

TradeWays

INTERNATIONAL OPPORTUNITIES FOR AUSTRALIAN BUSINESSES



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From the Trade Desk

This week's Federal Budget saw a continuation of Government programs to support Exporters, but, disappointingly, those programs were not expanded. The Export Market Development Grant (EMDG) Scheme will be funded to \$150 million which is a cut of \$50 million. This will mean that large claims will have their payments truncated. This reinforces our advice to Exporters that EMDG claims should be a secondary consideration when decisions are made on marketing spend. Ai Group will continue to advocate strongly for increased funding for the EMDG program in the lead up to this year's federal election.

The TradeStart program, of which the current contract ends 30 June this year, has received funding in the Budget for another four years, albeit at a reduced level. What this means for Ai Group's TradeStart program is unclear at this stage, though we are committed to fulfilling our obligations with existing clients. For Ai Group's full comment on the budget please use this link [budget comment](#).

News

Australian PMI®: Manufacturing picks up pace in April

Manufacturing picked up pace in April with the latest seasonally adjusted Australian Industry Group PricewaterhouseCoopers Australian Performance of Manufacturing Index (Australian PMI®). Australian Industry Group Chief Executive, Heather Ridout, said: "While the manufacturing sector still remains behind the levels of mid 2008, the encouraging results across much of the manufacturing sector in April are signs the recovery, which has been patchy to date, is now beginning to gain some traction. "The signs that a recovery is gathering pace are no reason for complacency. The sector faces fundamental challenges from emerging skills shortages and the commodity-fuelled (relative interest rate differential expectations are more important at the moment) currency. The coming Federal Budget presents an opportunity to address these challenges with active policy in the area of education and skills development, a resumption of pre-crisis levels of skilled immigration and far-sighted investments in innovation, research and development, business capabilities and export market development," Mrs Ridout said.

Australian PMI® Key Findings for April:

- Manufacturing picked up pace in April, with the latest seasonally adjusted Australian Industry Group PricewaterhouseCoopers **Australian Performance of Manufacturing Index (Australian PMI®)** rising 9.3 points to 59.8 (readings above 50 indicate an expansion in activity).
- April's result is the highest since May 2002.
- There was a noticeable improvement right across the manufacturing sector, except for clothing & footwear.
- Stronger market conditions in the building and infrastructure sectors drove the boost in activity.
- Textiles, basic metals and food & beverages were the strongest performing sectors.
- The new orders sub-index rose 7.3 points.
- Employment also registered a strong improvement, with the employment sub-index up 7.3 points to 55.2 for April.
- Following annual reanalysis of seasonal factors, each of the sub-indexes and composite indexes have been revised.

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

Singapore backs 100% scanning of containers

Washington's controversial 100% maritime container-scanning regulation has received important support from Singapore, home to the world's number one box port and a major transshipment hub for global trade. Singapore Prime Minister Lee Hsien Loong told a global summit on nuclear security in Washington in late April that nuclear terrorism could occur unless more stringent preventative efforts are put into place. He said that the global trading system must be strengthened to prevent illicit nuclear cargo from slipping through. "This is not just a low probability, worst-case scenario, but a disaster which can realistically happen, sooner or later, unless all countries do their part to secure nuclear material and combat illicit trafficking," he told delegates. Singapore, which handled 25m teu last year and 29m teu in the peak year of 2008, is a key barometer of container trade flows feeding from Asia to the US and Europe. Mr Lee warned that Singapore's efforts alone would not be enough and called on other ports in the region to step up their monitoring activities. "Otherwise, instead of preventing the illicit movement of nuclear materials, we would simply divert them to less stringent jurisdictions," he said. "Our experience suggests that vessels with suspicious cargoes are already bypassing ports like Singapore with stricter controls," he added. Meanwhile, India's shipping ministry has called upon its 12 major state-owned ports to install detectors which can scan maritime containers for radioactive material. Six major ports are likely to be equipped within six months, while the remaining ports will have the equipment in place by March 2012, according to Indian newspaper reports citing an unnamed senior shipping official.

