Submission No 29

Inquiry into Australia's relationship with India as an emerging world power

Organisation:

Chief Minister – Minister for Asian Relation & Trade (Norhtern Territory Government)

Contact Person:

Clare Martin Chief Minister

Address:

GPO BOX 3146 DARWIN NT 0801

Joint Standing Committee on Foreign Affairs, Defence and Trade Foreign Affairs Sub-Committee





CHIEF MINISTER MINISTER FOR ASIAN RELATIONS AND TRADE

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

Telephone: 08 8901 4000 Facsimile: 08 8901 4099

Senator Alan Ferguson Chair Joint Standing Committee on Foreign Affairs, Defence and Trade Parliament House CANBERRA ACT 2600

Dear Senator

Thank you for your letter of 3 April 2006, requesting the Northern Territory Minister for Primary Industry, Fisheries and Mines to provide a submission to the inquiry into Australia's relationship with India as an emerging world power. This request has been referred to me, as Minister for Asian Relations and Trade for a response.

India has enjoyed significant economic reform and growth over the past few years and various sectors have been opened up for trade and investment. The Northern Territory supports the strengthening of economic, political and social links for the mutual benefit of Australia and India.

While merchandise trade with India is not strong, the Northern Territory is particularly interested in building and strengthening ties in the areas of skilled migration, tertiary education, sport and the supply of gas to the Indian market. (Northern Territory -India trade sheet is attached).

Australia's total trade with India for 2005 amounted to \$8 billion. With this volume of trade, there is an opportunity for the Northern Territory to position itself to take advantage of the two-way trade, through the Port of Darwin, as well as to develop shipping links with the major ports of India.

There is an increasing opportunity for Australia to supply gas to meet the demands of the growing Indian economy. There has also been some interest from Indian petroleum companies to be involved in exploration and joint ventures or farm-ins, in the Northern Territory, with the aim of securing energy resources.



Northern Territory Government

India is considered a source for skilled migration in the areas of hospitality, information, communication and technology and engineering. There is also the potential for cooperation with India in the bio-technology industry. In addition, the Northern Territory Film Office believes there is a potential for the Northern Territory to be promoted as a film location for the Indian film industry.

India is also a target market for tertiary level students. Currently there are 27 Indian students enrolled at Darwin's Charles Darwin University and there is potential for growth in this sector. Recruitment exhibitions and skilled migration promotions in various Indian cities have resulted in Indian students being the largest single group studying at the Charles Darwin University.

In relation to sport, India is considered a new frontier for the Northern Territory Arafura Games, held in Darwin every two years. Participation by Indian athletes is hoped to increase with promotional flyers (translated into the Hindi language) to be distributed to the appropriate sporting bodies in India.

As there is much potential for building links with India, the Northern Territory requests that the inquiry explore to the fullest possible extent, the benefits and risks in the establishment and strengthening of trade and other links with India.

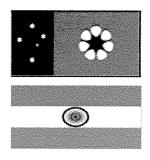
If you have any queries, please have your staff contact Mr David Malone, Executive Director, Trade and Major Projects Division on (08) 8999 5354 or by email at dave.malone@nt.gov.au.

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

Yours sincerely

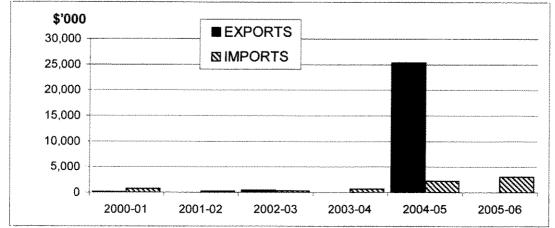
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Northern Territory Merchandise Trade with India - to 2005/06

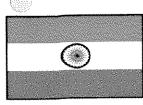


(1st & 2nd Quarters) EXPORTS (\$'000)

