

FINANCIAL REVIEW

SE News - Opinion
HD **Robb nets goal for the team**
BY Jennifer Hewett
WC 912 words
PD 18 November 2014
SN The Australian Financial Review
SC AFNR
ED First
PG 2
LA English
CY Copyright 2014. Fairfax Media Management Pty Limited.
LP
Jennifer Hewett

Andrew Robb has delivered the Abbott government a giant end-of-year bonus and exceeded all his KPIs as Trade and Investment Minister.

TD

Now the Prime Minister and the rest of Team Abbott just have to sell the Australian public on the many advantages of a trade agreement and closer relationship with **China**.

This should not be too hard. The prospects of exporting a much greater range of services and goods to an ever-expanding **Chinese** middle class will help soothe apprehension about what will boost the Australian economy as resources investments decline. Everyone from dairy farmers to educational institutions, to fund managers to miners, to healthcare providers to architects, to transport operators to accountants, to any small businesses looking for new markets should be optimistic that great trade with **China** offers great opportunities rather than risks.

And increasing Australian familiarity with **China** and its leaders – as well as all those tourists and students here – is providing much greater substance to the concept of a mutually beneficial partnership.

Many **Chinese** businesses have already learned to adapt to Australian customs and become more sophisticated in their approach to avoid stirring any antagonism about **Chinese** "takeovers".

But President Xi Jinping's warm and friendly address to the national Parliament was also designed to reassure all Australians that what he called a "win-win" approach extends to a much broader geopolitical agenda based on **China's** "unshakeable" commitment to peace as well as prosperity. (No mention of climate change, demonstrating a keen **Chinese** sense of domestic political "harmony".) Need for common developmentHe openly conceded some people might have concerns about being "pushed around by the big guy in the crowd". So his speech emphasised **China's** belief in the need for "common" development, mutually beneficial progress and stability in a globalised world. The negotiations over the free trade deal with Australia are clearly a key part of that strategy, with the President talking about the huge changes taking place in the **Chinese** economy.

The deal is, of course, far from perfect – leading to inevitable complaints filling any gaps in the argument that Australia is gaining far more than it could conceivably lose. Some would-be agriculture exporters – like sugar, cotton and rice farmers – miss out due to **China's** own sensitivities, for example. Tariffs in some other areas will take several years to finally come down to zero. **China** has cut its new tariffs on coking coal, but those on thermal coal are only reduced rather than eliminated.

The Australian Industry **Group** also expresses concern about the potential for increased and unfair competition from **Chinese** manufacturers. And the level of community angst about the levels of **Chinese** investment – whether in Australian **residential** real **estate** or agricultural land and businesses – remains. Witness the angry outburst from the Prime Minister's normally reliable ally, broadcaster Alan Jones. Instead, Jones' views on this are more aligned with those of the (ever predictable) Greens. That

is despite the government maintaining the need for **China's** state-owned enterprises to seek approval from the Foreign Investment Review **Board** for any **purchases**, in part to avoid confrontation with the Nationals.

So, the government and a broad range of outward looking businesses, of whatever size, will need to constantly counter these more negative views by reinforcing the alternative message of growth and a broadening and deepening of the relationship with Australia's largest trading partner. The business leaders signing memorandums of understanding in different **commercial** areas as part of the FTA – watched over by Xi Jinping and Tony Abbott – certainly underscored the scope of potential trade. Brand Australia next focus Andrew Forrest was just one of those adding his signature. His massive business interests with **China** have now expanded into agriculture as well as iron ore. This has included establishing ASA100, the Australian Sino Hundred Year Agricultural and Food Safety Partnership, composed of 100 significant **Chinese** and Australian producers and distributors.

"On the Australian side, we can offer **Chinese** consumers the highest- quality produce and on the **Chinese** side, **Chinese** consumers can be confident in the reliability of supply and food safety," Forrest says.

But Forrest is also one of those pushing a much more intense focus on selling "Brand Australia" in general. He points out, correctly, that a national image has been neglected in favour of individual businesses and states concentrating on selling products to the **Chinese** market.

That's in contrast to New Zealand's success in associating any of its dairy produce with the image of "clean and green".

According to Robb, the deal is built around five key areas – agriculture, resources and energy, manufacturing, services and investment.

He's particularly proud of the deal on services, saying it beats all other free trade agreements in this sector "by a country mile".

This complements the increasing sophistication of the **Chinese** economy and shift away from heavy manufacturing. Robb even used Australia's relatively modest size as an advantage in negotiations by emphasising Australian services would not threaten massive disruption, but would provide a valuable example and experience in what can be achieved.

A trade deal gives all **Chinese** businesses and officials a clear sign of official **Chinese** backing for Australian imports.

This should help improve ease of access for Australian exporters – even in areas not specified in the agreement.

Abbott called this a good day for Australia and a good day for **China**. He is right.

NS gpol : Domestic Politics | nedc : Commentaries/Opinions | gcat : Political/General News | gpir : Politics/International Relations | ncat : Content Types | nfact : Factiva Filters | nfcpx : C&E Executive News Filter

RE austr : Australia | china : China | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcz : Developing Economies | easiaz : Eastern Asia

PUB Fairfax Media Management Pty Limited

AN Document AFNR000020141117eabi0001p