

# TradeWays

INTERNATIONAL OPPORTUNITIES FOR AUSTRALIAN BUSINESSES



*Edition 95 June 2009*

## In This Issue:

[News](#)

[Market in Focus](#)

[e-link](#)

[Incoming & Outgoing Missions](#)

Upcoming Events:

[Victoria](#)

[New South Wales](#)

[Queensland](#)

## From the Trade Desk

We would like you to take a moment to have your say and tell Austrade your ideas about how to promote Australia as a brand to the international business community more effectively. Ai Group encourages you to participate through the online survey. More details included in this edition of TradeWays.

Also, coming up in the second week of July is the Australia-China Business Week 2009 (ACBW 2009). Now in its second year and taking place in Melbourne from July 7-10, ACBW 2009 is a high profile business event for entrepreneurs, industry leaders and high profile Australian government representatives. A unique opportunity to gain valuable insight into the Chinese domestic market from entrepreneurs who are not only surviving the economic downturn but are expanding and consolidating their business interests. [Click here](#) for more information on events taking place during ACBW 2009.

## News

### **Austrade National Brand Project: Better positioning Australia as a trade and investment partner**

In August 2008 the Ministerial Council on International Trade (MCIT) endorsed the need to develop branding options to better project Australia as a trade and investment destination. The need for a national business brand and a national approach to promoting that brand was also endorsed by the Review of Export Policies and Programs (the Mortimer Review) and the issue was also raised in the Servicing our Future Report released in July 2008 by the House of Representatives Standing Committee on Economics, Finance and Public Administration. In addition, business groups have consistently identified the need to exploit Australia's reputation by significantly improving and broadening recognition of Australian expertise in target markets, particularly in Asia. This was highlighted at the Prime Minister's 2020 Summit and has been raised by industry associations.

The Austrade National Brand Project will focus on understanding how Australia is perceived offshore, defining our most compelling qualities as a trade and investment partner, showcasing them to the countries that are most economically important to Australia. Over time, this work will support Australia enterprises engaged in international business by raising awareness of Australia's diverse commercial capabilities and quality as a trade and investment partner.

You can have your say by completing the [online survey](#) that will only take a few moments of your time.

### **Australian PMI®: Fall in activity eases slightly**

The pace of decline of manufacturing activity eased in May, with the Australian Industry Group - PricewaterhouseCoopers Australian Performance of Manufacturing Index (Australian PMI®) up by 7.4 points to 37.5. While the index remains well below the 50-point mark separating expansion from contraction, it is now higher than it has been for the past seven months.

Key findings for May include:

- The seasonally adjusted Australian Industry Group - PricewaterhouseCoopers Australian Performance of Manufacturing Index (Australian PMI®) rose by 7.4 points to 37.5. This is still well below the 50-point mark separating expansion from contraction, but is its highest point in the past seven months.
- Six sectors, out of twelve, saw the rate decline in activity in comparison with April.

- A solid proportion of firms cited weak orders and sales as their key concern, with some pointing to weak demand from the resources, construction and retail sectors.
- The sharp fall in inventories may indicate that production could be set to recover in the near future.
- Exports fell for the ninth consecutive month.
- Manufacturing activity fell in all states. The largest falls were recorded in New South Wales and South Australia.

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

### **Customs to remove random inspections and focus on high risk cargo**

In a shift from the existing two-pronged approach, which saw Customs targeting random containers and those identified as involving a high-risk sender, receiver or point of origin, inspections will now be primarily based on risk. The new strategy will take effect from 1<sup>st</sup> July 2009. The change will see the number of air cargo inspections fall by 75% to 1.5m consignments. Likewise, sea cargo inspections will drop by 25%. Customs expects less import declarations to be filed in the 2009-10 financial year, while export declarations and cargo inspections are likely to remain the same. Customs will also carry out almost 300 audits of import companies and almost 40 audits on export companies next year.

### **More wine, pork and kangaroo meat on the menu for consumers**

More consumers could be eating Australian pork, kangaroo meat and mushrooms and drinking our fortified wines with funding announced by the Federal Government. In late May, the Minister for Agriculture, Fisheries and Forestry Tony Burke announced a total of nearly \$2 million for 15 projects to help Australia's food and seafood industries promote themselves to domestic and export markets.

In the first round of funding under the three-year Promoting Australian Produce initiative, a key election commitment for rural and regional industries. Grants of between \$50,000 and \$750,000 are available to projects to boost industry marketing, research consumer habits and strengthen links with new and existing markets. Applications for the second round of funding will open shortly. For more information visit <http://www.daff.gov.au/ausproduce>.

