

## EXTERNAL TRADE

---

### GENERAL INFORMATION

#### **Historical background**

From a traditional pattern of partnership with the United Kingdom, Australia has become in recent years more a trading partner of Japan and the United States of America and this is also the trading pattern in Victoria. Similarly the place occupied by European countries such as France and Italy in the 1950s has diminished proportionately in Victoria's trading pattern since the implementation of the European Economic Community. In 1978-79, the proportion of Australian trade at Victorian ports was 34.1 per cent of imports and 22.8 per cent of exports. Major imports were road vehicles, textile yarns, and paper and paper board, while major exports were wool, meat, wheat, dairy products, and petroleum products. The major countries contributing to imports were the United States of America, Japan, the United Kingdom, and the German Federal Republic, while the major countries receiving exports were Japan, New Zealand, the United States of America, and the United Kingdom.

**Further reference:** *Victorian Year Book 1977*, pp. 527-8

#### **Legislation and agreements**

##### *Introduction*

The Constitution of the Commonwealth of Australia confers on the Commonwealth Parliament exclusive power to impose duties of customs and excise. Responsibility for the collection of these duties, and for the administration of various controls over imports and exports, rests with the Commonwealth Department of Business and Consumer Affairs.

##### *Customs Tariff*

The Australian Customs Tariff has been developed on the policy of protection for economic and efficient Australian industries and preference for certain imports from Commonwealth countries and certain developing countries. Duties are also imposed on some goods (e.g., potable spirits, tobacco, cigarettes, and petrol) mainly for revenue purposes.

There are two major scales of customs duty — the Preferential Tariff and the General Tariff. The Preferential Tariff applies to goods which are the produce or manufacture of the United Kingdom and Ireland, provided that they have been shipped from those countries without trans-shipment (or, if trans-shipped, if Australia was the intended destination of the goods when originally shipped). It applies also to most goods produced or manufactured in Canada, with certain exceptions (all of which pay a lower rate of duty), to goods which are the produce or manufacture of Papua New Guinea, and to specified goods imported from declared preference countries, all of which are, or were, British Commonwealth countries or British non-self-governing colonies, protectorates, or trust territories. From 19 July 1973, goods which are the produce or manufacture of New Zealand attract a special rate of duty which is less than the preferential rate — before that date all New Zealand goods (with certain exceptions which paid a lesser rate of duty) attracted the preferential rate.

Preferential rates of tariff have been operating since 1965 for selected products imported from certain declared "less-developed" countries. A revised scheme was implemented from 1 January 1974 covering most imports of manufactured and semi-manufactured products, the exceptions comprising mainly those products where developing countries are already competitive or are likely to quickly become competitive at General Tariff rates of duty.

The General Tariff applies to goods imported from British Commonwealth countries but not qualifying for the Preferential Tariff, and to goods imported from other countries.

#### *Primage duties*

In addition to the duties imposed by the Customs Tariff, *ad valorem* primage duties are levied on some imports at rates of 3 per cent, 7 per cent, or 10 per cent according to the origin and type of goods. Goods which are the produce or manufacture of New Zealand, Fiji, Papua New Guinea, Norfolk Island, the Territory of Cocos (Keeling) Islands, or the Territory of Christmas Island are exempt from primage duty. A number of specified goods for use by primary producers, many machines, tools of trade, raw materials not manufactured or produced in Australia, and a wide range of other goods are also exempt from primage duties.

#### *Anti-dumping duties*

Protection of Australian industries against various forms of unfairly traded imported goods is provided by the *Customs Tariff (Anti-Dumping) Act 1975*. Under this Act, dumping duty may be imposed on goods shipped to Australia at an export price which is less than the normal value of those goods in the country of export. Similarly, a countervailing duty may be imposed to offset the effect of subsidies, bounties, or other forms of assistance paid to exporters of goods competitive with local production. In both cases it must be established that such imports cause or threaten material injury to an Australian industry. These duties are additional to the normal duties imposed by the Customs Tariff.

#### *Customs by-laws*

Schedules 1 and 2 to the Australian Customs Tariff contain several items relating to "goods, as prescribed by by-law". Such goods are admitted at concessional rates of duty, usually 2 per cent. Generally, by-law entry is accorded to imported goods provided suitably equivalent goods are not reasonably available from Australian manufacturers or production.

Goods which automatically qualify for by-law admission are named in a document entitled *Consolidated Customs By-law References*, which is published by the Department of Business and Consumer Affairs.

For goods which are not listed in that publication, individual by-law applications may be lodged with the By-law Branch of the Department of Business and Consumer Affairs in Canberra. Responsibility for providing evidence that suitably equivalent goods are not reasonably available from Australian production rests with the person or organisation making the by-law application.

#### *Manufacturers Index*

In establishing whether suitably equivalent goods are reasonably available from local manufacture, prospective by-law applicants may refer to the publication entitled *Manufacturers Index* which is issued by the Department of Business and Consumer Affairs. This publication lists Australian manufacturers in Tariff Item order.

Importers may also consult trade journals, business directories, industry association bulletins, and the like when seeking to establish the local manufacturing position.

If manufacturers are not listed in the Index then it is in their interests to notify the Department so that measures can be taken to ensure they receive the tariff protection accorded local industry by the Commonwealth Government.

#### *Industries Assistance Commission*

The Industries Assistance Commission is a statutory authority which came into existence on 1 January 1974 as a result of the passing of the *Industries Assistance Commission Act*

1973 by the Commonwealth Parliament. The Commission replaced the Tariff Board, which since 1921 had been responsible for advising the Commonwealth Government on assistance for industries mainly in the secondary sector of the economy. (The *Industries Assistance Commission Act 1973* was amended in March 1978.)

The Commission is an advisory authority, advising the Commonwealth Government. Its functions are to hold inquiries and make reports to the Commonwealth Government in respect to matters of assistance to industries in the primary, secondary, and tertiary sectors of the economy, and in respect to other matters referred to the Commission by the Commonwealth Government. The Commonwealth Government is required to seek the Commission's advice before it makes changes in the long-term assistance afforded industries; but it is not obliged to accept the Commission's advice.

References from the Commonwealth Government requiring the Commission to inquire into and report on certain matters mainly arise from representations to the Commonwealth Government from organisations, companies, or individuals seeking assistance. References are also initiated by the Commonwealth Government, and the Commission itself has the power to initiate an inquiry. The receipt of a reference from the Commonwealth Government is the official document directing the Commission to inquire into and report on matters in accordance with the terms of reference and the guidelines as set by the Commonwealth Government.

Public hearings are held by the Commission in Canberra and in capital cities throughout Australia. At these hearings evidence is taken on oath or affirmation. The Act requires the Commission to take into consideration only sworn evidence. The inquiry subject and the date and location of public hearings are advertised in the press and advised by Commission circular.

If after receiving a report from the Commission, the Commonwealth Government decides that assistance afforded a particular industry should be changed, it introduces a proposal to this effect in Parliament. Thus the final responsibility for altering assistance given to particular industries within Australia rests with Parliament. Copies of the Commission's reports, when released for publication by the Commonwealth Government, are sold by the Australian Government Publishing Service bookshops.

