

# TradeWays

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INTERNATIONAL OPPORTUNITIES FOR AUSTRALIAN BUSINESSES



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## From the Trade Desk

During challenging economic times, business managers can feel isolated as they try and work their way out of issues while maintaining a positive face to staff. The Trade team at Ai Group wanted to remind everyone that we do have a number of products and services that have been designed to assist and support companies and you can always use us as a sounding board.

New and expanding exporters can access a suite of services including an Export Advisor via [TradeStart](#) as well download market reports and market visit guides on our [website](#).

We also have a new 'Small Business Advisory Service' in Victoria, designed to provide companies with less than \$2million turnover with business mentoring, advice and tools to improve business processes. [Email](#) us to find out more.

## News

### **Ai Group comment on announcement of productivity commission inquiry into Australia's anti-dumping and countervailing policy**

"The announcement by the Federal Government of a Productivity Commission inquiry into Australia's anti-dumping and countervailing policy must not lead to an erosion of Australia's commitment to anti-dumping," said Australian Industry Group Chief Executive Heather Ridout. Global economic circumstances make it more likely that dumping will be attempted in the Australian market which is already under pressure as a result of weakening economic demand. Any watering down of our anti-dumping system will only add to this pressure on Australian industry. "We also need to be mindful that Australia's negotiating position in important multilateral and bilateral trade negotiations would be weakened if our current anti-dumping policy was undermined". "There was a review of Australia's anti-dumping policy only in 2006. After this new Productivity Commission inquiry, it is critical that Australia still retains the core principle that anti-dumping cases be determined only on the evidence provided by the specific parties involved. To do otherwise would work against Australian industry's competitive position. "Australia already has one of the most open markets in the world for industrial products. With such an open market, it is imperative that we have some device to ensure that products are not landed in Australia below the market price in their own country simply to capture market advantage here. If a blind eye is turned to such practices, this will inevitably lead to higher consumer prices, the loss of industrial capacity in Australia and increased job losses". Ai Group will be working closely with the Trade Remedies Task Force (TRTF), which represents a wide range of companies and industry associations, to make a detailed submission to the review.

### **Free trade pact with ASEAN sparks changes**

The signing of the Australian, New Zealand and ASEAN Free Trade Agreement (AANZFTA) marks an era of change in Australia's economic relations with the country's closest neighbours. The agreement negotiations have been concluded and were formalised with the signing of the AANZFTA in Thailand. The Australian Department of Foreign Affairs and Trade (DFAT) said the FTA would include:

- The ability for Australian pharmaceutical companies across the region to export to ASEAN countries with almost total reduction in tariffs;
- Significant reductions in tariffs on Australian beef, live cattle exports, sheep and goat meat to countries such as the Philippines, Indonesia and Vietnam;

- Lower tariffs on Australian aluminium exports to Indonesia and reduction of Malaysian tariffs on aluminium tanks, vats, nails and screws over the next four years;
- A dispute resolution provision so that Australian firms investing in ASEAN countries will have access to arbitration against ASEAN countries if their investments are adversely affected by actions which breach the AANZFTA. This will expand current protection measures in Indonesia, Laos, the Philippines and Vietnam;
- A general commitment to certainty and transparency for Australia service providers, in addition, several Australian service industries have received specific commitments to improve their market access including benefits for lawyers;
- Rules of origin generally constructed on “co-equal” access to rules based on either Change in Tariff Classification or Regional Value Content tests. For most goods there will be an option of using either test however some goods will need to a specific test;
- The use of a “certificate of origin” regime for those wishing to claim preference, these certificates would be issued by relevant approved bodies, as in the Australia Thailand Free Trade Agreement.

### **Australian Exporters mainly trade with New Zealand**

New Zealand remains Australia’s leading export destination, according to Austrade chief economist Tim Harcourt. Using new research from the Australian Bureau of Statistics (ABS) and Austrade, it was revealed that 45018 exporting businesses in 2007/08 comprising 43098 goods exporters and 2927 service exporters, 17897 were involved in New Zealand trade. Mr Harcourt said, the Australian New Zealand Closer Economic Relationship which is now over two decades old, gave Australian companies, especially small businesses, a kick-start into exporting.

The US was second with 9816 exporters followed by Singapore with 6566, UK 5614 and Hong Kong 4918. China was seventh on 4495, a growth of 238 exports and with an 18.5% increase in export revenue. China was followed by Papua New Guinea 4233, Malaysia 3537, Japan 3424 and Fiji 3181.

