

TradeWays

INTERNATIONAL OPPORTUNITIES FOR AUSTRALIAN BUSINESSES



Edition 84 June 2008

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From the Trade Desk

Once again I remind you all that the Export Awards are calling for nominations. All exporters are invited to nominate themselves for these prestigious awards. Nominating can be a lot of work, however many companies tell me that just undertaking the process enables them to properly assess their past performance and assists in planning for future expansion.

I hope that by now many of you would have had a look at our new Electronic Certificate of Origin service e-Cert <http://www.aigroup.asn.au/trade/ecert>. A number of companies are now successfully using this service and are saving time and money with each transaction. From August 1 they will be saving even more money as prices for all Certificates of Origin EXCEPT for Electronic Certificates will be increasing to \$20.00 for Ai Group members and \$35.00 for Ai Group non-members.

News

Australian Export Awards 2008

Applications are now open for the 2008 Australian Export Awards (AEA). The awards recognise Australian businesses for excellence and achievement in exporting. The program rewards and profiles the “best of the best” enterprises in exporting around the nation. From manufacturing to mining, agribusiness to arts, tourism and education, businesses across all industries, regardless of size or location are being acknowledged. Now in its 46th year, the AEA have earned the reputation throughout the Australian business community as one of the most prestigious and significant industry awards on the business calendar.

The awards are comprised of a series of eight State and Territory Export Awards which are managed independently by the relevant state government department or industry body. Winners from each State and Territory are announced at presentation ceremonies held from September through to November, with the winners automatically progressing as national finalists to the Australian Export Awards. For more information on this year's awards and how to apply in your home state visit <http://www.exportawards.gov.au>.

WorkSafe Blitz on Manual Handling at Food Manufacturers

A state-wide campaign targeting manual food handling safety begins on 1 July when food manufacturers and processors will be visited by WorkSafe Victoria inspectors. Improvement and Prohibition Notices will be issued where safety issues are found and prosecutions will follow if serious breaches are identified. There were more than 12,000 workplace injury insurance claims as a result of manual handling injuries in 2006-07. More than 900 were in the food manufacturing sector, accounting for 3% of the state's total injury claims. The average cost to treat and rehabilitate each of these manual handling injuries exceeds \$9,000, mechanical aids can increase productivity while the business costs associated with managing claims and potential legal and reputational issues can be minimised.

WorkSafe has publications aimed at manufacturers that can be found online at <http://www.worksafe.vic.gov.au> or contact the WorkSafe Advisory Service on 1800 136 089.

Port of Melbourne Boasts Record Exports

Total trade throughput at the Port of Melbourne (PoMC), had been given a boost by a record month of containerised exports in April, according to new figures provided by PoMC in late May. Total port trade

increased by 12.7% over the same month last year, which was up by 6.9% to a record 2.23m teu in the 12 months to the end of April. These figures were led by full containerised exports which increased by 15.3% to a record 65,654 teu for the month and by 10.9% over April last year. Total container throughput for April recorded significant growth of 12.6% on last year. The PoMC said that these strong results in drought conditions had indicated the strength of the Victorian economy and would lead to the port's 17th consecutive year of trade growth.

Recent Developments – Cross Border Supply Chains

Two key programs will provide qualifying importers and exporters with significant benefits, when they are finally implemented by the Australian Customs Services. The Accredited Client Program (ACP) and the Authorised Economic Operator Program (AEO) are aimed at improving the movement of cargo and the security of supply chains.

Under the ACP, low risk compliant importers and exporters will gain access to streamlined processing arrangements. The benefits of ACP status will include fewer customs inspections, periodic payment and reporting rather than for every consignment and an alternative cost recovery model. It is understood that actual commencement of the ACP is waiting on final approval of ACS senior management due shortly.

An AEO program is expected to commence in Australia in 2008. Similar programs already exist or are to commence shortly in major overseas markets, e.g. USA and Europe. The SAFE Framework is designed to protect supply chains from threats and disruptions, reduce the impact of such disruptions and provide increased predictability over the movement of low risk cargo. The framework is based on voluntary partnerships between Customs authorities and businesses, i.e. AEO programs. These programs aim to enhance security controls over cargo handling, transport and storage while facilitating trade for businesses having supply chains with the required level of security. For more information on these programmes visit <http://www.tradeconsultants.com.au>.

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) now offer 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, 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 Bilyana Petrovski on 03 9867 0152 or email billie@aigroup.asn.au.

Win a \$5,000 business marketing package

Business Victoria has a range of online business services to help you stay informed, up to date and efficient. Become a member before 30 June 2008 to be in the draw to win a marketing consultancy package for your business, worth \$5,000. Visit <http://www.business.vic.gov.au/membership> or call 13 22 15.

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Market in Focus – Chile

Why Chile

- Chile is Australia's third largest trading partner in Latin America;
- It has a population of 16.6 million, a GDP of US\$164 billion;
- Chile's relatively open business environment has made it an ideal base for Australian companies looking to expand into Latin America;
- It is Latin America's most stable and transparent commercial environment;
- There are currently around 120 Australian companies actively trading with Chile;
- The Governments of Australia and Chile have concluded negotiations for a free trade agreement, which will be the first for Australia with a Latin American market.

