



## PRIME MINISTER

### TRANSCRIPT OF INTERVIEW WITH THE PRIME MINISTER AT POSCO STEEL COMPANY, POHANG, KOREA, 23/6/93

- J: Prime Minister, given the American decision about BHP steel, do you despair about ever getting a fair shake from the Americans on our trade?
- PM: I don't think so. I think this is just part of the normal trade shenanigans which go on year in, year out. I mean, that's for BHP to defend that matter, which I think they will do easily.
- J: But no matter how hard we push with the Americans we don't seem to be getting anywhere on this whole question of restrictions on our trade.
- PM: Well, I'm not here in Korea to be discussing trade with the Americans. The fact is, that it is never easy finding access and keeping access for commodities and one's always going to have to do the hard work of making certain that one's products are understood to be commercially available. And I don't think BHP - particularly for these small quantities - will have any difficulty doing that.
- J: ....(inaudible) in no way reduces your commitment to the continuing international trend to lowering tariffs?
- PM: No, because if the policy is let's play the market access game, for a trader like Australia it would be very damaging indeed. So, the best policy for Australia is always the open market policy.
- J: How do you contrast all of that with the situation here - the trading situation here?
- PM: Well, right now I'm at Pohang Steel, POSCO, which is Australia's single largest customer. It's the second largest producer of steel in the world. We supply fifty percent of its raw materials. Our trade to this company alone is one billion dollars.

It's our largest customer anywhere in the world. And that's why I think it's important to visit these places - to, you know, renew the friendship at the official level given the fact that Australia was on the ground floor of the development of the Korean steel industry. So, this is part of the industrial region of Korea and this is now the second largest steel maker. And over time, of course, there's the prospect of it becoming the largest.

J: This is one of the most modern steel industries in the world. Has BHP anything to learn from POSCO?

PM: Well, BHP assisted with the initial feasibility study for POSCO. And I think one of the reasons why the Korean steel industry remains very attached to Australia is the fact that BHP was on the ground floor of their feasibility studies and we wrote the first raw materials contracts. We were one of the first countries to take the Korean steel industry seriously and I think that's the reason why that attachment remains. But, again, like all relationships, they need to be worked on. And I thought while I was in Korea - given the fact that they are our largest customer in the world - this was a place to visit.

J: Restrictions on our steel exports coming on top of Canada's move against our beef - does it augur well for our efforts in the Uruguay round?

PM: Well, we're still producing record tonnages of iron ore and coal and steel so what's the response? Turn up our toes and say it's all too hard? Of course it's hard. You've just got to keep pressing on.

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