

BRIEFING NOTES FOR CONSUL GENERAL OF THE PEOPLE'S REPUBLIC OF CHINA

**FROM THE AUSTRALIA-CHINA CHAMBER OF COMMERCE AND INDUSTRY OF NEW
SOUTH WALES**

For the dinner on 17 June 2008

THE NATURE OF THE CHAMBER AND ITS ELECTED OFFICERS

The Chamber is a non-government association that is registered in New South Wales as a non-profit organisation. Membership consists of companies that have a trade and investment interest in China.

Secretariat and agents national and international is ACCCI Pty Ltd ACN 008 613 590.

Governor: The Lord Mayor of Sydney.

Patron: The Consul General of the People's Republic of China.

ACCCI Executive Committee:

President - Michael Jones

Senior Vice President - Barrie Unsworth

Vice President - John Dowd

General Secretary - Helen Qiao

Director Delegations - William Li

Chairman China Liaison Committee - John Wang

Chairman National Liaison Committee - Richard Liu

Hon Accountants - Holden & Bolster

Hon Solicitors - Freehills

ACCCI Life Governors/Board:

Chair - Michael Jones

Deputy Chair - Richard Liu

Trade Policy - John Zerby

Public Policy - Marilyn Walker

Cultural Policy - King Fong

Social Policy - John Wang

Founding President - Darcy Carter

Founding Senior Vice President - Arthur Chang

Former President - Reg Torrington

Former Senior Vice President - Roy Dismeyer

Former Chinese Community Director - Harry Pang

Former Life Governors Now Deceased:

- Bo Liu (Former Deputy Governor)

- Laurie Smith (Former General Secretary)

- Greg Burns (Former ACT Chief Representative)

ACCCI Pty Limited

Director - Michael Jones (CEO)

Director - Marilyn Walker (Non-Executive)

More information is available at <http://www.accci.com/about.htm>

ACCCI ADVISORY COUNCIL

Dr Anthony Pun OAM, JP, PhD, FACBS was appointed to the ACCCI Advisory Council in July 2003. He brings a wealth of experience and connections to the ACCCI Advisory Council and will be able to assist our work for Australia China non-government economic linkages greatly. Chamber thanks him for his very valuable time.

Key features of his community service positions and appointments are:

- Chairperson and Vice Chairperson, Ethnic Communities Council of NSW 1995/2003
- Chairman - Chinese Australian Union
- Chairman - Chinese Australian Celebrations Committee
- Honorary Chairman - Indonesian Ethnic Chinese Community Association
- Honorary Chairman - Australian Mainland Chinese Association Inc
- Chairman, Executive Committee – Australia China Culture Association
- Honorary Chairman - Australia (NSW) Guangdong Association
- Shanghai International Culture Association 2000, Overseas Director for Australia

His awards include: Medal of the Order of Australia and Premier's Award for Community Services.

From announcement published at <http://www.accci.com/pun.htm> and his Curriculum Vitae is published at <http://www.accci.com/Tony Pun CV.htm>

BRIEF STATEMENT OF ACCCI DURING THE PAST 35 YEARS

“Negotiating the Future by Understanding the Past”

Speech by Michael C. H. Jones at the 35 Anniversary Dinner

There are many ways to approach and segment the 35 years since Australia's recognition of the People's Republic of China in December 1972. Australia China Economic Relations not only has both an Australian and Chinese perspective but also a Regional Asia Pacific and Global context. In addition there are significant institutional histories, public and private, including the Australia China Chamber of Commerce and Industry of New South Wales (www.accci.com.au), that was established on 16th September 1976.

The official visit to Australia in early September 2007 of His Excellency, Chairman Hu Jintao, President of the People's Republic of China, marks another step in the tortuous history of Australia China Relations stretching back to the Gold Rushes of the 1850s.

For example from the early 1890s the famous Australian journalist George Morrison travelled widely throughout China. In 1897 Morrison became The (London) Times Correspondent in Peking reporting the affairs of the Imperial Court and the revolutionary movement that ended the Manchu Dynasty in 1911. Subsequently he was a government advisor to President Yuan Shi-kai. In 1917 Morrison visited Australia speaking energetically on China trade prospects.