The Commission is also required to report annually to the Commonwealth Government on its operations and on the general structure of industry assistance within Australia and its effects on the economy.

#### *Temporary Assistance Authority*

The Temporary Assistance Authority (TAA), which replaced the Special Advisory Authority set up under the Tariff Board Act, came into operation on 1 January 1974 under the provisions of the *Industries Assistance Commission Act 1973* (since amended). The main function of the TAA is to undertake inquiries and submit reports to the Commonwealth Government within 45 days of receipt of a reference from the Commonwealth Government on the question of whether urgent action is necessary to provide assistance to any industry that is experiencing difficulty due to the importation of specified goods. If urgent action is necessary the Authority recommends the nature and extent of the assistance to be provided.

The Authority's reports on individual inquiries are normally made public once the Commonwealth Government's decision is announced and are available, as is the annual report, from the Australian Government Publishing Service bookshops.

#### *Bilateral trade agreements involving customs tariff preferences and free trade arrangements*

##### *New Zealand*

The New Zealand–Australia Free Trade Agreement (NAFTA), which came into force on 1 January 1966 has the main objective of furthering the development of the NAFTA area and the use of its resources by promoting a sustained and mutually beneficial expansion of trade. The Agreement provides for free trade in certain scheduled goods and for progressive listing in the Schedule of all goods unless the addition of such goods would be seriously detrimental to industry, contrary to national interest or inconsistent with any commodity arrangement to which both countries are parties. In respect of non-scheduled

goods, the Agreement provides under Article 3:7 for both countries to agree on special measures beneficial to the trade and development of each country. The 1933 Trade Agreement between Australia and New Zealand continues in effect as part of NAFTA except as superseded or modified by it.

Following United Kingdom accession to the European Economic Community and consequent termination of Australia's and New Zealand's respective trade agreements with the United Kingdom, both countries negotiated an interim Agreement in May 1973 to maintain, to the maximum extent possible, the preferences derived from those trade agreements. A more enduring Agreement on Tariffs and Tariff Preferences was subsequently negotiated and entered into force in December 1977.

In March 1980, the Prime Ministers of both countries agreed on a framework of study for the development of closer economic relations between the two countries. These studies involve close consultations in Australia and New Zealand with interested parties, including State governments.

#### Canada

The Agreement, signed in 1960, provides for each country to give the other tariff preferences on specific goods and for the exchange of preferences in each country's tariff derived from the preferential agreements each had with Britain. The termination of these agreements with Britain created a need for Canada and Australia to review their own preferential trading arrangements. An Exchange of Letters governing the future operation of the 1960 Agreement was signed on 25 October 1973. The Exchange provides for a continuation of the tariff preferences, but on a more flexible basis, with some other modifications of provisions of the 1960 Agreement, particularly those relating to indirect shipment of goods and to anti-dumping procedures.

#### Malaysia

The Agreement, signed in 1958, provides for each country to accord preferences to the other on certain specified goods. The exchange of these preferences was placed on a more flexible basis by an Exchange of Letters on 21 February 1975. The Agreement further provides for protection of Malaysia's tin and rubber exports to Australia and of Australia's wheat exports to Malaysia against dumped or subsidised competition. There are also certain guarantees of market access for Australian wheat in the Malaysian market and for natural rubber in the Australian market provided that the Papua New Guinea natural rubber crop is absorbed. The Agreement also assures Malaysia that any Australian import licensing restriction on natural rubber will be the same as for synthetic rubber and that Australian import duties on natural rubber will not exceed those on synthetic rubber.

#### Papua New Guinea

The Papua New Guinea-Australia Trade and Commercial Relations Agreement (PATCRA), which came into force in 1977 provides, *inter alia*, that subject to certain exceptions, trade between Australia and Papua New Guinea shall be free of duties and other restrictions.

#### Other bilateral trade agreements

The main bilateral agreements operating are as follows:

Country	Signed	Country	Signed	Country	Signed
Bahrain	1979	India	1976	Romania	1975
Brazil	1978	Indonesia	1972	Saudi Arabia	1980
Bulgaria	1974	Iran	1974	Thailand	1979
China	1973	Iraq	1980	U.S.S.R.	1973
Czechoslovakia	1972	Japan	1964	Vietnam	1974
German Democratic Republic	1977	Korea	1975	Yugoslavia	1970
Hungary	1974	Philippines	1975		
		Poland	1978		

Most of the above agreements provide for mutual most-favoured nation treatment and establish joint trade committees which meet generally once a year to promote mutual trade. Further information on the features of these agreements can be found on pages 407-10 of the *Victorian Year Book* 1979.

*General Agreement on Tariffs and Trade (GATT)*

The General Agreement on Tariffs and Trade, which came into force on 1 January 1948, is a multilateral trade treaty designed to facilitate trading relations between participating countries by reducing tariff and other barriers to the free interchange of goods, and providing rules for the conduct of international trade. The Agreement includes a framework within which negotiations can be held to further reduce barriers to trade, and a structure for embodying the results of such negotiations in a legal instrument.

Australia is one of the original contracting parties to the GATT. At 15 October 1980, there were eighty-five contracting parties to the Agreement, two countries which had provisionally acceded (i.e., they participated in the GATT but had not yet contracted to it), and thirty countries which applied the provisions of the Agreement on a *de facto* basis, having formerly been colonies of contracting parties to the GATT. These 117 countries account for approximately 85 per cent of world trade.

Seven rounds of multilateral negotiations to liberalise world trade have been held under the GATT, the most recent of which was the Tokyo Round (1975 to 1979). Concessions negotiated by member countries are incorporated in their "Schedules of Concessions" which form an integral part of each country's obligations under the GATT. These concessions generally involve commitments not to increase tariffs on specific products above specified levels. The Tokyo Round negotiations also resulted in a number of agreements on non-tariff measures which clarified and expanded the existing rules of the GATT. These agreements included codes of conduct on subsidies and countervailing duties, government procurement, customs valuation, standards, import licensing, anti-dumping, trade in civil aircraft, and a group of texts under the heading "Framework for the Conduct of International Trade". The latter includes texts which deal with reciprocity, more favourable treatment and fuller participation for developing countries, trade measures for balance of payments purposes, safeguard action for development purposes, consultation, dispute settlement, and surveillance. The Tokyo Round also resulted in the negotiation of new commodity arrangements relating to bovine meat and dairy products.

All major developed countries have acceded or intend to accede to most of these agreements. Australia has either acceded or decided to accede to the agreements on Customs Valuation, Anti-Dumping, Import Licensing, the Framework texts, and the arrangements on Bovine Meat and Dairy Products. Decisions have been deferred on Standards and Subsidies and Countervailing Duties.

*Excise Tariff*

The Excise Tariff applies to certain articles which can be manufactured only under licence and subject to certain conditions. The tariff relates to beer, spirits, amylic alcohol and fusel oil, liqueurs, tobacco, cigars, cigarettes, snuff, coal, certain refined petroleum, playing cards, cigarette papers, matches, wine (certain types), crude oil, and liquid petroleum gas.

