



PRIME MINISTER

SPEECH BY THE PRIME MINISTER, THE HON P.J. KEATING, MP

**ERICSSON AUSTRALIA TELECOMMUNICATIONS
BROADMEADOWS, AUGUST 26 1993**

It is a great pleasure to be here today.

In manufacturing, the name Broadmeadows has usually meant one thing - Ford Australia.

Without the slightest disrespect to Ford, let me say that Broadmeadows should mean one more thing in Australian manufacturing - Ericsson Australia.

It gets the balance right - small items here, large items up the road.

Both innovative, both exporters, both very significant employers.

Both multinational companies with their parents abroad - but both making vital contributions to the Australian economy and helping to take it in the direction it must go. To the Asia-Pacific, and to the world.

Ericsson have been here for a long time - they've been in Australia for a century, and in Broadmeadows for thirty years.

They have long been a company of the kind Australia needs - and, I'm pleased to say, is now producing - a company which believes in success through innovation.

The changes in telecommunications over a century have been remarkable of course - from the phone you bolted to the wall to the phone you put in your top pocket.

But there has never been a change like the one which is occurring now.

There has never been a change so dramatic, nor one so full of possibility.

We are seeing Australia assume the status of a regional and, indeed, world leader in telecommunications.

We are seeing that leadership translated into rapid export growth in the Asia-Pacific.

The Government estimates that Australia has the potential to achieve telecommunications exports of \$2 billion by 1997 - and much of that will undoubtedly be in our region.

It is a strategically important industry for Australia.

With one of the most advanced telecommunications networks in the world we have the base for expansion into Asia.

I was in South Korea and China a few months ago and the opportunities were plain to see: over and above our traditional minerals and energy and agricultural products, there are burgeoning markets for things we do well and things we make well - things like computer software, education services, processed food, environmental services and, perhaps most obviously of all, telecommunications.

And the same opportunities exist throughout the region.

If telecommunications is a strategic industry for Australia's economy, Ericsson Australia is strategic to the industry.

Ericsson Australia has extended its markets in the Asia-Pacific to China, Vietnam, Hong Kong, Sri Lanka, Cambodia, Fiji and Papua New Guinea.

And there can be no doubt that in these countries Ericsson's reputation has contributed to Australia's reputation as a telecommunications leader.

Today I am pleased to be given the opportunity to announce some of the initiatives in the expanded role Ericsson Australia will soon be playing in the Asia-Pacific.

- . The company has decided to extend its operations in the rapidly developing economic regions of China by expanding its marketing of Australian manufactured telephone exchange switching products into two new provinces - Sichuan and Liaoning.
- . Also in China, Ericsson Australia will supply support for the operations of mobile telephone networks in 11 provinces, catering to more than 600,000 existing customers.
- . In future, where Australian companies win major overseas contracts that involve the supply of Ericsson product, that product will be supplied by Ericsson Australia - as they are already supplying the mobile telephone operations of Telecom Australia in Sri Lanka and Vietnam.

- Ericsson Australia has also been designated as a major supply centre for analogue mobile telephone network equipment for the Ericsson Group's world-wide market.
- In a decision which establishes the company's Research and Development Centre as a major exporter of Australian technology, the Ericsson Australia designed and developed Queuing System, which has already generated \$180 million in exports, is to be incorporated in Ericsson PABX systems and sold world-wide
- And, finally, I understand the Group is considering the feasibility of establishing an Information Technology Centre in Australia to service the communication needs of the Asia-Pacific.

I was in Tasmania earlier this week at Ulverstone, where Pacific Dunlop are investing in a potato processing operation which promises to secure that region's future by securing a major slice of the Asian market.

The key to their operation is the faith to invest coupled to international Best Practice from the ground up.

In other words, making the growing and processing and the management and labour, as sophisticated as any in the world.

I could have gone to any number of other companies around Australia this week and seen the same sort of thing happening - and I intend to go to many of them in the next few months.

The lesson everywhere is the same - Australia's economic future rests on companies like this.

Companies which are innovative, determined to export, intent on establishing at every level from the technology to the labour force, standards which are second to none in the world.

The Government is encouraging the growth of these companies.

In fact I might say I have been encouraging them for a decade - since as a Government we decided that Australia could be a modern manufacturing nation - indeed had to be a modern manufacturing nation - and set about the task of making the necessary changes to the economic structure and the business and industrial culture.

We are now seeing the fruits of our labour.

The increased export business that flows from today's announcements here, make it very clear that the reforms we are introducing for the telecommunications industry extend well beyond the measures which put Telecom and Optus into competition.

In the 1990's we're seeing Australian companies change direction.

We're seeing the emergence of new companies born of the new export culture, and the new awareness of opportunities in the Asia-Pacific.

And we're seeing - when we look at the growth in manufactured exports - how absolutely essential it was to make those changes.

For without that growth we would now be in a genuinely dire economic circumstances, and we would have a genuinely dire future.

Today, despite our problems, we have a marvellous future.

As a nation we have the best chance in our history to secure the kind of long term economic security which will underwrite our way of life and assure Australians of employment.

We have to find the solutions to unemployment - and we expect the major study we have commissioned to give us a more comprehensive and effective strategy than we have ever had.

We are not alone in this. President Clinton of course has called for an unemployment summit. In Europe they are doing the same.

Unemployment is the great curse of our era and overcoming it will test our ingenuity and our commitment to the nation and each other. It will test all of us.

But we do know that at least part of the solution - a large part of it - lies in the initiative and success of companies like Ericsson Australia.

Because through them - and I mean from the upper levels of management to the men and women who work in the offices and on the factory floor - through companies like this one, our economic success will be assured and employment in substantial measure restored.

That's why I say that for all the hard work we in Government put in - and even for all the flak we took along the way - ultimately success depends on not on Government but on companies like this; and it is companies like this with the vision and the courage who properly deserve the credit.

You will know that in the Budget and in other measures taken in recent times the Government is seeking to encourage the development of small and medium sized manufacturing exporters.

But we also encourage the role of multinational companies like Ericsson, with their broad exposure to world markets and the market access they can provide for Australia.

Ericsson Australia have earned their expanded role on the world, and by doing that they are helping take Australia into those markets where our future lies.

So I congratulate you all and thank you for inviting me along.