In 1913 the Foundation Governor of ACCCI, Billy Liu, was the English-speaking secretary to the first Chinese Consul in Melbourne, then Australia's capital. In 1917 Liu helped establish a Shipping Line between Australia and China and in the late 1920s and early 1930s he was

the very active Vice President in Sydney for the Chinese Chamber of Commerce travelling regularly between Australia and China. The building of the No 1 Department Store in Shanghai was based on plans from the David Jones building in Sydney.

Another famous Australian journalist, Wilfred Burchett, reported the Japanese invasion from the front line in Chongqing Western China during 1941. Imperial Japan ravaged China for 50 years from the annexation of Taiwan Province in 1895, separation of Manchuria in 1931, and conquest of the Eastern Coastal Seaboard and Central China between 1937 and 1945. Burchett recognised very early the corruption and incompetence of the Kuomintang Government under Generalissimo Chiang Kai-shek that led to the Communist victory and establishment of the People's Republic in October 1949.

Many of the Chamber's founding businessmen first became politically active in the 1930s in opposition to Japanese aggression in the Asia Pacific, and subsequently again in the 1950s in support of the growing campaign to recognise the PRC. Both my father and mother, J.C. and E.H. Jones, were such people. The original generation of ACCCI leaders in 1976 had military backgrounds during the Second World War and continued their involvement with defence and trade issues well into the 1980s. Australia China trade continued in the 20 years up to 1972, albeit very discretely and on a small scale.

The Whitlam Labor Government recognition of the PRC in December 1972 was truly an historic event in Australia China Relations – one of the few times in Australian history when this country has played a genuine global leadership role. The Missions lead by Trade Ministers Dr Jim Cairns and Lionel Bowen were pioneering and from their success was born the ACCCI. However this window of leadership opportunity only lasted 6 years until Democrats President Jimmy Carter recognised the PRC from 1st January 1979 and China's Paramount Leader Deng Xiaoping launched his 'world shattering' Open Door Economic Policies.

Arguably there have been four periods in Australia China Economic Relations since December 1978. Firstly, the decade until the June 1989 events in Beijing's Tiananmen Square. Secondly, the bitter years of the early 1990s when China faced trade sanctions imposed by the USA, Japan, EU and other countries including Australia. Thirdly, from about 1995 when the US financial and trade sanctions finally ended to China's successful admission to the WTO in 2002. Finally, the current period from the coming to power of Chinese President Hu Jintao.

During the 1980s the foundations of an enormous trading relationship between Australia and China were laid. Contacts, understandings and commercial respect were realised although there were many business failures on both sides – this was inevitable given China's previous isolation from the world. It is very sad that the business leaders of those years did not realise the 'fruits of their labours' and in many respects have not been properly acknowledged by either side. Tiananmen shattered a lot of dreams and many 'old hands' never returned to the China trade. I know because I was first elected President of ACCCI in 1989.

In late May 1994 Chamber signed in Beijing a Cooperative Agreement with the Beijing Sub-Council of the CCPIT from which many commercial activities developed. Similar agreements had been previously signed with Shenzhen Municipality and Hubei Province, and many others were to follow later in the decade. By 1995 there was a new commercial momentum and Australia China two-way trade had reached approximately AU\$5 billion. However when I predicted in The Australian newspaper that trade would pass AU\$20 billion by 2000 there were only smiles. Twelve years later at the end of March 2007 China passed Japan as Australia's biggest trade partner with a miraculous AU\$52 billion in two-way trade. At current growth rates it is not inconceivable that in another 15/35 years Australia China trade could

be in excess of AU\$250 billion or even approaching AU\$500 billion per annum. However we all know history does not walk or run in straight lines.

As the Third President of Chamber (1989/2007) I would like to pay tribute to the Founding Governor, William J. Liu OBE, Founding President (1976/89), D.C Carter OAM, and the Second President (1989) and twice loyal Vice President to Darcy and myself, R.J Torrington. Also to the many retired men and women who have served over 31 years, some of whom have now passed away - among others I refer to Roy Dissmeyer, Laurie Smith, Bo Liu and Greg Burns. Nevertheless Chamber is fortunate that both the foundation Senior Vice President, Arthur Chang, and Second Vice President, Richard Liu, are still members of the ACCCI Board along with 1980s executive members Harry Pang and King Fong. The 1990s 'trade sanctions and beyond' leadership of John Zerby, Marilyn Walker, John Wang and David Odewahn also remain active giving their expertise and time voluntarily to Chamber.

ACCCI will continue its traditional leadership role in Australia China Economic Relations and looks back with pride on the generation of approximately AU\$40 billion in two-way trade between our countries during the period 1976/2002.