*Import controls*

There are two methods of effecting import restrictions through import quotas. One is the use of tariff quotas which utilise the tariff by legislating for temporary additional duties to be applied to subject goods falling outside quota levels. The other method is through the Customs (Import Licensing) Regulations which are used to impose a quantitative restriction. Subject goods outside the licensed quota are prohibited from importation.

Import licensing and tariff quota controls are imposed by the Commonwealth Government when it is considered necessary to afford short-term protection against disruption to local industry caused by imports of competitive goods. In addition to these controls the Customs Act prohibits the import of specified types of commodities. The items are listed in the *Customs (Prohibited Imports) Regulations*, and include dangerous drugs, certain firearms, undesirable publications, and articles dangerous to public health.

*Export controls*

The export of goods is controlled by means of the Customs Act and various other legislation administered by the Department of Business and Consumer Affairs which provide:

- (1) A monetary control exercised under the Banking (Foreign Exchange) Regulations, to ensure that the full proceeds of the sale of exported goods are received into the Australian banking system in the currency; in the manner, and within such period as the Reserve Bank of Australia approves. The Reserve Bank supervises the return of export proceeds, including checks of Customs entries and returns;
- (2) for the gathering of export statistics by requiring the provision of information on export entries;
- (3) a quality control exercised under Customs (Prohibited Exports) Regulations and Commerce Regulations to protect the reputation of Australian goods by ensuring that the goods, packaging, and presentation are of a high standard;
- (4) a commodity control exercised in the national interest over those goods listed in the Customs (Prohibited Exports) Regulations for many reasons including preservation of international relations, obligations under international agreements, orderly marketing, and conservation of resources;
- (5) a basis for collection of any export duties that are payable; and
- (6) a preservation measure, relating to fauna and flora, under the Customs (Endangered Species) Regulations.

### **Trade services**

#### *Trade Commissioner Service*

The Trade Commissioner Service has its statutory base in the *Trade Commissioners Act 1933*. The function of the Service is the promotion of Australia's commercial interests overseas. In pursuing this objective, one of the most important tasks for a Trade Commissioner is to provide the marketing information for Australian exporters to enable them to exploit commercial opportunities in overseas markets.

Australian exporters and export organisations are provided with the following facilities: surveys of market prospects; advice on selling and advertising methods; introduction to buyers and agents; reports on the standing of overseas firms; advice and assistance to business visitors; help in organising and carrying through trade missions, trade displays, newspaper supplements, and other promotional and publicity activity; and information on import duties, import licensing, economic conditions, quarantine and sanitary requirements, and other factors affecting the entry and sale of goods and services.

Trade Commissioners are also required to service the market information requirements and other needs of government departments and agencies including the Departments of Primary Industry, Business and Consumer Affairs, National Development and Energy, Transport, Industry and Commerce, the Export Finance and Insurance Corporation, and the Australian Overseas Projects Corporation.

The Trade Commissioner Service is comprehensively reviewed every two years with the aim of deploying resources to the best advantage in relation to the needs of Australian exporters and Australia's trade policy objectives. Between reviews, the resources of the Service are constantly assessed against the continuously changing pattern of international trade and Australia's prospects in individual markets.

The Service comprises 170 Trade Commissioners and Assistant Trade Commissioners and has an approved establishment of 55 posts in 46 countries.

The countries where Australian Trade Commissioner posts are located are shown in the following list: (except where indicated, the missions are located in capital cities only). Algeria; Argentina; Austria; Bahrain; Belgium; Brazil (Rio de Janeiro); Britain; Canada (Vancouver, Toronto, Ottawa); China, People's Republic; Egypt, Arab Republic of; The European Communities (Brussels); Fiji; France; Germany, Federal Republic; Greece; Hong Kong; India; Indonesia; Iraq; Israel; Italy (Rome, Milan); Japan (Tokyo, Osaka); Kenya; Korea, Republic of; Kuwait; Malaysia; Mexico; Netherlands; New Zealand (Wellington, Auckland); Papua New Guinea; Philippines; Poland; Saudi Arabia; Singapore; South Africa (Johannesburg); Spain; Sweden; Thailand; United Arab Emirates (Abu Dhabi); United States of America (Washington D.C., Honolulu, Chicago, Los Angeles, San Francisco, New York); U.S.S.R.; Venezuela; and Yugoslavia, Socialist Federal Republic.

*Trade missions*

During 1979-80, the Commonwealth Government arranged 18 trade missions and 71 trade fairs and displays as part of the campaign to increase exports. The experience acquired has indicated the need for flexibility in techniques to suit particular products or markets. At present the following types of trade missions are in use:

(1) *Survey missions.* These are organised to obtain precise knowledge about the export trade potential for specific products in one or more overseas markets. Such methods are used to explore export prospects in new or developing areas where commercial intelligence is not readily available or where a complex industry is involved and the industry requires special export knowledge.

(2) *Specialised and general trade missions.* Arrangements are made for specific industries or groups of firms representing a number of industries to participate in a planned selling campaign in overseas markets with known sales potential. The mission visits the market, publicises its products, and subsequently negotiates sales.

*Trade displays, fairs, exhibitions, and store promotions*

Since 1949, the Commonwealth Department of Trade and Resources has organised Australian participation in numerous major trade fairs, exhibitions, and displays throughout the world.

Initially the emphasis was on participation in general trade fairs directed at the public and the general commercial community. With the development of more sophisticated export promotion techniques and the increased diversity of Australian manufactured goods available for export, more emphasis is now placed on individual Australian trade displays and participation in specialised trade shows directed almost entirely at the business community. In addition, display rooms attached to Trade Commissioner offices are currently in use in Singapore, Kuala Lumpur, Manila, Hong Kong, Jakarta, Port Moresby, and Suva.

*Export incentives*

Export incentives have been an important feature of the trade policies of successive Commonwealth Governments since 1961. The Export Market Development Grants Scheme, which was first introduced on 1 July 1974 for five years, has been extended with amendments designed to improve its effectiveness and will now operate until 30 June 1982.

The Export Expansion Grants Scheme based on improved export performance was introduced in 1978 to apply for five years with effect from 1 July 1977. Both schemes are administered by an independent Export Development Grants Board responsible to the Minister for Trade and Resources. Any individual, partnership, company, or association carrying on business in Australia and incurring eligible expenditure or having eligible export earnings is entitled to apply for grants under the schemes. Further details of the two schemes are given below.

*Export Market Development Grants Scheme*

The scheme is designed to encourage firms to seek out and develop overseas markets and to participate in Commonwealth Government sponsored promotions. Under the scheme, grants are payable to claimants on eligible export market development expenditure incurred for any goods, certain services (including tourism services), industrial property rights and know-how which are substantially of Australian origin.

Grants are payable at a single 70 per cent rate of grant for all eligible expenditure.

There is a ceiling on annual payments to any one claimant of \$100,000, plus an additional amount of up to \$25,000 in respect of eligible expenditure on Commonwealth Government sponsored trade promotions.

