



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP
AND HIS EXCELLENCY MR KIM YOUNG SAM, PRESIDENT OF THE
REPUBLIC OF KOREA, JOINT PRESS CONFERENCE, PARLIAMENT
HOUSE, CANBERRA, 18 NOVEMBER 1994**

E&OE PROOF COPY

PM: Thank you very much ladies and gentlemen, could I perhaps begin with a short statement. I would just like to repeat what I said last night, that it has been a personal as well as an official pleasure to have President Kim Young Sam visit Australia. Not only because we have worked together closely on multi-lateral bodies such as APEC and on regional issues, but because of my very deep respect for the President's very distinguished commitment to democratic reform in Korea.

The President and I talked over dinner last night, we have had a formal meeting this morning, we have just joined our Cabinet colleagues and come from there and we are having a private lunch after we see you. We got through quite a lot of work today and I just thought I might repeat to you those bilateral issues which we discussed.

First of all, the President was kind enough to give me an indication of the relations between South Korea and the DPRK and I was pleased to have that information and view about how the President sees relations on the Korean peninsula. I said to the President that I thought that the inter-Korean dialogue was extremely important, not only to Korea and relations on the Korean peninsula, but to those of us in the region - to know that there is a dialogue going on, that there is a relationship, that progress can be made, and that we regard that - that is the dialogue - as a matter of necessity.

On bi-lateral relations we have agreed to support stronger investment links. We are negotiating now an investment protection and promotion agreement and we hope to bring that to conclusion. We have agreed to establish a joint fund to facilitate industrial technology projects of about roughly half a million each side over three years in priority areas

such as the information super highway and clean energy. We have agreed to upgrade science and technology co-operation through a new science and technology agreement. We have agreed to promote closer co-operation on energy through a ministerial level energy symposium looking at such issues as long-term supply and potentially joint investment. We further agreed to co-operate on environmental matters. We have agreed to also expand our tourism relations, that is expand our tourism sectors to try to facilitate the carriage of more people between both countries. We had a brief discussion about submarine technology given Australia's program and we have also had discussions generally about trade issues and the trade deficit.

The President was kind enough to say that he was very moved by his experience this morning at the Australian War Memorial and that he would join Australia in making a contribution to a monument which we would see in Anzac Parade - a monument to the involvement of Australians in the Korean War during the 1950s.

I think that is a resume of our discussion, but I would like to again repeat that we are delighted to have the President in Australia. I am particularly delighted to have him here after this bi-lateral co-operation we have had in the greater story of APEC. Very shortly Korea will be Australia's second largest trading partner. We have a very high premium on the relationship and I am exceptionally delighted that the President was able to come to Australia after APEC to get to see our country, to get to know us better and to make our relationship just that much stronger. With those words I might invite President Kim Young Sam to make an opening statement.

SAM: Not translated.

PM: Thank you very much, Mr President. I think, after that opening statement by both of us we might take questions and perhaps we might have a question from an Australian representative and then we will try to alternate it.

J: Prime Minister Keating, did President Kim express an interest in purchasing our Collins Class submarines?

PM: We didn't have a discussion about purchasing submarines. Korea is a very confident ship building country, it is probably now building more tonnage than any other country in the world, it has its own submarine program. I think, what is significant here is that as with each program the technology improves and Australian technology, particularly the sophistication of the weapons fit could lead to a basis of co-operation between us on some of these specialised areas of submarine technology. That is the direction to go rather than any notion, certainly at this point, of anyone buying anyone else's submarine.

J: Korean question not translated.

- SAM: Not all translated ... this issue will be discussed and the solution will be found and this issue will be definitely very positively revealed ... Prime Minister Keating and I discussed the specific issue and based upon the growing partnership between the two countries I expect that the Australian government would consider this issue in a very favourable perspective and after the working level discussion on this specific issue we will get a response from the Australian side.
- J: Robin Poke - Voice of America. Just prior to APEC the President mentioned the possibility of North Korea becoming part of APEC, was that discussed between you either in Bogor or has it been discussed while you have both been in Canberra?
- PM: North Korea becoming part of APEC. It wasn't discussed in Bogor because the President and I didn't meet there bi-laterally, we only meet there in a multi-lateral context and new members were not discussed other than to say that the current membership of APEC thought that APEC needed to be consolidated before it opened itself up to new membership. As you know, Mexico and Papua New Guinea and Chile joined on this occasion, but I think, APEC members see a case for being a little abstemious about membership until we get some further consolidation of APECs work and that includes North Korea.
- J: ... many schemes to reduce tariffs between Korea and Australia especially for textile and automobile industries.
- PM: The President raised with me the trade imbalance between Korea and Australia. We are conscious of that trade imbalance, but we have taken uni-lateral steps to reduce our industrial protection. Australia will have an average level of trade weighted tariff protection of 3 per cent by the year 2000 which is not so far away and already tariffs are a long way down and there is no quota protection in this country. So, we are opening Australia up, but I think, Australia probably will be a raw materials supplier and a supplier of some specialised high technology goods and services to Korea and the likelihood is that that will keep the trade relationship in deficit. But, I have always seen - as is the case with Japan - a triangle of trade. That is Japan for instance enjoys ... we enjoy a very large surplus in trade with Japan, it enjoys a large surplus of trade with the United States, and the United States enjoys a large surplus of trade with us. Korea is in the exact same markets. The likelihood is that we will enjoy a surplus of trade with Korea. Korea, I think, enjoys a surplus with the United States and the United States certainly has a surplus with us and a heavy one.

