

# TradeWays

INTERNATIONAL OPPORTUNITIES FOR AUSTRALIAN BUSINESSES



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## From the Trade Desk

Next week the respective Trade Ministers of Australia and Chile will sign the finalised Free Trade Agreement between the two countries. A key aspect of the agreement is that tariffs will be eliminated on 97% of existing merchandise trade upon entry into force and 100% of existing merchandise trade in each direction by 2015. If you haven't looked at Chile yet, perhaps now is the time to consider this profitable market. Call the Trade team for more information.

Just a reminder, from August 1 prices for Certificates of Origin not on the e-certify system will increase. Over forty companies have registered to use the system already and are enjoying the time and cost savings of online transactions. For more information contact Billie on 03 9867 0152.

## News

### **Ai Group Export Review Submission**

Ai Group has completed a submission to the Federal Government's Review of Export Policies and Programs, which is due to report to the Minister of Trade by 31 August 2008. The Ai Group submission makes a number of recommendations, including:

- Supporting the Federal Government's emphasis on seeking a successful conclusion to the current Doha Round of WTO negotiations;
- Further emphasis be placed on ensuring that future FTAs include a forward-looking mechanism to ensure that substantive improvements continue to be made in addressing non-tariff barriers after the entry into force of the agreement;
- With regards to the EMDG scheme, which is a key component of the Federal Government's export promotion policy, amendments be made to optimise its potential;
- The Government's recent decision to substantially reduce funding for the Global Opportunities program be reassessed, and the original funding of \$254 million over ten years restored;
- The review to work with EFIC to ensure expansion in the availability of credit for exporters and offshore investors;
- The Federal Government adopt and promote an official country of origin mark (the "Australian Made" logo) to be used by Australian businesses in offshore markets and that costs of companies registering this mark be an eligible claim under the EMDG scheme;
- The Federal Government continue the process of reform of Australia's anti-dumping system to ensure that it provides a mechanism that enables Australian industry to successfully address the ongoing problem of dumped imports, consistent with the WTO Anti-Dumping Agreement and the practice in like countries such as Canada;
- The Federal Government use the mechanisms available to it under the WTO Subsidies and Countervailing Measures Agreement to address the use of government subsidies by trading partners that unfairly impact on Australian industry;
- The Federal Government make greater use of the WTO's dispute resolution mechanism to address breaches of international trade rules that have a substantive adverse impact on Australian industry.

To view the complete submission visit

[http://pdf.aigroup.asn.au/representation/submissions/6954\\_Export\\_Review\\_Submission.pdf](http://pdf.aigroup.asn.au/representation/submissions/6954_Export_Review_Submission.pdf).

### **Changes to Export Market Development Grant (EMDG) scheme**

Legislation has been passed to give effect to a number of changes to the EMDG scheme effective 1 July 2009. The changes deliver on the Government's policy promises as outlined in "A Strong Future for Australia's Exports".

Key changes to the scheme include:

- Increasing the maximum grant by \$50,000 to \$200,000;
- Lifting the maximum turnover limit from \$30 million to \$50 million;
- Reducing the minimum expenditure threshold by \$5,000 to \$10,000;
- Allowing costs of patenting products overseas to be eligible for EMDG support;
- Increasing the limit on the number of grants able to be received by a business from 7 to 8;
- Making the scheme more accessible to services exporters by replacing the current list of eligible internal and external services with a new "non-tourism services" category which will provide for all services supplied to foreign residents whether delivered inside or outside of Australia to be eligible unless specified in the EMDG Act Regulations;
- Allowing State, Territory and regional economic development and industry bodies promoting Australia's exports, including tourism bodies, to access the scheme;
- Introducing a Net Benefit to Australia test into the scheme.

For more information on the scheme and the changes visit <http://www.austrade.gov.au/EMDG-scheme-changes/default.aspx>.

