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ACCI
NATIONAL TRADE
SURVEY
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ABN 85 008 391 795

Canberra Office

COMMERCE HOUSE
Level 3, 24 Brisbane Avenue
Barton ACT 2600

PO BOX 6005 Kingston,
ACT 2604 AUSTRALIA

T: 02 6273 2311
F: 02 6273 3286
E: info@acci.asn.au

Melbourne Office

Level 3, 486 Albert Street
East Melbourne VIC 3002

PO BOX 18008
Collins Street East
Melbourne VIC 8003
AUSTRALIA

T: 03 9668 9950
F: 03 9668 9958
E: melb@acci.asn.au

W: www.acci.asn.au

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TABLE OF CONTENTS

1	About the Survey	3
2	Executive Summary.....	4
3	Profile of Australian International Trade	5
3.1	How businesses engage with international trade	5
3.2	Means of international trade	6
3.3	Average number of import shipments.....	7
3.4	Average number of export shipments	7
4	Information.....	8
5	Trading Countries and Regions.....	10
5.1	Country trade.....	10
5.2	Regional trade.....	12
6	Trade related issues	13
6.1	Trade issues	13
6.2	Experiences in international trade	16
7	Trade Administration	18
8	Trade Agreements.....	21
8.1	Businesses' understanding of Free Trade Agreements	21
8.2	Importance of trade Agreements under negotiation.....	24
8.3	Usefulness of current Free Trade Agreements	28
8.4	Free Trade Agreements business would like to know more about.....	30
9	Certificates of Origin	32
9.1	Export non-preferential Certificates of Origin	32
9.2	Export Preferential FTA Certificates of Origin	33
9.3	Certificates of Origin and Free Trade Agreements.....	33
10	Trade Payments.....	34
11	Trade Support.....	36
11.1	Experience with intermediaries	38
11.2	Authorised Economic Operator (AEO) or "Trusted Trader"	40
11.3	Interest in trade related seminars and courses	40
12	Appendix I	42

1 About the Survey

The *ACCI National Trade Survey* has been designed to identify and understand the issues relating to cross border transactions faced by Australian businesses.

A total of 314 businesses were surveyed, across every state and territory, representing different business sizes and across all industries. Firms were broken down according to their employee size in order to categories the cohorts as small, medium or large.

Small: 1 – 19 employees

Medium: 20 – 199 employees

Large: 200+ employees

Additional detail about respondents can be found in Appendix I.

The *ACCI National Trade Survey* was distributed through ACCI's state and territory based chamber of commerce and selected industry association members from 24 October to 23 December 2013.

NB: Note in most cases percentages have been rounded to one decimal place, subsequently, figures may not always add up to 100 per cent.

Where totals are expressed within tables, the complete data set has been included.

2 Executive Summary

The *ACCI National Trade Survey 2014*, has shown that a number of issues exist for Australian importers and exporters. It has also shown that differences exist according to firm size and the likely decisions they make regarding market choice, trade administration and services they utilise.

The number one issue facing Australian traders is international competitiveness. With the current Commonwealth Competition Policy Review underway, ACCI remains hopeful that policy setting related to trade activities will be enhanced in order to better facilitate trade flows.

The profile of Australian trade shows that Australian businesses are active in both import and export activities, with direct import and export the most common mode. Average frequency of imports and exports was observed as once a month, however, large businesses engaged in exporting more often (between once a week and once a day).

Private market visits were the most popular form of finding information about trade opportunities. This was the number one choice across all firm sizes. Small businesses notably used a wider range of channels to learn about opportunities compared with large firms.

The top trading country overall was China, followed by the United States of America (USA) and New Zealand (NZ). Trading patterns changed slightly when separated into firm size. Small businesses favoured (excluding China), NZ, and the USA, medium enterprises focused on USA and Singapore and large organisations concentrated on Indonesia and Malaysia. With regard to regional groupings, the prominent area overall was Western Asia (Middle East), followed by South-Eastern Asia and Western Europe and Southern Africa. Once again, large firms stated South-Eastern Asia as their top ranking regional group for trade.

The survey further highlighted that Australian businesses do not typically experience high levels of corruption, piracy, counterfeiting, commercial disputes or unenforceable contracts. This is not to say, however, that firms did not experience them at all. Across the firm size cohorts, small businesses identified their inability to enforce contracts to be their number one issue, whilst large firms recognised commercial disputes as most frequent issue. This brings to light the significance of appropriate dispute resolution services and contract design.

The results highlighted, significantly, that Free Trade Agreements (FTAs) are not very well understood, nor utilised by businesses across the board, with the majority of respondents not understanding them at all. The results show, however, that businesses are eager to learn about FTAs, particularly the Australia-China FTA, which is currently under negotiation. The most read and understood FTA is the ASEAN-Australia-New Zealand FTA. The Australia-Chile FTA was identified as the least understood and least useful. Overall, the survey suggests that larger firms have a better understanding and higher application of FTAs compared to SMEs.

With regard to processes associated with export non-preferential and export preferential Certificates of Origin and FTAs, most SMEs do not understand the process and tend to

outsource this function to a third party, whereas large businesses tend to perform this in house and are relatively happy with the way the processes are facilitated.

Overall, engaging in the Certificates of Origin process was identified positively by all respondents. Larger businesses in particular demonstrated a higher tolerance of trade administration compared to SMEs, as evidenced by the weighting of their experiences to be predominantly in the excellent or good category.

The most common form of trade payments overall, was direct payment after shipment/service delivery. The least common was a bill of exchange. According to businesses interaction with trade intermediaries, shipping and logistics companies were rated the most positively, compared to government agencies such as Australian Customs, Australian Immigration, Australia Post.

Respondents were also asked about trade support initiatives offered by the government at a state and federal level. Overall, the majority of businesses surveyed stated they rarely or never utilised them. The results suggest that government initiatives need to be better publicised and more specifically meet the needs of businesses of all sizes.

The survey results provide an overview of trade behaviour in Australia and insights for policy development and service improvement.

3 Profile of Australian International Trade

3.1 How businesses engage with international trade

The results show that overall, over half Australian businesses surveyed both import and export goods and/or services (57.5 percent), followed by 22.7 per cent who only engage in exporting goods and/or services. Businesses that provide only ancillary support services were the smallest segment, representing only 4.9 per cent of all respondents.

Across each business size, the results show that businesses predominantly engage in some form of both import and export activities. According to those surveyed, large businesses (200+ employees) did not exclusively participate in import only activities, nor provide ancillary support services to other companies who import or export. This is in contrast to some small and medium sized businesses who noted they engaged in import only activities.

Overall, the results suggest that Australian businesses are active in both importing and exporting, however, ancillary support services are generally provided by small and medium sized businesses.

Businesses' engagement with international trade	Small	Medium	Large	Total
My business exports goods and/or services (eg commodities, goods or	25.4%	25.4%	25.9%	22.7%

professional services, training international students, tourism, shipping, etc)				
My business imports goods and/or services (eg commodities, goods or professional services, training international students, tourism, shipping, etc)	11.5%	11.5%	0.0%	9.4%
My business both exports and imports goods and/or services	56.2%	56.2%	70.4%	57.5%
No, my business neither exports nor imports goods and/or services directly but has an interest in this area	3.8%	3.8%	3.7%	5.5%
My business is an ancillary support service to other companies who import or export goods or services	3.1%	3.1%	0.0%	4.9%

Businesses' engagement with international trade

3.2 Means of international trade

The results show that overall, direct import and export is the most common means of trade (70.7 per cent) for each business size surveyed. The second most common form of trade was to import or export via a broker or third party (15.9 per cent). Across business sizes, few respondents engaged in selling components to another domestic company to then export or selling exclusively via e-commerce. No large businesses surveyed stated participation in either medium.

Means of international trade	Small	Medium	Large	Total
Import or export directly	65.9%	74.1%	69.2%	70.7%
Import or export via a broker or third party	18.6%	11.8%	15.4%	15.9%
Sell components to another domestic company and they export a product	1.6%	2.4%	0.0%	1.7%
Import products as inputs to your production and then sell in Australia or export a product	10.9%	10.6%	15.4%	9.7%
Sell using e-commerce	3.1%	1.2%	0.0%	2.1%

Means of international trade

3.3 Average number of import shipments

The most frequent number of import shipments received was stated as once a month (37.8 per cent) across all sizes of businesses, followed by just over one quarter (28.1 per cent) citing they do not have an average number of shipments, which suggests they do not engage in any importing activities.

Over one fifth (22.4 per cent) engage once a week, with only a small proportion of respondents averaging more than once a day (7.4 per cent).

Of the different cohorts, 16.0 per cent of large businesses received import shipments more than once a day, compared to only 2.4 per cent of small businesses. The most common frequency for small and medium businesses was once a month. Large businesses averaged both once a month (32.0 per cent) and once a week (32.0 per cent).

Average number of import shipments	Small	Medium	Large	Total
None	29.1%	10.6%	20.0%	28.1%
One each month	44.9%	40.0%	32.0%	37.8%
One each week	18.1%	31.8%	32.0%	22.4%
One each day	5.5%	4.7%	0.0%	4.3%
More than one each day	2.4%	12.9%	16.0%	7.4%

Average number of import shipments

3.4 Average number of export shipments

The results show that respondents are far more actively involved in exporting than importing, with 19.6 per cent not engaging in exports, compared to 28.1 per cent not engaged in importing.

