

# TradeWays

INTERNATIONAL OPPORTUNITIES FOR AUSTRALIAN BUSINESSES



*Edition 89 November 2008*

## In This Issue:

[News](#)

[Market in Focus](#)

[e-link](#)

[Incoming & Outgoing Missions](#)

Upcoming Events:

[Victoria](#)

[New South Wales](#)

[Queensland](#)

## From the Trade Desk

In the current climate, many companies are working on protecting their existing markets and maintaining good relations with customers and suppliers. Many of you may be reviewing your credit insurance to ensure that you are covered in the event any problems occur along your supply chain. But have you thought about the financial security of your transport provider? Airlines have been struggling for years and there have been thirty bankruptcies in aviation in the past year. In the 1980's many shipping companies went bankrupt, causing headaches for shippers with cancelled ships and, more crucially, arrested ships. If the shipping line has declared bankruptcy, creditors don't wait until all ships have completed their journeys and delivered their goods – usually all assets are seized on route. If your goods are onboard an arrested ship you may have to pay a release to the sheriff and then the cost of re-delivering to your final destination. Some insurance policies cover these costs, however it may not be automatic so please check with your insurance broker to discuss your options.

## News

### **Ai Group Survey on Global Economic and Financial Crisis**

Earlier this month, Ai Group released a survey on the global economic and financial crisis that has identified widespread and growing negative impacts across the economy. Ai Group Chief Executive, Heather Ridout said "The just-completed survey on businesses in the manufacturing, services and construction industries shows the crisis is biting and that its impacts look set to intensify in the months ahead".

"The survey is the first in a series of Ai Group will conduct over the months ahead to monitor the impacts of the global financial crisis on economic activity and business plans. The survey will assist in monitoring the impacts both of the crisis itself and of policies put in place to restore consumer spending, investment and business confidence. In this first assessment of the impact of the crisis on businesses report an overall negative impact of the global crisis on their business with substantial implications for investment and employment," Mrs Ridout said.

"Businesses are responding actively to the crisis. They are revising their business plans, reducing employment, reducing costs and scaling back on investment. Businesses that undertake R&D appear to be cutting back in this area as well". "The Government has introduced a stimulus package aimed at low and middle income households and first home buyers. The effectiveness of this package will need to be monitored very closely over coming months and this will be assisted by this series of new surveys" Mrs Ridout said.

Key findings of the survey include:

- One-quarter of firms report a strongly negative, and another 36% report a moderately negative overall impact of the global crisis on their business;
- 13% of firms report a strongly negative impact on current production levels (and 33% a moderately negative impact);
- For new orders, 24% of firms across the three sectors are experiencing a strongly negative impact, with construction hit hardest - 34% of constructors report a strong negative impact on new orders;
- 56% of businesses report either a strongly or moderately negative impact on investment;
- Notwithstanding the winding back of investment expenditure, one in five companies report that the financial crisis has negatively impacted their access to credit;

- The impact on credit availability is most clearly evident in the construction sector, where over one-third of businesses report a negative impact;
- Over 60% of companies report negative impacts on sales and one in five companies report being strongly negatively affected; and
- On capital investment plans, 59% of services firms; 57% of manufacturers; and 53% of firms in the construction sector reporting a strong or moderate negative impact.

This survey is the first in a series Ai Group will conduct over the next few months to monitor the impact of the global economic and financial crisis on Australian business. [Download the full Australian Business and the Global Economic and Financial Crisis Survey here.](#)

### **2008 Australian Export Awards**

The 2008 Australian Export Awards (AEA) recognises Australian businesses for their export achievements. The awards recognise export achievers across all industries from manufacturing to mining, service industries to the arts, regardless of size or location. Now running for over 40 years, the AEA have earned a reputation throughout the Australian business community as the key industry award for export excellence.

Ai Group takes this opportunity to congratulate the state winners on their magnificent achievements in exporting and general international business development. Ai Group members who are state winners include:

- Triasx Pty Ltd - Information and Communication Technology Award (QLD)
- Russell Mineral Equipment Pty Ltd - Large Advanced Manufacturer Award (QLD)
- WorleyParsons Services Pty Ltd - Large Services Award (VIC)
- Zoos Victoria – Sports, Events and Tourism Award (VIC)
- Advanced Polymer Technology Australasia Pty Ltd – Victorian Exporter of the Year (VIC)
- Alcoa of Australia Limited – Minerals and Energy Award (WA)

The winning companies in each sector are now finalists for the Australian Exports Awards to be announced on Friday 5 December at a National Awards Presentation at the National Gallery of Victoria, Melbourne. If you wish to attend the Gala Dinner and Awards Presentation visit <http://www.exportawards.gov.au>.

