

Country Brief On **AUSTRALIA**



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ECONOMIC OVERVIEW

GDP (Purchasing power parity)

\$917.7 billion (2011 est.)

Inflation rate

3.4% (2011 est.)

Agriculture products

Wheat, barley, sugarcane, fruits; cattle, sheep, poultry.

Industries

Mining, industrial and transportation equipment, food processing, chemicals, steel.

Exports

\$266 billion (2011 est.)

Export commodities

Coal, iron ore, gold, meat, wool, alumina, wheat, machinery and transport equipment.

Export partners

China 25.1%, Japan 18.9%, South Korea 8.9%, India 7.1%, US 4% (2010)

Imports

\$235 billion (2011 est.)

Import commodities

Machinery and transport equipment, computers and office machines, telecommunication equipment and parts; crude oil and petroleum products.

Import partners

China 18.5%, US 11.4%, Japan 7.89%, Singapore 6.32%, Germany 4.68% (2011 est.)

(Source: CIA Factbook-www.cia.gov)

DOING BUSINESS IN AUSTRALIA

Australia's regulatory environment is one of the most reliable, transparent, and efficient in the world, offering a high degree of certainty for business planning. The labor market remains flexible, with a relatively low unemployment rate of around 5 percent. The government can impose price controls, but competition reforms are reducing the range of goods that are subject to controls. Inflation has been modest in recent years.

TARIFF & NON TARIFF BARRIERS

The trade weighted average tariff rate is 1.9 percent. Although a range of non-tariff restrictions are in place, Australia strongly backs the dismantlement of trade restrictions.

BANKING SYSTEM

Foreign and domestic investors receive equal treatment, but foreign investments above a certain threshold may be screened. The well-developed financial sector is highly competitive and sound, with all banks privately owned.

(Source: www.heritage.org as on June 2012)

AUSTRALIAN MARKET:

OPPORTUNITIES FOR PAKISTANI SUPPLIERS

The Australian market offers both opportunities and challenges for Pakistani suppliers especially in textiles, leather and sports goods sectors. Australia is a gateway to Oceania region and with possibility of enhanced trade creation opportunities in the wake of Free Trade Arrangements with the US, Malaysia and ASEAN etc. offers a lucrative market opportunity to Pakistan.

The Australian market is very open to overseas suppliers - there are essentially no import quotas and most import duties were phased down to 5% (general rate), and zero for eligible developing countries from 1 July 1996 (Pakistan is not eligible). However, Australia being a member of APEC and its Free trade Agreements with the Oceania Region states and other countries like USA, Singapore and Malaysia etc. put Pakistan at a disadvantageous position vis-à-vis tariff preferences granted to other member countries. Special zero Tariff for the eligible developing countries scheme also put Pakistani products at a disadvantage. Pakistan mainly faces stiff competition from India, China, South Korea, Taiwan and other APEC & ASEAN countries.

Australia is, on the other hand, a very challenging market for Pakistani suppliers. The average Australian importer will require reasonably small volumes but will expect to be offered lower prices than buyers in the USA or most European countries. In addition, the Australian importer will be strict about delivery on time and has very high standards. Besides this the Quarantine and other Non-tariff barriers are stringent than the EU/ USA markets.

