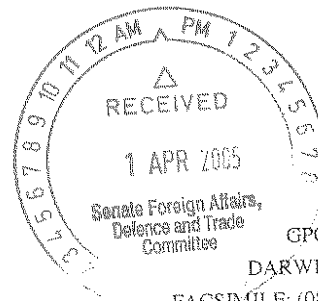




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The Secretary
Senate Foreign Affairs, Defence and Trade References Committee
Suite S1.57
Parliament House
CANBERRA ACT 2600

Dear Sir / Madam

Thank you for your letter on 9 December 2004 letter regarding your committee's inquiry into Australia's relations with China.

The Northern Territory has been actively strengthening trade, investment, social, cultural and community links with China and strongly supports Australian Government action to broaden and deepen the Australia - China relationship to achieve mutually beneficial outcomes. While focussing on the key economic, trade and investment aspects of the Northern Territory, it is recommended that Australia - China relationship strengthening should encompass improved social, cultural and community links as well.

Two way trade between the Northern Territory and China has grown since the late 1990s with the development of new minerals and energy projects in the Territory. With new and expanding markets in China, further growth is anticipated. A summary of Northern Territory - China trade for 2003-04 is attached.

In relation to bilateral business and trade development, the Northern Territory supports the prompt completion of the current joint feasibility study of a possible free trade agreement between Australia and China. The Northern Territory Government considers that this study needs to explore fully the benefits, risks and options for the development of two way investment and trade with China, prior to key trade and related policy decisions, including an Australian commitment to the negotiations of a free trade agreement, being settled.



The Northern Territory has requested that the Minister of Trade consider sectoral and regional issues and impacts in the feasibility study in order for the Australia-wide and industry implications to be properly assessed. Trade dumping, trade distorting subsidies, competitive neutrality and transparency matters also need careful consideration in the development of a new Australia - China trade agreement.

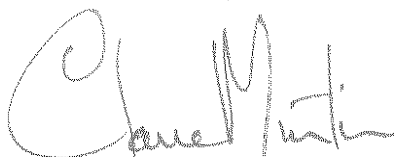
The development of education links with China is a further priority area for the Northern Territory. Recruitment of international students from China by Northern Territory academic institutions has the potential for strong growth. Australia's current visa entry requirements for students from China are significantly impeding the growth in student numbers from China. Action to improve the arrangements will assist the Northern Territory and potential students seeking to undertake studies in the Northern Territory. You should note that the Northern Territory also had successful educational exchange programs with China.

From your correspondence, it is not clear if your committee will be gathering evidence from regional hearings or inspection visits. The Northern Territory recommends that you schedule such regional visits and hearings in order to gain first hand evidence and experience especially in those regions of Australia which contribute strongly to the trade relationship with China.

The contact officer with the Department of Business, Industry and Resource Development is Mr Ian Prince, Director International Relations, telephone 08 8999 7055, email ian.prince@nt.gov.au.

I wish you every success with this inquiry and look forward to receiving a copy of your committee's report when it is available.

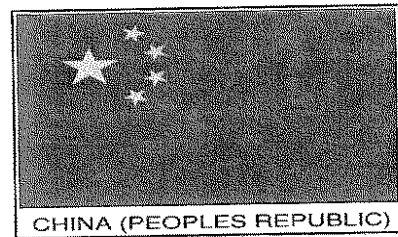
Yours sincerely



CLARE MARTIN

27.3.05

Northern Territory Trade with China 2003-04



EXPORTS (\$'000)

Category	1999 - 00	2000 - 01	2001 - 02	2002 - 03	2003-04
Food & Live Animals					
Beverage & Tobacco					
Crude Materials, Inedible, Except Fuels	6,595	26,320	15,001	10,077	38,563
Mineral Fuels, Lubricants etc	92,212	42,630	13,178		
Animal & Vegetable Oils					
Chemicals & Related Products		60			
Manufactured Goods by Material	62	345	1,333	594	782
Machinery & Transport Equipment					
Miscellaneous Manufactured Articles			49	37	67
Not Elsewhere Classified / Confidential	110,338	206,766	383,759	381,335	366,045
TOTAL TRADE	\$209,207	\$276,122	\$413,320	\$392,043	\$405,458

IMPORTS (\$ 000)

Category	1999 - 00	2000 - 01	2001 - 02	2002 - 03	2003 - 04
Food & Live Animals	79	57	35	12	2
Beverage & Tobacco			1	1	
Crude Materials, Inedible, Except Fuels	2	82	422	865	1,273
Mineral Fuels, Lubricants etc					54
Animal & Vegetable Oils					
Chemicals & Related Products	113	544	160	228	526
Manufactured Goods by Material	773	1,058	900	1,884	3,840
Machinery & Transport Equipment	766	980	2,189	2,114	11,292
Miscellaneous Manufactured Articles	139	224	337	925	944
Not Elsewhere Classified / Confidential	16	46	171	893	226
TOTAL TRADE	\$1,888	\$2,992	\$4,214	\$6,923	\$18,157

