



2023

# National Trade Survey



**Working for business.  
Working for Australia**

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## Australian Chamber of Commerce and Industry (ACCI)

The Australian Chamber of Commerce and Industry represents hundreds of thousands of businesses in every state and territory, and across all industries. Ranging from small and medium enterprises to the largest companies, our network employs millions of people. In all, ACCI represents more than 400,000 businesses in its network.

We also bring the voice of Australian business to the international forums where policies are made, as the exclusive Australian partner of the International Chamber of Commerce, Business at OECD, the International Organisation of Employers and regional organisations across the Indo-Pacific.

ACCI strives to make Australia the best place in the world to do business – so that Australians have the jobs, living standards and opportunities to which they aspire.

We seek to create an environment in which businesspeople, employees and independent contractors can achieve their potential as part of a dynamic private sector. We encourage entrepreneurship and innovation to achieve prosperity, economic growth and jobs. We focus on issues that impact on business, including economics, trade, workplace relations, work health and safety, and employment, education and training.

We advocate for Australian business in public debate and to policy decision-makers, including ministers, shadow ministers, other members of parliament, ministerial policy advisers, public servants, regulators and other national agencies.

We represent the broad interests of the private sector rather than individual clients or a narrow sectional interest.



## Australian Centre for International Trade and Investment (ACITI)

The Australian Centre for International Trade and Investment is an independent not-for-profit, nonpartisan organisation. It is dedicated to advancing Australia's international economic engagement by facilitating access to information, fostering networks across business, government, academe and civil society, and conducting and promoting research and analysis on trade and investment issues of national importance.



## ANZ

ANZ provides world-class banking solutions for which we are highly awarded. We aim to be the best bank in the world for customers driven by regional trade and capital flows; providing support to local and global businesses looking to connect with growth opportunities across Asia Pacific and beyond.

We help our customers capitalise on the movement of money and goods across the region by leveraging our extensive network of banking specialists and experts spanning 30+ markets around the world, including an on-the-ground presence in 13 markets across Asia.

Our banking solutions are tailored to suit your needs on a local, regional or global level. We harness the power of innovation and technology to bring you fast, secure and world-class digital platforms. Bank with us and you'll be partnered with a dedicated ANZ relationship team that will connect you to our thought leaders and banking specialists across ANZ.

# Foreword

ACCI is the voice of Australian business, both in Australia and internationally.

In addition to our deep connection to Australian businesses in every state and territory and across the Australian economy, ACCI brings the voice of Australian business through our partnerships with the International Chamber of Commerce, Business at OECD, the International Organisation of Employers and regional organisations across the Indo-Pacific.

This year's National Trade Survey – the sixth ACCI has conducted – makes for interesting reading for business, policy-makers and all Australians.

In these challenging times, it has never been more important to have a read on what is happening in the real economy. Our network provides an unrivalled view of these issues. For the first time, this year's survey asked specifically about how firms are managing their international market risk.

While some findings are new – such as the shift towards the United States as a priority market for respondents – other findings confirm the reality we know instinctively: Australia's businesses are dynamic, adaptive and proactive in seeking to manage the particular headwinds in their industries.

But it also reveals that there is more that can be done to make the most of Australia's trading ecosystem. ACCI will be a constructive voice for business to make the most of these opportunities. In that spirit, this document sets out five broad themes we can work together on.

Lastly, we thank ANZ for their support in making this project possible. ANZ is a partner for Australian businesses right throughout the economy, and a fitting partner for ACCI in bringing the voice of Australian business to life through this project.



**Andrew McKellar**  
Chief Executive Officer, ACCI

The Australian Centre for International Trade and Investment (ACITI) is pleased to partner with ACCI in delivering the sixth National Trade Survey.