### **Shipping Container Seals to the US**

As of November 1<sup>st</sup> all seals on shipping containers going to the USA and transshipping through the USA must meet more stringent standards. The new standards will require container freight seals to meet or exceed certain standards for strength and durability to prevent accidental breakage, early deterioration or undetectable tampering. In the past, containers could be sealed with thin “strip seals”. These regulations now dictate the containers must be sealed with a “bolt seal”. Failure to meet these regulations could see your container delayed, unpacked by US Customs or returned to the export port. Canada, Taiwan and India have also adopted these regulations, and more countries expected to follow suit. If you are shipping to these countries then to avoid delays ensure you use a bolt seal on your containers.

### **Freight and Logistics Good Practice Sourcebook**

With support from the Victorian Government, the Victorian Freight and Logistics Council (VFLC) has recently launched the Freight & Logistics Good Practice Sourcebook, a collection of and guide to the successful strategies and initiatives of participants at every level of the supply chain. Modelled on similar publications in Europe, the Good Practice Sourcebook details everything from the leading edge developments to the incremental improvements that keep transport and logistics service suppliers and their customers ahead of the game.

You also have the opportunity to contribute to the sourcebook by completing a questionnaire. The questionnaire can be downloaded from the VFLC website on <http://www.vflc.com.au> under the Industry Practices heading.

### **Schenker Australia goes paperless with air shipment**

Schenker Australia has despatched its first paperless airfreight shipment from the Australian market to Hong Kong, marking the beginning of a new era in airfreight, the international logistics company said. E-freight, launched by the International Air Transport Association (IATA) in 2004, was replacing the paper documentation that typically accompanied freight with electronic information. Schenker Australia chief executive Ron Koehler said e-freight would minimise the delays in shipments arriving at an airport with missing documentation and would help keep operations environmentally friendly. It will also improve the data quality and save costs, as well cutting down on paper. The IATA has successfully launched several e-freight pilot programs across the globe, with full implementation aimed for 2010.

## Market in Focus – Turkey

### Why Turkey

- Turkey is the world's 15<sup>th</sup> and Europe's 6<sup>th</sup> largest economy;
- It is predicted that Turkey will be one of the world's 10 largest economies by 2050;
- Turkey is a large emerging market with an average growth rate of 6.7%;
- Turkey occupies a key geo-strategic position between Europe, the Caucasus, Central Asia, and the Middle East. Most of Turkey lies in Asia, but three percent is in Europe;
- Turkey has a population of around 72 million, 50% of which is under the age of 28. It has the world's 13<sup>th</sup> largest urban population at about 50 million;
- Istanbul the largest city, with a population of around twelve million serves as a bridge between the continents of Europe and Asia;
- The level of two-way investment between Australia and Turkey is relatively small. There is greater potential for trade between the two countries.

Australia and Turkey have a productive and steadily developing relationship, with substantial dialogue across a wide range of issues, frequent high-level visits and expanding bilateral trade and investments. Turkey is an ancient land with a modern, industrial economy and a democratic government. Its economy made steady progress through the last decade, with GDP growth exceeding 6 per cent most years and a strong trade presence. A major economic reform program was started within the scope of an IMF stand-by arrangement, following the economic crisis in 2001. The arrangement, covering the period May 2005 – May 2008, provides for USD 10 billion of financial support from the fund which will be disbursed in 11 instalments. Successful implementation of the stand-by program accompanied by structural reforms saw the vulnerabilities in the economy decrease and have the economy more attractive for foreign investment. In 2006, foreign investment inflows into Turkey reached USD 19.8 billion, the highest level in Turkey's history.

Although manufacturing overtook agriculture in the 1980s as the major contributor to GDP, agriculture continues to play a major role in the Turkish economy, especially in employment. Agriculture accounts for around 11 per cent of GDP and 27 per cent of employment. There is a substantial unregistered economy, with estimates of its value ranging from 20 per cent to 50 per cent of economic activity.

Australia's exports to Turkey are largely commodity based and include sales of coal, non-monetary gold, aluminium and lead. In recent times, there have been some successes in diversifying exports, including with the sale of a number of fast ferries to the Istanbul municipality. The conclusion of a health protocol for breeding cattle between Australia and Turkey permits the export of live breeding cattle to Turkey. The first shipment of live cattle exports from Australia since 1996 arrived in Turkey in May 2007.

