

A Leaner, Tougher and more Experienced Chamber steps up to the Plate

by Michael C. H. Jones

Somewhere in the often mislaid records of the Chamber are the minutes of the protracted negotiations during the 1980s between the Cities of Newcastle (Australia) and Wuhan (China) to sign a Sister City Relationship. These negotiations collapsed never to be reactivated with the events of June 1989.

Similarly, although recently sighted again, the initial and inspirational agreements between ACCCI and Chinese cities signed by the late Laurie Smith, firstly as General Secretary and later as Senior Vice President of Chamber, from about 1991 onwards are missing. This is one of the many problems of a voluntary, non-profit and non-government bilateral business organization.

Yet history is important if only not to make the same errors of judgment repeatedly. Some people are unkind enough to claim Australians continually re-invest wheels that are square and never roll – the major companies after hundreds of millions of dollars of losses in China may well have overcome this tendency, however Chamber sees little evidence that this is the case at the SME level.

One of the issues is at what level to deal with China. Because Australia is such a small in population country and has a Federal system where the Commonwealth Government is responsible for 'foreign affairs and trade' with varying support from the States at the business margins, there is very little appreciation of the political significance and economic power of the Chinese Municipalities beyond the Provincial capitals. There are really no equivalent commercially oriented government bodies in Australia, with perhaps the larger Australian entity of the City of Brisbane coming closest. Certainly Sydney, even with it's recent enlargement to the South, is essentially the CBD and the Mayor and Council have miniscule powers when compared to Chinese Mayors, Deputy Mayors and Trade Officials representing millions of people and companies many still SOEs in both the urban Districts and surrounding rural Counties.

So why continue to organize and participate in business delegations to Beijing, Shanghai and Guangzhou where the international commercial competition is extremely fierce – even small companies from the USA, EU, Japan and others can throw millions of dollars and hundreds of people at potential projects – and thus our national (Australian) economic relations clout/profile is exceedingly limited to say the least.

That is why Chamber has sought officially since 1996 to build a system or network of cooperative agreements with Chinese cities that facilitate more digestible business opportunities for Australian SMEs. We have to admit there have been successes and failures. Yet China's entry to the WTO as a 'non-market economy', guideline negotiations with Australia for a FTA as a 'market economy', and new Foreign Trade Law seem to vindicate the ACCCI foresight and perhaps vision.

At any rate Chamber is currently well into the 4th stage of the Key Cities Strategy.



Initially member companies met any delegation from China – indeed in the early/mid 1990s Chamber hosted an average of up 150 delegations per year – the record for one week was 22 delegations at breakfast, lunch and dinner or several dinners on the same evening. Between 1988 and 2000 approximately 1500 Chinese delegations at all levels were met officially by ACCCI. Indeed the ACCCI President gave out well over 50,000 copies of his business card in the years 1990/97.

Towards the end of the 90s Chamber curtailed its ‘delegation meeting’ programme as more cooperative agreements with Chinese cities were signed and Chamber could start to concentrate on building medium to long term relationships with government and private organizations. However it must be recognized and accepted that the Chinese cities with which ACCCI signed were usually ‘politically’ motivated – mainly by the Chinese side – and somewhat haphazard on the ACCCI side – you take the opportunity when and if it arises. Nevertheless the concept of analyzing what the Chinese wanted and what Australians had to offer in the four broad categories of Urban Services, Rural Industries, Infrastructure and Commercial Culture grew legs so to speak.

During 2002 and 2003 the ACCCI President, Michael Jones, with other Chamber members made official visits to and delivered formal speeches in at least 25 Chinese cities namely Changchun, Shenyang, Dalian, Beijing, Tianjin, Huhhot, Shijiazhuang, Jinan, Qingdao, Hefei, Nanjing, Wuxi, Shanghai, Nanchang, Fuzhou, Guangzhou, Basuo, Sanya, Guilin, Changsha, Wuhan, Chongqing, Chengdu, Xi'an, Lanzhou and Urumqi, among others including smaller satellites cities and towns. In all of these meetings he emphasized the uniqueness of Australia and New Zealand in Australasia, our language, culture, political and economic procedures, social customs and history – even though acknowledging our ancestral debts to indigenous Australia, Europe, America and China.

Specifically the President outlined and discussed in depth the Cooperative Agreement Programme which includes the additional cities of Qiqihar and Daqing in Heilongjiang; Hailar in Inner Mongolia; Jilin and Hunchun in Jilin; Fushun, Liaoyang, Yingkou and Dandong in Liaoning; Tangshan, Baoding and Handan in Hebei; Yantai, Zibo, Weihai and Linyi in Shandong; Datong and Yangquan in Shanxi; Luoyang and Kaifeng in Henan; Suzhou, Changzhou and Changsu in Jiangsu; Maanshan and Anqing in Anhui; Ningbo and Taizhou in Zhejiang; Quanzhou and Fuzhou in Fujian; Shenzhen, Foshan and Maoming in Guangdong; Nanning and Beihai in Guangxi; Yueyang and Zhuzhou in Hunan; Echeng and ?? in Hebei; Nanchong and Deyang in Sichuan, Xining in Qinghai; Kunming in Yunnan; Yichuan in Ningxia. There may be one or two smaller cities missing for which ACCCI apologizes.

It was decided to establish Australia Committees in Chinese Cities and re-activate City Chapters throughout Australia and New Zealand. These have the objective of focus and profile particularly for the Australasian benefit. Chinese government and trade officials, and more recently private company executives, often have the title and responsibility for ‘North America and Oceania’ and this means 99% of their focus is not on Australia. Similarly Australian executives trained in western business practices sometimes find China too difficult and either by-pass the country or leave business responsibility to relatively junior expatriate executives. Both sides need to build expertise and experience



at the highest company levels beyond government reliance in the economic institutional relationships now developing between our two countries.

This in part means bringing at least four groupings together in regular dialogue – government officials, academics/educationists, company executives and cultural specialists for the long haul if Australia is to be really competitive in China. But this has to be achieved at the municipal or city levels where there is a vested commercial interest in success. As always profit and personal gain in whatever form are the great motivators. The Chamber will continue to facilitate this process.

ACCCI now envisages a 5th stage of the cooperative agreement programme wherein all these signed written agreements will be upgraded and standardized to include the establishment of Australia Committees in Chinese cities and City Chapters in Australia and New Zealand which will be respectively coordinated by the ACCCI China Liaison Committee meeting in Beijing and Wuhan and the ACCCI National Liaison Committee meeting in Sydney and Auckland. It is also envisaged that a new ACCCI 'Private Network' Website linking all the cities will be created to complement this existing ACCCI 'Public' Website.

The ACCCI Policy Committees – Trade, Commercial, Public Affairs and Cultural; Annual Forums focusing on Urban Services, Rural Industries, Infrastructure and Commercial Culture; and Special Projects concentrating on Inward Investment, Innovation and Technology Commercialization, Business Tourism Sites and Services and Australian Education and Business Training Centers; provide avenues for participation by all those groups and organizations interested in Australia China economic linkages.

