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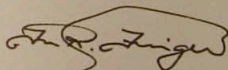
CABINET DECISION

NO. 2215

Submission No.: 1875

Title: INFORMATION PAPER ON PROCEEDINGS OF THE FIRST
INDONESIAN - NORTHERN TERRITORY JOINT WORKING PARTY
MEETING HELD IN SURABAYA, INDONESIA FROM 5 - 7
JANUARY, 1982.

Cabinet noted the Report.



(M.R. FINGER),
Secretary to Cabinet.
12 March, 1982.

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FOR CABINET

SUBMISSION No: 1875

Title:	INFORMATION PAPER ON PROCEEDINGS OF THE FIRST INDONESIAN - NORTHERN TERRITORY JOINT WORKING PARTY MEETING HELD IN SURABAYA, INDONESIA FROM 5-7 JANUARY 1982
Minister	HON. ROGER STEELE, MINISTER FOR INDUSTRIAL DEVELOPMENT
Purpose:	To provide Cabinet with information on the outcome of discussions between the Indonesian and Northern Territory delegations.
Relation to existing policy:	The establishment of Government-to-Government relationships as a pre-requisite to development of two-way trade is within the guidelines of Northern Territory Government policy.
Timing/ legislative priority:	-
Announcement of decision, tabling, etc:	-
Action re- quired before announcement:	-
Staffing implications, numbers and costs, etc:	-
Total cost:	-

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BACKGROUND

Following visits to Indonesia by the Deputy Chief Minister in October 1980, and by the Chief Minister in March 1981, a trade delegation from Indonesia led by Vice Admiral Abdul Kadir, Director General of Trade and Co-operatives visited the Northern Territory in October 1981.

As a result of this visit the Indonesian Government extended an invitation to the Northern Territory Government to send a delegation to Surabaya to participate in a Joint Working Group meeting to discuss the development of trade between Indonesia and the Northern Territory.

A delegation of Northern Territory Government officers consequently attended this first Joint Working Group meeting in Surabaya from 5-7 January 1982.

The Northern Territory delegation comprised:

1. Mr E J Simpson - Leader of the Delegation and Chairman of the Northern Territory Development Corporation
2. Mr B J Cameron - Chairman of Agricultural Development and Marketing Authority
3. Mr E H Poole - Chairman, Northern Territory Tourist Commission
4. Dr D A Newton-Tabrett - Director (North), Division of Agriculture and Stock, Department of Primary Production
5. Mr M N Bartlett - Associate Director (Marine), Department of Transport and Works

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6. Mr D A Bartholomeusz - Manager, Trade and Information Division, Northern Territory Development Corporation.

The attached Record of the Proceedings indicates the results of the series of working sessions, and includes a summary of conclusions and recommendations.

CO-ORDINATION AND CONSULTATION

The record was drawn up in consultation with all delegates and copies have been distributed to all Ministers and to the delegates themselves.

Follow-up action in respect of the provision of information requested by the Indonesian delegates has already been done.

SUMMARY

Achievements and recommendations arising from the meeting are as follows:

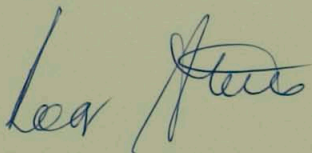
1. Excellent relations at officer level have been established with Indonesian officials which will be useful in later communications on trade and commerce
2. Acceptance on both sides for a program of planned business missions to identify specific markets and sources of supply

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3. A confirmed interest in the supply of livestock from the Northern Territory
4. A willingness by the Indonesian authorities to establish a shipping link with competitive freight rates when cargo volume warranted
5. Commitment to another Joint Working Group meeting to discuss matters not raised at this meeting, and to follow up results achieved
6. Agreement to exchange detailed information relative to trade and commerce.

A handwritten signature in blue ink, appearing to read 'Roger Steele', is written over the typed name and title.

ROGER STEELE
MINISTER FOR INDUSTRIAL
DEVELOPMENT

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Introduction

Objectives

Terms

Delegates from the Northern Territory

Delegates from Indonesia RECORD OF PROCEEDINGS

Program OF

Opening INDONESIA - NORTHERN TERRITORY OF AUSTRALIA

Program Arrangements JOINT WORKING PARTY

First Working Group Session
5-7 January 1982

Second Working Group Session
SURABAYA, INDONESIA

Third Working Group Session

Fourth Working Group Session

Fifth Working Group Session

Closing Session

Summary and Recommendations

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ANNEX

The venue for the meeting was the Royal Air Force in Darwin
from 3-7 January 1962.

