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PRIME MINISTER

**TRANSCRIPT BY THE PRIME MINISTER
THE HON JOHN HOWARD MP
VISIT TO BHP, SHANGHAI, CHINA
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J: Prime Minister, how important is it that Australia become involved in this amazing economic boom?

PM: Well this is probably the most rapidly industrialising part of the world. It is certainly the most rapidly industrialising part of China. That in a sense says it all. If Australia is to be relevant in this part of the world then obviously it has to be part of the economic action. BHP clearly is and many other Australian companies are and I congratulate the men and women of Australian business who have invested in this extraordinary economic phenomenon.

J: Seeing it first hand, have you been astounded?

PM: The visual impact of this intense industrialisation and construction is quite amazing. You can read about something like that. To see so many buildings, so many cranes, so much activity, to drive along a road that didn't exist four years ago and be told that every building on either side of the road is less than 3 years old, it's quite extraordinary.

J: And do you expect concrete results out of the business delegation in the end?

PM: I hope that in a number of areas there will be. The importance of this visit is to drive home the economic links as well as having a political dimension. The economic links are very important that's why there is such a senior and very, very, authoritative business delegation accompanying me.

J: Prime Minister, if the political links are improved after this visit, this Prime Ministerial visit to China, what kind of impact and flow-on will that have for business links to Australia?

PM: Well, I think they are complementary in a way, although it is fair to say that in some areas such as wool and wheat Australia has done very well irrespective of the nature of the political association.

You have to keep a sense of perspective about that. I think the better the political climate the more beckoning, I suppose, the economic atmosphere. But, it is also an interesting fact of Australia's association with China that in areas like wool and wheat the association goes back long years and it is a very, very, old association and on a number of occasions in the past when things haven't been as warm as perhaps they have been on other occasions we've nonetheless done quite well.

J: Prime Minister, can I just throw forward to the Ansett opening this afternoon, what does it mean to have an airline link between the two countries?

PM: It is very relevant, for example, to the Olympic Games. And, one of the things that is occurring in China as is occurring in so many countries in the region is that there is a rapidly burgeoning middle class and you only need in percentage terms a small middle class in a very large country and you have an enormous new tourist market. You have an enormous new potential market in services generally, as well as, of course, a huge consumer market for manufactured exports. But the people to people

links between Australia and China will grow. Bear in mind that there are something in the order of 300,000 Australians claiming Chinese ancestry. Now, certainly a large percentage of those don't come from China itself, although a growing number do. But the thing that springs very readily to mind, of course, is the Olympic Games.

Thank you.