Chile is known for its macroeconomic stability and for being a country open to foreign investments, its recent economic success has been built on the exportation of copper (the world's largest exporter), as well as agriculture, forestry and fish (salmon).

Chile has an extensive network of Free Trade Agreements (FTAs) and has continued its strong push to engage economically with the Asia Pacific region and to build strategic alliances along the eastern seaboard of South America. In the second half of 2006 it concluded FTAs with Japan, Colombia and Peru, commenced negotiations with Australia in 2007, and began preparing to negotiate FTAs with Thailand,

Malaysia and Vietnam. Chile already has preferential trade agreements with 54 countries including with nine APEC members (USA, Canada, South Korea, Mexico, New Zealand, Singapore, Brunei, China and Peru). Chile also has an association agreement with the EU, including an FTA element which entered into effect in 2003. In 2007, Chile commenced services and investment negotiations with China, building on already completed FTA negotiations on goods.

The Minister for Trade, Simon Crean announced in late May that Australia and Chile have concluded negotiations for an FTA that will deliver new trade and investment opportunities to Australia and it will be an important milestone in our growing engagement with the wider Latin American market. The FTA covers trade in goods, services and investment. Tariffs on all existing merchandise trade, in both directions will be eliminated by 2015. The vast majority of Australian goods exported into Chile, and Chilean goods exported to Australia will enter duty free from entry into force of the FTA, which is expected to be 1 January 2009.

The FTA will offer Australian exporters opportunities across the board which will be particularly valuable in services and investment areas, including:

- Mining and energy technology and services, engineering and consulting services, franchising and services, education and training, information technology, tourism and infrastructure.
- Other areas that will benefit include energy (coal, LNG, renewable energy), agriculture (dairy, meat, ovine and bovine genetics, production technologies) and food and beverages including wine.

For more information on the Australia Chile FTA visit <http://www.dfat.gov.au/GEO/chile/fta/index.html>.

Overhead costs are relatively low and the workforce generally well educated. On average foreign SMEs enjoy the most success by finding the right local partner, either through a JV or acquisition.

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

- Coal A\$94
- Civil engineering equipment A\$21
- Specialised machinery A\$7
- Transport vehicles A\$6

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

- Copper A\$97
- Pulp and waste paper A\$57
- Non-ferrous base metal waste A\$43
- Pig iron A\$21

Export Opportunities

Opportunities exist for Australian companies in the areas of:

- Mining (Technology and Services),
- Energy (Coal, LNG, Renewable Energy – Hydro, Wind and Geothermal),
- Agribusiness (Ovine and Bovine Genetics, Production Technologies),
- Food and beverage (specialised),
- Services (including consulting (engineering, vocational education and corporate training),
- Information technology,
- Tourism,
- Infrastructure (Concessions in Prisons, Hospitals, Coal Fired Processing Plants, Roads, Airports and Ports), and
- Defence (Spare Parts, Boats, and Technology).

With Chile's growing middle class and Chileans increased disposable income, franchising has emerged as a new area of opportunity for Australian companies in Chile. Already, Australian chain Boost Juice has a Master Franchisee in Chile, and has opened outlets in two of Santiago's largest retail malls, and further plans to open up another twenty outlets across Chile in the next four years. Additionally the general interest in Australian products and services continues to diversify into new areas such as aviation.

Financial Services

There are a number of opportunities for companies specialising in financial services in Chile, AIM (Alternative Investment Market) being one. Generally, mid-sized companies (especially mining) find it difficult to raise funds locally because of perceived risk. Mining companies are looking to raise capital, expand/acquire and/or diversify their investment into other business sectors.

Energy

Chile is facing its biggest energy crisis for many years. Until recently the country relied heavily on the supply of natural gas from Argentina but with price freezes and economic growth in Argentina, supply has

been reduced to a minimum. The government is committed to diversify energy supply – e.g. LNG, hydro, coal and renewables. There are opportunities for companies in asset management, construction and consultancy.

The Chilean government actively supports renewable energy with electricity suppliers being legally obliged to source a portion of their supply from renewable sources. The largest CDM projects have been developed but the next stage of projects should enable smaller project holders to develop projects (bundling) and participate in the CDM market. Opportunities exist for project financing/management, carbon trading and consultancy.

Aquaculture/Biotechnology/Food

The aquaculture and food sectors are growing in Chile at around 135% per year, reaching around U\$20 billion in exports. Chile is aiming to become a global food producer by 2015. There are opportunities in biotech, consultancy, new technologies and environmental solutions.

Infrastructure/public works

Chile has one of the most modern and successful road concession programmes in the world. Opportunities exist for asset management, design and consultancy (including PPP/PFI). Santiago's Metro continues to expand.

Environment

Opportunities to sell high-end services and consultancy, particularly to companies that export and have to adhere to strict EU/US technical/corporate governance standards. Also consultancy opportunities for water management and filter/emission control.

Education

The Chilean government has significantly increased public expenditure in education; opportunities exist for English language training/programme consultancy and selling cutting-edge educational products and services.