INTRODUCTION

The Governments of the Northern Territory of Australia and the Republic of Indonesia have been actively pursuing ways and means of developing two-way trade.

The geographic proximity of the relatively undeveloped eastern Indonesian region to the Northern Territory lends itself to being a market for Australian products and services.

The Deputy Chief Minister of the Northern Territory, Mr Marshall Perron, visited Indonesia in October 1980, for preliminary discussions on two-way trade. This was followed in March 1981 by a visit to Indonesia by the Chief Minister for the Northern Territory Government, Mr Paul Everingham. During the course of the latter visit an invitation was issued to the Indonesian Government to send a trade delegation to Darwin.

In October 1981 a trade delegation led by the Director General of Trade and Co-operatives, Vice Admiral Abdul Kadir visited the Northern Territory, for extensive discussions on trade.

The Indonesian Government through Vice Admiral Abdul Kadir extended an invitation to the Northern Territory to send a delegation of Government officials to Indonesia for a Joint Working Group meeting in Surabaya from 5-7 January 1982. This invitation was accepted by the Chief Minister of the Northern Territory Government, and a visit by a delegation of six senior Government officers to Surabaya was arranged.

OBJECTIVES

The Northern Territory Delegation objectives at the first Working Group meeting would be

1. To explore the prospects for developing two-way trade with Indonesia which would complement economic development.
2. To maintain close Government-to-Government contact with central and regional trade officers in the Indonesian Government
3. To investigate means of developing rail, road, air and sea transport facilities linking Australian markets and sources of supply to Indonesia through Darwin.
4. To arrange a regular program of visits by business entrepreneurs and Government officials to facilitate two-way trade.

VENUE

The venue for the meeting was the Hotel Mirama in Surabaya from 5-7 January 1982.

DELEGATES FROM THE NORTHERN TERRITORY

- MR E J SIMPSON - Leader of Delegation
Chairman,
Northern Territory
Development Corporation
- MR B J CAMERON - Member
Chairman,
Agricultural Development
and Marketing Authority
- MR E H POOLE - Member
Chairman,
Northern Territory
Tourist Commission
- DR D A NEWTON-TABRETT - Member
Director (North),
Division of Agriculture
and Stock,
Department of
Primary Production
- MR M N BARTLETT - Member
Associate Director (Marine),
Department of
Transport and Works
- MR D A BARTHOLOMEUSZ - Member
Manager,
Trade and Information
Division.
Northern Territory
Development Corporation

INDONESIAN DELEGATES

Mr Darry Salim
Director for External Trade Relations
Department of Trade and Co-operatives

R Soerodjo Pringgowirono
Consul of the Republic of Indonesia
in Darwin

Mr Aidit Alwi
Secretary Industries Export Promotion Board
Department of Trade and Co-operatives

Mr R Wahjudi Brotodiredjo
Deputy Director for Bilateral Co-operatives
Directorate for External Trade Relations
Department of Trade and Co-operatives

Mr A N Pantow
Director for Supplies of Essential Goods
Department of Trade and Co-operatives

Mr Donnie Djatnika
Head of Provincial Trade Office
in East Java

Mr J Tampi
Head of Provincial Trade Office
in East Nusa Tenggara

Mr Sudono Wirobumi
Head of Provincial Trade Office
in Maluka

Mr Ilchaidi Ellias
Head of Planning Bureau
Department of Industries

Mr Ridwan
Director of Traffic and Sea Transport
Directorate General of Sea Communications
Department of Communications

Mr B P Napitupula
Head of Planning Bureau
Investment Co-ordinating Board

Mr Soegondo
Secretary Directorate General of Husbandry
Department of Agriculture

Mr Darman Bachri
Head of Executive Division
Directorate General of Husbandry
Department of Agriculture

Mr Bambang Djatmiko
Senior Official Department of Industries

Mr Suroso Nyono
Sub Director for Foreign Shipping
Directorate of Traffic and Sea Transport
Directorate General of Sea Communications
Department of Communications

