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Working for Australia

National Trade Survey 2016 Report Summary

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Chamber of Commerce
and Industry



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Australian Centre
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Introduction

The Australian Chamber's National Trade Survey is an annual survey that gauges the attitudes of Australian international trade businesses on key trade issues. The National Trade Survey 2016, the third instalment of the survey, was conducted by the Australian Chamber of Commerce and Industry and the University of South Australia's Australian Centre for Asian Business.

The quantitative component involved questionnaire responses from 202 international trade businesses, while a subsequent qualitative component involved 27 in-depth interviews with individual respondents.

Respondents were surveyed across seven categories: the profile of Australian international traders; the issues the most mattered to traders; administration; trade finance; the use and understanding of free trade agreements; preferred markets and FTAs; and trade support services.

The survey found that lack of understanding of free trade agreements, shortages of finance and excessive red tape were the main concerns.

It also found that a majority of respondents consider potential free trade agreements with India and Indonesia to be key government priorities.

Australia's falling international competitiveness and a high exchange rate rounded out the main concerns for traders.

The profile of respondents

China continues to dominate the Australian export and import market, with more than 60 per cent of businesses surveyed trading with China over the previous 12 months.

Among other trade partners, Indonesia and India were popular among large firms while the United States, New Zealand and Singapore were preferred by small and medium enterprises.

More than three in four respondent businesses are using the internet to grow their operations, while private market visits were less common than they were in the previous two surveys.

Businesses are relying on their own skills and the internet to grow their operations.

Trade issues

International competitiveness, red tape and a high exchange rate are the main concerns of Australian traders.



This was the third consecutive year that international competitiveness was identified as the top concern for survey respondents.

Dumping, piracy, protection for shipping and shipping cartels, and a low exchange rate were each classified as “not important” issues.

Trade administration

Businesses were asked about trade support initiatives such as the Export Finance and Insurance Corporation (EFIC), Export Market Development Grant (EMDG), Austrade, state government trade promotion agencies, and chambers of commerce and industry associations.

Case studies revealed that businesses were not aware of multiple trade support initiatives available to them, did not believe the support initiatives met their needs or believed the costs outweighed the benefits.

International shipping and domestic logistics companies were identified by traders as the best way to transport goods, while Australia Post ranked last.

Incidents of piracy, counterfeiting, commercial disputes and enforcing contracts were very low, with corruption identified as the top issue harming businesses.

Trade finance

Small businesses continue to be troubled by limited access to finance, with nearly one quarter of small business respondents saying they had trouble accessing funds to develop trade opportunities.

In contrast, the number of large firms troubled by finance access was 8.3 per cent.

Trade information and understanding of FTAs

The use and understanding of Australia’s multiple free trade agreements is very low, with the majority of businesses surveyed struggling to navigate complex rules and regulations.

The most understood and most used agreement was the Australia-United States FTA and the least understood and least used agreement was the World Trade Organisation- General Agreement on Tariffs and Trade.



Preference of free trade agreements

The Australia-Chile FTA was the least known and least useful trade agreement and the Australia-United States FTA was the most recognised. This is consistent with the results of the previous two years.

Most businesses believe potential free trade agreements with India and Indonesia should be government priorities.

Trade services

Fewer than half of businesses use the trade services offered by chambers of commerce and industry associations.

However the majority of businesses that did engage with chambers of commerce and industry associations said they were satisfied with the results.

Almost all respondents across all sizes of business said they wanted to know more about FTAs. This result, which reflects the findings of the previous two surveys, shows that the current education activities for international traders are not working.

Australia's international traders also wanted to learn more about international market development and protecting intellectual property.

Acknowledgements

This report was produced by the Australian Chamber of Commerce and Industry and the University of South Australia's Australian Centre for Asian Business (ACAB).

The Australian Chamber is Australia's largest and most representative business association, comprising state and territory chambers of commerce and national industry associations. It speaks on behalf of the Australian business community at home and abroad.

The ACAB is a community of leading academics in the fields of business, commerce, law, management and marketing dedicated to producing high-quality research on Asian business, and broadening the Australian understanding of the Asian business environment.

The research team was led by Professor Susan Freeman (Associate Director, ACAB) and Professor Ying Zhu (Director, ACAB). The research team comprised Dr Miria Lazaris (Consultant), Dr Hung Trong Hoang (Associate Dean (Research and International Cooperation), Faculty of Business Administration, Hue University College of Economics) and Dr Raisa Yakimova (lecturer in marketing, University of Bradford).



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