### **Australian PMI: Activity falls again but pace of decline eases**

The manufacturing industry continued to deteriorate in March although the rate of decline has eased with the Australian Industry Group – Pricewaterhouse Coopers Australian Performance of Manufacturing Index (Australian PMI) up slightly 1.7 points to 33.4. This is well below the 50 point mark that separates expansion from contraction.

Australian PMI Key Findings for March include:

- The seasonally adjusted Australian Industry Group – Pricewaterhouse Coopers Australian Performance of Manufacturing Index (Australian PMI) up slightly 1.7 points to 33.4;
- The inventory adjustment process continued in March, with sales being partly drawn from existing stocks as new orders fell again. The associated decline in manufacturing production gathered further momentum in March and employment fell for the 13<sup>th</sup> consecutive month;
- Firms continue to point to weak domestic and global demand for manufactures, including from China; project cancellations; lack of credit availability; and competition from overseas products as the prime causes of the downturn in manufacturing;
- Input cost growth eased modestly in March, while selling prices remained essentially stable. Wages growth eased for the sixth consecutive month;
- Exports fell as global manufactures demand continues to decline; and
- Manufacturing activity fell in all states except Tasmania where it rose slightly. The largest falls were recorded in New South Wales and South Australia.

[Click here](#) to view the complete performance index.

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### **Market in Focus – Brazil**

Why Brazil

- Brazil is Australia’s largest trading partner in Latin America and 31<sup>st</sup> most important overall;
- Although the volume of trade is still modest, it is growing at about 18% per year (based on 2007/08 figures);
- There are approximately 450 Australian companies exporting to Brazil, and approximately 30 companies with a presence in Brazil;
- Possessing large and well-developed agricultural, mining, manufacturing and service sectors, Brazil’s economy outweighs that of all other South American countries and is expanding it’s presence in world markets.

Brazil is simply too big a market to ignore. It is the fifth-largest country in the world, with a population of approximately 185 million. It has one of the world’s most rapidly developing economies and a GDP per

head that is greater than either India or China. It has natural resources in abundance, a developed industrial base, high standards in scientific research and substantial human capital.

Brazil is one of the four countries which, together with Russia, India and China make up the BRIC economies. The term was first used in 2001 by the investment bank Goldman Sachs which highlighted the huge potential of Brazil and recognised that, together with the other BRIC countries, it has the potential to be one of the dominant economies in the world by 2050.

If you are considering Brazil keep in mind some of the following points:

- Leave your preconceptions at home;
- It is all too easy to be dazzled or overawed by Brazil, but keep hold of your business sense as tightly as you would anywhere else;
- Do your homework on the market and on potential partners;
- Patience is a virtue. Some things may take longer to set up than you expect (especially if they involve bureaucracy), so allow for this in your preparation;
- Take a long-term approach, but do not always stick too rigidly to your plans. Things often change rapidly and unexpectedly in Brazil. Brazilians are flexible, and famous for finding a way around problems;
- Obtaining good-quality independent legal and professional advice is essential;
- If your product is in danger of being copied or counterfeited, seek specialist legal advice on how best to protect your intellectual property rights;
- If you require assistance researching the Brazilian market please give Ai Group a call.

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

- Coal A\$439
- Passenger motor vehicles A\$33
- Nickel ores & concentrates A\$20
- Specialised machinery & parts A\$19

*\*Includes A\$250m of confidential items, 27% of total exports*

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

- Aircraft, spacecraft & parts A\$205
- Animal feed A\$107
- Fruit juices A\$71
- Pig-iron A\$71

#### **Export Opportunities**

Brazil has a broad and sophisticated base and the government continues its programme of privatisation and deregulation. There is also a growing middle class in Brazil who have real spending power and who appreciate high quality merchandise. If a product or service is generally competitive in world markets it is also likely to be so in Brazil.

Export opportunities include:

- Business and financial services;
- Agribusiness;
- Education and training;
- Mining and minerals;
- Transportation;
- Textile, Clothing and Footwear;
- Food and Beverage.

There are also opportunities for companies to help develop/assist with the infrastructure needed for the Football World Cup 2014 which will be hosted in Brazil.

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#### **e-link**

Millions of people communicate with each other every day in online social networks like Facebook, Twitter, and MySpace, and companies are starting to realise that they'd better get in on the conversations. [WhosTalkin?](#) is a search engine for social networks, and it can help you find out what people are saying about topics that are of interest to your company. All you do is type in a keyword, and you will get a list of links to any recent comments involving that keyword in blogs, networks, forums, news media, etc. This is a useful not only as a Public Relations strategy, but also as a way of researching new ideas, products, and markets. The Internet is so all-encompassing these days that a search engine like this can help you keep up with what your customers and competitors are thinking.

