

# TradeWays

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INTERNATIONAL OPPORTUNITIES FOR AUSTRALIAN BUSINESSES



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## From the Trade Desk

This month, China is well and truly on our radar with two significant events in the coming months. The first is at the end of October and is a fantastic opportunity to network with over 200 Chinese delegates in Melbourne. The Australian China Business Week is a series of seminars and networking sessions designed to equip you with the contacts with which to target China.

Secondly, in November Ai Group is presenting practical briefings on the realities of doing business with China. The speakers are drawn from organisations and companies on the front line in our trade with China. If you are considering the Chinese market, don't forget the [Visiting the Market kit available on China](#) and nine other export markets.

## News

### **Ai Group Survey on impact of Free Trade Agreements**

Next year marks the fifth anniversary of the US Free Trade Agreement. In order to gain some appreciation of the benefit of the US and other free trade agreements, Ai Group would welcome your views. [Click here](#) to provide your response; it will only take a few minutes of your time. All individual information collected is confidential. If you have any queries contact Nicole Forrester on 02 6233 0713.

### **Senate move kills off quarantine fee overhaul**

The Federal Government's new quarantine fee structure has been thrown out of the Senate but the end result may be a reduction in AQIS services that could cause higher costs to exporters. A move by the Opposition to block a new quarantine fee structure in the Senate last month has forced the Federal Government to scrap its agricultural export system plan. In response, the Federal Government said the Senate ruling may force it to cut back on some services provided by AQIS. In July of this year, the Government scrapped a 40% rebate paid to exporters to help cover the cost of quarantine inspections, a move which would have netted the government \$103m over two years. The government had committed an extra \$20m to help exporters adjust to the new export certification fees structure, taking the total reform package to \$60m.

### **New airfreight group for Victoria looks at efficient supply chain**

A new body to help boost Victoria's supply chain performance, the Victorian Airfreight Working Group (VAWG), has been formed by the State Government. The group would focus on issues affecting the growth and productivity of Victoria's air freight sector, which is integral to the State's logistic solutions mix. The working group seeks to engage with all stakeholders in the industry to enhance the range and effectiveness of airfreight services provided in Victoria. It would be chaired by Wes McDiarmid of Röhlig Australia, with a broad-based and experienced membership representing all stakeholders from shippers and airlines to airport operators and government. Melbourne Airport has recorded growth in air freight exports throughout the first six months of 2009 and for the calendar year to date accounts for 34% of air freight exports from Australia. In June, the airport achieved 6,150 tonnes of exports representing year-on-year growth of 14.55 and exceeding Sydney's rate of 10.75. This provides a real opportunity for users and

suppliers of airfreight to shape aviation policy and improve operating efficiencies across the industry to achieve a benchmark for best-in-class logistic systems in Australian and internationally.

### **New Victorian Government Export Initiative for the USA: MAP@Plug and Play USA**

The Melbourne Australia Pavilion (MAP) @ Plug and Play USA is a pilot program designed to assist Victorian ICT and life sciences companies gain a valuable foothold in the lucrative American market. Under the initiative, approved Victorian companies will receive a three-month lease on office “pods” within the Melbourne Australia Pavilion paid for by the Victorian Government. The normal fee for this arrangement is US\$1800. An option exists to extend the leave by a further three months at a subsidised rate to the company. All operational costs are to be paid by the company. This is a one-year pilot program with access to the Pavilion beginning on 1 October 2009. For further details visit [Multimedia Victoria](#).

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### **Market in Focus – Hong Kong**

#### Why Hong Kong

- Hong Kong provides an attractive alternative as an indirect route into Mainland China;
- An open government and no significant trade barriers means accessing the Hong Kong market is simple;
- The transparent regulatory system presents few market access difficulties for overseas business people;
- The Pearl River Delta (PRD), one of the key economic regions of China often cited as “the workshop of the world” is next to Hong Kong; and
- As the largest “overseas” investor in virtually every Mainland province and, with eighty percent or around 65,000 factories in the PRD being Hong Kong owned, there is a vast amount of expertise in Hong Kong about doing business in the Mainland.

Hong Kong is a major international and regional financial centre and arguably amongst the freest economies in the world. It was the world's 12th largest trading economy in 2007 and is home to some of the region's most important corporate headquarters. It is a major provider of services to China and the East Asian region. Hong Kong's economic prospects now depend largely on its links with China and its role as an entry point and services centre, as well as a financial centre for the southern China region.