However Chamber has always focused on 'Economic Relations', which is about the politics of national and regional trade and industry competition. We understand that the Great Powers always have a disproportionate 'soft power' to influence events to their liking. Therefore it is essential that the smaller countries, through adherence to the Rules of International Law and support for Human Rights Institutions, at least have a place at the economic table through the UN and WTO rather than the alternative situation where a 'military industrial complex' with pre-emptive strike policies unilaterally determines global events. Again in an Age of Fundamentalism across many religions Australia must always try to avoid becoming a 'battle ground' for different faiths/ideologies or economic/political interests.

Over the next 35 years, as China's global power grows in economics, politics and militarily, the Australia China Diplomatic Relationship will face many challenges and business will have to respond determinedly. ACCCI will be at the forefront.

From http://www.accci.com/negotiating_the_future.htm, dated 17/09/200.

ACCCI INTERNET SITE

The Chamber's principal means of communication with members and friendly organisations is by email, and with the rest of the world it is via the Internet site: <http://www.accci.com.au>

Editorial Policy for the ACCCI Website

Australia China economic relations in the broadest sense and within the global context with special attention to China's growing economic relations with North America particularly the USA, European Community and Russia, Japan and India. Trends and events that potentially impact on Australia will be featured.

In particular Trade Policy issues at China's Central, Provincial and Municipal levels and their commercial significance will be monitored and similarly Public Affairs matters with an emphasis on human rights, global governance and rule of law and their impact on culture assessed.

The China Key City Strategy will be applied to appropriate cities in Australasia, North America, European Community, Japan and India according to the four sector approach of Urban Services, Rural Industries, Infrastructures and Commercial Culture.

The special projects of Chamber since 1976 and into the future will be promoted from time to time with concentration on their catalyst impact for private and public enterprises and organizations.

Articles and comment will be sought from the range of interested parties across China and the world so as to develop an international reputation for China economic relations in the wider sense as it pertains to Australian interests in the Indauspac Region, namely the markets and communication/transportation systems of the countries of the Indian and Pacific Oceans.

In this way the current structure and content of the ACCCI Website can be maintained and developed as the opportunities permit.

Michael C.H. Jones
President, ACCCI
Anzac Day 2003
20th Anniversary of the death of William J. Liu 1893/1983
25th April 2003

BRIEF STATEMENT OF CURRENT PLANS AND STRATEGY

The new **Key Cities Strategy** is in place with well advanced relationships that are needed for on-going activities or for new projects.

The **ACCCI Board Policy** framework now exists with the President exchanging ideas for concentrated efforts with existing projects, or for new projects in each area such as further discussion of a Trade Policy Position Paper. Discussions are continuing about Project Sub-Committees to implement specific policy outcomes.

The **Annual Forums Committees** have been kept on the 'backburner' as a result of a lack of volunteer personnel to organise the forums. Admittedly it requires a considerable amount of time and effort, and in many cases the rewards have not been substantial.

The **Special Projects** at the 'innovation' end have been very beneficial and certainly stimulating for the ACCCI Board. Most of these were assisted by the Chamber, rather than fully owned and operated by Chamber. However, like offers to act as a consultant to companies doing business in China, the projects tend to have a short life unless a sufficient amount of human and financial resources are available to follow them through to commercial viability. So many projects which Chamber assisted and were successful in China or Australia have gone off-shore in terms of ownership and decision making. We nevertheless remain open in considering requests for assistance.

The **ACCCI Executive** will continue with the 'great issues' that are relevant to Australia-China relations. As a result of China's emerging influence, these relations have been expanded to include regional and global issues. The ACCCI Website already contains good published material on some of these issues, with links to other Internet-sourced information. Chamber intends to maintain its focus on economic relations, as stated in our banner:

For the establishment of strong and lasting economic linkages between non-government organisations in Australia and China.

We nevertheless recognise that, in current times, trade and investment is affected by many other considerations and these must be addressed sooner or later.

Institution Building has been viewed as a bridge between China and Australia since the publication of the ACCCI Blue and Green books in 1995 and 1996. This has a Human Rights perspective both economic/political and cultural/social, so that an understanding of these issues can facilitate the exchange of personnel between the two countries and assist in maintaining a stable two-way trading environment.

