



4

PRIME MINISTER

TALKING POINTS - THE HON P J KEATING MP - AUSTRALIAN-GERMAN ASSOCIATION, 'PARTNERSHIP 2000' TRADE AND INVESTMENT CONFERENCE, THURSDAY 5 OCTOBER 1995

- It is a great pleasure to join you for this conference and to welcome this senior German business group to Australia and particularly to welcome the German Posts and Telecommunications Minister Dr Boetsch as its leader.
- I promised Chancellor Kohl when we met in March that I would come personally to this conference as a means of underlining the importance I attach to building stronger ties between Germany and Australia - business and investment ties, of course, but not only those. Earlier this week I was in South Australia, which has a long historical link with Germany and German culture. I was there in part for the re-opening of the magnificent Palm House at the Botanic Garden, designed by Gustav Runge and manufactured in Bremen - listening to the Stuttgart Chamber Philharmonic and reflecting on all the things Australia has drawn from Germany. I am glad the cultural flow is not all one way. The Sydney Symphony Orchestra has just completed a very successful tour of Germany. My wife Annita had the opportunity to be with them, including at a concert given to a very large and enthusiastic audience at Christian Georgi's Bremer Wollkammererei.
- In Germany earlier this year I had two particular messages I wanted to get across and I want to repeat them today.
 - First, is my conviction that Australian business people need to do more in Europe, and that if we are to maximise the opportunities available to us there, we have to look beyond the English Channel - this is not to downplay our economic links with Britain, but to recognise that there is much more to Europe than is covered by the route map of the London Underground: and, above all, that means Germany, which accounts for almost one quarter of European GDP, is the world's third largest economy and its second largest exporter and importer.
 - There is no doubt that our trade and investment relationship with Germany falls short of its potential. Germany is our seventh largest trading partner, with two-way trade around \$6 billion, but only our 15th largest export market and our exports have been falling - so there is clearly much more for Australian business to do on that front and I hope this conference helps.

The investment relationship is in better shape. Germany is our 9th largest source of foreign investment, and more than 200 subsidiaries of German companies operate in Australia. They represent some of our most respected companies. In the other direction, Australian companies like Boral, Pioneer, Brambles, TNT, ANI and AMCOR are active in Germany – but here again you can't help feeling that there is more of mutual benefit to squeeze from the relationship than we have yet managed.

I hope our German visitors will have the opportunity to see some of the great economic and social strengths of this country – a highly skilled workforce, with a strong emphasis on training, lessons we have drawn directly from Germany's experience – a deep pure research base – an economy which puts a premium on growth, and which has now delivered growth for 16 consecutive quarters, and which is becoming more international (exports have nearly doubled as a share of GDP since the early 1980s) and more competitive (international competitiveness increased by 36 % between 1983 and 1995).

The other major point I want to get across is that there is no contradiction or tension between the Australian Government's determination to integrate Australia more deeply into the Asia Pacific and our desire to strengthen our ties with countries like Germany – in fact, the reverse is true: Australia's engagement with Asia makes us much more, not less, relevant to Europe – a prosperous Australian economy which is integrated into the region around us, using all the resources of our multicultural society, has much more to offer to Germany and other European countries, as a direct trade and investment partner, as an investment base into Asia, and in cooperative activities in third markets – we have already seen successful German Australian investment partnerships in Asia like the Leighton-AEG venture to construct the Hong Kong Light Rail.

It is very good to have Dr Boetsch leading this mission because telecommunications and information technology offer huge potential for this sort of co-operation – telecommunications equipment is already one of the fastest growing components of our bilateral trade – and in the wider Asia Pacific region, expenditure on telecommunications services and equipment is expected to reach nearly \$300 billion by 2010.

The reason for the timing of my visit to Germany earlier this year was to attend CeBIT, in which Australia had been invited to participate as a partner country. This was an honour for us, but it was a reflection of what has been happening in Australia in this area – our long history of technological excellence in telecommunications – broad band networks expanding across the country – world's heaviest per capita users of the Internet and second highest per capita users of personal computers.

So this area, again, offers great opportunities for both of us - hope Australian IT and telecommunications companies will use the success of CeBIT this year as a base to build on at next year's exhibition.

Congratulations to the Australian-German Association - especially Mr Trethowan and Dr Rohkamm, President of the German counterpart organisation, on their work to set up this conference - I wish you every success with it.