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## PRIME MINISTER

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**SPEECH BY THE PRIME MINISTER  
1989 AUSTRALIAN EXPORT AWARDS  
MELBOURNE - 13 NOVEMBER 1989**

Last Wednesday I had the pleasure of presenting the Australian Quality Awards to a number of companies who have demonstrated their commitment and their capacity to improve the quality of Australian goods and services.

Today I have the equal pleasure of participating in this presentation of the 1989 Australian Export Awards, in which we honour the achievement of those who compete, and succeed, in the world's markets.

By themselves, these two Awards show that some companies, at least, have learned the fundamental lesson of the Australian economy: that we need to compete efficiently on world markets if we are to achieve sustainable prosperity for ourselves and for our children.

But taken in conjunction with reforms being implemented throughout the economy, these Quality and Export Awards show that this message is being understood and acted upon not just by a few companies that have won the Awards - not just by the finalists in each of the Awards - but very generally throughout the community.

Australia is learning the lesson of economic survival. Australians are starting to implement the necessary changes to ensure we are a competitive and successful economy.

Over the year since I addressed the Bicentennial Export Award finalists, much of the attention of economic commentators has focused on the current account deficit and on the alleged inability or unwillingness of Australian industry to compete. This alleged reluctance to "have a go" is attributed to our lack of an export culture - in other words, to our lack of confidence in ourselves and in Australia's long term economic future.

Let me make it very clear today that the export pessimists who hold such views have got it wrong.

We need look no further than the enormous success our primary producers have had over decades in winning markets overseas; in developing products to meet new market opportunities; in competing with the best of their foreign rivals and consistently beating them in price and quality - be it in wool, grains, meats, minerals or metals.

You don't hear the allegations made against these primary producers that Australians don't have the nous or the guts to export.

Importantly, those successful exporters are competing without the intervention or protection of Government. Our primary commodity exports are among the most efficient - that is, the most unprotected - in the world.

Many of our manufacturers have not developed this export culture precisely because it has not, in decades past, been required of them.

Cocooned by protectionism, they were not only discouraged from seeking overseas markets, they were actually incapable of successful overseas competition because of the tariff component of their pricing.

But you don't have to look only at primary producers - at industries where we have been blessed by nature with magnificent resources, and where we have developed production expertise over generations - to see that Australians can and do export.

Look at some of our more recent industries in the services sector. Tourism, consultancies and education services are all earning valuable foreign dollars by creating, offering and marketing services that are in demand overseas.

I know tourist operators are going through difficult times now. But I think we all know that Australia's attractions as a tourist destination are permanent ones, and our ability to provide foreign tourists with memorable and unique vacation experiences will survive the temporary, albeit significant, disruption operators are facing at present.

So let's not lament our alleged lack of an export culture. We do have an export culture, we are good exporters; we only need to expand these attitudes and practices of competitiveness throughout the economy.

The finalists and winners represented here know that.

I want to express my thanks to the sponsors and organisers of this year's Australian Export Awards - and I want to congratulate all the finalists on their achievements.

As a group, the finalists have contributed more than \$1.7 billion in export earnings for 1988-89 by selling goods and services ranging from artificial snow making equipment to ophthalmic lenses.

The winners, when they are announced shortly, will know their victory puts them at the head of a very competitive list of companies. They really are the cream, and deserve our heartiest congratulations.

But the basis for optimism in Australia's export orientation lies, as I have said, not just in the tremendous achievements of these individual companies.

It is apparent throughout the economy.

Over the past year we have seen a real increase in business investment of over 15 per cent. Business investment as a share of total national production is at its highest level since statistics were kept.

In addition, Access Economics' recent survey, of large investment products with a potential to earn foreign exchange, lists projects worth \$49 billion that are under construction or committed.

This survey is important in two ways. First, it highlights the sharp contrast between the current investment surge and the last "investment boom" of the early 1980s.

The current surge is spread over a wide range of manufacturers, including transport equipment, chemicals, paper and printing, steel and food processing, and tourist activities.

This year's Export Awards reflect this trend, with finalists in commodities, consultancies, high-tech manufacturing and tourism.

And second, the Access Economics survey confirms the substantial export implications of this investment.

Access Economics identifies 6 major investment projects either coming on stream or already under construction which in a few years are expected to generate close to \$5 billion a year in foreign exchange.

This is equivalent to about 10 per cent of the value of goods and services exports in 1988-89, or, in terms of our current account deficit, about 30 per cent for the same period.

Of course, part of the argument of the export pessimists is that what investment we do see is largely replacement driven and not new investment for export.

Preliminary survey work by the Bureau of Industry Economics suggests that this view, too, is misleading.

Much of the so-called replacement investment involves substantial capital enhancement - substituting competitive capacity for uncompetitive capacity, which in turn increases our ability to produce and compete on world and domestic markets.

Manufacturers surveyed by the Bureau did not see their investment as being purely for replacement: they envisage that capital upgrading will result in both capacity gains and unit costs reductions - both of which are vital if we are to gear up our export effort.

Close to two thirds of this year's Export Award entrants report having invested in new equipment or facilities primarily geared for exporting.

So contrary to the pessimistic view, we have made considerable progress and our self-image, our strategic vision, is changing from the inward-looking focus of the past.

But I don't want in any of this to sound like Pangloss who pretended that all was for the best.

I certainly don't believe we can be complacent about the task of extending the export culture throughout our economy.

But I do argue - and I argue it with pride and great conviction in this forum - that we don't do ourselves any sort of justice by imagining we are incapable of making a very big impact, with all our products, in the world market.

My Government is determined to do all it can to facilitate this crucial progress.

I don't want, here, to give you a lecture on micro-economic reform, but I make the two points that first, we are embarked on an unprecedented program of reform to lift the productivity of the nation and, second, we have made further big strides since I spoke at last year's Awards.

Financial deregulation, tariff reductions, company tax reform, ending the two airline agreement, bringing competition to areas of telecommunications such as in customer premises equipment and value added services, reducing shipping manning levels to international levels and reducing excess waterfront manning are all playing a valuable role.

Only an economy which faces competition both domestically and internationally can have an export culture.

That is why our primary industry and services sectors have such a culture. That is why our manufacturing industries are developing one.

My Government's reform agenda is a continuing one. We still have far to go. But the climate has changed. Everyone now wants an internationally competitive economy and is willing to make the necessary changes - so we can't relax our efforts.

In our international diplomacy, we've been pursuing the same goals. We have been determined in our efforts to achieve a liberalisation of world trading rules - in particular, through out efforts in the Cairns Group to achieve a successful outcome to the current Uruguay round of world trade talks.

And we took the initiative to convene in Canberra the meeting last week of senior ministers of twelve Asia Pacific economies - the APEC Conference seeking to build closer regional cooperation. I was delighted at the successful outcome of the conference - not least at its decision to convene a meeting of Trade Ministers to exert further pressure for a successful outcome to the Uruguay process.

Ladies and gentlemen,

The Australian Export Awards pay tribute to those firms with the vision to persevere with the export challenge. The awards serve not only as an accolade to the endeavours of this year's finalists and winners but also provides practical insight into how Australian exporters can succeed overseas.

The finalists in these awards - all of you here today - play a vital role in Australia's move towards developing a mature export culture.

I congratulate you all and thank you for providing models of export success from which other Australian business can and must learn.

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