

TradeWays

INTERNATIONAL OPPORTUNITIES FOR AUSTRALIAN BUSINESSES



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From the Trade Desk

The recent Australian Industry Group / American Express Survey – Managing Cash Flow in Troubled Times survey found that only 12% of Australian businesses' are prepared to take on above-average or significant financial risk to grow their company over the next six months. Small, medium and large-scale enterprises cited cash flow difficulties, profit margin downgrades, and uncertainty over tax breaks as their key concerns. How has the current Global Financial Crises affected your export business? Some members have told us that their ability to secure Letters of Credit has been severely effected by the shortage of available credit – is this your experience? Please let us know how your business is changing as it helps to inform our submissions to governments. For a copy of the above report, please use the following link <http://www.aigroup.com.au>.

News

Export Documentation (Certificate of Origin) operational hours during Christmas/New Year period

We would like to take this opportunity to wish you all and your families a Merry Christmas and many good wishes for a new year of happiness and prosperity. We would also like to acknowledge and thank you for your continued support throughout the year and look forward to working with you in the New Year.

Please note our hours of operation during this period at our Melbourne office:

- Wednesday 24 December 9.00am – 2.00pm
- Monday 29 December 9.00am – 4.30pm
- Tuesday 30 December 9.00am – 4.30pm
- Wednesday 31 December 9.00am – 2.00pm

We will be closed for public holidays and our other offices: Albury, Geelong, Bendigo, Sydney and Brisbane will be closed from 24 December to 2 January. Ballarat will be closed from 23 December to 27 January.

Small Business Survey 2008: achieving and maintaining sustainable performance

In collaboration with Macquarie University, the NSW Department of State and Regional Development is launching a small business survey to help address the needs of small service businesses in measuring, achieving and maintaining sustainable performance. The researchers and the Department are seeking businesses to participate in this survey.

The service industry has grown and changed significantly over the last few decades to become the largest sector of the Australian economy. It has the highest number of businesses in operation, employs the most people within the private sector and adds the most value. The majority of the service industry is made of up small businesses, which account for 96 per cent of all service sector businesses and employ 46.7 per cent of the total number of people working in this area. The Australian economy is therefore greatly dependent upon the survival of small service businesses. The environment in which these small firms function is constantly changing and many small businesses struggle to survive.

To address this situation it is therefore important to improve the understanding of how small businesses measure their performance as a way of helping small service firms achieve and maintain high performance levels in the long-run. To participate in the survey and contribute to this project contact Natalie Stepanenko on 02 9338 6401 or email natalie.stepanenko@business.nsw.gov.au.

Chinese container decline to hit hardest next year

China's container traffic may decline in the first half of next year, as an economic slowdown damps demand for toys, furniture and textiles in Europe and the US. The most severe global downturn in decades has brought China's economic engine to a sudden halt, Citigroup said in a November report. A slowdown in container volume may worsen for the rest of this year, leading to a traffic drop early next year before, possibly a mild recovery in the second half of the year. Traffic at Chinese ports has slowed as rising US unemployment, declining household spending and a lack of credit damps demand for Chinese-made goods overseas. Growth at the country's largest container ports slowed to 5% in September and October, compared with full-year traffic increases of at least 19% in the last four years. Ports in the Pearl River Delta have been hardest hit by the slowdown, with traffic at Shenzhen falling for two consecutive months.

Get your free Small Business Toolkit here

As part of its Small Business September 08 initiatives, the NSW Department of State and Regional Development has developed a free online Small Business Toolkit comprising podcasts and downloadable information about trade finance, business risk, climate change, running a business in a local government area, and other topics to help you manage and grow your business. To access the Small Business Toolkit visit the Small Business September website www.smallbusinessmonth.nsw.gov.au. The website also contain free presentations, podcast, and links from over twenty Small Business September 08 events.

