

# South Australia

## An open door to South East Asia

South Australia – South East Asia Engagement Strategy

March 2015



**ASEAN:** The Association of South East Asian Nations encompassing the 10 countries Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar (Burma), the Philippines, Singapore, Thailand and Vietnam.

**South East Asia:** The 10 ASEAN countries plus Timor-Leste (East Timor).

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Note: Unless noted otherwise, all currency references are in Australian dollars.



**“This Strategy will guide the State’s engagement in South East Asia, as we work to increase our profile and presence in the region, help businesses gain new markets, strengthen our knowledge base and generate new employment opportunities.”**

**Jay Weatherill**  
Premier of South Australia

# Message from the Premier



The South Australian Government is proud to release this comprehensive Strategy for engagement with the countries of South East Asia, one that requires a deep political, economic and cultural connection.

South Australia has a strong historic connection with South East Asia. The tenth Governor of South Australia, Sir William Francis Jervois, was for two years the Governor of the Straits Settlements before assuming the position of Governor of South Australia in October 1877. The current Governor of South Australia, His Excellency Governor Hieu Van Le, was born and raised in Vietnam.

Our universities have educated scores of South East Asian students, particularly from Malaysia and Singapore, since the introduction of the first Colombo Plan. Many of these students have risen to prominence in their respective countries.

On two occasions in 2014, I had the great pleasure of meeting Dr Tony Tan, President of Singapore and an alumnus of the University of Adelaide. One of his predecessors, former President Ong Teng Cheong, was also an alumnus of the University of Adelaide.

*The South Australia–South East Asia Engagement Strategy* will build on existing connections to develop a comprehensive approach to the region. We aim to develop a deep, enduring engagement which transcends politics, economics and culture.

The State Government's 10 Economic Priorities highlight the importance of building our international connections, and there are clear opportunities for us to strengthen our links to South East Asia.

This Strategy will guide the State's engagement in South East Asia, as we work to increase our profile and presence in the region, help businesses gain

new markets, strengthen our knowledge base and generate new employment opportunities. It also highlights how the countries of South East Asia can benefit from a partnership with South Australia.

The South Australian Government will take a strong lead to deliver the objectives outlined in this Strategy. But everyone has a role to play. The Strategy's success will depend on the ability for Government, business and the broader community to work together.

Our Government looks forward to working with business, the education sector, research and cultural institutions, sporting bodies, the media and the broader community to the benefit of all South Australians and our partners in South East Asia.

I encourage all South Australians with an interest in the ongoing advancement of our State to work with us to build a mutually beneficial, comprehensive engagement with the countries of South East Asia.

**Jay Weatherill**  
Premier of South Australia

# Message from the Minister



## South East Asia is a major global force, politically and economically.

The region – which covers the 10 countries of the Association of South East Asian Nations (ASEAN) and Timor-Leste – is in a critical and transformative stage, with a growing and rapidly urbanising population and rising incomes. South East Asia is also modernising its infrastructure and industries. These factors play a part in creating significant commercial opportunities for foreign companies.

South Australia's proximity to South East Asia, and long-standing cultural and commercial relationships with the region, provide us with a natural advantage to partner in its rapid transformation.

The ongoing growth and integration of the region offer significant opportunities for South Australia to deepen and broaden our trade and investment relationships.

Many South Australian businesses have recognised the opportunities emerging in the region and are pursuing them.

But to capitalise most from our relationship with the region we need a concentrated effort that will help build genuine and valuable partnerships across many elements of our society.

This approach aims to embed trade and investment activities in the fabric of a deeper relationship of trust, respect and mutual understanding.

This Strategy articulates the Government's leadership role in mobilising, aligning and linking the activities of the various stakeholders across South Australian society to underpin successful commercial engagement in the region.

Annual inbound and outbound missions from and to the region are key features of this Strategy. I encourage all businesses with opportunities to engage with South East Asia to consider the benefits of being involved, and to plan to participate in these missions.

A handwritten signature in black ink, which appears to read 'Martin Hamilton-Smith'. The signature is stylized and cursive.

**Martin Hamilton-Smith**

Minister for Investment and Trade



Adelaide Airport

**“South Australia’s proximity to South East Asia, and long-standing cultural and commercial relationships with the region, provide us with a natural advantage to partner in its rapid transformation.”**

**Martin Hamilton-Smith**  
Minister for Investment and Trade



# Executive summary

The South East Asia region covers the 10 countries of the Association of South East Asian Nations (ASEAN) – Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar (Burma), the Philippines, Singapore, Thailand and Vietnam – and Timor-Leste.

The development of a comprehensive whole-of-State engagement strategy for South East Asia began with the release of the *South Australia-South East Asia Directions Paper* in June 2014. The resultant Strategy is based on stakeholder responses to that paper, and further consultation and analysis in South Australia and South East Asia.

South Australia and the member countries of the South East Asia region already have a strong relationship across multiple sectors. South Australia's goal for closer engagement with South East Asia is to build resilient, mutually beneficial partnerships that go beyond the mere commercial yet provide a sound foundation for commercial collaboration. By pursuing and consolidating relationships through government diplomacy, business, academia, the media, tourism, research and capacity development, volunteering, arts and culture, and sporting activities, South Australia is signalling its capacity to be a trustworthy and committed partner in the future growth and development of the region.

Building cooperative partnerships based on mutual trust and respect takes time and demands commitment to a long-term vision as well as active pursuit of shorter-term goals that can demonstrate achievement and progress towards that vision. Accordingly, this Strategy outlines a vision of where South Australia wants to be in its relationship with South East Asia 10 years from its development in 2015. It establishes a framework for implementation with key milestones to focus efforts in reaching short, medium and longer-term objectives.

The Strategy builds on current relationships and coordinates effort and resources across a range of different sectors in pursuit of the vision. It also supports each of the South Australian Government's 10 Economic Priorities, which were announced in August 2014 and have international engagement imperatives.<sup>1</sup> This Strategy is particularly relevant to the implementation of Economic Priority 9, which focuses on promoting South Australia's international connections and engagement in support of economic growth – welcoming new people, new ideas, new investment and business partnerships.

The Strategy comprises two principal and interconnecting pillars of engagement: Social and Cultural, and Economic.

<sup>1</sup> See page 72 for the 10 Economic Priorities.

## Social and cultural engagement

**Objective** – consolidate and promote South Australia's position as South East Asia's partner through the development of a robust and mutually beneficial relationship

Broad-based connections that build cultural and social capital provide a platform for enduring, long-term relationships that are intrinsically valuable and also can support commercial forms of exchange.

To achieve effective connections that generate successful outcomes for all parties, the South Australian Government will work with stakeholders across South Australia, the Commonwealth Government and South East Asia to broaden, align, connect and leverage cultural, social and institutional relationships with South East Asia.

### Key Actions

- |                 |   |
|-----------------|---|
| <b>Action 1</b> | Deepen government-to-government links   |
| <b>Action 2</b> | Facilitate and promote arts and cultural exchanges                            |
| <b>Action 3</b> | Facilitate and promote sporting links   |
| <b>Action 4</b> | Facilitate and promote academic, scientific and professional links            |
| <b>Action 5</b> | Generate mutual understanding through travel, study, migration and work links |
| <b>Action 6</b> | Work with the media to promote shared knowledge and understanding.            |

## Economic engagement

**Objective** – strengthen South Australia's position as a partner in the growth and development of the South East Asia region, building new trade and investment opportunities and supporting job creation

International trade and investment are pivotal to an outward looking economy. Companies competing successfully in the global marketplace are becoming more sophisticated in their approach. The pursuit of foreign investment to achieve their commercial objectives supports the development of key sectors of the South Australian economy, attracting new economic agents who can facilitate new business and job creation.

To support this commercial activity, the South Australian Government will work with the State's business and industry stakeholders and the Commonwealth Government to position South Australia more effectively in South East Asia. This work will raise awareness of the business opportunities in the region, build capacity of business to engage with South East Asia and facilitate a broader spectrum of trade and investment activity. Building knowledge-exchange and technology-transfer opportunities will also be a focus, as a basis for economic growth.

### Key Actions

- |                 |   |
|-----------------|---|
| <b>Action 1</b> | Establish State Government representation   |
| <b>Action 2</b> | Raise South Australia's profile in South East Asia  |
| <b>Action 3</b> | Raise awareness of opportunities for trade in products and services   |
| <b>Action 4</b> | Explore and pursue pathways to capture a greater proportion of Australia's Foreign Direct Investment (FDI) from the South East Asia region into South Australia |
| <b>Action 5</b> | Build the capability of local business to engage with South East Asia   |
| <b>Action 6</b> | Facilitate a targeted inbound and outbound missions program   |
| <b>Action 7</b> | Connect stakeholders and partners.  |

## Country action plans

The actions outlined under each of the pillars provide the guiding principles for engagement across South East Asia over 10 years. However, the diversity of countries within the region means that the Strategy must also reflect their individual characteristics. Accordingly, individualised country action plans have been developed which align with the 10 year timeframe. These will be reviewed and updated on an annual basis.

# 1. Why South East Asia?

South East Asia is undergoing significant economic, political, social and demographic change as it strives towards improving regional integration and lifting the living standards of its citizens. The region is fast becoming a major centre of political and economic influence. In the past, Australia's distance from major economic players such as Europe and the United States was seen as a major disadvantage. Now, Australia can capitalise on its proximity to one of the most dynamic regions in the world.

The Commonwealth Government has committed to close engagement with South East Asia, and in particular ASEAN member states, across multiple spheres, and is actively pursuing closer ties with the region. Today Australia – South East Asia cooperation extends to security, culture, trade, education, people exchanges and various forms of development activity. Free Trade Agreements (FTAs) involving Australia and the region's nations are being systematically negotiated.

This strong bilateral framework places South Australia in a strong position to contribute to and gain from the transformation currently taking place in South East Asia. In the not-too-distant future, the region could be the State's most substantial single – yet complex and highly diverse – market. The State's objective is to pursue market opportunities within the context of robust diplomatic ties and long-term intercultural engagement.

Through this Strategy, South Australia is looking to cement broad-based relationships that are two-way – that generate new opportunities to serve both South Australia's interests and those of its neighbours. These relationships will extend capacity for export and investment in key sectors; share expertise through knowledge exchange; lift capability and drive growth through effective policy development, education training and research; and promote social cohesion and community wellbeing. This is an agenda that will require strong government leadership and active participation from both South Australian businesses and the broader community.

## 1.1 South Australia's history of engagement with South East Asia

As the political and economic landscape of South East Asia has changed, so too has South Australia's involvement with the region. The changes taking place in South East Asia have progressed and intensified South Australian involvement in the region at many levels. The State's history of trade relations with South East Asia is long-standing, with two-way investment flows also increasing over the years, particularly with Singapore and Malaysia.

South Australia has also pursued common interests in a range of areas beyond the more traditional forms of trade and economic development, as illustrated in the following points. This broad platform can provide a strong base to build on and will assist in distinguishing South Australia from other global players focusing on the region.

### **Education partnerships**

Education links are not only important in their own right but provide critical support for developing economies and underpin broader regional partnerships. South Australia's strong education links with South East Asia are built on many years of cooperation, joint initiatives and research collaborations, many of which stem from the

initial Colombo Plan<sup>2</sup> in the 1950s and various federal and state initiatives that followed. For example, many Malaysian nationals educated in Adelaide now occupy high-profile positions in either the Malaysian Government or local business circles. Singaporean President Tony Tan, elected to office in 2011, was also educated in Adelaide and continues to maintain contact with South Australia. These connections offer significant diplomatic and commercial benefits.

South Australia's universities are actively participating in the Commonwealth Government's New Colombo Plan pilots in Asia. These pilots will help develop educational ties between the regions. South Australian universities operate campuses in Malaysia and Singapore and conduct twinning programs in association with Indonesia. Adelaide will host the International Convention of Asian Scholars in 2015.

### **University of Adelaide – a focus on South East Asia**

The University of Adelaide engages broadly and deeply across South East Asia. It has a joint-venture education institution in Singapore and a strong partnership with an agricultural university in Indonesia. A range of study tours visits Cambodia, Indonesia, Singapore, Thailand, Vietnam and Malaysia. Significant research, development and training projects are led by the University, including examining snake venom in Myanmar, food security and agriculture in Indonesia, systems development in governance in Vietnam and health in Myanmar, Indonesia and Timor-Leste, as well as training programs for health and education officials.

### **OzAsia and INDOfest**

South Australia's world-renowned OzAsia Festival is the biggest Australian festival focusing on Asian arts and culture. The country of focus for OzAsia 2013 was Malaysia;<sup>3</sup> it included 28 performances and 47 events featuring 195 artists from a range of Asian countries and attracted more than 36,000 people. Indonesia is the focus country in 2015.

South Australia's INDOfest is the biggest Indonesian cultural event in Australia. It has drawn extensive support from the Indonesian Government. It encompasses a series of events promoting Indonesia in arts, education, tourism, youth affairs and business.

### **Asia Pacific Centre for Arts and Cultural Leadership**

Following the success of the OzAsia Festival, the Asia Pacific Centre for Arts and Cultural Leadership was established in Adelaide in 2013. The Centre aims to position South Australia as an international hub of Australia-Asia Pacific cultural engagement based on training, exchange of personnel, and artistic presentations. It will also extend cross-cultural knowledge and understanding within the region.

### **Association of Asia Pacific Performing Arts Centre (AAPPAC) Conference 2016**

The Association of Asia Pacific Performing Arts Centres (AAPPAC) is the Asia Pacific's peak international cultural body. Its Secretariat is based in Singapore and its chair – Adelaide Festival Centre chief executive Douglas Gautier – is based in Adelaide. This is expected to encourage significant collaborative work involving local cultural and academic institutions and regional partners.

Adelaide will host AAPPAC's annual conference in 2016, and will welcome delegates from performing arts centres throughout Asia.

2 The initial Colombo Plan was founded after World War II as an intergovernmental partnership of Commonwealth nations to further social and economic development in the countries of South and South East Asia through providing aid to developing nations. The Plan was designed to provide physical capital as a lever for growth, at the same time lifting education and skills levels to ensure more effective assimilation and utilisation of physical capital. See <http://www.colombo-plan.org/>

3 The focus of OzAsia for 2014 was China's Shandong Province.



Adelaide Oval

### **Sporting activity**

Sport can play an important role in opening doors and broadening networks between countries. Australia is a growing part of Asia's sporting culture and many Australian sporting groups are strengthening their partnerships with regional groups in Asia. The Socceroos' triumph in winning the Asian Cup in February 2015 drew record spectator interest.<sup>4</sup>

To capture further opportunities in the sporting arena, the South Australian Government is developing a *Sports Diplomacy Strategy* to harness, promote and market the values and benefits of sport in the State. This will profile South Australia's athletic prowess, world-class sports event management capabilities and infrastructure, and cutting-edge sports science research.

### **Sister cities – Adelaide and Georgetown, Malaysia**

It is no coincidence that Adelaide and Georgetown, in Penang, share some common urban design features: Francis Light, the father of Adelaide's first surveyor and planner Colonel William Light, was instrumental in the establishment and development of Georgetown.

Adelaide and Georgetown established a sister-city relationship in 1973. This has been beneficial in promoting strong social, cultural and economic ties. The relationship remains strong, with events staged in both cities to mark its 40<sup>th</sup> anniversary in 2013.

### **Capacity development**

Over several years, South Australia has partnered with AusAID to provide capacity building in Timor-Leste's public sector, and to provide vocational education and training in basic building trades skills. The South Australian public service hosts internships for East Timorese graduates of Flinders University, providing them with applied skills and work experience so they can be effective in their public service roles when they return home. The South Australian Research and Development Institute (SARDI) has been active in capacity development initiatives in the Philippines, while the University of Adelaide's Institute for International Trade has undertaken joint research projects with the Philippines, Indonesia and Thailand to explore opportunities for expanding trade in business services.

<sup>4</sup> Sydney Morning Herald, *FFA's task now to leverage Asian Cup success and build for future*, February 2015, <http://www.smh.com.au/sport/soccer/ffas-task-now-to-leverage-asian-cup-success-and-build-for-future-20150206-13710v.html>

## Migration

People of South East Asian background make valuable contributions to South Australian society, bringing and offering new ideas, skills, capital, business connections and cultural vibrancy. The current Governor of South Australia, His Excellency the Hon. Hieu Van Le, AO, is an immigrant from Vietnam and many South Australians of South East Asian background are proud ambassadors for the State across various fields of endeavour. South East Asian migrants accounted for 2.4 per cent of South Australia's population in 2011; this proportion had increased by 30 per cent since 2006.<sup>5</sup> Individually, the most substantial ethnic group is of Vietnamese background, followed by the Philippines and Malaysia.

These partnerships are examples of activities that South Australia seeks to extend in its social and cultural engagement with South East Asia.

## Trade

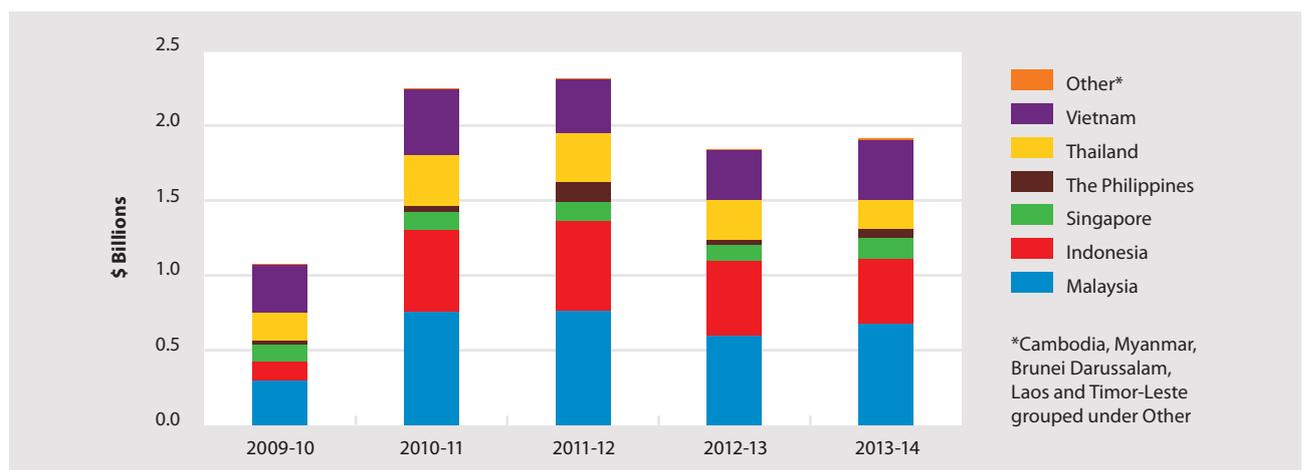
As noted earlier, Free Trade Agreements (FTAs) involving Australia are being systematically negotiated. Trade between Australia and ASEAN is facilitated by the ASEAN-Australia-New Zealand FTA (AANZFTA) that commenced in 2010. Australia is participating in negotiations relating to two multilateral free trade instruments: the Regional Comprehensive Economic Partnership (RCEP) and the Trans Pacific Partnership (TPP).

RCEP involves 16 countries: the 10 members of ASEAN and the six countries with which ASEAN has existing FTAs – Australia, China, India, Japan, Korea, and New Zealand. Negotiation of the Trans Pacific Partnership (TPP) involves 12 countries: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam. In addition to multilateral FTAs, Australia has bilateral arrangements with Singapore, Malaysia and Thailand. An 'Indonesia-Australia Comprehensive Economic Partnership Agreement' is being negotiated.<sup>6</sup>

South Australia's trade relationship with South East Asia highlights the region's importance to the South Australian economy and vice versa. In 2013-14 the region accounted for 15 per cent of the State's merchandise exports, the second largest proportion after China.

Figure 1 shows the fluctuation in exports to South East Asia over the five years 2009-10 to 2013-14. The decline in 2012-13 reflected an overall decline in exports in that year. The average annual growth rate of exports to the region between 2009-10 and 2013-14 was 15.5 per cent, above the average annual growth rate of total South Australian exports of 11 per cent, for the same period.<sup>7</sup>

**Figure 1: South Australia's Exports to South East Asia<sup>8</sup>**



<sup>5</sup> 2006 and 2011 Australian Bureau of Statistics (ABS) Census.