Category	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Food & Live Animals	4		6			
(live cattle, meat products)			0	14		
Beverage & Tobacco					<u> </u>	
Crude Materials	143	7	396		10,081	
(metal ores, metal scrap)	0 + 1	1	390		10,001	12
Mineral Fuels						
(petroleum and related products)						
Animal & Vegetable Oils						
Chemicals & Related Products						· · · · · · · · · · · · · · · · · · ·
(inorganic chemicals, plastics)			9	4	7	
Manufactured Goods				*******		
non metallic mineral, manufacturers metal, wood)						
Machinery & Transport Equipment	/////	3	36		******	
Miscellaneous Manufacturing					****	·
(general supplies, construction related)	1		9			4
Unclassified Commodities (confidential items, can include alumina, manganese, uranium, zinc, lead and gold for example)					15,291	·····
TOTAL EXPORTS	148	10	456	18	25,379	16
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Category Food & Live Animals	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Category Food & Live Animals (live cattle, meat products)	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
IMPORTS (\$'000) Category Food & Live Animals (live cattle, meat products) Beverage & Tobacco	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Category Food & Live Animals (live cattle, meat products) Beverage & Tobacco Crude Materials					······	
Category Food & Live Animals (live cattle, meat products) Beverage & Tobacco Crude Materials	2000-01 399	2001-02 128	2002-03 82	2003-04 236	2004-05 146	2005-06 35
Category Food & Live Animals (live cattle, meat products) Beverage & Tobacco Crude Materials (metal ores, metal scrap) Mineral Fuels					······	
Category Food & Live Animals (live cattle, meat products) Beverage & Tobacco Crude Materials (metai ores, metai scrap) Mineral Fuels petroleum and related products)	399	128	82		146	
Category Food & Live Animals (live cattle, meat products) Beverage & Tobacco Crude Materials (metal ores, metal scrap) Mineral Fuels petroleum and related products) Animal & Vegetable Oils	399	128	82	236	146	35
Category Food & Live Animals (live cattle, meat products) Beverage & Tobacco Crude Materials (metal ores, metal scrap)	399	128	82		146	
Category Food & Live Animals live cattle, meat products) Beverage & Tobacco Crude Materials metal ores, metal scrap) Mineral Fuels petroleum and related products) Animal & Vegetable Oils Chemicals & Related Products inorganic chemicals, plastics)	399 2 75	128 5 63	82 2 6	236	146 2 1,832	35
Category Food & Live Animals live cattle, meat products) Beverage & Tobacco Crude Materials metal ores, metal scrap) Mineral Fuels petroleum and related products) Animal & Vegetable Oils Chemicals & Related Products inorganic chemicals, plastics) Manufactured Goods	399	128	82	236	146	35
Category Food & Live Animals live cattle, meat products) Beverage & Tobacco Crude Materials metal ores, metal scrap) Wineral Fuels petroleum and related products) Animal & Vegetable Oils Chemicals & Related Products inorganic chemicals, plastics) Manufactured Goods non metallic mineral, manufacturers metal, wood)	399 2 75	128 5 63	82 2 6	236	146 2 1,832	35
Category Food & Live Animals live cattle, meat products) Beverage & Tobacco Crude Materials metal ores, metal scrap) Mineral Fuels petroleum and related products) Animal & Vegetable Oils Chemicals & Related Products inorganic chemicals, plastics) Manufactured Goods non metallic mineral, manufacturers metal, wood) Machinery & Transport Equipment	399 2 75 97 155	128 5 63 11 11	82 2 6 61 121	236 19 182 220	146 2 1,832 79 143	35 1,214 92 1,652
Category Food & Live Animals (live catile, meat products) Beverage & Tobacco Crude Materials (metal ores, metal scrap) Mineral Fuels petroleum and related products) Animal & Vegetable Oils Chemicals & Related Products	399 2 75 97	128 5 63 11	82 2 6 61	236 19 182	146 2 1,832 79	35 1,214 92
Category Food & Live Animals live catile, meat products) Beverage & Tobacco Crude Materials (metal ores, metal scrap) Mineral Fuels petroleum and related products) Animal & Vegetable Oils Chemicals & Related Products inorganic chemicals, plastics) Manufactured Goods non metallic mineral, manufacturers metal, wood) Machinery & Transport Equipment Wiscellaneous Manufacturing	399 2 75 97 155	128 5 63 11 11	82 2 6 61 121	236 19 182 220	146 2 1,832 79 143	35 1,214 92 1,652



Source: NT Treasury Trade Statistics, Feb 2006



INDIA

General information:

