

# TradeWays

INTERNATIONAL OPPORTUNITIES FOR AUSTRALIAN BUSINESSES

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## From the Trade Desk

Welcome to our first TradeWays for 2008. As promised in our last edition, we are pleased to announce our new Diploma of International Business. This program has been developed and is accredited by the University of NSW, however is delivered by our own staff, who are deeply experienced in all areas of International Business.

Our electronic delivery of Certificates of Origin is now running successfully with companies using the service for documents to China, India and many South East Asian markets. We expect to have a web-based service available in March which will mean that all members can access this service without needing to buy additional software.

We look forward to working with you in developing your exports in 2008.

## News

### Update: Channel Deepening Project

As of June 2007, the port handled around 38% of Australia's container trade. To put this into perspective, that's more than the combined total for Adelaide, Brisbane and Fremantle, and around 25% more than Sydney. Currently, the port is handling around 2,150,000 TEUs. In 2007, the Port of Melbourne achieved a major milestone by setting a new Australian record as the first port in the country to handle more than two million containers in a 12 month period.

The Port of Melbourne (PoMC) is:

- Australia's largest container and general cargo port;
- Handles around \$75 billion of trade each year, that's \$142,000 every minute;
- On average, handles \$90 million worth of exports a day;
- Has links to over 300 markets worldwide.

The PoMC is proposing to deepen parts of existing shipping channels to enable the most efficient access for the world's growing fleet of larger cargo ships. Ships that carry 4200 containers can currently enter the bay but not at full capacity. At least 40% of container ships currently face potential draught limitations. Over the longer term, it is anticipated that ships carrying between 5000 and approximately 6000 containers will have access to Melbourne.

Access to the port is currently restricted to a maximum draught (depth) of 11.6m. The port will remove 23 million cubic metres from parts of existing shipping channels to enable access for ships of up to 14m draught in all tidal conditions. The Channel Deeping Project involves dredging from two distinct areas, south of the bay (South Channel) and north of the bay (Yarra River, Williamstown and Port Melbourne Channels). The project will also include works on navigational aids, berths, bank stabilisation and utilities.

Dredging works are scheduled for completion in late 2009. Although the start of the project has been delayed by significant opposition from the blue Wedges action group, which has succeeded in having the case heard in the Federal Court on 20 February. The pending court action had threatened to further delay the start of dredging, but Blue Wedges was unsuccessful in filing for a stay of proceedings. The court

instead ordered Blue Wedges and PoMC into mediation. The PoMC agreed to a revised schedule which will mean that it will concentrate dredging on a specific part of the South Channel, between markers 22 and 40, until the court hearing.

For more information on the project visit <http://www.channelproject.com>.

### **EDS Australia to trial single portal at Port of Melbourne**

Victorian ports minister Tim Pallas announced in mid January that the Port of Melbourne would trial new technology designed to increase cargo movement by integrating information from thousands of users into one online system. The Australian arm of the global IT firm EDS won a Department of Infrastructure 12-month contract that aims to eventually replicate the success of Spain's Port of Valencia, one of the first in the world to successfully integrate a port's supply chain into a single information portal. EDS will design, build and operate what will be known as the Electronic Documentation and Information Transfer System (eDIT). EDS Australian managing director Chris Mitchell said the Port of Valencia had improved the time to process a container by 50-60% in the last five years and provided savings across its port community. The 12-month pilot would involve about 10 different organisations, including the port authority, shipping and freight companies, as well as importers and exporters. The aim is to integrate their information and documentation in key areas such as berth booking, container status, trade directory, hazardous cargo and ship arrivals and departures. The system will enable participants to be the first to trial improved services to offer their customers, helping them to be more competitive, win cargo and earn customer loyalty by improving their processes.

### **Call for trade review and help for manufacturers with exports**

Australian manufacturers would have to tighten their belts this year in response to global uncertainty, as predicted by an Australian Industry Group survey. The survey of more than 500 manufacturers across all states conducted in late December 2007, found that while nominal sales were expected to repeat the robust performance of 2006/07, growth in volume terms would remain moderate. Nominal sales were expected to rise by 7.2% in 2008, marginally higher than the 6.9% rise in 2006/07. However, adjusting for goods price movements, sales volumes were expected to increase by a modest 2.7% just above the medium term average. In a statement released by Ai Group chief executive Heather Ridout; "There is an urgent need for the new Rudd Government to commence its review of trade policy and look to enhance supports for exporters". Mrs Ridout also stated that "with global financial markets experiencing substantial turbulence and continued talk about interest rate rises, manufacturers were wisely taking a cautious approach and building up a safety margin in case domestic demand conditions weaken. The belt tightening can be seen in the survey data which forecasts a slowing in the growth of capital expenditure and research and developments, and companies making greater use of imported goods and production inputs". To view the full forecast visit [http://pdf.aigroup.asn.au/publications/6557\\_Manuforecast.pdf](http://pdf.aigroup.asn.au/publications/6557_Manuforecast.pdf).

