



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

**Opening Remarks to
ASEAN Economic Ministers
Closer Economic Relations Meeting
13 August, 2011
Manado, Indonesia**

MARI PANGESTU: Let me now begin with the first item of the agenda, which is the adoption of the agenda. I will take it as agreed that we adopt the agenda. May I invite our co-Chairs to make their opening remarks? Australia?

CRAIG EMERSON: Thank you Madam Chair. I would like to express our appreciation for hosting this meeting, and also the wonderful hospitality that we've enjoyed here in Manado. It's a sign of the very strong friendship that exists between Australia, New Zealand and the ASEAN countries. And indeed, in these troubled financial times, which we hope will not translate into equally troubled times for the world's real economy, the desire and imperative for closer economic integration between the economies of ASEAN, Australia and New Zealand, have never been greater.

Trade liberalisation has this defining virtue: it can lead to the creation of more jobs and more prosperity, rather than arguing about who's going to get a fixed number of jobs from a stagnant world economy. And that's why trade liberalisation and investment liberalisation has this particular magic: it can grow the amount and then we can all share in that extra prosperity - the extra jobs. And that's what economic integration involving Australia, ASEAN and New Zealand is all about.

Also, Madam Chair you recently pointed out in your play that I often talk about "gold standard agreements". Tim Groser and I have often reflected on the fact that Closer Economic Relations between Australia and New Zealand is a gold standard agreement. And the ASEAN-Australia-New Zealand Free Trade Agreement is a gold standard agreement. So I think that's a source of great pride for everyone around the table. We were able to negotiate an agreement that others can use as a model, rather than having trophies on the national mantelpiece called Free Trade Agreements which are free trade in name only.

So in this meeting's opening session it is worth reflecting with some pride on the fact that we have in the ASEAN-Australia-New Zealand Free Trade Agreement a gold standard agreement. Obviously, we look forward to the notification from Indonesia. But we understand that that is proceeding well through the processes and it's just a matter of time – it might happen quite quickly now. My final observation is that ASEAN as a group is Australia's second-largest trading partner, at 15 per cent of our two-way trade. It is worth comparing that with China, which is our largest trading partner, at 19 per cent. So you can see that ASEAN as a group is a very important relationship.

An area that I think is underdone and where we should turn our attention is investment. Australian investment in ASEAN countries is small. In the 21st Century we often talk about the value not only of trade but of investment and technical cooperation. And that's a model that we should be thinking about when we talk about liberalisation in the future. It's not just trade but it's investment and technical cooperation where we can support each other.

MARI PANGESTU: Thank you very much Craig.