<sup>6</sup> March 2015.

<sup>7</sup> ABS Cat No 5368.0 – 'International Trade in Goods and Services', and unpublished data.

<sup>8</sup> ABS Cat No 5368.0 and unpublished data.

Tables 1 and 2 show South Australia's key trade activity with South East Asia in 2013-14 by type and value respectively.

Table 1 shows that in 2013-14, the State's major merchandise export destinations in South East Asia in Malaysia, Indonesia, Vietnam, Thailand, and Singapore. Table 2 shows that Singapore, Thailand, Malaysia, Indonesia and Vietnam were the major sources of imports in the same year. When taking into account both imports and exports, Singapore ranks as South Australia's largest two-way trading partner in the region, followed by Malaysia, Thailand, Indonesia and Vietnam.

**Table 1: South Australia's merchandise exports to South East Asia**

Country	2013-14 exports \$ million (rank)	Average annual growth 2009-10 – 2013-14	Key merchandise exports 2013-14
Malaysia	673.21 (4th)	22.9%	Copper, wheat, lead, wine
Indonesia	432.66 (8th)	34.7%	Wheat, copper, iron
Vietnam	396.66 (9th)	5.5%	Lead, wheat, seafood
Thailand	198.39 (14th)	2.1%	Copper, wheat, lead
Singapore	140.88 (17th)	6.6%	Wine, animal fat and meat
The Philippines	60.43 (32nd)	21.0%	Wheat, iron and steel
Myanmar	5.71 (66th)	10.5%	Wheat, wine
Cambodia	2.54 (72nd)	-3.8%	Malt, wine
Laos	1.25 (89th)	-4.9%	Machinery
Brunei Darussalam	0.45 (119th)	-19.4%	Cheese, citrus fruit
Timor-Leste	0.34 (126th)	-9.4%	Furniture, wine
<b>Total South East Asia</b>	<b>1,912.532</b>	<b>15.5%</b>	<b>Copper, wheat, lead</b>



South Australia's food and wine industry contributes about \$16.3 billion in revenue each year.

**Table 2: South Australia's merchandise imports from South East Asia<sup>9</sup>**

Country	2013-14 imports \$ million (rank)	Average annual growth 2009-10 – 2013-14	Key merchandise imports 2013-14
<b>Singapore</b>	948.12 (3rd)	-0.8%	Petroleum
<b>Thailand</b>	559.58 (5th)	4.1%	Motor vehicles
<b>Malaysia</b>	156.38 (15th)	-5.7%	Monitors and projectors
<b>Indonesia</b>	96.53 (18th)	-3.0%	Fertilisers, confidential items
<b>Vietnam</b>	68.38 (20th)	16.3%	Iron and steel structures
<b>The Philippines</b>	24.13 (37th)	-0.4%	Electric accumulators, glass containers
<b>Cambodia</b>	3.94 (58th)	112.9%	Clothing
<b>Myanmar</b>	0.37 (84th)	N/A	Seafood
<b>Brunei Darussalam</b>	0.04 (112th)	N/A	Rubber tyres
<b>Laos</b>	0.00* (141st)	-4.8%	Hand-operated and power tools
<b>Timor-Leste</b>	0.00 (N/A)	N/A	N/A
<b>Total South East Asia</b>	<b>1,857.483</b>	<b>0.5%</b>	<b>Petroleum, motor vehicles</b>

\* Imports to Laos were above zero but too low to appear at 2 decimal points.

N/A – data not available for entire five-year period.

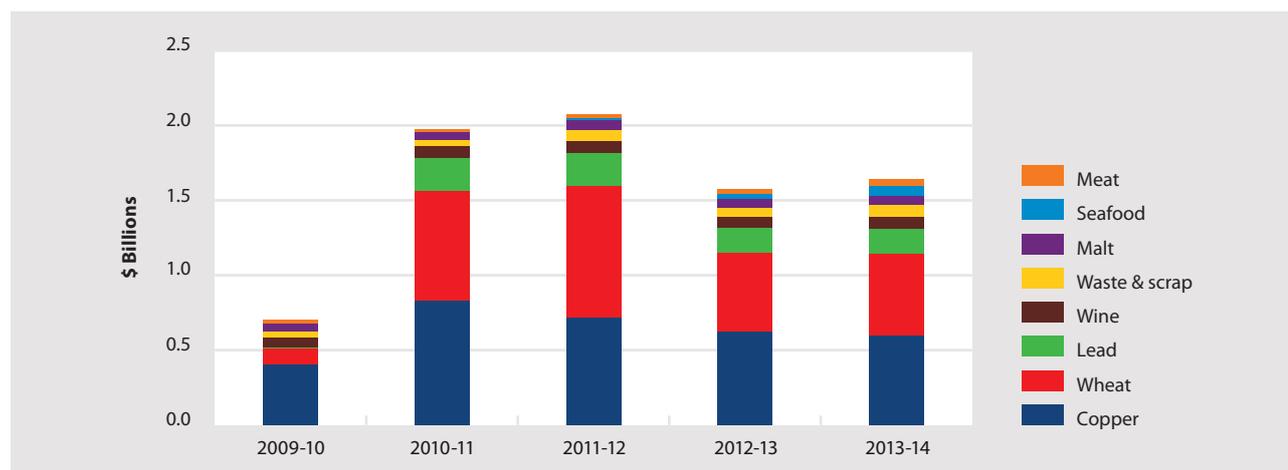
Historically, South Australia's exports to South East Asia have been dominated by bulk commodities. While major merchandise exports to the region in 2013-14 were consistent with previous trends and led by copper and wheat, as depicted in Figure 2, there has been continued growth in non-bulk, higher-value exports such as meat and seafood. Meat exports have increased by 85 per cent since 2009-10 to \$69 million in 2013-14.<sup>10</sup>

As South East Asia continues to develop, there is significant scope for South Australia's trade relationship to grow beyond commodities and move into more of these higher value-added products. Correspondingly, opportunities should open for South East Asia's investors and producers to increase market penetration in South Australia.

9 Source Table 1 and 2: ABS Cat No 5368.0 and unpublished data.

10 ABS Cat No 5368.0 and unpublished data.

**Figure 2: Top eight South Australian commodities exported to South East Asia<sup>11</sup>**



South Australia's service exports are also a significant contributor to its trade relationship with the region, especially international education and tourism. Malaysia is the largest source of inbound students from South East Asia, followed by Vietnam, the Philippines, Singapore and Indonesia. Malaysia is also the largest South East Asian source of inbound tourists, followed by Singapore, Indonesia and Thailand.

**Table 3: South Australia's education and tourism exports to South East Asia**

Country	Inbound international students (a)			Inbound tourists (b)	
	No. of students 2014 (rank)	Average annual growth 2011–2014	Share of Australian intake	No. of inbound tourists June 2014 (rank)	Increase from previous 12 months
Malaysia	1,859 (3rd)	-7.13%	8.42%	20,000 (6th)	60%
Vietnam	1,348 (5th)	2.60%	4.48%	np	np
The Philippines	607 (9th)	26.06%	5.68%	np	np
Singapore	554 (10th)	3.82%	6.55%	11,000 (10th)	17%
Indonesia	412 (12th)	-0.32%	2.30%	5,000* (15th)	np
Thailand	265 (17th)	-2.28%	1.03%	3,000* (16th)	np
Cambodia	69 (34th)	13.65%	5.69%	np	np
Timor-Leste	48 (39th)	-7.17%	23.65%	np	np
Myanmar	19 (53rd)	28.28%	1.81%	np	np
Laos	13 (57th)	17.57%	3.87%	np	np
Brunei Darussalam	10 (60th)	-3.13%	2.72%	np	np
<b>Total SE Asia</b>	<b>5,204</b>	<b>0.01%</b>	<b>4.41%</b>		

Source:

(a) Education stats from Australian Education International - February 2015 data release.

(b) Tourism stats from International Visitor Survey June 2014 released by Tourism Research Australia.

np – not published due to limited sample size.

\* Data subject to revision: The figures for Thailand and Indonesia reflect a small sample size that could compromise data accuracy.

<sup>11</sup> ABS Cat No 5368.0 and unpublished data.

## Foreign Direct Investment (FDI)

South East Asia is an increasingly important source of investment and offers significant opportunities for South Australia.

A service provided by the Financial Times Ltd, fDi Markets,<sup>12</sup> identified that between 2003 and 2013, from seven source countries (Singapore, Malaysia, Thailand, the Philippines, Vietnam, Indonesia and Brunei), 98 FDI projects were recorded into Australia from 72 companies.<sup>13</sup> The top 10 companies accounted for 31 projects or 31.6 per cent of the projects.

The 98 projects represented a total capital investment of \$2.82 billion,<sup>14</sup> with an average investment of \$212.45 million. During the 10-year period, 14,640 jobs<sup>15</sup> were recorded as having been created by the projects.

Singapore, Malaysia, Thailand, the Philippines and Vietnam<sup>16</sup> accounted for most projects, with Singapore accounting for almost half of projects tracked. The projects were across a range of sectors including tourist accommodation, wine, food and agribusiness, shipping, airlines, real estate, utilities and telecommunications.

Over this period, New South Wales and Victoria attracted the most projects from the seven source countries, with more than 50 per cent of the projects located in these jurisdictions, and Victoria recorded the most jobs. However, Queensland recorded both the highest total (\$15.75 billion) and the highest average investment (\$1.97 billion).

South Australia attracted approximately two per cent of the recorded projects from Singapore and Malaysia, with a total capital investment for those two per cent of approximately \$156 million.<sup>17</sup> Among the projects from Singapore and Malaysia across Australia, South Australia's projects accounted for the largest average number of jobs: 387 jobs per project.

This Strategy aims to better position South Australia to be able to attract a greater share of the FDI from South East Asia into the State.

### Two-way flows of investment

FDI flows are two-way. In addition to South East Asian investment in South Australia, Australian and South Australian companies have been investing in the South East Asia region over the past decade.

fDi Markets reported that between January 2003 and December 2014, 380 outbound FDI projects to South East Asia were recorded.<sup>18</sup> These projects represented a total capital investment of \$3.87 billion and the creation of 57,712 jobs. The largest proportion of projects – 16 per cent – was announced in 2014, with domestic-market growth potential cited by many companies as the key motive for investors. Business services was the main sector focus, with Singapore being the main destination country for investment.

Two-fifths of investment projects tracked by fDi Markets into South East Asia were from New South Wales. About four per cent were from South Australia.

<sup>12</sup> fDiMarkets.com Crossborder Investment Monitor, *South East Asia: FDI into Australia January 2003 to December 2014*, 2015.

<sup>13</sup> All fDi Markets investment project data and information is based on public information on company investment announcements. Not all data is claimed to be tracked.

<sup>14</sup> Based on conversions from US dollars. The Financial Times Ltd does not accept responsibility or otherwise for variances that occur between published exchange rates and the currency reference table used.

<sup>15</sup> Jobs data and capital investment data, if included, are not recorded for all projects and may include estimates.

<sup>16</sup> fDiMarkets.com Crossborder Investment Monitor, *South East Asia: FDI into Australia January 2003 to December 2014*, 2015.

<sup>17</sup> *Ibid.*

<sup>18</sup> *Ibid.*

## 1.2 Key trends in South East Asia

South East Asia's economic and political significance has been advancing rapidly over the past decade. The region's combined nominal GDP (in purchasing power parity terms) in 2013 was \$3.9 trillion,<sup>19</sup> making it the sixth largest economy in the world<sup>20</sup> after the US, European Union, China, India and Japan. The region is expected to become the world's fourth largest economy by 2050.<sup>21</sup>

South East Asia's economy has proved remarkably resilient in spite of the global financial crisis and other economic challenges. Growth remains relatively stable compared with that of regions such as Europe, which has a growth trajectory showing much greater volatility. Government debt is low and levels of savings generally quite high – although this varies considerably across the countries in the region.<sup>22</sup>

South East Asia's advancement and future prospects are fuelled by a combination of natural endowments (including a relatively young and growing population and agricultural and mining resources) and deliberate policies targeting regional integration and international trade, poverty reduction and modernisation of industries.

As the region develops, key trends are emerging.

### Population and productivity gains

Growth in South East Asia has been driven by productivity increases in key industry sectors such as manufacturing, retail, telecommunications and transport. Another significant factor is the region's young and growing population base.<sup>23</sup> Realising potential, however, requires significant investment in human capacity building and skill development, as well as infrastructure and innovation.

### Growing consumer hub

The region is fast becoming a major hub of consumer demand that is resulting from rapid growth in incomes, with average annual increases of more than five per cent. About 67 million households in South East Asia have incomes that support significant discretionary purchases; by 2025, it is anticipated that the number of households in this category could almost double.<sup>24</sup> As incomes increase, spending patterns change and there is increased demand for education, leisure, health services, and Western-style products and services such as high-protein food.

Rapid take-up of technology is changing consumer behaviour and distribution channels for goods and services, with South East Asia's consumers increasingly gaining internet access.

### Urbanisation

Rapid urbanisation is taking place. McKinsey reports that by 2025, about 54 million people will relocate to South East Asia's cities and almost 40 per cent of the region's GDP growth will be generated from activity in mid-sized cities with populations of between 200,000 and 5 million.<sup>25</sup> Urbanisation drives investment in economic and social infrastructure and creates demand for construction and environment services, technology and products.

19 This figure is based on GDP PPP, which is gross domestic product converted to international dollars using purchasing power parity.

20 International Monetary Fund, World Economic Outlook Database, April 2014.

21 Based on forecasts by IHS, International Monetary Fund - World Economic Outlook Database and McKinsey Global Institute analysis, May 2014.

22 McKinsey & Company, *Understanding ASEAN: Seven things you need to know*, May 2014.

23 *Ibid.*

24 *Ibid.*

25 *Ibid.*

## Global trading and corporate hub

ASEAN currently ranks fourth among the world's exporters. Member countries' economies have over time become more sophisticated and more diversified: Vietnam's export focus is now textiles and apparel, Singapore and Malaysia lead in electronics, and Thailand specialises in vehicle and automotive parts. Other ASEAN nations such as Indonesia have pursued export opportunities in natural resources, while the Philippines provides offshore services for outsourced business processes. Export processing zones are increasingly popular as an economic growth strategy in key sectors in the region.<sup>26</sup>

The region is also recognised as a crossroad for global flows of goods and services, finance, data, communication and people.

ASEAN is increasingly becoming a home for global companies – with, as McKinsey notes, 227 (or three per cent) of the world's companies with more than US\$1 billion in revenues.<sup>27</sup> Singapore is a standout, ranking fifth in the world for corporate headquarters density and first for foreign subsidiaries. McKinsey notes that 'foreign direct investment in ASEAN has boomed', with Indonesia, Malaysia, the Philippines, Singapore and Thailand attracting more FDI than China (US\$128 billion versus US\$117 billion) in 2013.<sup>28</sup>

## Regional integration

Regional integration has been an important feature of South East Asia's economic and political rise. With ASEAN at its core, the region has embarked on a process of market liberalisation, deeper internal interdependence through the ASEAN Free Trade Agreement, and closer external engagement through agreements with key partners, including Australia, India, China and Japan.

ASEAN's 10 nation-state members continue to work towards achieving an ASEAN Economic Community, including a single market and production base with cross border supply chains, by the end of 2015. Further regional integration is predicted as part of this process, with the potential to extend ASEAN membership to Timor-Leste.

As ASEAN pursues its ambitions for a more prosperous integrated region, it is having to address challenges such as reductions in tariff and non-tariff barriers to allow freer movement of goods, services, labour, and capital. Among the six original member states (Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand), tariffs on goods are already negligible in many sectors. Liberalisation of investment and services, as well as process and regulatory reforms, has some way to go.<sup>29</sup> Physical and technological connections across the region also must be addressed to realise the vision of one market and production base. Investment in airports, ports, roads and rail will be essential.

An ASEAN Economic Community is expected to bring significant changes to how production, manufacturing, and services are organised across the region. These will pose new opportunities as well as challenges for overseas entities pursuing commercial engagement with and within the region.

## Diverse and complex region

While ASEAN strives for integration as a single market, there remains significant economic, political, cultural and religious diversity among its members. The region encompasses countries at very different stages of the development cycle – from frontier markets striving to build their institutions and production bases to highly advanced, complex and globally connected economies.

Incomes vary widely between the ASEAN countries.<sup>30</sup> Singapore is by far the wealthiest nation with a GDP per capita of US\$55,182, the ninth highest in the world.<sup>31</sup> Indonesia, Malaysia and Singapore are predicted to grow strongly over the next five years, with the International Monetary Fund forecasting average annual growth in GDP of 5.7 per cent in Indonesia, 5.2 per cent in Malaysia and 3.0 per cent in Singapore. The South East Asian region as a whole is expected to grow at 5.8 per cent a year over the same period.<sup>32</sup>

26 McKinsey & Company, Understanding ASEAN: Seven things you need to know, May 2014.

27 *Ibid.*

28 *Ibid.*

29 *Ibid.*

30 *Ibid.*

31 World Bank databank, World Development Indicators, data from 2013.

32 International Monetary Fund, World Economic Outlook Database, October 2014.

Regional diversity also extends to culture, language and religion. Indonesia, for example, is almost 90 per cent Muslim, the Philippines more than 80 per cent Catholic and Thailand more than 95 per cent Buddhist.

Regional integration will pose unique challenges for each member state and in particular those with less advanced economies, which are likely to require assistance in developing institutional frameworks, human capacity and infrastructure.

Table 4 provides a snapshot of each South East Asian nation's key economic statistics. It shows that most nations have experienced significant growth and that this is projected to continue over the next five years.

**Table 4: South East Asia key economic statistics**

Country	Total Pop'n 2013 <sup>^</sup> (a) (millions)	GDP PPP 2013 (b) (billions)	Average nominal GDP Growth <sup>^</sup> (c)		GDP Per Capita 2013 <sup>^</sup> (d)	
			Last five years (2009–2013)	Next five years (2014–2018)	Current US\$	PPP\$
<b>Singapore</b>	5.40	348.70	5.41%	3.00%	55,182.48	78,763.38
<b>Brunei Darussalam</b>	0.41	21.69	0.69%	4.37%	38,563.31	71,776.65
<b>Malaysia</b>	29.72	525.70	4.30%	5.22%	10,538.06	23,338.01
<b>Thailand</b>	67.01	673.73	2.99%	3.71%	5,778.98	14,393.53
<b>Indonesia</b>	249.87	1,292.85	5.88%	5.69%	3,475.25	9,561.13
<b>The Philippines</b>	98.39	456.42	5.28%	6.10%	2,765.08	6,535.88
<b>Vietnam</b>	89.71	359.80	5.75%	5.70%	1,910.51	5,294.44
<b>Laos</b>	6.77	20.78	7.92%	7.47%	1,660.71	4,822.02
<b>Timor-Leste</b>	1.18	25.77	10.05%	6.90%	1,370.70	2,241.90
<b>Myanmar</b>	53.26	112.97	6.39%	8.20%	1,113.37	4,344.50
<b>Cambodia</b>	15.14	39.69	5.60%	7.37%	1,006.84	3,041.08
<b>Total/Average</b>	<b>616.85</b>	<b>3,878.10</b>	<b>5.48%</b>	<b>5.79%</b>	<b>11,215.03</b>	<b>20,373.87</b>

Source:

(a) World Bank databank, World Development Indicators.

(b) International Monetary Fund World Economic Outlook Database, April 2014.

\* GDP PPP is gross domestic product converted to international dollars using purchasing power parity.

(c) International Monetary Fund World Economic Outlook Database, October 2014.

(d) World Bank databank, World Development Indicators (Myanmar figures taken from IMF).

<sup>^</sup> All recent data subject to revision.

## 1.3 Opportunity for South Australia

South Australia is well placed to play a role in South East Asia's transition, with many synergies in strengths and priorities. South Australia will capitalise on proximity, historical relationships and a clear understanding of the region's key drivers and aspirations to capture the opportunities on offer.