Regarding the average number of export shipments, the most frequent level of trade overall was, like importing, once a month (34.6 per cent), followed by just over one fifth engaging once a week (22.5 per cent). Comparatively, there was a higher percentage of exporters engaging more than once a day (14.1 per cent), compared to importing (7.4 per cent).

Over one quarter (25.9 per cent) of large businesses surveyed exported more than once a day, which is 9.9 per cent higher than their importing activity. The majority of small businesses surveyed (almost one half) and medium businesses averaged once a month. This is in contrast to large enterprises who predominately engage at least once a week (51.9 per cent) or more than once a day (25.9 per cent).

Average number of export shipments	Small	Medium	Large	Total
None	20.8%	10.3%	3.7%	19.6%
One each month	48.5%	31.0%	3.7%	34.6%
One each week	16.9%	27.6%	51.9%	22.5%
One each day	5.4%	13.8%	14.8%	9.2%
More than one each day	8.5%	17.2%	25.9%	14.1%

Average number of export shipments

4 Information

Respondents were asked where they sought information about trade related opportunities. The results show that overall, over half the respondents (56.8 per cent) will “always” or “often” use private market visits to seek opportunities. The internet was the second most common medium, with 46.1 per cent of respondents “always” or “often” utilising this tool. The third most popular channel was via “Industry Associations” (23.7 per cent). “Newspapers” was the least utilised source of information with over three quarters of respondents (76.3 per cent) stating they “rarely” or “never” sought information from this channel.

The cohort to utilise private market visits the most, was medium business (61.7 per cent). Furthermore, from the results, small and medium sized businesses utilised a greater array of channels to search for opportunities, compared to larger businesses. For example, small and medium business noted seeking information “Always” from all eight areas listed. Large firms, by comparison, only reported to “always” use private market visits, trade missions and the internet.

Private market visits were the only channel that respondents, across all three firm sizes, stated they used “always” or “often” more than “rarely” or “never”. All other indicators had a higher “rarely” or “never” response to their utilisation.

The use of State government agencies was low amongst small (78.7 per cent) and large (78.3 per cent) businesses as they stated using them “rarely” or “never”. The least used channel by medium businesses was newspapers (77.8 per cent).

This suggests that despite various avenues available to business, respondents preferred to conduct their own, first hand investigations into market opportunities.

Information about opportunities	Always	Often	Occasionally/Sometimes	Rarely	Never
Private market visits	20.2%	36.6%	20.6%	11.8%	10.8%
Participating in trade missions	2.9%	9.9%	22.1%	26.1%	39.0%
The internet	16.2%	29.9%	29.6%	12.7%	11.6%
Austrade	3.7%	10.5%	30.9%	22.9%	32.0%
State Government agency	2.7%	6.8%	18.6%	27.0%	44.9%
Newspapers	0.8%	5.6%	17.3%	25.2%	51.1%

Areas business gain information regarding trade opportunities: Total businesses

Information about opportunities	Always	Often	Occasionally/Sometimes	Rarely	Never
Private market visits	20.2%	36.3%	19.4%	12.9%	11.3%
Participating in trade missions	2.6%	7.0%	20.9%	29.6%	40.0%
The internet	20.0%	34.4%	22.4%	14.4%	8.8%
Austrade	4.1%	5.7%	29.5%	23.8%	36.9%
State Government agency	3.4%	4.3%	13.7%	29.1%	49.6%
Newspapers	0.8%	5.0%	16.7%	25.0%	52.5%

Areas business gain information regarding trade opportunities: Small size businesses

Information about opportunities	Always	Often	Occasionally/Sometimes	Rarely	Never
Private market visits	18.5%	43.2%	19.8%	9.9%	8.6%
Participating in trade missions	3.8%	12.8%	20.5%	28.2%	34.6%
The internet	17.9%	32.1%	32.1%	7.7%	10.3%

Austrade	2.6%	14.5%	30.3%	26.3%	26.3%
Industry Associations	6.5%	22.1%	31.2%	22.1%	18.2%
Newspapers	1.4%	4.2%	16.7%	29.2%	48.6%

Areas business gain information regarding trade opportunities: Medium size businesses

Information about opportunities	Always	Often	Occasionally/Sometimes	Rarely	Never
Private market visits	11.5%	42.3%	26.9%	7.7%	11.5%
Participating in trade missions	4.3%	0.0%	34.8%	21.7%	39.1%
The internet	4.25	20.8%	54.2%	4.2%	16.7%
Austrade	0.0%	8.7%	47.8%	21.7%	21.7%
State Government agency	0.0%	4.3%	17.4%	26.1%	52.2%
Newspapers	0.0%	4.5%	27.3%	18.2%	50.0%

Areas business gain information regarding trade opportunities: Large size businesses

5 Trading Countries and Regions

5.1 Country trade

The survey results revealed that overall, the highest proportion of respondents, almost three quarters (70.4 per cent), currently trade with China. This was followed by over half trading with the United States of America (USA) (54.2 per cent) and New Zealand followed closely behind with 49.6 per cent.

With regard to differences according to firm size, several observations can be made. Small businesses top three trading countries include China (62.8 per cent), New Zealand (47.1 per cent) and the USA (46.3 per cent). Medium sized organisations reported China (75.6 per cent), USA (64.0 per cent) and Singapore (57.0 per cent). Large businesses stated China (70.4 per cent), followed by Singapore (65.4 per cent) and Indonesia (65.4 per cent) and Malaysia (65.4 per cent) equally.

Such results suggest that small businesses, with the exception of China, favour trade with psychically¹ close, developed and mature markets such as the USA and New Zealand.

¹ Psychic distance is defined as factors preventing or disturbing the flows of information between firm and market. Examples of such factors are differences in language, culture, political systems, level of education and level of industrial development as cited in Johanson, J., and Wiedershiem-Paul, F. (1975). The internationalization of the firm – Four Swedish cases. *Journal of Management Studies*, 12(3) 305 – 322.

Medium businesses, whilst also noting China and the USA note Singapore as their third most common market, signalling a shift in trade towards Asia. Singapore is sophisticated, mature market that serves as a hub into other areas of Asia.

Large businesses, on the other hand seem to be moving directly into Asia (China and Singapore) and the more 'frontier' markets of south east Asia.

Country	Small	Medium	Large	Total
China	62.8%	75.6%	76.9%	70.4%
Japan	20.7%	53.5%	57.7%	37.3%
USA	46.3%	64.0%	50.0%	54.2%
Republic of Korea	20.7%	38.4%	53.8%	30.3%
Singapore	43.0%	57.0%	65.4%	49.6%
UK	33.9%	47.7%	38.5%	41.5%
NZ	47.1%	51.2%	57.7%	49.6%
India	33.1%	55.8%	50.0%	41.9%
Thailand	31.4%	47.7%	53.8%	39.1%
Malaysia	41.3%	51.2%	65.4%	47.9%
Germany	28.1%	47.7%	50.0%	36.6%
Indonesia	40.5%	54.7%	65.4%	48.9%
Taiwan	29.8%	51.2%	57.7%	40.8%
Brazil	7.4%	17.4%	15.4%	10.9%
Russia	8.3%	15.1%	19.2%	12.7%
Canada	19.8%	33.7%	34.6%	26.8%
Mexico	6.6%	19.8%	11.5%	11.3%

Australian interaction according to country

Respondents were asked to select more than one choice, therefore percentages will not equal 100

5.2 Regional trade

Respondents were asked to select regional groupings with whom they trade. The prominent area overall was Western Asia (Middle East) (40.9 per cent), followed by South Eastern Asia (not including Thailand, Malaysia, Indonesia and Singapore), which represented two fifths of responses (40.0 per cent). Both Western Europe (not including the UK or Germany) and Southern Africa were the third most common, with 30.2 per cent each.

With regard to firm size differences, large firms note South-Eastern Asia (not including Thailand, Malaysia, Malaysia and Singapore) as the regional grouping they trade most with (62.5 per cent), whilst small firms mention Western Asia (Middle East). Medium sized firms state that both South-Eastern Asia and Western Asia regions are equally their most preferred trading region (41.3 per cent).

