERNOR HU PING

WHEN GENERAL-SECRETARY HU YAOBANG VISITED AUSTRALIA, ACCOMPANIED BY SECRETARY, HU QILI, IN 1985, HE AND I DECIDED THAT AUSTRALIA AND CHINA SHOULD CONCENTRATE SOME OF OUR EFFORTS ON DEVELOPING CO-OPERATION IN THE FIELD OF WOOL, ITS PRODUCTION, PROCESSING AND MANUFACTURE. THE OPENING OF THIS JOINT-VENTURE WOOL TEXTILE MILL GIVES TANGIBLE EXPRESSION TO THOSE ASPIRATIONS. THIS ENTERPRISE HAPPILY COMBINES ELEMENTS OF RAW MATERIALS PROCESSING, MANUFACTURE AND EXPORT OF FINAL PRODUCT TO THE OBVIOUS MUTUAL BENEFIT OF SEVERAL RELATED INDUSTRIES IN BOTH COUNTRIES.

MACQUARIE WORSTEDS IS A WELL-KNOWN AUSTRALIAN PRODUCER OF WOOLLEN TEXTILES. MR ROB HODGE, THE CHAIRMAN OF ITS PARENT COMPANY, GENERAL INVESTMENTS, HAS MADE A MAJOR COMMITMENT TO THE DEVELOPMENT OF HIS COMPANY'S RELATIONS WITH CHINA IN RECENT YEARS - TO SUCH AN EXTENT THAT HE IS NOW PERSONALLY QUITE AN ACCOMPLISHED CHINESE LINGUIST! EARLIER THIS WEEK, I WAS PLEASED TO WITNESS THE SIGNING IN BEIJING OF A JOINT-VENTURE AGREEMENT BETWEEN HIS COMPANY AND THE BEIJING No. 1 TEXTILE MILL. SOME OTHER JOINT VENTURES ARE UNDER CONSIDERATION.

DISCUSSIONS BETWEEN MACQUARIE WORSTED AND THE ZHANGZHOU JUTE MILL FOR THE ESTABLISHMENT OF THIS JOINT VENTURE HAVE GONE PARTICULARLY SMOOTHLY. INDEED, WE MAY SAY THE CO-OPERATION BETWEEN BOTH PARTIES IN THIS JOINT VENTURE IS AN EXAMPLE TO OTHER AUSTRALIAN COMPANIES WHO ARE THINKING OF INVESTING IN THE CHINESE MARKET. THE COMBINATION OF MACQUARIE WORSTED'S MODERN WOOL TECHNOLOGY AND THE HIGHLY SKILLED CHINESE LABOUR FORCE WITH CENTURIES OF TEXTILE EXPERIENCE HAS CREATED A HIGH QUALITY WOOL FABRIC WHICH CAN COMPETE SUCCESSFULLY ON THE INTERNATIONAL MARKET. INITIAL SHIPMENTS OF FABRIC TO AUSTRALIA AND THE UNITED KINGDOM HAVE BEEN FAVOURABLY RECEIVED BY LEADING MANUFACTURERS.

IN ACCORDANCE WITH THE PROGRAM OF CO-OPERATION WE HAVE DEVELOPED UNDER THE UMBRELLA OF THE AUSTRALIA/CHINA WOOL WORKING GROUP, WE HOPE THAT IN THE FUTURE MORE SUCH JOINT VENTURES WILL BE ESTABLISHED IN CHINA TO USE AUSTRALIAN RAW MATERIALS AND SEMI-PROCESSED MATERIALS FOR FURTHER PROCESSING AND RE-EXPORT TO THE WORLD MARKET. THIS TYPE OF COMMERCIAL ENTERPRISE MAKES THE BEST USE OF AUSTRALIA'S ADVANTAGES IN WOOL PRODUCTION AND CHINA'S ADVANTAGES IN LABOUR-INTENSIVE MANUFACTURING INDUSTRY TO THE BENEFIT OF BOTH SIDES.

IN ADDITION, THIS VENTURE SERVES CHINA'S MOST URGENT NEED NOT ONLY TO DEVELOP NEW PRODUCTIVE CAPACITY THROUGH THE INTRODUCTION OF NEW TECHNOLOGIES, BUT ALSO TO CREATE NEW EXPORT MARKETS IN WHICH IT CAN EARN MUCH-NEEDED FOREIGN EXCHANGE.

3.

IT IS THEREFORE A VERY HAPPY OCCASION THAT I AM ABLE
TODAY, IN THE COMPANY OF MR HU QILI, TO OPEN THIS PRACTICAL
EXAMPLE OF CO-OPERATION IN ADVANCING OUR MUTUAL TRADE AND
COMMERCIAL INTERESTS.
