

**REMARKS BY AUSTRALIAN HIGH COMMISSIONER  
HE ROD SMITH PSM  
MABC GALA DINNER, 2 OCTOBER 2015**

2015 is a significant year for the bilateral relationship, as we celebrate the 60<sup>th</sup> anniversary of Australia's diplomatic presence in Kuala Lumpur

Our first Commission was opened in Jalan Ampang in 1955 – evidence that even before the independence of the Federation of Malaya two years later, Australia saw this as a country that mattered to our interests

Later this year we'll publish a commemorative 60<sup>th</sup> anniversary book tracing some of the history of the relationship. It has some interesting insights into our early trading and business history.

The state of Victoria showed it was a trailblazer even in 1906 when it appointed Australia's first trade representative to Southeast Asia, James Sinclair. Sinclair was based in Singapore and his early efforts saw Malaya become over the next few decades a significant supplier of tin and rubber, which were important inputs to Australia's young industrialising economy.

Australian mining expertise and innovation then played a role in the development of the Malayan tin industry. Consolidated Tin Dredging was a big player in the early 1900s and ultimately grew into the company we know today as CSR.

But in 1955 when we established our first diplomatic mission, trade was still pretty modest – Australian exports amounted to around £9m (equivalent to about \$300m or RM900m today), while Malayan exports were worth almost double that at over £16m.

Fast forward sixty years to 2015, and much has changed. Malaysia has just overtaken Thailand to become Australia's eighth largest trading partner, with two way trade of over \$20bn – RM60bn – and on a strong upwards trajectory. Australian exports grew by 10 percent over the previous year, while Malaysian exports grew by sixteen percent.

One thing that hasn't changed is that Malaysia continues to enjoy a significant merchandise trade surplus with Australia. We should all take that as a challenge.

Behind the raw trade figures, there's a much richer story to tell, one of real business dynamism.

Bulk commodity exports will always be a feature of trade between us, as will – or so we hope – the high volume services exports of education, travel and tourism.

But it is very much an evolving picture. In education, the big growth sector is vocational education and training, as we look to match Australia's strengths in this area with demand driven by Malaysia's focus on upskilling its workforce.

And increasingly Australian and Malaysian businesses are moving beyond the traditional model of buying and selling goods and services across borders – to strategic partnerships,

investments and other forms of collaboration that leverage the synergies and complementarities of our two economies not just to do business in our two markets but to position themselves to link in to regional and global value chains.

Last night I had the pleasure of attending the opening of the new KL office of Kirk Architects, an award-winning Brisbane-based architecture and urban design firm. Kirk has been doing business in Malaysia for a few years now, and is setting up in KL to pursue opportunities here and across the region, bringing Australian expertise and innovation and working collaboratively with Australian, Malaysian, Singaporean, Filipino and other partners.

As I said at the opening last night, this is emblematic of the changing character – the growing sophistication – of business engagement between Australia and Malaysia. Businesses are reaching across borders to tap into expertise, find partners and pursue opportunities to maximise shareholder value.

There are other examples: Ramsay-Sime Darby's joint venture to build and run hospitals and aged care facilities in Malaysia, China and elsewhere; Cell Therapies, commercialising cutting-edge medical science developed at the Peter Mac cancer centre in Melbourne, manufacturing in KL to bring cancer therapies closer to patients in Southeast Asia. SapuraKencana is building Australian-designed underwater ROVs in Perth to service the oil and gas exploration industry worldwide.

This kind of innovation in business is the way of the future.

As the ASEAN Economic Community takes shape, as barriers to trade, investment and mobility come down and as economies across this region develop, the opportunities will be enormous. And business will be a critical engine of that economic development.

The TPP – which we hope will be finalised in the next couple of days – along with the RCEP – which we aim to conclude next year – should deliver significant new gains for businesses and generate substantial economic benefits in terms of growth, job creation and higher living standards.

Next year – we hope in March or April – we'll hold the next meeting of the Malaysia-Australia Joint Trade Committee. It will be an opportunity to build again on the gains of MAFTA, AANZFTA and the TPP and identify areas where further liberalization, facilitation and collaboration can drive more business growth.

As always, we look forward to working closely with MITI and with the MABC to prepare the ground for that meeting and ensure we get the most out of it – for you as businesses and for the benefit of both countries.

Let me conclude with a brief but very heartfelt expression of appreciation – to Leigh Howard, MABC President, and to all members of the MABC – for your support for the work of the High Commission over the last year.

As we celebrate our 60<sup>th</sup> anniversary, and as you look ahead to the 30<sup>th</sup> anniversary of the MABC next year, we can be sure that this partnership will continue for decades to come.

Thank you, and enjoy the evening.