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

- Coal A\$265
- Aluminium A\$86
- Gold A\$51
- Lead A\$22

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

- Goods vehicles A\$45
- Fruits & nuts A\$44
- Vegetables, prepared or preserved A\$20
- Household-type equipment A\$19

*\*Includes A\$118m of confidential items, 18% of total exports.*

### Export Opportunities

A number of key areas in Turkey have been identified as providing opportunities for Australian companies including infrastructure projects; oil and gas exploration and production; education and training; information and communication technologies; health care and medical products; and food and beverages. Australian companies are pursuing opportunities brought about by a growing Turkish market and privatisation programs. There is also potential for greater service trade, particularly Australian participation in the education and training sector in Turkey. Turkey is definitely worth exploring for trade opportunities.

### Financial & Legal Services

Turkey is experiencing the launch of new products and services, widespread technologies and a growing emphasis on cost reduction. Turkey offers numerous major project opportunities in telecommunications, energy, transportation and infrastructure projects such as dams, airports, harbours, road and water and sewerage systems. Assistance from foreign engineering consulting companies is sought mainly for major infrastructure projects, which require advance technology, legal advice, or foreign credit.

## **Environment/Water**

The Turkish Ministry of Environment and Forestry is heavily involved in adapting the Turkish environment legislation for EU accession. The environmental heavy-cost investment planning of Turkey has led to the allocation of €68 billion for the infrastructure needs of the sector to be spent by 2023 or EU accession. There are presently opportunities for consultants and technology providers with desperately needed investments in sanitary landfill sites, hazardous waste incinerators and sludge drying/incinerating facilities with most advanced technologies, providing positive impact on climate change issues.

## **ICT – Telecommunications**

The telecommunications sector in Turkey is amongst the most attractive and potentially lucrative anywhere in the world. Conservative estimates suggest the size of the sector is approximately US\$22 billion and growing at about 20 per cent per annum. Market segments show significant growth rates in 2006/07: carrier services; IT hardware; services; telecom hardware; software; and consumables.

## **ICT – Software**

The Turkish software industry is one of the fastest growing sectors of the economy claiming double digit growth rates in the past five years. Local software companies, many of whom operate to internationally recognised methods and standards are actively looking to form partnerships with companies abroad in order to gain international recognition and to expand their activities in new markets.

## **Textiles & Clothing**

Although the textile and clothing industry contributes significantly to the Turkish economy, there is a growing demand for technical textiles in the Turkish market particularly in automotive, protective clothing and healthcare end-use industries.

## **Other Opportunities**

- The process is underway to privatise 21 state owned distribution companies. Much advice, network refurbishment and new equipment will be needed.
- There is huge investment planned for transport infrastructure (roads, rail and airports).
- The Government is bringing forward legislation to promote energy efficiency. Advice and technology will be needed.
- A range of advisory opportunities will exist in reforming the electricity market structure, including legal and regulatory framework building, system development and capacity building.
- There are opportunities in the expanding market of renovation and construction of buildings, such as prisons and airports.
- There are a great many opportunities in the physical security market (locks etc.), but possibly greater opportunities in the electronic equipment field, for example cash-in-transit equipment, hand-held and walk-through metal detectors, CCTV, access control and intruder.

[Back to top](#)

## **e-link**

Success in international trade involves more than just having a great product to sell, you must also have a good working knowledge of letters of credit, documentation, credit financing, and similar topics. You'll find a great resource for this at the US Department of Commerce Trade Finance Guide [http://www.ita.doc.gov/media/Publications/abstract/trade\\_finance\\_guide2008desc.html](http://www.ita.doc.gov/media/Publications/abstract/trade_finance_guide2008desc.html). The book which is full of useful information for small and medium sized companies can be downloaded for free as a PDF file. The chapters include: Methods of Payment in International Trade; Letters of Credit; Export Credit Insurance; Export Factoring; Foreign Exchange Risk Management; and more. The guide was written for US exporters, but there is useful information in it for everyone.

Ai Group delivers a TradeDocs programme which covers most of these topics, keep up to date with our training calendar which can be viewed at our website <http://www.aigroup.asn.au> for upcoming dates for next year.