Mr Eric Tomodok
Chief Section of East Asia and Pacific
Directorate of International Trade Relations
Directorate General of Foreign Economic
Social and Cultural Relations
Department of Foreign Affairs

Mr Bambang Miarsa
Staff National Agency for Export Development
Department of Trade and Co-operatives

Mr Amran Adnan
Staff National Agency for Export Development
Department of Trade and Co-operatives
Trade Promtoion Centre in Sydney

Mr H Tedjokoesoemo
Indonesian Plywood Producers Association

Mr M Suetopo
Indonesian Sawmillers Association

Mr Kuti Sunyoto
Member for the Export Team
Indonesian Cement Association

Mr Soemartono Soemarto
Head of the Foreign Relations Division
Indonesian Cement Association

Mr S Hartono
Department of Trade and Co-operatives

Mr Subibio
Department of Trade and Co-operatives

Mr Tampi
Manager Pelni Shipping Line

Mr Subeckti
Surabaya Manager
Pelni Shipping Line

Ting Kah Hock
Djajanti Group
P T Nysantara Plywood

Dr H Eko Wiyanto
P T Kutai Timber Indonesia

Wednesday, 4 January 1967

0900-1700 - visits to

1. Cement factory - P.T. Indohut Gresik (P.T. ICI)
2. Fertilizer plant - P.T. Indohut Gresik (General)
3. Plywood and timber factory - P.T. Nusantara Pinedo

Thursday, 5 January 1967

- 0700-1030 - 4th working group session -
- including materials, industrial products and
- Joint Ventures
- 1030-1045 - Lunch break
- 1045-1200 - 5th working group session -
- lunch
- 1200-1400 - Lecture
- 1400-1545 - Closing session

PROGRAM

Tuesday, 5 January 1982

- 0900-0930 - Registration
- 0930-1000 - Opening Session
- 1000-1015 - Coffee Break
- 1015-1200 - 1st Working Group Session -
Transport and General Trade Policy
- 1200-1400 - Luncheon
- 1400-1530 - 2nd Working Group Session -
Livestock and Livestock Products
- 1530-1545 - Coffee Break
- 1545-1700 - 3rd Working Group Session -
Shipping

Wednesday, 6 January 1982

- 0900-1700 - Visits to
 1. Cement Factory - P.T. Semen Gresik (Persero)
 2. Fertiliser Plant - P.T. Petrokimia Gresik (Persero)
 3. Plywood and Timber Factory - P.T. Nusantara Plywood

Thursday, 7 January 1982

- 0900-1030 - 4th Working Group Session -
Building Materials, Industrial Products and
Joint Ventures
- 1030-1045 - Coffee Break
- 1045-1200 - 5th Working Group Session -
Timber
- 1200-1400 - Luncheon
- 1400-1545 - Closing Session

OPENING SESSION

Mr Darry Salim, leader of the Indonesian Delegation welcomed the Northern Territory party at what he said was the first meeting of the Joint Working Group of any Australian state or territory and Indonesian Government representatives.

He stated that Indonesia wanted to establish closer relations with the Northern Territory with the objective of developing trade between the two regions. He said Indonesia looked favourably on bi-lateral trade arrangements.

Mr Salim said the Indonesian budget being brought down on 5 January would include new policy measures designed to increase Indonesian exports. In 1980/81 Indonesia had a deficit in trade due to lower world market prices for almost all major export commodities.

He added that prospects for the sale of Indonesian products to the Northern Territory and other Australian states were good, and there was interest in further developing the tourist industry in Indonesia to attract Australian tourists.

Mr Salim then introduced the 28 Indonesian delegates.

Mr E J Simpson, Leader of the Northern Territory Delegation, in reply thanked the Indonesian Government for its hospitality and said the Northern Territory delegation was there to investigate ways to increase two-way trade.

He stated that Darwin was ideally located to be Australia's gateway to South East Asia and the Northern Territory Government was committed to a policy of developing trade with neighbouring countries.

He added that the Northern Territory would seek to link the large consumer markets and industrial areas of South Australia, Western Australia, New South Wales, Victoria and the rapidly developing rural districts of these states, to Indonesia through Darwin.

He said future trade missions would be planned with this objective.