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#### **Trade Missions**

Incoming Missions

**Architectural Mission from India**

27 April – 2 May 2009 Melbourne

A group of 5-6 Architects, pre-qualified by the Victorian Government office in Bangalore will be hosted by Ai Group to meet with potential suppliers and to visit Design-ex in Melbourne. Architects and suppliers of export quality building materials and furnishings who are interested in participating in mission events should contact Louise McGrath on 03 9867 0158 or [louisem@aigroup.asn.au](mailto:louisem@aigroup.asn.au).

### **CeBIT Australia 2009 Sydney**

12 – 14 May 2009

CeBIT Australia 2009 is the largest business technology event in the region. This year's exhibition will feature an ambitious program of five separate conferences across three days, designed to equip delegates with the information they need to compete, survive and thrive in the global digital economy. The various conferences comprise, Ausinnovate; eGovernment Forum; Enterprise; WebForward; and Access. The exhibition attracts more than 35,000 visitors internationally. Visit <http://www.cebit.com.au> to register online.

### **Designbuild Australia Sydney**

21 – 23 May 2009

Once again Designbuild will be a key event for attracting international building and hardware industry decision makers to Australia. Australia 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](mailto:ranui.young@austrade.gov.au).

Outgoing Missions

### **International Symposium: Security measures and technical solutions for major events and expanding cities – Abu Dhabi, United Arab Emirates**

18 – 20 May 2009

The Symposium will seek to develop a Roadmap to promote innovation on the use of technology in the above mentioned context, emphasising both human factors and resource optimisation. Private companies from the security technology industry and high-level security representatives from countries across the globe will have a chance to interact during a variety of working sessions. The aim of the Symposium is to learn from past experiences and promote effective solutions for the future. There will be a series of inputs on recent major events, security preparations for upcoming major events and protection of vulnerable targets - particularly in the context of rapid growth cities. The underlying tone of the discussions will assist in defining how the UN-mandated program on major events can promote synergies between the security community and technology providers. The conference provides industry with an inside track to benefit from the UAE's growing investment in security innovation and access to a group of UN Member State's representatives along with experts from prominent technology providers. For more information visit <http://lab.unicri.it/ipotech>.

### **Cosmoprof North America 2009**

19 – 21 July 2009

Take centre stage at North America's leading beauty and cosmetics showcase. Launched in 2003 and held at the Mandalay Bay Convention Centre in Las Vegas the event provides a highly desirable destination to attract buyers, sales representatives and distributors. Sales of cosmetics and toiletries in the US totalled over \$US51 billion in 2007, and Canadian market sales were valued at \$US5.6 billion. The following products are expected to show the fastest value growth: sun care, baby care and men's grooming products. If your business is in cosmetics (all types), hair care, skin care, and salon/spa and you would like to find out more about attending Cosmoprof contact Denise Eaton on 02 4228 8188 or email [denise.eaton@austrade.gov.au](mailto:denise.eaton@austrade.gov.au).

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### **VICTORIA - Upcoming Events**

[Ai Group Events](#)

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

### **Ai Group Events**

#### **Workshop: TradeDocs Express – Letters of Credit and Export Documentation**

This full day comprehensive and practical program is designed to provide you with a straightforward guide to export documentation. Find out how to comply with your Letter of Credit requirements to improve security of payment, and learn more about the purpose and application of trade terms in order to become a more successful exporter.

**Date:** Tuesday 16 June  
**Venue:** Ai Group  
20 Queens Road, Melbourne  
**Time:** 9.00am – 4.30pm  
**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

Melbourne's West Export Network

##### **Seminar: Managing your exports in an uncertain global environment**

This event is sponsored by Brimbank City Council and supported by the Department of Innovation, Industry & Regional Development, Hobsons Bay Maribyrnong, Melton and Wyndham City Council, and Austrade. Learn why you need to effectively manage your international business in these uncertain times; how to take advantage of the low dollar to achieve short-term growth and off-set decreased domestic demand; understand the importance of maintaining overseas customer relationships; and hear about the European markets and opportunities. If you are a new or existing exporter you should consider attending this event.

**Date:** Tuesday 21 April  
**Venue:** Convention Centre, VU Sunshine Campus  
Gate 1, 460 Ballarat Road, Sunshine  
**Time:** 8.30am – 1.00pm  
**Cost:** \$0.00  
**Contact:** Yvonne Moon on 0407 303 255 or register [online](#)

Australian British Chamber of Commerce

##### **Lunch Briefing: How will the GFC redefine global workers and consumers during the next decade?**

Guest speaker is Bernard Salt a KPMG partner based in Melbourne who has established an international reputation as a trend forecaster for business and government. As well as being a respected columnist with The Australian and Melbourne Herald Sun newspapers, he is a regular on the Australian circuit, and a business advisor. Bernard heads a group of consultants within KPMG providing demographic based advice to business.