### South Australia's key strengths

South Australia has:

- a robust, resilient, knowledge based economy with capacity to grow
- world-leading minerals and energy assets and expanding supporting sectors
- a leading agricultural region producing quality food and wine for global export markets, and a significant knowledge and technology base supporting the sector
- a strong manufacturing base, including automotive, naval shipbuilding, aerospace componentry, and high-value advanced manufacturing
- the base of Australia's wind and solar power industries
- a world-class education system with extensive focus on research and development, innovation and international connections through academic and student bodies
- a vibrant cultural sector increasingly connected to Asia
- strong government leadership and vision
- a commitment to working in partnership across its society to shape its future
- a receptive view of new foreign direct investment
- a focus on expanding and supporting small and medium enterprises (SMEs), including through support for innovation and internationalisation of the small business sector.

The South Australian Government has undertaken significant work to articulate the future drivers of growth and maximise the benefits of these drivers.

The Government's priorities and vision for the State are articulated in its 2013 *Economic Statement*, 2014 *Our Jobs Plan* and the 10 Economic Priorities announced in late 2014. The Government's agenda focuses on:

- sectors in which South Australia has strong competitive advantages and that have prospects for high growth: defence, resources and energy, agribusiness and premium food and wine, health and biomedical technologies, education and business services, tourism, and creative industries<sup>33</sup>
- clusters, collaborations and innovation, job creation and entrepreneurship, particularly in the growth sectors
- international connections and alliances as conduits for trade, investment, technology and knowledge sharing.

### Opportunity to engage with South East Asia

Building on the State's strengths, South Australia can contribute to South East Asia's development by:

- supporting skills development through providing education and training in South Australia and in the region, and through knowledge-sharing initiatives
- supporting efforts to modernise key industries through knowledge and technology cooperation and involvement with regional supply chains and economic infrastructure, in particular in mining, oil and gas and agricultural sectors
- supplying goods and services for the growing consumer class, in particular education, food and beverages, and tourism
- supporting the urbanisation of South East Asia by supplying products, technology and services in construction and environmental areas; and by collaborating in policy and research initiatives
- supporting the development of social infrastructure through sharing knowledge and technology and supplying products and services, in particular in health and ageing.

33 South Australia Government, *Our Jobs Plan*, 2014.

## 2. The Strategy

### 2.1 Development of the Strategy

The South Australian Government committed to strengthen the State's engagement with South East Asia in June 2014 when it released the *South Australia-South East Asia Directions Paper*.

The Directions Paper was designed as a first step in articulating the Government's vision and stimulating ideas and input from stakeholders. PricewaterhouseCoopers (PwC) was later engaged to undertake trend analysis and consultation in South Australia and abroad.

Consultation with South Australian businesses and industry representatives, academic and research institutions, government and non-government sectors and the broader community sought their views on the State's capability for increased engagement with South East Asia. Advice and insights were also sought from people active in the region, and from Austrade and South East Asian countries' Canberra-based Heads of Missions. Attachment 1 lists the consulted parties.

The approach outlined in this document incorporates and reflects stakeholder input and further analysis, identifying how and where the State's social and economic activities align with opportunities in the South East Asia region. The outlined directions are aligned with the Commonwealth Government's objectives and plans for engagement in the region.

#### Key themes from the consultation

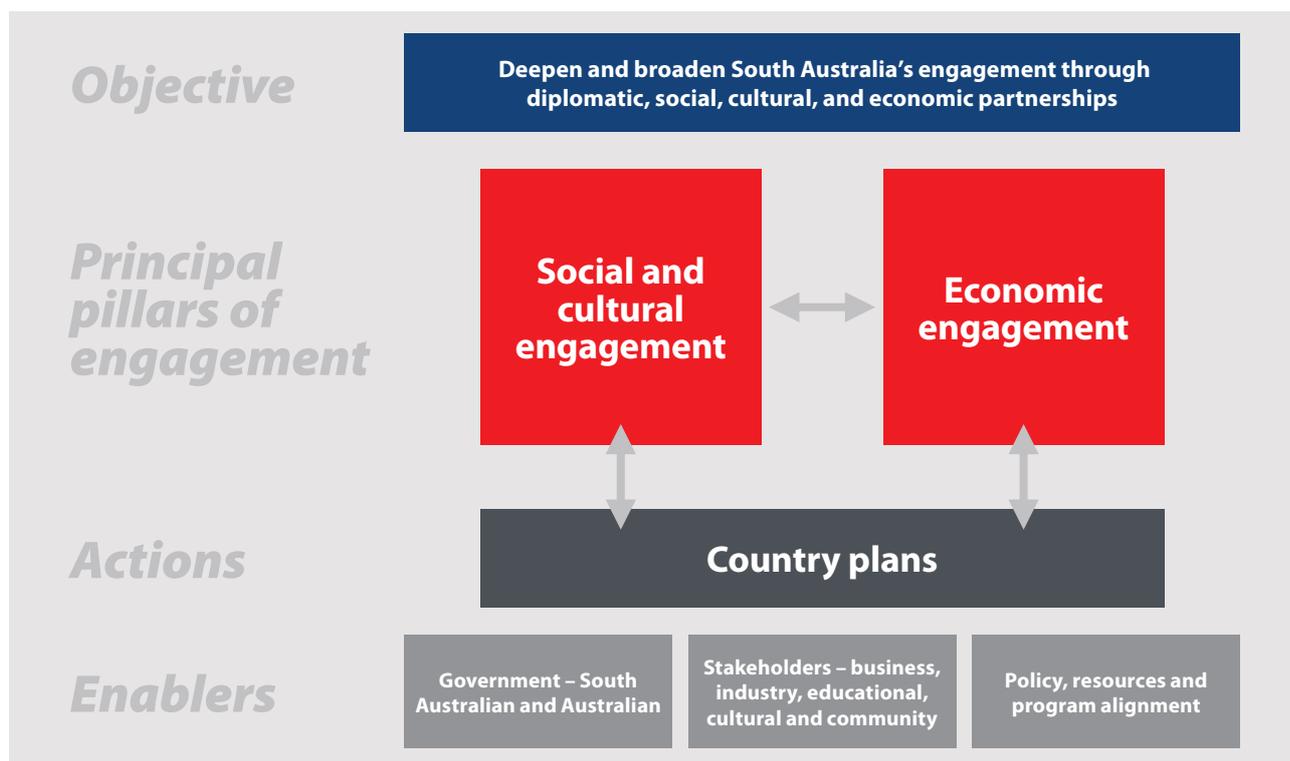
- Extensive activity is taking place but there is a need to align, link, leverage and promote it.
- Significant opportunities exist to leverage Commonwealth Government initiatives and position South Australia to engage with South East Asia.
- While South Australia's food and beverage and education sectors are actively involved in South East Asia, the level and nature of commercial involvement varies across the individual nations and within subsectors, so there are significant opportunities to expand efforts.
- There is a need to build business awareness of commercial opportunities and market access paths, and build business capability to engage with the region.
- South Australia's profile should be raised in the region and enhance government-to-government connections.
- There is an opportunity for South Australia to increase its share of FDI into Australia from South East Asia.
- Direct transport connections are important for effective engagement and more direct flights with the region should be encouraged.
- Cultural and academic events and initiatives play a significant role in deepening mutual understanding. They build social capital through communities, alumni, expatriates, and institutional and research collaborations.

## 2.2 Strategy framework

The Strategy's guiding principle is that it takes time to develop cooperative partnerships based on mutual trust and respect. Such relationships demand commitment to a long-term vision and active pursuit of shorter-term goals that signal achievement and progress.

The Strategy is built on two principal and interconnected pillars: Social and cultural engagement, and economic engagement. The intent is to promote broader and deeper connections across all sectors of the society. While the pillars establish the framework for engagement at a regional level, the approach to implementation will reflect country specific dynamics and South Australia's aspirations for engagement at the country level.

**Figure 3: South Australia's approach to engagement**



### Social and cultural engagement

**Objective** – consolidate and promote South Australia's position as South East Asia's partner through the development of a robust and mutually beneficial relationship

The South Australian Government recognises that real and enduring engagement extends beyond commercial relationships and involves all levels of society. Its goal is comprehensive engagement with South East Asia – through government diplomacy, business, academia, the media, tourism, research and capacity development, volunteering and arts and sporting activities.

Mutually beneficial intercultural exchange, through activities such as these, not only advances economic and social interests but strengthens the fabric of South Australian society by building cross-cultural knowledge and understanding at the personal level.

Deep and enduring engagement will require involvement across the community, within and outside Government. The South Australian Government will work with stakeholders across the State, the Commonwealth Government and South East Asia-based partners to broaden, align, connect and leverage diplomatic, cultural, social and institutional links with South East Asia. The aim will be a long-lasting, mutually beneficial relationship. An annual statement will outline social and cultural activities taking place across South Australian society.

## Key Actions

### Action 1 Deepen government-to-government links

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The State Government has an important leadership role in fostering a deep, long-lasting and mutually beneficial relationship with South East Asia, and in opening opportunities for various stakeholders.

It will establish South Australian Government representation in the region in line with the engagement priorities identified in this Strategy.

A key action will be to intensify diplomatic links with South East Asian countries, leveraging Commonwealth Government initiatives, where appropriate, and consolidating relationships with Canberra-based Heads of Missions as well as representatives of national and provincial governments.

The Government will explore and pursue opportunities for government-to-government cooperative agreements that offer opportunities for knowledge exchange and collaborations in policy and capacity development. It will also review existing relationships and explore opportunities to strengthen or expand them.

A program of outgoing and incoming missions will be implemented in collaboration with key stakeholders to enhance government-to-government links and support mutually beneficial partnerships.

### Action 2 Facilitate and promote arts and cultural exchanges

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Engagement through the State's arts and cultural institutions, events and activities promotes cross-cultural understanding, shared values, and genuine interest in the national identities of the region. Enriching in their own right, arts and cultural activities can act as catalysts for relationships to evolve across other spheres. Arts and cultural activity also has considerable economic benefit.

The South Australian Government will work with arts and cultural organisations and community groups to expand and consolidate cultural links with the region.

Features of this approach will include leveraging Commonwealth Government and South East Asian country-specific initiatives and connecting them with targeted missions programs. Cultural institutions will be encouraged to expand platforms for knowledge exchange, training collaboration, broader program and exhibitions content, and tourism.

The Government will work with stakeholders to explore commercial opportunities flowing from cultural and social activity, including the potential provision of infrastructure and management services and training.



Adelaide Fringe opening parade

### Action 3 Facilitate and promote sporting links

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Sporting events and exchanges can strengthen ties between South Australia and South East Asian nations. These events can build connections between people, promote common values, encourage mutual understanding and generate economic returns.

The South Australian Government will work with key stakeholders to identify opportunities to stage or support sporting events that may raise the State's profile in South East Asia and attract visitors to the State. The Government will also encourage participation in regional events and sporting exchanges. There will be an increased focus on sports popular in South East Asia such as golf, badminton, volleyball, martial arts and table tennis.

The commercial opportunities flowing from sporting activity will also be explored within this framework (for example, infrastructure investment, franchises, promotion, venue ownership, management services and training and media rights).

*"We often hear about the 'Asian Century' and the economic opportunities that it will bring, but ... Australia needs to develop strategies for a more complete engagement."<sup>34</sup>*

#### **Volleyball – driving intercultural exchange**

Volleyball is the most played sport in the world. The Norwood Bears Volleyball Club, which recently sent a team to Thailand and Myanmar, has noted that volleyball, as a truly global sport, can act as a bridge between diverse cultures. The Norwood Volleyball Club has developed a model that has been enormously successful in developing a deeper understanding of the host country among the Australian players who visit that country, as well as giving host participants a positive experience of Australian people.

### Action 4 Facilitate and promote academic, scientific and professional links

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Collaborations in research, and professional and student exchange have proved valuable in building long-standing friendships and durable networks based on common interests and synergies. These initiatives can also assist in raising South Australia's profile as a partner in South East Asia's social and economic advancement.

The South Australian Government will work with educational institutions to identify opportunities to broaden and leverage engagement with South Australian alumni in South East Asia. It will also work with relevant organisations to identify regional conferences and promote South Australia as a potential host for these events.

The Government will work across the education services sector to stimulate growth. Involvement of universities and the private sector will be critical in creating and extending partnerships in research and technology, thus building bilateral capacity in innovation and economic competitiveness and advancing social wellbeing.

#### **University of South Australia – focus on South East Asia**

The University of South Australia (UniSA) has a strong strategic focus on South East Asia, especially in Indonesia, Vietnam, Singapore and Malaysia. It has created a network of partnerships throughout the region designed to facilitate student exchange, research collaboration and industry engagement projects that reflect the priorities of the countries concerned.

Initiatives include the establishment of the successful Australian Centre for Asian Business and the launch of new degree programs at a purpose-built campus in Singapore. UniSA continues to strengthen its active alumni networks throughout South East Asia.

34 See Norwood Bears website, 2013, <http://thailand.norwoodbears.com.au/>

## **Action 5**      Generate mutual understanding through travel, study, migration and work links

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The South Australian Government will work with stakeholders to advance understanding of the diverse cultures of the region through public advocacy and awareness raising, and encourage innovative activities that foster incoming and outgoing tourism and study, migration and work opportunities.

The Government will encourage and support learning of South East Asian languages, and the mobility of people through initiatives such as the New Colombo Plan.

It will support the efforts of education and training institutions to attract students from South East Asia in all tiers of education and pursue opportunities to leverage Australian and South East Asian nations' government initiatives to do so.

The South Australian Government will explore opportunities to increase the State's skilled and business migrant intake, and advocate its position to the Commonwealth Government.

### **Tourism in regional South Australia**

South Australia's Eyre Peninsula is renowned for being one of Australia's finest seafood and fishing areas and offers unique natural environment visitor experiences. Tourists, including visitors from Singapore, Hong Kong and China, are particularly attracted to the natural wonders of the region and its locally produced seafood and wine. More adventurous visitors swim with Australian sea-lions, blue-fin tuna and great white sharks.

The region's reputation as a unique, raw and pristine environment affords it opportunities in attracting tourists interested in new and unusual experiences.

## **Action 6**      Work with the media to promote shared knowledge and understanding

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The media has an important part to play in shaping relationships between South Australia and South East Asia. Perceptions created through the media have wide-spreading implications reflected in many ways, including willingness to travel and study in another region, interest in studying a language, and in developing cross-cultural connections.

The South Australian Government will work with key stakeholders to facilitate social media connections, and to raise South Australia's positive image in the region through initiatives such as visits to the State by South East Asian journalists and in-country promotions.

It will build on the Generation Expat social media initiative, which connects South Australian expats living overseas.<sup>35</sup> It will also explore opportunities to extend in key South East Asian locations the South Australian Club program, which has been successful in connecting South Australian expatriates working and living in the United Kingdom and leveraging their knowledge and networks to advance the State's interests.

Potential social and cultural engagement activities and initiatives are outlined in Figure 4.

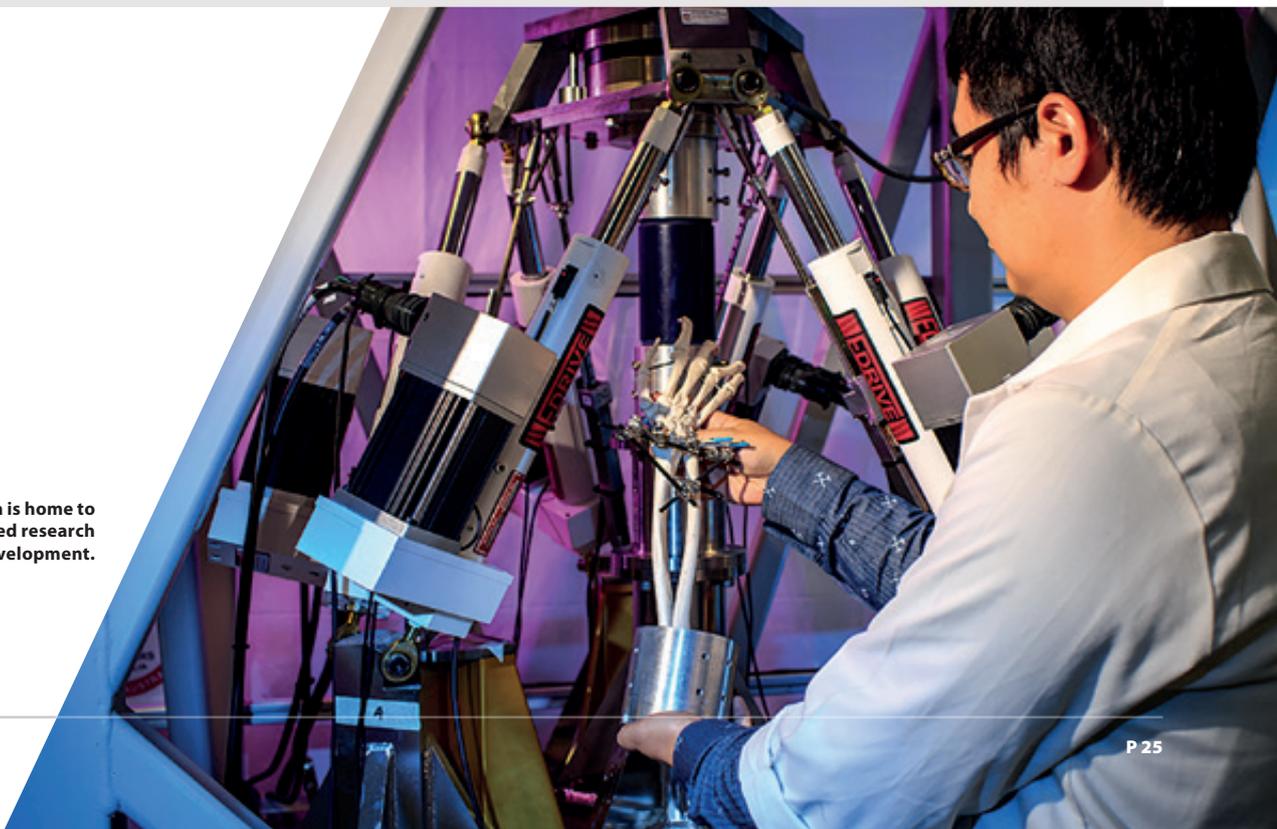
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<sup>35</sup> For more information on Generation Expat visit - <https://www.linkedin.com/groups/Generation-Expat-South-Australias-global-4958757/about>

**Figure 4: Social and cultural engagement**



South Australia is home to world-renowned research and development.



## Economic engagement

**Objective** – strengthen South Australia’s position as a partner in the growth and development of the South East Asia region, building new trade and investment opportunities and supporting job creation

The South Australian Government will work with South Australian business and industry stakeholders and Commonwealth Government partners to position the State more effectively in South East Asia across a broad range of economic activities. This will include traditional forms of trade and investment, and also research partnerships that foster knowledge exchange and technology development.

In particular, the aim is to pursue mutually beneficial activities that:

- increase trade between South Australia and the region and increase export revenue in target sectors
- increase two-way investment flows and attract foreign direct investment to South Australia, to create employment and integrate with regional and global supply chains
- create commercial opportunities flowing from research and development collaborations
- promote participation in capability and capacity building initiatives including those associated with foreign aid programs.

Priority 9 of the South Australian Government’s Economic Objectives, which focuses on increasing the number of South Australian businesses exporting and creating new jobs and economic growth through inbound foreign direct investment (FDI), underpins the Government’s commitment to this approach.

### Key Actions

#### Action 1 Establish State Government representation

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South Australian Government representation will be established in South East Asia to support whole-of-State engagement with the region.

South Australia’s representation in the region will focus on strengthening government-to-government links, supporting promotional activities, facilitating business trade and investment opportunities, and broadening networks and connections.

In-country representation will focus initially on countries where strong economic, social and cultural opportunities for closer engagement already exist for South Australia: Malaysia, Singapore and Indonesia.



**Engineers, Moomba plant**  
(Photo courtesy of Santos Ltd)

## Action 2 Raise South Australia's profile in South East Asia

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While South Australia already enjoys a valuable relationship with a number of countries in South East Asia, there is a need to more effectively position South Australia as a long-term, key partner in the growth and development of South East Asia as a whole.

The South Australian Government, in collaboration with relevant partners, will raise South Australia's profile in the region through branding initiatives and promotional campaigns. The focus of such initiatives will be to demonstrate South Australia's attractiveness as a destination for investment and as a trading partner.