But, because the President and I have seen the virtue of opening up trade in the Pacific through APEC, we do see the possibility of letting markets equilibrate, to even themselves out, and this is the best approach we could take.

- 4
- J: Prime Minister, a question for both you and the President. You mentioned the new Industry Investment Fund - \$500 million over three years from both of you - in what specific industries and in what specific steps do you intend this fund, how do you intend it to operate?
- PM: We will probably begin, first of all looking at where we can co-operate industrially, but also in the initial period looking at the information super highway in ways that we can facilitate technology between us. As you know Australia is doing a lot of primary research into areas such as photonics, fibre optics and generally is encouraging the development of information products. I think, the President is also struck by Australia's atmospheric conditions and the question of clean energy comes to mind as one of the early things that we can co-operate on in terms of industrial projects given Korea's energy demands and the premium that President Kim places on the environment, that clean energy is perhaps one of the areas where we would first look under these arrangements, but at any rate I will ask the President to add to that.
- SAM: With regard to this issue we have exchanged our views fully, environmental issues, mineral supply and the long term staple supply of energy - all these issues have been discussed and we agreed to establish a joint fund to promote these activities and detailed ... Yes, I discussed with Prime Minister Keating in very much detail the co-operation in the areas of energy supply, high tech industries and mineral resources and environmental co-operation especially we are very much interested in having a stable long term supply of the energy sources from Australia and we have decided to leave the matter for further consultation between the related ministers of both countries.
- PM: We'll just have two final quick questions - one from the Korean side next. No one from the Korean side? Australia.
- J: Camille Funnell - Radio Australia. Was the issue of access of Australian beef to the South Korean market raised in the talks and secondly, there is also a suggestion that South Korea is not going to ratify the GATT legislation until after the US decides what it is going to do and was that issue raised?
- PM: The President and I are about to have lunch and we haven't at this stage discussed beef, but may well do over lunch. But, on the ratification let me make very clear that the President has very forthrightly, in the APEC context, spoken about ratification of the GATT and, indeed, the communique urges each member country of APEC to ratify the GATT, but that is a matter for him and I will ask the President would he answer that part of the question.
- SAM: I would like to tell you that we didn't discuss this time specifically the issue of import of Australian beef to Korea. Regarding the WTO ratification, the government policy is to actively support the launching

of the World Trade Organisation, but we are not in a hurry to rush to the ratification. Possibly, I think, that as you have mentioned we can ratify this important bill after the United States has confirmed the ratification. We are taking a very comfortable approach to the ratification, we don't like to hasten passage through the national assembly.

PM: Any more questions from the Korean side?

J: The Korean Minister of Trade Mr Kim Chul Su is going to run for the Secretary-General of WTO, I would like to know whether Mr Keating would support him or not?

PM: We do, I made clear to him last evening that we would be supporting Kim Chul Su for the Chair of the World Trade Organisation. I thought originally the question was about the Organisation itself, but I am very happy to say that we are supporting your Korean candidate because we think it is important that these key positions in the world fora are not continued to be held by Europeans, that they are actually, these major positions, are spread around the world and particularly where most of the growth is in Asia, it is entirely appropriate that a person from Asia lead this liberalising body which has so much to offer the world and so much for our region.

J: There was also the point about the United Nations Security Council.

PM: On the Security Council, let me again say, I am happy to confirm that Australia supports Korea's position in respect of the Security Council and the President was kind enough to say at some point in the future when Australia puts up its hand we might have some support from Korea too. Ladies and gentlemen, could I finish our press conference there. Thank you very much for attending. I thank the President for his time.

ends