**Date:** Tuesday 5 May  
**Venue:** River Room, Crown Towers  
8 Whiteman Street, Southbank, 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

Department of Innovation, Industry & Regional Development

##### **Gala Dinner: 2009 Victorian Manufacturing Hall of Fame – Meeting the Challenge**

Join industry leaders to celebrate the induction of Victorian companies and individuals who will be honoured for their achievements in manufacturing excellence, while enjoying a spectacular night of great food, wine and entertainment.

**Date:** Monday 11 May  
**Venue:** Palladium Ballroom, Crown Entertainment Complex  
8 Whiteman Street, Southbank, Melbourne  
**Time:** 6.30pm Pre-Dinner Drinks, 7.30pm Doors Open  
**Cost:** \$145.00  
**Contact:** Valentina and Associates on 03 9692 9692 or email [vmhf@valentina.com.au](mailto:vmhf@valentina.com.au)

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#### NEW SOUTH WALES - Upcoming Events

[Ai Group Events](#)

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

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#### Ai Group Events

**Seminar: Pandemic Planning – managing the risks to business viability**

Experts suggest that businesses should plan for 30 - 50 percent staff absences at the peak of a pandemic. Each year up to 10 – 20 percent of the total Australia population is affected by influenza with the virus responsible for about 1.5 million lost working days. A flu pandemic poses a far greater threat because everyone is susceptible. Industry may need to rethink their business continuity plans in light of the potential impact of a flu pandemic to minimise disruptions to operations, expedite recovery and improve business viability. This seminar will address issues to assist business to plan for the impact of a possible influenza pandemic on their employees and business.

**Date:** Wednesday 22 April  
**Venue:** Sydney Hilton  
488 George Street, Sydney  
**Time:** 9.00am – 2.00pm  
**Contact:** Mary Tiller on 02 9466 5566 or email [mary.tiller@aigroup.asn.au](mailto:mary.tiller@aigroup.asn.au)

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

The Australian Interactive Media Industry Association

#### **Forum: Growing Online Internationally – Strategies and Tools**

Did you know that 60 – 70% of people now using the internet are doing so in languages other than English? These people are amongst the growing millions of people searching in Chinese, Spanish, Japanese and a multitude of other languages, yet many companies still market themselves online only in English. The forum will include national and international speakers who will examine the issue of going global online from different perspectives and share case studies and insights of companies in Europe, Asia and Australia that have expanded their businesses by doing so.

**Date:** Wednesday 6 May  
**Venue:** KPMG Auditorium  
10 Shelley Street, Sydney  
**Time:** 9.30am – 12.30pm  
**Cost:** \$135.00  
**Contact:** Natalie Dager on 02 9248 7900 or email [events@aimia.com.au](mailto:events@aimia.com.au)

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#### **QUEENSLAND - Upcoming Events**

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

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#### **Ai Group Events**

#### **Workshop: TradeDocs – Letters of Credit and Export Documentation**

This full day practical program is designed to provide you with a straightforward guide to export documentation. Find out how to comply with your Letter of Credit requirements to improve security of payment, and learn more about the purpose and application of trade terms in order to become a more successful exporter.

**Date:** Thursday 28 May  
**Venue:** Ai Group  
202 Boundary, Spring Hill  
**Time:** 9.00am – 4.30pm  
**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**

Trade Queensland

#### **Forum: “A Future for Queensland and the Developing World**

The Hon Bob McMullan MP, Parliamentary Secretary for International Development Assistance, will provide a comprehensive overview of Australia's current development assistance strategy for East Timor. Trade Queensland and the Department of Tourism, Regional Development and Industry together with key Australian managing contractors will also provide a debrief of the Australian Development Business (ADB) Manila mission, which was held from 4 to 6 March 2009 and an overview of ADB's focus areas and opportunities.

**Date:** Tuesday 21 April  
**Venue:** The Conrad Marquee, Conrad Treasury Hotel  
Top of the Queen Street Mall, Brisbane  
**Time:** 10.00am – 12.00pm Session A  
1.30pm – 3.30pm Session B  
**Cost:** \$0.00  
**Contact:** Nicole Smith on 07 3225 1758 or email [nicole.smith@trade.qld.gov.au](mailto:nicole.smith@trade.qld.gov.au)

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