

China News



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PRC President & Tom Burns AO

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After the recent State Election the Trade Division and International Operations were transferred to the Department of Premier and Cabinet. The Premier as Minister for Trade sees trade as a powerhouse of Queensland's economy for the future.

FACT....China is the world's biggest destination for foreign investment

Celebrating 15 years Queensland-Shanghai sister state relationship:

2004 marks the fifteenth year of Queensland's sister state relationship with Shanghai. Queensland is recognized by the Shanghai Municipal Government as its most active sister state relationship. A broad range of exchanges and partnerships have been developed under this agreement including, educational programs, high level government and business missions and forums, and joint celebrations and marketing events. For more information on the Queensland-Shanghai sister state relationship, contact International Collaborations on Tel: (07) 340 55620 or email: International.Collaborations@premiers.qld.gov.au

China Business Travel

The China Travel Services reports that Chinese firms are spending over US\$24 billion a year on business travel. Business men from Guangdong in Southern China are reported to spend approx US\$6 billion a year.

The Queensland Government is working to bring direct flights into Brisbane from the Guangdong Province on China Southern Airlines.

Giant Panda Project in Shanxi

In China the Giant Panda is a source of national pride. It carries almost spiritual significance to the Chinese people, as well as being a world wide conservation symbol. Changqing Nature Reserve in Shanxi Province is one of the few remaining Natural Habitats where the Giant Panda lives. The reserve hosts other endangered species including the golden monkey, golden takin and crested ibis.

The Australian Cooperative Research Centre for Sustainable Tourism Pty Ltd from Griffith University Gold Coast campus is working with a number of Chinese Agencies on a project aimed at conserving the Giant Panda. They are looking for expressions of interest from potential investors to participate in the development and management of this project which will be designed to meet green globe environmental performance standards. The world will watch this exciting project. For further information, please contact Stewart Moore on 07 3211 4726 or email stewart@crctourism.com.au



The Pearl River Delta Southern China's Economic Powerhouse

The Pearl River Delta (PRD) and Guangdong Province are powering ahead in most cases outperforming the rest of China which in turn is out performing the rest of the world. Today many Hong Kong and Taiwanese business people have moved both their businesses and homes to the many booming cities in the province of 78 million people. The Pearl River Delta– an area the size of Belgium – produces US \$10B worth of exports and attracts US \$1B of foreign investment a month. The monthly wage rate is currently US \$50-100 and has been stable for the past eight years. The annual GDP growth in PRD has exceeded 10 per cent for the past twenty years.

“The PRD has been the lowest direct labour cost we have found anywhere – at least 15 per cent less than Shanghai and about 30 per cent less than Malaysia – but well under 1 per cent of our cost are labour-related” Source –Tim Dinwiddie, Flextronics Doumen County – Financial Times, Feb 2003.

Update on the Beef Protocols with China

Queensland beef and lamb processors are anxiously awaiting the removal of the last significant regulatory barriers to exports of Australian beef to China, a move that is expected to occur towards the middle of 2004.

Currently Australian beef and lamb processors are only able to export beef to China under a regime that restricts meat sales to a narrow range of circumstances including supply to five star hotels, diplomatic missions and for processing for re-export.

In mid 2003 a new protocol was signed between the Australian and Chinese governments which sets out arrangements by which Australian beef exports to China could be freed from the current restrictions to a much wider customer base.

The final hurdle for Australian exporters to overcome before the new liberalised protocols could take effect was for the Chinese government to commission a systems audit of the Australian meat industry's quality assurance process. After this is completed the Chinese will recognise individual processors as approved suppliers to provide product into China.

In late 2003 the Chinese Ministry of Agriculture sent a senior delegation to Australia to carry out this systems audit and it is understood that a report by the Chinese inspection team has been received by Australian authorities in Canberra. The Australian Quarantine Inspection Service is working through the final details of the report with the Chinese authorities and it is hoped that the accreditation of individual meat processors will commence this year allowing much greater access to the growing Chinese market for beef. As the United States and other suppliers of beef are wrestling with BCE and other problems, Australia with its reputation as a clean efficient producer of food is anticipated to enjoy strong growth in exports of beef to China.

Export of Boar Goats to China

Australian Breeding Services Pty Ltd (ABS) has been exporting Boar goat breeding stock to China for the last six years. ABS has extensive experience in the export of breeding stock and, most importantly, extensive knowledge in the establishment of breeding centres under a wide range of climatic and management conditions. ABS is the largest supplier of Boar goats to China.