### **Wharfage charges hike for Melbourne**

Under the new Reference Tariff Schedule, to apply from 1 July, wharfage charges for loaded 20 foot and empty containers will increase 2.5% to \$36.40 per load plus GST and 2.2% to \$9.20 plus GST per empty container, after remaining unchanged last year. The infrastructure levy to recover costs for the Port Phillip Bay channel deepening will increase 2.5% to \$32.30 plus GST.

A series of volume based concessions will remain under the new schedule but at reduced rates, including continued support for vessels that have multiple sailings per week and a 50% concession rate for cruise shipping on normal channel fee rates having paid 40% of the normal rate last year.

The bulk liquid hike was introduced to better reflect the costs incurred with the environmental considerations associated with bulk liquid services.

### **Re-tooling for Climate Change**

The program is one of the three elements of the \$240 million Clean Business Australia initiative. The other elements are the Climate Ready Program and the Green Building Fund. The Re-tooling for Climate Change program is designed to help small to medium sized Australian manufacturers reduce their environmental footprint, through projects that improve the energy and/or water efficiency of their production processes. The program provides grants of between \$10,000 and \$500,000, up to a maximum of half of the cost of each project. Round four is open until 24<sup>th</sup> August 2009. [Click here](#) for more information on the program.

[Back to top](#)

## **Market in Focus – Indonesia**

### **Why Indonesia**

- Indonesia is a significant export market for Australia and our 13<sup>th</sup> largest trading partner;
- Total two-way trade (merchandise and services) totalled \$10.3 billion. Merchandise exports to Indonesia were valued at \$4 billion and imports were valued at \$4.6 billion;
- There are nearly 3,000 Australian companies currently doing business with Indonesia, 400 of them with offices located in the market;
- Indonesia has a burgeoning middle class with approximately 22 million consumers capable of spending \$1,900 a month; more than half the population is under 25;
- It's the fourth-fastest growing economy in Asia after China, India and Vietnam; and
- The biggest market on our doorstep.

On 27<sup>th</sup> February 2009, Australia and Indonesia, along with the nine other ASEAN countries and New Zealand, signed the region-wide ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA). The agreement is the largest FTA Australia has ever signed and will reduce or eliminate tariffs across the region.

In July 2007, Australia and Indonesia agreed to commence a Joint Feasibility Study on the merits of a bilateral FTA. The final draft of the study was welcomed by the Australian and Indonesian Trade Ministers at the recent Trade Ministers' Meeting in Sydney in February and made public on 1 April 2009. The study includes independent economic modelling and examines the potential implications for economic growth, trade, investment, commercial linkages and competitiveness. The joint feasibility study finds that a comprehensive FTA covering trade and investment would provide worthwhile economic benefits for both countries. It shows that the greatest gains would be achieved under an FTA that would eliminate all tariff and non-tariff barriers to bilateral trade and investment. It also finds that an FTA would be an opportunity to accelerate and deepen the integration of the Australian and Indonesian economies - the two largest in the region. The study further concludes that a bilateral FTA would complement and build upon Australia's other links with Indonesia.

#### **Major Australian Exports 2008\* (A\$m):**

- Live animals (excl. seafood) A\$409
- Aluminium A\$349
- Wheat A\$207
- Copper A\$181

*\*Includes A\$1.1bn of confidential items, mainly wheat and sugar, 27% of total exports*

#### **Major Australian Imports 2008 (A\$m):**

- Crude petroleum A\$2,386
- Gold A\$420
- Wood, simply worked A\$126
- Monitors, projectors & TVs A\$120

#### **Export Opportunities**

Indonesia continues to offer export potential for a range of Australian companies. Opportunities for trade should be viewed as medium to long-term. Demand in Indonesia for consumer imports is strong, and major export opportunities identified in: agribusiness; food and beverages; consumer products (fashion items and cosmetics); ICT (mobile telephony); and mining supplies. There is also good scope to expand services export in: construction and infrastructure development; finance, education and franchising sectors.

[Back to top](#)

#### **e-link**

Looking for new business opportunities? Have you considered looking at international organisations' projects? The United Nations has many projects in cooperation with development banks, governments and other organisations. They generate many excellent business opportunities. [Click here](#) to become better informed on worldwide export opportunities, locate partners and better understand how to obtain contracts by accessing the publications.