Regional groupings	Small	Medium	Large	Total
Eastern Africa	16.1%	20.6%	8.3%	16.7%
Middle Africa	10.8%	14.3%	16.7%	12.1%
Northern Africa	8.6%	19.0%	16.7%	13.5%
Southern Africa	24.7%	34.9%	33.3%	30.2%
Western Africa	15.1%	17.5%	12.5%	16.7%
Latin America and the Caribbean	15.1%	23.8%	33.3%	20.0%
Central Asia	12.9%	17.5%	25.0%	18.1%
Eastern Asia (not include China, Japan and the Republic of Korea)	15.1%	20.6%	41.7%	20.5%
Southern Asia(not including India)	20.4%	27.0%	33.3%	24.7%
South-Eastern Asia(not including Thailand, Malaysia, Indonesia and Singapore)	37.6%	41.3%	62.5%	40.0%
Western Asia(Middle East)	40.7%	41.3%	37.5%	40.9%
Eastern Europe	17.2%	34.9%	33.3%	25.6%
Northern Europe	26.9%	38.1%	12.5%	28.8%
Southern Europe	22.6%	34.9%	20.8%	26.5%
Western Europe (not including the UK or Germany)	30.1%	34.9%	29.2%	30.2%
Melanesia	4.3%	1.6%	20.8%	6.0%

Micronesia	6.5%	3.2%	29.2%	8.8%
Polynesia	7.5%	11.1%	33.3%	13.0%

Australian trade interaction according to regional grouping

Respondents were asked to select more than one choice, therefore percentages will not equal 100

6 Trade related issues

6.1 Trade issues

Respondents were asked to rate their level of concern regarding multiple trade issues. The results show that over four fifths (83.1 per cent) of businesses surveyed believed “Overall Competitiveness” to be either a “major” or “moderate” concern. Nearly three quarters (73.2) of those surveyed noted the “Exchange rate” as an impediment, followed by “Complexity of rules and red tape for international trade” (67.7 per cent). The least significant issue related to “Piracy”, whereby 42.6 per cent of respondents did not consider it an issue. When examined by firm size, there were no discernible differences amongst the cohorts regarding the ranking of the top three issues, with international competitiveness the number one issue facing businesses across the board

Improving Australian businesses’ competitiveness, both domestically and internationally clearly needs to be a priority for the Australian government. The ongoing federal government’s Competition Review is a promising sign that aspects of trade competitiveness will be addressed.

Area of Concern	Major concern	Moderate concern	Minor concern	None
Overall international competitiveness	47.6%	35.5%	11.4%	5.5%
Exchange rate too high	47.6%	25.6%	18.7%	8.1%
Exchange rate too low	15.2%	24.5%	27.6%	32.7%
Complexity of rules and red tape for international trade	29.4%	38.3%	27.1%	5.2%
Tariffs applied to imports	24.6%	30.8%	23.8%	20.8%
Tariffs applied to exports	25.8%	25.5%	25.5%	23.2%
Subsidies for competitors	25.9%	26.7%	24.8%	22.6%
Customs and border crossing costs	26.7%	34.6%	24.4%	14.3%
Protection for shipping and shipping cartels	14.8%	28.5%	30.8%	25.9%

Piracy	7.2%	16.2%	34.0%	42.6%
Corruption in international markets	18.8%	28.9%	35.7%	16.5%
Progress on free trade agreements	22.9%	35.0%	28.2%	13.9%
Australian investment opportunities globally	13.7%	29.4%	32.4%	24.4%
Ability to service international markets	27.0%	34.5%	24.0%	14.6%
Dumping and anti-dumping rules	14.6%	22.2%	34.5%	28.7%

Level of concern regarding trade issues: Total respondents

Respondents were asked to select more than one choice, therefore percentages will not equal 100

Area of Concern	Major concern	Moderate concern	Minor concern	None
Overall international competitiveness	46.9%	32.8%	12.5%	7.8%
Exchange rate too high	44.2%	24.8%	20.2%	10.9%
Exchange rate too low	11.2%	29.3%	24.1%	35.3%
Complexity of rules and red tape for international trade	30.7%	35.4%	29.1%	4.7%
Tariffs applied to imports	24.2%	29.2%	25.0%	21.7%
Tariffs applied to exports	21.8%	21.8%	33.9%	22.6%
Subsidies for competitors	23.2%	24.8%	28.8%	23.2%
Customs and border crossing costs	29.0%	36.3%	22.6%	12.1%
Protection for shipping and shipping cartels	12.4%	28.1%	30.6%	28.9%
Piracy	5.6%	16.9%	36.3%	41.1%
Corruption in international markets	17.5%	27.0%	39.7%	15.9%
Progress on free trade agreements	21.6%	28.0%	33.6%	16.8%
Australian investment opportunities globally	12.9%	27.4%	34.7%	25.0%
Ability to service international markets	27.6%	33.9%	25.2%	13.4%
Dumping and anti-dumping rules	12.9%	19.4%	34.7%	33.1%

Level of concern regarding trade issues: Small size business respondents

Respondents were asked to select more than one choice, therefore percentages will not equal 100

Area of Concern	Major concern	Moderate concern	Minor concern	None
Overall international competitiveness	51.2%	33.3%	11.9%	3.6%
Exchange rate too high	48.2%	24.7%	18.8%	8.2%
Exchange rate too low	19.0%	25.0%	28.6%	27.4%
Complexity of rules and red tape for international trade	30.1%	36.1%	26.5%	7.2%
Tariffs applied to imports	27.4%	33.3%	22.6%	16.7%
Tariffs applied to exports	28.9%	28.9%	19.3%	22.9%
Subsidies for competitors	23.8%	32.1%	23.8%	20.2%
Customs and border crossing costs	28.9%	34.9%	26.5%	9.6%
Protection for shipping and shipping cartels	20.2%	27.4%	32.1%	20.2%
Piracy	10.7%	12.0%	36.1%	42.2%
Corruption in international markets	19.3%	27.7%	36.1%	16.9%
Progress on free trade agreements	21.7%	43.4%	22.9%	12.0%
Australian investment opportunities globally	17.1%	26.8%	32.9%	23.2%
Ability to service international markets	31.7%	28.0%	28.0%	12.2%
Dumping and anti-dumping rules	12.3%	22.2%	39.5%	25.9%

Level of concern regarding trade issues: Medium size business respondents

Respondents were asked to select more than one choice, therefore percentages will not equal 100

Area of Concern	Major concern	Moderate concern	Minor concern	None
Overall international competitiveness	53.8%	34.6%	7.7%	3.8%
Exchange rate too high	56.0%	28.0%	16.0%	0.0%
Exchange rate too low	17.4%	4.3%	30.4%	47.8%
Complexity of rules and red tape for international trade	19.2%	53.8%	23.1%	3.8%

Tariffs applied to imports	25.0%	37.5%	16.7%	20.8%
Tariffs applied to exports	46.2%	19.2%	15.4%	19.2%
Subsidies for competitors	50.0%	25.0%	8.3%	16.7%
Customs and border crossing costs	23.1%	30.8%	23.1%	23.1%
Protection for shipping and shipping cartels	19.2%	34.6%	19.2%	26.9%
Piracy	4.0%	12.0%	32.0%	52.0%
Corruption in international markets	28.0%	24.0%	36.0%	12.0%
Progress on free trade agreements	32.0%	32.0%	32.0%	4.0%
Australian investment opportunities globally	12.5%	33.3%	33.3%	20.8%
Ability to service international markets	24.0%	48.0%	12.0%	16.0%
Dumping and anti-dumping rules	29.2%	25.0%	33.3%	12.5%

Level of concern regarding trade issues: Large size business respondents

Respondents were asked to select more than one choice, therefore percentages will not equal 100

6.2 Experiences in international trade

Regarding certain experiences (corruption, piracy, counterfeiting, commercial disputes and enforcement of contracts) encountered during international trade transactions, respondents overall, did not largely experience high levels.

Of the total sample, corruption was considered the most frequently cited experience, with 31.6 per cent of respondents experiencing this “often” or “sometimes”. The majority of respondents noted piracy to be experienced either “rarely” or “never” (94.5 per cent), followed by counterfeiting (87.9 per cent) and commercial disputes (72.0 per cent).

According to the different cohorts, large businesses experienced corruption, piracy, counterfeiting, commercial disputes or difficulty enforcing contracts less frequently than small and medium businesses. The most common issue experienced by small businesses (combined always and often) was corruption (10.2 per cent), medium businesses experienced issues with counterfeiting (4.6 per cent) and large businesses also experienced corruption “often” (19.0 per cent).

When looking at the “sometimes” frequency, large firms experience commercial disputes and small firms predominantly have difficulty enforcing their contracts (29.6 per cent).

Hence the results suggest that corruption (whilst not experienced by large numbers of those surveyed) remains the most frequently cited experience in international trade. Issue related to contracts and disputes are experienced less often, but by a larger number of businesses.