Regional Trade-Related Institutions are important to the bilateral institutions since, for Australia and to some extent also for China, the latter are fashioned after the former. The ACCCI Board therefore views the tasks of monitoring, commenting on, contributing to and initiating actions in response to the regional and global institutions such as the World Trade Organisation, Asia Pacific Economic Cooperation Forum, Association of South East Asian Nations and various bilateral free trade agreements involving either Australia, China or both.

From emails sent to ACCCI members and friendly organisations during the past 12 months.

LIST OF CHAMBER SPEECHES AND PRESENTATIONS IN CHINA

Michael C.H. Jones, President, ACCCI, chamber@accci.com.au
A New World in the New Century, at the Australia Day Celebration, Wuhan, 26 January 2002. Text in English <http://www.accci.com.au/president.htm#text>. Text in Chinese: <http://www.accci.com.au/presch.htm#text>

Michael C.H. Jones, President, ACCCI, chamber@accci.com.au
Invest in Australia, Invest in Australia Seminar, Fuzhou, 12 April 2002; Wuhan, 18th April 2002, Nanjing, 20th April 2002; Beijing, 25 April 2002. Text in Chinese: <http://www.accci.com.au/jones4.htm>

Michael C.H. Jones, President, ACCCI, chamber@accci.com.au
Township and Village Enterprises, Township and Village Enterprises Seminar, Wuhan Municipality, 15 April 2002. Text in English: <http://www.accci.com.au/jones3.htm>

Brett Slater and Victoria Pomfret, Brett Slater Solicitors, brett.slater@idx.com.au
Australian Visas and Citizenship, Invest in Australia Seminar. Text in English: <http://www.accci.com.au/brett.htm>

Dianne Zou, Introduction of Preferential Policies and Projects on the Incentives for Overseas Investment in Australia, Invest in Australia Seminar. Text in Chinese: <http://www.accci.com.au/zou.htm>

Lin Kun, ACCCI Chief Representative Beijing (former Head, Economic and Commercial Section, Consul General of the People's Republic of China in Sydney), auslinkun@163.net
My Comments on the Investment by Chinese Enterprises in Australia, Invest in Australia Seminar. Text in Chinese: <http://www.accci.com.au/linkun.htm>

Chi Hao, Westpac Banking Corporation

Financial Services Provided by Banks in Australia for Investors, Invest in Australia Seminar. Text in Chinese: <http://www.accci.com.au/chihao.htm>

Stephen Yu, Invest Australia, Invest Australia Powerpoint Presentation, Invest in Australia Seminar. Text in Chinese: <http://www.accci.com.au/yu.ppt>

Presentations at the First Australia-China Agricultural Forum in Wuhan in November 2002, by Australian and Chinese delegates: <http://www.accci.com.au/agforum.htm>

SPEECHES IN AUSTRALIA

"Dialogue on the Status of Taiwan", email communications between **Michael C. H. Jones, President, and Dr Chen**, March 2008. Full text: <http://www.accci.com.au/TaiwanDialogue.pdf>

Michael C.H. Jones, President, "Statement to the Jiangmen City Delegation" (Guangdong Province) on Friday 3rd September 2004 in Sydney. Text at: <http://www.accci.com/Jiangmen Statement.doc>

Michael C.H. Jones, President, "Business Networking in the Asia Pacific Region", at the Asian Media Centre Business Forum "Success in China", 22 March 2002. Text at: <http://www.accci.com.au/busnet.htm>

Michael C.H. Jones, President, "ACCCI Key City Strategy and Programme in China 2002/2004" at the Sister City Forum "Making Sister City Relations Work for the Economic Benefit of Both Parties", Sydney, 12 March 2002. Text at: <http://www.accci.com.au/jones2.htm>

For other speeches at the Sister City Forum: List at: <http://www.accci.com.au/ssforum.htm>

Michael C.H. Jones, "Message from the President", at the launching of the Chamber's Internet Site, Sydney, 14 September, 2001. Text at: <http://www.accci.com.au/message.htm>

SPEECHES AT CHAMBER FUNCTIONS

Speech by **Clover Moore, MP, Lord Mayor of Sydney** at the opening of the Chamber's Secretariat Office, 29 June 2004. Text at: <http://www.accci.com.au/clover moore.pdf>

Speech by **Mr Du Wei, Deputy Consul-General of the People's Republic of China in Sydney** at the opening of the Chamber's Secretariat Office, 29 June 2004. Text at: <http://www.accci.com.au/du wei.pdf>