

## KABC-AKBC 39th Annual Meeting Joint Statement

The 39th Joint Meeting of the Korea-Australia Business Council and the Australia-Korea Business Council was convened at the Westin Chosun Busan, Korea on October 30, 2018. KABC Chairman, Jeong-Woo Choi and AKBC Chairman, Hon Mark Vaile AO led their respective delegations of peak business leaders to discuss this year's theme: 'Korea-Australia: Expanding the Possibilities'.

The possibilities for growth in trade and investment were captured in discussions about climate change, disruptive innovation and the 4<sup>th</sup> Industrial Revolution, with business leaders examining the future of energy generation and opportunities in the services sector as their domestic economies diversify their focus.

While geopolitical issues were noted – particularly concerning growing protectionism and fracturing trade agreements in the region – both Business Councils were confident that business sentiment remained strong between the two countries and recommended both the Korean and Australian Governments continue their strong advocacy in support of open markets and the rules based trading system.

The Korea–Australia Free Trade Agreement (KAFTA), which entered into force in 2014, set a course for rapid growth in the trade relationship and continues to be the key pathway for expanding trade. As one of Australia's most comprehensive trade agreements, KAFTA has delivered significant improvements in market access and tariff liberalisation. These benefits would be extended through membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) which is currently being considered by the Korean Government.

Both Business Councils, however, stressed the importance of deepening engagement and maintaining a dialogue of potential business and trade opportunities. As complementary economies, delegates highlighted the importance of enhanced investment in both directions, noting recent achievements in sport and film.

The program included four sessions as follows:

1. **Future of Energy:** While coal still remains Australia's largest export to Korea, the Business Councils and delegates considered the transition to new energy generation systems and storage, including cooperative opportunities in renewable energy, lithium and electric vehicles. LNG was also identified as an area for greater cooperation between Korea and Australia, with KOGAS currently exploring a number of business opportunities in Australia including renewable hydrogen.
2. **The 4th Industrial Revolution:** This session focused on emerging opportunities amid technology disruption as our economies leverage and capitalise on the fourth industrial revolution. Eco Delta City – a 'smart city' initiative currently under development by the Korean Government featured as a case study that could be applied in Australia's urban growth

corridors. CSIRO, Australia's federal agency responsible for scientific research, showcased its partnership with Korea Institute of Civil Engineering and Building Technologies (KICT) and demonstrated its innovative research to overcome urban challenges faced by both Australia and Korea including urban population growth, ageing infrastructure and changes in weather patterns. This is forcing us to challenge the status quo and requiring us to change how we live. Investment in health was noted as a burgeoning sector, especially as both our countries are faced with the challenge of an aging population, and KOLON introduced their third generation bio drug that helps cure osteoarthritis. Swinburne University spoke about the utilisation of data in smart cities and how to assist SMEs implement smart technologies.

3. **Strengthening the Korea-Australia Network:** This session focussed on the geopolitics of the relationship between the United States and the People's Republic of China, and the implications of the unfolding trade war on our bilateral relationship, especially as our two countries are both deeply affected by these two economies. The role of the Australian Chamber of Commerce in Korea was highlighted as establishing and strengthening people to people links between the Australian and Korean business communities. Vocational education and training was introduced as a way to increase education and employment opportunities for young Koreans in Australia and lastly tennis was identified as a vehicle to increase tourism links between the two countries especially following the recent success of Chung Hyeon at this year's Australian Open. Overall, there was consensus by the Business Councils that we should continue to work together to strengthen the ties between Korea and Australia.
4. **Service Sector Cooperation:** The final session explored collaboration opportunities in the services sector. As Busan is renowned for its film industry owing to Busan International Film Festival, the KABC and delegates from the film industry highlighted Korean cinema as a way forward for international cooperation. Australian delegates covered opportunities in infrastructure development and partnerships with Korean consortia. Investment in Busan also featured in the discussions. Although Busan is the second largest city in Korea, only 2% of foreign investment is directed to Busan, illustrating the untapped opportunities in the region, particularly in the film and Meetings, Incentives, Conferences and Exhibitions (MICE) industries.

Following the success of the inaugural Future Leaders Program last year, the program was continued in 2018 with 11 future leaders selected to participate and express their views on how to advance the Australia-Korea bilateral relationship.

#### 40<sup>th</sup> Joint Meeting in 2019

Both Business Councils expressed satisfaction with the outcome of the 39th Joint Meeting and agreed to hold the 40th meeting in Australia at a mutually convenient date.



Jeong-Woo Choi  
Chairman KABC  
October 30 2018



Hon Mark Vaile AO  
Chairman AKBC  
October 30 2018