*Export Expansion Grants Scheme*

This is a scheme under which grants are calculated on a formula applied to the increase in eligible exports in the grant year, over the average annual eligible exports in the three immediately preceding years. The grant rate scale to be applied to the increase in exports is:

**AUSTRALIA—EXPORT EXPANSION  
GRANTS SCHEME: GRANT RATE**

Value of increase	Grant rate in the dollar
\$	cents
1-500,000	15
500,001-5,000,000	10
5,000,001-10,000,000	5
10,000,001 and over	2.5

The scheme covers exports of manufactured goods, some bulk farm and agricultural products, certain services provided overseas, and the sale of industrial property rights and know-how that are substantially Australian in origin. Specific exclusions are minerals, wool, wheat, sugar, livestock, most meat (including offal), hides, tallow, woodchips, waste and scrap materials, unwrought aluminium, unrefined copper, unrefined lead, gold, silver, meat meal, and meat and bone meal.

*Export finance and insurance*

The Export Finance and Insurance Corporation (EFIC), a statutory authority of the Commonwealth Government, can provide Australian exporters of goods and services insurance against risks of non-payment in almost every area of export activity. The Corporation can give guarantees to banks and other financial institutions in order to facilitate the financing of exports of capital and semi-capital goods sold on extended terms of payment.

EFIC's finance facility is for the purpose of financing export sales of Australian and associated services on extended credit. To match similar facilities available to competing foreign suppliers, EFIC is able to provide loan funds at concessional rates of interest.

*Export of consulting services*

Australian professional consultants, with the assistance of the Commonwealth Department of Trade and Resources, have been increasingly successful in obtaining overseas commissions and are contributing significantly to Australia's foreign exchange earnings.

The consultants are representative of a wide range of disciplines, including engineering, architecture, agriculture, mining, surveying, and urban and regional planning.

Most opportunities for Australian professional consultants arise through development projects financed by international aid and lending organisations such as the International Bank for Reconstruction and Development, the United Nations Development Programme, and the Asian Development Bank.

To provide consultants with a form of promotion appropriate to their function, the Commonwealth Government established the Consulting Services Feasibility Study Fund in 1973. This facility is used to finance selected feasibility studies of approved developmental projects overseas carried out by Australian consultants in developing countries.

The Department of Trade and Resources maintains close contact with the respective professional bodies representative of consultants, particularly the Australian Professional Consultants Council.

From 19 August 1980, Australian consultants and contractors performing certain overseas projects will be advantaged by a new scheme of taxation relief for Australians working overseas. The tax concession applies to Australian resident individuals who derive income from personal services performed by them over a period of 3 months or more in an overseas country on an approved project.

*Construction contracts overseas*

The Australian Overseas Construction Council, which was formed by the Master Builders' Federation of Australia and the Australian Federation of Construction Contractors, assists construction contractors in the securing of contracts overseas. It has a close liaison with the Commonwealth Department of Trade and Resources, which provides information on construction opportunities overseas.



*Australian Overseas Projects Corporation*

The Commonwealth Government has established the Australian Overseas Projects Corporation (AOPC). The basic objective of the AOPC is to assist Australian industry to compete for large-scale development projects overseas. It does this at the request of Australian industry, by acting in a co-ordinating role, especially when a project involves a range of skills and requires a number of firms to combine as a consortium to provide a single competitive bid. In some cases, the inclusion of Commonwealth Government expertise may be required by Australian industry and this may be made available through the Corporation.

The AOPC is directed by a Board drawn primarily from Australian private enterprise. It operates on a commercial basis and charges a fee for its services.

*Investment overseas*

The Commonwealth Government promotes and encourages direct private Australian investment overseas, particularly in developing countries where the investment is undertaken on a joint venture basis with participation by local partners, and which is in accordance with the social and economic development priorities and investment plans of the host countries. Investments overseas should also be in Australia's national interest. The Commonwealth Government assists worthwhile new investment by a number of measures, including:

*Overseas Investment Insurance Scheme.* Insurance of overseas investments against the non-commercial risks of expropriation, exchange control restrictions, and war damage can be effected with the Export Finance Insurance Corporation. Since February 1975, the scope of the scheme has been broadened to include all new investments which might assist in the economic and social development of an overseas country. The scheme has also been extended to include new eligible investments in Papua New Guinea.

*General Investment Information and Advisory Service.* To assist Australian firms in evaluating investment prospects in overseas countries, a comprehensive range of investment information on a number of overseas countries is held by the regional and head offices of the Commonwealth Department of Trade and Resources, and is available free on request to investors and potential investors. The Department also arranges seminars on investment opportunities and prospects in specific countries.

*Victoria's business representation overseas*

The State of Victoria is represented overseas by an Agent-General's office in London, a Victorian Government office in Tokyo, and Victoria Promotion Committee offices in London, Milan, Munich, New York, and Paris.

The Tokyo office is administered by the Department of the Premier and serves Japan, the People's Republic of China, South Korea, Hong Kong, and the Philippines. The other offices are administered by the Victoria Promotion Committee which has two committees, one located in Melbourne and the other in London. Both committees comprise leading members of the business community and representation from the Victorian Government. Currently, their activities centre around attracting overseas industries and capital to Victoria and the linking of overseas and local interests in joint ventures, technological expertise, and licensing agreements, etc.

In various ways, all the overseas offices direct their efforts to attract investment into Victoria and to promote communication and trade with other countries. Consequently, the overseas offices maintain direct liaison with a number of government departments and other organisations. For instance, the Department of State Development, Decentralization and Tourism, and the Victorian Development Corporation co-operate to provide comprehensive information to overseas inquiries. Some of these include such topics as the extent of investment opportunities in Victoria, economic analyses of industrial and commercial proposals, detailed submissions on industrial locations, and promoting generally the overseas use of Victorian expertise and skills.

Victorian Government officers organise and conduct overseas promotional projects and displays to maintain an awareness of the export potential of the State. Assistance is provided to co-ordinate and service incoming and outgoing overseas trade missions and group visits.

The Victorian Government also maintains up-to-date information on interstate and overseas channels of distribution and marketing of commercial intelligence, undertakes market surveys, and identifies areas of comparative advantage for Victorian products. For example, a Victorian Directory of Exports has recently been produced, listing a wide variety of Victorian manufacturers, primary producers, and commercial operators who wish to have their products or services promoted overseas and interstate.

The overseas offices handle inquiries relating to contracts and tenders, and from overseas organisations wishing to obtain a wide range of goods and services. Where practicable, these inquiries are directed to Victorian manufacturers or suppliers.

Further references: *Victoria's pattern of trade, Victorian Year Book 1964*, pp. 781-5; *Export Payments Insurance Corporation, 1975*, pp. 531-2; *Historical background, 1977*, pp. 527-8; *World Trade Centre, Melbourne, 1980*, pp. 431-2

## EXTERNAL TRADE STATISTICS

### Collection and presentation of statistics

#### *Source of data*

Overseas trade statistics are compiled by the Australian Bureau of Statistics from documentation submitted by exporters or importers or their agents to the Bureau of Customs as required by the Customs Act.

#### *Scope of the statistics*

The statistics presented in the following tables are recorded on a general trade basis, i.e., total exports include both Australian produce and re-exports, and total imports comprise goods entered directly for domestic consumption together with goods imported into Customs warehouses.

Exports of Australian produce are goods, materials, or articles which have been produced, manufactured, or partly manufactured in Australia.