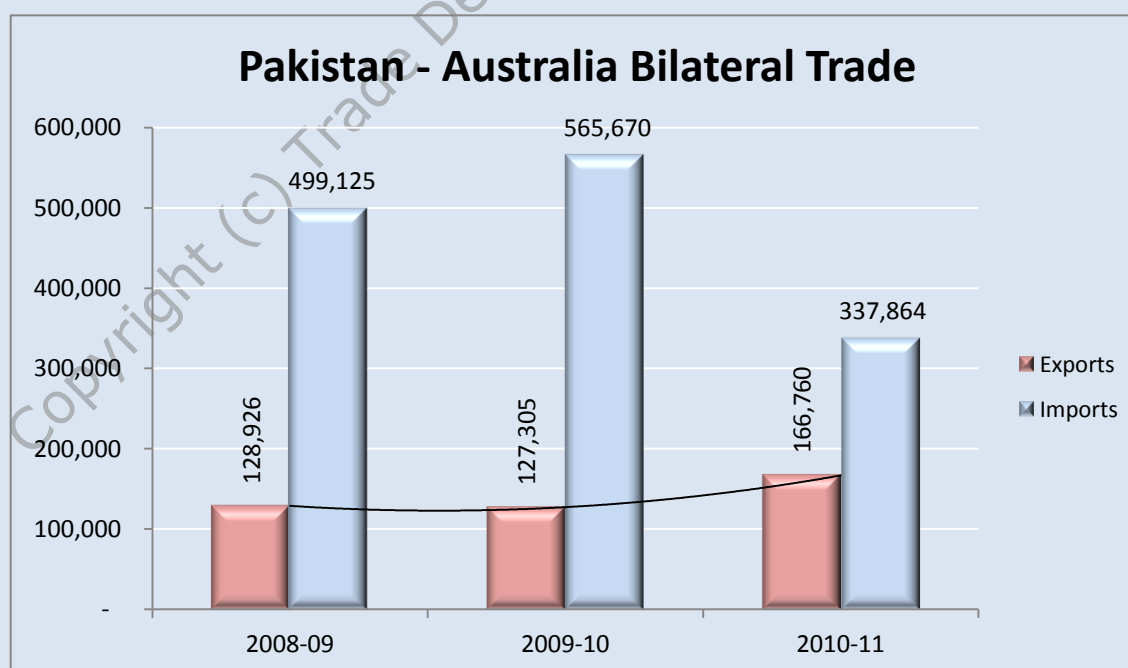
PAKISTAN - AUSTRALIA BILATERAL TRADE

The table below illustrates the pattern of trade during the last 03 years. The statistical data of bilateral trade reveals that our exports have increased from US\$ 128.9M in 2008-09 to 166.7M in 2010-11 indicating an increase of 29.3%. Our imports from Australia have decreased from US\$ 499M in 2008-09 to 337M in 2010-11 indicating a decrease of 32.3% during last three years. As the table shows Pakistan has negative trade balance with Australia. Our major exporting products to Australia are textiles, rice, cotton, articles of apparel, leather, products, surgical, sports goods, carpets etc. Our major importing products from Australia are oil & other fruit grain seed, fertilizers, mineral fuels, paper products, metals, machinery, cotton etc. The detailed list of importing and exporting products of Pakistan is annexed at the end of report.

Value in 000 \$

Source: FBS

	2008-09	2009-10	2010-11
Exports	128,926	127,305	166,760
Imports	499,125	565,670	337,864
Balance	(370,199)	(438,365)	(171,104)