### **Carbon Assist: assisting industry reduce its carbon footprint**

Climate change represents an important challenge. For industry, responding to climate changes involves balancing the need to be socially responsible for reducing the quantity of greenhouse gas emissions, with that of continuing to grow and remain globally competitive. Tailored assistance is available to industry under Ai Group's Carbon Assist program to identify options to save energy, reduce emissions and minimise exposure to continuing increases in energy prices. Services under the program include: energy audits (levels 1, 2, and 3), greenhouse gas emission inventories, energy management training and reporting. For more information email [sustainablebusiness@aigroup.asn.au](mailto:sustainablebusiness@aigroup.asn.au).

### **Channel Deepening Project Progressing Ahead of Schedule and Within Environmental Limits**

The Channel Deepening project is progressing ahead of schedule and within all environmental limits, according to the first quarterly project report submitted by the Port of Melbourne Corporation. Roads and Ports Minister Tim Pallas said significant progress had been made on the channel deepening project in the first quarter, with about 14 per cent of the total dredged volume complete. The project is subject to strict environmental controls to ensure it is completed in a way that minimises impact on the environment, and the first quarterly report shows that after three months, the project remains within all the limits set out in the Environmental Management Plan (EMP). The report also shows that turbidity levels have returned to normal within about three days after dredging and key species and habitats have remained within the expected variability. In the first three months, 3.3 million cubic metres, out of a total of 22.9 cubic metres, has been dredged, which means that the project is on track to be completed by summer 2009. The report is available on the Channel Deepening Project website to view visit <http://www.channelproject.com.au>.

### **Caring for our Country Open Grants**

Do you have a project to protect Australia's unique natural environment and create a sustainable future for our country?

Open Grants is a transitional component of the Australian Government's new \$2.25 billion Caring for our Country initiative. The funding is targeted to the following Caring for our Country priority areas: biodiversity and natural icons; coastal environments and critical aquatic habitats; and sustainable farm practices. Applications are being sought now for funding in 2008-2009 and close 1 August 2008. Apply now and be part of this exciting new initiative. For more information on the Open Grants visit <http://www.nrm.gov.au/funding/open.html>.

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### **Market in Focus – Indonesia**

Why Indonesia

- Indonesia is consistently one of Australia's top 15 trading partners;
- The two-way Australian-Indonesian trading relationship is worth over A\$7 billion;

- After years of expecting a bad prognosis, the World Bank has recently forecast some good news for Indonesia. According to the Bank, Indonesia is expected to grow from 5 and 6 per cent over the next few years at a rate above its overall regional forecast;
- There are many Australian businesses with a strong commercial interest in Indonesia – there are over 2500 companies exporting to Indonesia and around 400 companies actually doing business within Indonesia itself;
- Indonesia's importance to Australia is part of a closer integration between our economy, New Zealand and those of the ASEAN states;
- In August 2007, Australia and Indonesia commenced a joint feasibility study to examine the merits of a bilateral free trade agreement (FTA). The feasibility study, which includes an independent economic modelling component, is examining the potential impact on Australia and Indonesia of an FTA, including implication for economic growth, trade, investment, commercial linkages and competitiveness. The study is expected to be completed around the end of 2008.

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

- Crude petroleum A\$458
- Live animals A\$343
- Aluminium A\$297
- Cotton A\$158

*\*Includes A\$1bn of confidential items, mainly wheat & sugar, 24% of total exports*

#### **Major Australian Imports 2007 (A\$m):**

- Crude petroleum A\$2,013
- Pumps for gas A\$462
- Non-monetary gold A\$265
- Wood, simply worked A\$151

#### **Export Opportunities**

Indonesia continues to offer export potential for a range of Australian companies. Demand in Indonesia for consumer imports is strong, as well as agribusiness, food and beverages, consumer products, ICT, mining, construction and infrastructure development, finance, education and franchising sectors.

#### **Agribusiness**

Indonesia's demand for agricultural commodities is expected to remain strong, as the processing of agricultural commodities continues to expand. Areas of opportunities in the Indonesian agribusiness industry include: new lines of processed meat such as small good products catering to the developing retail industry (supermarkets, hypermarkets); supply of products and services specific to the food services sector (ingredients); technology transfers (packaging and establishment of processing plants); consultancy services for the development of the horticulture industry. Meat and livestock: breeder stock, feeder and slaughter cattle; feedlot management and technology transfer for breeding programs; abattoir, meat handling and butchering equipment; education and training programs; breeding, dairy, feeder and slaughter cattle; beef and poultry; game meat (kangaroo, crocodile and emu); other meat (offal, mutton, goat and lamb).