### **Step up to the right business course: Diploma of International Business (BSB52004)**

Doing the right business course is critical to your future success. Ai Group in association with NCLT and UNSW Global (The University of New South Wales) bring to you the Diploma of International Business (BSB52004) an executive model especially designed for busy executives and business people. The diploma has been designed specifically for those seeking an international career in business. Units have been written with a focus on the critically important fields of cultural awareness and intercultural communication. It is suitable for managers with an existing business background wishing to pursue an international career, for middle to senior managers seeking career advancement, for managers wishing to gain an understanding of the international marketplace and for managers seeking a career change. For more information contact Louise McGrath on 03 9867 0158 or email [louisem@aigroup.asn.au](mailto:louisem@aigroup.asn.au).

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### **Market in Focus – Iran**

#### Why Iran

- Iran is a significant regional economy with a large and fast-growing population;
- With GDP growth levels in the 5-7.5% range, a population of around 70 million and economic reformist momentum in the country, Iran clearly has significant long term potential as a trading partner;
- Like most other countries in the Gulf region, Iran has a large number of young people, with 70% of the population being under 30 years of age. It also has a well educated population;
- The potential size of the market is an attractive aspect of Iran. If its current growth levels are maintained there will be substantial opportunities for Australia.

Iran is an enormous country, seven times the size of the UK and twice the size of Turkey. Iran's population is estimated at around 70 million of which 12 million live in or around the capital, Tehran. Over 70% of the population are under 30 years of age.

Iran possesses approximately 9% of world oil reserves, ranking it 4<sup>th</sup> in the world. It is OPEC's second largest oil producer. It also has the world's second largest reserves of natural gas. Healthy oil revenues have helped and Parliament has begun to release some of the windfall receipts in a questionable effort to increase development and aid employment.

### **Principal commercial centres and towns**

Tehran: with a population approaching 12 million, it is the political, administrative and commercial capital. It has been greatly altered in recent years. Most of the principal businesses have their head or branch offices in the city, and a visit to the capital will usually enable adequate business contacts to be formed.

Tabriz: has long been the centre of the dried fruit industry. Factories produce tractors, diesel engines, leather, matches, textiles, machine tools, ball bearings, electric motors, forklift trucks, and compressors.

Isfahan (Esfahan): is the country's most interesting city from an artistic point of view, it is the main textile centre. Southwest of Isfahan, the country's first integrated steel mill came into operation in 1973. Isfahan is also the site of a large oil refinery, and chemical industry.

Mashhad: is the chief centre of population in Northeast Iran. It has its own textile and tanning industries and is the centre of a large fruit growing area. It is also an important centre of pilgrimage.

Abadan: is a port on the Shatt al Arab (known as the Arvand Roud in Persian), and was, before the outbreak of hostilities with Iraq, one of the world's leading oil-refining centres.

Shiraz: is a collecting centre for domestic produce and has industries producing fertilisers, sugar, electronics, textiles and plastics. Ahwaz is the capital of the oil-producing province of Khuzestan. It is the commercial and development centre of what is potentially one of the richest areas of Iran. It has steel rolling and fabrication, machine tool and paper industries.

Kerman: is a main centre of the mining industry.

Arak: is situated in the Zagros Mountains, 150 miles Southwest of Tehran, and is a developing centre of heavy industry. There is an aluminium smelter, and facilities for the production of boilers, transmission towers, cranes, and agricultural implements.

Bandar Abbas: became Iran's principal commercial port during the war with Iraq. Islamic Republic of Iran Shipping Lines operates a passenger ferry service to Sharjah.

### **Major Australian Exports 2006-07\* (A\$m):**

- Coal A\$57
- Passenger motor vehicles A\$27
- Manganese ore and concentrates A\$8
- Wool A\$8

*\*Includes A\$56m of confidential items, 28% of total exports.*

### **Major Australian Imports 2006-07 (A\$m):**

- Floor coverings A\$8
- Fruits and nuts, fresh or dried A\$8
- Construction materials A\$3
- Nitrogen-function compounds A\$2

### **Export Opportunities**

Opportunities for trade exist in a range of areas including: Oil, gas, refinery and petrochemicals; Mining & Energy; Agricultural technology (especially in post harvest technology); Power; Raw materials for building; Packaging; Automotive; Environment; Transportation (particularly railways); English language training; and Tourism training.

