

# TradeWays

INTERNATIONAL OPPORTUNITIES FOR AUSTRALIAN BUSINESSES



*Edition 102 February 2010*

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## From the Trade Desk

Welcome to the first edition of TradeWays for 2010.

As forewarned in our December issue, this year we are dedicating a lot of effort to maximizing members' opportunities from the Australia – NZ – ASEAN FTA (AANZFTA). You should have already received an invitation to attend our [Trading with Asia](#) lunch in Sydney on Tuesday February 16. If you didn't receive the invitation, please email me on [louisem@aigroup.asn.au](mailto:louisem@aigroup.asn.au) so that we can ensure you don't miss out on the next event.

If you wish to register for AANZFTA Certificates of Origin which enables your goods to enter the ASEAN region at a reduced rate, please email [tradedocs@aigroup.asn.au](mailto:tradedocs@aigroup.asn.au)

## News

### Manufacturing lifts despite fall in employment

The manufacturing sector opened the year in positive territory with the latest seasonally adjusted Australian Industry Group - PricewaterhouseCoopers Australian Performance of Manufacturing Index (Australian PMI®) rising 2.5 points to 51.0 in January (readings above 50.0 indicate a rise in activity). Manufacturing activity expanded in the month on the back of a lift in new orders and exports. The sector saw renewed demand in the housing and resources sectors, particularly for companies involved in construction materials, transport equipment and petroleum & coal products. Overall activity expanded despite the first contraction in employment in three months.

Australian PMI® Key Findings for January:

- Six sectors experienced growth in January; with the strongest increases in construction materials, transport equipment, petroleum & coal products, and basic metals products.
- Activity lifted in the printing & publishing sector for the first time since September 2009.
- The seasonally adjusted new orders sub-index jumped 7.4 points to 56.0.
- Despite the lift in overall activity, employment fell for the first time in three months, with the sub-index dropping 3.7 points to 47.1. The largest falls were in the food & beverages; textiles; and clothing & footwear sectors.
- Export levels were up in January, but the high Australian dollar continues to restrict growth.

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

### Throughput rebounds for ports of Melbourne

The Port of Melbourne continued to shake off the global financial crisis with a significant throughput increase in December. Australia's largest box port saw total trade increase 6.6% compared with December 2008. The core container trade increased 4.4% overall with an average of more than 6200 containers a day last month. Full international container exports underpinned the boost in container volumes increasing 6.3% on the same period the previous year. Wheat (up 73%), wine (54%) and pulp and wastepaper (25%) all contributed to the strong export performance, with full international container exports maintaining an

upward trend, increasing 4.6% for the financial year to date. Full international container imports rose 12.5% over the previous December, boosted by insulation material (244%), rubber manufactures (36%), furniture (28%) and clothing (1%) but were still down 4.6% for the financial year to date. In a further encouraging sign, new motor vehicle trade posted its third consecutive month of growth, increasing 33.8% on December 2008 to be down just 7.4% for the year to date. Imports of new passenger vehicles were the single biggest contributor to the December result increasing 61.2%, while transport equipment imports also rose 17.4%.

### **Selling goods in the US: the importance of correct patent marking**

A recent United States appellate court decision is a reminder of the importance of correctly marking goods sold in the United States with any relevant patent numbers. Potential penalties or potential loss of damages are extremely high for incorrectly marking or failure to mark goods sold in the United States. United States law has two key requirements for patent marking of goods sold or imported into the United States: It is an offence to mark an unpatented article with the word "patent" or a patent number with the intent of deceiving the public; and where there is a failure to mark a patented article with the patent number, the patent owner will be unable to claim damages for patent infringement, unless it can be proved that the infringer was notified of the infringement.

To avoid the financial consequences that could occur as a result of this decision, patentees, whose goods are being sold in the United States, should: ensure that all goods that are marked as patented are actually covered by one of the claims in a United States patent; ensure that all goods are only marked as patented if this is truly the case; and have a system to ensure that goods are not continually marked as patented once the United States patent expires.

For more information on patents visit [IP Australia](#).

### **Ai Group welcomes appointment of Peter Grey to head Austrade**

Ai Group has had a strong working relationship with Mr Grey during his career including in his roles as Ambassador to the WTO, and Ambassador in Tokyo and in Brussels, and through his senior executive roles in the Department of Foreign Affairs and Trade. Mr Grey is a skilled diplomat who has led development of Australian trade policy over many years and who understands the priorities of Australian industry. He is well placed to further develop our key global export markets, particularly in Asia and the United States, as well as unlocking the potential of new markets and taking advantage of our free trade agreements around the world.

### **Draft Textile, Clothing and Footwear Strategic Capability Program Guidelines (TCF SCP)**

The program was announced in the budget on 12 May 2009 and the draft program guidelines have been released. The Government is interested in your views on the proposed [Program Guidelines](#) and invites your comment. Written comments can be submitted via email to [tcfconsultation@innovation.gov.au](mailto:tcfconsultation@innovation.gov.au) by close of business Monday 1 March 2010.