The survey was undertaken as Australia's trading businesses confront the ongoing fall out of the economic impacts of COVID-19 measures, high inflation and rising interest rates, tight labour markets, supply chains yet to find a new normal, war in Ukraine, emissions reduction measures, major transitions in energy markets, and ongoing geostrategic tensions between the United States and China.

The standout finding from ACCI's sixth National Trade Survey is the ingenuity and perseverance of Australia's trading businesses in navigating the challenges thrown at them over the past three and a half years. While government and industry association support helped, the unique operations of each business required them to innovate and adapt as circumstances changed. Australian trading businesses proved themselves adept at managing risks and uncertainty.

The 2023 National Trade Survey reflects the views of a representative sample of small, medium and large businesses, from all of Australia's states and territories. It includes the views of goods and services trading businesses from all of the major traded sectors.

This year's survey reinforced a number of findings from earlier surveys but also includes new findings that show trading businesses responding and adapting to the new international trade environment.



**Dr Prudence Gordon**  
Executive Director, ACITI

# Company profile

ACCI's 2023 National Trade Survey presents the perspectives and concerns of a broad cross-section of Australian international trading businesses. It represents the views of small, medium and large businesses, from all Australian states and territories, and across goods and services businesses in all major traded sectors.

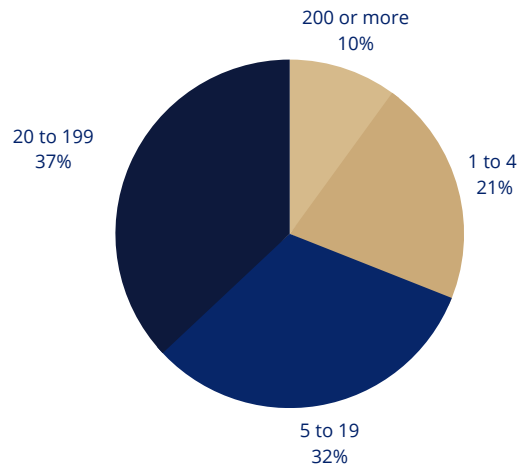
The survey was completed by 154 companies and follow-up qualitative interviews were conducted with 10 of those companies.

## Sectors

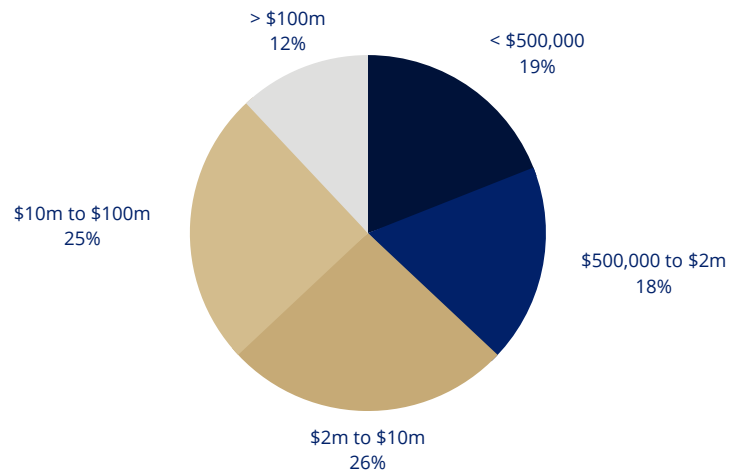


Retail trade, construction, tourism, mining, transport, postal and warehousing, accommodation and food services, financial services, education and training, legal or dispute resolution services, information media and telecommunications, administrative and support services, and arts and recreation services are also reflected in the data.