As incomes rise in Iran and the economy opens, the demand for higher quality health and education services is likely to grow.

Iran is keen to invest heavily in exploiting its enormous oil and gas reserves. Iran possesses almost 10% of the world's proven oil reserves, and close to 16% of the world's natural gas. Substantial investment is required to develop these resources.

Australia's strong track record in construction both at home and in the region also places it well to pursue major infrastructure projects as they arise in Iran.

High levels of regulation and reasonably restrictive investment conditions mean that efforts to invest or trade require a degree of effort and commitment that would not be needed in the more open economies such as UAE. Foreign investors in manufacturing are obliged to take a local partner. They then in turn receive a range of benefits mainly in the form of tax exemptions. A range of Japanese, South Korean and European firms have taken up these opportunities to locally produce cars, whitegoods and other manufactures. Iran is well placed to access the economies of the Caspian Sea states which include Armenia, Azerbaijan, Kazakhstan, Turkmenistan and Russia. Iran's reasonably developed transport infrastructure could facilitate trade with the region through Iran.

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#### **e-link**

The European Union is a dynamic player in international trade, and has lots of opportunities for exporters. It has even set up a Web site – Export Help Desk <http://export-help.cec.eu.int>, to help developing countries gain a foothold in trade with the EU. It is a free service, and it's worth a visit for all the useful information you will find here. There is information on qualifying for advantageous import tariffs, documentation guides, tax requirements, trade statistics, downloadable customs forms, trade leads, useful links and more. It is an easy-to-use site with valuable information.

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#### **Trade Missions**

Incoming Missions

##### **Fine Food Queensland**

9 – 11 March 2008

Fine Food Queensland is the largest food industry event in northern Australia. If you work in the retail, foodservice or hospitality industry, then you simply cannot afford to miss it. In 2008 it will feature over 300 exhibitors, a showcase of the best food and drink ideas from around the world and regional areas. The show runs alongside Hospitality Queensland, featuring the latest foodservice and hospitality equipment. For more information visit [http://www.foodqueensland.com.au/page/fine\\_food\\_queensland.html](http://www.foodqueensland.com.au/page/fine_food_queensland.html).

Outgoing Missions

##### **Aahar: Exhibition for Food, Food Processing, Hotel & Restaurant Equipment & Supplies New Delhi**

10 – 14 March 2008

A premier exhibition, Aahar has been recognised as one of the leading events of its kind in Asia. Encouraged by the overwhelming response of the highly successful annual series of Aahar exhibition in New Delhi, the India Trade Promotion Organisation (ITPO) will be presenting the 23<sup>rd</sup> edition of the event in Pragati Maidan New Delhi. The event showcases achievements and technological advancement of companies for a wide range of products and services related to all kinds of foods and processed foods internationally. For more information on the exhibition visit <http://www.aaharindia2008.com>.

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#### **VICTORIA - Upcoming Events**

[Ai Group Events](#)

[Bilateral Chamber & Foreign Trade Commissions Networking Events](#)

[Other Events incl. Austrade/TradeStart](#)

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#### **Ai Group Events**

##### **Tradedocs – Does a Letter of Credit Stress You Out?**

We can help you demystify letters of credit. By attending this full-day programme you can better understand how to comply with your Letter of Credit requirements. The programme for the day includes: Letter of Credit; INCOTERMS; Insurance and Liabilities; Shipping documents (Airway Bill, Bill of Lading etc); Preparation of various documents: Certificate of Origin, Carnets, Quarantine documents and Trade Scams and Frauds.

**Date:** Wednesday 20 February

**Venue:** Australian Industry Group

20 Queens Road, Melbourne  
**Time:** 9.00am – 5.00pm  
**Contact:** Fiona Green on 03 9867 0276 or email [fiona.green@aigroup.asn.au](mailto:fiona.green@aigroup.asn.au)

### **Workshop – Are you ready to export your services?**

This half day workshop is designed to assist those who export their services rather than manufactured products and is designed to provide information on how to take the first steps towards exporting. The workshop will guide companies unfamiliar with exporting, step-by-step through the stages of export preparation. Topics covered include: overview of international business; international marketing and promotion; international trade and finance; market entry methods; conducting business with different cultures; and other avenues of assistance.

**Date:** Monday 25 February  
**Venue:** Australian Industry Group  
20 Queens Road, Melbourne  
**Time:** 8.30am – 1.30pm  
**Contact:** Craig Malcolm on 03 9867 0170 or email [cmalcolm@aigroup.asn.au](mailto:cmalcolm@aigroup.asn.au)

### **Workshop – Are you ready to export your products?**

This half day workshop is designed to assist potential exporters to determine whether they are ready for export and to provide information on how to take the first steps towards exporting. This workshop has been developed specifically for those new to export. Topics covered include: overview of international business; international marketing and promotion; international trade and finance; market entry methods; conducting business with different cultures; and other avenues of assistance.