Box cargoes face greater US scrutiny

Importers of containerised cargoes into the US face significantly more detailed reporting responsibilities under a new customs rule due to take effect from 26 January 2009. Cargo owners will have to inform US Customs and Border Protection (CBP) of new details such as the container stuffing location and the identity of the stuffer. At the same time, the new rule redresses one of the biggest complaints of shipping lines in the aftermath of the al-Qaeda terrorist attacks in the US on 11 September, 2001: that expecting the ocean carrier to know what is in the box is unfair. The introduction of the new rule from next month, with financial penalties attached for non-compliance, is also expected to generate more business for providers of online and electronic shipment data management products. A federal announcement said that the CBP would adopt a flexible enforcement policy during the first 12 months as the regulated community adapted to the increased reporting requirements. Comments to the interim rule can be submitted to the CBP through to 1 June next year even after the implementation begins on 26 January.

Free listing on hktdc.com

Hong Kong Trade Development Council (HKTDC) Australia-New Zealand office have launched a new service to help local businesses promote their products and services in the overseas market. You can now enjoy an exclusive promotional offer by advertising your company's products and services information free of charge for 6 months.

Apply online via the following link <http://info.hktdc.com/freelisting/form.asp?pcode=SY0809> before the end of January 2009. For further enquiries on this promotional offer contact Peter Bosevski on 02 8986 2803 or email peter.bosevski@tdc.org.hk.

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Market in Focus – Abu Dhabi

Why Abu Dhabi

- The city of Abu Dhabi is the capital of the UAE and the focus of federal government activities;
- Eighty seven per cent of the UAE's land area is covered by Abu Dhabi whose oil wealth has made it the most influential emirate in the UAE;
- It is Australia's second largest market in the Gulf, with excellent growth prospects;
- A construction boom is changing the face of the region, with new projects attracting billions of dollars in investment;
- It is the pre-eminent distribution and logistics hub for the Gulf. The UAE delivers for the Middle East, commercial capabilities similar to those provided by Singapore in South East Asia;
- Its business community is familiar with Western practices.

The United Arab Emirates (UAE) is a federation of seven sovereign emirates or states. It was established in 1971 and has since enjoyed three decades of rapid economic growth and development following the discovery of oil in the late 1960s. UAE's seven member states are Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Quwain, Ras Al Khaimah and Fujairah.

Abu Dhabi is the largest and most affluent of the states of the UAE. It occupies more than 80% of the land area and has most of the oil wealth. Abu Dhabi is the national capital and major centre for the oil and gas industry. Dubai is the commercial and shipping hub of the country. Sharjah is the third most important

emirate and the centre for manufacturing. Similar to Abu Dhabi and Dubai, it has an entrepreneurial business culture, and an energetic business community seeking closer links with Australia.

Major Australian Exports 2007-08* (A\$m):

- Gold A\$1,002
- Passenger motor vehicles A\$359
- Zinc A\$223
- Meat (excl. beef) A\$102

**Includes A\$745m of confidential items, 24% of total exports.*

Major Australian Imports 2007-08 (A\$m):

- Crude petroleum A\$2,251
- Liquefied propane & butane A\$46
- Glassware A\$17
- Ships & boats (incl. hovercraft) A\$16

Export Opportunities

Due to the lack of highly developed industrial and agricultural sectors, the UAE is heavily reliant on imports of goods and services. For this reason opportunities exist in a number of industry sectors including: Building and construction; Education; Food, beverages and agribusiness; Health services and pharmaceuticals; Consumer goods; Education; Financial services; and ICT.

Building & Construction

The building and construction sector is the third largest sector of the UAE economy after oil and trade and it has experienced rapid growth in recent years. The level of construction spending per capita is high, second only to Japan. The future prospects for the sector in the UAE also hold much promise. In 2007, construction contributed approximately seven per cent to the overall GDP of the UAE. From 2008 to 2012, growth within the construction industry is anticipated to expand at an average rate of five per cent per annum. The three main areas for construction in the UAE are Abu Dhabi, Dubai and Sharjah, with Abu Dhabi currently the epicentre of construction activity.

Factors driving construction spending in the UAE include:

- Government spending on infrastructure such as roads, ports, airports and rail to support its commitment to becoming a business and tourism hub for the Gulf region;
- High rates of imported labour (both blue collar and professional) who further add to the demand for residential housing, commercial suites and solid infrastructure;
- The positive outlook of private-sector developers who are constructing a raft of high-rise commercial and mixed use buildings, shopping malls, hotels, tourist resorts and low-rise residential complexes to support the rapidly growing population;
- The high oil price which contributes significantly to the wealth of the UAE;
- The relaxation of foreign investment laws to allow non-UAE nationals to purchase property.