Experience	Always	Often	Sometimes	Rarely	Never
I experience corruption	0.0%	8.1%	23.5%	30.9%	37.5%
I experience piracy	0.4%	0.4%	4.8%	13.6%	80.9%
I experience counterfeiting	1.1%	2.6%	8.5%	19.1%	68.8%
I experience commercial disputes	0.4%	4.4%	23.2%	39.3%	32.7%
I can't enforce my contracts	0.7%	3.0%	21.4%	31.0%	43.9%

Experience of corruption, piracy, counterfeiting, commercial disputes and enforcement of contracts when engaging in international trade: Total business responses

Experience	Always	Often	Sometimes	Rarely	Never
I experience corruption	0.0	10.2	21.9	32.0	35.9
I experience piracy	0.0	0.0	7.8	14.1	78.1
I experience counterfeiting	0.8	3.1	8.6	20.3	67.2
I experience commercial disputes	0.8	4.7	20.3	36.7	37.5
I can't enforce my contracts	1.6	1.6	29.6	24.2	43.0

Experience of corruption, piracy, counterfeiting, commercial disputes and enforcement of contracts when engaging in international trade: Small business responses

Experience	Always	Often	Sometimes	Rarely	Never
I experience corruption	0.0	3.5	24.4	32.6	39.5
I experience piracy	1.2	0.0	2.3	11.6	84.9
I experience counterfeiting	2.3	2.3	8.1	18.6	68.6
I experience commercial disputes	0.0	3.5	23.5	43.5	29.4
I can't enforce my contracts	0.0	2.4	16.5	37.6	43.5

Experience of corruption, piracy, counterfeiting, commercial disputes and enforcement of contracts when engaging in international trade: Medium business responses

Experience	Always	Often	Sometimes	Rarely	Never
I experience corruption	0.0	19.2	15.4	38.5	26.9
I experience piracy	0.0	0.0	0.0	23.1	76.9
I experience counterfeiting	0.0	0.0	7.7	23.1	69.2
I experience commercial disputes	0.0	0.0	37.0	44.4	18.5
I can't enforce my contracts	0.0	3.8	15.4	38.5	42.3

Experience of corruption, piracy, counterfeiting, commercial disputes and enforcement of contracts when engaging in international trade: Large business responses

7 Trade Administration

Respondents were asked to rate their experiences when engaging in various forms of trade administration. The most positive experience overall related to “Certificates of Origin”, whereby over three quarters of total respondents (77.5 per cent) believed their experience to be either “excellent” or “good”. This was followed by “Incoterms 2010” (64.9 per cent) and “Pre shipment Inspection Certificate” (59.7 per cent). Acquiring Halal certificates was rated the lowest, with over half of respondents (56.5 per cent) citing they have had “average” or “poor” experiences.

All firm sizes noted dealing with Certificates of Origin to be either “excellent” or “good”. With regard to “average” or “poor” experiences, both medium and large businesses identified obtaining halal certificates (60.0 per cent), whereas small businesses’ rated administrative issues relating to gaining certificates of free sale (61.5 per cent) as their least favoured experience.

The results suggest that whilst trade administration is necessary, businesses overall have relatively positive experiences with the processes, especially Certificates of Origin. Most notably, large businesses had a significantly higher level of positive experiences with each administrative process across the board, with the majority of their experiences being either “excellent” or “good”. This supports the notion that larger businesses have a higher threshold for regulation, which can often be facilitated by experts, as opposed to small and medium businesses.

Administrative issue	Excellent	Good	Average	Poor
Certificates of Origin	29.6%	47.9%	19.8%	2.7%
FTA (Preferential) Certificates of Origin	16.7%	42.4%	33.8%	7.1%
Pre shipment Inspection certificate	6.3%	53.4%	34.5%	5.8%
Consular legalisation / endorsement	7.0%	41.1%	37.8%	14.1%
Incoterms 2010	13.7%	51.2%	28.3%	6.8%
Certificates of Free Sale	8.3%	38.7%	35.7%	17.3%
Health Certificates	14.7%	35.5%	36.1%	13.7%
Halal Certificates	9.1%	34.4%	37.0%	19.5%
DAFF (AQIS) certificates	15.2%	38.7%	29.9%	16.2%

Respondents' experience with dealing with trade related administrative issues: Total business responses

Administrative issue	Excellent	Good	Average	Poor
Certificates of Origin	26.3%	43.2%	25.4%	5.1%
FTA (Preferential) Certificates of Origin	8.8%	39.5%	39.6%	12.1%
Pre shipment Inspection Certificate	3.5%	47.1%	40.0%	9.4%
Consular legalisation / endorsement	5.9%	34.1%	41.2%	18.8%
Incoterms 2010	10.6%	47.1%	32.9%	9.4%
Certificates of Free Sale	9.0%	29.5%	39.7%	21.8%
Health Certificates	13.4%	30.5%	39.0%	17.1%
Halal Certificates	5.8%	34.8%	36.2%	23.2%
DAFF (AQIS) Certificates	13.5%	40.4%	29.2%	16.9%

Respondents' experience with dealing with trade related administrative issues: Small business responses

Administrative issue	Excellent	Good	Average	Poor
Certificates of Origin	31.7%	50.0%	17.1%	1.2%
FTA (Preferential) Certificates of Origin	25.4%	40.7%	28.8%	5.1%
Pre shipment Inspection Certificate	10.2%	55.9%	28.8%	5.1%
Consular legalisation / endorsement	8.9%	39.3%	35.7%	16.1%
Incoterms 2010	14.3%	52.9%	24.3%	8.6%
Certificates of Free Sale	11.1%	37.0%	33.3%	18.5%
Health Certificates	15.3%	28.8%	40.7%	15.3%
Halal Certificates	12.0%	28.0%	38.0%	22.0%
DAFF (AQIS) Certificates	15.6%	31.3%	34.4%	18.8%

Respondents' experience with dealing with trade related administrative issues: Medium business responses

Administrative issue	Excellent	Good	Average	Poor
Certificates of Origin	40.0%	56.0%	4.0%	0.0%
FTA (Preferential) Certificates of Origin	33.3%	47.6%	19.0%	0.0%
Pre shipment Inspection certificate	5.0%	70.0%	25.0%	0.0%
Consular legalisation / endorsement	5.0%	70.0%	20.0%	5.0%
Incoterms 2010	20.8%	66.7%	12.5%	0.0%
Certificates of Free Sale	6.7%	66.7%	13.3%	13.3%
Health Certificates	11.8%	58.8%	17.6%	11.8%
Halal Certificates	12.5%	37.5%	37.5%	12.5%
DAFF (AQIS) Certificates	25.0%	45.0%	10.0%	20.0%

Respondents' experience with dealing with trade related administrative issues: Large business responses

8 Trade Agreements

8.1 Businesses' understanding of Free Trade Agreements

The survey asked respondents to rate their understanding of a list of general trade and free trade agreements (FTAs). The most well understood agreement reported was the “ASEAN-Australia-New Zealand FTA” with a result of 22.9 per cent. This was followed by the “Thailand-Australia FTA” (18.1 per cent) and the “Malaysia-Australia FTA” (16.2 per cent).

A number of respondents noted “I have read the text, but don’t understand it.” The most read, but least understood FTAs were the ASEAN-Australia-New Zealand FTA (11.2 per cent), the Australia-United States FTA (9.3 per cent), and the Australia-New Zealand Closer Economic Relations (6.8 per cent).

Results for those who stated they use a FTA, but do not understand it were similar to those who had read FTAs and understood them. 21.5 per cent of respondents used the ASEAN-Australia-New Zealand FTA, but do not understand it. This was followed by the Australia-United States FTA (20.6 per cent) and the Thailand-Australia FTA (17.2 per cent).

The majority of respondents for each agreement stated “I don’t understand it at all”. In all but one instance (the ASEAN-Australia-New Zealand FTA), the results showed well over 50 per cent of respondents did not understand the agreement at all. More than three quarters of respondents (77.0 per cent) did not understand the Australia-Chile FTA, whilst 65.6 per cent did not understand the Australia-New Zealand Closer Economic Relations and 65.0 per cent did not understand the Malaysia-Australia FTA.

Regarding cohort variations, the most well understood FTA by small and medium businesses was the ASEAN-Australia-New Zealand FTA, whilst the least understood was the Australia-Chile FTA. Large businesses on the other hand, noted a strong understanding of the Thailand-Australia FTA, and like their counterparts, noted not understanding the Australia-Chile FTA the strongest. Overall, the results suggest that larger firms have a better understanding and knowledge of FTAs compared to small and medium sized businesses.

Trade Agreement	I have read the text and understand it well	I have read the text but don't understand it	I use the FTA but don't understand it	I don't understand it at all
ASEAN-Australia-New Zealand FTA	22.9%	11.2%	21.5%	44.4%
Australia-Chile FTA	7.9%	5.8%	9.4%	77.0%
Australia-New Zealand Closer Economic Relations	14.1%	6.8%	13.5%	65.6%
Australia-United States FTA	13.7%	9.3%	20.6%	56.4%

Malaysia-Australia FTA	16.2%	6.1%	12.7%	65.0%
Singapore-Australia FTA	16.0%	7.0%	16.0%	61.0%
Thailand-Australia FTA	18.1%	8.3%	17.2%	56.4%
WTO Agreement (most favoured nation provisions)	11.3%	5.7%	11.3%	71.6%

Rating of respondents' understanding of general trade and free trade agreements: Total business responses

Trade Agreement	I have read the text and understand it well	I have read the text but don't understand it	I use the FTA but don't understand it	I don't understand it at all
ASEAN-Australia-New Zealand FTA	18.8%	12.5%	22.3%	46.4%
Australia-Chile FTA	5.1%	7.1%	9.1%	78.8%
Australia-New Zealand Closer Economic Relations	11.2%	7.1%	14.3%	67.3%
Australia-United States FTA	10.8%	10.8%	17.6%	60.8%
Malaysia-Australia FTA	12.7%	6.9%	13.7%	66.7%
Singapore-Australia FTA	12.7%	8.8%	15.7%	62.7%
Thailand-Australia FTA	16.0%	9.4%	18.9%	55.7%
WTO Agreement (most favoured nation provisions)	10.2%	7.1%	12.2%	70.4%