**Date:** Tuesday 26 February  
**Venue:** Australian Industry Group  
20 Queens Road, Melbourne  
**Time:** 8.30am – 10.30am  
**Contact:** Craig Malcolm on 03 9867 0170 or email [cmalcolm@aigroup.asn.au](mailto:cmalcolm@aigroup.asn.au)

### **Seminar – Going Global**

A key issue for Australian business in today's fiercely competitive global environment is drawing upon offshore capabilities and expertise to optimise performance. Going Global is an outcome- focused half day seminar involving key experts on all the major issues involved. In addition to covering the key methods used, speakers will provide an insight to some of the major potential source countries, currency fluctuations, quality control and protecting your intellectual property.

**Date:** Wednesday 27 February  
**Venue:** Australian Industry Group  
20 Queens Road, Melbourne  
**Time:** 9.00am – 12.30pm  
**Contact:** Andrew Witheford on 02 6233 0713 or email [andrew.witheford@aigroup.asn.au](mailto:andrew.witheford@aigroup.asn.au)

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## **Bilateral Chamber & Foreign Trade Commissions Networking Events**

Australian British Chamber of Commerce

### **Lunch Briefing – The Current State of the Market**

Guest speaker will be Michael Smith Chief Executive Officer Australia & New Zealand Banking Group. His address to the Australian British Chamber of Commerce will cover his observations on what is happening at present in the volatile international financial environment and what that means for Australian businesses and the opportunities for Australian business in Asia.

**Date:** Friday 7 March  
**Venue:** Crown Towers, River Room  
8 Whiteman Street, Southbank, Melbourne  
**Time:** 12.00pm – 2.00pm  
**Cost:** \$110.00 ABCC members  
\$140 ABCC Non-member  
**Contact:** Helen Walford on 03 9650 6000 or email [abccvic@britishchamber.com](mailto:abccvic@britishchamber.com)

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## NEW SOUTH WALES - Upcoming Events

[Ai Group Events](#)

[Other Events incl. Austrade/TradeStart](#)

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### Ai Group Events

#### Tradedocs – Does a Letter of Credit Stress You Out?

We can help you demystify letters of credit. By attending this full-day programme you can better understand how to comply with your Letter of Credit requirements. The programme for the day includes: Letter of Credit; INCOTERMS; Insurance and Liabilities; Shipping documents (Airway Bill, Bill of Lading etc); Preparation of various documents: Certificate of Origin, Carnets, Quarantine documents and Trade Scams and Frauds.

**Date:** Tuesday 11 March  
**Venue:** Australian Industry Group  
51 Walker Street, North Sydney  
**Time:** 9.00am – 5.00pm  
**Contact:** Fiona Green on 03 9867 0276 or email [fiona.green@aigroup.asn.au](mailto:fiona.green@aigroup.asn.au)

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### Other Events incl. Austrade/TradeStart

Austrade

#### Workshop: Export Pricing

The workshop is suitable for any company wanting to learn more about export pricing and how to communicate their pricing to their buyers overseas. Topics covered include: why export pricing is different; pricing models used to consider both you and the customer; some detailed, practical examples of pricing models; and what makes a good export price list.

**Date:** Wednesday 5 March  
**Venue:** Austrade Sydney  
Level 23, Aon Tower, 201 Kent Street, Sydney  
**Time:** 9.30am – 12.30pm  
**Cost:** \$35.00  
**Contact:** Austrade Direct on 13 28 78 or email [info@austrade.gov.au](mailto:info@austrade.gov.au)

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## QUEENSLAND - Upcoming Events

[Other Events incl. Austrade/TradeStart](#)

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### Other Events incl. Austrade/TradeStart

Austrade

#### Seminar: EMDG Coaching Session

This small-group personalised session will help you get EMDG ready and maximise your grant entitlement. Sessions will be run by senior grants staff and will cover a range of topics including introduction to EMDG, how to plan for EMDG, how to apply for EMDG and how to get the best out of the EMDG scheme.

**Date:** Wednesday 5 March  
**Venue:** Austrade Brisbane  
Level 16, 307 Queen Street, Brisbane  
**Time:** 3.00pm – 5.00pm  
**Cost:** \$0.00  
**Contact:** Austrade Direct on 13 28 78 or email [info@austrade.gov.au](mailto:info@austrade.gov.au)

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