**Article sourced from Lloyd's List.*

Australia's Asia trade heading for healthy future

A rebound in Asian economies from 2012 is forecast to see the volume of Australia's containerised exports increase more than threefold by 2030. Containerised exports are expected to reach 6.32m teu by 2029/30 from 1.5m teu in 2007/08 and containerised imports to jump 110% over the same period to 5.17m teu, according to a maritime activity report by the Bureau of Transport and Regional Economics (BITRE). "This is driven primarily by the expected recovery in the Southeast Asian economies from 2011 and by the rapid expansion of the Chinese economy to 2014 and assumed continuing growth beyond that," the report said. China and Southeast Asian nations could account for 59.6% of Australia's containerised exports by 2017/18, up from 47.1% in 2007/08. Non-containerised exports are expected to increase 97% from 2007/08 to 1.35bn tonnes in 2029/30 and non-containerised imports to rise 46% to 89.7m tonnes over the same period. The growth of imports and exports would probably slow in 2010-2011 before picking up again the following year, the BITRE said.

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Market in Focus – Colombia

Why Colombia

- Australia enjoys good commercial relations in the mining, energy and education sectors, and there is long-term potential for investment in agriculture, mining and telecommunications;
- Despite the financial crisis having an impact, the Colombian economy is expected to recover more quickly than others. The current government has reduced public debt levers, improved security and adopted an exported oriented growth strategy;
- Colombia is the most industrially diverse member of the Andean Community. It has four major industrial centres-Bogotá, Medellín, Cali, and Barranquilla-each located in a distinct geographical region;
- A gateway to Latin America, Colombia is located in the middle of the Western hemisphere, on the northern coast of the South American continent. Colombia's Caribbean coast is closer to Miami than Miami is to New York;
- A large country, Colombia is the size of Texas and California combined. Its 45 million people make it the third most populous country in Latin America;
- A very urban country: more than 70% of Colombians live in just 10 cities;
- A diverse ethnic population. Colombia is one of the most ethnically diverse countries in the Western Hemisphere. The country is true melting pot of European, indigenous and Afro-Caribbean populations;
- A source of energy for America and the world, Colombia has vast mineral and energy resources, which are being explored and developed for economic benefit. Colombia is estimated to have over 47 billion barrels of potential oil reserves, and is currently the largest foreign provider of coal to the United States.

Its transition from a highly regulated economy has been underway for more than a decade. In the early 1990s, Colombia unilaterally initiated economic liberalization or "apertura" which has included tariff reductions, financial deregulation, privatisation of state-owned enterprises and the adoption of a more

liberal foreign exchange regime. Almost all economic sectors have been opened to foreign investment. Colombia has been a signatory of the GATT since 1981 and a member of the World Trade Organization (WTO) since that institution's creation in 1994. Under the framework of this organization, the country has implemented a series of reforms in the areas of trade remedies, subsidies, exchange rate controls, foreign investment, intellectual property, and customs valuation, among others.

Unlike many countries in Latin America, Colombia has never suffered any dramatic economic collapses or periods of hyperinflation. Indeed, the Colombian economy produced uninterrupted positive growth since the early 1930's to the late 1990's. The country has a long history of sound macro-economic management, which continues today. The administration of President Uribe has sought to maintain prudent fiscal and monetary policies. The administration is investing heavily in improving security and law and order throughout the country, but is also investing in the country's economic infrastructure to ensure sustainable growth.

In addition to domestic goals of keeping inflation and interest rates low and maintaining a stable currency (Colombian peso), the Uribe administration has put a heavy emphasis on developing international trade. The administration's strong fiscal management helped it to obtain new development loans from the Inter-American Development and World Bank that will address poverty and underdevelopment. Colombia's reputation for always honouring its international financial obligations has enabled it to maintain access to global capital markets to finance its public debt.

The United States is Colombia's largest trading partner. In 2007, the U.S. received 35 percent of Colombia's exports and provided 26 percent of its imports. The EU, Japan, and the Andean Community countries also are important trading partners. Colombia's strategic location at the crossroads of the Western Hemisphere makes it an ideal export platform. The United States accounts for 30 percent of Colombia's total trade with the world. Colombia is the United States' fourth largest trading partner in Latin America, behind Mexico, Brazil and Venezuela.

