BUSINESS GROWTH INTO ASIA
Asian Business Strategy

A McGowan Labor Government is committed to developing a comprehensive strategy that will guide opportunities across government and foster the growth of the business sector into Asia.

The strategy will focus on three crucial areas; jobs, government relations and education and cultural networks.

Western Australia is ideally situated to capitalise on the rapid population and economic growth of Asia as we diversify our economy and identify new areas for jobs growth. Governments can play an important role in promoting and fostering partnerships between business, educational institutions and government agencies to create economic opportunities.

Not only is Western Australia geographically close and within the same time zone as many key Asian nations, we already have strong trade relationships with China, Japan, Singapore and South Korea.

Asian markets exist within a diverse range of countries, sub-national regions and cultures. Western Australia is a small jurisdiction so effective engagement will require a targeted and methodical approach.

Our economic relationship with Asia has delivered more than 20 years of sustained growth and improved the standard of living of most Western Australians. The Asian economic growth story has led to the resources sector receiving unprecedented investment for the expansion of iron ore production and liquefied natural gas (LNG) development.

As the resource sector transitions to an operational phase and growth slows, the challenge for Western Australia is to diversify our economy beyond the resources sector.

An Asian Business Strategy will provide Western Australian businesses with the knowledge and flexibility to adjust and respond to shifts in demand and policy in the Asian region.

- **A McGowan Labor Government will establish a whole of government Asian Business Strategy to foster growth in small business and job creation opportunities.**

An Asian Business Strategy would be an important part of a McGowan Labor Government’s medium and long term economic strategy, and be implemented across all relevant agencies.

A dedicated Minister will be appointed to ensure there is a focus on strengthening our relationships in Asia to drive the implementation of the Asian Business Strategy.

- **A McGowan Labor Government will appoint a Minister for Asian Business.**

The Minister for Asian Business would focus on promoting Western Australian trade and investment opportunities and identify opportunities to create jobs for Western Australians in a prioritised list of countries.
Asia Readiness: Trade, Investment and Jobs

The geopolitical relevance of Asia, a region encompassing the Association of Southeast Asian Nations (ASEAN) countries of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, as well as China, India, Japan and South Korea, is well established in Australia.

ASEAN has sought greater integration among member nations and in 2015, the ASEAN Economic Community (AEC) was established. The AEC aims to form a borderless trading community and, although years away from emerging, the ASEAN nations are in an economic reform mode that Western Australia must be aware of.

The OECD forecasts an average Gross Domestic Product (GDP) of 5.6 per cent for the collective ASEAN community from 2015 to 2019. Neilsen estimates that in 2012 there were more than 190 million people in the South-East Asia middle class. These people have between $20-$130 spending power per day. Neilsen predicts that strong economic growth will see the South-East Asian middle class more than double to 400 million by 2020.1

The combined economy of the ASEAN countries in 2050 is projected to be the fourth largest in the world. And in ten years, Indonesia’s economy will be bigger than all the other members of the ASEAN combined.2

Such strong growth will pull hundreds of millions of people out of poverty and create a burgeoning middle class demanding a wide variety of goods and services. Western Australia has the potential to respond to this demand through agribusiness, infrastructure, financial, health and education services.

1The Nielsen Company, ASEAN 2015: Are You Ready? Key Implications for Australian Businesses, 2014
2Vinayak HV, Fraser Thompson and Oliver Torby; McKinsey Global Institute; May 2014

• A McGowan Labor Government will promote Western Australian’s competitive advantage and unique knowledge base around established industries such as education and training, and the mining and resources sectors to create opportunities for job growth into the Asian region.

If Indonesia is important to Australia’s long-term future, then it is essential to Western Australia’s future prosperity. The Liberal Government recently demonstrated their limited thinking on Asian market opportunities for the State by announcing the closure of its trade and investment office in Jakarta. This decision was reversed only after significant lobbying by stakeholders.

It is crucial that Western Australia can develop and foster formal networks within the Asian region to enable access to regional markets.

Asian business associations would benefit from a supported location in Perth. A McGowan Labor Government will establish the Asian House, a shared facility managed by the Department of State Development to foster the Asian Business Strategy.

• A McGowan Labor Government will develop formal networks that link businesses with the people and resources to enable and support success in regional markets, including establishing the Asian Business House.

To further develop the formal networks, Perth would host an annual ASEAN Dialogue, initially at the Asia Research Centre at Murdoch University as a means of identifying opportunities for business investment and job creation.
• **A McGowan Labor Government will host an annual ASEAN Dialogue concurrently with a trade and investment show and Asian Arts Festival.**

This dialogue should work within the accepted framework and programs sponsored by the Department of Foreign Affairs and Trade (DFAT) and supplement the economic agenda agreed at Asia Pacific Economic Cooperation (APEC), with specific emphasis on sector-level industry opportunities.