An open and free economy, Hong Kong benefited from trade growth and expansion in the global economy which took place between 2001 and mid 2008. But the region has not been immune to the negative impact of the current global financial crisis and has been particularly affected by the economic slowdown in China and the decrease in demand from key re-exports markets in the United States and Europe. According to a mix of Hong Kong government and private sector financial service companies, Hong Kong's GDP fell 1.4% in the second quarter of 2008 and a further 0.5% in the third, but might still grow 3-3.5% in 2008 on an annualised basis. Unemployment was 3.4% in the third quarter of 2008, and is likely to worsen in the near term as more lay-offs are expected in key sectors like the financial industry, and enterprises either cancel or delay their expansion plans.

Inflation eased from its peak in the first half of 2008, as energy and food prices decreased and the domestic property market softened. According to the Composite CPI, overall consumer prices rose by 3% in September 2008 against 6.3% in February 2008. Although unlikely in the short term, deflation has become a possibility. To stimulate the economy and ameliorate the impact of the global financial crisis, the Hong Kong Government has introduced a number of measures to support employment, guaranteed bank deposits and facilitated credit for struggling small and medium enterprises.

Openness to international trade has been fundamental to Hong Kong's economic history and success.

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

- Crustaceans A\$410
- Pearls & gems A\$218
- Zinc A\$168
- Telecom equipment & parts A\$124

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

- Telecom equipment & parts A\$159
- Jewellery A\$78
- Printed matter A\$69
- Computers A\$56

#### **Export Opportunities**

Hong Kong is a dynamic and accessible market, with no barriers to market entry. Identified key sectors where there are opportunities for exports of goods and services are as follows:

- Aerospace
- Chemicals
- Construction
- Consumer Goods
- Creative Industries
- Education & Training
- Environment
- Financial and Professional Services
- Food & Beverage
- ICT
- Life Sciences
- Railways

### **Capture Business Opportunities in Hong Kong: Gateway to China**

Ai Group, Hong Kong Australia Business Association and the City of Melbourne invite you to participate in the Business Mission to Hong Kong from 30 November to 4 December 2009. Apart from a comprehensive and customised business-matching program, mission members will also be able to participate in the Hong Kong Forum, featuring high calibre Asia's regional business and government leaders on topics of China and Hong Kong business opportunities, financing, marketing and branding, and market entry strategies, as well as the Hong Kong World SME Expo. Companies across various industry sectors who are positioned for export and are able to take a long term view of success in the Hong Kong Market should consider participating in this mission. 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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### **e-link**

Looking for the website of a port, an airport or an airline? Need to find a warehouse or a freight forwarder? Want to get industry news and logistics information? Look no further than [Freightworld](#) and help yourself to a range of information.

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### **Trade Missions**

#### **Incoming Missions**

#### **Australia China Business Week Melbourne**

20 – 23 October 2009

Australia China Business Week Melbourne (ACBW) is the major Sino Australia Business event this year in Australia and will host a series of events from 20-23 October in Melbourne including Forums, Networking Functions and Business Matching Sessions for both the Australian attendees and over two hundred Chinese delegates. Investment joint ventures and targeted business matching will be a highlight of ACBW as well as a focus on Hong Kong, the Macau Pearl River Delta Region and Shanghai World Expo which are some of the featured topics at ACBW Forum. ACBW is supported by government and commerce officials from Australia and China, along with some of the finest minds in trade and SME optimisation in the world. For information Contact Liam Pieper on 1300 360 005 or email [info@abforum.com.au](mailto:info@abforum.com.au)

#### **Outgoing Missions**

#### **Digital Media Mission to New York**

15 – 19 March 2010

Following the success of the second Digital Media Trade Mission to New York in 2009, Austrade, in conjunction with AIMIA (Australian Interactive Media Industry Association), is organising a return mission in March 2010. New York is the global hub for the advertising, marketing, media distribution, publishing and television industries. It is the largest media market in North America with seven of the world's top eight global advertising agencies headquartered in New York. Join this intensive, highly targeted program and introduce your technologies to major advertising and interactive media companies and suppliers. For more information contact Simon Hill at [simon.hill@austrade.gov.au](mailto:simon.hill@austrade.gov.au).

