

Preface to

Australian Business Guide 2008-2009

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In a generation, or less than 30 years between December 1978 and March 2007, the Peoples' Republic of China (PRC) became Australia's largest two-way trading partner eclipsing the historic economic partners of the United Kingdom (UK), United States of America (USA) and Japan.

This phenomenal growth in commercial dealings has been part of a process of internationalisation for both Economies wherein the traditional 'ruling elites' have changed composition and global perspectives are now mandatory for senior executives in all companies.

China from its entry to the WTO in 2002 has accelerated its commercial and economic penetration of all regional markets such that the PRC is now recognised as an essential partner in global financial investment whether internal or external, as well as in Aid and Relief Programmes. Its leading corporations are taking significant equities in most strategic industries and sectors thereby changing geo-political allegiances of countries, parties and peoples.

The United States at the head of NAFTA and its historic ally the rapidly expanding European Union face stiff competitive challenges from not only China presently, but India and a rejuvenated Russia in the near future and from countries such as Brazil leading Mercosur in South America, South Africa with Nigeria in Africa and an Iran/Iraq 'coalition' in West/Central Asia that will undoubtedly complicate dramatically the new Great Game of Global Economic Relations.

Japan and Australia stand out as two countries about which there is considerable doubt concerning their medium and long term economic and political directions. Together they rival both the USA and PRC for commercial dominance in the Pacific. Neither country can be taken for granted.

Australia is a divided nation between those who look to 'great and powerful friends' traditionally in the UK and USA for protection and special favours, and those 'nationalists' who have yearned for a genuinely independent and self-reliant people who interact with all other nations without prejudice. This is China's business challenge.

Australia welcomes and needs China's investment in our industries as a genuine partner and not as a new master. Leading politicians and bureaucrats, senior business executives and representatives of economic think tanks, academics, students and well-read people must understand this fundamental concern. Australians do not want their country to become a

'commercial battleground' in the inevitable fierce economic struggle between an aspiring China and a dominant USA for the global 'commanding heights'.

This book entitled *Australia Business Guide 2008-2009* has been written by Mr Lin Kun, currently ACCCI Chief Representative in Beijing and formerly Head of the Economic and Commercial Division, Chinese Consulate General in Sydney, for 5 years in the late 1990s. It will be updated annually and should eventually become compulsory reading for all Chinese interested in Australia.

Lin has travelled widely throughout Sydney, New South Wales and Australia and New Zealand. He understands our mining, agricultural, manufacturing and services industries, and the economic and commercial realities of a comparatively small ANZ domestic market based primarily on less than 20 substantial urban centres. On the other hand he comprehends the absolute strategic importance of a country that 'dominates' the land and sea resources of the Indauspac Region – (Southern) Indian Ocean, Australasia and (South) Pacific Ocean.

Supporting the publication of *Australian Business Guide 2008-2009* is Mr John Wang and his company SC International. He has extensive legal and commercial experience in both China and Australia for nearly 20 years and has played a prominent role in Australian Chambers of Commerce thereby bringing insights about the thinking of ordinary business people at the SME level. Mr Wang is the Chairman of the ACCCI China Liaison Committee based in Beijing and Wuhan, as well as ACCCI Board Member and Life Governor since 2005.

I congratulate both Lin and John, and all parties contributing to the launch of this new business publishing venture. It is an essential initiative in a process of mutual education and developing understanding and respect between our peoples. I wish a long and successful life for the *Australian Business Guide*.

Sydney, Australia
28th July 2008