Mr Simpson then introduced the six Northern Territory delegates and asked each one to give a brief resume of the role of the Department or Statutory Authority he represented.

PROGRAM ARRANGEMENTS

Due to the diverse interests represented at the meeting, it was agreed that working sessions be set up to cover specific interests and that delegates chose the sessions they wished to attend.

The first working session to be attended by all delegates covered Transportation and General Trade Development Policy.

The other working sessions covered:

Agriculture and Livestock

Industrial Products and Joint Ventures

Timber

Shipping

Tourism was not discussed in depth as the Indonesian Tourist Authority did not have a representative present. It was decided that Tourism would be put on the agenda for the second meeting of the Joint Working Group.

The Fishing Industry of each region would also be discussed at the next meeting of the Joint Working Group.

FIRST WORKING GROUP SESSION

TRANSPORT AND GENERAL TRADE POLICY

Air Freight

The Northern Territory delegates explained that international freight to Darwin was controlled by the central Government in Canberra who was also responsible for the extent and standard of facilities provided. It was agreed that Air Cargo be on the agenda for the second Joint Working Group meeting.

Shipping

A briefing was given of the existing Darwin port facilities which provide for year round deep water berthing with the full tidal range catered for and a full briefing was given on the planned development of the port and cargo handling facilities which included Roll On/Roll Off facilities and the land backed wharf.

Cement bulk handling and ore loading facilities are available.

Passenger ships called at Darwin and the possibility of linking Indonesia into the cruises currently operating could be a way to develop two-way tourism.

Coastal shipping links to southern states already exist.

The Indonesian delegates said that although a passenger shipping link was desirable to promote tourism, security requirements precluded the use of ships owned by China and Russia.

Road

The availability of cheap back-loading road freight rates to the other states was pointed out. The Northern Territory members undertook to provide in writing the full details of back loading land rates from Darwin to southern capitals of Australia.

Rail

The road/rail connection to South Australia was described and mention made of the proposed extension of the rail link to Darwin.

SECOND WORKING GROUP SESSION

LIVESTOCK AND LIVESTOCK PRODUCTS

The Indonesian delegates stated that Indonesia has changed over the last decade from being a net exporter of cattle and buffalo to a net importer.

They added that there was a large demand for breeding animals and young breeder/draught animals.

The cattle and buffalo population of Indonesia is increasing at the rate of 1.0%-1.2% per annum which is far below their immediate needs because of the relatively much higher increase in the human population per year and the Transmigration Program.

The Transmigration Program aims at relocating some 500,000 people to Irian Jaya between 1980 and 1984.

They said that the absolute minimum draught animals need of these people is one beast per two families and the ideal is two beasts per family. The requirement for this program for cattle and buffalo is therefore very high.

Cattle

The Indonesians estimated need for cattle over the period is as follows:

1980-81	10,540	
1981-82	27,480	(1,100 still to be delivered by May 1982)
1982-83	34,320	
1983-84	34,920	

Australia is the preferred source of supply because of proximity, disease status and cost.

The Working Group was informed that the Northern Territory could supply only about 3,000 head per year over the period, mainly because the Australian Bureau of Animal Health has stipulated that cattle for export to Indonesia must be derived from properties "accredited free" or "confirmed free" of brucellosis and tuberculosis. Very few properties in the Top End of the Northern Territory can satisfy this requirement as the majority, while brucellosis-free have some prevalence of tuberculosis.

The Indonesian delegates said that cattle requirements in order of preference are:

Brahman or Brahman Cross
Droughtmaster
Santa Gertrudis

The ages of cattle to be supplied are:

Heifers - 12-18 months of age
Bulls - 18-20 months of age

Bulls should make up 10% of total needs.

Queensland, because of better disease status has been and will remain the main supplier of cattle to the Indonesian Program.

They said there is some demand for dairy cattle, mainly Friesian heifers in calf to Sahiwal bulls but this is almost entirely supplied by New Zealand with very few from Queensland and none from the Northern Territory. For the Northern Territory to supply this market would mean setting up a long term project of breeding Friesians and artificially inseminating with Sahiwal semen. The proposition is not attractive at this time.

Buffalo

The Indonesians said the Northern Territory is by far the preferred source of supply primarily because of disease status but also because of proximity and cost. The Northern Territory feral buffalo herd has only one disease of consequence - tuberculosis - which they regard as a minor problem.

