

**Mission Statement**  
**Manufacturing and Technology Trade Mission to Australia**  
**November 17-21, 2008**

**I. MISSION DESCRIPTION**

The United States Department of Commerce, International Trade Administration, U.S. and Foreign Commercial Service is organizing a Manufacturing and Technology Trade Mission to Sydney and Melbourne, Australia, November 17-21, 2008, to be led by the Assistant Secretary for Trade Promotion or another U.S. Department of Commerce senior official.

The mission will focus on helping U.S. companies launch or increase their export business in the Australian market. The mission will help participating firms gain market information, make business and government contacts, solidify business strategies, and advance specific projects, towards the goal of increasing U.S. exports to Australia. The mission will include business-to-business matchmaking appointments with local companies, as well as meetings with key government officials, and American and local chambers of commerce. The delegation will be comprised of U.S. firms representing a cross section of U.S. industries with growing potential in Australia, including, but not limited to, automotive parts; building and construction, including green building; energy production, including renewable energy, coal production, and mineral extraction; transportation, including intelligent transportation systems; and water resources.

**II. COMMERCIAL SETTING**

Macro measures of opportunity in the Australian market include high per capita income, rising terms of trade, and substantial purchasing power, in addition to the favorable foreign exchange rate, which gives a strong boost to U.S. exports. Australia ranks as the United States' 15<sup>th</sup> largest export market, and the Australia-U.S. Free Trade Agreement (AUSFTA) has enhanced our long and successful trading relationship by eliminating tariffs on nearly all manufactured and agricultural goods. U.S. goods and services exports to Australia reached \$29 billion in 2007, an increase of 10 percent over 2006, and first-quarter figures for 2008 (provided by the Bureau of Economic Analysis) show continued growth. The case for entering or expanding in the Australian market is clearly stronger than the population of 21 million might suggest.

Compelling attractions for far-sighted U.S. entrepreneurs also include a familiar legal and corporate framework, sophisticated consumer and industrial demand, and a straightforward, English-speaking business culture. This is an excellent time for American companies with innovative products and technologies to develop an entry strategy for the Australian market, or to re-examine previous business plans for this market. The following sectors hold considerable promise for U.S. firms.

**Automotive:** Australia's \$12 billion automotive aftermarket provides excellent opportunities for U.S. suppliers of specialty products, accessories, and necessary parts such as tires, carburetors, engine parts, piston rings, fuel injection products, transmission and ignition products, lubricants and fuel pumps, and body repair tools. In general, there is always demand for high-quality and competitively priced accessories. The *World Trade Atlas 2006* cites the United States as the leading automotive aftermarket supplier, providing nearly 23 percent of global imports. There are considerable opportunities for U.S. manufacturers of accessories and replacement parts for light and medium-sized family cars and sports utility vehicles; parts and accessories for routine auto maintenance; and high-end cosmetic auto enhancement products.

**Construction:** Imports dominate Australia's \$1.3 billion market for construction machinery, of which U.S. imports account for \$578.3 million. AUSFTA's elimination of import duty on construction machinery from the United States, together with a favorable exchange rate, puts U.S. imports in a stronger competitive position, as the import duty rate from other countries is five percent. The Australian government allocated \$18.6 billion in the 2007 budget to improve the country's inland transport system over the next five years. Australia's expanding "green" building market also offers opportunities for U.S. suppliers of innovative technologies. The Australian government has committed \$90 million for a Green Building Fund to be used over the next four years to support energy-efficient retrofitting of existing buildings and related activities.

**Energy:** Power generation is an important sector in Australia, including around \$81 billion in generation, transmission and distribution assets. Coal-fired generators account for the bulk of electricity generated. In 2000, the Australian government provided a stimulus by requiring electricity retailers to source an additional two percent of their supply from renewable or specified waste sources. In December 2007, the new Australian government ratified the Kyoto Protocol and has set a target to reduce greenhouse gas emissions by 60 percent on 2000 levels by 2050. Australia's federal government is expected to develop grants and policy initiatives to help increase the number of renewable energy projects substantially. This comes at a time when a number of states are facing potential energy shortfalls due to aging infrastructure. Wind power is one of the most rapidly growing areas of renewable energy in Australia, which also uses a range of biomass technologies.

**Mining:** Australia is among the world's leading exporters of black coal, diamonds, iron ore, lead, rutile, zinc and zirconium, gold; aluminum, and bauxite. The United States is Australia's major supplier of mining equipment, claiming 35 percent of the import market share. Continuing high mineral prices throughout 2007 have led to further exploration across the country. Given the size of the country and difficult access to many areas, Australia is relatively unexplored by world standards. In 2006-2007 private enterprises spent 55 percent more (\$3.1 billion) on mineral exploration than in the previous fiscal year. Demand for minerals is also having a strong impact on infrastructure projects. Port authorities are initiating work at many facilities to lift port capacity.

**Oil and gas:** Australia continues to be a good market for U.S. oil and gas equipment and service suppliers. Increasing demand for petroleum products (particularly liquefied natural gas) is fueling the exploration, development and production of both existing and new fields across Australia. The United States is the major supplier of pumps, valves, gauges, and other types of oil and gas equipment demanded by Australia's \$2.5 billion market for technology for upstream and downstream projects. Much of the interest in Australia centers on the offshore gas industry. Companies are also likely to show a growing interest in technologies that can prolong the life of wells or assist in the recovery of oil from older wells. The coal seam methane industry on the eastern coast of Australia is another fast growing sector. Demand continues for deepwater exploration and production technology, coal seam methane production equipment, drilling equipment, high tech process control and analyzing equipment, and technology to reduce labor or increase operational safety.

