



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

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COMPERE: The Prime Minister will today fly to Hawaii for the APEC meeting. Top ministers from the Asia-Pacific Rim are already there, and have expressed concerns over the debt crisis in Europe. Among the Australian delegation in Honolulu is Trade Minister Craig Emerson. He joins us live this morning. To interview him, Chief Political Correspondent, Kieran Gilbert.

KIERAN GILBERT: Craig Emerson, thank you for joining us. There are reports today that the US President Barack Obama and Prime Minister Gillard will announce next week during his visit a permanent marine presence in Darwin. There will be reservations in China. Has Australia notified our largest trading partner of these plans?

CRAIG EMERSON: Obviously these are reports that I'm not familiar with. I'm a long way away here in Honolulu, Kieran, and I'm not the Defence Minister and I'm not the Prime Minister. We do have a very strong alliance with the United States, that is true. But I'll leave any such statements, if there are to be such statements, to the Prime Minister and the Defence Minister.

Sorry to play the straight bat, but I'm the Trade Minister of Australia; not Defence; not the Prime Minister.

GILBERT: But it is our largest trading partner and there will be concerns. You're meeting your Chinese counterpart tomorrow. In general terms, how important is it to manage these sorts of developments in the relationship where there are competing demands and interests with the military alliance on the one hand and our big trading relationship with China on the other?

EMERSON: Well once again I'm not confirming any statement or any assertion that you're making Kieran. I am meeting my counterpart. We have a very good relationship with China. We work very hard with China and the United States and the European Union to open up the world to more trade, because that's the pathway to more jobs and more prosperity.

Far better doing that - opening up our countries to trade - than squabbling over a fixed amount of jobs, or even a declining number of jobs if the world were to succumb to protectionist pressures. And those pressures, Kieran, are increasing all the time.

The irony is that during the Global Financial Crisis, which became a recession, there wasn't an enormous amount of protectionist sentiment in domestic economies. But there is now, and Australia as usual is leading the charge to keep the trade doors open so that we don't end up succumbing to those protectionist pressures and destroying jobs in the process.

GILBERT: I'm not asking you to confirm specifics: just in general terms, are these sorts of sensitivities something that the Government is aware of that needs to be managed?

EMERSON: Well, of course we work closely with the United States. We have an alliance with the United States. China understands that. We have very friendly and warm relations with China. We have very friendly and warm relations with the region; we're a peace-loving country, and that doesn't intersect with our trade policy in any event, because everyone knows that keeping trade open is so important during this time.

I heard some of the reporting there Kieran from Europe. It doesn't sound all that flash to me. And what I'm really saying is that we are here in the Asia-Pacific region and in the right place at the right time. And it's not by accident, and it's because of good visionary leadership with Gough Whitlam, Bob Hawke, Paul Keating and even to an extent John Howard and Peter Costello keeping our doors open. And that's just so important, to be in the right place at the right time so that we can generate more jobs for working Australians.

A good result just yesterday: a further reduction in the unemployment rate. Let's continue that by embracing the right trade policies.

GILBERT: Italy is a massive concern and Greece is on the precipice - remains on the precipice. What's the mood among your counterparts there? Is there any optimism at all that the Euro zone will get its act together?

EMERSON: Well, I haven't had detailed discussions about the Euro zone, because most particularly we're here at APEC. This is an organisation or a forum that Australia established. I remember Bob Hawke coming back and joining me in Thailand, or probably more appropriately I joined him, after he and the president of Korea launched APEC in 1989. And the whole purpose of APEC ultimately, Kieran, is to achieve a free trade area for Asia and the Pacific. We're dismantling a lot of barriers to trade and investment along the way to that complete vision.

But the discussion here is very much centred on the Asia-Pacific region. And the good thing going for Australia - and this is why the Prime Minister is saying that we are the envy of the world - is that we are not integrally linked with Europe these days. Perhaps if you asked Tony Abbott, he'd like to go back to the good old days of colonial rule. But in our case we made the decision 25 years ago to integrate our economy into the Asia-Pacific economy, and it's working a treat. And that's why we have three-quarters of a million jobs created, unemployment going down, and interest rates heading in what we would consider to be the right direction. And that is as a result of good economic management, not good luck.

GILBERT: Trade Minister Craig Emerson, live from Honolulu. I appreciate your time.