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### **Market in Focus – Iraq**

#### **Why Iraq**

- One of the main reasons exporters should start taking a closer look at Iraq is the scale of untapped potential that the country has to offer during and after its transition from a state run economy to one that is much more market based;
- An increase in business confidence has been the result of recorded increased domestic investment, a rise in real estate values and more importantly in foreign direct investment, with positive interest in hotels, energy, pharmaceuticals and transportation;
- Markets across the Gulf are continuing to liberalise and diversify their economies, opening up opportunities across sectors;
- The country's skilled population of over 28 million people is one of Iraq's most important assets;
- Demand for goods and services is growing and the country is proving to be what many believe, one of the world's most attractive markets.

Following years of conflict and economic sanctions, the Iraqi economy is improving slowly. Key challenges for the Iraqi Government include further increasing oil production and improving service delivery (especially water and electricity). In October 2009, the International Monetary Fund projected growth to continue at about 4.3% in 2009 and 5.8% in 2010. In 2009, year-on-year inflation was 13.8%, compared to 30.8% in 2007. The Iraqi Dinar has replaced the US dollar as the main currency, and a functioning banking system and stock exchange now operate.

The main industry is the production of crude oil with an estimated 2.4 million barrels per day in 2008. Other industries include production of chemicals and fertilisers, textiles, construction materials, pharmaceuticals, metal products and processed foods. About 13% of Iraq is arable and some 35,000 square kilometres is irrigated. The country cultivates wheat, barley, rice, vegetables, dates, cotton, coffee and also farms sheep and poultry.

Iraq's main export trading partners are the US (47%), Italy (11%), Canada (6%) and Spain (6%). Principal import partners comprise Syria (27%), Turkey (21%), US (12%) and Jordan (7%).

Exporters should be aware that Australia maintains United Nations Security Council sanctions in respect of Iraq. These sanctions require Australian organisations and individuals to comply with a range of measures and, in general, also apply extraterritorially to Australian nationals overseas. For more information on sanctions visit [www.dfat.gov.au/un/unsc\\_sanctions/unsc\\_sanctions\\_whatare.html](http://www.dfat.gov.au/un/unsc_sanctions/unsc_sanctions_whatare.html). For information about United Nations sanctions currently in force, please see: [www.dfat.gov.au/un/unsc\\_sanctions/index.html](http://www.dfat.gov.au/un/unsc_sanctions/index.html).

#### Major Australian Exports 2008-09\* (A\$m):

- Wheat A\$88
- Cheese & curd A\$3
- Vegetables A\$3
- Electrical machinery & parts A\$1

*\*Includes A\$96m of confidential items, estimated to be mainly wheat, 49% of total exports.*

#### Major Australian Imports 2008-09 (A\$m):

- Crude petroleum A\$31

#### Export Opportunities

Although its economy has been seriously damaged by the effects of three wars and over a decade of economic sanctions, Iraq is plentiful in natural resources and possesses considerable potential for economic growth. Opportunities exist in the reconstruction of Iraq's essential infrastructure, and in a range of sectors, including:

- Power
- Water
- Health
- Telecommunications
- Oil and gas
- Construction
- Education

The Embassy of the Republic of Iraq can provide assistance, support and information for companies intending to visit Iraq on matters such as entry visas, and security conditions. For more information contact Sabah E Khudhur on 02 6162 1740 or email [tejariyacanberra@yahoo.com.au](mailto:tejariyacanberra@yahoo.com.au).

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#### e-link

[Commercialisation Australia](#) is the Australian Government's \$196 million support initiative for home-grown innovation and is now open to receive applications. Commercialisation Australia will assist researchers, entrepreneurs and innovative firms to commercialise their ideas, offering grants on a co-contribution basis including: up to \$50,000 to pay for specialist advice and services; up to \$200,000 over two years to engage experienced executives; proof of concept grants up to \$250,000 to test the commercial viability of a new product, process or service; and Early Stage Commercialisation repayable grants up to \$2 million to develop a new product, process or service to the stage where it can be taken to market.

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#### Trade Missions

##### Outgoing Missions

##### **Mining Mission to Chile: Santiago, Chile, mining regions & possible extension to Columbia**

April 2010

Ai Group will be taking a trade mission to Chile with the support of the Victorian State Government. The mission is designed to provide a cost-effective entry to the Chilean market, expose mission members to one of the world's fastest growing economies and provide a comprehensive business matching program for mission participants to identify real project opportunities and long term business partners. Opportunities for exporters exist in: technology of new materials; capital goods maintenance; information technology and communication; and engineering in hydro resources and energy. Secure your appointment with Louise McGrath on 03 9867 0158 or email [louisem@aigroup.asn.au](mailto:louisem@aigroup.asn.au) to discuss the mission further.

