

**Keynote Address**  
**Indian Economy and Business Update 2005**  
**Speaking Notes for the ACT Chief Minister**  
**Thursday 18 August 2005**

I want to begin by acknowledging the Ngunnawal people – the traditional owners of the land we are meeting on. I deeply respect their continuing culture and the unique contribution they make to the life of this region.

And thank you to our hosts, the Australia South Asia Research Centre in association with the ACT Chapter of the Australia India Business Council, for organising today's conference.

India's economic growth is one of the modern world's success stories. With close to 6% GDP growth each year over the past 20, India is the envy of economies around the world. But not only the "developing" world – Western leaders are watching and – and, if they're lucky – learning from India's experience.

The growing influence of countries like India and China is evidence – if we really needed it – of the fundamentally different world we will face in the coming century. Old alliances – such as colonialist ties, which India and Australia have both experienced – no longer have the profound and defining significance they once did. What mattered in the old world has shaped who we are today, but it doesn't necessarily point the way forward. As the success of reforming economies like India's shows, the way of the future is in increasing liberalisation, competitiveness and innovation.

But what is a strong economy really *for*?

The father of Indian independence, Mahatma Gandhi, had some well-known ideas about what a nation needed to be. He wanted an India where "the poorest of the poor feel that this country belongs to them ... where there is no higher class or lower class among all people ... where all communities live in friendship and harmony".

The Indian Prime Minister Manmohan Singh repeated those words on Monday. Mr Singh, who was marking the 58<sup>th</sup> anniversary of India's independence, went on to speak at length about the importance of economic reform. The world, he said, is viewing India as an economic power of the times. It would be possible, he told his people, to eradicate poverty, ignorance and disease within our lifetime.

This is a philosophy we in the ACT can understand well and which the ACT Government has articulated in its Social Plan. It is the philosophy of inclusion, rather than exclusion. It is about helping every member of society reach his or her potential, whatever that potential may be. It is about making it possible for every member of society to fully engage in the cultural, economic, spiritual and intellectual life of the community.

Economic growth is part of the equation – a critical and inescapable part. Apart from anything, it gives governments the wherewithal to support those who are struggling. It creates the jobs and inspires the entrepreneurs and tops up the piles of venture capital. But these things are not ends in themselves. They are valuable – and valued – only insofar as they improve human quality of life, expand human horizons, create opportunities. Economic growth is not about numbers. Economic growth is about *people* – and what it can do for them. According to Vijay L.Kelkar's lecture here at the ANU last year, 100 million people have been brought out of poverty in India in the past decade. That's thanks to economic growth. That's no mean feat. But as I see it, it is a *human* achievement, not a financial one. It can be measured in greater literacy, not bars of gold or bank notes. It can be measured in greater life expectancy, higher home ownership, better health outcomes. Human measures.

But as the Indian Prime Minister went on to say, India still has a way to go. Its economy is growing fast, but is only about half the size of China's. And India's GDP per capita is about 42 times smaller than Australia's. But if the past two decades are any indication, few things can hold India's economy back.

Much of India's economic success can be put down to its increasingly global outlook. In embracing globalisation, India has embraced a fundamental reality – the shape of things has changed inexorably since the colonial powers ruled the world.

Australia and India have a lot to gain from each other. As it stands, trade between our two nations is worth \$7.2 billion each year – a big increase since even the late 1990s, when it was worth \$796 million. And India has already overtaken Britain in terms of merchandise exports to Australia.

But the exchange doesn't end with pure dollars: India is now the top source of post-graduate overseas students for Australia, and the top ranked source of Computing Science and Engineering students. There are some 21,000 Indian students in Australia, an increase of 83% since 2002. India's estimated 75,000 English-speaking IT graduates are a resource for the world – and they are especially welcome here in Canberra, where we have the highest ICT employment intensity in Australia – at 25 ICT jobs per 1,000 population – and where we have traditionally experienced a shortage of IT workers.

Without a heavy manufacturing base, or a mining industry, or a significant agricultural sector, the ACT's greatest resource has always been people – people with ideas and people with skills. In particular, people with technological skills. A higher proportion of our businesses here in the ACT have computers than anywhere in the country – more than 77 per cent of them. And almost all of those have access to the Internet.

And the familiarity with technology starts early. The ACT Government is currently engaged in a program to equip as many schools as possible with interactive whiteboards, the technology for which utterly amazes a generation that grew up with blackboards and chalk, but which is a familiar part of the life of many primary school students at our government schools.