**Water resources:** Australia spends an estimated \$4.2 billion on water and wastewater treatment annually, 70 percent on water collection and distribution and 30 percent on product quality and treatment. Imports supply approximately 60 percent of the market, for which the United States is the third largest supplier. Water storage levels remain critically low in many areas, and all levels of government are grappling with strategies aimed at securing future water supply. While most key industries source water from the same catchment areas used to supply households, some are now developing small water recycling projects, finding it more feasible to treat their own wastewater internally for re-use. A number of new housing developments are incorporating third pipe reticulation to allow for recycled water. Water authorities continue to spend significantly in the area

of pipelines, storage, cleanup projects, pump stations and treatment plants. In addition, some water authorities servicing key cities such as Perth and Sydney have already commenced construction on major seawater desalination plants.

### III. MISSION GOALS

The Manufacturing and Technology Trade Mission to Australia will help U.S. firms initiate or expand their exports to Australia’s leading industry sectors by providing business-to-business introductions, market access information, and information on U.S. Government trade financing programs.

### IV. MISSION SCENARIO

The mission will include stops in Sydney and Melbourne. In each city, participants will meet with government officials, potential buyers, agents/distributors, and partners. They will also attend market briefings by Embassy officials, as well as networking events offering further opportunities to speak with local business and government representatives.

### V. PROPOSED TIMETABLE

Monday , November 17, 2008	Mission begins in Sydney Market briefing Business matchmaking Networking reception
Tuesday , November 18, 2008	Business matchmaking
Wednesday November 19, 2008	Travel to Melbourne Evening reception
Thursday, November 20, 2008	Briefing Business matchmaking
Friday, November 21, 2008	Business matchmaking

### VI. PARTICIPATION REQUIREMENTS

All parties interested in participating in the Manufacturing and Technology Trade Mission must complete and submit an application package for consideration by the Department of Commerce. All applicants will be evaluated on their ability to meet certain conditions and best satisfy the selection criteria as outlined below. A maximum of 22 companies will be selected to participate in the mission from the applicant pool. U.S. companies already doing business with Australia as well as U.S. companies seeking to enter Australia for the first time may apply.

#### *Fees and Expenses:*

After a company has been selected to participate on the mission, a payment to the Department of Commerce in the form of a participation fee is required. The participation fee will be \$5,580 for large firms and \$3,500 for a small or medium-sized enterprise (SME).\* The fee for each additional firm

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\* An SME is defined as a firm with 500 or fewer employees or that otherwise qualifies as a small business under SBA regulations (see [http://www.sba.gov/services/contracting\\_opportunities/sizestandardsttopics/index.html](http://www.sba.gov/services/contracting_opportunities/sizestandardsttopics/index.html)). Parent companies, affiliates, and subsidiaries will be considered when determining business size. The dual pricing reflects the Commercial Service’s user fee schedule that became effective May 1, 2008 (see <http://www.export.gov/newsletter/march2008/initiatives.html> for additional information).

representative (large firm or SME) is \$850. Expenses for travel, lodging, most meals, and incidentals will be the responsibility of each mission participant. The option to participate in the mission is also being offered to U.S.-based firms with an established presence in Australia or neighboring countries; the same fee structure applies.

***Conditions for Participation:***

- An applicant must submit a completed and signed mission application and supplemental application materials, including adequate information on the company's products and/or services, primary market objectives, and goals for participation. If the Department of Commerce receives an incomplete application, the Department may reject the application, request additional information, or take the lack of information into account when evaluating the applications.
- Each applicant must also certify that the products and services it seeks to export through the mission are either produced in the United States, or, if not, marketed under the name of a U.S. firm and have at least 51 percent U.S. content of the value of the finished product or service.

***Selection Criteria for Participation:*** Selection will be based on the following criteria:

- Suitability of the company's products or services in Australia
- Applicant's potential for business in Australia, including likelihood of exports resulting from the mission
- Consistency of the applicant's goals and objectives with the stated scope of the trade mission

Referrals from political organizations and any documents containing references to partisan political activities (including political contributions) will be removed from an applicant's submission and not considered during the selection process.

## **VII. TIMEFRAME FOR RECRUITMENT AND APPLICATIONS**

Mission recruitment will be conducted in an open and public manner. Outreach will include publication in the Federal Register, posting on the Commerce Department trade mission calendar (<http://www.ita.doc.gov/doctm/tmcal.html>) and other Internet web sites, press releases to general and trade media, direct mail, broadcast fax, notices by industry trade associations and other multiplier groups, and publicity at industry meetings, symposia, conferences, and trade shows. The International Trade Administration will explore and welcome outreach assistance from other interested organizations, including other U.S. Government agencies.

Recruitment for the mission will begin immediately and close September 26, 2008. Applications are available on-line on the Australia Trade Mission website at <http://www.export.gov/australiamission>. They can also be obtained by contacting the Mission Project Officers listed below.

Applications received after September 26, 2008, will be considered only if space and scheduling constraints permit.

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