Promotional campaigns that have been successful elsewhere, such as South Australia's existing food and wine ambassador program and G'day USA, could generate similar benefits when implemented in other countries and sectors.

Stakeholders will be encouraged to develop branding initiatives targeting specific markets and sectors on a case-by-case basis. Currently, the branding options available to South Australian businesses include alignment to:

- Australian nation-wide branding, for example Team Australia
- South Australia state-wide branding – Brand South Australia
- South Australian regions branding, for example Kangaroo Island and Barossa Valley.

Appropriate agencies will provide information and guidance on the branding options and initiatives available.

### **'Supporting the Brands of our Key Regions'**

This is a \$400,000 program that will help South Australian regions develop and implement marketing programs to promote their contributions to South Australia's premium food and wine sector locally, interstate and overseas.

## Action 3 Raise awareness of opportunities for trade in product and services

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South East Asia is a complex and diverse region with significant internal differences in market sectors, access paths, and government regulations and processes. This complexity does not support a 'one size fits all' approach. In addition, the opportunities for trade in services and products across various sectors in South East Asia are not well understood by South Australian companies. The region's aspirations for a single economic community to be operational by the end of 2015 are likely to increase complexity. This new arrangement will also create opportunities for South Australian businesses.

The South Australian Government will work with relevant stakeholders to better inform South Australian companies about trade opportunities in both products and services in South East Asian countries.

The Commonwealth Government, industry associations and country-specific business chambers will be critical in helping raise awareness about business opportunities in the region, and in providing advice to facilitate market access.

### **Luxury and Functional Foods Value Chain in Asia and Australia**

This project, led by the Department of Primary Industries and Regions (SA), will provide the South Australian Government and the South Australian food industry with a roadmap outlining where food supply chains can be moved to higher value using available local raw produce and materials and more efficient processes. With a focus on luxury and functional foods, this project will include a value-chain analysis and industry mapping. It will target countries in Asia to expand and diversify the State's export base in the food, beverage and ingredients industry.

Government and industry will work together to develop:

- country specific forums that promote South East Asia as a market for South Australia's goods and services, and as a potential source of investment
- case studies showcasing South Australian business success in South East Asia, particularly through business collaboration (with country-specific and sector-specific examples)
- processes to disseminate in-market intelligence on sector trends, supply chain maps, market entry strategies and other information.

### Potatoes South Australia Inc

Australian fresh and chilled potatoes have enormous market potential with major exports directed to South East Asia. South Australian potato producers are particularly active exporters to Malaysia and Thailand. The fresh potato market in South East Asia has been growing steadily in recent years and developments in the snack food industry have provided a corresponding growth in demand for crisping potatoes. Peak industry association Potatoes South Australia has engaged a consultant to provide advice on supply chain mapping, market intelligence and mentoring to assist industry stakeholders position themselves for further engagement in expanding markets.

#### **Action 4** Explore and pursue pathways to capture a greater proportion of foreign direct investment (FDI) from South East Asia into South Australia

There is an opportunity for South Australia to capture a greater proportion of FDI flows into Australia from South East Asian investors and entrepreneurs.

South Australia has premium food and wine produced in its clean environment and abundant resources, energy and renewable assets, and is a globally recognised leader in health research, ageing and related services and products. There is an opportunity for the State to promote investment in these world-class sectors, which would expand the sectors and improve connections to South East Asian markets for trade in associated products and services.

To help investors discover and pursue opportunities in South Australia, the Government's Invest in South Australia team is promoting developments valued in total at about \$100 billion to Australian and global investment communities.

Invest in South Australia can provide investors with:

- information about key sectors of the South Australian economy
- details of investment opportunities in the key sectors
- links to South Australia's case management team, which provides a single point of contact for each investor/proponent as its account manager to streamline multi-government assessments, licensing and approvals
- links to South Australia's professional services industry, which can offer local knowledge and expertise.

The South Australian Government will explore new pathways to target key potential investors in the South East Asia region and promote project opportunities of interest, utilising the frameworks for engagement trialled for implementation of the *South Australia-China Engagement Strategy*. This could include hosting investment forums as part of a coordinated program of inbound and outbound missions, and leveraging alumni, migrant, community and diplomatic connections for project promotion.

Where possible, it will also consider examples of South East Asian FDI activity in other states of Australia and explore why particular locations were chosen.

Establishing South Australian representation in the region (Action 1) will enable the State to better manage key stakeholder relationships and liaise directly with potential investors.

In addition, the Government will target key global companies with interests in leveraging South Australia's South East Asia connections and encourage them to set up regional bases in South Australia.

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**Action 5** Build the capability of local business to engage with South East Asia

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Perceptions about the difficulties and risks associated with doing business in South East Asia – some well founded – can deter businesses from engaging in market activity in the region.

Success in the market will be enhanced by improving local companies' knowledge of how to do business in the region, whether in trade or investment attraction or some other form of commercial activity.

Education programs developed to support South Australia's engagement with China can be adapted for South East Asia. New South East Asia-specific programs – such as halal education for potential food exporters – will also be explored with relevant stakeholders. These programs are designed to increase awareness of how South East Asian markets operate and build local capability to pursue opportunities within them.

The South Australian Government will involve the Commonwealth Government, business chambers and other key stakeholders to develop and deliver a 'South East Asia education program' to:

- facilitate initiatives to raise understanding of the different cultures and business etiquettes within South East Asian countries
- leverage existing programs to provide investment-ready education, export mentoring, guidance and financial assistance grants, including TradeStart services and the new Export Partnership Program
- promote information about regulatory requirements and risk management.

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**Action 6** Facilitate a targeted inbound and outbound missions program

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The South Australian Government will work with the Commonwealth Government, industry associations, country-specific business chambers and individual businesses to facilitate targeted in-bound and targeted out-bound missions each year. These will be designed to expand trade and investment flows with South East Asia, and complement other activities and collaboration. An outbound mission will take place in August.

The South Australian Government will:

- involve industry associations and other key stakeholders, including businesses and education and research institutions, in the planning of each mission
- leverage opportunities offered by Commonwealth Government-led missions
- undertake research to identify and align potential overseas partners with South Australian interests
- lead pre-departure training and education for mission participants, particularly in the legal and cultural aspects of doing business in specific nations
- strengthen government-to-government, social and cultural links
- conduct post-mission evaluations and follow-up to generate and secure outcomes.

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**Action 7** Connect stakeholders and partners

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Strong relationships are intrinsic to successful engagement in South East Asia. The South Australian Government will work with the Commonwealth Government, industry associations, cultural and community groups and other stakeholder groups to nurture and improve connections with the region.

A key component will be to identify people with South East Asian connections who are passionate ambassadors for the State and involve them in promoting South Australia's interests overseas.

The Government will work with the following stakeholder groups to encourage and leverage their activities:

- country-specific business chambers – build relationships with their counterparts in South East Asian countries to leverage networks and facilitate and promote bilateral investment and trade opportunities
- business migrants – champion people to people engagement within their networks in South East Asia to create business, education, migration and tourism opportunities
- community and cultural groups – champion cultural engagement with their counterparts in the region, particularly around culturally significant events and festivals, and explore opportunities to leverage these initiatives in support of economic engagement

- students – champion broader people to people engagement within their networks in South East Asia to create business, education, migration and tourism opportunities
- university alumni networks in South East Asia – leverage alumni networks to promote connections with South Australia.

Potential economic engagement activities and initiatives are outlined in Figure 5.

**Figure 5: Economic engagement**





Manufacturing at  
Schneider Electric

# 3. Country plans

Country plans are individual approaches based on the stage of South Australia's relationship with a nation and the focus for the development of that relationship.

South East Asia is a culturally, politically and economically diverse region encompassing countries at very different stages of the development cycle. The nature and scope of South Australia's engagement with each country in the region reflects this diversity.

South Australia will pursue engagement across the two Strategy pillars at the country level in ways that reflect the current relationship and aspirations for future engagement. The countries have been categorised to reflect this approach.

## **Consolidating and deepening engagement – Malaysia, Singapore and Indonesia**

There is a high level of potential to increase broad engagement with these nations over the short, medium and long-term time frame of the 10-year Strategy.

South Australia has extensive business, people to people, institutional and cultural relationships with Malaysia, Singapore, and increasingly Indonesia. Common characteristics of these countries include:

- familiarity with South Australia across commercial, social and cultural spheres that can be leveraged
- direct flight access or close-to-hub transport access
- expanding middle classes matched with political stability
- greater global integration and interdependencies, enhancing access points to regional and global supply chains
- tangible commercial opportunities for South Australian companies, now and in the near future.

## **Refining South Australia's focus – Thailand, Vietnam and the Philippines**

There is medium to long-term potential to increase broad engagement.

Thailand, Vietnam and the Philippines are already significant trading partners with South Australia and there is scope to identify new, higher value, commercial opportunities and to extend Government, institutional and cultural links.

Key characteristics supporting closer engagement include:

- some familiarity with South Australia that can be developed
- opportunity to leverage capacity building and knowledge exchange
- hub access to direct flights from Adelaide
- relatively young populations with growing wealth and demand for products and services that South Australia can supply.

## **Building for the future – Myanmar, Brunei Darussalam, Laos, Cambodia and Timor-Leste**

There is longer-term potential to develop broad engagement.

South Australia's engagement with these countries is predominantly based on knowledge and policy exchanges and education links. There is opportunity to continue to work with these countries to build goodwill (mainly through foreign aid programs and knowledge exchange initiatives) and to develop platforms for broader engagement.

Key characteristics supporting closer engagement include:

- opportunities to engage in partnerships that enhance economic, governance and community capacity, particularly through official development assistance support channels
- leveraging the Commonwealth Government’s diplomatic programs and profile in the region
- opportunities to contribute to key building blocks of economic growth such as workforce skills and infrastructure development.

The following pages outline South Australia’s approach to each country and proposed actions under the two pillars of engagement over the Strategy’s 10-year timeframe. Discussion also highlights opportunities and areas for immediate commercial focus.

The economic engagement opportunities identified as immediate priorities for each country reflect:

- South Australia’s strengths and economic priorities
- initial assessment of the potential for economic engagement based on the range of commercial factors outlined in Figure 6 below
- consultation with South Australia’s industry stakeholders and their willingness, capacity and capability to engage
- alignment with Austrade’s market plans and opportunities to leverage its networks, initiatives, market insights and in-market representation.

Priorities for social and cultural engagement identified in the country plans reflect current and emerging relationships, opportunities to leverage Commonwealth Government initiatives, and South Australia’s aspirations for engagement.

**Figure 6: Framework for assessing economic engagement potential**



## 3.1 Country plans – Consolidating and deepening engagement

### Malaysia

<b>Economy and society</b>	<ul style="list-style-type: none"> <li>• Third largest economy in South East Asia</li> <li>• Rising middle class, changing lifestyle trends and consumption patterns</li> <li>• High growth per capita income and GDP</li> <li>• Ranks in the top quartile of countries for government effectiveness</li> </ul>
<b>Doing business environment</b>	<ul style="list-style-type: none"> <li>• Ranks very highly for ease of doing business and government effectiveness, due to its quality physical infrastructure, effective regulatory system, strong rule of law, and anti-corruption measures</li> <li>• English widely spoken</li> <li>• Need for patience and long term approach for establishing business links</li> </ul>
<b>Trade openness</b>	<ul style="list-style-type: none"> <li>• FTA with Australia (MAFTA)</li> <li>• 97.6 per cent of Australia's exports (2011) tariff-free, expected to rise to 99 per cent by 2017 (goods and services)</li> <li>• Involvement with the World Trade Organisation (WTO) and ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA)</li> </ul>
<b>Government focus</b>	<ul style="list-style-type: none"> <li>• Driven by <i>10<sup>th</sup> Malaysia Plan</i> with a focus on becoming a higher-income country by 2020. Priority areas include: <ul style="list-style-type: none"> <li>- increasing private sector investment (infrastructure and industrial developments, development of designated economic corridors); productivity and skills development; improving efficiency of transport and logistics and systems; encouraging innovation; driving growth in SMEs and entrepreneurial activity</li> <li>- supporting growth of the following sectors: oil and gas; palm oil and related products; financial services; wholesale &amp; retail, tourism; ICT; education; electrical &amp; electronics; business services; private healthcare; and agriculture<sup>36</sup></li> </ul> </li> </ul>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Competition from global supply chains; the need to raise productivity</li> </ul>
<b>Relationship with Australia 2013-14<sup>37</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to Malaysia: \$5.4 billion</li> <li>• Five-year average annual export growth: 7.5%</li> <li>• Top merchandise exports: copper (\$614 million); nickel (\$509 million); coal (\$348 million); wheat (\$247 million)</li> <li>• Service exports to Malaysia: \$1.8 billion</li> <li>• Merchandise Imports from Malaysia: \$11.2 billion</li> <li>• Five-year average annual import growth: 5.9%</li> <li>• Top merchandise imports: petroleum &amp; petroleum products (\$5.5 billion); confidential items (\$337 million); personal computers (\$205 million)</li> <li>• Service imports from Malaysia – \$1.5 billion</li> <li>• Australia's investment into Malaysia: \$9.5 billion; Malaysia's investment into Australia: \$16.7 billion (2013 calendar year)</li> <li>• Number of tourists: 277,000</li> <li>• Students enrolled in 2014 calendar year: 22,071</li> <li>• As at the 2011 Census – 116,196 people of Malaysian ancestry were living in Australia</li> </ul>
<b>Relationship with South Australia 2013-14<sup>38</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to Malaysia: \$673.2 million</li> <li>• Five-year average annual export growth: 10.4%</li> <li>• Top merchandise exports: copper (\$429 million); wheat (\$81.7 million); red wine (\$31.1 million)</li> <li>• Merchandise imports from Malaysia: \$156.4 million</li> <li>• Five-year average annual import growth: -5.2%</li> <li>• Top merchandise imports: televisions (\$14.3 million); speedometers (\$8.3 million); refined lead (\$4.2 million)</li> <li>• Number of tourists: 20,000</li> <li>• Students enrolled in 2014 calendar year: 1,859</li> <li>• As at the 2011 Census – 6,949 people of Malaysian ancestry were living in South Australia</li> </ul>

Note: Five-year average annual growth is calculated from 2008-09 for all country plans.

36 Prime Minister's Department Malaysia – Economic Planning Unit, 2014, <http://www.epu.gov.my/en/tenth-malaysia-plan-10th-mp->

37 ABS Cat No 5368.0; ABS Census 2011; ABS Cat No 5352.0 – International Investment Position, Australia 2013; Australian Education International, Feb 2015 data release; and unpublished data.

38 *Ibid.*



**Petronas Towers,  
Kuala Lumpur, Malaysia**

### **Opportunity for engagement**

Malaysia has one of the most sophisticated economies, advanced infrastructure networks and stable political environments in the region. Its population is becoming increasingly wealthy and urbanised, creating a hub of globally connected consumers.

To transform its economy and meet its goal of becoming a high-income nation by 2020, the Malaysian government is implementing ambitious programs to encourage greater private-sector participation, develop high value added industries and develop its human capital.

Building on strong bilateral relationships, Australia and South Australia are well positioned to participate in Malaysia's development through business and institutional involvement with:

- innovative infrastructure funding, services and solutions
- premium food products
- sophisticated healthcare and seniors' living solutions
- automotive, oil and gas, and agribusiness technology and services
- education and training, in particular in food safety, defence, oil and gas, resources and health
- growing demand for international travel among Malaysians as their incomes rise and among Australians wanting to experience Asia.

Malaysia also offers significant opportunities as a potential investor in Australia and South Australia.

## Immediate focus for South Australia's engagement

Malaysia offers a range of opportunities that could be pursued over the Strategy's 10-year time frame. Direct flights between Kuala Lumpur and Adelaide provide a conduit for greater business, people-to-people connections and commerce, both into Malaysia directly and as an access point to other markets of South East Asia. Furthermore, there is significant scope to enhance cultural and social engagement by leveraging cultural and social events and relationships (such as the OzAsia Festival, Adelaide-Georgetown (Penang) sister-city relationship, and alumni networks).

The South Australian Government will establish in-country representation in Malaysia.

The Country Plan reflects the broader focus for engagement with Malaysia over the next 10 years, and associated actions that could be pursued.

The following sectors have been identified for immediate commercial focus.

### Food and beverages

Malaysia's retail food and beverage sector is forecast to grow to US\$21.17 billion by 2015.<sup>39</sup> Some Australian food products are already present in the Malaysian market and improved market access and tariff consideration have been secured under the Malaysia-Australia Free Trade Agreement (MAFTA). Malaysia was a net importer of food products with annual import value of more than RM36 billion (approximately US\$9.9 billion) in 2012.<sup>40</sup> Malaysia is highly dependent on imports of food and food ingredients for domestic production and food processing as well as for re-export. In 2013, processed food contributed about RM14.2 billion (approximately US\$3.9 billion) to the economy.<sup>41</sup> The main sub-sectors are fish and fish products, livestock and livestock products, fruits, vegetables and cocoa.

South Australia will explore opportunities in the following sub-sectors.

- The demand for red meat continues to rise for both domestic and re-export markets, including halal markets. South Australian producers that can meet food safety and halal requirements are well positioned for growth.
- Dairy Australia has estimated Malaysia imported more than 38,000 tonnes of dairy products in 2011. These included liquid milk, whey and natural milk products, butter and fats, cheese and yoghurt. New Zealand holds the largest market share in Malaysia, followed by the US and Australia. Australia has the leading market share position in cheese, yoghurt and butter categories, and through MAFTA has increasing opportunities to supply liquid milk.
- Malaysia has a high per capita consumption of fish and seafood: about 50 kg a year since 2005.<sup>42</sup> As the cost of fish and seafood increases, Malaysian consumers are increasingly purchasing frozen fish and seafood as substitutes for fresh supplies. Premium products continue to be in high demand in the hospitality industry. Australia is a major supplier of gourmet shellfish sold in Malaysia; items include live, frozen and canned abalone, frozen scallops, frozen prawns, oysters, mussels and crab.

### Education

South Australia has a long history of engagement in education with Malaysia and its universities have several education and research partnerships with Malaysian counterparts. Growth in trans-national education numbers is expected to continue given the Malaysian Government's plans to make the country a regional higher education hub. Australian undergraduate programs in Arts, Social Science and Science are recognised for public service employment. Postgraduate qualifications from Australian institutions are also becoming increasingly popular.

South Australia has strategic advantages in relation to higher education and is well positioned to compete in this market, albeit in a competitive international environment. Malaysia is opening its Vocational Education and Training (VET) sector to foreign providers and partners as it seeks to increase workforce productivity. TAFE SA is the largest VET provider in Australia and there are also a number of private registered training providers based in South Australia that could support Malaysia's skills development needs.