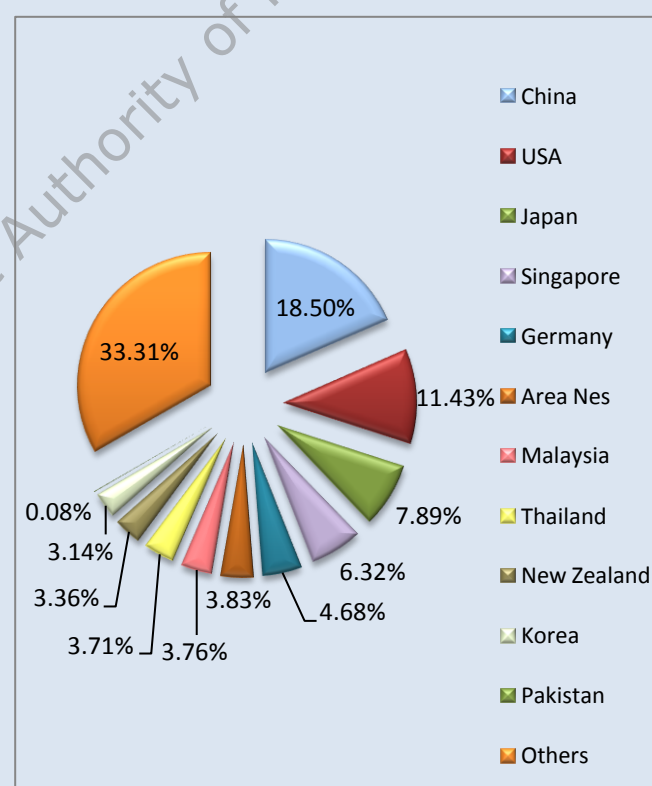


TOP 10 EXPORTERS TO AUSTRALIA

Value in 000 \$

Source: ITC

S#	Exporters	2011	Share % 2011
	World	235,008,346	
1	China	43,477,462	18.50%
2	USA	26,853,583	11.43%
3	Japan	18,541,551	7.89%
4	Singapore	14,854,544	6.32%
5	Germany	10,986,710	4.68%
6	Area Nes	8,999,338	3.83%
7	Malaysia	8,826,484	3.76%
8	Thailand	8,729,380	3.71%
9	New Zealand	7,899,611	3.36%
10	Korea	7,388,878	3.14%
57	Pakistan	178,187	0.08%
	Others	78,272,618	33.31%



TOP 20 PRODUCTS IMPORTED BY AUSTRALIA

Value in 000 \$
Source: ITC

S#	Code	Product label	2009	2010	2011
	TOTAL	All products	158,941,144	188,740,660	235,008,346
1	'27	Mineral fuels, oils, distillation products, etc	20,136,361	25,926,253	39,593,550
2	'84	Machinery, nuclear reactors, boilers, etc	24,977,329	28,104,104	33,940,723
3	'87	Vehicles other than railway, tramway	16,471,168	24,027,998	25,999,184
4	'85	Electrical, electronic equipment	17,753,848	20,265,322	24,009,822
5	'30	Pharmaceutical products	7,089,336	8,279,629	10,455,033
6	'71	Pearls, precious stones, metals, coins, etc	8,838,955	8,043,375	9,680,576
7	'90	Optical, photo, technical, medical, etc apparatus	5,732,927	6,557,458	7,721,302
8	'99	Commodities not elsewhere specified	4,390,831	5,062,034	6,984,483
9	'73	Articles of iron or steel	3,629,705	3,794,587	5,272,446
10	'39	Plastics and articles thereof	3,685,599	4,410,765	5,270,840
11	'40	Rubber and articles thereof	2,274,525	2,875,648	3,934,407

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S#	Code	Product label	2009	2010	2011
12	'94	Furniture, lighting, signs, prefabricated buildings	2,617,186	3,038,648	3,895,486
13	'29	Organic chemicals	2,802,390	3,307,920	3,545,153
14	'62	Articles of apparel, accessories, not knit or crochet	1,921,729	2,299,433	2,803,829
15	'48	Paper & paperboard, articles of pulp, paper and board	2,106,857	2,588,165	2,714,047
16	'61	Articles of apparel, accessories, knit or crochet	1,792,406	2,140,246	2,579,724
17	'95	Toys, games, sports requisites	2,185,931	2,239,449	2,372,695
18	'72	Iron and steel	1,519,372	2,094,389	2,235,240
19	'89	Ships, boats and other floating structures	901,756	826,870	2,171,125
20	'38	Miscellaneous chemical products	1,203,626	1,491,549	1,772,508

