

Bligh on the trade trail

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AS THE sun sinks and shimmers in the distance, with it comes some welcome relief from the hot, dry Indian spring.



ON tour ... Queensland Premier Anna Bligh with Hu Jinjun, deputy director general of Shanghai China Expo, overlooking the planned expo site in Shanghai.

Anna Bligh's motorcade races along the long and dusty road from Agra to Delhi, a well-worn path for locals and tourists returning from the humbling spectacle of one of the world's greatest monuments, the Taj Mahal.

It's Day Seven of the Queensland Premier's trade mission to some of the state's biggest export partners, and her first day in India.

Everything is a contrast to the trip's two previous destinations of China and Japan, from the dilapidated international airport on arrival to the poverty that hits you as soon as you step from the terminal into the teeming tide of humanity and a nation that is still very much Third World.

And then there's the traffic.

Beijing and Shanghai are not for the faint-hearted passenger but Delhi and Mumbai are something else. English-language street signs scream "Go Safely or Go to Hell", "Speed thrills but also kills" and "Lane Driving is Safe Driving".

The traffic may seem chaotic and fraught at first, but you soon become in tune with the insane order of Indian roads and everyone seems to get where they are going – eventually.

India is Queensland's third-biggest trading partner behind Japan and South Korea. But in many ways it is the new frontier.

A rapidly emerging middle class, now estimated at 200 million, is not only fuelling the need for Queensland's traditional trade staple of coal, there is a thirst for everything that comes with a populace with a growing disposable income.

This is what has brought Bligh and her sizeable and eclectic mix of business delegates to attempt to open new doors into this booming nation, which imported \$1.9 billion worth of Queensland coal last financial year but only \$54 million in food products.

"India, like China, is modernising and emerging out of Third World poverty," Bligh explains. "While there is still remarkable disadvantage here, there is a growing middle class and ever-growing wealth. This is creating demand for new industries; it is creating opportunities for companies, like those in Queensland, to be part of the emergence of India as a First-World country.

"This is a process that won't happen overnight but moving from Third World to First World is a process requiring the rest of the world, including Queensland and the rest of Australia, to play a role."

Signs of this emerging wealth are evident as we dodge, weave and honk our way along the road from Agra.

Multi-coloured shopping centres, such as the quaintly named Modern Youth Mall, seem to jump from the brown landscape along with billboard advertisements flogging everything from mobile phones to luxury apartments, hair products to Pepsi.

But each is still an oddity among the many roadside cow-dung shanties that pass as housing, the brick buildings that have an almost war-torn look, the filthy streets, the filthy children, the mangy dogs and the monkeys.

It's a 10-hour flight and a world away from the clean streets of Tokyo. Where Bligh's Indian program of meetings is chaotic, Japan was all military precision.

There was no greater evidence of this than during a Queensland Government function in Tokyo's renowned Imperial Hotel, where Sofia Coppola shot the film *Lost in Translation*.

Bligh stood for two hours solid alongside Takeshi "Tak" Adachi, Queensland's urbane Japan Trade Commissioner, while a neat row of Japanese business leaders waited to hand over their business cards and talk briefly to the Premier.

Each received a colour-coded badge at the door to help facilitate networking with their own industry, from green for agriculture, food and beverages types, pink for beauty, media and marine to the yellow for education, training and welfare.

However, coal is still king for Queensland's Japanese exports with \$4.4 billion worth sold in 2006-07. This was a 7 per cent improvement on the previous year which, according to government figures, suffered a 2.8 million tonne decline in railed volume because of network capacity constraints. That is why Bligh and Queensland taxpayers shouted lunch for five Japanese steel company bosses at La Rochelle, the plush restaurant of Hiroyuki Sakai, of Iron Chef fame.

The five represented more than 10 per cent of Queensland's merchandise exports and while the industry's own demand forecasts vary wildly, the steel producers want significant improvements to rail and port infrastructure so they can have much greater faith in supply.

But Japan means far more to Queensland than just coal, with almost \$2 billion of meat, fruit and vegetable sales last year. In beef alone, 90 per cent of what the Japanese import comes from Australia and 90 per cent of that from Queensland.

There are new niche markets being forged such as the advertising work done by Brisbane-based production company Cutting Edge.

There's unlikely to be such skills required for state-run television in China, which Bligh visited before Japan, but the potential for new trade there matches India. In merchandise alone, Queensland's exports to China have increased 280 per cent to \$3.1 billion in the past decade.

Beijing and, even more so, Shanghai are cities under construction. Bligh's husband Greg Withers, who is on the trip in his dual roles as Premier's spouse and Queensland's most senior climate change public servant, counts almost 50 cranes from the Shanghai Airport but is told by one resident it is more like 150.

Bligh's first major meeting was with CHALCO – the Chinese company developing the \$3 billion bauxite deposit near Aurukun in far north Queensland – followed by a 10-course Queensland Government reception, which includes bird's nest soup that tastes no better than the name suggests.

Taxpayers footing the bill for Bligh's trip will rightly ask where are the benefits among the seemingly endless number of meetings, receptions and site tours. But those businesses involved are convinced that having the state's top politician involved helps them cross the cultural divide and shorten the leap of faith in doing business with a Queensland firm.

Craig Porter, business development manager for Leighton Contractors and secretary of the Queensland Major Contractors Association, says the benefits of such trips are reaped in the months after such tours.

"You can be here for months to try to see people and not be able to see them, but at functions such as this it is a direct lead-in to be able to make contact with them."

Queensland business's view of Bligh's trip is evident in the executives who attended in China and Tokyo such as Linc Energy general manager Justyn Peters, Hospitality Training Association chief Phillip Charlton and ANZ Bank state manager Cameron Horne as well as those who joined the tour in India, such as Chris Canty from tennis surface firm Rebound Ace, Andrew James from architects HOK Sport, Richard Cottee from Queensland Gas and Chris Bazley from Pacific Seeds.

None of the announcements made by companies during the trip is going to rewrite Queensland's economic landscape but they are significant for their industries and those involved. These included the Swagman Motorhomes agreement to sell high-end recreational vehicles into China, the decision by Japan's JFE Steel to relocate its Australian office to Brisbane and AEG Ogden's deal to manage convention and exhibition centres across India.

Bligh insists the trip is worth the expense because Queensland's future is dependent on its ability to sell its products and services globally.

"We are a very large state with a very small population, so our domestic market is not going to grow our economic prosperity," she says.

"We have to look to take our products and our knowledge and our abilities to the world. The world is our market."