39 Business Monitor International, *Malaysia Retail Report*, November 2011.

40 Malaysian Investment Development Authority, *Food Industry in Malaysia Report*, 2014, p.1, [http://www.mida.gov.my/home/administrator/system\\_files/modules/photo/uploads/20140214142741\\_Food\\_V1.pdf](http://www.mida.gov.my/home/administrator/system_files/modules/photo/uploads/20140214142741_Food_V1.pdf)

41 Malaysian Investment Development Authority, *Food Technology and Sustainable Resources*, 2014, <http://www.mida.gov.my/home/food-technology-and-sustainable-resources/posts/>

42 New Straits Times, *Each Malaysian to consume 55kg fish per year by 2020*, January 2012.

# Malaysia engagement – Action plan



# Singapore

<b>Economy and society</b>	<ul style="list-style-type: none"> <li>• Financial and trading centre for Asia</li> <li>• Strong service and manufacturing sectors</li> <li>• Innovation hub with significant investment by government into R&amp;D</li> <li>• One of the world's richest countries on a per capita basis</li> <li>• Annual current account surplus of around 20% of GDP</li> <li>• Government effectiveness and political stability highest ranking in SE Asia</li> <li>• GDP growth forecast below the regional average</li> </ul>	
<b>Doing business environment</b>	<ul style="list-style-type: none"> <li>• Ranks number one in SE Asia for ease of doing business</li> <li>• English widely spoken (one of four official languages)</li> <li>• Airport, port and road systems among the best in the world</li> <li>• Global or regional headquarters for many international corporations</li> <li>• Highly competitive and price-sensitive market place</li> </ul>	
<b>Trade openness</b>	<ul style="list-style-type: none"> <li>• Singapore's small population and dependence on external markets and suppliers has pushed it towards economic openness, free trade and free markets</li> <li>• Total foreign trade worth more than three times GDP</li> <li>• FTA with Australia and a party to AANZFTA and WTO</li> </ul>	
<b>Government focus</b>	<ul style="list-style-type: none"> <li>• Singapore has set itself a growth target of 3-5% a year between 2010 and 2020 and intends to switch from an investment-driven economy to one driven by innovation and productivity gains</li> <li>• Its government is focused on achieving economic and social progress by: <ul style="list-style-type: none"> <li>- enhancing human resources</li> <li>- promoting national teamwork</li> <li>- becoming Internationally orientated</li> <li>- creating a conducive climate for innovation</li> <li>- developing manufacturing and service clusters</li> <li>- spearheading economic redevelopment</li> <li>- maintaining international competitiveness</li> <li>- reducing vulnerability<sup>43</sup></li> </ul> </li> </ul>	
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Rising cost of living, ageing population, capacity to maintain sustainable urban development, and large dependence on foreign labour</li> </ul>	
<b>Relationship with Australia 2013-14<sup>44</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to Singapore: \$7.4 billion</li> <li>• Five-year average annual export growth: 5.9%</li> <li>• Top merchandise exports: gold (\$2.3 billion); petroleum products (\$1.6 billion)</li> <li>• Service exports to Singapore: \$3.5 billion</li> <li>• Merchandise imports from Singapore: \$13.1 billion</li> <li>• Five-year average annual import growth: -0.7%</li> <li>• Top merchandise imports: petroleum &amp; petroleum products (\$8.9 billion)</li> </ul>	<ul style="list-style-type: none"> <li>• Service imports from Singapore: \$4.9 billion</li> <li>• Australia's investment into Singapore: \$35.4 billion; Singapore's investment into Australia: \$60.5 billion (2013 calendar year)</li> <li>• Number of tourists: 319,000</li> <li>• Students enrolled in 2014 calendar year: 8,455</li> <li>• As at the 2011 Census – 48,646 people of Singaporean ancestry were living in Australia</li> </ul>
<b>Relationship with South Australia 2013-14<sup>45</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to Singapore: \$141 million</li> <li>• Five-year average annual export growth: -4.6%</li> <li>• Top merchandise exports: meat &amp; meat preparations (\$42 million); wine (\$34 million); wheat (\$7.3 million)</li> <li>• Merchandise imports from Singapore: \$948 million</li> </ul>	<ul style="list-style-type: none"> <li>• Five-year average annual import growth: -2.0%</li> <li>• Top merchandise imports: petroleum &amp; petroleum products: \$887 million</li> <li>• Number of tourists: 11,000</li> <li>• Students enrolled in 2014 calendar year: 554</li> <li>• As at the 2011 Census – 2,104 people of Singaporean ancestry were living in South Australia</li> </ul>

Note: Five-year average annual growth is calculated from 2008-09 for all country plans.

43 Ministry of Trade and Industry - Singapore Government, *The Strategic Economic Plan: Towards a Developed Nation*, 2014, [http://www.mti.gov.sg/ResearchRoom/Documents/app.mti.gov.sg/data/pages/885/doc/NWS\\_plan.pdf](http://www.mti.gov.sg/ResearchRoom/Documents/app.mti.gov.sg/data/pages/885/doc/NWS_plan.pdf)

44 ABS Cat No 5368.0; ABS Census 2011; ABS Cat No 5352.0 – International Investment Position, Australia 2013; Australian Education International, Feb 2015 data release; and unpublished data.

45 *Ibid.*



Singapore skyline

### **Opportunity for engagement**

Singapore is a highly sophisticated economy and is Asia's financial and transport centre. It continues to attract multinationals, particularly in aerospace manufacturing, oil and gas, biomedical and pharmaceuticals, consumer goods and technology. Singapore is developing into a major hub for global and regional supply chains, particularly in resources, manufacturing and food.

Building on strong bilateral relationships, Australia and South Australia are well positioned to engage with Singapore at business and institutional level, through:

- expansion of Singapore's position as a major regional hub for aerospace
- food and beverages for the retail and services sectors – for Singapore and the broader South East Asian market
- education and training
- health care services and technology
- defence equipment and test and training opportunities in Australia
- housing and urban development services and technology (including water)
- oil and gas services and technology
- continuing high demand for international travel experiences from Singaporeans and among Australians interested in experiencing Asia.

Singapore is becoming a major centre for wealth management representing significant opportunities for Singaporean investment into South Australia's key priority areas.

## Immediate focus for South Australia's engagement

Singapore represents a priority for South Australia in two-way trade and investment, and is a central access point to neighbouring markets within the region. In addition, existing social events or networks – such as the OzAsia Festival, alumni networks and policy and research collaborations – offer significant scope to enhance diplomatic, cultural and social engagement.

The South Australian Government will establish in-country representation in Singapore.

The Country Plan for Singapore reflects the government's broader focus for engagement over the 10-year Strategy and the actions that could be pursued.

The following sectors have been identified for immediate commercial focus.

### Tourism

The Tourism Australia 2020 Strategy estimates that the Singapore market has the potential to grow to between \$2.3 billion and \$2.8 billion in total expenditure by 2020.<sup>46</sup> Visitor arrivals increased 15 per cent from June 2013 to June 2014,<sup>47</sup> placing Australia fourth among all out-of-region outbound travel destinations for Singaporean travellers.<sup>48</sup> Singaporean travellers stay on average for 15 nights with an average spend of \$2,511 per visitor.<sup>49</sup> Direct flight access, growth in flight capacity, competition between carriers, and a compatible timezone are factors that place South Australia well to expand Singaporean markets.

In addition, effective marketing of Adelaide's surrounds and regional areas may boost Singaporean visitors' interest in experiencing the city and the State's regional attractions. Tourism initiatives can link to and build on other sector offerings, including education, food and wine, and investment (including business migration). South Australia's food and wine events (for example, Tasting Australia) and regional food and wine festivals could be marketed to capture greater interest in the State's tourism offerings as well as its food and beverage market.

### Food and beverages

There are opportunities to increase South Australian food and beverages initiatives into the Singapore market and leverage Austrade programs. Singapore is a well established market for Australian food and beverage products, and with its per capita food consumption of S\$1,349 is the highest in the region. Singapore imported more than S\$10 billion (approximately \$8.5 billion) worth of food and live animals and S\$3 billion (approximately \$2.5 billion) worth of beverages in 2012. Australia is the third largest food exporting country to Singapore (2012) after Malaysia and Indonesia and accounts for approximately 10 per cent of Singapore's total food and agribusiness imports.<sup>50</sup> The Singaporean wine market has been growing by about seven per cent a year for the last five years.

This market presence provides for strong brand awareness based on South Australia's 'clean and green' offering, while the strong food services sector provides opportunities through demand in the hospitality and tourism sector, albeit in a very competitive environment.

### Financial hub

In 2013 Singapore's stock of investment in Australia grew to \$61 billion.<sup>51</sup> Funds under management in Singapore grew to S\$1.82 trillion. Of these funds, 77 per cent were sourced from outside Singapore and 67 per cent were invested in the Asia Pacific region, demonstrating Singapore's position as a pan-Asian asset management centre.<sup>52</sup> Although South Australia has not previously been a notable investment target, there are significant opportunities to position and market South Australian projects.

46 Tourism Australia, *Singapore Market Analysis*, 2014, <http://www.tourism.australia.com/markets/market-regions-south-and-south-east-asia.aspx#singapore>

47 Tourism Australia, *International Visitor Surveys*, June 2014.

48 Tourism Australia, *Singapore Market Profile*, 2014.

49 Tourism Australia, *International Visitor Surveys*, June 2014.

50 Austrade – Market profile Food and Beverage in Singapore, 2014-15.

51 ABS Cat No 5352.0 – International Investment Position, Australia 2013.

52 Monetary Authority of Singapore, *Asset Management Industry Survey*, 2013.

# Singapore engagement – Action plan



## Country plans - Consolidating and deepening engagement

### Indonesia

<b>Economy and society</b>	<ul style="list-style-type: none"> <li>• High GDP forecast growth from a high base</li> <li>• GDP per capita slightly above the regional average and growing rapidly with an expanding middle class that is looking for a modern, international standard of living and a more Western lifestyle</li> <li>• Government effectiveness ranks below the regional average. Indonesia is currently focused on addressing this</li> </ul>
<b>Doing business environment</b>	<ul style="list-style-type: none"> <li>• Numerous consumer opportunities for businesses looking to connect with regional value chains, but business climate is more difficult compared with nearby countries</li> <li>• Foreign investors face a complex legal system, lack of transparency, high tax and royalty payments, and rigidities in the infrastructure and labour markets</li> </ul>
<b>Trade openness</b>	<ul style="list-style-type: none"> <li>• Indonesia trade with Australia is assisted through AANZFTA and involvement with the WTO</li> <li>• Indonesia is open to increased trade with Australia, as demonstrated through the current negotiations on an Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA)</li> <li>• 2012 Indonesia-Australia Defence Cooperation Agreement</li> </ul>
<b>Government focus</b>	<ul style="list-style-type: none"> <li>• The new Jokowi Government is progressing an economic approach focused on domestic agendas. Driven by the <i>Masterplan for Acceleration and Expansion of Indonesia's Economic Development 2011-2025</i> the country has a focus on industries that build on its comparative advantages while improving economic and social sustainability including:             <ul style="list-style-type: none"> <li>- agribusiness and aquaculture – local production of food and beverage to reduce reliance on imports</li> <li>- mining, oil and gas – to generate income and employment opportunities</li> <li>- building and construction – to cater for the rapidly increasing middle class</li> <li>- automotive – motor vehicle and component manufacturing, mainly for domestic consumers</li> <li>- tourism – to diversify destinations away from Bali</li> <li>- education, training and skills development – to support above industries</li> <li>- transport, storage and logistics – to facilitate development of the above industries including roads, ports, airport and warehousing facilities<sup>53</sup></li> </ul> </li> </ul>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Infrastructure development requirements; need for education and skills development; limited investment in innovation; and a complicated regulatory regime</li> </ul>
<b>Relationship with Australia 2013-14<sup>54</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to Indonesia: \$4.9 billion</li> <li>• Five-year average annual export growth: 2.6%</li> <li>• Top merchandise exports: wheat (\$1.1 billion); live beef cattle (\$452.5 million); petroleum products (\$302.5 million)</li> <li>• Service exports to Indonesia: \$1.3 billion</li> <li>• Merchandise imports from Indonesia: \$6.6 billion</li> <li>• Five-year average annual import growth: 5.0%</li> <li>• Top merchandise imports: petroleum products (\$2.1 billion)</li> <li>• Service imports from Indonesia: \$2.6 billion</li> <li>• Australia's investment into Indonesia: \$10.9 billion; Indonesia's investment into Australia: \$959 million (2013 calendar year)</li> <li>• Number of tourists: 133,000</li> <li>• Students enrolled in 2014 calendar year: 17,925</li> <li>• As at the 2011 Census – 63,159 people of Indonesian ancestry were living in Australia</li> </ul>
<b>Relationship with South Australia 2013-14<sup>55</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to Indonesia: \$432.6 million</li> <li>• Five-year average annual export growth: 23.6%</li> <li>• Top merchandise exports: wheat (\$316 million); copper (\$42.2 million); metals (\$25 million)</li> <li>• Merchandise imports from Indonesia: \$96.5 million</li> <li>• Five-year average annual import growth: -4.1%</li> <li>• Top merchandise imports: urea (\$12.3 million); confidential items (\$11.2 million); rubber tyres (\$9.1 million)</li> <li>• Number of tourists: 5,000*</li> <li>• Students enrolled in 2014 calendar year: 412</li> <li>• As at the 2011 Census – 1,948 people of Indonesian ancestry were living in South Australia</li> </ul>

Note: Five-year average annual growth is calculated from 2008-09 for all country plans.

\* Small sample size – data is subject to revision

53 Coordinating Ministry for Economic Affairs – Republic of Indonesia, *Masterplan for Acceleration and Expansion of Indonesia's Economic Development 2011-2025*, 2011.

54 ABS Cat No 5368.0; ABS Census 2011; ABS Cat No 5352.0 – International Investment Position, Australia 2013; Australian Education International, Feb 2015 data release; and unpublished data.

55 *Ibid.*



**Indonesian rice farmer**

### **Opportunity for engagement**

Indonesia is emerging as a regional and global economic powerhouse as well as a key strategic diplomatic partner. It is the only South East Asian member of the G20 and has the largest economy and population in the region. Indonesia's middle class is expected to double to 141 million people by 2020.<sup>56</sup> Indonesia's GDP is projected to grow by 5.5 per cent in 2015,<sup>57</sup> largely driven by strong domestic demand and commodity exports.

To achieve the country's economic aspirations the Indonesian Government is striving to address challenges including infrastructure requirements, skill shortages, the need for investment in innovation, a complicated regulatory regime and governance issues.

Building on its existing bilateral linkages, Australia and South Australia could contribute to Indonesia's development through business and institutional involvement in:

- food security initiatives including agribusiness services and technology and regulatory frameworks, and the supply of food and beverages to a growing middle class
- infrastructure development, funding, services and solutions
- increasing regional aviation, which is generating demand for aviation services and training
- health technology and services
- education and skill development
- growing automotive industry and associated supply chains
- growing demand for international travel among Indonesians as their incomes rise.

<sup>56</sup> The Boston Consulting Group, *Indonesia's Rising Middle-Class and Affluent Consumers Report*, 2013.

<sup>57</sup> International Monetary Fund, *World Economic Outlook Database*, October 2014.

## Immediate focus for South Australia's engagement

Indonesia represents a priority for engagement at business, government and cultural levels, building on strong existing links.

The South Australian Government, working closely with key stakeholders, will pursue closer engagement with Indonesian national and provincial governments (in particular where relationships already exist such as West Java), and leverage social and cultural links including the OzAsia Festival (which has Indonesia as a focus country in 2015) and INDOFest. Another focus will be the development of collaborative research partnerships.

The South Australian Government will establish in-country representation in Indonesia.

The Country Plan for Indonesia reflects South Australia's broad focus for engagement over the Strategy's 10-year time frame and actions that could be pursued.

The following sectors have been identified for immediate commercial focus.

### Agriculture

Indonesia's agriculture and fisheries sector is expected to grow by six per cent a year to 2030. To achieve this growth, significant increases in agricultural productivity are required to meet anticipated domestic demand and reduce reliance on imports. This will need to be achieved against a backdrop of rising environmental concerns (deforestation, peat-land degradation and greenhouse emissions) and the challenges posed by growing urbanisation.

South Australia already has many capacity-building relationships with Indonesia and this status is set to continue. Relevant capabilities include:

- plant breeding and genetics
- land and water management
- sustainable food production
- food safety and quality.

Indonesia's agricultural productivity challenge presents a range of engagement opportunities, including product exports, services exports and regulatory and public administration assistance with establishing and regulating emerging sectors (e.g., aquaculture).

South Australia already exports significant quantities of grains to Indonesia. Similarly, the growing consumer class underscores the potential for continued commodity exports and, over time, value added food and beverage exports, a sub-sector expected to grow by 5.2 per cent a year to 2030.<sup>58</sup>

### Education

Research from the World Bank suggests that finding skilled workers is a major obstacle to growth, with the manufacturing sector reporting difficulties securing skilled workers for management positions (84 per cent) and other skilled workers (69 per cent).<sup>59</sup> It is estimated that to achieve annual growth of five to six per cent over the next 15 years, Indonesia's supply of semi-skilled and skilled workers will need to increase from 55 million to 113 million over the same period. Current trends and policies suggest there could be a gap of nine million workers educated at the secondary and tertiary levels.<sup>60</sup> This represents a significant education and training challenge to Indonesia's vocational education and training and higher education sectors. South Australia is well positioned to assist Indonesia to meet this need.

## Flinders University – 'Jembatan' Program

Flinders University has deep Indonesian links through its Pendopo on campus and its research, teaching and community engagement activities. These links are multi-disciplinary and span education, science, health and the social sciences. They include areas of Indonesian language and culture. Building on these connections, Flinders is establishing a conceptual 'Jembatan' (Indonesian for bridge) to brand and coordinate its engagement activities with Indonesia. The 'Jembatan' program will provide a vehicle for working with the Indonesian Ministry of Education and Culture to examine the case for enhanced engagement between Indonesia and South Australia.

58 McKinsey Global Institute, *Unleashing Indonesia's Full Potential*, 2012.

59 World Bank, *Trends in Skills Demand, Gaps, and Supply in Indonesia*, 2010.

60 McKinsey Global Institute, *The archipelago economy: Unleashing Indonesia's Potential*, 2012.

# Indonesia engagement – Action plan



## 3.2 Country plans – Refining South Australia’s focus

### Thailand

<b>Economy and society</b>	<ul style="list-style-type: none"> <li>Thailand is the second biggest economy in South East Asia</li> <li>Steady to high GDP forecast growth over the next five years</li> <li>GDP per capita above the regional average (fourth highest in the region in 2013) and is growing solidly with an expanding middle class that is looking for a modern, international standard of living</li> <li>Government effectiveness ranks above the regional average</li> </ul>
<b>Doing business environment</b>	<ul style="list-style-type: none"> <li>There are increasing consumer opportunities for businesses looking to connect with regional value chains. The business climate is less difficult compared with nearby countries. In 2014 Thailand ranked 26th among 189 countries for ease of doing business<sup>61</sup></li> <li>English is becoming more widely spoken</li> <li>The Thai Government has recently relaxed its restrictions on foreign banks operating in-country. ANZ has been offered a license to operate in Thailand and it is expected that this will be confirmed during 2015<sup>62</sup></li> </ul>
<b>Trade openness</b>	<ul style="list-style-type: none"> <li>The FTA with Australia (TAFTA) came into force on 1 January 2005. Thailand is also a party to AANZFTA and has involvement with WTO</li> <li>Thailand is ranked as having an average level of trade openness, which its government is working to improve through economic and fiscal reform</li> </ul>
<b>Government focus</b>	<ul style="list-style-type: none"> <li>Focus on development and public sector reform. Priority areas include: <ul style="list-style-type: none"> <li>protection of monarchy</li> <li>maintenance of state security and foreign affairs</li> <li>reduction of social inequalities and building opportunities and access to public services</li> <li>education and learning</li> <li>upgrade of public health services and health care</li> <li>enhancement of economic performance</li> <li>roles and opportunities in ASEAN community</li> <li>science and technology, R&amp;D, and innovation</li> <li>maintenance of natural resources security and balance between conservation and sustainable utilisation</li> <li>promotion of good governance in state administration, and anti-corruption<sup>63</sup></li> </ul> </li> </ul>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>The need to raise productivity and grow the pool of skilled labour; the need for further financial reform; ongoing political unrest; ageing population</li> </ul>
<b>Relationship with Australia 2013-14<sup>64</sup></b>	<ul style="list-style-type: none"> <li>Merchandise exports to Thailand: \$4.7 billion</li> <li>Five-year average annual export growth: -0.9%</li> <li>Top merchandise exports: petroleum oils (\$1.63 billion); gold (\$445 million)</li> <li>Service exports to Thailand: \$848 million</li> <li>Merchandise imports from Thailand: \$11.1 billion</li> <li>Five-year average annual import growth: 0.5%</li> <li>Top merchandise imports: goods vehicles (\$2.8 billion); passenger motor vehicles (\$1.5 billion)</li> <li>Service imports from Thailand: \$2.2 billion</li> <li>Australia’s investment into Thailand: \$2.9 billion; Thailand’s investment into Australia: \$6.1 billion (2013 calendar year)</li> <li>Number of tourists: 72,000</li> <li>Students enrolled in 2014 calendar year: 25,642</li> <li>As at the 2011 Census – 45,466 people of Thai ancestry were living in Australia</li> </ul>
<b>Relationship with South Australia 2013-14<sup>65</sup></b>	<ul style="list-style-type: none"> <li>Merchandise exports to Thailand: \$198.4 million</li> <li>Five-year average annual export growth: -6.0%</li> <li>Top merchandise exports: copper (\$65.5 million); wheat &amp; meslin (\$30.6 million)</li> <li>Merchandise imports from Thailand: \$559.6 million</li> <li>Five-year average annual import growth: 7.3%</li> <li>Top merchandise imports: motor vehicles (\$214.5 million)</li> <li>Number of tourists: 3,000*</li> <li>Students enrolled in 2014 calendar year: 265</li> <li>As at the 2011 Census – 2,210 people of Thai ancestry were living in South Australia</li> </ul>

Note: Five-year average annual growth is calculated from 2008-09 for all country plans.