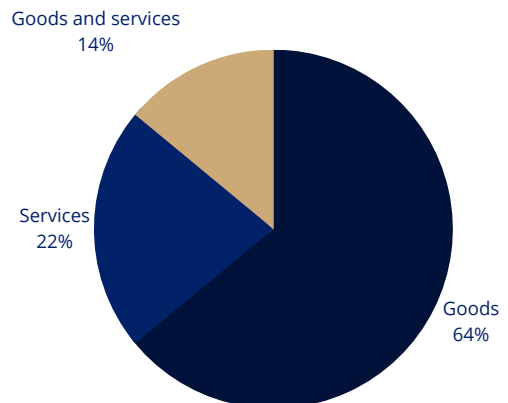
## Company size by number of employees



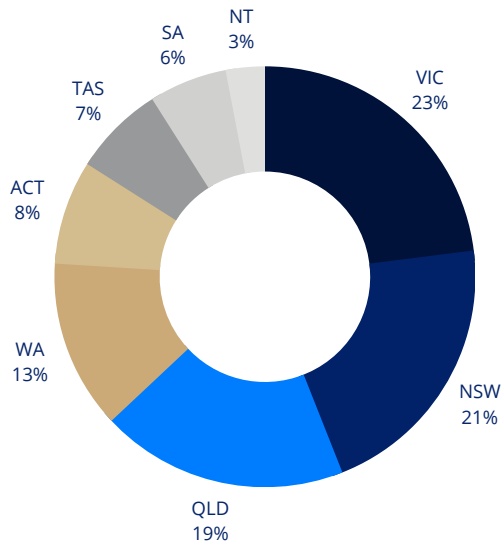
## Company size by turnover (AUD)



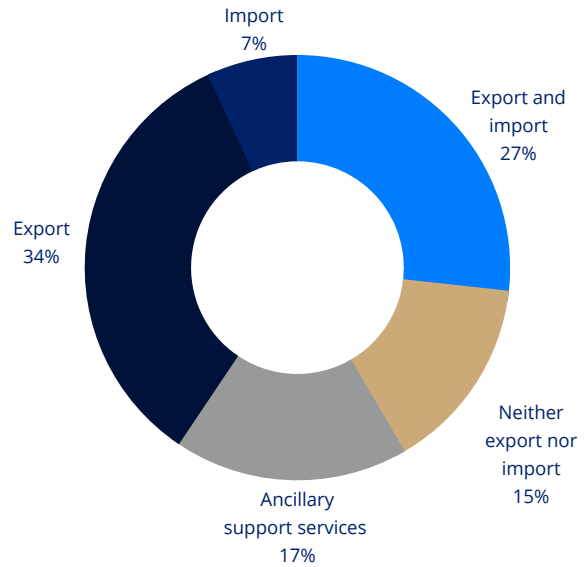
## Types of product traded



### State or territory of primary operations



### How businesses engage in international trade



## Barriers to starting importing or exporting

This year, the survey sought information from companies that either had engaged in trade before but were no longer trading internationally and those that had never traded, to gain insights on key barriers to going global. Fifteen per cent of respondents fall within this category.

Major reasons provided by these businesses are:



For some, the challenges of international trade were perceived to be too great.

“ I've avoided getting into export just because of all the heartache and pain that goes along with that ... the quality assurance, compliance, the regulations, any of those sort of problems, we just don't have the bandwidth to deal with that sort of stuff. ”

Small manufacturer, South East Queensland

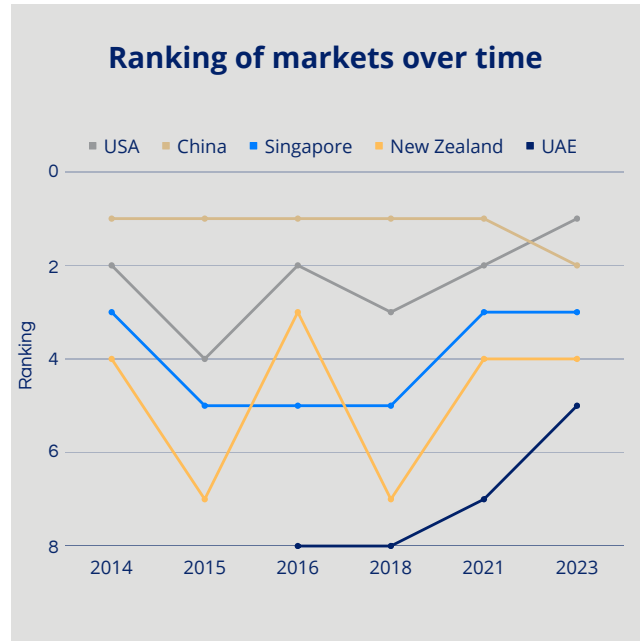
# Key trade markets

The survey asked respondents to list all markets with which they trade.