#### **Consumer goods**

The spending appetites of Indonesians are stronger than the regional average in certain items such as new technology, home improvements and decorating. Opportunities in the consumer goods industry in Indonesia exist on two levels: consumer goods manufacturing and consumer goods retailing.

#### **Education**

Australia is now the preferred destination for overseas study by Indonesians and is the number one educational provider to Indonesia. Studies undertaken by Indonesian students in Australia include: short courses; university degrees; higher education; vocational education; school education, and English language courses.

#### **Franchising**

Opportunities in the franchise industry include: food and beverage; retail (including convenience and specialty stores); real estate services; laundry and dry cleaning services; and education.

#### **Health and medical**

Australian experience and expertise is relevant to a number of areas in the Indonesian health industry and opportunities currently being pursued by Australian suppliers include: private hospital development and management projects; alliances with strategic specialist providers; provision of private health insurance schemes; hospital staff; export of medical and hospital equipment; healthcare treatment in Australia. In future hospital developments, one of the major sources of investment and interest is from local Indonesian construction and property development companies. In hospital management, these Indonesian companies are frequently seeking offshore expertise, including management capability from Singapore, Germany,

USA and Australia. Australia is well positioned to take a substantial role in these developments, as Australian health sector capabilities are broadly recognised in the community.

### **Information and communications technology**

A population of around 220 million represents both a long-term opportunity and a short-term restraint to the development of IT. While a large population offers considerable long-term market opportunities, plentiful labour also means relatively low wages, which lessens the appeal of computerisation to both the private and public sectors. Nevertheless, the government and ICT stakeholders remain strong in their support for the development of ICT for the benefit of Indonesia. Some sectors with considerable potential include: system integration; support systems/facilities management; training and computer education facilities; professional services; outsourcing; internet; and telecommunications. The e-commerce sector offers great opportunities for Australian companies offering solutions in online services and value-added services especially for software and Internet security. To take advantage of these opportunities Australian companies must be aware of the characteristics of the Internet users, the legal reform framework and the projects highest on the government's agenda.

### **Infrastructure**

There are opportunities across all fields of transport/infrastructure and construction in Indonesia for Australian providers of products and services. These include: airport infrastructure products and services; railway infrastructure products and services; road maintenance; toll-road construction and operation; seaport development; engineering services; and environment (training, accreditation services, consulting firms, equipment and spare parts, and wastewater treatment chemicals).

### **Mining**

In line with the global resources boom Indonesia's existing mining sector is in full production and where possible mines are undergoing expansion within the framework of their existing contract of works. There are significant opportunities for the supply of Australian mining equipment, consumables, technology and services to these existing mines and these opportunities include: pumps, crushers, and production equipment, drilling services, software, materials handling systems, spare parts, and consumables including chemicals, coal washeries, and contract mining.

### **Professional services**

The opportunities for Australian companies exist mainly in providing consulting services in the areas of: finance; task definition (planning, contract negotiation, systems application and integration, management systems and training and marketing); and industry portfolio.

### **Festival Indonesia 2008**

Festival Indonesia, now in its fourth consecutive year is Melbourne's premier Indonesian-Australian forum, showcasing the best Indonesia has to offer in investment, trade, tourism and culture. It will be held from 29 to 31 August 2008 at the Royal Exhibition Building Carlton Gardens. Each year, the festival is home to as many as 500 delegates from across the archipelago that come to Melbourne specifically for Festival Indonesia to showcase their expertise in the fields of investment, trade, tourism and culture. The delegates come from government, education, corporate, business, and cultural and tourism sectors. Therefore if you are looking to expand your business or to explore business opportunities within Indonesia the festival is a great starting point for doing that with minimum costs and maximum benefits. For more information visit <http://www.festivalindonesia.com.au>.