\* Small sample size – data is subject to revision

61 World Bank Group, *Ease of Doing Business Report*, June 2014.

62 Austrade advice 2014-15.

63 Government of Thailand, *Prime Minister’s Policy Statement*, 2014, <http://www.thaigov.go.th/en/policy-statement-en/item/85892-id85892.html>

64 ABS Cat No 5368.0; ABS Census 2011; ABS Cat No 5352.0 – International Investment Position, Australia 2013; Australian Education International, Feb 2015 data release; and unpublished data.

65 *Ibid.*

A photograph of Wat Chalong Temple in Phuket, Thailand. The temple features a prominent multi-tiered roof with red tiles and ornate golden decorations. The main structure is white with gold accents. In the foreground, there are green plants and a large, ornate elephant sculpture. The sky is clear and blue.

**Wat Chalong Temple,  
Phuket, Thailand**

### **Opportunity for engagement**

Although Thailand's growth has slowed recently due to political unrest and natural disasters, its performance over the past 10 years has been steady, building on its strategic geographic location, rich natural resources and efforts to increase trade and foreign capital. The country has emerged as an industrial powerhouse and is a strong regional hub for manufacturing in automotive, electronics and processed food and beverages.

Now classified as an upper-middle income country,<sup>66</sup> Thailand has a rapidly urbanising population and a growing middle class with changing consumer spending patterns. The hospitality industry is expanding and there is increased demand for premium food and beverages.

Thailand is heavily dependent on gas as its energy source, and will need to diversify its supply chains over the next few decades to keep up with growing demand.

Australia and South Australia can contribute to Thailand's development through:

- providing technology and services to address energy needs (for example, power generation including renewable energy), resources (oil and gas) and infrastructure sectors (for example, rail)
- supplying premium food and beverages for local consumption and as input into the food processing sector
- providing education and training in and outside the country
- providing technology and services to manufacturing supply chains, including for the automotive sector
- providing health and aged care and associated products and services for an ageing population.

66 World Bank Group, *Ease of Doing Business Report*, June 2014.

## **Immediate focus for South Australia's engagement**

Existing familiarity between South Australia and Thailand presents an opportunity to refocus the State's engagement in line with ongoing developments in South Australia and Thailand.

The Country Plan reflects the focus for engagement with Thailand over the next 10 years and outlines actions that could be pursued.

The areas identified for immediate commercial focus are those that leverage South Australia's existing and emerging strengths in food and beverages and high value manufacturing (particularly associated with the automotive industry).

### **Education**

Thailand has established a Human Capacity Building Institute, an initiative of the Federation of Thai Industries, to identify training needs across the growth sectors of automotive, food processing, aged care and oil and gas. This initiative and the focus sectors underscore the necessity of productivity-enhancing training to realise growth. At present, nearly 30 per cent of schools in Bangkok are private, for-profit enterprises and include several of the ASEAN region's leading international schools. This opens an opportunity for in-country training programs. Thailand is a major source of students with 25,642 students enrolled in Australian education institutions in the 2014 calendar year. However, only 265 students are enrolled in South Australia,<sup>67</sup> offering an opportunity to increase the State's share across universities, vocational education and training institutions (particularly in target sectors) and English language intensive courses.

### **Food and beverage**

Thailand's aim is to increase local food production and value add, which may create opportunity for South Australia to target supply-chain niche markets. The major companies in Thailand are Dole, Nestle, Halal, Unilever, Tesco, Kellogg's, Kraft, Pepsi Co, and Procter & Gamble. Thailand has been identified as a conduit into the regional and the global market and there is opportunity for South Australian producers to target these supply chains.

### **Agriculture**

Australia already holds a dominant position in beef exports (90 per cent of Thailand imports) while reductions in tariffs under the Thailand-Australia Free Trade Agreement (TAFTA) have led to increasing exports of lamb, wine, grains and horticulture. In addition to product opportunities, South Australia can offer services and technologies to increase business productivity and competitiveness for the local livestock, dairy, grains and horticulture sectors in Thailand.

### **High-value manufacturing**

Under the TAFTA, 94 per cent of tariffs on Australian exports to Thailand have been removed (excluding skim milk powders, liquid milk and cream) and 100 per cent will be removed between 2015 and 2020.<sup>68</sup> The Thailand Board of Investment provides incentives to 'supported sectors', including basic industry, medical devices and equipment, services supporting industrial sectors, advanced technology, food and agricultural processing, automotive and transport equipment, and electronic and electrical devices. There are more than 20 Australian automotive companies that have a presence in Thailand.<sup>69</sup>

<sup>67</sup> Australian Department of Education – Australian Education International - February 2015 data release.

<sup>68</sup> Australian Department of Foreign Affairs and Trade, 2014.

<sup>69</sup> Austrade advice, 2014-15.

## Country plans - Refining South Australia's focus

### Vietnam

<b>Economy and society</b>	<ul style="list-style-type: none"> <li>Vietnam is the fifth largest economy in South East Asia</li> <li>High GDP forecast growth over the next five years (average of 5.7% annual growth<sup>70</sup>)</li> <li>Higher than average level of political stability in the region and a growing level of government effectiveness</li> <li>Rich in natural resources, but highly dependent on Australian agriculture and aquaculture imports for food supply</li> <li>Highly strategic geographic and maritime location in the region</li> </ul>
<b>Doing business environment</b>	<ul style="list-style-type: none"> <li>Overall ranking of 78 among 189 countries in ease of doing business; but ranks very favourably for starting a business (14<sup>th</sup>) and obtaining credit (fifth)<sup>71</sup></li> <li>English is becoming more widely spoken</li> <li>Foreign investors face some challenges</li> <li>Increasing opportunities for businesses looking to connect with in-country supply chains and introduce innovative technologies into the market, particularly in agriculture as Vietnam needs to increase production to meet its growth ambitions</li> </ul>
<b>Trade openness</b>	<ul style="list-style-type: none"> <li>The <i>2009 Australia – Vietnam Comprehensive Partnership</i> focuses and measures bilateral effort, particularly in public policy exchange and promotion of economic growth and trade development</li> <li>Vietnam is party to the AANZFTA and a member of the WTO. Vietnam is ranked as having an average level of trade openness, which the government is working to improve</li> <li>The increasing role of the National Assembly in reviewing legislation and policies and a gradually more open media, have contributed to greater transparency<sup>72</sup></li> </ul>
<b>Government focus</b>	<ul style="list-style-type: none"> <li>Aiming to become an industrialised country by 2020<sup>73</sup></li> <li>Strong focus on building towards world class educational system</li> <li>Vietnam has a <i>Socio-Economic Development Plan for 2011-2015</i>, with a commitment to economic, social and environmental targets: <ul style="list-style-type: none"> <li>Gross Domestic Product averages of approximately 6.5 - 7% a year in the timeframe</li> <li>social investment in 2011-2015 accounts for 33.5 per cent-35% of GDP</li> <li>trade deficit slashed since 2012 and maintained at below 10% of export turnover by 2015</li> <li>job creation and less unemployment in urban areas</li> <li>eradication of current poverty levels and increased income across society</li> <li>increased housing and steady population growth of 1% per annum</li> <li>increased education and up-skilling</li> <li>by 2015, 85% of heavy environment polluters will be controlled</li> <li>reduce energy use by 2.5% to 3% a year<sup>74</sup></li> </ul> </li> </ul>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>Limited investment in innovation; complex legal and regulatory system with varying levels of governance; need for improved English proficiency; infrastructure development requirements; continued development assistance needed to meet goals</li> </ul>
<b>Relationship with Australia 2013-14<sup>75</sup></b>	<ul style="list-style-type: none"> <li>Merchandise exports to Vietnam: \$2.7 billion</li> <li>Five-year average annual export growth: 17.1%</li> <li>Top merchandise exports: crustaceans (\$562 million); wheat (\$496 million)</li> <li>Service exports to Vietnam: \$1.1 billion</li> <li>Merchandise imports from Vietnam: \$4.5 billion</li> <li>Five-year average annual import growth: 0.5%</li> <li>Top merchandise imports: crude petroleum (\$1.9 billion); telecom equipment (\$764 million)</li> <li>Service imports from Vietnam: \$878 million</li> <li>Australia's investment into Vietnam: \$666 million; Vietnam's investment into Australia: \$414 million (2013 calendar year)</li> <li>Number of tourists: no data</li> <li>Students enrolled in 2014 calendar year: 30,121</li> <li>As at the 2011 Census – 185,039 people of Vietnamese ancestry were living in Australia</li> </ul>
<b>Relationship with South Australia 2013-14<sup>76</sup></b>	<ul style="list-style-type: none"> <li>Merchandise exports to Vietnam: \$396.7 million</li> <li>Five-year average annual export growth: 9.2%</li> <li>Top merchandise exports: unwrought lead (\$92.3 million); wheat &amp; meslin (\$91.8 million)</li> <li>Merchandise imports from Vietnam: \$68.4 million</li> <li>Five-year average annual import growth: 13.9%</li> <li>Top merchandise imports: iron &amp; steel structures (\$18.7 million)</li> <li>Number of tourists: no data</li> <li>Students enrolled in 2014 calendar year: 1,348</li> <li>As at the 2011 Census – 12,025 people of Vietnamese ancestry were living in South Australia</li> </ul>

Note: Five-year average annual growth is calculated from 2008-09 for all country plans.

70 International Monetary Fund World, Economic Outlook Database, October 2014.

71 World Bank Group, *Ease of Doing Business Report*, June 2014.

72 Australian Department of Foreign Affairs and Trade, *Vietnam country brief*, 2014.

73 Australian Department of Foreign Affairs and Trade, *Vietnam country brief*, 2014.

74 Socialist Republic of Vietnam – Federal Government, (no date), <http://www.chinhphu.vn/portal/page/portal/English/strategies/strategiesdetails%3Fcategory-Id%3D30%26articleId%3D10052505>

75 ABS Cat No 5368.0; ABS Census 2011; ABS Cat No 5352.0 – International Investment Position, Australia 2013; Australian Education International, Feb 2015 data release; and unpublished data.

76 *Ibid.*



Hanoi cityscape, Vietnam

### Opportunity for engagement

With an economy expanding at a rate of 5.7 per cent a year, a growing young population (set to reach 100 million by 2020<sup>77</sup>) and increasing GDP per capita, Vietnam holds significant potential.

Vietnam is rich in natural resources and with its growing competitively priced labour force is an attractive production base, especially for manufacturing within global value chains.

To transform the public and private business environment – particularly to increase ease of doing business and encourage private sector participation – the Vietnamese government is implementing a reform agenda towards greater financial accountability and better risk management practices in state-owned enterprises.

The following opportunities have been identified for Australia's and South Australia's further involvement in Vietnam's development:

- providing innovative agribusiness products and technology, particularly to assist supply chain development
- supplying processed foods and agricultural commodities
- involvement with infrastructure/construction projects and the provision of associated services and technologies
- involvement with energy and resources projects and the provision of associated services and technologies
- providing education and training in and outside the country.

77 Austrade advice, 2014-15.

## Immediate focus for South Australia's engagement

The aim is to refocus South Australia's engagement with Vietnam through stronger people-to-people links (which already exist through long-term migration), cultural and educational partnerships, and the pursuit of targeted commercial opportunities. Existing networks will be important in supporting businesses to manage regulatory and legal complexities.

The Country Plan for Vietnam reflects South Australia's focus for engagement over the next 10 years and actions that could be pursued.

The following sectors have been identified for immediate commercial focus.

### Education

South Australia is positioned favourably to increase exports in established education markets; that is, to increase international student numbers in the State and to provide education services in Vietnam. There were 30,121 Vietnamese students enrolled across all sectors in Australia<sup>78</sup> in the 2014 calendar year) representing an increase of more than 16 per cent on the previous year's total. South Australia has significant scope to increase enrolments in the State's educational institutions by leveraging already strong people to people and institutional links. Improving tertiary and vocational education, as well as English proficiency, is considered vital to Vietnam's continuing ability to attract FDI and improving its productivity. The *Resolution on Comprehensive Reform of Higher Education in Vietnam 2006-2020* outlines a range of policies, programs and initiatives including the establishment of foreign owned institutions.

### Agribusiness and food products

Vietnam has indicated it needs to increase its agricultural productivity to meet its growth ambitions. This is a major focus of many development projects, including those through the World Bank. South Australia can contribute to the development of the country's agricultural sector through capacity building and technical expertise. South Australia can also grow its markets in wheat (Australia currently supplies a large portion of Vietnam's wheat, with \$496 million in exports in 2013-14<sup>79</sup>) and red meat products. The market for Australian wheat has grown steadily since 1999-2000, with an annual average growth rate of 6.9 per cent.<sup>80</sup> Over time, the emergence of a larger consumer class will open additional value adding food product opportunities (such as increasing demand in Vietnam for baguettes<sup>81</sup>).

### Participation in official development assistance

Donor funded projects offer additional commercial opportunities in Vietnam. Examples include those funded by the Asian Development Bank and World Bank, and Japanese and Chinese official development assistance in areas including education, health, agriculture and infrastructure development. The Organisation for Economic Cooperation and Development (OECD) estimates that the total official development flows to Vietnam in 2013 were US\$5.08 billion.<sup>82</sup>

78 Australian Department of Education - Australian Education International, February 2015 data release.

79 ABS Cat No 5368.0 and unpublished data.

80 Australian Financial Review, *Grain opportunities in Indonesia, Vietnam*, 30 October 2014, [http://www.afr.com/p/special\\_reports/opportunityasia/grain\\_opportunities\\_in\\_indonesia\\_my3aMf4eGDGf9kNRmGdEAL](http://www.afr.com/p/special_reports/opportunityasia/grain_opportunities_in_indonesia_my3aMf4eGDGf9kNRmGdEAL)

81 *Ibid.*

82 Organisation for Economic Cooperation and Development (OECD), OECD Stat. Extracts Database, *Total official development flows by country and region (ODF)*, 2013.

# The Philippines

<b>Economy and society</b>	<ul style="list-style-type: none"> <li>• Strong business process outsourcing and education sectors</li> <li>• Key supplier of skilled labour to the regional and world markets</li> <li>• Population of around 100 million plus about 12 million living and/or working overseas, making it one of the largest diaspora groups in the world</li> <li>• GDP average annual growth projected to continue at about 6% over the next five years<sup>83</sup></li> <li>• The current government has set a strong mandate to continue with its major reform agenda, focusing on eliminating corruption and alleviating poverty</li> </ul>	
<b>Doing business environment</b>	<ul style="list-style-type: none"> <li>• As a large importer of agri-food products and with a rapidly growing population, there are increasing opportunities for Australian businesses to export into the country</li> <li>• The business climate still presents some challenges compared with some of the other countries in the region. In 2014 the Philippines was ranked 95<sup>th</sup> of 189 countries for ease of doing business.<sup>84</sup> Between 2010 and 2013 the Philippines climbed 30 places in Transparency International's Corruption Perceptions Index to reach 94<sup>th</sup> among 175 countries<sup>85</sup></li> <li>• English is widely spoken (one of two official languages)</li> </ul>	
<b>Trade openness</b>	<ul style="list-style-type: none"> <li>• The Philippines is party to the AANZFTA and has involvement with the WTO</li> <li>• The Philippines is ranked as having a below average level of trade openness, which the government is attempting to address through the <i>Philippine Development Plan 2011-2016</i></li> </ul>	
<b>Government focus</b>	<ul style="list-style-type: none"> <li>• The <i>Philippine Development Plan 2011-2016</i> strives for high and sustainable growth, and aims to generate mass employment and reduce poverty</li> <li>• Key priority areas are:             <ul style="list-style-type: none"> <li>- pursuit of inclusive growth</li> <li>- macroeconomic policy</li> <li>- competitive industry and services sectors</li> <li>- competitive and sustainable agriculture and fisheries sector</li> <li>- accelerating infrastructure development</li> <li>- towards a resilient and inclusive financial sector</li> <li>- good governance and the rule of law</li> <li>- social development</li> <li>- peace and security</li> <li>- conservation, protection and rehabilitation of the environment and natural resources</li> <li>- education and training<sup>86</sup></li> </ul> </li> </ul>	
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Some government reforms are adversely impacting on trading across borders;<sup>87</sup> infrastructure development requirements; economic reliance on remittances</li> </ul>	
<b>Relationship with Australia 2013-14<sup>88</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to the Philippines: \$1.5 billion</li> <li>• Five-year average annual export growth: 0.8%</li> <li>• Top merchandise exports: copper (\$285 million); precious metals – excluding gold (\$240 million)</li> <li>• Service exports to the Philippines: \$593 million</li> <li>• Merchandise imports from the Philippines: \$1.1 billion</li> <li>• Five-year average annual import growth: 11.6%</li> <li>• Top merchandise imports: machinery parts (\$245 million); heating and cooling equipment parts (\$220 million)</li> </ul>	<ul style="list-style-type: none"> <li>• Service imports from the Philippines: \$670 million</li> <li>• Australia's investment into the Philippines: \$7.7 billion; the Philippines' investment into Australia: \$766 million (2013 calendar year)</li> <li>• Number of tourists: no data</li> <li>• Students enrolled in 2014 calendar year: 10,679</li> <li>• As at the 2011 Census – 171,233 people of Philippine ancestry were living in Australia</li> </ul>
<b>Relationship with South Australia 2013-14<sup>89</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to the Philippines: \$60.4 million</li> <li>• Five-year average annual export growth: 20.0%</li> <li>• Top merchandise exports: wheat (\$16.6 million); metals (\$15.4 million)</li> <li>• Merchandise imports from the Philippines: \$24.1 million</li> <li>• Five-year average annual import growth: 5.6%</li> </ul>	<ul style="list-style-type: none"> <li>• Top merchandise imports: automotive electrics (\$11 million); glass containers (\$4.2 million)</li> <li>• Number of tourists: no data</li> <li>• Students enrolled in 2014 calendar year: 607</li> <li>• As at the 2011 Census – 8,858 people of Philippine ancestry were living in South Australia</li> </ul>

Note: Five-year average annual growth is calculated from 2008-09 for all country plans.

83 International Monetary Fund, World Economic Outlook Database, October 2014.

84 World Bank Group, *Ease of Doing Business Report*, June 2014.

85 Australian Department of Foreign Affairs and Trade, *Philippines country brief*, 2014.

86 Republic of the Philippines – National Economic and Development Authority, 2013, <http://www.neda.gov.ph/?p=1128>

87 World Bank Group, *Ease of Doing Business Report*, June 2014.

88 ABS Cat No 5368.0; ABS Census 2011; ABS Cat No 5352.0 – International Investment Position, Australia 2013; Australian Education International, Feb 2015 data release; and unpublished data.

89 *Ibid.*

A photograph of the Manila skyline at night, featuring several illuminated high-rise buildings against a dark blue sky. The buildings are lit up with various colors, including white, yellow, and blue. The foreground shows a dense urban area with smaller buildings and streetlights.

Manila skyline

### Opportunity for engagement

The Philippines' economy has experienced considerable growth over recent years and is one of the fastest growing in the South East Asian region. English is widely spoken and the nation is well known for supplying the world market with skilled labour, particularly in nursing and health care. Education has emerged as a priority for the current Philippines Government, and Australia is well placed to work with the Philippines to provide training in health care, teaching and human resource management.