The Boar goats are currently being exported into the Xian Province, with distribution into other provinces taking place from Xian. The Boar goats are airfreighted from Australia direct into China. In 2002 at an international goat meat production conference in GuiZhou, scientists delivered a paper on cross breeding programmes. They stated that by mating the Boar goats with local Chinese goats, improved productivity ranged between 50% to 90%. For further information please contact Geof Burnett-Smith on 07 4696 2366 or email boargoat@bigpond.com.



HOFEX 2004

Over 10 Queensland food manufacturers, suppliers and exporters showcased their products at the Queensland booth at HOFEX 2004 which was held in Hong Kong from 10-13 February 2004. More than 26,000 visitors attended the Show from around the world with mainland China visitors doubling from the previous HOFEX show in 2001.

The QGTIO Hong Kong office invited a large number of quality importers to visit the booth and sample some of the products on display. It was a significant success to profile Queensland food in the region. Many companies visited the booth and expressed great enthusiasm to investigate the product range further.

The Queensland companies that participated were Austmarine, Pioneer Seafood, Meriram, Intermix, Golden Circle, Sunfresh, Capilano, Parmalat through Sims Trading, Leeips Pty Ltd, Bundaberg Brewed Drinks, Therfield Pty Ltd, Australian Avocado Growers Association and Australian Lychee Growers Association. Many of the Queensland growers/exporters identified several excellent contacts made through enquiries on the stand. For further information please contact Angela To on email angela.to@premiers.qld.gov.au.

International Business Cadets 2004

The 2004 International Business Cadetship program commenced on Monday 9 February 2004. The selected cadets will be working in a Queensland Government Trade and Investment Office (QGTIO) from 15 March for 20 weeks undertaking research on behalf of an industry sponsor.

Shanghai - Yannouk Golding will be conducting an analysis of the Chinese market for fruit juice on behalf of Golden Circle. Melanie Littlejohn will be investigating opportunities to work with industries that represent potential investment opportunities for Queensland, in particular, mining and mineral processing on behalf of the Gladstone Engineering Alliance. Both Ms Golding and Ms Littlejohn will be based in the Queensland Government's office in Shanghai.

Ms Golding undertook a double degree in International Business and Law but decided to take one years leave of absence from University to undertake the International Business Cadetship program before completing the Law component of the degree. Ms Littlejohn has completed a Bachelor of Commerce/Arts, majoring in International Commerce, Mandarin and Asian Studies. She is currently undertaking a Masters in Diplomacy and Trade, part-time, through Monash University.

Hong Kong - Cynthia Chen will be conducting research on behalf of the Cairns City Council gathering market intelligence on the opportunities for Queensland in the area of education and/or environmental water management. Ms Chen will be based in the Hong Kong/Southern China office.

Ms Chen has completed a Bachelor of Arts in English Education and a Graduate Diploma of Business Administration from the Hangzhou University, China and a Master of Marketing Management and Professional Accounting from Griffith University, Queensland.

For further information on the International Business Cadetship program contact Susan Thorpe on 07 3224 5689 or email: susan.thorpe@sd.qld.gov.au.

Opportunities in Education Offshore Projects in Hong Kong

QGTIO Hong Kong has been approached by a university in Hong Kong to source Education curriculum and services for joint delivery of the following programs:

1. Accounting: a CPA Australia accredited conversion Masters Degree in Accounting.
2. Financial Planning/Wealth Management: a Bachelor Degree and a Masters Degree in Financial Planning/Wealth Management.
3. Finance: A Masters Degree program that incorporates the Chartered Financial Analyst (CFA) curriculum.
4. Management & Marketing

Language & Education:

1. Bachelor Degree in English: target secondary school English teachers
2. Program in Education for secondary teachers.

Interested Education Providers should contact *Cissy Luk at the Hong Kong QGTIO Office contact:*
Cissy.Luk@premiers.qld.gov.au

FACT....China is the world's biggest importer of steel and iron ore.

This email Newsletter has been sent to you by Tom Burns. If you do not want to receive further newsletters, please email his office on tom.burns@premiers.qld.gov.au.

If you have any suggestions to either improve the Newsletter or want to hear more on any of the projects in China, please let me know.

Tom Burns

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