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### **VICTORIA - Upcoming Events**

[Ai Group Events](#)

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

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## Ai Group Events

### **Briefing: Trading with China – Beyond the risks and rewards**

A key issue for Australian business in today's competitive global environment is the need to access offshore growth markets, capabilities and expertise to optimise performance and success. Ai Group is hosting a series of briefings to assist companies with the essential tips needed to navigate through the risks of international trading to reap the rewards of doing business in, and with, China. Our expert speakers, including the Hon. Anthony Byrne MP, Parliamentary Secretary for Trade (tbc), will provide attendees with practical insights into dealing with potential risks to take advantage of the great opportunities for growth from trading with China.

Join us in:

- Brisbane Tuesday 10 November 7.00am – 9.00am
- Sydney Wednesday 11 November 12.00pm – 2.00pm
- Melbourne Thursday 12 November 12.00pm – 2.00pm

The briefings cost \$195.00 for Ai Group members and \$245.00 for Ai Group non-members. To register contact Nicole Forrester on 02 6233 0713 or email [nicole.forrester@aigroup.asn.au](mailto:nicole.forrester@aigroup.asn.au).

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

Deloitte

#### **Seminar: Trade Sanctions and Corruption Risk – High Stakes: Operating in the global economy**

Deloitte together with Austrade and the Department of Foreign Affairs and Trade will be holding a series of seminars covering the broad and complex area of economic and trade sanctions with presentations on key issues all business should be across. This will then be followed by a panel discussion clarifying important business considerations. If you or your company has ever struggled to understand the maze of laws, regulations and cultural practices around doing business overseas then this seminar will be valuable.

**Date:** Monday 26 October

**Venue:** Deloitte  
Level 11, 550 Bourke Street, Melbourne

**Time:** 12.30pm - 2.00pm

**Cost:** \$0.00

**Contact:** Reena Kumar on 02 9322 3618 or email [reekumar@deloitte.com.au](mailto:reekumar@deloitte.com.au)

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

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

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**Date:** Friday 30 October

**Venue:** Deloitte  
Level 9 Grosvenor Place, 225 George Street, Sydney

**Time:** 12.30pm - 2.00pm

**Cost:** \$0.00

**Contact:** Reena Kumar on 02 9322 3618 or email [reekumar@deloitte.com.au](mailto:reekumar@deloitte.com.au)

Austrade

**Seminar: ASEAN now! The place to grow**

As Australia's closest neighbour and largest trading partner, the ASEAN region offers considerable opportunity for Australian exporters and investors. Business engagement is set to increase from 1 January 2010 when the ASEAN Australia and New Zealand Free Trade Agreement (AANZFTA) comes into effect. Learn about the benefits and business opportunities associated with AANZFTA from Austrade's ASEAN senior management team, and hear direct from the Australian Government's Trade Negotiators on the AANZAFTA structure.

**Date:** Monday 19 October  
**Venue:** NSW Department of Industry & Investment  
MLC Building, Level 47, 19 Martin Place, Sydney  
**Time:** 2.00pm – 4.30pm  
**Cost:** \$50.00  
**Contact:** Register [online](#)

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## QUEENSLAND - Upcoming Events

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

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Austrade

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**Date:** Thursday 22 October  
**Venue:** Royal on the Park  
Corner Alice & Albert Streets, Brisbane  
**Time:** 9.00am – 11.30am  
**Cost:** \$50.00  
**Contact:** Register [online](#)

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## SOUTH AUSTRALIA - Upcoming Events

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

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As Australia's closest neighbour and largest trading partner, the ASEAN region offers considerable opportunity for Australian exporters and investors. Business engagement is set to increase from 1 January 2010 when the ASEAN Australia and New Zealand Free Trade Agreement (AANZFTA) comes into effect. Learn about the benefits and business opportunities associated with AANZFTA from Austrade's ASEAN senior management team, and hear direct from the Australian Government's Trade Negotiators on the AANZAFTA structure.

**Date:** Wednesday 28 October  
**Venue:** The Lion Hotel  
161 Melbourne Street, North Adelaide  
**Time:** 9.00am – 11.30am  
**Cost:** \$50.00  
**Contact:** Register [online](#)

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