Rating of respondents' understanding of general trade and free trade agreements: Small business responses

Trade Agreement	I have read the text and understand it well	I have read the text but don't understand it	I use the FTA but don't understand it	I don't understand it at all
ASEAN-Australia-New Zealand FTA	28.0%	10.7%	12.0%	49.3%
Australia-Chile FTA	5.7%	4.3%	8.6%	81.4%

Australia-New Zealand Closer Economic Relations	15.1%	6.8%	9.6%	68.5%
Australia-United States FTA	14.5%	7.9%	21.1%	56.6%
Malaysia-Australia FTA	15.5%	5.6%	11.3%	67.6%
Singapore-Australia FTA	13.9%	5.6%	13.9%	66.7%
Thailand-Australia FTA	14.9%	8.1%	10.8%	66.2%
WTO Agreement (most favoured nation provisions)	6.9%	4.2%	6.9%	81.9%

Rating of respondents' understanding of general trade and free trade agreements: Medium business responses

Trade Agreement	I have read the text and understand it well	I have read the text but don't understand it	I use the FTA but don't understand it	I don't understand it at all
ASEAN-Australia-New Zealand FTA	30.0%	5.0%	45.0%	20.0%
Australia-Chile FTA	31.3%	6.3%	6.3%	56.3%
Australia-New Zealand Closer Economic Relations	26.7%	6.7%	13.3%	53.3%
Australia-United States FTA	30.0%	5.0%	25.0%	40.0%
Malaysia-Australia FTA	38.9%	5.6%	5.6%	50.0%
Singapore-Australia FTA	40.0%	5.0%	20.0%	35.0%
Thailand-Australia FTA	44.4%	5.6%	22.2%	27.8%
WTO Agreement (most favoured nation provisions)	29.4%	5.9%	11.8%	52.9%

Rating of respondents' understanding of general trade and free trade agreements: Large business responses

8.2 Importance of trade Agreements under negotiation

Respondents were asked to consider trade agreements that are currently under negotiation and their likely importance on their future trade arrangements. The results show overall, that the most important trade agreement is the Australia-China FTA (32.2 per cent), followed by the Indonesia-Australian Comprehensive Economic Partnership (22.4 per cent) and the finalisation of the Australia-Japan FTA (20.0 per cent).

Nearly one fifth of respondents (18.3 per cent) stated that the finalisation of the WTO Doha Round was “Not at all important”, followed by the finalisation of the Australia-Gulf Cooperation Council FTA (18.1 per cent) and the finalisation of the WTO Trade in Services Agreement (16.2 per cent). It is worth noting that in all cases, except the finalisation of the Australia-China FTA, the majority of respondents had not heard of those trade agreements listed.

Regarding firm size differences, all three cohorts stated the Australia-China FTA to be the “most important” agreement under negotiation. Such a result is not surprising given China was stated as the top trading destination by respondents overall.

Of the FTAs respondents deemed “not at all important”, small businesses stated the finalisation of the WTO Doha Round (20.2 per cent), medium businesses noted the finalisation of the Australia-Gulf Cooperation Council FTA (21.3 per cent) and large businesses noted both the finalisation of the Australia-Gulf Cooperation Council FTA (22.2 per cent) and the finalisation of the Pacific Agreement on Closer Economic Relations (PACER) (Plus) (22.2 per cent) equally.

The results provide insights to policy makers regarding interest in – and possible take up – of each agreement by Australian businesses.

Trade agreement under negotiation	Most important	Somewhat important	Slightly important	Not at all important	Never heard of it
Finalisation of the WTO Doha Round	5.6%	12.7%	16.0%	18.3%	47.4%
Finalisation of the WTO Trade Facilitation Agreement	5.7%	14.7%	12.8%	15.2%	51.7%
Finalisation of the WTO Trade in Services Agreement	3.8%	14.8%	12.9%	16.2%	52.4%
Finalisation of the Australia – China FTA	32.3%	15.5%	12.7%	14.1%	25.5%
Finalisation of the Australia – Japan FTA	20.0%	20.0%	14.4%	15.8%	29.8%
Finalisation of the Australia – Korea FTA	18.1%	16.7%	20.4%	15.3%	29.6%

Finalisation of the Indonesia – Australian Comprehensive Economic Partnership	22.4%	15.7%	12.9%	11.0%	38.1%
Finalisation of the Australia – India Comprehensive Economic Partnership Agreement	14.2%	19.3%	15.1%	13.7%	37.7%
Finalisation of the Australia – Gulf Cooperation Council FTA	9.0%	13.8%	16.2%	18.1%	42.9%
Finalisation of the Pacific Agreement on Closer Economic Relations (PACER) Plus	12.4%	12.4%	17.2%	14.4%	43.5%
Finalisation of the Regional Comprehensive Economic Partnership (RCEP)	7.2%	10.1%	16.8%	13.9%	51.9%
Finalisation of the Trans-Pacific Partnership Agreement	8.6%	14.3%	14.3%	12.9%	50.0%

Respondents' rating of the importance of trade agreements under negotiation: Total business responses

Trade agreement under negotiation	Most important	Somewhat important	Slightly important	Not at all important	Never heard of it
Finalisation of the WTO Doha Round	7.3%	9.2%	20.2%	20.2%	43.1%
Finalisation of the WTO Trade Facilitation Agreement	9.2%	11.0%	14.7%	16.5%	48.6%
Finalisation of the WTO Trade in Services Agreement	4.6%	13.8%	16.5%	14.7%	50.5%
Finalisation of the Australia – China FTA	27.0%	11.7%	16.2%	18.0%	27.0%
Finalisation of the Australia – Japan FTA	16.2%	15.3%	16.2%	18.9%	33.3%
Finalisation of the Australia – Korea FTA	12.6%	15.3%	20.7%	17.1%	34.2%
Finalisation of the Indonesia – Australian Comprehensive Economic Partnership	19.4%	12.0%	14.8%	9.3%	44.4%
Finalisation of the Australia – India	11.9%	13.8%	14.7%	14.7%	45.0%

Comprehensive Economic Partnership Agreement					
Finalisation of the Australia – Gulf Cooperation Council FTA	6.4%	10.9%	20.0%	15.5%	47.3%
Finalisation of the Pacific Agreement on Closer Economic Relations (PACER) Plus	9.3%	14.8%	20.4%	11.1%	44.4%
Finalisation of the Regional Comprehensive Economic Partnership (RCEP)	7.4%	8.3%	19.4%	11.1%	53.7%
Finalisation of the Trans-Pacific Partnership Agreement	6.4%	14.7%	14.7%	13.8%	50.5%

Respondents' rating of the importance of trade agreements under negotiation: Small business responses

Trade agreement under negotiation	Most important	Somewhat important	Slightly important	Not at all important	Never heard of it
Finalisation of the WTO Doha Round	3.9%	10.5%	13.2%	15.8%	56.6%
Finalisation of the WTO Trade Facilitation Agreement	2.7%	10.7%	12.0%	14.7%	60.0%
Finalisation of the WTO Trade in Services Agreement	2.7%	12.0%	8.0%	18.7%	58.7%
Finalisation of the Australia – China FTA	33.3%	17.9%	10.3%	11.5%	26.9%
Finalisation of the Australia – Japan FTA	22.1%	24.7%	10.4%	14.3%	28.6%
Finalisation of the Australia – Korea FTA	20.5%	17.9%	19.2%	14.1%	28.2%
Finalisation of the Indonesia – Australian Comprehensive Economic Partnership	23.4%	20.8%	9.1%	13.0%	33.8%
Finalisation of the Australia – India Comprehensive Economic Partnership Agreement	17.9%	23.1%	14.1%	11.5%	33.3%
Finalisation of the Australia – Gulf Cooperation Council FTA	10.7%	14.7%	10.7%	21.3%	42.7%
Finalisation of the Pacific Agreement on Closer Economic	15.8%	10.5%	10.5%	18.4%	44.7%

Relations (PACER) Plus					
Finalisation of the Regional Comprehensive Economic Partnership (RCEP)	6.7%	12.0%	9.3%	18.7%	53.3%
Finalisation of the Trans-Pacific Partnership Agreement	10.4%	15.6%	9.1%	14.3%	50.6%

Respondents' rating of the importance of trade agreements under negotiation: Medium business responses

Trade agreement under negotiation	Most important	Somewhat important	Slightly important	Not at all important	Never heard of it
Finalisation of the WTO Doha Round	0.0%	35.0%	10.0%	15.0%	40.0%
Finalisation of the WTO Trade Facilitation Agreement	0.0%	40.0%	10.0%	10.0%	40.0%
Finalisation of the WTO Trade in Services Agreement	5.3%	26.3%	15.8%	10.5%	42.1%
Finalisation of the Australia – China FTA	47.8%	26.1%	8.7%	8.7%	8.7%
Finalisation of the Australia – Japan FTA	35.0%	30.0%	15.0%	10.0%	10.0%
Finalisation of the Australia – Korea FTA	38.1%	19.0%	23.8%	9.5%	9.5%
Finalisation of the Indonesia – Australian Comprehensive Economic Partnership	38.9%	16.7%	22.2%	5.6%	16.7%
Finalisation of the Australia – India Comprehensive Economic Partnership Agreement	11.1%	33.3%	27.8%	16.7%	11.1%
Finalisation of the Australia – Gulf Cooperation Council FTA	16.7%	27.8%	16.7%	22.2%	16.7%
Finalisation of the Pacific Agreement on Closer Economic Relations (PACER) Plus	16.7%	5.6%	22.2%	22.2%	33.3%
Finalisation of the Regional Comprehensive Economic Partnership (RCEP)	5.6%	11.1%	27.8%	16.7%	38.9%
Finalisation of the Trans-Pacific Partnership Agreement	11.8%	5.9%	29.4%	5.9%	47.1%

Respondents' rating of the importance of trade agreements under negotiation: Large business responses

8.3 Usefulness of current Free Trade Agreements

The question was asked regarding existing FTAs and their usefulness to businesses. Overall, the ASEAN-Australia-NZ FTA was considered to be the most useful with 44.1 per cent stating it was either “Really useful” or “Somewhat useful”. This was followed by the Australia-United States FTA (38.7 per cent) and the Australia-New Zealand Closer Economic Relations FTA (38.3 per cent). The least useful FTA reported by respondents was the Australia-Chile FTA, with 27.4 per cent and a total of 42.8 per cent claimed to have “never heard of it”.