More recently, the country has developed as a regional hub for business services and process outsourcing, particularly in voice and telecommunications, which is an important sector driving economic growth. Growth in the business services sector is projected at an annual rate of 20 per cent over the next five years<sup>90</sup> and will drive the need for skilled labour and business infrastructure. Increasing public investment in transport (airports and roads), hospitals and tourism infrastructure also provides a wide range of opportunities for Australian businesses.

Through the *2012-2030 Philippine Energy Plan*, the Philippines Government hopes to create a sustainable future by working towards a low-carbon economy and by increasing investment into the renewable energy sector.

Opportunities are emerging for close engagement between Australia and South Australia and the Philippines in:

- providing renewable energy products and technologies
- providing education and training (VET and higher education)
- supplying premium food and beverages for retail, food service and industrial supply
- supplying commodities (for example, wheat, dairy, temperate fruit and vegetables)
- Australian investment in financial, business processing and professional services and the provision of development assistance
- infrastructure – funding and solutions
- oil, gas and mineral exploration and the provision of associated services and technologies.

## **Immediate focus for South Australia's engagement**

South Australia has an opportunity to refocus its engagement with the Philippines, building on existing familiarity between the two regions and the developments taking place in the country and South Australia.

The Country Plan reflects the focus for engagement over the 10-year Strategy time frame, and presents the actions that could be pursued.

The following sectors have been identified for immediate commercial focus.

### **Education**

Education is a key priority for the Philippines Government, reflecting its services sector needs and supply of expatriate workers across the region and the globe. In 2013 the Philippines introduced a 'K to 12' system, providing two additional years at senior high school and incorporating vocational education and training modules in schools. The Philippines Qualifications Framework is modelled largely on the Australian Qualifications Framework and ongoing reforms in education and VET present opportunities for partnerships as Philippine institutions seek to improve their curriculum and increase demand. The number of Philippine students enrolled in South Australia at university and VET levels has increased in recent years.

### **Infrastructure**

The World Economic Forum's Global Competitiveness Report ranked the Philippines 95<sup>th</sup> among 144 countries for overall quality of infrastructure.<sup>91</sup> Under the Philippines Development Plan the government is seeking to increase its infrastructure spend from 2.5 per cent of GDP to five per cent by 2016. Infrastructure delivery, professional services, public private partnership delivery and financing provide economic engagement opportunities.

### **Agriculture**

The Philippines is a net importer of agri-food products, with wheat and dairy accounting for about 20 per cent of its agricultural imports. Australia supplies 41 per cent of its wheat and meslin imports<sup>92</sup> and its counter seasonality to the northern hemisphere provides opportunities in grains, flour, fruit and vegetables, and livestock. Under the AANZFTA the competitiveness of Australian produce has increased in relation to other trading partners such as the US.

### **Official development projects**

Official development assistance projects, as well as consulting services to the Asian Development Bank in Manila, provide opportunities for engagement for South Australian organisations.

91 World Economic Forum, *Global Competitiveness Report*, 2014-15.

92 Philippines Bureau of Agricultural Statistics, 2012.

# Engagement with Thailand, Vietnam and the Philippines – Action plan



## 3.3 Country plans – Building for the future

### Myanmar

<b>Economy and society</b>	<ul style="list-style-type: none"> <li>• Considered a frontier market</li> <li>• Very high forecast GDP growth</li> <li>• Since the inauguration of a civilian government in 2011, significant steps have been taken towards political reform, with the release of hundreds of political prisoners and new laws that provide for greater freedom of expression and assembly, labour rights and political participation<sup>93</sup></li> </ul>
<b>Doing business environment</b>	<ul style="list-style-type: none"> <li>• Ranks in the bottom 10 countries for ease of doing business, and is not currently considered a stable business environment by Austrade. President Thein Sein has introduced reforms to improve Myanmar's business climate and provide more favourable conditions for foreign businesses entering the market. A number of laws and regulations, including Myanmar's Foreign Investment Law and mining legislation, are under revision</li> </ul>
<b>Trade openness</b>	<ul style="list-style-type: none"> <li>• The Commonwealth Government is facilitating trade and investment links with Myanmar and opened an Austrade office in Yangon in 2013. Australia has lifted most of its restrictions on engagement with Myanmar, including travel and financial restrictions, but continues to maintain an arms embargo. Australian investment in Myanmar is set to grow with ANZ Bank<sup>94</sup> receiving one of the recently granted nine foreign banking licences. Woodside<sup>95</sup> is a leading acreage holder in offshore Myanmar</li> <li>• Party to AANZFTA and involvement with WTO</li> </ul>
<b>Government focus</b>	<ul style="list-style-type: none"> <li>• The new government has implemented major reforms to boost economic growth, including the floating of the Kyat in April 2012</li> <li>• Other policies have been implemented to improve monetary and fiscal management while facilitating trade and FDI and removing structural impediments to growth. This has included establishing physical and social infrastructure, building legal and institutional frameworks, and developing banking and financial sectors</li> </ul>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Lack of transparency, restrictive regulations, limited legal recourse and remaining Western sanctions</li> </ul>
<b>Relationship with Australia 2013-14<sup>96</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to Myanmar: \$140 million</li> <li>• Five-year average annual export growth: 21.2%</li> <li>• Top merchandise exports: wheat (\$97 million); manufactures of base metal (\$10.3 million)</li> <li>• Service exports to Myanmar: no data</li> <li>• Merchandise imports from Myanmar: \$23.2 million</li> <li>• Five-year average annual import growth: not available*</li> <li>• Top merchandise imports: crustaceans (\$8.4 million); fish (\$4.1 million)</li> <li>• Service imports from Myanmar: no data</li> <li>• Australia's investment into Myanmar: nil; Myanmar's investment into Australia: nil (2013 calendar year)</li> <li>• Number of tourists: no data</li> <li>• Students enrolled in 2014 calendar year: 1,052</li> <li>• As at the 2011 Census – 21,760 people of Myanmar ancestry were living in Australia</li> </ul>
<b>Relationship with South Australia 2013-14<sup>97</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to Myanmar: \$5.7 million</li> <li>• Five-year average annual export growth: 1.5%</li> <li>• Top merchandise exports: wheat (\$5 million)</li> <li>• Merchandise imports from Myanmar: \$0.4 million</li> <li>• Five-year average annual import growth: not available*</li> <li>• Top merchandise imports: crustaceans (\$0.4 million)</li> <li>• Number of tourists: no data</li> <li>• Students enrolled in 2014 calendar year: 19</li> <li>• As at the 2011 Census – 723 people of Myanmar ancestry were living in South Australia</li> </ul>

Note: Five-year average annual growth is calculated from 2008-09 for all country plans.

\* Data not available for entire period

93 Australian Department of Foreign Affairs and Trade, *Myanmar country brief*, 2014.

94 The Australian Newspaper, *ANZ get banking licence for Myanmar*, October 2014, <http://www.theaustralian.com.au/news/latest-news/anz-get-banking-licence-for-myanmar/story-fn3dxity-1227076802564>

95 Woodside, 2015, <http://www.woodside.com.au/Our-Business/International/Pages/default.aspx>

96 ABS Cat No 5368.0; ABS Census 2011; ABS Cat No 5352.0 – International Investment Position, Australia 2013; Australian Education International, Feb 2015 data release; and unpublished data.

97 *Ibid.*



## Opportunity for engagement

Myanmar is the largest country in mainland South-East Asia by area. Located between China, India and Thailand, Myanmar lies in the area of dynamic political and economic development. Its ethnically diverse population is estimated at around 54 million. Despite its size and strategic location, it is one of the poorest countries in the region, with about one quarter of its population estimated to be living in poverty.<sup>98</sup>

Following the election of President Thein Sein in April 2011 the economy has changed rapidly, with the new government implementing a number of major reforms in an attempt to boost economic growth. As Myanmar embarks on the process of economic development, significant investment is expected to occur in resources, infrastructure and agriculture.

Australia and South Australia could support Myanmar's further development through:

- capacity-building including governance
- education and training
- modernising the agriculture sector, including the provision of services and technology
- development of its oil and gas and mining sectors, including the provision of services and technology
- investment in sectors including tourism, infrastructure, and telecommunications and associated services and technology.

## Immediate focus for South Australia's engagement

South Australia's engagement with Myanmar has been limited, but there is significant scope to build new cultural, social and commercial relationships.

The Country Plan reflects the focus for broader engagement with Myanmar over the next 10 years, including the actions that could be pursued.

The immediate focus for engagement with Myanmar will be to leverage cultural events and government diplomacy to develop closer links, and to explore business opportunities associated with capacity-building programs, particularly in education, health, and tourism. In addition, niche commercial opportunities may be explored, including investment in oil and gas and mining sectors and demand for associated services and technology.

Australia has just concluded an air services agreement with Myanmar, primarily around code sharing. Beef and lamb exports are expected to increase in line with tourism growth and further clarity about Myanmar's meat import procedures. It is anticipated that restrictions on importing wine will be eased in mid-2015. Growth in tourism is likely to create opportunities for South Australian wine exporters.

Myanmar has a significant challenge to raise its agricultural productivity, increase investment in machinery and capital goods, and improve transport and storage infrastructure. South Australia's expertise across the agricultural supply chain lends itself to a range of capacity building and commercial opportunities. Donor funded projects through the Asian Development Bank and World Bank, and Australian economic diplomacy initiatives, provide commercial engagement opportunities in these sectors. The OECD estimates that the total official development flows to Myanmar in 2013 were US\$4.14 billion.<sup>99</sup>

<sup>98</sup> Australian Department of Foreign Affairs and Trade, *Myanmar country brief*, 2014

<sup>99</sup> Organisation for Economic Cooperation and Development (OECD), OECD Stat. Extracts Database, *Total official development flows by country and region (ODF)*, 2013

# Brunei Darussalam

<b>Economy and society</b>	<ul style="list-style-type: none"> <li>• Brunei Darussalam is classified as a high-income country</li> <li>• The Brunei Government is working towards diversifying the economy from heavy dependence on oil and gas, by promoting private non-energy sector development and attracting more non-oil and gas related investment<sup>100</sup></li> <li>• It is the 10<sup>th</sup> largest economy in South East Asia, with projected average annual growth of 4.4% over the next five years<sup>101</sup></li> <li>• Second highest GDP per capita in South East Asia</li> <li>• The country is rich in natural resources such as oil and gas but is heavily dependent on imports for many goods and services</li> <li>• Population of 417,000</li> </ul>
<b>Doing business environment</b>	<ul style="list-style-type: none"> <li>• Brunei ranks below average on its ease of doing business, with a ranking of 101 among 189 countries surveyed. Starting a business and enforcing contracts can be particularly challenging. However the country has implemented reforms to improve the tax structure and construction regulation<sup>102</sup></li> <li>• English is widely used in commerce, education and government</li> </ul>
<b>Trade openness</b>	<ul style="list-style-type: none"> <li>• Party to AANZFTA and involvement with WTO</li> <li>• Brunei's small population and dependence on external markets has encouraged economic openness</li> </ul>
<b>Government focus</b>	<ul style="list-style-type: none"> <li>• In 2008 the Brunei Government released its Vision 2035 (Wawasan 2035), which sets out an economic diversification strategy and targets an annual growth rate of 6% over the life of the vision. The areas of focus are:             <ul style="list-style-type: none"> <li>- education</li> <li>- economic</li> <li>- security</li> <li>- institutional development</li> <li>- local business development</li> <li>- infrastructure development</li> <li>- social security</li> <li>- environment<sup>103</sup></li> </ul> </li> </ul>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Dependence on external markets and trade; dependence on foreign labour; the need to raise productivity</li> </ul>
<b>Relationship with Australia 2013-14<sup>104</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to Brunei: \$40 million</li> <li>• Five-year average annual export growth: 3.4%</li> <li>• Top merchandise exports: meat (excluding beef) (\$5 million)</li> <li>• Service exports to Brunei: \$44 million</li> <li>• Merchandise imports from Brunei: \$735 million</li> <li>• Five-year average annual import growth: -6.4%</li> <li>• Top merchandise imports: petroleum (\$733 million)</li> <li>• Service imports from Brunei: \$73 million</li> <li>• Australia's investment into Brunei: np; Brunei's investment into Australia: np (2013 calendar year)</li> <li>• Number of tourists: no data</li> <li>• Students enrolled in 2014 calendar year: 367</li> <li>• As at the 2011 Census – 2,626 people of Brunei ancestry were living in Australia</li> </ul>
<b>Relationship with South Australia 2013-14<sup>105</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to Brunei: \$0.45 million</li> <li>• Five-year average annual export growth: -29.1%</li> <li>• Top merchandise exports: cheese (\$0.18 million)</li> <li>• Merchandise imports from Brunei: \$0.04 million</li> <li>• Five-year average annual import growth: not available*</li> <li>• Top merchandise imports: rubber tyres (\$0.04 million)</li> <li>• Number of tourists: no data</li> <li>• Students enrolled in 2014 calendar year: 10</li> <li>• As at the 2011 Census – 123 people of Brunei ancestry were living in South Australia</li> </ul>

Note: Five-year average annual growth is calculated from 2008-09 for all country plans.

\* Data not available for entire period

Np – data not published

100 Australian Department of Foreign Affairs and Trade, *Brunei Darussalam country brief*, 2014

101 International Monetary Fund, World Economic Outlook Database, October 2014

102 World Bank Group, *Ease of Doing Business Report*, June 2014

103 The Brunei Government Economic Development Board – The Prime Minister's Office, 2015, [http://www.bedb.com.bn/why\\_wawasan2035.html](http://www.bedb.com.bn/why_wawasan2035.html)

104 ABS Cat No 5368.0; ABS Census 2011; ABS Cat No 5352.0 – International Investment Position, Australia 2013; Australian Education International, Feb 2015 data release; and unpublished data

105 *Ibid.*

A photograph of the Sultan Omar Ali Saifuddin Mosque in Brunei, featuring a large white building with a prominent golden dome and several minarets, situated on a waterfront with a reflection in the water.

**Sultan Omar Ali  
Saifuddin Mosque, Brunei**

### **Opportunity for engagement**

Brunei Darussalam is a small country with a population of 417,000. Its economy is highly dependent on oil and gas, and increasingly on liquefied natural gas (LNG). Brunei's other main industries are agriculture, fishing, textiles and construction; the government is attempting to diversify its economy.

Brunei imports about 80 per cent of its food products, and much of its consumer and industrial goods.<sup>106</sup>

Australia and South Australia could contribute to Brunei's development through:

- providing education and training
- supplying food and beverages for retail, food services and food processing
- providing agribusiness services and training
- providing oil and gas services, products and technology
- providing infrastructure services.

### **Immediate focus for South Australia's engagement**

South Australia's engagement with Brunei Darussalam has been limited, but there is significant scope to build new cultural, social and commercial relationships. These efforts could be assisted by working with South Australia's Brunei Darussalam community and the Australia Brunei Business Council (SA Chapter).

The Country Plan reflects South Australia's broad focus for engagement with Brunei over the next 10 years, outlining a range of actions that could be pursued.

The immediate focus for engagement with Brunei will be to leverage cultural events to develop closer links, and to explore business opportunities in niche areas including the supply of food and beverages, oil and gas services and agribusiness services and technology.

# Cambodia

<b>Economy and society</b>	<ul style="list-style-type: none"> <li>• Considered a frontier market</li> <li>• Very high forecast GDP growth and high growth in per capita income over the past 10 years, but from a low base</li> <li>• Predominantly an agriculture-based economy</li> <li>• It is believed to have significant mineral as well as offshore oil and gas deposits and the Cambodian Government is committed to developing this sector</li> <li>• Cambodia is a constitutional monarchy, with the most recent National Assembly elections taking place in 2013</li> <li>• Goods and services exports account for 65% of GDP</li> </ul>	
<b>Doing business environment</b>	<ul style="list-style-type: none"> <li>• English is the preferred second language, particularly among younger people</li> <li>• Ranks in the bottom third of countries for ease of doing business</li> <li>• Currently considered a moderately stable business environment by Austrade, however corruption remains a concern</li> </ul>	
<b>Trade openness</b>	<ul style="list-style-type: none"> <li>• Relatively open trading regime</li> <li>• Party to AANZFTA and involvement with WTO</li> <li>• Trade has been recognised as integral to the region's efforts to reduce poverty and expand economic growth. The current government is focused on deepening Cambodia's integration into regional and global markets</li> </ul>	
<b>Government focus</b>	<ul style="list-style-type: none"> <li>• The government has committed to the <i>National Strategic Development Plan 2014-2018</i>, which sets the goals of growth, employment, equity and efficiency, and of reaching the status of an upper-middle income country</li> <li>• Tourism is becoming an increasing focus. Other focus areas are:             <ul style="list-style-type: none"> <li>- Good governance and legal reform</li> <li>- Maintaining peace, political stability and social order</li> <li>- Promotion of the agricultural sector</li> <li>- Development of physical infrastructure</li> <li>- Private sector development and employment</li> <li>- Capacity building and human resource development<sup>107</sup></li> </ul> </li> </ul>	
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Reliance on development assistance to meet economic goals; significant poverty and inequality; legal system remains weak in some areas and application of law is inconsistent; infrastructure development; attracting foreign investment</li> </ul>	
<b>Relationship with Australia 2013-14<sup>108</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to Cambodia: \$34.7 million</li> <li>• Five-year average annual export growth: -3.9%</li> <li>• Top merchandise exports: wheat (\$13.4 million); cereal preparations (\$6.8 million)</li> <li>• Service exports to Cambodia: no data</li> <li>• Merchandise imports from Cambodia: \$100.6 million</li> <li>• Five-year average annual import growth: 39.7%</li> <li>• Top merchandise imports: clothing (\$82.5 million)</li> </ul>	<ul style="list-style-type: none"> <li>• Service imports from Cambodia: no data</li> <li>• Australia's investment into Cambodia: \$201 million; Cambodia's investment into Australia: \$47 million (2013 calendar year)</li> <li>• Number of tourists: no data</li> <li>• Students enrolled in 2014 calendar year: 1,212</li> <li>• As at the 2011 Census – 28,330 people of Cambodian ancestry were living in Australia</li> </ul>
<b>Relationship with South Australia 2013-14<sup>109</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to Cambodia: \$2.5 million</li> <li>• Five-year average annual export growth: -11.3%</li> <li>• Top merchandise exports: malt (\$1.8 million)</li> <li>• Merchandise imports from Cambodia: \$3.9 million</li> <li>• Five-year average annual import growth: 119.0%</li> </ul>	<ul style="list-style-type: none"> <li>• Top merchandise imports: clothing (\$2.3 million)</li> <li>• Number of tourists: no data</li> <li>• Students enrolled in 2014 calendar year: 69</li> <li>• As at the 2011 Census – 2,784 people of Cambodian ancestry were living in South Australia</li> </ul>

Note: Five-year average annual growth is calculated from 2008-09 for all country plans.

107 Cambodia Government Ministry of Planning, 2014, <http://www.mop.gov.kh/Home/NSDP/NSDP20142018/tabid/216/Default.aspx>

108 ABS Cat No 5368.0; ABS Census 2011; ABS Cat No 5352.0 – International Investment Position, Australia 2013; Australian Education International, Feb 2015 data release; and unpublished data.

109 *Ibid.*

A photograph of an Apsara dancer in Cambodia, wearing a traditional golden headdress and jewelry, with a white flower in her hair. The image is partially obscured by a white diagonal shape.

**Apsara dancer,  
Cambodia**

### **Opportunity for engagement**

Cambodia's economy is growing rapidly and Australia's development assistance and trade has played a direct role in the country's economic expansion.

Cambodia's development could be further assisted by Australia and South Australia in relation to:

- capacity-building including governance
- education and training
- expanding the mining sector
- modernising the agriculture sector.

### **Immediate focus for South Australia's engagement**

South Australia's engagement with Cambodia has been limited, but there is significant scope to build new cultural, social and commercial relationships. These efforts can be assisted by working with South Australia's Cambodian community and students.

The Country Plan reflects South Australia's broader focus for engagement with Cambodia over the next 10 years, and actions that could be pursued.

The immediate focus for engagement with Cambodia will be to leverage cultural events to develop closer links, and to explore business opportunities associated with capacity-building programs in tourism, agriculture and health.

