

# FINANCIAL REVIEW

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HD **Brand Australia must find voice**  
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I am en route to Shenyang, a city of 12 **million** people, in north-east **China**. En route at about 300km/h, that is. The high-speed train is as impeccably efficient and gleaming as the vast, all-white train stations that shepherd passengers quickly in and out along the way. As my carriage glides past, I quickly lose count of the man-made mountain ranges I see – row upon row of towering **apartment** buildings rising out of the fields.

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It's a view that's slightly chilling in its uniformity but staggering in the revolutionary transformation it represents. Many of these apartments may still be empty or under construction that seems on indefinite hold. Many more have workers busy on **site** or are already fully tenanted. However the financing of this massive housing boom plays out over the next year or two, it still means mass urbanisation on a time line and scale that defies any parallel. And mass change in the consumption habits of tens of **millions** of those inhabitants.

The north-east of **China** – what used to be known as Manchuria – is often overlooked internationally given the greater focus on cities like Beijing and Shanghai and the other great coastal regions of the south-east. This area was the traditional centre for heavy industry that then turned into **China's** version of the rust belt in the 1990s. It is now being "revitalised" under yet another central government multi-year plan. Growth last year in Shenyang was considered slightly disappointing, although it still came in at 8 to 9 per cent. (Even one of the four Louis Vuitton stores in town closed down, considered to be another victim of Xi Jinping's assault on corruption and luxury gift buying for officials. Pass the handkerchief.)

But, as usual, there's a better regional growth story told – via modernising agriculture and infrastructure, developing high tech and clean industry and selling some state-owned enterprises. All this translates into opportunity for Australia, particularly in the context of a free-trade agreement with **China**.

**China** Daily happily reports **China** is now the third largest consumer of beef behind the USA and Brazil. Consumer demand for a higher protein diet is expected to continue growing exponentially with **China** needing to import much of that.

Shenyang is the capital of Liaoning province and Australia already exports more than \$US4 **billion** (\$4.6 **billion**) a year in iron ore, coal, alumina, wheat and meat, according to the province's economic bureau. Small representation

Given the extent of the resources base, as well as potential demand for high-quality food and agricultural produce, it is surprising there is only a tiny Austrade office of two in Shenyang to service the three north-east provinces of more than 100 **million** people. The Austrade office in Shenyang says it does help Australian companies trying to break into new markets, usually on a fee for service basis. But its primary role, it maintains, is promoting Australia generally by suggesting leads and assisting **Chinese** companies wanting to invest in Australian or **buy** more goods and services from there.

In terms of some of its recent successes, it cites a **Chinese company** that has imported 80,000 tonnes of chilled Australian beef as well as an Australian architecture **firm** that is in negotiations with provincial authorities about a pilot project for a "green roof" scheme. Via the Austrade connection, I also visit other examples of **Chinese** companies importing Australian produce to the north-east. They include the giant state-owned agribusiness COFCO Malt, which imports 400,000 tonnes of barley from South Australia and Western Australia to make malt for various international and **Chinese** beer firms. Another is Snowdragon Beef, a high-end cattle producer that now imports about \$6 **million** worth of Australian beef and is looking for more as well as possible collaboration with genetics technology from Australia.

In terms of specific cases, these are all commendable enough – and individual opportunities are infinitely expandable in theory at least.

But what is more noticeable is the comparative lack of a concerted national focus on marketing a whole-of-Australia **brand** of quality and reliability in food and agriculture and services. This is in contrast to, say, New Zealand. It's easy to point to New Zealand's advantage in selling **dairy** products to **China** as due to the free-trade agreement it's had with **China** since 2006, for example. Clean, green, fresh

But over many years, successive New Zealand governments and industries have also co-operated to create a highly effective strategy to identify the country with high-quality agricultural produce and, increasingly, as clean, green and fresh. That is particularly appealing to **Chinese** consumers and has become a powerful marketing tool for all companies associated with **brand** NZ.

The gap in such a nationally oriented approach in Australia recently led Andrew Forrest to set up the Australia-Sino Hundred-Year Agricultural and Food Partnership (ASA100). He says he is sick of strolling the aisles of **Chinese** supermarkets and seeing food from everywhere – Brazil, New Zealand, Argentina, Uruguay – but virtually nothing from Australia.

Three of **China's** largest agricultural and food businesses, including COFCO **Group**, New Hope and Wilmar International, now support this initiative. Australian backers include federal government and state governments, the **Business** Council of Australia and various Australian agricultural producers. Perhaps more of **Brand** Australia should take a quick train trip to Shenyang together.

Jennifer Hewett is in **China** with the Asia Pacific Journalism Centre.

**NS** nedc : Commentaries/Opinions | ncat : Content Types | nfact : Factiva Filters | nfcpx : C&E Executive News Filter

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