

WESTERN AUSTRALIA'S EXPORT PERFORMANCE

893. Mr J.B. D'ORAZIO to the Premier:

Can the Premier provide the House with an update of Western Australia's export performance?

Dr G.I. GALLOP replied:

I am very pleased to report to the House that Western Australia is again leading the nation. The value of the State's exports grew by 4.4 per cent in the June quarter, and exports have grown by 7.2 per cent over 2002-03. This is the strongest performance of all Australian States, and is in stark contrast to the national performance, which saw a fall in exports of 4.7 per cent. Higher commodity prices in US terms, and a strong growth in export volumes have helped these good figures for Western Australia. These two factors are working against the adverse effect of the climbing value of the Australian dollar against other currencies.

I have just returned from a trip to China and South Korea where the strength of Western Australia was confirmed in meetings I had. A real desire was evident for China to build on our already strong relationship. In particular, a focus was given to Western Australian iron ore. China now accounts for 31 per cent of our iron ore exports, delivering \$1.6 billion in annual export income to Western Australia. The Chinese want more, which is a challenge for our Western Australian iron ore industry. China is experiencing rapid economic growth, and more steel mills are being established that will require our iron ore.

Another clear message from China and South Korea was the potential to further develop our lucrative gas resources in Western Australia. The Government is very pleased that the North West Shelf project won the Guangdong contract in China, and was successful in securing a contract with the Korea Gas Corporation - KOGAS - for 500 tonnes per annum. I was interested to meet major companies and government officials in China and to hear of their support for, and commitment to, development in Western Australia. For example, the China Petroleum and Chemical Corporation, or Sinopec, one of China's biggest oil explorers and refiners, indicated to me that it will bring a delegation to this State in a few weeks to examine joint developments with Western Australian companies with particular reference to oil. This is another example of the way in which Western Australia's relationship with China is developing real momentum. There is direct investment in the iron ore, nickel and gas industries, and investment will come forward in the dairy industry, which will be important for the future of the State. That investment, of course, means new jobs and opportunities for Western Australians.

We live in a very progressive and forward-looking State. It is a trading State that benchmarks itself by the international market and it succeeds in that international market. Since I have come to government, we have targeted the Middle East and we continue to work in Japan, South Korea and China to build new jobs and opportunities for Western Australians. We can all be very proud to say that we are Western Australians.