Capital:

Surface area:

Population:

Exchange rate:

Official languages:

New Delhi

Hindi, English

3,287 thousand sq km

1.095.4 million (2005)

A\$1 = 33.2587 Rupees (Jan 2006)

Fact sheets are updated biannually; May and September

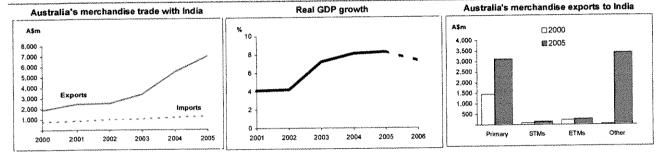
Head of State:

H.E. President Dr A.P.J. Abdul Kalam

Head of Government:

Prime Minister The Hon Dr Manmohan Singh

Recent economic indicators:	2001	2002	2003	2004	2005(a)	2006(b)
GDP (US\$bn) (current prices) (c):	474.1	493.3	575.3	665.9	775.4	849.9
GDP PPP (US\$bn) (d):	2,573.6	2,740.9	3,004.0	3,307.2	3,633.4	3,942.2
GDP per capita (US\$):	467	478	548	623	714	769
GDP per capita PPP (US\$) (d):	2.537	2,655	2,860	3,095	3,344	3,569
Real GDP growth (% change YOY) (c):	4.1	4.2	7.2	8.1	8.3	7.3
Current account balance (US\$m):	1.410	7,061	8,773	1,430	-19,044	-26,143
Current account balance (% GDP):	0.3	1.4	1.5	0.2	-2.5	-3.1
Goods & services exports (% GDP):	12.7	14.5	14.8	19.0	21.2	22.8
Inflation (% change YOY):	3.8	4.3	3.8	3.8	4.2	4.8



Australia's trade relationship with India:

28.3%
8.4%
24.9%

Major Australian merch. exports, 2005 (A\$m):				
Non-monetary gold	2,989			
Coal	2,224			
Copper ores	527			
Wool	142			

Australia's trade in services with India, 2005:
Exports of services to India (A\$m):
Imports of services from India (A\$m):
Major Australian service exports, 2005 (A\$m):

Major Australian merch. imports, 2005 (A\$m):

Pearls and gems	92
Jewellery	49
Articles of iron, steel and other base met	41
Floor coverings	35

	Total share:
1,032	2.8%
302	0.8%

Education-related travel Personal travel excl. education	683 82	Personal travel excl. education Business travel	188 39
India's global merchandise trade re	elationships:		
	A.	India's principal import sources 2004:	

India's principal export destinations, 2004:		India's principal import sources, 2004:			
1	United States	17.0%	1	China	6.1%
2	United Arab Emirates	8.8%	2	United States	6.0%
2	China	5.4%	3	Switzerland	5.2%
27	Australia	0.9%	8	Australia	3.3%
21	Austrana	0.075	-		

Compiled by the Market Information and Analysis Section, DFAT, using the latest data from the ABS, the IMF and various international sources.

(a) All recent data subject to revision; (b) IMF/EIU forecast, (c) Year beginning April 1st; (d) PPP is purchasing power parity.

Northern Territory Government

Home > The Chief Minister and the Cabinet

The Chief Minister and the Cabinet

Chief Minister The Honourable Clare Martin MLA



Chief Minister Minister for Tourism Minister for Asian Relations and Trade Minister for the AustralAsia Railway Minister for Indigenous Affairs

Contact: GPO Box 3146 Darwin NT 0801 Telephone: 08 8901 4000 Facsimile: 08 8901 4099 Email: <u>chiefminister.nt@nt.gov.au</u>

Cabinet

Hon Syd Stirling MLA



Treasurer Minister for Employment, Education and Training Minister for Racing, Gaming and Licensing

Contact:

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Hon Dr Peter Toyne MLA



Minister for Justice and Attorney-General Minister for Health Minister for Central Australia

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Hon Paul Henderson MLA

orthern Territory Government



Minister for Business and Economic Development Minister for Police, Fire and Emergency Services Minister for Regional Development Minister for Defence Support Minister for Essential Services