[Back to top](#)

## **Trade Missions**

Incoming Missions

### **Global Business Outlook for 2009**

19 – 20 November 2008

This event brings together industry leaders, government representatives, economists and financial market experts to discuss the pertinent issues facing our global economy. In this volatile global economic climate, it is becoming even more important for businesses to be well informed on the latest challenges that face Australian trade, and to have access to the most-up-to-date economic forecasts and trends. Global Business Outlook for 2009 will provide a forum to access this information, and offer valuable insights through interactive focus groups, panels and keynote presentations. The focus for the forum will be

Australia's major trade partners including the Asia Pacific, North America and India. Timely issues such as United States – “New President New Era” and China – “Post Olympics Exercising Strengths”, Australia's economic weaknesses and strengths, impact of climate change on business and opportunities in a slowing economy will also be featured. For more information visit <http://www.australianbusinessforum.com.au>.

## Outgoing Missions

### **Arab Health 2009**

26 – 29 January 2009

Claim your share of the \$75 billion health sector in one of the world's fastest growing regions. Arab Health is the Middle East's largest healthcare exhibition and congress attracting healthcare manufacturers, wholesalers, distributors and end-user customers from across the Middle East and North Africa. In 2008 the exhibition attracted over 44,000 visitors and 2,100 companies from 62 countries. Austrade will be offering a business matching and networking service to Australian companies that wish to capitalise on the event, as well as Australian pavilion providing you the opportunity to showcase your products. For more information visit <http://www.austrade.gov.au/ArabHealth09>.

### **India ICT Partnership Program 2009**

11 – 13 February 2009

Austrade with the support of AIIA, AIBC and other members of CoMICTA (Committee Marketing ICT of Australia) invite you to participate in the India NASSCOM Leadership Forum in Mumbai. NASSCOM is the National Association of Software and Services Companies of India with membership covering the vast majority of IT industry revenues in India. The forum is attended by senior management from major Indian IT companies. This is your opportunity to network and present your technology/solutions to potential partners including systems integrators, resellers and end-customers. For more information on the forum and how you can become involved visit <http://www.austrade.gov.au/indiaICTpartnership> or <http://www.nasscom.in>.

[Back to top](#)

## **VICTORIA - Upcoming Events**

[Ai Group Events](#)

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

---

## **Ai Group Events**

### **Seminar: Environmental Claims in Marketing**

Environmental claims on products and “green” features can be a powerful marketing tool for business seeking to differentiate their products and services. Learn how to avoid the pitfalls and potential prosecutions by attending this seminar. The seminar will assist your business to understand the legal obligations associated with the use of environmental claims or symbols and ensure that your marketing strategies appropriately position your company to take advantage of the opportunities arising from heightened consumer interest in “environmentally friendly” goods and services.

**Date:** Tuesday 18 November

**Venue:** Rialto Towers  
Level 23, 525 Collins Street, Melbourne

**Time:** 9.00am – 12.30pm

**Contact:** Fiona Green on 03 9867 0276 or email [fiona.green@aigroup.asn.au](mailto:fiona.green@aigroup.asn.au)

[Back to top](#)

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

Department of State & Regional Development & Austrade

### **Briefing: Opportunities in a world-class clean energy initiative**

You are invited to attend a briefing on how your company can be part of Masdar, the Abu Dhabi Government's multi-faceted, multi-billion dollar initiative in renewable energy and clean technology. The cornerstone of this initiative is the construction of Masdar City, the world's first carbon zero, zero waste city, completely powered by renewable energy. In December senior Masdar representatives will be in Sydney and Melbourne to look for Australian partners in building and construction, energy and environment; and investment opportunities.

**Date:** Wednesday 3 December

**Venue:** Investment Centre Victoria  
Level 46, 55 Collins Street, Melbourne

**Time:** 9.00am – 1.00pm  
**Cost:** \$0.00  
**Contact:** Austrade Direct on 13 28 78 or email [info@austrade.gov.au](mailto:info@austrade.gov.au)

Australian British Chamber of Commerce

#### **Lunch Briefing:**

#### **The Year in Review: Expert Views & Insights into the Global Crisis & the State of the Markets**

Three leading figures from banking, finance and the economy, and one leading commentator asking the tough questions. Guest speakers include, Alan Kohler, Alan Oster, Hamish Douglass, and one other expert who debate the impacts of the current global uncertainty, equity markets, and business sentiment and provide commentary and insight into what to expect in 2009. An informative and entertaining way to wrap up the business year for clients, colleagues and staff.

