

12th August 2008

Mr Zhang Gongxiang
Vice President
Yunnan Provincial Federation of Industry and Commerce
Yunnan Provincial Chamber of Commerce
P. R. China

Attention: Mr Xia Yun Dong, Secretary General – Yunnan Chamber of Commerce

Dear Mr Zhang,

I was most happy to receive and address your Yunnan Chamber of Commerce delegation at the New South Wales Department of State and Regional Development premises yesterday. It was a very productive exchange of views and I complement you on the thorough preparation of the delegation which was obvious from the discussion.

I would like to summarise our discussion and particularly my advice to the Yunnan Chamber of Commerce in their attempt to develop deeper economic relations with New South Wales and especially Sydney. In the past over the last 20 years the reasons for much of the failure to take advantage of SME business opportunities between Australia and China has centred on the various New South Wales Governments, Labor and Liberal, despite the best efforts of officials in the NSW Department of State and Regional Development. In addition you must always remember that there are over 40 mayors in Sydney, and that the Sydney Lord Mayor only has authority for basically the CBD (Central Business District).

With respect to the Yunnan Chamber of Commerce I made four suggestions:

- 1) Persuade the Yunnan Provincial Government to pressure relentlessly the NSW Government at the Premier level through the Premier's Department – point out the significance of Yunnan as China's 'gateway' to Indo-China and ASEAN in the north which is a 'mirror' for Australia in the South. Emphasise the fact that NSW should be the 'engine' room for ANZ (Australasia) and how New Zealand and especially Auckland use Sydney as their 'gateway' to Asia.
- 2) Make direct contact with the Business Council of Australia with its Head Office in Melbourne, Victoria, which organisation represents the top 100 Australian multinational corporations – this is the 'big international sector' of Australian Business. Also make direct contact with the Business Chamber of Commerce at its Head Office in North Sydney; this organisation in recent years has restructured and is an amalgamation of three previous representative chambers in Sydney/NSW – it represents mainly the SME business.
- 3) Insist that the CCPIT Representative Office in Sydney works closely with the ACCCI in Sydney and throughout ANZ. This has not always happened in the past, firstly because of the comparative low levels of their representatives (they came from either the Exhibition side or Legal side of business and not with hands-

- on business experience) and secondly because of the broadly 'political' nature of Chamber – we regularly deal with the Communist Party and Municipal Governments of China at the highest levels
- 4) Reassess Yunnan's relationships in Australia and in New South Wales. The Sister City Relationship between Kunming and Wagga has played a very important historical role in showing what these agreements can achieve and should be maintained. But in addition you should have strong Local/Municipal relationships in Greater Sydney – already since October 2005 ACCCI has initiated growing relationships with Nanjing/Jiangjin, Wuhan, Chengdu, Chongqing and Shanhai/Pudong. We are also working with Tianjin and the Bohai Sea, Wuxi and the Yangtze Delta and Shenzhen/Jiangmen on the Pearl River. There are also a number of other ACCCI projects with Chinese cities. I believe Canterbury Council, a very important regional body on the border of Eastern and Central Sydney may be a possibility for a link with Kunming.

I would welcome an official invitation from Kunming Mayor Qhu He to lead a business delegation from ANZ with significant NSW membership to Kunming Municipality and Yunnan Province.

As promised in our meeting I look forward to receiving all your information on Infrastructure, Agriculture, Energy and Industry to update our ACCCI Website Key Cities Index section on Southwest China. I would also appreciate confirmation in writing of all your other detailed statistical information presented at our meeting re GDP figures breakdown, ethnic groups (26) analysis, Chamber of Commerce structure and membership and relationship to Yunnan Political Consultative Conference, plus detailed outline of your responsibilities/powers – the last so I can match equivalent organisations in Sydney/NSW with the help of Ms Zhang Yi from the CCPIT Sydney Representative Office and Ms Helen Chen from the NSW DSRD Investment Division.

Finally Chamber places my speeches and emails such as this on the ACCCI Website for the purpose of letting our members in ANZ, Associate members in China, USA, EU and Japan, and Friendly Organisations with whom we work, know what is happening and to seek their support and participation. Also to let general readers know who really does the systematic long term thinking and never-ending hard work.

Kind regards,

Michael C.H. Jones
President - ACCCI.