



## Our Biggest Week on Australia-China Stage

YAO CHENG

After a long ten years, the China-Australia Free Trade Agreement was finally signed. President Xi Jinping, Madam Peng and a large delegation of ministers and businesspeople descended on Australia and a trade frenzy began. November was like a moving sedan chair with events staged at the Brisbane G20, in Canberra, Sydney and the fantastic day in Hobart. A retinue of politicians, businesspeople, minders, leaders, reporters and, of course, interpreters played important roles in bringing the visit to life.

At Team Chin, we were busy translating agendas, menus, media releases, speeches – even wrap around newspaper coverage to commemorate the visit of President Xi. Our interpreters were spread around all the cities and events. By far our largest contingent of Mandarin Interpreters headed off to Hobart and looked after the language at every point from the airport to the top of Mount Wellington. This week, I had a chance to sit down with our interpreters, not only to wrap up what we've done, but also in the hope of sharing their personal experiences with you, to get an insider's view on assisting Australian leaders to communicate with one of the most powerful men in today's world.

### CHIEF INTERPRETER – PROF CHARLES QIN

Ten years ago, when Australia and China embarked on FTA negotiations, I remember being at the table interpreting and since

then I've been involved in more rounds, as well as interpreting on trade missions, for senior visits and looking after technical and specialised translations. So it brought nice closure to be back in Canberra again when the deal was finally done. During President Xi's visit to Hobart, I acted as the Chief Interpreter and worked closely with the Tasmanian Government. With a team of ten interpreters, training, briefing and preparation were very important – congratulations to Team Chin for their dedication and enthusiasm.

### INTERPRETER – BRUCE SONG

"I was the interpreter for the Lieutenant Governor of Tasmania. In the executive council room, the top officials of the biggest nation in the world sat in line with President Xi and Madam Xi at the front, and by chance as a result of last minute rearrangements mandated by the Chinese protocol team, all of a sudden I was at the top next to the Lieutenant Governor and facing the President. I felt nervous, but then the years of training kicked in for a smooth outcome and he smiled."



Mandarin Interpreter Bruce Song with President Xi and the Lieutenant Governor in procession

### INTERPRETER – JOHN ZHOU

"I was the interpreter for the Official Secretary of Government House, Mr David Owen – the Mr Carson of Downton Abbey, if you will! I was responsible for the interpretation

of all communications between Mr Owen and the Chinese delegation and as the MC for the official lunch.

It was a fanatical day. Mr Owen was in charge of every little detail. Running from place to place to ensure the right person was at the right place at the right time!



Mandarin Interpreter John Zhou MC-ing in Mandarin at Government House

The most important part was to introduce the President and Madam President and the Tasmanian officials prior to the lunch. We had a discussion beforehand and I suggested to Mr Owen that it might be **culturally appropriate to introduce the Chinese President and Madam President first as they were the guests**. Also, to ensure I used the correct terms in Chinese to address the President and Madam President was especially important in this instance, for example, the President's wife is Madam Peng, but in Chinese, she is referred to as Xi Furen (习夫人 – Madam Xi) or Zhuxi Furen (主席夫人 – Madam President), not Peng Furen (彭夫人 – Madam Peng). Therefore, although it is not a problem in English, when interpreting into Chinese care must be taken.

Overall, it was a long and busy day, but it was also tremendously rewarding to be part of such an important event. And meeting the President and Madam President up close? Priceless!"

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# China's Economy – World's Largest

It's official – by the time you read this China will have surpassed the United States as the world's largest economy. Figures released by the IMF forecast that by the end of 2014 China's economic output will reach USD\$17.6 trillion – with the United States in second place at USD\$17.4 trillion. By 2019 the gap will be even greater – China's economy will be USD\$26.8 trillion and the United States USD\$22.1 trillion. And, just for the record, Australia's is \$1.5 trillion rising to an estimated \$1.8 trillion by 2019. (IMF website).

China is a major force driving world economic growth and competition to do business with China is huge, as Reserve Bank of Australia Governor Glenn Stevens has noted, China is the first or second biggest trading partner for about 50 global economies, including the United States, European Union, Japan, Russia and Canada. So it is not surprising that Australian exporters and businesses are very aware of any potential economic downturn and, at the same time, any initiative to help us do business is big news – like the Free Trade Agreement.