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Hon Dr Chris Burns MLA



Minister for Infrastructure and Transport Minister for Planning and Lands Minister for Public Employment Minister for Corporate and Information Services Minister for Communications

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Hon Kon Vatskalis MLA



Minister for Primary Industry and Fisheries Minister for Mines and Energy Minister for Multicultural Affairs

Contact: GPO Box 3146 Darwin NT 0801 Telephone: 08 8901 4132 Facsimile: 08 8901 4134 Email: minister.vatskalis@nt.gov.au

Ms Marion Scrymgour MLA

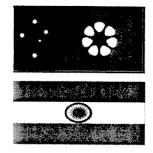


Minister for Natural Resources, the Environment and Heritage Minister for Parks and Wildlife Minister for Arts and Museums Minister for Young Territorians Minister for Women's Policy Minister for Senior Territorians

Contact: GPO Box 3146 Darwin NT 0801 Telephone: 08 8901 4102 Facsimile: 08 8901 4110 Email: marion.scrymgour@nt.gov.au

Hon Elliot McAdam MLA

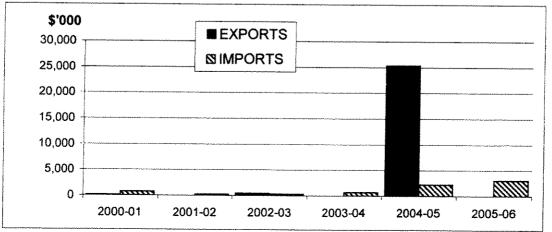
Northern Territory Merchandise Trade with India - to 2005/06



(1st & 2nd Quarters)

EXP	ORT	'S (\$'	000)
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	2	5	2		2	
Chemicals & Related Products	75		~			
inorganic chemicals, plastics)	75	63	6	19	1,832	1,214
Manufactured Goods	97	11	61	182	70	00
non metallic mineral, manufacturers metal, wood)		11	01	102	79	92
fachinery & Transport Equipment	155	11	121	220	143	1,652
	~	~		<u> </u>		
Aiscellaneous Manufacturing general supplies, construction related)	2	8	12	9	11	27
general supplies, construction related) Inclassified Commodities (confidential items, can include	2	8	12	9	11	
	2	8	12	9	11	27 41



Source: NT Treasury Trade Statistics, Feb 2006



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3,287 thousand sq km

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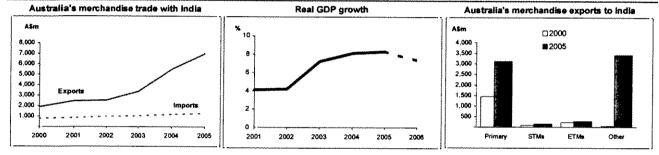
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Australia's trade relationship with India:

	andise trade with India,	2005:			Total share:	Rank:	Growth (yoy):		
Exports to India			6,969		5.0%	6th	28.3%		
Imports from Ind			1,215		0.8%	27th	8.4%		
Total trade (exports + imports) (A\$m):		8,184		2.8%	12th	24.9%			
Major Australian merch. exports, 2005 (A\$m):			Major Australian merch. imports, 2005 (A\$m):						
Non-monetary g	bld	2,989			d gems	-	92		
Coal		2,224	Jewellery						
Copper ores		527	Articles of iron, steel and other base met				49 el 41		
Wool		142	Floor coverings						
Australia's trade i	n services with India, 2	005:			Total share:				
Exports of servic	es to India (A\$m):		1,032		2.8%				
Imports of service	es from India (A\$m):		302		0.8%				
	service exports, 2005 (A	\$m):	Majo	r Aust	ralian service imp	orts, 2008	5 (A\$m):		
Education-related	travel	683	Personal travel excl. education			188			
Personal travel e	xcl. education	82	Business travel				39		
India's global m	erchandise trade rel	ationships:							
ndia's principal e	xport destinations, 2004	4:	India	's prin	cipal import sour	ces, 2004:			
1 U	nited States	17.0%		1	China		6.1%		
	nited Arab Emirates	8.8%		2	United States		6.0%		
3 CI	hina	5.4%		3	Switzerland		5.2%		
27 Al	ustralia	0.9%		8	Australia		3.3%		

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