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

- Nickel ores & concentrates A\$21
- Switches, fuses, lightning arresters etc A\$5
- Insulated wire, cable & other conductors A\$4
- Electrical machines and apparatus A\$4

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

- Coffee & substitutes A\$16
- Specialised machinery & parts A\$2
- Prams, toys, games & sporting goods A\$1
- Paper & paperboard, cut to size A\$1

Export Opportunities

While the opportunities for Australian companies are many and varied, particularly promising niches at present can be found in:

- Agriculture (genetic material and live animals)
- Environment (water treatment, Clean Development Mechanism projects, environmental consultancy and renewable energy)
- Mining machinery and training in the oil & gas sector

Despite the country's problems, Colombia's economy is diverse and relatively advanced. With duty-free access to the other Andean nations, and negotiations for free trade with the US almost complete, Colombia is ideally placed to take maximum advantage of regional developments.

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e-link

[SumoBrain](#) offers many methods of searching U.S., European (PT), Japanese and patent applications submitted through the Patent Cooperation Treaty (PCT). Although SumoBrain relies, in part, on the World Intellectual Property Organisation's (WIPO) [PatentScope](#), it offers many more innovative search tools for patent searches. For example, on the Home Page, you will find a list of Popular Patent Topics that will point you rapidly to the items that may interest you: Butter, Pivots, Needling machine, etc. And you can save your searches or register to receive alerts about new patents as soon as they are granted.

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Trade Missions

Incoming Missions

DesignBUILD 2010

23 – 25 June 2010

The new-look DesignBUILD 2010 features the largest and most comprehensive showcase of domestic and international building products, services, and technologies in Australia. The Melbourne events include a newly-designed Exhibition, a Commercial Building Conference, Excellence Awards, multiple product

features and live-demonstrations showcasing the latest new, innovative and sustainable building products available to the industry. The 2010 event is also co-located for the first time with the CEDIA EXPO 2010. The 2010 programme is specifically designed for Architects, Specifiers, Design Engineers, Developers, Planners as well as Builders, Trades Professionals, Building and Construction Professionals. This is Australia's most comprehensive, must-attend building and construction showcase. Register to visit [here](#). Ai Group is working with the Victorian Government and Austrade to bring a number of Indian Property Developers to visit DesignBUILD. If you would like to register your interest in meeting these companies email louisem@aigroup.asn.au.

Outgoing Missions

Renewable Energy – Japan and Korea

24 June - 3 July 2010

Trade Queensland, the Queensland Government's export agency, will lead a renewable energy trade mission to Japan and Korea to coincide with the fifth Renewable Energy International Exhibition in Yokohama, Japan. Mission participants will be invited to represent their companies' products at a Trade Queensland booth, which will provide the opportunity to meet potential Japanese and international partners. Trade Queensland will pre-arrange a number of business matching meetings for qualified companies free of charge at the event. At the end of the exhibition, companies will have the opportunity to travel on to Korea, where they will be invited to take part in a two-day market development and business matching program. Trade Queensland will arrange targeted business matching with local companies, networking events with key Korean businesses and an investment seminar. For more information contact Fiona Antonucci on 07 3224 4206 or email fiona.antonucci@trade.qld.gov.au.

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VICTORIA - Upcoming Events

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

Other Events incl. Austrade/TradeStart

Department of Innovation, Industry and Regional Development – Government of Victoria

Dinner: Victorian Manufacturing Hall of Fame Gala Dinner

Celebrate excellence in manufacturing at this year's Victorian Manufacturing Hall of Fame Gala Dinner. Attended by the decision makers of Victoria's manufacturing sector, this black tie dinner is considered the highlight of the manufacturing calendar. Network with your clients and suppliers and reward your staff at this spectacular night where companies and individuals are honoured for their achievements in manufacturing.

Date: Wednesday 2 June
Venue: Palladium at Crown, Crown Entertainment Complex
8 Whiteman Street, Southbank
Time: 6.30pm – 12.00am
Cost: \$185.00
Contact: Book tickets [here](#)

Australia-Latin America Business Council (ALABC)

Dinner: Annual Melbourne Dinner

Keynote speaker for the evening will be Colombian national, Group Executive & Chief Commercial Officer of BHP Billiton, Albert Calderon. This event will provide an excellent opportunity to network with members and guests of ALABC.

