



# PRIME MINISTER

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SPEECH BY THE PRIME MINISTER  
INDIA-AUSTRALIA JOINT BUSINESS COUNCIL  
NEW DELHI - 10 FEBRUARY 1989

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This is the third time the India-Australia Joint Business Council has met.

Previous meetings, held in 1987 and 1988, have witnessed a substantial and long-overdue expansion in trade between our two countries. Indeed those meetings have been a significant cause of that growth.

Because whenever business people of this calibre get together, with the spirit of constructive endeavour that characterises this Council, then the result can only be better communication, greater understanding, more co-operation - in short, a more productive environment for the expansion of our commercial ties.

But as you begin this third meeting, we are justified I believe in saying that we are on the verge of an unprecedented improvement in the volume and diversity of trade between us over the next few years.

My confidence in making this prediction is based on two key factors.

First, the very positive atmosphere in which my talks with the Indian Government, including Prime Minister Gandhi, are taking place, is creating the best possible framework for closer economic co-operation.

And second, the endeavour, commitment and capacities of the corporations represented here today shows as never before a determination to seek out new opportunities in Australia and India.

At the outset I want to pay tribute to our Indian hosts today and in particular to acknowledge the vital contribution played by my good friend Rajiv Gandhi.

His visit to Australia in late 1986 gave a real boost to what had previously been a stunted commercial relationship between us.

It was during that visit that Mr Gandhi and I agreed to establish this Joint Business Council, in order that we could explore the opportunities that exist for business and trade.

Since that time, two way trade between our two countries has grown steadily. Last year, 1987-88, it totalled nearly three quarters of a billion dollars - a 17 per cent increase on the previous year.

But it is apparent that we can still do a great deal more than we are doing at present. Relative to its enormous potential, the volume between us is still very small. And we should diversify our trade beyond the commodities regime that has traditionally dominated our commercial links.

In our talks yesterday, Prime Minister Chandhi and I agreed on a new series of measures designed to achieve these goals.

We agreed on a significantly enhanced development co-operation program, which should stimulate two-way commercial opportunities.

We hope shortly to conclude a Concessional Finance Agreement, which will benefit development projects undertaken by Australian firms in India.

We will sign today Memoranda of Understanding on Telecommunications, Meteorology and Railways.

And we agreed to renew efforts to conclude a Double Taxation Agreement.

In addition, over the coming year, Australia will be staging a display of Indian engineering products in Sydney and Melbourne in September; and hosting a mission to Australia of Indian automobile part manufacturers.

When you think of Australia you may well think of wool, wheat, gold, coal, iron ore. We produce all these and we produce them more efficiently and competitively than any one else. We'll continue to do so.

But in the future I want people also to think of Australia as a source of telecommunications and other high-tech products, education services, value added commodities, consultancy and financial services - a broad range of manufactured and service products which we can provide to our overseas trading partners and which we want to provide.

In this regard Australia and India suffer from similar misperceptions held about us by other nations.

We have been successful commodity producers in the past - so successful in fact that our more recent achievements in diversifying our economies to encompass a greater manufacturing base are not so well recognised.

We have to rectify that misperception.

So it is with great interest that I note that Indian firms, too, have moved away from the more traditional exports of textiles, clothing and footwear and tea and coffee to, among other things, chemicals, computer software and car parts.

These changes are partly in response to the reforms both our Governments have undertaken since 1984 to liberalise trade and industrial policies: these include a restructuring of the tax system; adoption of a more flexible exchange rate policy; and significant tariff reform.

So as our two economies continue to restructure there will be obvious opportunities for us both.

You in the Council are working hard to identify prospects for further profitable collaborations, in such fields as computer software, telecommunications, food processing and mining equipment. It is your members who provide the real engine for growth in our trade and economic relations.

Over the last 12 months some Australian corporations - White Industries, Olex, Redecon, OTC, Telecom Australia International, to name a few - have made concerted efforts to secure major project work in India.

Key projects like the Piparwar Coal Project are raising the profile of Australian/Indian trade and highlight the complementarity between our two countries.

Let me say how delighted I am that the discussions between our two Governments over the Piparwar project are now at such an advanced stage. This will be a tremendous achievement in its own right, and will give much encouragement to other companies seeking to invest in major projects in both our countries.

Australia supports such endeavours by offering highly competitive concessional finance packages through the Australian International Development Assistance Bureau and the Export Finance Insurance Corporation.

Other Australian corporations such as the National Australia Bank and BHP Petroleum are to be congratulated for taking a higher profile in India through the establishment of offices here.

I warmly welcome the decision by the Indian authorities to allow the NAB to open a representative office here. This development will extend further the financial linkages between our two countries.

There is increasing activity in India by AUSTRADE with the aim of diversifying the economic relationship.

I also want to highlight, as an area for co-operation with tremendous potential, the capacity for joint ventures between Australian and Indian companies. Progress here would, I know, be welcomed in both Australia and India.

In my discussions yesterday with your Commerce Minister Mr Dinesh Singh, and also with Australian businessmen, particular emphasis was placed on joint ventures in India. Abundant skilled labour at very competitive wages could combine well with Australian capital and expertise. Such ventures could both tap the vast Indian market and use India as a base for exports to the region and beyond.

Also highlighted in my discussions was Australia's world recognised expertise in telecommunications, ports, energy, mining and rail projects, and India's tremendous infrastructure demand. One example of the latter is India's envisaged expansion of its telecommunications network from around 4 million lines at present to 20 million by the turn of the century.

I mentioned at the outset my optimism for the future of commercial relations between our two countries. We are progressively building a relationship which will yield real and lasting benefits to us all.

I cannot leave this topic however without pointing to one important factor which must qualify any optimistic predictions made about the future of trade.

Whatever nations such as Australia and India may do to build bilateral links, we also have the essential task of protecting the multilateral trading system.

Entrenched and increasing protectionist measures by the major developed economies are threatening the very foundations of the GATT system which fostered four decades of post-war global trade and prosperity.

As was unfortunately demonstrated at the recent Montreal mid-term review, the intransigence of the United States and the European Community on the issue of agricultural protectionism has threatened the entire Uruguay Round.

As agricultural producers, Australia and India have a fundamental interest in ensuring that the Uruguay Round succeeds.

We must continue the campaign to pressure major economies into a more flexible approach on an issue of fundamental importance to our future prosperity.

Ladies and gentlemen,

In closing I pay special tribute to all of you from Australia and India who have taken up the challenge of entering each other's markets.

Other aspiring Australian and Indian businesses would do well to look closely at how you have succeeded, and apply the lessons to their own operations.

The deliberations of the Council go to the heart of the commercial relationship.

In inaugurating this the third meeting of the India-Australia Joint Business Council, I wish you every success in your discussions and in your work in the years ahead.

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