China is now entering a period of deliberately slower growth. The official Chinese government target for 2014 and beyond is annual GDP growth of 7.5%. This still makes China one of the world's fastest growing economies, and, if achieved, would allow China to avoid the hard economic landing so feared around the world.

The decades of dizzying double digit growth that propelled China into first place are over. But is the growth target achievable for any sustained period?

The National Australia Bank's economic survey of China argues China's modified growth goal for the next ten years announced at the Party's 2013 Third Plenum may be difficult to achieve: "The Government also announced a broad economic target at the Third Plenum, aiming to double the size of China's economy between 2010 and 2020 – equivalent to an annual average growth rate of 7.2%. Given that China's growth rate is currently slowing – we forecast annual growth of 7.3% this year and 7.0% in 2015 – this target already appears to be challenging." (NAB China Economic Update 17 November 2014)

The Economist Intelligence Unit is forecasting that China will grow at 7.3% in 2014 – then down to 7% in 2015 before continuing to ease to 5.5% by 2019 (EIU website).

Beyond 2015 the IMF expects China's annual growth rate to average 6.6% between 2015 and 2019. (NAB China Economic Update 17 November 2014)

The spin-off effects on the global economy will be significant. The Economist has reported an OECD estimate that a two point reduction in Chinese growth in 2015 and 2016 (and factoring in market corrections) would see 0.5% trimmed off global growth. For countries with close economic links to China –

such as Japan (and Australia) – the effect will be even greater. (The Economist 29 November 2014)

Business Spectator claims that Australia is the most China-dependent economy in the world: "Australian exports to China have grown from 8.5% of the total in 2003-04 to 32.5% in 2013-14 – and they continue to grow." (Tom Conley, Business Spectator, 9 December 2014); the FTA will help this trend, Conley agrees, but might makes us even more vulnerable down the track.

Key risk factors in the Chinese economy include the state of the troubled real estate and property sectors, the government's ability to transition to a consumption driven economy and excess capacity in strategic industries, including steel.

It is important to be cognisant of the risks; however we believe Australia still has plenty of upside in trade with China. The Free Trade Agreement will see new opportunities emerge, especially in services and agribusiness (see our report on aged care in this issue of Chinwags). Investment in infrastructure and agriculture are growing, the Significant Investor and new Preferential Investor visas are bringing in funds, and tourism and education are reaping the rewards of the burgeoning Chinese middle class. If one thing is certain, China and its ingenious people will continue to surprise and find ways to make money and drive foreign interest. Australian businesses must embrace the China opportunity with ingenuity too. And so says the Chin forecast! More to come in our Chinese New Year of the Sheep predictions - watch out for it in February 2015.

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## INTERPRETER – PETER PEI

"Chinese President Xi Jinping's state visit to Australia coincided with the first **Australia-China State/Provincial Leaders Forum**, which was held in Sydney on 19 November. I was engaged to **facilitate communication between Chinese and Australian leaders**. I felt extremely lucky to be a member of the Chin team and had a horizon-broadening opportunity to use my interpreting skills at such a high-profile event, during which I was assigned to interpret for the Premier of Queensland and the Deputy Premier of NSW during their meetings with Chinese Governors or Mayors.

I had a glimpse into **Diplomatic Interpreting**, which is quite different from our usual interpreting in Australia, as clients of diplomatic interpreting are usually Government officials and VIPs, and the expectations and requirements of an interpreter for such an occasion are also different. Interpreting for formal discussions between politicians of two countries should not only be **accurate, fluent and swift**, but interpreters need to **mind their voice, intonation, demeanour and other non-language skills**. Since you are exposed to the press, the **interpreter should know where to stand when the leaders are having photos taken.**"

## INTERPRETER – MARCUS LIU

"I was the interpreter for the **Bacon family led by Mrs Honey Bacon in their meeting with the President and the First Lady**. You

may recall that it was former Tasmanian Premier, the late Jim Bacon, who brought the Sister-State relationship to China (with Fujian Province). I was very fortunate because Mrs Honey Bacon has worked with interpreters before. However, it was probably the first time for any of us to meet a person of such importance and influence in the world. Even the order of entry to the room has to be considered and I realised that **in such circumstances the interpreter is often more experienced than the actual interlocutors**. I was happy to assist in getting it right and all of us in the right order...

