



Submission No 20

Inquiry into Australia's Relationship with Malaysia

Organisation: Minister for Asian Relations and Trade

Contact Person: Hon Clare Martin MLA

Address: Parliament House
State Square
Darwin NT 0800



CHIEF MINISTER
MINISTER FOR ASIAN RELATIONS AND TRADE

Parliament House
State Square
Darwin NT 0800
chief.minister@nt.gov.au

GPO Box 3146
Darwin NT 0801
Telephone: 08 8901 4000
Facsimile: 08 8901 4099

Dr John Carter
Secretary
Foreign Affairs Sub-Committee
Joint Standing Committee on Foreign Affairs, Defence and Trade
Parliament House
CANBERRA ACT 2600

Dear Dr Carter

Thank you for your letter of 19 August 2006 inviting the Northern Territory Government to prepare a public submission along the terms of reference for the Inquiry into Australia's relationship with Malaysia.

The Northern Territory seeks to strengthen and develop its links in the region, and I am proud that we have established strong relationships in certain areas with Malaysia.

I recently led a delegation to Kota Kinabalu in Sabah to promote opportunities in Northern Territory education, trade and sport. Further to this I would take this opportunity to focus on some key areas of engagement for the Northern Territory with Malaysia, being;

Arafura Games

The Arafura Games is a biennial event held in Darwin that brings together the leading sportsmen and women from the region and gives the young athletes a chance to test their skills in a friendly but competitive atmosphere.

The National Sports Council of Malaysia was instrumental in the establishment of the Arafura Games in the Northern Territory. They have regularly sent teams to the Games and have often been the biggest participating delegations. There is potential for increased participation numbers from Malaysia. The Northern Territory also participated in the SUKMA (*Sukan Malaysia* – "Malaysia Sports") Games in 2002, with the strong possibility of participation in 2008 as well.



Northern Territory Government

Defence Cooperation

The Northern Territory's developing Defence industry is well placed to contribute to appropriate exports to Malaysia and provide support services in Australia to Malaysia's defence forces involved in joint exercises and undertaking defence-related activities in our region.

Primary Industry

There is an opportunity for arrangements based on the Australia – Indonesia Agriculture and Food Cooperation, and in particular the Australia-Indonesia Working Group on Agriculture and Food Cooperation. A similar arrangement with Malaysia, with Northern Territory participation, would strengthen the relationship between the countries and also mitigate the Northern Territory' dependency on Indonesia on livestock issues.

Memorandum Of Understanding (MOU) with Sabah

A cattle program, including internships in the Northern Territory, has been completed under the MOU with Sabah. Further activities are continuing under the MOU including placements, training and development programs, with the aim of sustaining the development of Northern Territory livestock exports to the region, through the provision of expert advice and training of tropical beef production.

Other Areas of Cooperation

BIMP-EAGA

As a Development Partner of the Brunei, Indonesia, Malaysia, Philippines East ASEAN Growth Area (BIMP-EAGA), the Northern Territory also has important linkages to Malaysia, through its engagement and participation in the annual Senior Officials & Ministerial Meetings of the BIMP-EAGA, the annual Darwin Dialogue meetings, Tourism Working Group meetings and BIMP-EAGA Business Portal.

Through its engagement in BIMP-EAGA the Northern Territory is keen to build on existing relationships and expand them to cover areas including sports, educational and cultural links, as well as the obvious trade opportunities.

Northern Territory – Malaysia Trade

The Northern Territory's main export to Malaysia is food and live animals, followed by chemical and related products, while the main import is machinery and transport equipment. Attachment A provides details of Northern Territory – Malaysia trade.

The Northern Territory is also a regular participant of the annual Sabah International Expo, and has led several trade delegations over the last few years and I have personally attended and participated in the SIE in both 2004 and 2006.