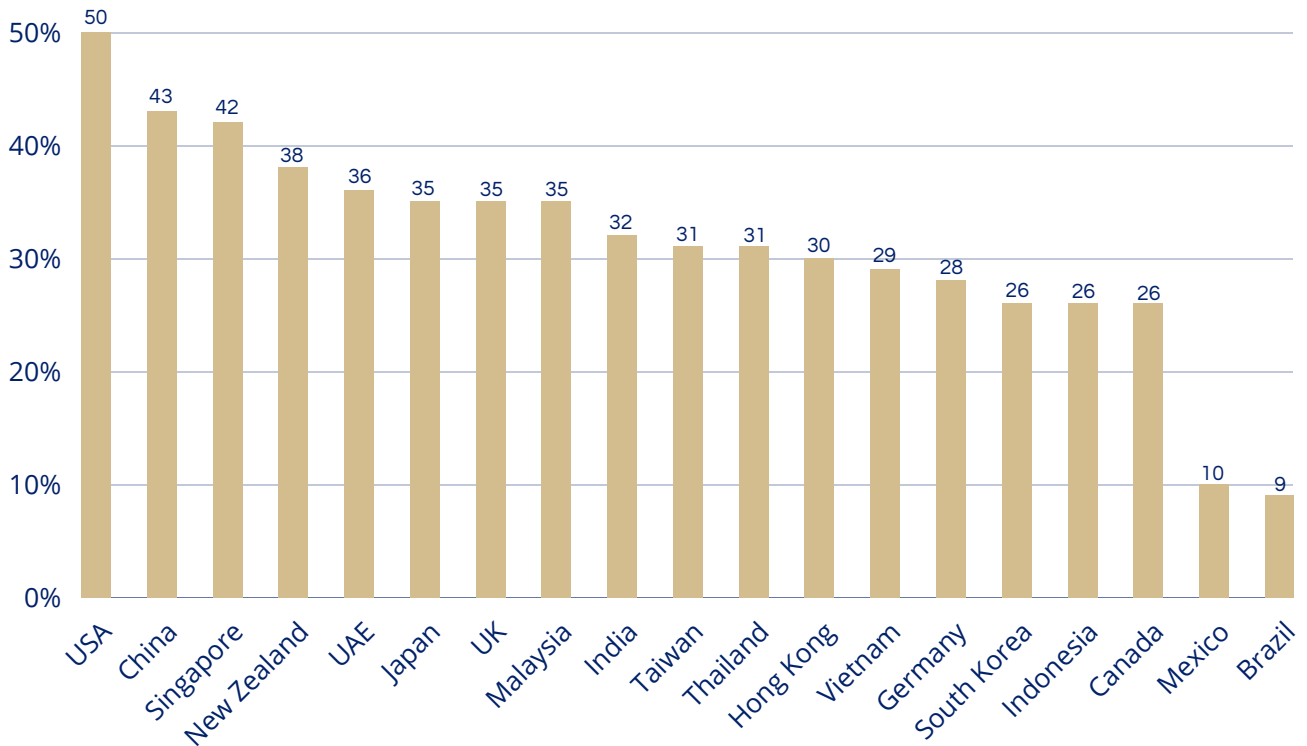
*For the first time, the United States has outstripped China as the most common trade market for survey respondents.*

China topped the list in all previous National Trade Surveys.