As shown on Chinese Central Television and on most other media, the President and his wife were both very happy to see seven-month old Ruby, especially Madam Peng – with a big smile she started to ask questions in English! It appeared that both the President and Madam President had quite good English proficiency.

It was a great experience. I certainly learnt a lot."



Mrs Honey Bacon with President Xi, assisted by Mandarin Interpreter Marcus Liu

## INTERPRETER – KELLY TANG

"My role was to assist with security at the gate of Government House along with government officials and police commanders. The Tasmanian government put a lot of effort into security by deploying a strong security force to every spot President Xi and the delegation might reach. Only those who had an authorised badge and were on the name list were permitted to enter Government House. From my conversation with officials as well as the locals we ran into, President Xi's visit was hugely welcomed in Tasmania. They felt fortunate to have such a special bond with China's top leader and hence were tremendously excited about hosting the couple."



Team Chin getting ready for the President's visit

The importance of good organisation, attention to detail, protocol and communication all play a vital role in a State visit. And having the right interpreters is also a vital cog to pull off such a high profile event. The right interpreters enhance communication by conveying information accurately; they assist cross-cultural communication, make amazing 'saves' behind the scenes and help to bring the story to life in this all-important relationship. Well done, Team Chin!

## China – Getting Old Before It Gets Rich

Looming ominously over China's thirty years of growth and reform is a globally unprecedented demographic shift – China is rapidly becoming the world's oldest country. Long before China's citizens reach the personal wealth levels of the United States and other OECD nations, they will have to live in a society supporting the world's largest number of people aged 60 years and over.

China is facing the single greatest ageing-society challenge of any country in the world. Today over 200 million Chinese are aged 60 or over – that equates to 14.9 percent of the total population. By 2050 the United Nations estimates this proportion of elderly will increase threefold and account for over one-third of the population. By 2050 China will have 400 million people aged 60 or more. (Austrade website/ Chinese Academy of Social Sciences, 'Social Blue paper: Analysis and Prediction of Chinese Social Situation', 2014; UN Department of Economic and Social Affairs [UNDESA], 2011).

The challenge is not just the massive increase in total numbers of older people, but the speed of ageing that is occurring in China. This is demonstrated most starkly when China is compared to Europe. In the 1930s, Europe's proportion of elderly people had reached 10% – but it will not pass 30% until 2030 or after. The demographic transition that will take over a century in Europe will occur in China in the space of a single generation.

Increased life expectancies and the impact of the 1979 one-child policy on fertility rates have been the major factors driving China's astonishing demographic shift.

The Brookings Institute observes that at the same time China has dramatically increased national life expectancies (in 50 years the average life expectancy has risen from the 40s to over 70) it has also seen fertility rates fall as low as 1.5 children per couple in recent years. This fertility rate is below the level required for a population to maintain its size in the long run. (China's Population Destiny: The Looming Crisis – Feng Wang, Brookings Institute September 2010)

The rapid ageing of China will create a massive economic burden on the income earning (and taxpaying) capacity of the decreasing working age population. The shrinking size of the working age population will be a major drag:

"[This] leads to a drop in the proportion of the productive labor force, which in turn raises the average wage level, making China less competitive in labor-intensive industries. In years past, China was able to rely on almost unlimited low-cost labor in achieving its double-digit economic growth. However, if China is approaching its Lewis turning point, a point at which China would move from a vast supply of low-cost workers to a labor shortage economy, it could quickly lose its competitive edge to other emerging economies that still enjoy significant demographic dividends." (Population Aging

in China: A Mixed Blessing, Yangzhong Huang – The Diplomat, 10 November 2013)

Pressure will increase on governments to plan and invest in the development of physical and services infrastructure for aged and health care. Last year China announced dramatic plans to develop the aged care industry by 2020, including doubling the number of aged care beds to eight million and increasing the aged care workforce from around one million to 10 million by 2020 (Austrade website).

China also needs to develop a modern aged pension and retirement system.