Free Trade Agreement (FTA) with Malaysia and the ASEAN FTA

Opportunities in the Northern Territory trade and services sectors could be enhanced with improved access provided for in an FTA with Malaysia. It is yet to be established what other opportunities would become available to the Northern Territory in the vent of the multi-lateral ASEAN FTA being signed.

However, known opportunities exist at present for counter seasonal Northern Territory exports of fruit and vegetables. These can be further explored under any strengthened relationship with Malaysia.

Education Opportunities

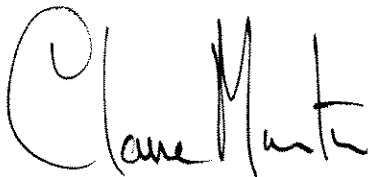
From 8-10 August 2006 I led a delegation to Brunei Darussalam and Sabah, Malaysia, to promote opportunities for linkages to the Northern Territory in education, trade and sport.

My visit was well received and discussions are underway with regard to ongoing activity in education links. Equally, the Arafura Games has been well received in Sabah who have undertaken to ensure a small team attends the Games in 2007.

From a tourism perspective, there is an interest, albeit 'on hold' at present in having Malaysian Airlines resume its service to Darwin. The expansion of aviation links would assist in the promotion and development of links with Northern Territory tourism and trade.

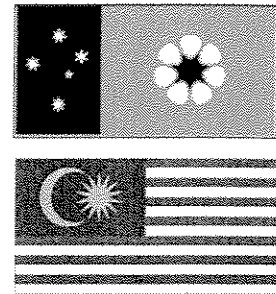
I would appreciate being kept informed on the outcomes from the Inquiry and look forward to receiving a report when it is available.

Yours sincerely

A handwritten signature in black ink that reads "Clare Martin". The signature is written in a cursive style with a large initial 'C'.

CLARE MARTIN

4. 10. 06



Northern Territory Merchandise Trade with MALAYSIA to 2005-06

(1st & 2nd Quarters)

EXPORTS (\$'000)

Category	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Food & Live Animals (live cattle, meat products)	5,012	7,031	7,949	3,015	4,883	4,781
Beverage & Tobacco	2				30	1
Crude Materials (metal ores, metal scrap)	5,175	1,068	242	1,421	31	1,841
Mineral Fuels (petroleum and related products)		16,587				
Animal & Vegetable Oils						
Chemicals & Related Products (inorganic chemicals, plastics)	6,855	4,443	4,511	5,850	5,585	3,588
Manufactured Goods (non metallic mineral, manufacturers metal, wood)	1	7	30	7	3	
Machinery & Transport Equipment	184	5	11	76	154	18
Miscellaneous Manufacturing (general supplies, construction related)	6	9	97		34	7
Unclassified Commodities (confidential items, can include alumina, manganese, uranium, zinc, lead and gold for example)	149	68	26	4		10
TOTAL EXPORTS	17,383	29,217	12,866	10,373	10,720	10,246

IMPORTS (\$'000)

Category	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Food & Live Animals (live cattle, meat products)	93	63	68	63	68	46
Beverage & Tobacco	9	1	3			
Crude Materials (metal ores, metal scrap)	2,045	2,201	2,097	2,329	2,806	1,578
Mineral Fuels (petroleum and related products)	2,013		371		11	50
Animal & Vegetable Oils	129	359	89	32	27	49
Chemicals & Related Products (inorganic chemicals, plastics)	260	60	77	58	82	150
Manufactured Goods (non metallic mineral, manufacturers metal, wood)	1,249	1,491	663	4,816	20,585	1,007
Machinery & Transport Equipment	251	340	2,434	65	1,368	47,941
Miscellaneous Manufacturing (general supplies, construction related)	541	470	953	586	617	431
Unclassified Commodities (confidential items, can include alumina, manganese, uranium, zinc, lead and gold for example)	79	120	74	16	30	538
TOTAL IMPORTS	6,669	5,107	6,830	7,964	25,594	51,790

