

ADDRESS TO THE SPANISH BUSINESS FORUM

SYDNEY

26 JUNE 2009

Introduction

The Australian Government is proud to welcome His Majesty, King Juan Carlos I of the Kingdom of Spain to Australia, and specifically here to Sydney this morning.

I would also take the opportunity to acknowledge the Spanish Ministers of the Government of Prime Minister Zapatero, the Minister of Science and Innovation Ms Cristina Garmendia Mendizabal, and Secretary of State for Foreign Affairs Mr Angel Lossada Torres-Quevedo, and my colleague the Hon Anthony Byrne, Parliamentary Secretary for both Trade and to the Prime Minister.

The Australian Government is extremely pleased that Your Majesty is leading Spain's business delegation and that you are present here today at this important forum for both our countries.

I attended the official ceremonial welcome for Your Majesty's earlier this week in Canberra, and I understand that you met our Prime Minister Kevin Rudd and the Governor General.

I trust you had an enjoyable time. Indeed you brought with you the rare event of rain, a great omen in otherwise drought stricken Canberra.

It is actually a double pleasure for me to be here today, because I think I may be the only Minister in the Rudd Government to have met Your Majesty previously.

In May last year, I had the pleasure of meeting Your Majesty in Madrid as Spain hosted the Annual Meeting of the Asian Development Bank.

Your Majesty may remember we spoke at some length about your wish to visit Australia and especially the incredible Uluru, previously known as Ayers Rock.

While I understand you weren't able to get there on this visit, I trust the gift the Australian people sent you, through myself, last year, of a painting of Uluru by Australian artist Ashleigh Manley gives you the window to at least glimpse one of the worlds' greatest natural wonders from time to time.

I hope you'll have the opportunity to visit Australia again and see it in person.

Now to the event at hand.

As Australia's Assistant Treasurer, being the Minister responsible for a range of economic, taxation and commercial issues, I am particularly happy to be here today to address this Spanish Business Forum.

My parliamentary colleague, Anthony Byrne, spoke about Australia's trade and investment policy and the growing commercial ties between our two nations.

Today, I'd like to talk a little bit about the Australian economy's resilience during the current global recession and why that is important for foreign investors.

Australia's Resilient Economy

Despite the current global downturn, the Australian Government is cautiously optimistic the economy will rebound and that Australia will remain – as it has throughout the current crisis – one of the world's best destinations for investment.

While most of our trading partners are in recession, Australia's economy is weathering the storm better than most.

I'd point to just a few of the many examples that underlie this point:

- Australia recorded only one quarter of negative GDP growth at the end of last year but in the March quarter of 2009, our economy was still growing.
- Australia's banks are well regulated and in a relatively sound position with only very minor exposure to the complex financial engineering behind the global financial crash.
- Our central bank has set official interest rates at their lowest levels in more than forty years, helping consumers, business and home owners deal better with the downturn.
- Our biggest trading partner, China, has had its growth forecast cut but China's economy is

still growing strongly. There are now signs of a recovery there, with the World Bank's latest growth forecast at 7.2 per cent in 2009.

- The Australian Government has delivered a major fiscal stimulus package of tax cuts and spending on infrastructure. This spending has put a floor under the economy.

I note this week that the OECD rated Australia as its strongest performing member country, with lower debt and fiscal deficits than any other advanced economy.

While the IMF forecasts that growth will remain flat in other advanced nations next year, Australia is expected to rebound, and the IMF has also endorsed, just this week, the Government's strategy of early and decisive action is the right one for Australia.

Investment

This brief sketch of the outlook for Australia's economy should encourage companies which are considering investing here.

I am in part responsible for foreign investment issues in Australia, and I can strongly attest that we are a modern, open, well-managed economy which has taken decisive steps to mitigate the full impact of the global crisis.

As a result, Australia will be well prepared when the global economy rebounds, as we expect it will.

Conclusion

I'd like to thank His Majesty and Spain's business delegation for visiting Australia, as well as the organisations whose efforts helped bring together today's event.

These include the Spanish Trade Commission, the Spanish Institute of Foreign Trade and the Spanish Confederation of Business Organisations.

I also appreciate the role of the Australian Trade Commission in sponsoring today's event, and I acknowledge the presence here of Austrade's Chief Executive Officer, Peter O'Byrne. Austrade stands ready and able to assist Spanish business considering a business presence here in Australia.

On behalf of the Australian Government, I wish His Majesty a very safe journey home.

We hope your time here has been as fruitful and enjoyable as it has been for us.

Thank you.