Ours is a community that is a natural destination for new arrivals from India. Almost one per cent of our population here in the ACT boasts Indian descent. The overwhelming majority have arrived in the past decade or so and they are clustered in

the top income brackets – suggesting that their skills have been gratefully and gainfully employed by a welcoming business community.

Nationally, Australia's 156,000-strong Indian community is a precious resource. In cultural terms alone, the value of this community is not to be underestimated. It broadens our horizons and expands our knowledge of the human family. It reminds us, daily, that the things that separate or divide us as human beings are always and inevitably more insignificant and less profound, than the things that unite us. Given the reality of globalisation, these are lessons we cannot afford to ignore. They are lessons that enrich us and equip us for the future.

Much of the credit for giving us the chance to learn these lessons goes to organisations like the Australia-India Business Council. Among its many initiatives, it has:

- Funded the Border-Gavaskar Scholarship Program that allows India's most promising young cricketers to get specialist coaching in Australia, and
- Sponsored the Australia-India Business Exchange Program, which gives promising Australian and Indian business people the opportunity to live and work in each other's countries.

For Canberra, this kind of exchange is an essential ingredient to growth. Being a small jurisdiction with a narrow revenue base, the ACT looks to exports as the key to our economic future. Recent studies have shown that we're already more export-oriented than other Australian states and territories – and we're keen to build on that strength and exploit that energy to make Canberra's name known as a centre of excellence, particularly when it comes to innovation.

India has already become a target for many of our local firms, who are taking their expertise in industries like electronics, ultrasound technology, advertising media and audio-visual software engineering to play a part in India's success story.

The ACT Government stands behind those businesses, and hopes to bring more of India's success to Canberra. Our recently launched Skilled and Business Migration Program will bring more opportunities for skilled Indian workers and businesspeople to come to the ACT, and build stronger ties between our two nations.

The Government has a number of practical ways to help small and medium businesses set up, grow and adopt an export-oriented approach. These include:

- The Knowledge Fund, which can help businesses develop trade relationships with Indian firms;
- The Business Springboard Program, which gives firms free support to help develop their business ideas, and
- The Export Growth Program, which creates opportunities for ACT businesses to go on trade missions, including to India.

But while we are committed to helping more businesses set up here, in many ways Canberra speaks for itself. As a place to do business, Canberra comes up trumps – we have one of the most skilled workforces in the nation, the lowest unemployment rate in the country and high business confidence. Not only that, it's also cheaper to do business here – a recent Australian Business Limited study found that, taking government charges into account, it was \$1000 cheaper to employ someone in the ACT than just over the border in NSW. In fact, we were the best place in the country to set up shop.

And let's not forget the ANU – it's consistently rated as Australia's top university and is home to some of the most respected researchers in their fields. Canberra's research and development capacity is hard to beat – 12% of Australia's total public sector R&D spending is spent here. And the high standard of our education sector is reflected in the skill of our workers, who belong to the most educated population in Australia. An amazing 14 per cent of the US biotech patents granted each year in Australia are granted here in the ACT.

This excellence doesn't emerge from a vacuum, of course. It emerges from our schools – the best in the country – our TAFE system – which is focused attentively on industry skill needs – and our world-class undergraduate and graduate programs at our selection of fine universities.

Of course, there is no escaping our industrial legacy here in Canberra, nor our relatively modest size. Our history, our heritage, our size, *Personality* as a city, makes us an ideal partner, a collaborator, in research and in commercialisation. And what better partner, what better collaborator, than India, which shares so many of our ambitions and so much of our philosophy?

As I said earlier, Australia and India have a lot to offer to one another. In addition to our determination to seize and fashion the best possible future for our people, we have a shared past, of a sort, in our history with Britain. We also share an almost evangelical love of cricket. We also share one of our national days – Australia Day and India's Republic Day are both on January 26.

But we have many points of difference, too, and perhaps that is where the most benefit is to be had. As two distinct nations dealing with the global realities of our time in their own ways, according to their own beliefs and coloured by their own perspectives, Australia and India can bring together two unique views, for a vivid stereoscopic image of the world and the future.

And as we work towards greater innovation, greater competitiveness, greater productivity and more sustainable growth, we can remind each other what it's all for – for the care and dignity of the human family, to which we all belong.