China will need the private sector to play a large role in the provision of aged care and related services – including the operation of foreign owned and operated ventures.

It's not just the Chinese government that is concerned about the trend. Surveys conducted by the Pew group reveal that 67% of Chinese are worried about the nation's ageing trend. (Pew Research – 30 January 2014)

An illustration of how the burden of care will fall on the current generation of today's young Chinese is illustrated as follows: when an only child grows up and marries another only child, this couple is likely to face the reality of caring for four parents and eight grandparents – without any siblings to share the responsibility with.



### OPPORTUNITIES FOR AUSTRALIA

China's race to meet the challenges of ageing has already seen interest in adopting the skills and experience of international aged care providers, including Australia.

The Australian Trade Commission (Austrade) has identified a wide range of potential opportunities for Australia helping meet China's rapidly growing aged care sector including: training and education programs for human resources; home care services; operation and management of seniors living/retirement villages/resorts; conceptual design and planning of institutional aged care; seniors living; retirement villages and resorts; quality health care products (i.e. functional food - additives and nutrition; healthy food; assisted living and e-health products for the elderly); and infrastructure investment and operation. (Austrade website)

The finalisation of the China Australia Free Trade Agreement (ChAFTA) will increase the opportunities for Australian aged and health care providers in China.

China is Australia's largest services market, with exports in services valued at \$7 billion in 2013 (DFAT website). Under the free trade agreement, China will permit Australian-owned hospitals and aged care facilities to be established in China. This is widely expected to boost access and opportunities in aged care and health.

Chin Communications has been providing language support for a number of Australian organisations involved in aged

care services for China including working with architects, education providers and governments.

An Australian success story is Victoria's Royal District Nursing Service (RDNS) which was a finalist in the inaugural Australia-China Achievement Awards recently announced – and the only health/aged care organisation recognised. This comes only two years after RDNS's first foray into China on a Super Trade Mission. Chin has been working side by side with them since.

Early this year RDNS signed a joint venture agreement with China's Zhongshan College marking a new era in RDNS global activities beyond its traditional Australasian markets. It has formed a partnership with Zhongshan College in Jiangsu Province to develop and operate an aged care facility that will include 1,500 care places, a 400-bed hospital and an education and training arm. RDNS will work with Zhongshan College to develop, operate and manage the facility, which will include training, development and management of care staff. It will also have a strong focus on research and developing quality standards, models of care, clinical pathways and operational management. (The Australian Ageing Agenda website 31 October 2013).

From the Chairman and CEO down, RDNS team members have travelled frequently to China and hosted reciprocal visits; presented at expos and established linkages with key players in aged care in China and RDNS is also finding ways to partner with local charities to train their workforces as part of their corporate social responsibility. RDNS's inclusion as one of the presenters to China's richest businesspeople – the China Entrepreneurs Club recently in Melbourne underlines the success of their strategy. RDNS's approach is a textbook example of how to do business in China.

## China Makes the Environment a Priority

The recent announcement by US President Barack Obama and Chinese President Xi Jinping that the USA and China had agreed to curb greenhouse gas emissions by 2030 generated a diverse array of responses – from the enthusiastic to the outright dismissive.

But if nothing else, the agreement further underlines that China's top leadership is putting climate change – and the environment – front and centre of its national and international policy agenda.

Critical is China's official position that the unfettered economic growth of the past 30 years is unsustainable, and that China's future growth pattern has to change. To dismiss the 2030 agreement and China's domestic environmental policy agenda as empty rhetoric or of limited importance would be to ignore ample evidence that China is taking serious steps to tackle both its domestic environmental woes and the global issue of climate change.

**CHINA - THE DIRTY FACTS**

Despite the positives of three decades of rapid growth, new prosperity and lifting hundreds of millions of people out of poverty, China's emergence has come at a huge environmental and social cost.