Re-exports are goods, materials, or articles originally imported which are exported either in the same condition in which they were imported or after undergoing repair or minor operations which leave them essentially unchanged.

Total exports are the aggregate of exports of Australian produce and re-exports.

The statistics are not confined to goods which are the subject of a commercial transaction; generally, all goods imported into or exported from Australia are recorded. Among the items included are exports and imports on governments' accounts, including defence equipment. For exports, the value recorded for each item includes the value of the outside package or covering in which the goods were exported. Since 1 July 1976, the recorded value of imports also includes the value of the outside package.

#### *State statistics*

From 1 July 1978, State statistics for exports comprise State of origin and State of final shipment. State of origin is defined as the State in which the final stage of production or manufacture occurs. Previously, State was defined as the State in which the export document was lodged with the Bureau of Customs. Because of this change, figures from 1 July 1978 are not directly comparable with those for previous periods.

For imports, the State is that in which the import entry was lodged with the Bureau of Customs.

#### *Statistical period*

Exports and imports are recorded statistically in the month in which the documentation is processed. Normally this is within a few days of shipment or discharge of cargo. However, delays may occur in the processing of documentation and in some cases the documentation may be cleared prior to discharge or shipment of cargo.

#### *Valuation*

##### *Exports*

Goods sold to overseas buyers before export are valued at the free on board (f.o.b.) Australian port of shipment equivalent of the actual price paid to the exporter. Goods shipped on consignment are valued at the f.o.b. Australian port of shipment equivalent of the current price offering for similar goods of Australian origin in the principal markets of the country to which they are dispatched for sale. The value of outside packages is included.

*Imports*

The recorded value is the value for duty for Customs purposes. On 1 July 1976, Australia adopted the internationally recognised Brussels Definition of Value (BDV) on a f.o.b. basis (i.e., charges and expenses involved in delivering the goods from the place of exportation to the place of introduction in Australia, are excluded). The value for duty is based on the normal price, i.e., the price the goods would fetch at the time when duty becomes payable on a sale in the open market between a buyer and a seller independent of each other.

*Merchandise and non-merchandise trade*

Total trade is divided into merchandise and non-merchandise trade in accordance with international standards recommended by the United Nations. Merchandise trade is the equivalent of total exports or imports less certain items specified as non-merchandise. Complete descriptions of commodities classified as non-merchandise are contained in the *Australian Export and Import Commodity Classifications* (1203.0, 1204.0) published by the Australian Bureau of Statistics.

*Country*

A country is defined as a geographical entity which trades, or has the potential to trade, with Australia in accordance with Australian Customs provisions. For exports, "country" refers to the country to which the goods were consigned at the time of export. Where the country of consignment is not determined at the time of export, goods are recorded as exported "For orders" and in those cases where it was found to be impossible to determine the destination, as "Destination unknown". For imports, "country" refers to the country of origin of the goods which is defined as the country of production for Customs purposes.

*Commodity classification*

Exports and imports are classified according to the Australian Export Commodity Classification (AECC) and the Australian Import Commodity Classification (AICC) which from 1 July 1978 have been based on the second revision of the Standard International Trade Classification.

Because of the changes to the AECC and AICC between 1977-78 and 1978-79, it has not been possible to derive exactly comparable figures for periods prior to 1 July 1978, and footnote (b) in the table on page 434 indicates the statistical divisions affected by this change.

**Overseas trade statistics**

**VICTORIA—OVERSEAS TRADE: RECORDED VALUES OF IMPORTS  
INTO, AND EXPORTS FROM, VICTORIAN PORTS  
(\$'000)**

Year	Imports	Exports			Excess of imports
		Australian produce	Re-exports	Total	
1974-75	2,793,411	1,631,044	65,784	1,696,828	1,096,583
1975-76	2,875,342	1,752,502	65,742	1,818,244	1,057,098
1976-77	3,665,917	2,131,432	84,803	2,216,235	1,449,682
1977-78	3,855,619	2,421,256	84,512	2,505,768	1,349,851
1978-79	4,693,631	3,129,109	125,473	3,254,582	1,439,049

**AUSTRALIA AND VICTORIA—VALUE OF AUSTRALIAN TRADE  
AND PROPORTION HANDLED AT VICTORIAN PORTS**

Year	Australian trade			Proportion of Australian trade handled at Victorian ports		
	Imports	Exports	Total	Imports	Exports	Total
	\$'000	\$'000	\$'000	per cent	per cent	per cent
1974-75	8,083,099	8,672,762	16,755,861	34.6	19.6	26.8
1975-76	8,240,187	9,600,748	17,840,935	34.9	18.9	26.3
1976-77	10,410,617	11,646,412	22,057,029	35.2	19.0	26.7
1977-78	11,166,553	12,269,530	23,436,083	34.5	20.4	27.1
1978-79	13,751,845	14,242,747	27,994,592	34.1	22.9	28.4

*Classification of overseas imports and exports*

The value of trade according to Australian Import Commodity Classification (AICC) and Australian Export Commodity Classification (AECC) classifications is shown in the following table for the years 1977-78 and 1978-79:

VICTORIA—CLASSIFICATION OF OVERSEAS IMPORTS AND EXPORTS  
(\$'000)

Division number	Description	Imports		Exports	
		1977-78	1978-79	1977-78	1978-79 (a)
00	Live animals chiefly for food	5,610	5,658	13,199	11,058
01	Meat and meat preparations (b)	682	856	340,936	357,949
02	Dairy products and birds' eggs (b)	10,065	12,818	149,673	167,379
03	Fish, crustaceans, and molluscs (b)	37,083	37,665	21,817	11,355
04	Cereals and cereal preparations	6,039	6,270	316,596	233,922
05	Vegetables and fruit (b)	33,497	32,601	82,585	98,671
06	Sugar, sugar preparations, and honey (b)	4,144	4,264	1,680	1,993
07	Coffee, tea, cocoa, spices, and manufactures thereof (b)	112,996	91,738	14,779	17,090
08	Feeding stuff for animals (not including unmilled cereals) (b)	4,196	4,481	20,348	16,295
09	Miscellaneous edible products and preparations (b)	5,123	6,467	3,023	2,992
11	Beverages	13,014	20,156	5,713	6,450
12	Tobacco and tobacco manufactures	22,777	17,200	1,673	1,153
21	Hides, skins, and fur skins, raw	1,800	2,078	125,604	142,297
22	Oil seeds and oleaginous fruit	2,748	869	145	920
23	Crude rubber (including synthetic and reclaimed)	29,208	38,095	1,249	2,045
24	Cork and wood (b)	30,437	35,392	681	578
25	Pulp and waste paper	18,716	22,223	376	443
26	Textile fibres and their wastes (b)	42,163	42,648	391,370	462,330
27	Crude fertilisers and crude minerals (excluding coal, petroleum, and precious stones)	29,324	38,913	1,839	910
28	Metalliferous ores and metal scrap (b)	1,395	1,110	68,525	37,754
29	Crude animal and vegetable materials n.e.s. (b)	8,922	11,270	12,384	9,242
32	Coal, coke, and briquettes (b)	218	248	3,537	3,317
33	Petroleum, petroleum products, and related materials (b)	106,340	106,532	122,279	173,866
34	Gas, natural and manufactured	39	41	(c)	(c)
41	Animal oils and fats	369	467	33,257	35,513
42	Fixed vegetable oils and fats	24,824	21,453	538	560
43	Animal and vegetable oils and fats, processed, and waxes of animal or vegetable origin	3,469	5,207	2,416	3,664
51	Organic chemicals (b)	115,426	117,571	13,504	13,078
52	Inorganic chemicals (b)	1,878	27,713	—	12,075
53	Dyeing, tanning, and colouring materials	23,640	30,173	6,499	4,819
54	Medicinal and pharmaceutical products	32,396	33,678	18,371	23,649
55	Essential oils and perfume materials; toilet, polishing, and cleansing preparations	9,915	12,568	3,105	3,512
56	Fertilisers, manufactured (b)	3,746	4,079	16	44
57	Explosives and pyrotechnic products	6,849	4,573	1,713	1,763
58	Artificial resins and plastic materials, and cellulose esters and ethers (b)	109,420	133,052	24,482	39,864
59	Chemical materials and products, n.e.s. (b)	50,623	66,217	22,235	28,329
61	Leather, leather manufactures, n.e.s., and dressed fur skins	12,680	18,646	3,509	6,979
62	Rubber manufactures, n.e.s.	46,450	46,456	3,096	3,145
63	Cork and wood manufactures (excluding furniture) (b)	17,194	19,525	853	924
64	Paper, paperboard, and articles of paper pulp, of paper or of paperboard (b)	97,901	118,142	6,989	8,996
65	Textile yarn, fabrics, made-up articles, n.e.s., and related products (b)	308,962	381,691	11,392	26,420
66	Non-metallic mineral manufactures, n.e.s.	76,485	83,974	12,062	15,029
67	Iron and steel	99,926	112,469	48,816	48,174
68	Non-ferrous metals (b)	20,452	24,896	50,596	73,587