Development activities supported by the Commonwealth Government through its economic diplomacy initiatives, along with Asian Development Bank and World Bank projects, provide opportunities for South Australian businesses. The OECD estimates that total official development flows to Cambodia in 2013 were US\$891 million.<sup>110</sup>

110 Organisation for Economic Cooperation and Development (OECD), OECD Stat. Extracts Database, *Total official development flows by country and region (ODF)*, 2013.

### Laos

<b>Economy and society</b>	<ul style="list-style-type: none"> <li>• Considered a frontier market</li> <li>• Very high GDP growth</li> <li>• GDP per capita below the regional average, however urban areas are growing and the standard of living is rising</li> <li>• Above-average political stability for the region</li> <li>• Rich in mineral resources, particularly copper, gold and silver</li> <li>• The resource sector (mining and hydropower) and related services account for more than half of total investment and exports</li> <li>• While Laos is a command-economy state, in 1991 the National Assembly legally adopted a market- economy approach<sup>111</sup></li> </ul>
<b>Doing business environment</b>	<ul style="list-style-type: none"> <li>• Laos remains a relatively difficult environment in which to do business, but the government aims to address this through recent fiscal reforms relating to reducing corporate income tax and increased protection for investors<sup>112</sup></li> <li>• A Law on the Promotion of Investment approved in 2009 is delivering some benefits to foreign investors by facilitating, standardising and streamlining application processes, although its implementation is not always comprehensive<sup>113</sup></li> <li>• The country's private sector is continuing to develop and ongoing legal reform is providing greater protection for foreign and domestic investment</li> <li>• Among the younger generations, English is now the second most common language</li> </ul>
<b>Trade openness</b>	<ul style="list-style-type: none"> <li>• Increasingly open to regional and international trade</li> <li>• The government has promoted gradual economic liberalisation through its <i>New Economic Mechanism</i>, moving from a centrally planned economy to a more market-oriented system<sup>114</sup></li> <li>• Party to AANZFTA and involvement with WTO</li> </ul>
<b>Government focus</b>	<ul style="list-style-type: none"> <li>• Laos is achieving strong growth, particularly in urban areas, driven by a wide-ranging reform agenda, demand for its natural resources and its transition to a market economy</li> <li>• The government has implemented <i>The Seventh Five-year National Socio Economic Development Plan (2011-2015)</i>, which aims for an average economic growth of 7.5% a year. Key priority areas are: <ul style="list-style-type: none"> <li>- rural development, poverty reduction and alleviation from the 'least development' status</li> <li>- economic development through agriculture, energy and mining, finance and banking, and other sectors</li> <li>- social development through education, human resource development, justice, labour and social welfare, and gender equality, among other considerations<sup>115</sup></li> </ul> </li> </ul>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Reliance on development assistance to meet economic goals; limited infrastructure development is an inhibitor of rural growth; increasing government deficit and public debt; lack of government transparency; complex regulatory environment in trade and investment</li> </ul>
<b>Relationship with Australia 2013-14<sup>116</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to Laos: \$36.6 million</li> <li>• Five-year average annual export growth: 18.3%</li> <li>• Top merchandise exports: machinery and parts (\$4.6 million); taps and valves (\$3.8 million)</li> <li>• Service exports to Laos: no data</li> <li>• Merchandise imports from Laos: \$279 million</li> <li>• Five-year average annual import growth: not available*</li> <li>• Top merchandise imports: gold (\$25.8 million)</li> <li>• Service imports from Laos: no data</li> <li>• Australia's investment into Laos: np; Laos' investment into Australia: \$2 million (2013 calendar year)</li> <li>• Number of tourists: no data</li> <li>• Students enrolled in 2014 calendar year: 336</li> <li>• As at the 2011 Census – 9,932 people of Lao ancestry were living in Australia</li> </ul>
<b>Relationship with South Australia 2013-14<sup>117</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to Laos: \$1.3 million</li> <li>• Five-year average annual export growth: -3.7%</li> <li>• Top merchandise exports: machinery (\$0.3 million)</li> <li>• Merchandise imports from Laos: \$0.001 million</li> <li>• Five-year average annual import growth: -22.8%</li> <li>• Top merchandise imports: tools (\$0.001 million)</li> <li>• Number of tourists: no data</li> <li>• Students enrolled in 2014 calendar year: 13</li> <li>• As at the 2011 Census – 441 people of Lao ancestry were living in South Australia</li> </ul>

Note: Five-year average annual growth is calculated from 2008-09 for all country plans.

\* Data not available for entire period

Np – data not published

111 Australian Department of Foreign Affairs and Trade, *Laos country brief*, 2014.

112 World Bank Group, *Ease of Doing Business Report*, June 2014.

113 Australian Department of Foreign Affairs and Trade, *Laos country brief*, 2014.

114 *Ibid.*

115 Government of the People's Democratic Republic of Lao – Ministry of Planning and Investment, 2011, <http://www.wpro.who.int/countries/lao/LAO20112015.pdf>

116 ABS Cat No 5368.0; ABS Census 2011; ABS Cat No 5352.0 – International Investment Position, Australia 2013; Australian Education International, Feb 2015 data release; and unpublished data.

117 *Ibid.*

A photograph of the Patuxai (Victory Gate) in Vientiane, Laos. The gate is a large, ornate structure with multiple tiers and arches, featuring intricate carvings and a central archway. It is surrounded by palm trees and a paved walkway. The sky is blue with some clouds.

**Patuxai (Victory Gate),  
Vientiane, Laos**

### **Opportunity for engagement**

Laos' economy is growing rapidly and, as with its Cambodian neighbour, Australia's economic diplomacy has played a direct role in the country's economic growth through development assistance and trade.

Areas identified for Australia's and South Australia's involvement are:

- capacity-building including governance
- education and training
- expanding the mining sector
- modernising the agriculture sector.

### **Immediate focus for South Australia's engagement**

South Australia's engagement with Laos has been limited, but there is significant opportunity to build new cultural, social and commercial relationships. Efforts may be assisted and reinforced by working with South Australia's Laos community and students.

The Country Plan reflects the focus for broader engagement with Laos over the 10-year time frame of the Strategy, outlining actions that could be pursued.

The immediate focus for engagement with Laos will be to leverage cultural events to develop closer links, and to explore business opportunities associated with capacity-building programs. Australia is a large donor to Laos and initiatives undertaken to boost engagement should align to the Australia-Laos Development Cooperation Strategy as well as to Laos' own development goals.

Donor funded projects – such as those funded by the Asian Development Bank and World Bank in education, health, agriculture and infrastructure development – offer the main commercial opportunities in Laos. The OECD estimates that the total official development flows to Laos in 2013 were US\$421 million.<sup>118</sup>

118 Organisation for Economic Cooperation and Development (OECD), OECD Stat. Extracts Database, *Total official development flows by country and region (ODF)*, 2013.

# Timor-Leste

<b>Economy and society</b>	<ul style="list-style-type: none"> <li>• Considered a frontier market</li> <li>• High forecast GDP growth</li> <li>• While the economy is heavily dependent on petroleum, most of the population is employed in agriculture</li> <li>• Timor-Leste achieved formal independence on 20 May 2002</li> </ul>
<b>Doing business environment</b>	<ul style="list-style-type: none"> <li>• Ranks in the bottom 20 countries for ease of doing business and ranks below average for the region in terms of political stability, although this is improving each year. Recent improvements to the process for registering businesses in Timor-Leste have helped</li> <li>• Important commercial legislation passed by Parliament includes an investment law, commercial registry and tax legislation. Legislation relating to land ownership is before Parliament.<sup>119</sup> Foreign land ownership is not yet recognised</li> </ul>
<b>Trade openness</b>	<ul style="list-style-type: none"> <li>• Timor-Leste has had preferential duty-free access and quota-free access to the Australian market since July 2003<sup>120</sup></li> <li>• Timor-Leste is not part of ASEAN</li> <li>• Timor-Leste has not applied to accede to the WTO</li> </ul>
<b>Government focus</b>	<ul style="list-style-type: none"> <li>• The government's <i>Strategic Development Plan for 2011–2030</i> seeks to transition to middle-income status and achieve increased economic and social development<sup>121</sup></li> <li>• Through this vision the government is focused on four pillars: social capital (health, education and social protection), infrastructure, economic foundations (agriculture, tourism and petrochemicals), and macroeconomic management, including the improvement of government effectiveness<sup>122</sup></li> </ul>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Infrastructure development requirements; limited legal recourse and the need for further strengthening of legal and judicial frameworks; high rural poverty; heavy dependence on imports; the need for increased agricultural productivity</li> </ul>
<b>Relationship with Australia 2013-14<sup>123</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to Timor-Leste: \$28.4 million</li> <li>• Five-year average annual export growth: -7.4%</li> <li>• Top merchandise exports: mixed transport goods (\$4.4 million); parts for aircraft (\$4.1 million)</li> <li>• Service exports to Timor-Leste: no data</li> <li>• Merchandise imports from Timor-Leste: \$1.3 million</li> <li>• Five-year average annual import growth: not available*</li> <li>• Top merchandise imports: coffee (\$0.76 million); transport containers (\$0.36 million)</li> <li>• Service imports from Timor-Leste: no data</li> <li>• Australia's investment into Timor-Leste: np; Timor-Leste's investment into Australia: nil (2013 calendar year)</li> <li>• Number of tourists: no data</li> <li>• Students enrolled in 2014 calendar year: 203</li> <li>• As at the 2011 Census – 9,225 people of Timor-Leste ancestry were living in Australia</li> </ul>
<b>Relationship with South Australia 2013-14<sup>124</sup></b>	<ul style="list-style-type: none"> <li>• Merchandise exports to Timor-Leste \$0.34 million</li> <li>• Five-year average annual export growth: -18.2%</li> <li>• Top merchandise exports: metal furniture (\$0.15 million)</li> <li>• Merchandise imports from Timor-Leste: no imports</li> <li>• Five-year average annual import growth: no imports</li> <li>• Top merchandise imports: no imports</li> <li>• Number of tourists: no data</li> <li>• Students enrolled in 2014 calendar year: 48</li> <li>• As at the 2011 Census – 131 people of Timor-Leste ancestry were living in South Australia</li> </ul>

Note: Five-year average annual growth is calculated from 2008-09 for all country plans.

\* Data not available for entire period

Np – data not published

119 At March 2015.

120 Australian Department of Foreign Affairs and Trade, *Timor-Leste country brief*, 2014.

121 Government of Timor-Leste, 2011, <http://timor-leste.gov.tl/wp-content/uploads/2011/07/Timor-Leste-Strategic-Plan-2011-20301.pdf>

122 World Bank Timor-Leste Overview, 2014.

123 ABS Cat No 5368.0; ABS Census 2011; ABS Cat No 5352.0 – International Investment Position, Australia 2013; Australian Education International, Feb 2015 data release; and unpublished data.

124 *Ibid.*



**Beach, Timor-Leste**

### **Opportunity for engagement**

While Timor-Leste has made significant progress since independence it continues to be one of the poorest countries in the region and will require substantial assistance from the international community for some time.

Australia's development assistance has played a direct role in the country's development path, and this will continue.

Timor-Leste's development could be facilitated through Australian and South Australian business and institutional involvement with:

- capacity and institution-building, including governance, legislation and public administration
- education and training
- enhancing the livelihoods of the rural poor, including through providing clean water
- modernising the agriculture sector, including the provision of services and technology
- investment in rural infrastructure
- strengthening the health system.

### **Immediate focus for South Australia's engagement**

South Australia's engagement with Timor-Leste has been mainly based on capacity-building activity, but there is significant scope to build new cultural, social and commercial relationships.

The immediate focus for engagement with Timor-Leste will be to leverage existing government links and cultural events to develop closer relationships, and to explore business opportunities associated with capacity-building programs, particularly in education and skill development, health care and agriculture. Donor-funded projects through the Asian Development Bank and World Bank, and Australian economic diplomacy initiatives, provide commercial engagement opportunities in these sectors. The OECD estimates that the total official development flows to Timor-Leste in 2013 were US\$263 million.<sup>125</sup>

125 Organisation for Economic Cooperation and Development (OECD), OECD Stat. Extracts Database, *Total official development flows by country and region (ODF)*, 2013.

# Engagement with Myanmar, Brunei, Cambodia, Laos, and Timor Leste – Action plan





# 4. Implementing the Strategy and measuring results

## **A whole-of-State Strategy**

South Australia's goal for engagement with South East Asia is to build resilient, mutually beneficial partnerships that go beyond commercial relationships. These will be developed through government diplomacy, business, academia, the media, tourism, research and capacity development, volunteering, arts and sporting activities.

In line with this goal, this Strategy outlines a vision for the State's engagement with the region and the actions necessary to achieve it.

The success of the Strategy will require broadening, aligning, connecting and leveraging the activities of diverse stakeholders.

In particular the Strategy calls for:

- the South Australian Government to:
  - provide leadership in promoting the vision – mobilising, aligning and connecting activities across all sections of society
  - support partnerships with the region through diplomatic channels, raising South Australia's profile in the region and actively supporting business initiatives relevant to industry stakeholders
  - align its resources and programs with tangible opportunities in the South East Asian region, providing clear direction about priorities to responsible agencies, and leveraging relevant Commonwealth Government programs and initiatives
  - align economic, social and cultural engagement initiatives as appropriate, fostering connections between stakeholders to maximise impact
  - actively promote the importance of engagement with South East Asia across the broader South Australian community
- country business chambers to:
  - work actively with their members and the State Government to pursue commercial opportunities in the region, using their in-country knowledge, connections and cultural understanding
- industry associations to:
  - work with the South Australian Government and their members to explore commercial synergies in the region, and support businesses to enter the market
- businesses to:
  - consider the opportunities identified in the Strategy and participate in relevant government, chamber and industry initiatives
- arts, cultural, sporting, education and research institutions to:
  - engage with the State Government and each other to promote South Australia in the region and the region in South Australia, and connect people and institutions in line with the directions envisaged in the Strategy
- community groups to:
  - promote the Strategy within their communities and encourage participation through business, cultural and sporting initiatives, study tours and exchanges.

## **Implementation framework**

The South Australian Government will put in place arrangements to support implementation of the Strategy: provide a mechanism for its ongoing oversight, evaluation and review: and allocate appropriate resources for its delivery.

### **South East Asia Strategic Adviser**

A South East Asia Strategic Adviser will be appointed to work with the Government and the business community to expand the relationship between South Australia and South East Asia through activities identified in the Strategy.

### **Advisory Council**

An advisory body comprising government, industry and community leaders will be established and oversee Strategy implementation, delivery, review and refinement. Membership will include the South East Asia Strategic Adviser and other key stakeholders.

### **South East Asia Team**

A dedicated South East Asia team of two officers, including a director, will be established within the Department of State Development. This team will have primary responsibility for implementation of the Strategy.

The team will work closely with the State and Commonwealth Governments and non-government stakeholders to progress strategic goals.

### **South Australian Government in-country representation**

The South East Asia Team's efforts will be supported by in-country representatives. In-country representation will be focused where strong economic, social and cultural opportunities for closer engagement already exist, as outlined in this Strategy.

The international representation proposal involves embedding South Australian officers in Austrade's offices in Malaysia, Singapore and Indonesia.

### **Diplomatic engagement**

The South Australian Governor, His Excellency the Honourable Hieu Van Le, and Ms Grace Portolesi, chair of the South Australian Multicultural and Ethnic Affairs Commission, will support the delivery of the Strategy.

## **Measuring success**

It is important that the success of the Strategy and its initiatives can be measured against targets relevant to the strategic goals.

Key performance indicators and targets will be developed for major state-funded initiatives. Performance indicators will also be established to evaluate the Government's effectiveness in mobilising, aligning and leveraging non-government initiatives towards the Strategy's vision. Evaluation will reflect the nature and maturity of initiatives and their sector and country focus.

The Country Action Plans will be reviewed and updated regularly in consultation with key stakeholders. Plans will outline the success of existing initiatives, shape activity for the year ahead, assess longer-term opportunities for engagement, and initiate activities and programs.

A report on state-wide social and cultural engagement with South East Asia will be developed and updated on an annual basis.

The advisory council, industry, community and Government together will play a key role in maintaining momentum and benchmarking performance against projected delivery timelines.

# Stakeholders consulted in Strategy development

Adelaide Airport Limited  
Adelaide Convention Bureau  
Adelaide Convention Centre  
Adelaide Festival Centre  
Adelaide Hills, Fleurieu and Kangaroo Island Regional Development Association  
Almond Board of Australia  
ASEAN Alliance of South Australia  
Austrade  
Australia Indonesia Business Council SA  
Australian Industry Group  
Australia Malaysia Business Council SA  
Australia Singapore Business Council SA  
Australian Computer Society  
Australian Finfish Farmers Association  
Australian Grape and Wine Authority  
Australian Indonesian Association of South Australia  
Australian Industry Group South Australian Branch  
Australian Medical Association  
Australian Southern Bluefin Tuna Industry Association  
Australian Tourism Export Council  
Barossa Grape & Wine Association Incorporated  
Barossa Regional Development Association  
Bio Innovation SA  
Bookpurnong Frutis  
Business SA  
Cargill  
Carnegie Mellon University Australia  
Catholic Education SA  
Consulate of Malaysia  
Consulate of the Democratic Republic of Timor-Leste  
Consulate of the Republic of Indonesia  
Consulate-General of the Philippines  
Council for International Trade and Commerce SA  
Cowell Area School  
Department of Foreign Affairs and Trade  
Defence Teaming Centre  
District Council of Grant  
Education Adelaide  
Embassy of Brunei Darussalam  
Embassy of the Lao People's Democratic Republic  
Embassy of the Union of Myanmar  
Embassy of the Philippines  
Embassy of the Republic of Indonesia  
Embassy of the Socialist Republic of Vietnam  
Embassy of Thailand  
Royal Embassy of Cambodia  
Flinders Ranges Premium Grain

Flinders University  
Food SA  
Goin' Off Safaris  
Grain Producers SA  
Green Triangle Forrest Products  
Horse SA  
High Commission of Singapore  
High Commission of Malaysia  
Inspire Real Estate  
Island Pure  
Kangaroo Island Food and Wine  
Kangaroo Island Futures Authority  
Kangaroo Island pure grain  
LH Martin Institute for Tertiary Education Leadership and Management  
Local Government Association of South Australia  
Mallee Estate Wines  
Port Pirie Regional Council  
Media Resource Centre  
Mount Gambier Regional Centre  
Multicultural Communities Council of SA Inc.  
Nippys  
Port Lincoln Council  
Potatoes SA  
Primary Producers SA  
Pristine Oysters  
Regional Development Australia Limestone Coast  
Regional Development Australia Murraylands  
Regional Development Australia Riverland Inc.  
Regions SA  
Renmark Paringa Council  
SA Chamber of Mines and Energy  
SA Oyster Growers Association  
SA Seed Marketers  
SA Tourism Industry Council  
SBT Association  
South Australian Freight Council  
South Australian Health & Medical Research Institute  
South Australian Rock Lobster Advisory Council Inc.  
South Australian Wine Industry Association  
South East LGA  
Southern Waters Marine Products Pty Ltd  
TAFE SA  
Thailand South Australia Business Council  
Tony's Tuna  
Twin Rocks Enterprises  
University of Adelaide  
University of South Australia  
Upper Spencer Gulf Common Purpose Group  
Water Industry Alliance  
Wattle Range Council  
Wine Australia  
Woolnook Fruits

# Economic Priorities for South Australia

- 1.** Unlocking the full potential of South Australia's resources, energy and renewable assets
- 2.** Premium food and wine produced in our clean environment and exported to the world
- 3.** A globally recognised leader in health research, ageing and related services and products
- 4.** The Knowledge State – attracting a diverse student body and commercialising our research
- 5.** South Australia – a growing destination choice for international and domestic travellers
- 6.** Growth through innovation
- 7.** South Australia – the best place to do business
- 8.** Adelaide, the heart of the vibrant State
- 9.** Promoting South Australia's international connections and engagement
- 10.** South Australia's small businesses have access to capital and global markets

**“I encourage all South Australians with an interest in the ongoing advancement of our State to work with us to build a mutually beneficial, comprehensive engagement with the countries of South East Asia.”**

Jay Weatherill  
Premier of South Australia

Adelaide Convention Centre  
(artist's impression)



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**Government of  
South Australia**