

CHINA TRADE MISSION

Statement by Minister for Agriculture and Food

HON KEN BASTON (Mining and Pastoral — Minister for Agriculture and Food) [3.11 pm]: From 2 to 5 September I travelled to Shanghai and Haikou in China. In Shanghai, I was part of the launch of a joint venture between the Esperance-based seafood business Dragon King Abalone and the Chinese company Royal Ocean. In Haikou, I met with the Hainan provincial minister for agriculture and signed a memorandum of understanding to facilitate the exchange of information and expertise in livestock-related industries.

As members know, China is one of Western Australia's most valuable export markets. This vast country has around 1.4 billion people—almost 20 per cent of the world's population. Slightly more people live in Shanghai than in all of Australia. Fewer than two centuries ago, China had by far the world's biggest economy, accounting for more than 30 per cent of global GDP. *The Economist* magazine in August 2014 stated —

Thanks to a furious 35 years of market reforms, it is only a matter of time before China reclaims its spot as the biggest economy of all.

My trip to China was to help our state's agriculture, food and fisheries industries grow their presence in this vitally important market. I had a great story to tell: our clean, safe and high quality food is underpinned by professional, commercial, government and scientific organisations that are working together to deliver products that customers can trust. The growing affluent of China's population increasingly want food they can trust, and they are prepared to pay for it. This was certainly reflected in a number of people's comments about how clean our oceans are because the water is blue!

In the Shanghai free trade zone we saw our western rock lobster selling for up to \$150 a kilogram wholesale. The establishment of the joint venture between Dragon King and Royal Ocean has provided an opportunity to have Western Australian seafood imported directly into Shanghai and labelled and marketed as being a Western Australian product.

I was also able to meet with Mrs Lui from the Chinese government Society of Fishers and reinforce the importance of our relationship in the development of our respective artificial reef projects. I participated in the unveiling of the joint venture at a WA seafood gala dinner that showcased Western Australian seafood, including prawns, abalone, and western rock lobster just to name a few. It was certainly well received by the 180 Chinese seafood industry executives and buyers who were in attendance.

The following day I travelled to Haikou in Hainan province, an island roughly east of Hong Kong. There I met with Mr Jiang, the province's minister for agriculture, and signed an MOU to facilitate the exchange of expertise and technology in the areas of scientific research institutes; building viable and efficient livestock supply chains; processing practices and infrastructure; and agriculture and food safety control and management. The global market for agrifood and fisheries products is highly competitive, and others around the world are also seeking the many opportunities on offer in China. I was therefore pleased to lead this small trade mission to China to help showcase Western Australia's world-class agriculture, food and fisheries products.

As a result of this visit, I know that there is great potential in a number of provinces in China for livestock and fisheries imports from Western Australia. It was also pleasing to see the level of interest in the state's burgeoning aquaculture industry. We can only look at China with wonder when it comes to its massive aquaculture industry. In 2012, China produced over 41 million tonnes of aquaculture products valued at more than US\$66 billion. This is about two-thirds of the world's aquaculture production.

The Shanghai free trade zone provided a clear demonstration of the scale, diversity and rapid evolution of food supply chains in China. Different products, including different meat cuts, packaging and presentation from what we see in Australia are its mainstream. China is such a large, diverse and rapidly evolving market, with a large and growing middle and upper class, that it has to be a target for Western Australia. The recent announcement of the free trade agreement between our two countries will go a long way to increasing the opportunities for Western Australia. The challenge is how to best do business.

Capturing the opportunities for WA in the Chinese market will certainly need close collaboration along supply chains; across industries; and through industry–government, business–government and intergovernmental relationships. The future looks bright for Western Australia.