VICTORIA—CLASSIFICATION OF OVERSEAS IMPORTS AND EXPORTS—*continued*  
(\$'000)

Division number	Description	Imports		Exports	
		1977-78	1978-79	1977-78	1978-79 (a)
69	Manufactures of metal, n.e.s. (b)	110,489	152,683	38,635	50,589
71	Power generating machinery and equipment (b)	646,533	193,451	99,359	8,711
72	Machinery specialised for particular industries (b)	344,544	284,106	38,771	41,389
73	Metalworking machinery (b)	516,293	67,841	67,127	5,210
74	General industrial machinery and equipment, n.e.s. and machine parts n.e.s.	..	285,288	..	35,429
75	Office machines and automatic data processing equipment	..	77,961	..	8,896
76	Telecommunications and sound recording and reproducing apparatus and equipment	..	117,970	..	8,852
77	Electrical machinery, apparatus, and appliances, n.e.s. and electrical parts thereof	..	242,771	..	21,659
78	Road vehicles (including air cushion vehicles)	..	592,817	..	83,138
79	Other transport equipment	..	136,804	..	26,544
81	Sanitary, plumbing, heating, and lighting fixtures and fittings, n.e.s.	11,153	13,329	1,309	784
82	Furniture and parts thereof	21,321	24,473	876	1,489
83	Travel goods, handbags, and similar containers	10,042	13,186	45	66
84	Articles of apparel and clothing accessories	115,073	120,814	5,430	6,462
85	Footwear	39,296	42,255	878	1,422
87	Professional, scientific, and controlling instruments and apparatus, n.e.s. (b)	157,646	94,590	39,608	20,803
88	Photographic apparatus, equipment, and supplies, and optical goods, n.e.s.; watches and clocks (b)		114,106		
89	Miscellaneous manufactured articles, n.e.s.	209,109	227,623	20,122	25,514
9A	Commodities and transactions of merchandise trade, n.e.c. (b)	68,684	65,063	(d)188,212	(d)187,490
	Total merchandise	3,839,324	4,669,273	2,463,832	2,678,970
9B	Commodities and transactions not included in merchandise trade	16,295	24,358	41,936	29,195
	Total	3,855,619	4,693,631	2,505,768	2,708,165

(a) State of origin. For further information dealing with state statistics, see page 431.

(b) Due to changes in the classification from 1 July 1978 it has not been possible to derive exactly comparable figures for 1977-78.

(c) Included in Division 9A

(d) Includes Division 34.

*Trade with overseas countries*

The value of trade with overseas countries for the years 1976-77 to 1978-79 is shown in the following table:

VICTORIA—OVERSEAS IMPORTS AND EXPORTS: COUNTRIES OF ORIGIN AND CONSIGNMENT  
(\$'000)

Country	Imports			Exports		
	1976-77	1977-78	1978-79	1976-77	1977-78	1978-79 (a)
Arab Republic of Egypt	76	39	28	37,330	56,593	68,243
Belgium-Luxembourg	32,383	41,312	38,022	19,174	15,498	14,503
Brazil	9,560	13,189	16,700	2,561	12,603	6,388
Canada	92,952	76,718	103,779	37,741	43,427	46,135
China—						
Excluding Taiwan						
Province	30,414	37,457	52,601	28,542	96,064	53,700
Taiwan Province only	88,135	98,935	139,313	30,354	40,684	50,584
Denmark	13,003	12,859	17,181	2,626	3,526	3,046
Fiji	2,349	3,011	2,700	17,208	24,693	38,192

VICTORIA—OVERSEAS IMPORTS AND EXPORTS: COUNTRIES OF  
ORIGIN AND CONSIGNMENT—*continued*  
(\$'000)

Country	Imports			Exports		
	1976-77	1977-78	1978-79	1976-77	1977-78	1978-79 (a)
Finland	18,329	18,146	22,556	1,539	1,516	1,511
France	69,831	67,066	103,238	71,102	70,167	75,271
Germany, Federal Republic of	352,456	336,487	451,758	67,485	85,635	82,825
Hong Kong	100,984	101,791	130,625	46,578	53,398	75,971
India	28,422	35,354	38,910	33,560	14,683	36,506
Indonesia	18,185	30,653	33,511	36,400	34,881	45,685
Israel	10,573	10,502	11,426	7,427	3,923	6,573
Italy	82,192	92,706	122,096	70,541	57,879	65,257
Japan	711,075	703,398	798,105	504,449	524,156	535,138
Korea, Republic of	39,084	58,081	62,870	33,113	56,393	82,048
Kuwait	22,883	21,375	7,895	6,583	7,690	10,031
Malaysia	44,616	47,871	59,308	42,983	51,026	49,512
Nauru, Republic of	850	4,025	10,952	8,489	10,937	8,486
Netherlands	72,279	77,300	66,955	16,742	19,017	25,716
New Zealand	124,032	148,951	171,055	224,088	223,664	289,680
Norway	7,590	8,685	14,686	3,674	5,304	5,255
Papua New Guinea	28,139	40,049	29,979	52,586	59,613	72,729
Philippines	14,576	22,158	30,138	41,550	40,659	49,256
Poland	2,561	2,595	3,707	30,467	22,056	19,495
Saudi Arabia	30,442	35,563	14,785	26,698	43,312	59,924
Singapore	49,454	55,377	62,057	56,505	67,515	64,756
South Africa	18,052	20,131	25,676	15,468	17,550	19,810
Spain	16,945	16,722	19,025	10,633	17,432	7,911
Sweden	86,873	61,785	100,768	9,020	13,701	8,165
Switzerland	55,653	47,524	69,499	4,555	4,415	4,861
Thailand	9,315	10,495	12,680	23,793	21,887	30,220
United Kingdom	447,898	524,879	606,123	101,933	88,057	88,367
United States of America	813,463	834,757	1,086,714	170,297	232,327	289,950
U.S.S.R.	2,205	1,999	1,852	97,424	75,875	80,318
Yugoslavia	1,791	2,340	2,811	24,601	24,915	27,611
Other and unknown	r116,297	r133,334	151,547	r200,416	r263,097	208,536
<b>Total</b>	<b>3,665,917</b>	<b>3,855,619</b>	<b>4,693,631</b>	<b>2,216,235</b>	<b>2,505,768</b>	<b>2,708,165</b>