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If you are active in international trade you need to keep up to date on tariffs. One site to bookmark on this subject is the APEC Tariff Database <http://www.apectariff.org>. This site has tariff information for twenty Asia Pacific countries, as well as the United States of America. Simply select a country from the list and you will be able to search the tariff code for that country. You can search by tariff chapter headings, harmonised tariff codes, or keywords. This is a quick and efficient way to find tariff information. You will need to register to use this site, but registration is free.

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Trade Missions

Incoming Missions

Organic Expo 2008

25 – 27 July 2008

In its fourth year, the show has grown rapidly, and sponsors include the Department of State and Regional Development (NSW), the Organic Federation of Australia (OFA), Biological Farmers of Australia (BFA) and the International Federation of Organic Agricultural Movement (INFOAM). There will be a trade-only day on Friday 25 July, while 26-27 July will be consumer days. Austrade will be bringing buyers from Singapore, and buyers from Hong Kong and China will also be visiting. If you are an Australian grower, manufacturer, producer or retailer of certified organic or environmentally friendly products or services then you should consider attending this expo. For more information visit <http://www.organicexpo.com.au> or contact Rod Commerford on 02 9390 2726 or email rodney.commerford@austrade.gov.au.

Outgoing Missions

4th Saudi Water and Power Forum 2008

1 – 4 November 2008

Access the lucrative and priority sector for Saudi Arabia by exhibiting at the 4th Saudi Water and Power Forum (SWPF) 2008 in the Australian Pavilion or have Austrade represent your company. You can also attend the interactive forum which will bring together over 500 top-level Saudi and international delegates to discuss the requirements for investment in the kingdom's water and power sectors. You should consider participating if you are an Australian company with a commitment to supply products, services and expertise in the water and power sectors: green technologies, water desalination technologies, water solution providers, water distribution companies, water engineering, water equipment and machinery,

power providers and contractors, power distribution providers, power transmission, sewage contractors, water treatment contractors, ICT technologies for water and power, and water rehabilitation. For more information contact Andre Barbour on +966 2 652 8540 or email andre.barbour@austrade.gov.au.

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VICTORIA - Upcoming Events

[Ai Group Events](#)

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

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 22 July

Venue: Australian Industry Group
20 Queens Road, Melbourne

Time: 9.00am – 4.30pm

Contact: Bilyana Petrovski on 03 9867 0152 or email billie@aigroup.asn.au

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.

Date: 16/7, 23/7, 30/7, 6/8, 13/8, 20/8, 27/8, 3/9

Venue: Australian Industry Group
20 Queens Road, Melbourne

Contact: Bilyana Petrovski on 03 9867 0152 or email billie@aigroup.asn.au

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Other Events incl.Austrade/TradeStart

Austrade

EMDG Coaching Session

These small group personalised sessions 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: Monday 23 June

Venue: Brimbank City Council Municipal Offices, Conference Room
Old Calder Highway, Keilor

Time: 9.30am – 11.30am

Cost: \$0.00

Contact: Austrade Direct on 13 28 78 or email info@austrade.gov.au

Small Business Victoria

Energise Enterprise 08

Small Business Victoria in collaboration with industry groups, private sector organisations and agencies across the three levels of government is coordinating an extensive program of events to be staged in regional and metropolitan Victoria. Activities will include: seminars, workshops, information sessions, networking events, business breakfasts, expos, and luncheons and dinners. Energise Enterprise 08 is a

small business festival held annually throughout the month of August, designed to provide inspiration, ideas and information to start and build your business.

Date: 1 – 31 August
Venue: Various locations throughout Metropolitan & Regional Victoria
Contact: Visit and register online http://www.business.vic.gov.au/BUSVIC/LANDING//PC_62564.html

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NEW SOUTH WALES - Upcoming Events

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

Other Events incl. Austrade/TradeStart

NSW Department of State and Regional Development

Strategic Branding

Many major international brands started as small businesses. What has made them successful is their strategic approach to branding. This seminar is an opportunity to learn some of the secrets of branding from Chris Boseley, the principal of Beyond Advertising which offers strategic and creative services in branding and communication, including online solutions. Learn how to create a brand in a niche or B2B market place; the characteristics of a breakthrough brand; and much more.

Date: Wednesday 25 June
Venue: Western Sydney Business Centre
NSW Department of State and Regional Development
Level 2, 470 Church Street (Cnr Harold Street)
North Parramatta, Sydney
Time: 8.30am – 10.30am
Cost: \$0.00
Contact: Mangala Srinivasan on 02 8843 1116 or email mangala.srinivasan@business.nsw.gov.au

Austrade

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Date: Wednesday 30 July
Venue: Austrade Sydney
Level 23, Aon Tower
201 Kent Street, Sydney
Time: 9.30am – 11.30am
Cost: \$0.00
Contact: Austrade Direct on 13 28 78 or email info@austrade.gov.au

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QUEENSLAND - Upcoming Events

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

Other Events incl. Austrade/TradeStart

Austrade

EMDG Coaching Session

These small group personalised sessions 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: Thursday 24 July

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

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