Regarding firm size variation, both small and medium sized businesses considered ASEAN-Australia-New Zealand FTA to be “really useful”, whilst large firms equally considered the Australia-United States FTA and the Australia-New Zealand Closer Economic Relations agreement to be the most useful. The least useful FTA according to firm size, was the Australian-Chile FTA for both small and medium sized businesses, and for large businesses, the Malaysia-Australia FTA.

The results show that small and medium sized businesses found FTAs almost equally as useful (combined “Really useful”, “Somewhat useful” and “Slightly useful”), compared to not useful (combined “Not at all useful” and “Never heard of it”), whereas a higher proportion of large businesses found FTAs useful as opposed to not. This suggests a higher application and understanding of FTAs by larger enterprises and highlights the need for better education of FTAs to SMEs.

Free Trade Agreement	Really useful	Somewhat useful	Slightly useful	Not at all useful	Never heard of it
General Agreement on Tariffs and Trade (GATT / WTO)	15.7%	24.0%	15.2%	10.1%	35.0%
General Agreement on Trade in Services (GATS)	12.1%	17.7%	17.2%	11.2%	41.8%
Australia – Chile FTA	6.3%	9.1%	14.4%	27.4%	42.8%
Australia – New Zealand Closer Economic Relations	22.0%	16.3%	15.8%	13.8%	32.1%
Australia – United States FTA	22.2%	16.5%	17.0%	15.1%	29.2%
Malaysia – Australia FTA	18.7%	18.3%	15.4%	16.8%	30.8%
Singapore – Australia FTA	20.4%	19.5%	14.4%	14.4%	31.5%
Thailand – Australia FTA	21.0%	17.3%	19.2%	13.1%	29.4%

ASEAN - Australia — NZ FTA (AANZFTA)	26.3%	17.8%	14.6%	11.7%	29.6%
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Respondents' usefulness rating of current FTAs: Total business responses

Free Trade Agreement	Really useful	Somewhat useful	Slightly useful	Not at all useful	Never heard of it
General Agreement on Tariffs and Trade (GATT / WTO)	15.3%	23.4%	15.3%	14.4%	31.5%
General Agreement on Trade in Services (GATS)	10.6%	18.6%	19.5%	14.2%	37.2%
Australia – Chile FTA	6.4%	7.3%	18.3%	26.6%	41.3%
Australia – New Zealand Closer Economic Relations	18.9%	14.4%	20.7%	14.4%	31.5%
Australia – United States FTA	21.6%	11.7%	18.9%	16.2%	31.5%
Malaysia – Australia FTA	17.0%	16.1%	21.4%	13.4%	32.1%
Singapore – Australia FTA	19.5%	15.0%	20.4%	12.4%	32.7%
Thailand – Australia FTA	22.1%	15.0%	20.4%	11.5%	31.0%
ASEAN - Australia — NZ FTA (AANZFTA)	25.0%	15.2%	19.6%	10.7%	29.5%

Respondents' usefulness rating of current FTAs: Small business responses

Free Trade Agreement	Really useful	Somewhat useful	Slightly useful	Not at all useful	Never heard of it
General Agreement on Tariffs and Trade (GATT / WTO)	16.9%	20.8%	13.0%	6.5%	42.9%
General Agreement on Trade in Services (GATS)	14.7%	14.7%	12.0%	9.3%	49.3%
Australia – Chile FTA	6.7%	10.7%	8.0%	29.3%	45.3%
Australia – New Zealand Closer Economic Relations	23.0%	17.6%	9.5%	14.9%	35.1%
Australia – United States FTA	20.8%	22.1%	15.6%	13.0%	28.6%
Malaysia – Australia FTA	21.1%	21.1%	6.6%	18.4%	32.9%
Singapore – Australia FTA	21.1%	25.0%	5.3%	15.8%	32.9%

Thailand – Australia FTA	20.0%	16.0%	16.0%	16.0%	32.0%
ASEAN - Australia — NZ FTA (AANZFTA)	24.7%	19.2%	6.8%	15.1%	34.2%

Respondents’ usefulness rating of current FTAs: Medium business responses

Free Trade Agreement	Really useful	Somewhat useful	Slightly useful	Not at all useful	Never heard of it
General Agreement on Tariffs and Trade (GATT / WTO)	14.3	38.1	23.8	4.8	19.0
General Agreement on Trade in Services (GATS)	15.0	20.0	30.0	5.0	30.0
Australia – Chile FTA	0.0	17.6	23.5	23.5	35.3
Australia – New Zealand Closer Economic Relations	41.2	17.6	11.8	11.8	17.6
Australia – United States FTA	41.2	17.6	11.8	11.8	17.6
Malaysia – Australia FTA	26.3	21.1	10.5	36.8	5.3
Singapore – Australia FTA	30.0	20.0	15.0	25.0	10.0
Thailand – Australia FTA	21.1	36.8	21.1	15.8	5.3
ASEAN - Australia — NZ FTA (AANZFTA)	40.0	20.0	20.0	10.0	10.0

Respondents’ usefulness rating of current FTAs: Large business responses

8.4 Free Trade Agreements business would like to know more about

Respondents were asked to indicate which FTA, either current or under negotiation, they would like to find out more. The survey results found that overall, the FTA respondents would like learn more about was the Australia-China FTA (71.0 per cent), followed by the ASEAN-Australia-New Zealand FTA (54.9 per cent) and the Malaysia-Australia FTA (50.6 per cent).

With regard to firm size differences, all three cohorts identified wanting to know more about the Australia-China FTA. Small and medium businesses were also interested in the ASEAN-Australia-New Zealand FTA, whereas large firms noted the Indonesia-Australia Comprehensive Economic Partnership Agreement as their second area of interest.

The focus on these agreements by the different firm sizes are in line with the trading regions and markets they are currently engaged.

Free Trade Agreement	Small	Medium	Large	Total
ASEAN-Australia-New Zealand FTA	55.6%	55.0%	56.3%	54.9%
Australia-Chile FTA	16.0%	16.7%	18.8%	16.7%
Australia-New Zealand Closer Economic Relations	30.9%	41.7%	37.5%	35.2%
Australia-United States FTA	37.0%	48.3%	43.8%	42.6%
Malaysia-Australia FTA	49.4%	53.3%	43.8%	50.6%
Singapore-Australia FTA	37.0%	48.3%	50.0%	42.6%
Thailand-Australia FTA	42.0%	53.3%	43.8%	46.3%
Australia-China FTA	70.4%	70.0%	68.8%	71.0%
Australia-Gulf Cooperation Council (GCC) FTA	27.2%	31.7%	43.8%	30.9%
Australia-India Comprehensive Economic Cooperation Agreement	37.0%	31.7%	31.3%	34.0%
Australia-Japan FTA	35.8%	48.3%	31.3%	39.5%
Australia-Korea FTA	40.7%	45.0%	37.5%	40.7%
Indonesia-Australia Comprehensive Economic Partnership Agreement	38.3%	41.7%	62.5%	42.0%
Pacific Agreement on Closer Economic Relations (PACER) Plus	34.6%	25.0%	50.0%	32.1%
Regional Comprehensive Economic Partnership	19.8%	16.7%	37.5%	21.0%
Trans-Pacific Partnership Agreement	24.7%	25.0%	43.8%	27.2%
WTO and the General Agreement on Tariffs and Trade	39.5%	45.0%	50.0%	43.2%

FTAs respondents would like to learn more about

Respondents were asked to select more than one choice, therefore percentages will not equal 100

9 Certificates of Origin

9.1 Export non-preferential Certificates of Origin

Respondents were asked specifically about export non-preferential Certificates of Origin and the processes associated with their attainment. The results, overall, indicate that over one fifth (21.4 per cent) of respondents stated they have “No idea, I have a third party deal with this for me.” On the other hand, over one fifth (21.0 per cent) stated that “The process is good and easily understood, don’t change it.” A further fifth (20.1 per cent) noted “I don’t understand them at all”.