(a) State of origin. For further information dealing with state statistics, see page 431.

### Interstate trade statistics

Statistics of trade between Victoria and other Australian States are incomplete and relate mainly to seaborne trade. Although a substantial quantity of freight is carried by road and rail transport between Victoria and neighbouring States, no details of this traffic are available. A small tonnage of freight is carried interstate by air.

#### Interstate trade by sea

In terms of quantity, the principal cargoes carried interstate by ship to and from Victorian ports are coal and briquettes, petroleum and petroleum products, steel, sugar and sugar preparations, and timber. However, there is also a considerable trade in foodstuffs, motor vehicles, and other manufactured goods, particularly through the Port of Melbourne.

#### Port of Melbourne

Interstate exports during 1978-79 totalled 3,017,934 tonnes. The principal commodities were petroleum products, 1,184,920 tonnes; transport equipment (including touring passenger cars), 358,004 tonnes; fruit and vegetables, 41,742 tonnes; food preparations, 38,868 tonnes; iron and steel, 33,017 tonnes; chemicals, 30,031 tonnes; machinery, 28,736 tonnes; and beverages, 25,223 tonnes.

Interstate imports during the same period totalled 3,069,714 tonnes, the principal commodities being iron and steel, 415,376 tonnes; paper (newsprint and other), 297,544 tonnes; raw sugar, 267,184 tonnes; petroleum products, 253,130 tonnes; touring passenger cars, 196,526 tonnes; timber, 194,250 tonnes; fruit and vegetables, 164,427 tonnes; gypsum, 154,596 tonnes; and cement, 122,573 tonnes.

#### Port of Geelong

Total interstate exports during 1978 amounted to 1,710,589 tonnes, of which petroleum and petroleum products accounted for 1,638,711 tonnes. Total interstate imports for the

same period amounted to 443,020 tonnes, and consisted mainly of aluminium, 221,619 tonnes; petroleum and petroleum products, 180,250 tonnes; and pig iron, 22,360 tonnes.

### Trade of Victoria with Western Australia and Tasmania

Details of trade between Victoria and other States are available only for trade with Western Australia and trade with Tasmania.

#### *Western Australia*

Exports from Victoria to Western Australia are valued in terms of landed cost (i.e., cost, insurance, and freight [c.i.f.] basis) at port of entry. Imports from Western Australia are valued at the f.o.b. equivalent at the port of shipment of the price at which the goods were sold. The small proportion of goods received by rail is valued at the free on rail (f.o.r.) equivalent.

For 1978-79, the value of exports from Victoria to Western Australia totalled \$858.5m. Transport equipment, \$177.3m; clothing and footwear, \$84.5m; electrical machinery, apparatus, and appliances, \$35.9m; and machinery specialised for particular industries, \$34.8m, were the main types of commodities included in this total.

Imports from Western Australia during the same period were valued at \$123.8m. Inorganic chemicals, \$22.1m; machinery specialised for particular industries, \$14.9m; and pearls and precious stones, \$9.0m, were the main types of commodities imported.

Detailed statistics of this trade appear in the publication *Statistics of Western Australia, Trade (Interstate and Overseas), 1978-79* (5401.5) issued by the Deputy Commonwealth Statistician, Perth.

#### *Tasmania*

Details of trade between Victoria and Tasmania include both air and sea trade. Both exports and imports are valued on an f.o.b. basis. Two changes to trade documentation recording commenced on 1 July 1978 which affected interstate trade figures: see page 431.

For 1978-79, exports by sea and air from Victoria to Tasmania were valued at \$407.0m. Petroleum products, \$71.9m; transport equipment, \$56.0m; clothing and accessories, \$19.6m; and machinery other than electric, \$30.9m, were the main types of commodities exported. The value of tourists' motor vehicles included in the total for 1978-79 was approximately \$42.6m.

Imports from Tasmania during the same period amounted to \$371.1m. Major items for which no figures can be released were confectionery, newsprint, and printing and writing papers. Values for other main imports were timber, \$26.9m; preserved vegetables, \$31.8m; and refined zinc, \$25.3m. The value of tourists' motor vehicles included in the total for 1978-79 was approximately \$42.0m.

Further reference: Customs and excise revenue, *Victorian Year Book 1979*, pp. 418-19

## BIBLIOGRAPHY

### ABS publications

- Australian exports, country by commodity (5411.0)
- Australian imports, country by commodity (5414.0)
- Customs and excise revenue, Australia (5425.0)
- Export by commodity division (preliminary) (monthly) (5402.0)
- Export of major commodities by country (monthly) (5403.0)
- Exports and imports, Australia: trade with selected countries and major country groups (preliminary) (quarterly) (5422.0)
- Exports and imports of merchandise at constant prices (quarterly) (5421.0)
- Exports by mode of transport (quarterly) (5415.0)
- Exports of major commodities and their principal markets, Australia (5423.0)
- Imports by commodity divisions (preliminary) (monthly) (5405.0)
- Imports cleared for home consumption: part 1 chapters 1-67 of customs tariff (5412.0)
- Imports cleared for home consumption: part 2 chapters 68-99 of customs tariff (5413.0)
- Imports of assembled new passenger motor cars (preliminary) (monthly) (5416.0)
- Monthly summary of statistics — Victoria (1303.2)
- Overseas trade, part 1: exports and imports (5409.0)
- Overseas trade, part 2: comparative and summary tables (5410.0)





An etching by an unknown artist of the Exhibition Building completed for the first International Exhibition in 1880.

