

CHINA, ECONOMIC SLOWDOWN

210. Mr M.P. MURRAY to the Minister for State Development:

I refer the minister to recent reports of an economic slowdown in China.

- (1) What effect does the minister see this slowdown having on the Western Australian economy?
- (2) What has the Gallop Government been doing to assist Western Australian industry to meet the demand for energy and mineral resources within the Chinese economy?

Mr C.M. BROWN replied:

- (1)-(2) I am very pleased that the member for Collie has asked that question. I thank him for doing so. I was in the People's Republic of China last week with the federal Minister for Trade and the responsible trade ministers from Victoria, Queensland and South Australia. Some 18 months ago it was agreed at trade ministers meetings that an effort should be made by all Australian trade ministers, both federal and state, to be in the People's Republic of China at the one time to further promote national and state products and services. I was pleased to lead an industry delegation that consisted of 18 members of the business community and the Western Australian Chinese Chamber of Commerce. The Chinese chamber of commerce is an excellent organisation that promotes trade and business relationships between China and Western Australia. During the time I was in China I met with members of the National Development and Reform Commission and senior industry people as well as senior people at the province level. The issue of the Chinese economy overheating has been a matter of considerable public debate. There is concern by the national Government about the overheating of the economy. It is equally true that the leadership, through the National Development and Reform Commission in China, has taken steps to ensure that the Chinese economy continues to grow by only seven per cent a year rather than by 9.5, 10 or 11 per cent a year. In that regard, measures will be taken. In fact, one has already been taken to try to ensure that the level of growth is approximately seven per cent a year. What does that mean for Western Australia? It still means there will be significant opportunities for exports into the market. We attended a number of meetings in China with major companies involved in the importation of liquefied natural gas and iron ore. Demand for iron ore is very significant. It also means that the Chinese leadership is looking at other opportunities for ways of importing the types of steel needed for future development. It is looking at the option of further downstream processing in Western Australia. There are opportunities in not only iron ore but also alumina. I believe we will continue to see additional opportunities open for Western Australia to export alumina to the People's Republic of China, as well as opportunities to export nickel. Western Australia has significant opportunities in other areas as well. There has been talk of an economic slowdown but it is not about an economy going into reverse. This is a so-called slowdown of an economy growing by 10, 11 or 12 per cent a year and moves being taken by government to reduce that growth to seven or eight per cent a year. That is good news for Western Australia. We will continue to support companies in their marketing efforts and endeavours to sign further joint ventures to grow the Western Australian economy as well as assist the leadership of the People's Republic of China to continue to grow its economy.