



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
Newsline with Jim Middleton
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Subjects: Trade liberalisation.

MIDDLETON: Fashion changes in politics as it does in many other aspects of life. In recent years, multilateral trade negotiations have entered a state close to suspended animation. In their place, bilateral free trade agreements have flourished like clover after spring rain.

But now Australia's Treasury has questioned the value of FTAs, suggesting they make little difference to market access and inhibit economic reform. Treasury also called on the Australian Government to act quickly to establish a carbon emissions trading scheme. Craig Emerson is Australia's new Trade Minister. Minister, welcome to the program.

EMERSON: And thank you for having me on the program, Jim.

MIDDLETON: Many of the exports on which the Australian economy relies are very carbon-heavy, if I can put it that way. How seriously would those exports be at risk if Australia fails to put a price on carbon?

EMERSON: Now obviously there's international interest in putting a price on carbon. We in the Labor Party believe that there is a problem of human-induced climate change. That sets us apart from our political opponents who don't believe that. So these are the sorts of tough decisions that we'll need to make, but I'm sure that our trade performance will remain very strong.

We're in trade surplus territory after, I think, about 60 months of successive trade deficits. So we're a strong and robust exporter, not only of primary commodities – manufactured goods and increasingly services as well. So, when we look at our exports, of course mining is fundamentally important to that, but we also need to ensure that we have good access to overseas markets for our manufactured goods and our increasing services trade.

MIDDLETON: To your portfolio more generally, this Australian Parliament is balanced very, very delicately. How can you deliver certainty to Australia's

trading partners that you can deliver on the deals that you make, given that the Government's majority in Parliament could disappear in the blink of an eye?

EMERSON: Well I think this is an issue that's not unique to Australia. The United States is in a similar position. There are countries in Europe that are in similar positions. What we can do is negotiate in good faith to open up access to markets through bilateral, regional and multilateral trade negotiations, and then bring any such concluded agreements to the Parliament.

There's a Treaties Committee that has been looking at these sorts of trade arrangements in the past. I'm sure the Australian Parliament will look at any concluded agreements. But I think that, from the indications from the Coalition to date since this new Government has been formed, they are at least saying that they believe in trade liberalisation. I take that in good faith and I guess with the combined numbers of Labor and the Coalition we would get it through. I'd also hope that independents and the Greens would also support trade liberalisation in this country and globally.

MIDDLETON: But the balance, the fine balance in this Parliament does mean that you would be depending on the Opposition Coalition, and you'd have to say to date that in other areas the Opposition leader Tony Abbott has hardly shown himself to be constructive, if I can put it that way.

EMERSON: Well it has been concerning, the approach that Mr Abbott has taken. But Julie Bishop, who is the Shadow Minister with responsibility for trade, has been saying the right things. I suppose it's a matter not only of talking the talk but walking the walk. But I don't expect Julie Bishop to arrive at a position on a trade deal that has not yet been finalised. I would talk to Julie and I'd hope that she would make her decisions in the national interest. I think and expect that she would do so. But let's cross that bridge when we come to it. We need still to get through some more detail in our various negotiations, including of course in the very complex but potentially very rewarding area of resuming the talks on multi-lateral trade negotiations - because it's in that area, Jim, where the gains are greatest, not only for Australia and the rest of the developed world but very importantly for developing countries including the poorest countries on earth.

MIDDLETON: Speaking of Doha, it's been a bit of a debacle to date. Is there any reason for optimism that the multilateral spirit can re-emerge given the experience of the past few years?

EMERSON: Well without optimism you can get nowhere. And certainly if you were fatalistic about these things and threw your arms up in the air and said 'that's it, this is never going to happen,' that certainly would be a self-fulfilling prophecy.

What it does need is some optimism, some energy. I've just come back from the United States where I think there are indications, not only in the United States but in other parts of the world, that there is interest in restarting those stalled negotiations from 2008.

MIDDLETON: It is the case that, given the lack of progress in the Doha Round, that both the previous Australian Governments, both the Rudd and Howard Governments, actually had little option but to give priority to bilateral free trade agreements?

EMERSON: Well my own view is that the Howard Government gave up too quickly on Doha. None of these agreements come easy. The Uruguay Round did not come easy. And certainly when I was an adviser to Bob Hawke there was no shortage of commentators saying that the Uruguay Round is going nowhere, it's dead, and it should be abandoned.

And yet through the persistence of many countries, including Australia through its chairmanship of the Cairns Group of Fair Trading Nations, we actually got there in relation to the Uruguay Round. It will require that sort of energy and commitment from all the major players in order to get a successful conclusion to the Doha Round. But I certainly know that if we're pessimistic about it, if we're fatalistic about it, and just say it's too hard, well that will be the end.

That's not the approach that Simon Crean took to the Doha Round. It won't be the approach that I'm taking. I'll bring to the portfolio lots of enthusiasm, lots of energy and a fair amount of optimism because it needs that combination to bring this round to a successful conclusion. And, on behalf of the Australian Government, I'll do everything I possibly can for Australia to use our influence to achieve that outcome. It's good, as I say, for the developing world, it's good for the developed world, and it's good for the poorest countries on earth.

MIDDLETON: On the question of bilateral free trade agreements, do you agree with the Australian Treasury that FTAs do not meet Australia's needs, produce only modest market access, and reduce policy reform flexibility as revealed in their post-election advice to the Government?

EMERSON: I am by nature, more a multilateralist or regional trade liberalisation. But if a bilateral deal can contribute to and enhance the prospect of regional and global trade liberalisation then I think that's a good thing.

MIDDLETON: But the question, Minister, is whether it has. And it seems to be that what Treasury is saying is that this proliferation of FTAs has not produced that result.

EMERSON: Well if we're talking around the world, and there are hundreds of these agreements around the world, I think it does depend on their content. I am a multilateralist by instinct, always have been. I found myself being virtually a lone voice when I was the Shadow Trade Minister when the Howard Government was in place, arguing that we shouldn't give up on the multilateral negotiations.

I think the Howard Government did give up on that too readily and went to the bilateral arrangements. But I'm not now going to say that all bilateral deals are bad deals. It depends on the content. It's often said you can't judge a book by

its cover, well you shouldn't be able to judge a free trade agreement or a bilateral trade deal simply by its title.

Surely we should be judging them by their content and whether they do contribute to regional and global trade liberalisation or not. If they don't, in fact if they are trade inhibiting, then I agree with Treasury. But if it's a trade enhancing bilateral deal; that is, one that enhances trade not only between the two countries but regionally and globally then, on the face of it, it should be a good deal.

MIDDLETON: Minister, thank you very much for your time.

EMERSON: It's a pleasure, thanks for having me on the program.