Date: Thursday 17 June
Venue: The Australian Club
110 William Street, Melbourne
Time: 7.00pm – 12.00am
Cost: \$100.00 ALABC member
\$130.00 ALABC non-member
Contact: Claire Oxlade on 02 9458 7012 or email marketing@alabc.com.au

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NEW SOUTH WALES - Upcoming Events

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

Other Events incl. Austrade/TradeStart

Industry & Investment NSW

Seminar: Network & Connect

Kim McGuinness and Iggy Pintado will lead you through sessions on networking and embracing social media networking. You'll also discover and explore an expo of micro business networks operating within metropolitan Sydney. Come and learn the effective tips and tricks of participating in networking with fellow solo and micro business operators. You'll be guided through the first informative session exploring conventional and interpersonal networking protocol. In the break you'll have the opportunity to explore the business networks expo where you can discover a variety of metro and suburban networks operating for home-based and micro business operators. Returning for the final session, you'll participate in another interactive workshop that profiles the power of networking via social media. There will be time before the event closes to mingle with your fellow micro business and solo operators and put these recently acquired skills into practice.

Date: Wednesday 2 June
Venue: Industry & Investment NSW
Hamilton/Parkes Room, Level 47 Trade & Investment Centre, MLC Centre,
19 Martin Place, Sydney
Time: 9.30am – 12.15pm
Cost: \$0.00
Contact: Margaret Oates on 02 9338 6981 or email microbiz@business.nsw.gov.au

Austrade

Session: 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: Wednesday 7 July
Venue: Austrade Sydney
Level 23, Aon Tower, 201 Kent Street, Sydney
Time: 9.30am – 11.30am
Cost: \$0.00
Contact: Register [online](#) or call Austrade Direct on 13 28 78

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QUEENSLAND - Upcoming Events

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

Other Events incl. Austrade/TradeStart

Austrade

Seminar: US Masterclass Series - Part 2: Marketing in the new era

If you want to reach the lucrative, yet competitive US market, you need to be able to effectively use the new online marketing channels and tailor your selling message for a world audience. By attending these masterclasses, you will come away equipped with your next 'exporting steps' – from capturing the power of the new digital economy through to dealing with practicalities of meeting US customers face-to-face for deal closure. This seminar will introduce you to various methods of online marketing for your business and brand using social media, viral marketing, mobile, experimental (QR codes, augmented reality, etc.), online ads, pay-per-click advertising, Google adwords and webPR.

Date: Thursday 27 May
Venue: Austrade Brisbane
Level 16, 307 Queen Street, Brisbane
Time: 11.30am – 1.00pm
Cost: \$75.00
Contact: Register [online](#) or call Austrade Direct on 13 28 78

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SOUTH AUSTRALIA - Upcoming Events

Other Events incl. Austrade/TradeStart

Austrade

Seminar: US Masterclass Series - Part 2: Marketing in the new era

If you want to reach the lucrative, yet competitive US market, you need to be able to effectively use the new online marketing channels and tailor your selling message for a world audience. By attending these masterclasses, you will come away equipped with your next 'exporting steps' – from capturing the power of the new digital economy through to dealing with practicalities of meeting US customers face-to-face for deal closure. This seminar will introduce you to various methods of online marketing for your business and brand using social media, viral marketing, mobile, experimental (QR codes, augmented reality, etc.), online ads, pay-per-click advertising, Google adwords and webPR.

Date: Thursday 27 May
Venue: Austrade Adelaide
Ground Floor, 50 Hindmarsh Square, Adelaide
Time: 11.00am – 12.30pm
Cost: \$75.00
Contact: Register [online](#) or call Austrade Direct on 13 28 78

Government of South Australia – Department of Trade and Economic Development

Workshop: Better Business Series - Exporting for Beginners

Interested in exporting but wondering where to start? This workshop will take you through a step by step review of the key decisions and information that you need to address in order to make your export sales profitable. Topics covered include market selection, export pricing, distributor establishment and the key steps you need to take to ensure your exports are profitable and include useful checklists to help you get things right from the start.

Date: Tuesday 29 June
Venue: Education Development Centre
Milner Street, Hindmarsh
Time: 6.00pm – 9.00pm
Cost: \$0.00
Contact: Better Business Series Coordinator on 1800 188 018 or email dtedinfo@state.sa.gov.au

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