The majority of small businesses stated they “don’t understand them at all” (23.1 per cent), whereas the majority of medium businesses stated “have no idea, I have a third party deal with this for me” (27.5 per cent), and large businesses noted predominantly that “the process is good and easily understood” (39.1 per cent).

The results suggest that small businesses struggle with understanding the process associated with export non-preferential Certificates of Origin, whereas medium sized business, assuming they are able to afford it, choose to outsource this activity. Large firms, by comparison, are typically better resourced and are able to manage the process in house and comfortably.

Export non-preferential Certificates of Origin process	SMALL	Medium	Large	Total
The process is good and easily understood, don't change it	18.8%	17.5%	39.1%	21.0%
They are pretty good but things could improve	11.1%	12.5%	21.7%	12.5%
I understand them and do them because they are required	21.4%	15.0%	21.7%	19.6%
They are out dated and shouldn't be required	6.0%	6.3%	0.0%	5.4%
I don't understand them at all	23.1%	21.3%	4.3%	20.1%
I have no idea, I have a third party deal with this for me	19.7%	27.5%	13.0%	21.4%

Attitudes towards the export non-preferential Certificates of Origin issued by Chambers of Commerce.

9.2 Export Preferential FTA Certificates of Origin

Regarding export preferential FTA Certificates of Origin issued by Chambers of Commerce, the majority of respondents (24.0 per cent) stated “I have no idea, I have a third party deal with this for me.” Almost one quarter (24.4 per cent) noted “I don’t understand them at all.” This equates to almost half of respondents (49.3 per cent) not understanding the process at all. Nearly one fifth (18.4 per cent) stated “I understand them and do them because they are required.” Only 3.7 per cent observed “They are out dated and shouldn’t be required.”

With regard to firm size differences, the results are similar to those found for export non-preferential FTA Certificates of Origin. The majority of small businesses stated they “don’t understand them at all”, whereas the majority of medium enterprises noted “I have no idea, I have a third party deal with this for me”. Large businesses noted equally that “They are pretty good, but things could improve” and “I understand them and do them because they are required”.

Export Preferential FTA Certificates of Origin process	Small	Medium	Large	Total
The process is good and easily understood, don't change it	18.6%	14.1%	22.7%	18.0%
They are pretty good but things could improve	8.8%	9.0%	27.3%	10.6%
I understand them and do them because they are required	18.6%	14.1%	27.3%	18.4%
They are out dated and shouldn't be required	3.5%	5.1%	0.0%	3.7%
I don't understand them at all	28.3%	25.6%	4.5%	24.4%
I have no idea, I have a third party deal with this for me	22.1%	32.1%	18.2%	24.9%

Attitudes towards the export preferential FTA Certificates of Origin issued by Chambers of Commerce.

9.3 Certificates of Origin and Free Trade Agreements

Respondents were asked about their attitude towards documentation associated with preferential FTAs. Over one quarter of total respondents (27.6 per cent) stated “I have no idea, I have a third party deal with this for me.” Almost one fifth (17.8 per cent) believed “Certificates are required for most trade and it is best to keep them for consistency and use the same format for each.” 15.9 per cent stated that “I want to be able to self-certify and not involve chambers of commerce.” Only 10.7 per cent noted “I am happy that each FTA has a different approach. I can cope with the variation.”

The majority of small and medium businesses stated that they “have no idea, I have a third party deal with this for me”, whilst the majority of large enterprises noted “They should be used at all times but ideally they should be in electronic format”. These differences, according to firm size, again highlight that larger firms are more familiar and comfortable with the process of Certificates of Origin related to preferential FTAs, whereas small and medium sized organisations tend to outsource this function, which can add to their costs.

Certificates of Origin associated with preferential FTAs	Small	Medium	Large	Total
	Certificates are required for most trade and it is best to keep them for consistency and use the same format for each one	21.3%	12.5%	13.6%
They should be used at all times but ideally they should be in electronic format	8.3%	13.8%	36.4%	13.1%
I am happy that each FTA has a different approach. I can cope with the variation	11.1%	8.8%	13.6%	10.7%
I want to be able to self-certify and not involve chambers of commerce	14.8%	15.0%	22.7%	15.9%
I would prefer not to have any documentary requirements at all	16.7%	15.0%	9.1%	15.0%
I have no idea, I have a third party deal with this for me	27.8%	35.0%	4.5%	27.6%

Attitudes towards Certificates of Origin required for preferential FTAs.

10 Trade Payments

Respondents were asked about their trade finance activities, specifically their preferred method of payment. The most common method, cited as “always” or “often” was “Direct payment after shipment/service delivery” (63.0 per cent). This was followed by “Direct payment before shipment / service delivery” (56.1 per cent) and “Letters of Credit” (24.7 per cent). The least popular method was a “Bill of exchange”, with over three quarters of respondents (76.4 per cent) stating they “Rarely” or “Never” used them.

Across all firm sizes, the majority of businesses favoured “Direct payment after shipment/service delivery”. The least favoured form noted by SMEs was a “Bill of exchange”, whereas large businesses identified “Bank payment obligations” as the least utilised.

Trade Payment Method	Always	Often	Sometimes	Rarely	Never
Direct payment after shipment / service delivery	20.5%	42.5%	19.3%	9.1%	8.6%
Direct payment before shipment / service delivery	23.7%	32.4%	27.7%	9.1%	7.1%
Letters of credit	6.8%	17.9%	21.0%	21.4%	32.9%
Bank payment obligations	4.1%	10.5%	15.5%	18.7%	51.1%
Bill of exchange	2.3%	6.8%	14.5%	19.0%	57.4%

Trade payment methods used in international trade: Total business responses

Trade Payment Method	Always	Often	Sometimes	Rarely	Never
Direct payment after shipment / service delivery	25.4%	38.6%	16.7%	11.4%	7.9%
Direct payment before shipment / service delivery	30.5%	30.5%	27.1%	5.9%	5.9%
Letters of credit	4.0%	13.9%	15.8%	19.8%	46.5%
Bank payment obligations	3.1%	9.2%	12.2%	20.4%	55.1%
Bill of exchange	1.0%	4.1%	12.4%	17.5%	64.9%

Trade payment methods used in international trade: Small business responses

Trade Payment Method	Always	Often	Sometimes	Rarely	Never
Direct payment after shipment / service delivery	15.3%	52.9%	17.6%	7.1%	7.1%
Direct payment before shipment / service delivery	14.5%	37.3%	28.9%	13.3%	6.0%
Letters of credit	5.1%	16.7%	23.1%	30.8%	24.4%
Bank payment obligations	4.2%	12.5%	19.4%	16.7%	47.2%
Bill of exchange	2.7%	6.7%	13.3%	24.0%	53.3%

Trade payment methods used in international trade: Medium business responses

Trade Payment Method	Always	Often	Sometimes	Rarely	Never
Direct payment after shipment / service delivery	17.4%	43.5%	26.1%	8.7%	4.3%
Direct payment before shipment / service delivery	9.1%	18.2%	40.9%	18.2%	13.6%
Letters of credit	11.5%	30.8%	23.1%	15.4%	19.2%
Bank payment obligations	4.8%	14.3%	9.5%	23.8%	47.6%
Bill of exchange	0.0%	20.0%	20.0%	25.0%	35.0%

Trade payment methods used in international trade: Small business responses

11 Trade Support

Regarding trade support initiatives, respondents were asked which initiative they utilised the most. Overall, responses for “Always” or “Often” were much lower than “Rarely” or “Never”, indicating a small percentage of take-up by businesses surveyed. The “Export Market Development Grant (EMDG)” received the highest utilisation rate, with 12.0 per cent stating they used this grant either “Always” or “Often”. A modest 15.5 per cent used it “Sometimes”. This was followed by Austrade, with 11.8 per cent stating either “Always” or “Often”. A higher percentage (26.6 per cent) stated they used the agency’s services “Sometimes”. Only 4 per cent used a “State Government trade promotion agency” “Always” or “Often”.

The least utilised trade support initiative recorded by respondents, was the “Export Finance and Insurance Corporation (EFIC)”, with 90.2 per cent stating to have used them either “Rarely” or “Never”.

According to firm size variation, with regard to “Always” using an initiative, small and medium businesses favoured EMDGs, whereas large businesses stated Austrade, albeit only 3.7 per cent of respondents. Of the list of initiatives, Austrade ranked the highest in the “Sometimes” category across all firm sizes.

Therefore the results strongly suggest that businesses are either not aware of trade support initiatives available to them, they do not address their needs, or the effort involved in participating does not meet the gains. Large firms in particular had a very low take-up across all initiatives listed.