Opportunities currently exist for both building and construction services and products as follows:

Services:

- Urban design and master planning
- Architecture and design (including green design)
- Landscape design and services
- Interior design
- Spatial information services
- Consulting engineering
- Construction contracting
- Facility management
- Engineering construction
- Project management

Products:

- Construction equipment
- Lifts, elevators and building maintenance units
- Landscape supplies
- Kitchen fittings, sinks and tap ware
- Flooring products
- Paints, coatings, adhesives and waterproofing products
- Windows and door products including insulated glass
- Hot water systems
- Lighting systems
- Building automation systems/smart house technology/electronic products and systems
- Building security products – alarms, security grills, locks, door handles, fencing

- Air-conditioners and associated products
- Fixing and fastening systems
- Soft furnishings including carpets/blinds/curtains/shutter systems
- Swimming pools and associated equipment and chemicals
- Safety products
- Environmentally friendly products

Visit our Trade Missions section for further information on the Cityscape Abu Dhabi 2009 exhibition to held in April next year. There will be an Australian Pavilion and contact details are provided if you would like to participate in this exhibition. Don't miss out on this opportunity.

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Did you know that Victoria is Australia's major transport and logistics hub, servicing the Melbourne metropolitan area, regional Victoria, New South Wales, Tasmania, Southern New South Wales, South Australia and other parts of Australia? Around 70% of Australia's total population and the bulk of its manufacturing and agricultural capacity are captured in this economic zone. A unique combination of geographic and demographic advantages makes Victoria the natural location for business, manufacturing and associated freight transport, distribution and storage activities. Victoria's global competitiveness relies on supply chain excellence through world best practice with the Victorian Transport Distribution and Logistics (TDL) industry. The Victorian Government initiated the TDL Industry Round Table to focus on ways to further optimise supply chains and logistics through a partnership between three State Government departments and TDL industry associations. The TDL Industry Round Table has created a website <http://www.supplychainvictoria.com.au> that contains lots of useful information, in particular, an interactive website that explains the whole import and export supply chain. There is also a function whereby you can sit through a tutorial and loads more information. To access the interactive tool visit the following link <http://www.supplychainvictoria.com.au/interactivetools/awareness/index.htm>.

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Trade Missions

Incoming Missions

Designbuild Australia 2009

21 – 23 May 2009

Once again Designbuild will be a key event for attracting international building and hardware industry decision makers to Australia. Australian product suppliers will be able to seek advice from Austrade's building specialists from a range of markets as well as arrange one on one business meetings with international decision makers. For more information contact Ranui Young on 02 9390 2825 or email ranui.young@austrade.gov.au.

Outgoing Missions

HK ICT EXPO 2009 – Australian Pavilion

13 – 16 April 2009

The International ICT Expo is an annual exhibition organised by the Hong Kong Trade Development Council and is co-organised by the Torch Centre of the Ministry of Science & Technology of the People's Republic of China and the Office of the Government Chief Information Officer of the Hong Kong Special Administrative Region Government. It is one of the most important platforms for ICT players from all over the world to network with industry friends, make potential business contacts and explore market opportunities in the Greater China region. Special incentive participation package includes: complimentary hotel accommodation of up to four nights, on one room per company basis during the fair period; and complimentary one-to-one business matching service. For more information contact Peter Bosevski on 02 8986 2803 or email peter.bosevski@tdc.org.hk.

Cityscape Abu Dhabi 2009

19 - 22 April 2009

Cityscape Abu Dhabi is an annual business-to-business exhibition and conference focusing on property development and investment, which is now in its third year. It has become a forum for announcing significant new developments in Abu Dhabi. Cityscape Abu Dhabi brings together international investors, property developers, government and development authorities, architects, designers, consultants, institutional investors and high net worth individuals. This is an exhibition for providers of services to those in all stages of the property development cycle. To exhibit in the Australian Pavilion contact Keith Stubbs on 03 9411 4553 or email kstubbs@mbav.com.au.

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