#### Cosmoprof Bologna 2010

16 -19 April 2010

Join the Australian presence at Cosmoprof Bologna coordinated by Austrade for the 6<sup>th</sup> year. Cosmoprof has been the world's most important international event in the beauty, hair and cosmetics sector, and now also includes a special focus on the spa industry. Opportunities exist for Australian companies who are: suppliers of cosmetics, beauty, hair care and spa products or equipment; are exporting or ready to export; have a strong brand identity and product/technology offering within their niche; have knowledge of international market demands, and can meet EU cosmetic regulations; and have established export marketing plans. For more information contact Rachel Kelly on +39 02 77704222 or email [rachel.kelly@austrade.gov.au](mailto:rachel.kelly@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

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

This half 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 23 February

**Venue:** Ai Group  
20 Queens Road, 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)

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

IP Australia

#### **Breakfast Series: How to make your brand great**

Why are some brands more successful than others? Why do consumers choose one brand over another? How do the best brands protect their interests overseas? Join the Australian Government agency responsible for intellectual property, IP Australia, and a keynote speaker for breakfast and learn about two vital issues for business: branding and intellectual property. During this event, delegates will discover how to: harness the benefits of the trade mark system in creating or evolving a distinctive brand personality; use domain names as a way of enhancing a brand; apply real-life strategies to help expand a brand into overseas markets; identify key ownership considerations; and implement strategies to deal with direct competitors and maintain brand integrity. Attendees will also receive access to a free consultation with an intellectual property professional upon request.

**Date:** Thursday 4 March

**Venue:** ZINC at Federation Square  
Cnr Flinders & Swanston Street, Melbourne

**Time:** 7.30am – 10.30am

**Cost:** \$45.00

**Contact:** [Click here](#) for registration details

Australian British Chamber of Commerce

#### **Lunch Briefing: Enjoy in moderation – restoring the balance to Australian wine**

Australia produces too much wine and this is affecting its reputation here and overseas. After a career in the drinks industry around the globe, including a significant wine pedigree, David Dearie joined Foster's in mid 2009 as Managing Director of Australia and New Zealand's largest wine business. He is the custodian of some of the country's most well known labels including Penfolds, Wolf Blass and Lindemans and he will share his views and strategies on building a great wine business and some thoughts on restoring the balance in Australian wine.

**Date:** Wednesday 24 February

**Venue:** Crown Towers, River Room  
8 Whiteman Street, Southbank

**Time:** 12.00pm - 2.00pm  
**Cost:** \$120.00 ABCC Members  
\$160.00 ABCC Non-members  
**Contact:** Helen Walford on 03 9650 6000 or email [abccvic@britishchamber.com](mailto:abccvic@britishchamber.com)

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## NEW SOUTH WALES - Upcoming Events

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

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### Other Events incl. Austrade/TradeStart

IP Australia

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**Date:** Wednesday 24 February  
**Venue:** Novotel Sydney on Darling Harbour  
100 Murray Street, Pyrmont  
**Time:** 7.30am – 10.30am  
**Cost:** \$45.00  
**Contact:** [Click here](#) for registration details

Austrade

#### **Seminar Series: Women in Global Business 2010**

Be part of the fourth national seminar series focused on women in global business. Use this half-day seminar to make the right connections and become involved in Austrade's newly focused Women in Global Business Program. The program aims to encourage, advance and support women achieving international business success. Last year over 700 participants from business, government and industry benefited from these sessions. Ensure you are a part of this growing momentum in 2010.

**Date:** Tuesday 2 March  
**Venue:** Westpac Sydney  
The Forum, Westpac Place, 275 Kent Street, Sydney  
**Time:** 9.30am – 12.00pm  
**Cost:** \$50.00  
**Contact:** Register [online](#)

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## QUEENSLAND - Upcoming Events

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

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### Other Events incl. Austrade/TradeStart

IP Australia

#### **Breakfast Series: How to make your brand great**

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competitors and maintain brand integrity. Attendees will also receive access to a free consultation with an intellectual property professional upon request.

**Date:** Tuesday 16 March  
**Venue:** Novotel Brisbane  
200 Creek Street, Brisbane  
**Time:** 7.30am – 10.30am  
**Cost:** \$45.00  
**Contact:** [Click here](#) for registration details

Austrade

**Seminar: 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. Coaching sessions will be held in most capital cities and regional areas Australia-wide.

**Date:** Thursday 11 March  
**Venue:** Austrade Brisbane  
Level 16, 307 Queen Street, Brisbane  
**Time:** 3.00pm – 5.00pm  
**Cost:** \$0.00  
**Contact:** Register [online](#)

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**SOUTH AUSTRALIA - Upcoming Events**

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

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**Other Events incl. Austrade/TradeStart**

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**Date:** Thursday 11 March  
**Venue:** Intercontinental Adelaide  
North Terrace, Adelaide  
**Time:** 7.30am – 10.30am  
**Cost:** \$45.00  
**Contact:** [Click here](#) for registration details

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 AANZFTA structure.

**Date:** Friday 19 March  
**Venue:** Austrade Adelaide  
Ground Floor, 50 Hindmarsh Square, Adelaide  
**Time:** 9.00am – 11.30am

**Cost:** \$0.00  
**Contact:** Register [online](#)

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