Trade Support Initiative	Always	Often	Sometimes	Rarely	Never
Export Finance and Insurance Corporation (EFIC)	0.0%	1.6%	8.2%	12.8%	77.4%
Export Market Development Grant (EMDG)	7.0%	5.0%	15.5%	9.7%	62.8%
Austrade	3.8%	8.0%	26.5%	18.9%	42.8%
State Government trade promotion agency	1.6%	2.4%	13.3%	15.7%	67.0%

Utilisation of trade support initiatives: Total business responses

Trade Support Initiative	Always	Often	Sometimes	Rarely	Never
Export Finance and Insurance Corporation (EFIC)	0.0%	0.8%	9.8%	10.6%	78.9%
Export Market Development Grant (EMDG)	9.7%	4.8%	16.9%	8.1%	60.5%
Austrade	4.0%	4.8%	24.8%	17.6%	48.8%
State Government trade promotion agency	1.6%	0.8%	15.4%	13.0%	69.1%

Utilisation of trade support initiatives: Small business responses

Trade Support Initiative	Always	Often	Sometimes	Rarely	Never
Export Finance and Insurance Corporation (EFIC)	0.0%	1.3%	2.5%	15.2%	81.0%
Export Market Development Grant (EMDG)	6.3%	7.6%	20.3%	10.1%	55.7%
Austrade	2.5%	8.8%	28.8%	21.3%	38.8%
State Government trade promotion agency	1.3%	3.8%	11.4%	20.3%	63.3%

Utilisation of trade support initiatives: Medium business responses

Trade Support Initiative	Always	Often	Sometimes	Rarely	Never
Export Finance and Insurance Corporation (EFIC)	0.0%	4.2%	8.3%	16.7%	70.8%
Export Market Development Grant (EMDG)	0.0%	0.0%	0.0%	16.7%	83.3%
Austrade	3.7%	7.4%	37.0%	18.5%	33.3%
State Government trade promotion agency	0.0%	4.2%	4.2%	16.7%	75.0%

Utilisation of trade support initiatives: Large business responses

11.1 Experience with intermediaries

Respondents were asked to rate their experience with a range of intermediaries related to trade activities. The most positive interaction was with “Shipping and logistics companies”. 72.9 per cent of respondents declared their interaction to be “Excellent” or “Good”. This was followed by “Courier companies” (64.1 per cent) and “Australian Customs” (62.1 per cent). The organisation to receive the highest rating of “Poor” was “Australia Post” with 5.5 per cent. Overall, most stakeholders received a high “Good” to “Average” rating.

Across each cohort, shipping and logistics companies were rated the highest (either “Excellent” or “Good”). Regarding a “poor” rating, the majority of small businesses stated Australia Post, medium sized businesses identified Australian Immigration, and large businesses noted Australia Post and Courier companies equally. It is worth noting, however, that the majority of ratings fell in the “Good” to “Average” segments.

Therefore overall, businesses experience with trade intermediaries can be considered satisfactory, although it is interesting to note that the organisation to receive the highest rating was a private enterprise.

Intermediary	Excellent	Good	Average	Poor	N.A.
Australian Customs	11.6%	50.5%	25.6%	4.0%	8.3%
Australian Immigration	6.7%	34.0%	17.2%	4.9%	37.3%
Australia Post	11.8%	46.2%	25.1%	5.5%	11.4%
Courier companies	12.1%	52.0%	28.9%	3.3%	3.7%
Shipping and logistics companies	13.8%	59.1%	22.1%	1.4%	3.6%

Rated experience with trade related intermediaries: Total business responses

Intermediary	Excellent	Good	Average	Poor	N.A.
Australian Customs	13.8%	47.7%	26.2%	5.4%	6.9%
Australian Immigration	8.8%	26.4%	19.2%	5.6%	40.0%
Australia Post	11.1%	46.0%	25.4%	7.9%	9.5%
Courier companies	14.1%	50.0%	27.3%	4.7%	3.9%
Shipping and logistics companies	13.1%	52.3%	26.9%	3.1%	4.6%

Rated experience with trade related intermediaries: Small business responses

Intermediary	Excellent	Good	Average	Poor	N.A.
Australian Customs	9.1%	52.3%	29.5%	2.3%	6.8%
Australian Immigration	5.8%	40.7%	15.1%	3.5%	34.9%
Australia Post	11.4%	50.0%	20.5%	3.4%	14.8%
Courier companies	9.1%	55.7%	29.5%	2.3%	3.4%
Shipping and logistics companies	12.5%	70.5%	13.6%	0.0%	3.4%

Rated experience with trade related intermediaries: Medium business responses

Intermediary	Excellent	Good	Average	Poor	N.A.
Australian Customs	7.4%	63.0%	22.2%	0.0%	7.4%
Australian Immigration	0.0%	53.8%	11.5%	0.0%	34.6%
Australia Post	15.4%	42.3%	26.9%	3.8%	11.5%
Courier companies	7.7%	61.5%	23.1%	3.8%	3.8%
Shipping and logistics companies	11.1%	66.7%	18.5%	0.0%	3.7%

Rated experience with trade related intermediaries: Large business responses

11.2 Authorised Economic Operator (AEO) or “Trusted Trader”

The survey asked respondents if they would like to become an Authorised Economic Operator (AEO) or “Trusted Trader”. Overall, the majority of respondents (39.8 per cent) stated “Maybe, but I would need to know more about it”. 28.6 per cent noted “I don’t know anything about this”, whilst 17.1 per cent, almost one fifth, said “Yes, definitely”. 14.5 per cent stated “No, I am happy the way I have my documentation now.”

According to firms size, the majority of responses was “Maybe, but I would need to know more about it”, over 50 per cent in the case of large businesses. The results also show that a higher proportion of small and medium sized enterprises do not know anything about AEOs or “Trusted Traders”, compared to larger businesses. Overall, small and large businesses showed the most enthusiasm regarding the initiative, with approximately one fifth of respondents stating they would be definitely interested.

The results suggest that further information and education around the specifics of becoming an AEO or Trusted Trader is needed across all firm sizes.

Level of interest	Small	Medium	Large	Total
Yes, definitely	19.2%	12.2%	21.7%	17.1%
Maybe, but I would need to know more about it	36.0%	41.5%	52.2%	39.7%
No, I am happy the way I have my documentation processed now.	15.2%	13.4%	13.0%	14.5%
I don't know anything about this	29.6%	32.9%	13.0%	28.6%

Respondent interest in becoming an Authorised Economic Operator (AEO) or “Trusted Trader”.

11.3 Interest in trade related seminars and courses

Respondents were asked if they would like more information, seminars or courses across trade related areas. The majority of total respondents cited “Understanding how Free Trade Agreements work” (64.8 per cent), followed by information on “Trade documentation and Certificates of Origin” (46.5 per cent) and “International market development” (45.3 per cent). Respondents were least interested in “Managing commercial crime in international trade” (11.9 per cent).

Regarding firm size differences, all firm sizes noted they would like to understand how FTAs work. Following that, small businesses were interested in trade documentation, Certificates of Origin (42.2 per cent) and international market development (42.2 per cent). Medium and large businesses were also interested in trade documentation and Certificates of Origin. Large businesses also indicated interest learning about AEO schemes. Overall, the results show a strong appetite for learning more about international trade and highlights areas for possible service to offerings.

Seminars or Courses	Small	Medium	Large	Total
Understanding how Free Trade Agreements work	59.0%	69.0%	80.0%	64.8%
How to export	37.3%	36.2%	6.7%	34.0%
How to import	27.7%	24.1%	6.7%	23.9%
Getting paid in international trade	31.3%	27.6%	6.7%	27.7%
Trade documentation and Certificates of Origin	42.2%	53.4%	46.7%	46.5%
Authorised economic operator schemes	28.9%	37.9%	46.7%	34.0%
E-commerce	24.1%	32.8%	26.7%	27.7%
Managing commercial crime in international trade	12.0%	8.6%	26.7%	11.9%
Internationally enforceable model contracts	36.1%	27.6%	26.7%	31.4%
Commercial dispute resolution	24.1%	25.9%	20.0%	23.9%
International market development	42.2%	51.7%	40.0%	45.3%
Export market planning	37.3%	34.5%	20.0%	34.6%
Protecting your intellectual property	39.8%	34.5%	20.0%	35.8%
Other (please specify)	8.4%	1.7%	0.0%	5.7%

Areas of interest for further information.

12 Appendix I

Industry	Response
Accommodation and food services	1.6%
Administrative and support services	0.4%
Agriculture, forestry and fishing	14.6%
Arts and recreation services	0.0%
Building design services	0.8%
Construction	2.0%
Education and training	1.6%
Electricity, gas, water and waste services	1.2%
Financial and insurance services	0.4%
Legal or dispute resolution services	0.0%
Health care and social assistance	1.6%
Information media and telecommunications	2.0%
Manufacturing	33.6%
Mining	9.3%
Professional, scientific and technical services	3.2%
Public administration and safety	0.4%
Rental, hiring and real estate services	0.0%
Retail trade	3.6%
Transport, postal and warehousing	2.8%
Wholesale trade	14.6%
Other services	6.1%

Number of employees	Response
Independent contractor	2.0%
Non-employing	2.4%
1 to 4	15.4%
5 to 9	13.8%
10 to 19	19.8%
20 to 49	17.4%
50 to 99	10.5%
99 to 149	4.5%
150 to 199	3.2%
More than 200	10.9%

Annual Turnover	Response
Less than \$1 million	17.3%
More than \$1 million but less than \$5 million	30.2%
More than \$5 million but less than \$10 million	12.4%
More than \$10 million but less than \$100 million	27.6%
More than \$100 million	12.4%