



PRIME MINISTER

CHECK AGAINST DELIVERY

EMBARGOED UNTIL DELIVERY

**SPEECH BY THE PRIME MINISTER
SIGNING OF MT. CHANNAR JOINT VENTURE
PERTH - 16 NOVEMBER 1987**

State Councillor Gu
Vice Minister Li
Ambassadors Zhang and Garnaut
Premier Brian Burke
John Ralph, Chairman and Chief Executive, CRA Ltd
Ladies and Gentlemen

The Channar project which we are signing today is an historically important milestone in the evolution of a mutually beneficial, and friendly economic relationship between China and Australia.

The project represents a significant new level of integration of our iron and steel industries in recognition of the great opportunities open to us to engage in trade in those materials for our mutual benefit.

But more than that, this project is a tribute to the willingness and the capacities of the enterprises of our two countries to work together, despite differences in our legal and economic structures and traditions.

Accordingly let me congratulate Hamersley Iron and the China Metallurgical Import and Export Corporation for the foresight, patience and hard work which has brought us to this signing ceremony today.

The Mount Channar joint venture provides further and compelling testimony to the great confidence and preparedness to seek long-term cooperation, which characterise the relationship between Australia and China. This joint venture is China's largest overseas investment; it is the first overseas mining project in which China will take a direct equity interest; and it represents a long term commitment, spanning several years, to continued trade between our two countries.

002555

That confidence between our two nations has not of course come about by accident. It has resulted from a conscious decision on the part of our governments and our people to enhance the ties between us because of the potentially great benefits they present to both of our countries.

Of particular relevance to the Channar project has been the support given by both governments to the iron and steel initiative which I proposed to Premier Zhao in February 1984, and which we renewed last year.

Let me record my personal thanks to now General Secretary Zhao for the invaluable interest and support which he has shown in developing our bilateral relationship generally but also, in particular, for his efforts in taking forward the commitments which we have made in the iron and steel initiative.

On the Australian side let me also acknowledge on behalf of the Commonwealth the strong interest and support for this project which has been provided by the Government of Western Australia.

Again on a personal note, let me say how pleased I am that Ambassador Garnaut, whose commitment to the Australia/China relationship has been so important over nearly four years, is here today.

I believe that Australia and China are on the verge of a new era of cooperation.

We each stand on the edge of the fastest growing region in the world and each of us can play a vital role in that growth in the future.

Australia offers materials and expertise to assist China in its impressive development and in its far-sighted efforts to link its economy with this region and the world beyond.

This joint venture will provide a reliable supply of high quality iron ore to China's burgeoning iron and steel industry.

For us in Australia it will provide a guaranteed export market for an industry facing adverse world wide trading conditions and it will materially assist Australia's balance of payments through to the end of this century.

Expansion of trade between Australia and China has been so rapid that over the last six years, China shifted from seventh place to fourth place as an Australian export market. Over that period, the value of exports more than trebled, growing at an annual rate of almost 20 per cent.

I wish the joint venture partners well as they bring this exciting project to fruition.