**Date:** Friday 5 December  
**Venue:** Zinc @ Federation Square  
Flinders Street, Melbourne  
**Time:** 12.00pm – 2.00pm  
**Cost:** \$110.00 ABCC members  
\$140.00 ABCC non-members  
**Contact:** Visit <http://www.britishchamber.com> or contact Helen Waldron on 03 9650 6000

[Back to top](#)

### **NEW SOUTH WALES - Upcoming Events**

[Ai Group Events](#)

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

---

#### **Ai Group Events**

#### **Seminar: Environmental Claims in Marketing**

Environmental claims on products and “green” features can be a powerful marketing tool for business seeking to differentiate their products and services. Learn how to avoid the pitfalls and potential prosecutions by attending this seminar. The seminar will assist your business to understand the legal obligations associated with the use of environmental claims or symbols and ensure that your marketing strategies appropriately position your company to take advantage of the opportunities arising from heightened consumer interest in “environmentally friendly” goods and services.

**Date:** Wednesday 19 November  
**Venue:** Aurora Place  
Level 19, 88 Phillip Street, Sydney  
**Time:** 9.00am – 12.30pm  
**Contact:** Fiona Green on 03 9867 0276 or email [fiona.green@aigroup.asn.au](mailto:fiona.green@aigroup.asn.au)

[Back to top](#)

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

Austrade

#### **Business Briefing: An insider's view of Japan's economy**

The global financial crisis and the strength of the Japanese yen is creating new opportunities for Australian exporters in this dynamic market. Courtesy of structural and market reforms throughout the 1990s, Japan enjoy healthy cash reserves and is well-placed to navigate the global financial crisis. Japan is poised to become an increasingly important market for Australian businesses. Receive an insider's view of how Japan might feature in your business strategy.

**Date:** Thursday 20 November  
**Venue:** Level 61, Governor Phillip Tower  
1 Farrer Place, Sydney  
**Time:** 12.30pm – 2.00pm  
**Cost:** \$0.00  
**Contact:** Austrade Direct on 13 28 78 or email [info@austrade.gov.au](mailto:info@austrade.gov.au)

Australian Nano Business Forum (ANBF) & InnovationXchange

#### **Networking Seminar: Nanotechnology and Advance Manufacturing**

Don't miss this opportunity to hear and discuss the commercial opportunities nanotechnology presents for Australian industry. This networking seminar will explore the opportunities for application of nanotechnology for advanced manufacturing organisations in Australia, and current research and development being undertaken in this field. Guest speakers include: Dr Martin Svehla, Principal Material Scientist, Cochlear Limited; and Prof Michael Cortie, Director, UTS Institute for Nanoscale Technology.

**Date:** Tuesday 25 November  
**Venue:** NSW Trade & Investment Centre, Hamilton Room  
MLC Centre, Level 47,  
19 Martin Place, Sydney  
**Time:** 5.30pm – 7.30pm  
**Cost:** \$0.00  
**Contact:** Kellee Dooley on 03 9654 9700 or email [kellee.dooley@anbf.com.au](mailto:kellee.dooley@anbf.com.au)

[Back to top](#)

## QUEENSLAND - Upcoming Events

[Ai Group Events](#)

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

---

### Ai Group Events

#### Seminar: Environmental Claims in Marketing

Environmental claims on products and “green” features can be a powerful marketing tool for business seeking to differentiate their products and services. Learn how to avoid the pitfalls and potential prosecutions by attending this seminar. The seminar will assist your business to understand the legal obligations associated with the use of environmental claims or symbols and ensure that your marketing strategies appropriately position your company to take advantage of the opportunities arising from heightened consumer interest in “environmentally friendly” goods and services.

**Date:** Friday 28 November  
**Venue:** Waterfront Place  
Level 22, 1 Eagle Street, Brisbane  
**Time:** 9.00am – 12.30pm  
**Contact:** Fiona Green on 03 9867 0276 or email [fiona.green@aigroup.asn.au](mailto:fiona.green@aigroup.asn.au)

[Back to top](#)

### Other Events incl. Austrade/TradeStart

Austrade

#### Workshop: 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. Export advisers from Austrade will present the workshop, and help you decide whether export is something that could help grow your business and secure its future.

**Date:** Thursday 11 December  
**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)

[Back to top](#)

*You received this email from the Australian Industry Group because you have subscribed to the TradeWays email newsletter. To update your subscription details or to unsubscribe from the mailing list for this email newsletter, email [unsubscribe@aigroup.asn.au](mailto:unsubscribe@aigroup.asn.au) with your request. You may receive one further email to confirm your request.*

*For more information on our Privacy Policy (<http://www.aigroup.asn.au/scripts/cqijp.exe/ccms.r?pageid=37>) or to contact us, visit the Ai Group website (<http://www.aigroup.asn.au>), email [info@aigroup.asn.au](mailto:info@aigroup.asn.au) or telephone NSW on 02 9466 5566, VIC on 03 9867 0111 or QLD 07 3244 1777.*