The ASEAN Dialogue should be run in complement to the University of Western Australia’s *In the Zone* conference and concurrently with a trade and investment show to emphasise the direct local economic intent of the dialogue.

There are also on-the-ground opportunities for small to medium-sized enterprises in the areas of infrastructure, construction and logistical skills.

A regional business portal will be developed to provide small and medium businesses (SMEs) the support required to become export ready.

• **A McGowan Labor Government will develop a regional business portal to assist SMEs to become export ready.**

Western Australia has a sophisticated design sector, ranging from architecture to furniture design. To assist this sector a design sector panel will be created to foster opportunities into the Asian region.

• **A McGowan Labor Government will establish a design sector panel with the State Architect as the chair to foster opportunities for designers in Asia.**

Our commitment to a business strategy will capture important trade and investment opportunities that will create Western Australian jobs. Examples of these are agricultural and merchandise exports which will increase in line with the rapid urbanisation and rise of living standards in Asia.
Asia Relationships: Government-to-Government

The importance of Asian engagement to a McGowan Labor Government will be signalled by a deepening of government-to-government relations, between Western Australia and Asian nations.

In accordance with target priorities of the Asian Business Strategy, the Premier and relevant ministers will make regular visits to Asian countries of significance to their portfolio. Presiding officers of the Parliament will incorporate their annual visit programs to align and support the objectives of the strategy.

- **A McGowan Labor Government will commit to the Premier, Ministers and presiding officers of the Parliament making regular visits to the Asian Region.**

The Asian Business Strategy will be applied across government. There are very few areas of government activity that are not in some way applicable to Asia or attractive to our target countries. Health, transport, industry, education, agriculture and science, for example all have innovative functional approaches to public policy objectives that could contribute to deepening our economic and cultural engagement with Asia.

- **A McGowan Labor Government will require every relevant government department to develop a plan to support the implementation of the Asian Business Strategy.**

This policy approach requires every government department, with the support of the Minister for Asian Business, to identify the objectives of the strategy that are applicable to them and develop a “Supporting Asian Business Plan” around these. These plans will help shape departmental strategy and activity, with the aim of diversifying the economy and creating jobs for Western Australians.

Government-to-government relationships will develop and promote policies to build and enhance the capacity of Western Australia’s industry and workforce to take advantage of opportunities in Asia.
Asia Literacy: Education and Cultural Networks

There can be no economic diplomacy without cross-cultural understanding. Economic decisions are influenced by a range of political and cultural factors, ranging from media reporting of political events to the experiences of tourists, migrants and business travellers.

Australia is a popular destination for students from across Asia, and the Western Australian education market has huge growth potential. A world-wide demand for international education is growing and forecasts an extra three million students globally by 2020. This highlights an opportunity for WA to diversify the economy and create job opportunities for Western Australians.

International students are worth $17 billion to the Australian economy. However, Western Australia attracts only 7.8 per cent of the Australian student visa market, a net worth of $1.3 billion to the WA economy.¹

International education is a new emerging economy that brings net benefits to the State in terms of jobs, local tourism, hospitality, retail and research and development.

- **A McGowan Labor Government will establish the mechanisms through which Western Australia becomes a leading provider of international education in the Asian region, creating more jobs for Western Australians.**

Language is also fundamental to both understanding target markets and developing confidence in seeking Asian opportunities. Unfortunately, the depth of Asian languages within Western Australian society is currently lacking.

- **A McGowan Labor Government will introduce a program to provide assistance for students who complete an ATAR course in selected Asian Languages to undertake a one month “in country” placement. This will create networking opportunities for our youth**

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We need to foster a deep understanding of our Asian neighbours, so that our political and business leaders can draw upon a broad range of Asian experience and skills. Cultural activities will support the objectives of the Asian Business Strategy by providing opportunities for cross-cultural awareness, business investment and job creation.

- **A McGowan Labor Government will investigate hosting an annual Asian Arts Festival to run concurrently with the ASEAN Dialogue.**

As part of WA Labor’s Plan for Jobs, we will work with industry to develop a media exchange program, to promote a deeper understanding of the different cultures of Asia and the diverse economic opportunities in Western Australia beyond the mining industry. Similar exchange programs could be explored for leading arts and music companies.

**Note:**
This strategy will complement and not duplicate the objectives of federal agencies. Cooperation between the state and federal agencies is encouraged through the Charter of Economic Diplomacy, which seeks to integrate the State objectives with the significant resources deployed globally through standing international diplomatic representation.

¹studyperth.com.au, Fact Sheets, August 2015