In early 2013 China was in the world headlines when air pollution in Beijing reached critical levels; called an "airpocalypse" – the concentration of hazardous particles was forty times the level deemed safe by the World Health Organization. The impenetrable fog of pollution made international headlines and generated an unprecedented public backlash. Sixteen of the world's twenty most polluted cities are in China, and poor air quality is endemic across the nation; rapid loss of scarce arable land continues, and the degradation of national water resources appears to be worsening. China is now the world's biggest emitter of greenhouse gases, contributing one third of the global total. (NYT 14 Sept 2014; China's Environmental Crisis by Beina Xu, April 2014, US Council on Foreign Relations)



**THE COST TO CHINA**

Economists estimate that pollution and environmental degradation now costs China 9% of its annual gross national income. And appalling air pollution is alleged to have reduced life expectancy in some areas of North China by up to 5.5 years. (NYT 14 Sept 2014; China's Environmental Crisis by Beina Xu, April 2014, US Council on Foreign Relations)

The last decade has seen an unprecedented rise in the level of social concern and public protest over environmental issues in China. Both urban and rural residents have become involved in openly protesting on industrial projects and environmental problems.

When the PEW Research Center asked Chinese people in a 2008 survey to rate the severity of air pollution on a scale ranging from "not a problem at all" to a "very big problem," 31 percent rated it a "very big problem." In 2013, in a repeat of the PEW survey, that percentage had risen to 47. While these numbers tell us only so much, the trend is clear: environmental anxiety is spreading. (Cited in NYT 14 Sept 2014)

**THE GOVERNMENT RESPONSE**

With pollution a serious brake on the economy, a growing source of domestic social unrest, and drawing international criticism, the Chinese leadership has taken a number of steps.

The US based Wilson Centre cites as an example the September 2013 State Council Pollution Action Plan. The Wilson Centre notes it is "very unusual for the government to announce a plan that does not coincide with normal five year planning cycle, but the extreme pollution clearly demanded decisive new steps." The new plan requires Beijing, Shanghai and Guangdong to reduce

fine particle density by 25, 20 and 15 percent respectively by 2017. (China Environment Series 12/2012-13/Wilson Centre)

In early 2014 officials in Beijing declared a "war on pollution." There has been an official overhaul of the country's Environmental Protection Law - the first formal changes since 1989. Some of the measures include strengthening the system for fining polluters, permitting some NGOs to bring legal action against polluters, and holding local officials accountable for the environmental quality of their regions.

The Chinese leadership has banned the building of new coal-fired power plants in key economic areas and will phase out coal use in Beijing by 2020. Trial carbon-trading programs have been introduced in Beijing, Shanghai, Shenzhen and Guangzhou. Caps have been placed on coal consumption in some highly polluted regions. The government has committed \$277 billion to an air pollution "action plan" and \$333 billion to a water pollution "action plan." Steps have also been taken to restrict the number of cars on the road and improve vehicle-emission standards. Incentives are being offered to purchase electric and hybrid vehicles. (NYT 14 September 2014)

China is also one of the world's biggest investors in renewables, and investment could total USD \$300 billion by 2015 as part of a plan to cut carbon intensity. According to its National Energy Administration, renewable energy sources comprised 57 percent of newly installed electricity-generating capacity in the first ten months of 2013. (China's Environmental Crisis by Beina Xu, April 2014, US Council on Foreign Relations)

While central government enactments like these are positive, the real challenge is effective implementation of laws and regulations – often extremely problematic at regional and local levels where Beijing's authority is lessened.

**OPPORTUNITIES FOR AUSTRALIA**

Austrade sees a wide range of potential opportunities for Australian firms in the environmental protection sector, including soil and water remediation, environmental monitoring instruments and automation control systems, waste management, recycling and disposal, water treatment and water efficiency, desulphurisation technologies, air pollution control equipment, noise control materials and equipment, green-building energy efficiency solutions and industrial energy conservation technologies. (Austrade website)

The massive financial investment planned for China's environment and renewable energy sectors should create opportunities for Australia's clean and green industries. However the decision by China to further limit the building of coal fired power plants and to reduce the use of coal is expected to have an adverse impact on Australian exports– the real extent of this impact remains to be seen. The upside is that the potential for cooperation in the researching and development of clean coal technologies should be enhanced.

And once again, the recent conclusion of the China Australia Free Trade Agreement (ChAFTA) should enhance access by Australian environment manufacturers and service providers.

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*Best Wishes  
for the Festive  
Season and  
a Happy &  
Safe 2015.*

*Look out in  
February for  
our Year of  
the Sheep  
Predictions  
& Fun.*