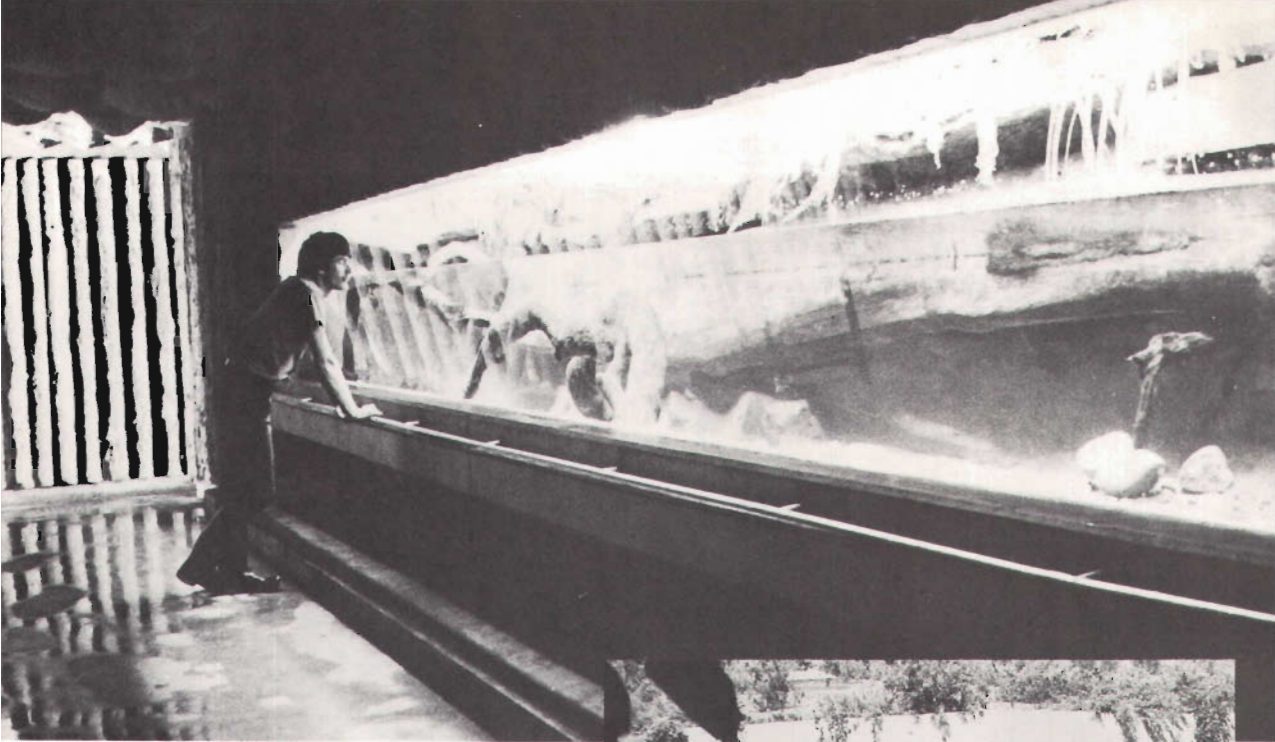
*The Exhibition Trustees of the Royal Exhibition Building*

Her Royal Highness the Princess Alexandra opened the 1980 Melbourne International Centenary Exhibition on 1 October 1980.

*The Exhibition Trustees of the Royal Exhibition Building*

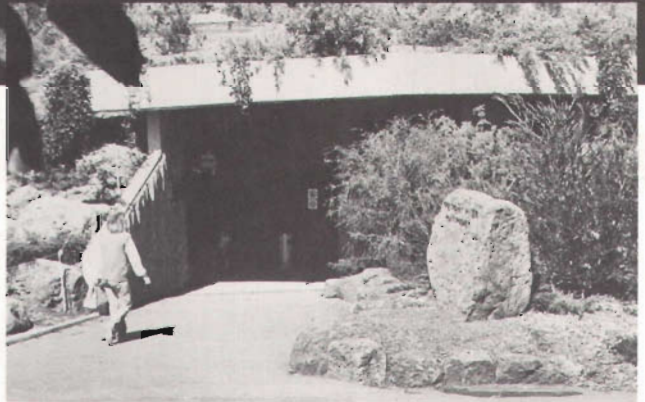






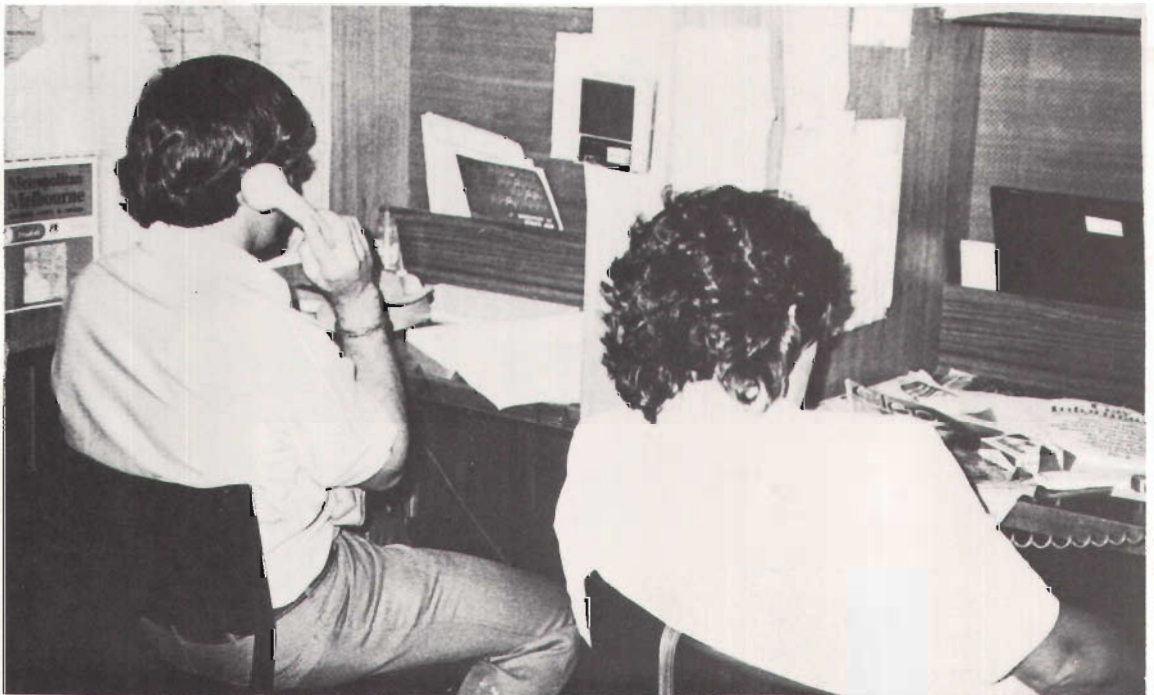
The Royal Melbourne Zoological Gardens' new Platypus Exhibit where Australia's most unique mammal can be viewed inside through glass and outside in a billabong setting.

*Royal Melbourne Zoological Gardens*



Volunteers on duty in the Booth Room of the Personal Emergency Service which handles more than 20,000 crisis calls each year.

*Fergus Hughes*





The brewing industry has always aimed at purity of its products. Here at Carlton and United Breweries Limited is the laboratory in the mid 1920s (above) and in the 1980s (left).

*Carlton and United Breweries Limited*



Telecom's latest computer installation at Springvale.

*Telecom Australia*





The planting of suitable trees provides farm shelter, bird habitat, and added beauty to farm properties.

*Forests Commission*

Supermarkets and similar suburban buildings now aim to fulfil their environmental responsibilities by attractive landscaping and retention of existing trees.

*Safeway Stores Limited*