The Indonesians' estimated needs for buffalo over the period are:

1981-82	8,000
1982-83	12,800
1983-84	12,000

The Working Group was told that the Northern Territory estimates of young breeder buffalo which would be available for export to all destinations was:

1981-82	2,400
1982-83	5,000
1983-84	5,000

(On return to Australia it became known that the contract for the supply of 2,400 buffalo heifers in 1981-82 had not been confirmed by the Indonesian Government and there is some doubt that they will be supplied.)

The ages of buffalo to be supplied are:

Heifers	12-18 months of age
Bulls	18-20 months of age

Bulls to make up 10% of the total consignment.

The Working Group agreed there was a need for long term contracts, that is, of say a 3 year duration with a review of price after 12 months.

It was agreed that the Northern Territory Government in conjunction with Northern Territory Livestock exporters would submit a draft of an appropriate long term contract for study by the Indonesian authorities.

It was also agreed that the Northern Territory Government should not only be involved in supervising the health requirements but also play a role in quality control of animals consigned.

Slaughter Cattle and Buffalo

The Indonesian delegates said there is no demand for this type of livestock as they would be in direct competition with Indonesian producers. The need is for draught and breeder animals.

Beef

The Indonesians indicated there was a demand for high quality chilled or frozen beef for the hotel and tourist trade and this is met by United States, New Zealand and Australian sources.

There is no demand for manufacturing quality beef for sale to the Indonesian population as this would be in direct competition with Indonesian producers.

Meatmeal and Meat-and-Bonemeal

The Indonesians said there appears to be little demand for these products although it is possible that markets could develop.

Buffalo and Cattle Hides

The Indonesian members of the group had not considered this product in depth but felt that there could be a good market for salted hides for use in their tanning and clothing and foot-wear industries.

Goats and Goat Meat

As with the majority of South East Asian countries there is a strong demand for both live goats and goat meat. These products attract the highest price per unit weight of any livestock.

The group was informed that the Northern Territory had no viable goat industry although the Department of Primary Production was enthusiastic about setting up such an industry in the Territory.

Rabbits

The Indonesians informed the group that there was a strong demand for intensively produced table rabbits as a high protein source for the Indonesian population.

The group were informed that there was no domestic rabbit industry in the Northern Territory and there was little likelihood that such an industry would be set up.

THIRD WORKING GROUP SESSION

Shipping

This session concentrated on more detailed discussions and questioning on:

- Specific aspects of shipping services
- The requirements for and potential of an Indonesian service to Darwin
- Darwin port, its facilities (current and planned) and working procedures and requirements
- Northern Territory owned shipping.

Darwin's port facilities were fully described using plans and photographs, and the Indonesian delegates were given material covering:

- Darwin port information - eg sketch plan, entry documentation, pilotage, berths, health, radio, tugs, stevedoring, port services and regulations, tide tables
- Fees - berthage, pilotage, wharfage and equipment hire rates
- Stevedoring - charges, requirements (gear and safety)
- Agency - Fees, services, names
- Darwin and Australian statistics - on cargo handling rates.

Specific questions raised and answered, or details discussed including the following:

- Pelni Lines' vessels, and its stated intention to use only its more modern Norwegian built 30 TEU vessels on any services to Darwin until new tonnage becomes available from 1983
- The Director of Traffic and Sea Transportation of the Directorate General of Sea Transportation endorsed the offer by Pelni Line to have promotional "break even" shipping rates to assist the introduction of any service.
- The desirability of Australian vessels (eg V B Perkins) being included in any service

- Current plans for three Indonesian conventional and semi container vessels to commence a service in 1982 to Brisbane, Sydney and New Zealand ports, and the possibility of this service calling at Darwin on inducement
- The need for:
 - . involvement of shipping companies in future working groups
 - . the examination of costs and freight terms after buying/selling missions have progressed further
 - . very careful and detailed planning before the first voyage of any service commences
- Current tonnages of cement, fertiliser, plywood and timber carried by sea to Darwin
- Shipping agents, stevedoring companies available in Darwin and their operations
- Regular interstate transport services available in Darwin company, type of service, capacity and frequency
- Cargo handling rates for:
 - . break bulk cargo
 - . timber
- Cattle carrying capacity - at present Indonesia has no cattle carrying vessels and proposes the use of overseas owned vessels should they be needed.

