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MARIUS BENSON: Craig Emerson, you're speaking from China, which is obviously the cornerstone of Australia's resources boom. The IMF in its report makes the point that the recovery is being driven by a mining boom. Is our boom going to go on forever?

CRAIG EMERSON: The boom is certainly a very strong one and all the evidence here in China is that growth will continue in China at a strong rate. When I look around Chengdu in Sichuan Province, it seems a long way away from global stockmarkets, and certainly good judges suggest that the Chinese economy will continue to expand at nine per cent plus, so that's good news for Australia.

BENSON: So that demand for Australian resources is going to expand?

EMERSON: Everywhere we've been, Marius, indicates that the expansion will continue, that China's phenomenal growth is set to continue. There are some inflationary pressures, but all that would do is just take the growth rate from 10 per cent plus to perhaps nine per cent plus. These are phenomenal rates of growth in a country of 1.32 billion people.

BENSON: China is booming, but China is right now very critical, of the United States in particular, and it's giving some advice on what it should do about debt and tax. Is that reflected in comments you hear from government officials when you meet with them there in China now, that they're very critical of the West, particularly the United States?

EMERSON: Mainly the comments that senior leadership in the various provinces that we've visited have been about our Australian business delegation. They're incredibly welcome. We're actually proceeding along paths that are less well-trodden, such as those two, Beijing and Shanghai. We're going to these so-called second-tier cities, but they are very, very big second-tier cities with around 10 million people in each of them, Marius. And the discussions that I've been having really have been the opportunities that are available to Australian businesses in visiting these second-tier cities.

So when we think of our relationship with China, yes, sure, it is dominated by minerals and energy. But we're here on a services delegation and there's so many opportunities for architectural services, environmental remediation, legal services, tourism, education, a lot of interest in our education institutions. We have there suffered a fall in, you know, a couple of years ago in our education numbers, partly due to the very strong Australian dollar, but every provincial governor that I talked to, wants to increase education numbers, and the engagement more generally, of Australian service providers.

BENSON: The International Monetary Fund has been quite complimentary about the Australian circumstances, the economic circumstances of Australia, but to what extent do we deserve to be patting ourselves on the back? And to what extent is our good position relative to the world? Is it simply the dumb luck of our resources?

EMERSON: Well, I think the IMF is right, obviously in saying that we are in a very strong fiscal position. Our debt is around seven per cent of GDP, in the United States it's more in the area of 70 per cent of GDP, and the US isn't alone, Marius. If you look at the countries of Europe, including the United Kingdom, and of course the ones that have been in the headlines, Spain and Italy, and countries like that, and obviously Greece, we're in a very, very strong fiscal position. And the IMF doesn't just point to the mining boom, it points to policies, such as the commitment to return the budget to surplus in 2012/13, and the mineral resource rent tax, and a move to put a price on carbon.

So here are another set of economists saying that the Australian Government's doing the right thing, putting

a price on carbon. I guess Mr Abbott will say the IMF doesn't know what it's talking about either.

BENSON: Craig Emerson, thank you very much.

EMERSON: Thanks very much, Marius.