The fall in China's ranking is noteworthy considering China's imposition of trade barriers in 2020 on a number of Australian exports including barley, wine, coal, lobster and beef.



## Major markets in 2023





ACCI's longitudinal data demonstrates the long-term consistency in Australian key trade markets.

*This data confirms that Australia's trade relations extend significantly beyond its current and prospective Free Trade Agreement partners, including in the Middle East, South Asia, Africa and South America.*

In addition to the 19 economies included in the survey as options as export markets and/or import sources, other markets listed by respondents include: Argentina, Bahrain, Bangladesh, Belgium, Brunei, Democratic Republic of the Congo, Denmark, Egypt, Ethiopia, Fiji, Finland, France, Guinea, Ghana, Italy, Iran, Ireland, Jordan, Kiribati, Kuwait, Lebanon, Mali, Mongolia, Morocco, Netherlands, New Caledonia, Papua New Guinea, Pakistan, Peru, Philippines, Qatar, Saudi Arabia, Spain, Solomon Islands, Sri Lanka, Sweden, Switzerland, Tanzania, Trinidad and Tobago, Turkey, Vanuatu and Yemen.

This diversity of trade markets, while indicative only, reinforces the finding below that market diversification was the most used strategy for managing international market risk.

This breadth of Australian trade interests potentially explains why the update and reform of World Trade Organization agreements was the most commonly selected top negotiation priority for government according to survey respondents.

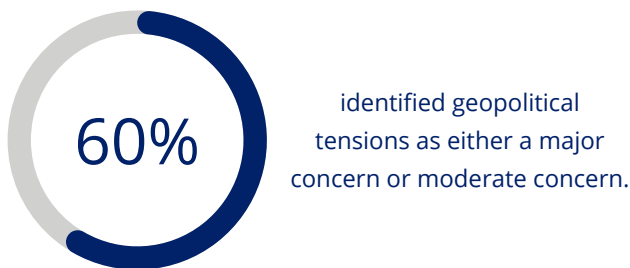
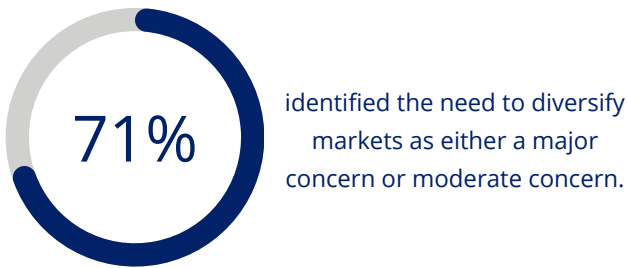


# Managing international market risks

This year's survey included new questions seeking insights on how trading businesses managed international market and supply chain risks. These questions were posed in light of the uncertainty and disruption caused by COVID-19 measures, geopolitical tensions and Chinese trade barriers, and the real and potential impact of carbon emissions reduction measures.

*Geopolitical tensions and market diversification are front of mind for Australian trade businesses.*

Asked how concerned respondents were by the need to diversify markets, geopolitical tensions and proposed carbon border adjustment mechanisms.



Fewer respondents identified preparing for carbon border adjustment mechanisms as a major or moderate concern (38 per cent). This will be worth monitoring in future surveys. It may be that this is a less pressing concern prior to the European Union's CBAM entering into effect.

*The survey suggests that Australian trading businesses are proactive in seeking new customers and markets to help manage international market risk.*

In response to the question of what measures businesses are adopting to manage their international market risk:



These findings suggest Australian trading companies are highly active in seeking new customers and markets to help manage international market risk.

Other options adopted by trading businesses to manage risk included expanding to direct to consumer online sales, part paying the freight on trial export shipments, covering the cost of shipping in order to attract new buyers and increased scrutiny of contract wording.



*While Australian trade businesses are adaptive, their options to adapt are often more constrained.*

Options for managing the risks of supply chain disruptions were more limited with 29 per cent of respondents having no options for managing international shipping and logistics supply chain risks. The most used option was simply to pay more for the services that were available.