It was emphasised throughout the discussions that:

- A shipping service can only be introduced if there is sufficient cargo inducement from shippers
- The introduction of any service must be planned very carefully both in Indonesia and the Northern Territory beforehand to ensure its success.-

FOURTH WORKING GROUP SESSION

BUILDING MATERIALS, INDUSTRIAL PRODUCTS AND JOINT VENTURES

The Indonesian officials submitted a list of products currently manufactured which they would like to sell in the Australian market:

Cement
Fertilisers - Urea and Triple Phosphate
Steel Bars and Pipes
PVC Pipes
GI Sheets
Aluminium and Copper Cables
Steel Wire
Plywood and Timber Products

NAFED (National Agency for Export Development) was the organisation to contact in regard to further information.

Cement

Indonesia had seven factories producing 8.5 million tonnes of cement per annum, with plans to increase production to 17 million tonnes per annum by 1985. This would result in production exceeding local consumption.

The Indonesian Government intended constructing a factory in Kuppan with the capacity to service the North Australian market.

Fertilisers

Urea and triple phosphate were the main fertilisers produced. At present production barely coped with domestic requirements, but recent expansion to manufacturing facilities at the Surabaya fertiliser plant would raise production levels to allow for export by 1985.

Joint Ventures

Indonesian guidelines in joint ventures were explained and booklets setting out details were tabled.

At the request of the Indonesians the Northern Territory undertook to provide information on investment in cattle properties in the Northern Territory and the guidelines applied by the Australian Foreign Investment Review Board on investment in the Territory.

Northern Territory Exports

Apart from cattle and buffalo, the possibility of sending hides from the Northern Territory to Indonesia for processing and manufacture into leather goods was discussed.

Other manufactured products were packaging materials and containers, stock feeds, aluminium fishing boats and cattle transport trucks. Darwin's ability to provide expertise in civil, mechanical and structural engineering was also mentioned.

Service Industries and Consultants

The Indonesian Department of Industry and Works encouraged Australian engineers and consultants to work in Indonesia.

A priority list for Foreign Investment in Indonesia had been drawn up based on the Five Year Development Plan. This list was tabled.

FIFTH WORKING GROUP SESSION

TIMBER

The Indonesians were advised of timber tonnages imported by sea to Darwin - 13,000 tonnes sawn timber, 800 tonnes of building materials and 700 tonnes of plywood.

It was emphasised that these were minimum quantities as a large volume - particularly plywood - came overland from interstate and would not be included in these figures.

Potential exists for supplying timber and timber product requirements in northern Western Australia, Queensland, South Australia and the rural areas of all states by using back-loading capacity available through Darwin.

The Northern Territory building program for houses and hotels was described to illustrate the potential for timber products.

Potential uses for timber products in the Northern Territory included:

- Structural form work
- Partitioning
- Furniture
- Decorative wall boards
- Timber for:
 - . timber frame houses
 - . flooring
 - . solid doors
 - . louvred doors
 - . furniture.

The Indonesian delegation requested detailed information on measurement standards, quarantine requirements, import duties, names of importers and species of timber imported. They also sought information on the possibility of supplying sleepers for the Alice Springs/Darwin railway.

They were told that all timber for housing construction should be copper chrome arsenic treated before shipment.

CLOSING SESSION

The closing session amounted to a series of reports from the working groups followed by discussion. A list of agreed-on courses of action and/or other conclusions is given below:

1. The Northern Territory Government in conjunction with livestock exports would submit a draft of a long term agreement for the supply of animals to Indonesia.

The draft would look at options of:

- a. A span of three years
- b. An annual re-appraisal of the price factor to take into account the Indonesian Budget
- c. A Government-to-Government agreement with the Northern Territory Government writing back-to-back contracts with suppliers.

2. The possibility of the export of the following products to Indonesia

- a. Pasture seed
- b. Cattle handling equipment
- c. Hides and skins
- d. Tallow
- e. Protein meals

3. The possibility of the import of the following products direct from Indonesia

- a. Timber and timber products
- b. Plywood
- c. Coffee and tea
- d. Perfume oil
- e. Spices
- f. Steel bars, pipes and wire
- g. GI Steel
- h. PVC pipes

- i. Aluminium and copper cables
- j. Fertiliser
- k. Cement.