PAKISTAN TOP 30 EXPORTING PRODUCTS TO AUSTRALIA

Value in 000 \$

Source: FBS

S#	Products	2010-11	2009-10
	TOTAL	166,760	127,305
1	Bed wear	58,981	38,229
2	Rice basmati	17,406	16,018
3	Towels	14,918	8,956
4	Ready made garments	11,935	9,203
5	Cotton cloth	11,211	9,530
6	Other commodities	8,371	7,211
7	Knitwears	6,336	4,564
8	Surgical goods,medical	4,878	4,683
9	Tex.made ups(exc.t.& bed).	4,582	4,208
10	Other (sports)	3,102	2,042
11	Gloves (sports)	2,947	2,056
12	Apparel & clothing	2,719	2,981
13	Cotton yarn	2,517	1,474
14	W. Carpets & rugs	2,354	2,637
15	Rice other varieties	1,828	732
16	Art silk & synthetic tex.	1,474	1,235
17	Leather gloves	1,334	1,779
18	Other chemical	1,276	71
19	Leather footwear	1,272	1,003
20	Spices(incl. Chillies)	966	735
21	Foot balls complete	946	1,195
22	Cutlery	914	742
23	House-hold equipment	515	334
24	Tents & oth.canvas goods	469	430
25	Fruits	364	309
26	Cotton bags/sacks	334	68
27	Other leather manuf.	275	189
28	Other machinery	264	592
29	Leather	254	610
30	Guar and guar products	236	252

PAKISTAN TOP 30 IMPORTING PRODUCTS FROM AUSTRALIA

Value in 000 \$

Source: FBS

S#	H.S #	ITEMS DESCRIPTION	2010-11	2009-10
			000 \$	000 \$
		TOTAL	337,864	565,670
1	7132090	Other chick peas (garbanzos)	57,311	12,110
2	15020000	Fats of bovin animal,sheep goat	39,254	11,228
3	27011900	Other coal,not agglomerated	28,625	50,218
4	52010090	Other cotton	21,220	-
5	78011000	Refined un-wrought lead	19,247	17,077
6	12051000	Low erucic acid rape/colza seed	16,721	203,600
7	31053000	Diammonium hydrog ortho-phosph	15,185	153,017
8	7134010	Lentiles, dry whole	12,539	13,446
9	48042100	Sack kraft paper,unbleached	11,471	12,647
10	19011000	Food prep for infant use	9,292	8,012
11	1021030	Pure bred breeding cows	8,552	4,182
12	32061100	Pigment prep titanium dioxide	6,869	7,694
13	72104910	Oth fr i/na-s p/c zinc s/qlty	6,737	6,950
14	7132010	Gram dry whole	4,930	329
15	72083990	OTH COIL-HR I/NA-S TH < 3 mm	4,793	-
16	79011100	Zinc con by wt>99.99% not ally	4,126	8,823
17	30049099	Oth medicament conta vitamins	3,212	3,451
18	48041100	Kraftiner un coated un-bleach	2,802	3,282
19	72043000	Waste/scrap tinned iron/stl	2,708	1,786
20	63090000	Worn clothing&oth worn article	2,671	1,273
21	39021000	Polypropylene	1,766	317
22	1029030	Other cows	1,737	-
23	51013000	Carbonised wool	1,391	1,271
24	79012000	Zinc alloys	1,364	709
25	84818090	Oth applian for pipes,boilers	1,357	440
26	41021010	Lamb skin with wool,raw fr/dr	1,286	50
27	48041900	Oth kraftliner uncoat rol/shet	1,276	45
28	73042900	Oth casing,tubing i/s-oil/gas	1,141	231
29	79011200	Zinc con by wt<99.99% not ally	1,093	317
30	84713020	Personal computers(pcs)	1,064	503



POTENTIAL PRODUCT GROUPS

TEXTILES	LEATHER GOODS
PLASTICS & ARTICLES	RICE
PEARL & PRECIOUS STONES	SPORTS GOODS
FURNITURE	SURGICAL

MARKETING ACTIVITIES UNDERTAKEN BY TDAP IN AUSTRALIA

1. Chief Executive, TDAP attended common wealth business conference held in Perth from 27-28 December, 2011.
2. TDAP organized participation of 25 companies in Australian Sourcing Fair in November 2011.
3. TDAP organized participation of 15 companies in Australian Sourcing Fair in November 2010.
4. Visit of LCCI trade delegation to Australia in March 2010.
5. Visit of RCCI delegation to Australia in January 2010.
6. TDAP organized and sponsored visit of six member trade delegation of Sialkot Chamber of Commerce to Australia from 17-22nd August 2009.
7. TDAP organized and sponsored visit of 10 members trade delegation of Pakistan Leather garments Manufacturers Association delegation to Australia in August 2009.