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### **e-link**

Are you thinking about further exploring international markets but the high costs of going alone are holding you back? The NSW Department of State and Regional Development's program of international trade missions and exhibitions offers export-ready NSW companies an effective way to identify new international business opportunities and to acquire the knowledge and connections critical to export success. Throughout the remainder of the year there will be various industry sector trade missions that will be taking place to countries including New Zealand, India, Singapore, Korea, Malaysia and Germany. For more information on these trade missions visit <http://smallbiz.e-newsletter.com.au> and select NSW Trade promotion Program July-December 2008.

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### **Trade Missions**

Incoming Missions

**Import Export Show 2008**

18 – 19 September 2008

The Import Export Show 2008 is a show for small and mid-sized business decision makers, across all industries, which are beginning to export or import or are already engaged in international trade. Two days packed full of essential information and important connections from the exhibition, seminars and networking opportunities will make this a not-to-be-missed event. The show is being held in association with the NSW Department of State & Regional Development, Austrade, Australian Federation of International Forwarders, Customs Brokers and Forwarders Council of Australia and Business Enterprise Centre Australia. For more information on the show visit <http://www.importexportshow.com.au>.

#### Outgoing Missions

##### **Business Mission to Osaka, Japan**

1 – 5 September 2008

Ai Group and the City of Melbourne invite you to participate in the 2008 Business Mission to Osaka. The mission is designed to provide a cost-effective entry to the Japanese market, expose mission members to one of Asia's most successful democracies and its largest economy and provide a comprehensive business-matching program for mission participants to identify real project opportunities. The mission falls on the occasion of the 2008 Business Partner City Network Roundtable. Industries with significant opportunities: ICT, Game Developers, Biotechnology, Nanotechnology and Environmental technologies. 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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#### **VICTORIA - 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 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](mailto:billie@aigroup.asn.au)

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#### **Other Events incl.Austrade/TradeStart**

City of Melbourne, Ai Group, JETRO, JNTO and Consulate-General of Japan in Melbourne

##### **Business Lunch and Networking Seminar**

City of Melbourne together with Ai Group will be holding a seminar in commemoration of the 30<sup>th</sup> anniversary of sister city between Melbourne and Osaka. On this occasion the Mayor of Osaka is pleased to introduce the urban revitalisation, business environment, and tourist attractions of Osaka. You can also experience the latest visual images of the City and listen to a number of presentations on trade and tourism promotion between our two countries. Ai Group and the City of Melbourne are also inviting you to participate in the 2008 Business Mission to Osaka in September 2008. Attend the lunch with the Mayor of Osaka to meet the relevant officials and hear about the mission.

**Date:** Monday 21 July

**Venue:** Melbourne Town Hall, Yarra Room Level 2  
Cnr Swanston & Collins Street, Melbourne

**Time:** 12.00pm – 2.15pm

**Contact:** City of Melbourne on 03 9658 8734 or email [osakabusiness@melbourne.vic.gov.au](mailto:osakabusiness@melbourne.vic.gov.au)

Australian Institute of International Affairs

##### **75<sup>th</sup> Anniversary National Conference**

The Australian Institute of International Affairs (AIIA) is hosting a National Conference to mark the 75<sup>th</sup> Anniversary of the Institute's foundation as a national organisation. This historic occasion will bring together those with an interest in international issues from a variety of areas including government,

diplomacy, academia, NGOs, cultural organisations and the wider community. As part of the conference there will be three events taking place including: the national conference, reception and gallery viewing, and research forum on conflict and security.

**Date:** Thursday 7 & Friday 8 August  
**Venue:** Various locations  
**Contact:** Visit <http://www.aiia.asn.au> to register online

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](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](#)

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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:** Wednesday 13 August  
**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](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

#### **Getting into Export**

This is an introductory workshop involving a small group of participants. It is designed specifically for key decision makers in small and medium sized enterprises who are considering making export part of their business and would like to learn more about what is required to become a successful exporter.

**Date:** Thursday 21 August  
**Venue:** Austrade Brisbane  
Level 16, 307 Queen Street, Brisbane  
**Time:** 9.30am – 12.30pm  
**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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