4. The Northern Territory Government would provide the following information:

- a. Statistical information on products imported into the Territory and details of sources
- b. Information on investment in the cattle industry and pastoral properties
- c. Names of local timber importers and details of types of timber Australia imported
- d. The current import duties applying to Indonesian exports
- e. Current back-loading and insurance rates from Darwin to southern capitals
- f. Ansett's Electra air freight service charges
- g. Check if Australian National Railways will consider timber sleepers
- h. Quarantine requirements for timber.

5. The Indonesian Government would supply summaries of their Five Year Development Plan (1979-1984), and details of the new trade policy measures being introduced in the Budget.

6. A program of visits by NT Government businessmen would be set up and would incorporate traders from South Australia interested in operating through Darwin.

7. The following items to be discussed at the next Joint Working Group meeting

- a. Fisheries
- b. Tourism
- c. Air Cargo Services through Darwin
- d. Darwin's potential for trans-shipment of goods to and from the South Pacific.

8. The Director General of Sea Transport, Mr Ridwan's endorsement of the offer by Pelni Lines to have potential break-even shipping rates to assist in the introduction of a service between Indonesia and Darwin when cargo warranted its establishment.

At the conclusion of the session a record of the meeting was signed by the Leaders of both Delegations.

Excellent relations as officials were well established with the various officials which will be very useful in future communication of trade and shipping.

There has been supplies on both sides of the land for various materials necessary in industry especially various and various of supply and it is recommended that shipping companies be given such services by the business services.

In regard to further meetings of the Joint Working Group, it is recommended that these continue in a bi-monthly basis meeting in the Northern Territory and Indonesia on a regular basis.

There was some disagreement over the level of hospitality being offered by the hosts. It appears that they were recommending to the level of hospitality extended by the Northern Territory during Admiral Stedman's visit. It is felt that the level of hospitality is necessary but it is felt that it is probably recommended, therefore, that a group of trade representatives and business services should be made arrangements to visit each side with their own travel and communication expenses.

A number of important items were discussed at this meeting and would need to be included in the agenda of the next meeting. These were: further the development of fishing industries in the North Territory and Indonesia; shipping services; and trade relations of goods to the South Pacific through Darwin.

It was appreciated that the session achieved its objectives and that the basis for very satisfactory trade relations between Northern Territory and Indonesian businessmen and officials has now been established.

Leader of the Northern Territory Delegation

SUMMARY AND RECOMMENDATIONS

It appears that although there are excellent prospects for two-way trade between the Northern Territory and Indonesia a great deal of preliminary work would be needed to build up trade volume and establish firm and regular transport links.

Also much additional information is still needed to be exchanged by both parties prior to developing specific objectives about markets, products and transportation.

Excellent relations at officer level have been established with Indonesian officials which will be very useful in later communication on trade and commerce.

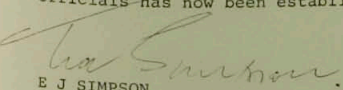
There has been acceptance on both sides of the need for planned business missions to identify specific markets and sources of supply and it is recommended that planning commence on the first such mission from the Northern Territory.

In regard to further meetings of the Joint Working Group, it is recommended that these continue on a bi-annual basis meeting in the Northern Territory and Indonesia on a rotational basis.

There was some embarrassment over the level of hospitality being offered by the hosts. It appears that they were reciprocating to the level of hospitality extended by the Northern Territory during Admiral Abdul Kadir's visit. It is felt that the matter of hospitality is getting out of hand and it is strongly recommended, therefore, that in respect to trade delegations and business missions (non-formal Government/Ministerial level) each side meet its own travel and accommodation expenses.

A number of important items were not discussed at this meeting and would need to be included in the agenda of the next meeting. These were tourism, the development of fishing industries in the Northern Territory and Indonesia, air cargo, and trans-shipment of goods to the South Pacific through Darwin.

It was considered that the mission achieved its objectives and that the basis for very satisfactory trade discussions between Northern Territory and Indonesian businessmen and officials has now been established.


E J SIMPSON
Leader of the Northern
Territory Delegation