



**THE HON DR CRAIG EMERSON MP**  
MINISTER FOR TRADE

**Australia-China 2.0**

**A Sustainable Future: Australia-China Development Clean Technology  
and the Environment**

The Sheraton Hotel

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Today I met with Hunan Party Secretary, Zhou Qiang, to discuss commercial opportunities between Hunan Province and Australian businesses. Secretary Zhou is the most senior member of the Hunan Provincial Government. We appreciate the effort being shown by the top echelons of the leadership in the provinces we are visiting to meet with our business delegation and to host our official dinners.

To give a sense of the size of the provinces we are visiting, Guangdong Province, which we visited yesterday, would be a member of the G20 by virtue of the GDP it generates annually.

And here in Hunan, only four of the 15 countries of East Asia have a population greater than the province's 71 million.

Developing commercial relations with Hunan is therefore the equivalent of developing commercial relations with one of East Asia's most populous countries.

And Hunan's economy has been growing at an astonishing 14 per cent per annum, so the commercial potential for Australia is enormous.

Before we complete our business mission we will have visited the cities of Wuhan with a population of eight million, Changdu with nine million, Chongqing with 10 million and, of course, Shanghai with its 20 million inhabitants.

Indeed, by 2020, China will have no fewer than 93 cities each with a population greater than Australia's most populous city of Sydney.

On this mission, we will have visited six of them, so there's only 87 to go!

That Hunan Party Secretary Zhou was able to meet for almost one hour, and host a lunch, is testament to the keenness of the Hunan Provincial Government to strengthen its relationship with Australia.

Secretary Zhou described the strong foundations that have already been built between Hunan and Australia. He explained that in the last year 98 Australian businesses were operating in Hunan, having invested \$US300 million in the Province. He further explained that 16 businesses from Hunan had invested \$US5.5 billion in Australia.

Secretary Zhou set out the incredible diversity of Australian commercial engagement with Hunan. He pointed to the large number of Hunan students studying in Australia and the strong contingent of Hunan tourists annually visiting Australia. Secretary Zhou noted the substantial number of Australian manufacturers already operating successfully in Hunan, including in the production of powdered milk. In terms of Hunanese investment in Australia, Secretary Zhou welcomed Hunan Valin's equity investment of 19.9 per cent in Fortescue Metals Group and the sale of mining machinery to the Group.

As to the future, Secretary Zhou identified opportunities for Australian businesses in environmental remediation services, ICT, emerging media, and finance, insurance and legal services. He described Hunan's beautiful natural environment, especially the World Heritage Listed Jiang Jia Jie, inspiration for the final battle scenes in the movie Avatar.

On Australia's behalf, I illustrated our business involvement in Hunan by referring to the examples of heavy metals remediation projects in the Xiang River and GHD's urban design work for the new waterfront precinct on the Lishui River.

I reported that you, as business delegates, were all keen to be involved in Hunan Province and Secretary Zhou responded by saying he would instruct all his senior officials (who were present at the meeting) to facilitate that involvement.

Secretary Zhou explained that Hunan Province was moving towards establishing an emissions trading system to reduce carbon emissions. He encouraged cooperation between Australia and Hunan in developing a low-carbon economy and in carbon trading. At my request, Secretary Zhou undertook to provide further information on future opportunities for Australia to cooperate with Hunan on the proposed emissions trading regime.

At lunch, Secretary Zhou explained that Hunan Province was very open and was reaching out to the world for business engagement.

I invited Secretary Zhou to visit Australia, his last visit in 2000 leaving him with fond memories. I passed on the best wishes of Prime Minister Gillard and Foreign Minister Rudd.

From our discussions at lunch it was clear that a large number of Hunan's senior officials have spent a good deal of time in Australia. Secretary Zhou kindly expressed his view that my visit was historic and that he was greeting me at the same state guest house where Chairman Mao stayed when in Changsha, his home town.

Just before tonight's dinner, I witnessed the signing of four Memoranda of Understanding, all for environmental remediation co-operation, to help build a sustainable future for both countries.

The MOUs were between:

- The Environmental Protection Authority of Victoria and the Environmental Protection Department of Hunan;
- Zhuzhou Circular Economy and Investment and Development Corporation and OTEK;
- Zhongnan Engineering and Earth Systems; and
- Huashijie, GHD, Earth Systems and OTEK.

So please take the opportunity tonight to mingle with your Hunanese business counterparts who have been seated strategically at your table to match up with your particular business interests.

Have a great evening.

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