[Back to top](#)

#### **Trade Missions**

##### **Outgoing Missions**

##### **Defence Export Unit and Austrade – United States Industry Mission**

29 September – 9 October 2009

The Defence Export Unit and Austrade are coordinating an Industry Mission to the United States to cover a number of activities in a two week period. This mission will allow Australian defence industry to maximise their engagement with United States Military and United States defence industry representatives to demonstrate their products to an international audience. The United States is one of the largest purchasers of military equipment in the world and has a number of the major prime contractors serving the United States Military. For more information contact Brendan Sullivan on 02 6127 2736 or email [brendan.sullivan3@defence.gov.au](mailto:brendan.sullivan3@defence.gov.au).

##### **Medica Germany 2009**

18 – 21 November 2009

Access more than 90,000 global decision makers at the world's largest health and medical industry tradeshow. Austrade will be coordinating an Australian National Pavilion and participation in the pavilion allows you to meet key contacts and foster relationships. Australian health and medical suppliers of: electro medical equipment/medical technology; laboratory equipment; diagnostics; physiotherapy/orthopaedic technology; commodities and consumer goods for surgeries and hospitals; health IT; facility management; fabrics; premises and building technology; and medical services and publications. For more information contact Milena Bliss on 02 9390 2037 or email [milena.bliss@austrade.gov.au](mailto:milena.bliss@austrade.gov.au).

## VICTORIA - Upcoming Events

[Ai Group Events](#)

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

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### Ai Group Events

#### **Forum: Environmental Solutions – How green is your information and communication technology?**

The forum brings together companies facing environmental challenges with companies providing environmental solutions as well as providing networking opportunities. This forum will look at a number of simple measures that can be incorporated into your business ICT practices to save money and energy, and reduce ICT waste.

**Date:** Thursday 25 June  
**Venue:** Ai Group  
20 Queens Road, Melbourne  
**Time:** 9.00am – 11.30am  
**Contact:** Sarah McCormick on 03 9867 0224 or email [sarah.mccormick@aigroup.asn.au](mailto:sarah.mccormick@aigroup.asn.au)

[Back to top](#)

### Other Events incl. Austrade/TradeStart

Austrade

#### **EMDG Coaching Session**

These small 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 5 August  
**Venue:** Austrade Melbourne  
Level 31, 140 William Street, Melbourne  
**Time:** 2.00pm – 4.00pm  
**Cost:** \$0.00  
**Contact:** Visit <http://www.austrade.gov.au/cleanenergy> or call 13 28 78

[Back to top](#)

## NEW SOUTH WALES - Upcoming Events

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

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### Other Events incl. Austrade/TradeStart

NSW Department of State and Regional Development

#### **Seminar: Intellectual Protection and International Trade**

Most businesses need to consider the costs of obtaining overseas protection, and other options available to them such as costs and processes for enforcing rights if they are breached. More and more businesses are considering their options when it comes to overseas markets and manufacturers. Use of the internet, sales to overseas entities, off-shore manufacturing, distribution arrangements or even research and development, have international relevance. The intellectual property owned by a business is an asset. Business owners need to know if it is at risk, and if so what can be done to protect it.

**Date:** Thursday 18 June  
**Venue:** Department of State and Regional Development  
Level 2, 470 Church Street, North Parramatta  
**Time:** 8.30am – 10.30am  
**Cost:** \$0.00  
**Contact:** Mangala Srinivasan on 02 8843 1116 or email [dsrdparramatta@business.nsw.gov.au](mailto:dsrdparramatta@business.nsw.gov.au)

NSW Department of State and Regional Development

#### **Workshop: Rethink Business Strategy**

Every business needs a strategy supported by well-defined business plans for execution of the strategy. One way to develop a strategy is to use the system of three circles for strategy, involving your company, customers and competitors. The workshop can help businesses re-assess strategies and think afresh.

**Date:** Wednesday 19 August  
**Venue:** Department of State and Regional Development  
Level 2, 470 Church Street, North Parramatta  
**Time:** 8.30am – 10.30am  
**Cost:** \$0.00  
**Contact:** Mangala Srinivasan on 02 8843 1116 or email [dsrdparramatta@business.nsw.gov.au](mailto:dsrdparramatta@business.nsw.gov.au)

[Back to top](#)

## QUEENSLAND - Upcoming Events

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

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### Other Events incl. Austrade/TradeStart

Austrade

#### EMDG Coaching Session

These small 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 13 August  
**Venue:** Austrade Brisbane  
Level 16, 307 Queen Street, Melbourne  
**Time:** 3.00pm – 5.00pm  
**Cost:** \$0.00  
**Contact:** Visit <http://www.austrade.gov.au/cleanenergy> or call 13 28 78

[Back to top](#)

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