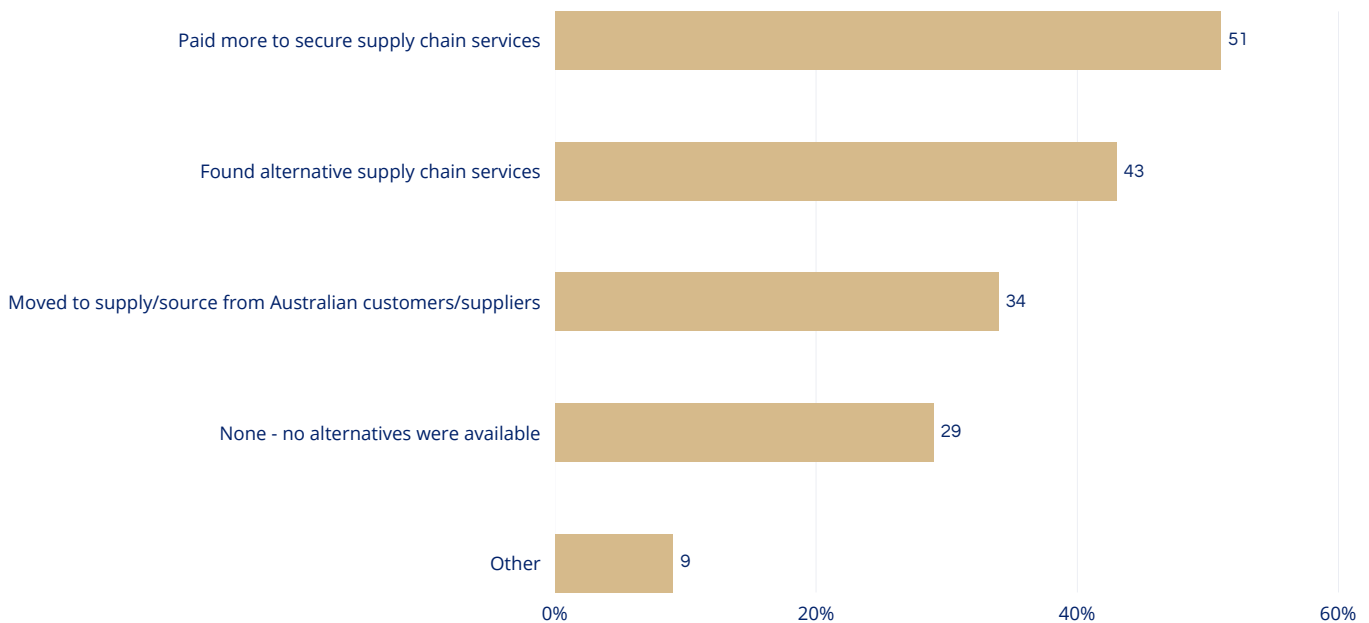
Other options for managing supply chain disruption noted by respondents included sourcing inputs via the retail market at sometimes double the price of normal supplies, and setting up production and manufacturing facilities in the destination market.

“  
A lot of our customers are going through like a ‘once bitten twice shy’. So many of them are looking at onshoring. We’re seeing a lot more projects that customers are willing to wear a higher cost if they can guarantee local supply.

Small manufacturer, South East Queensland

”

## Managing international shipping and logistics-related supply chain risks



# Trade challenges

Past National Trade Surveys have provided valuable information on the key challenges facing Australian trading businesses.

Between 2014 and 2021, international competitiveness was the principal trade concern identified. The 2023 survey identified skills shortages as the most significant major concern, but international competitiveness was again identified as the issue causing both major and moderate concern for both goods and services trading businesses.

*International competitiveness remains the most common concern of Australian trade businesses, but skills shortages are most often cited as a major concern.*

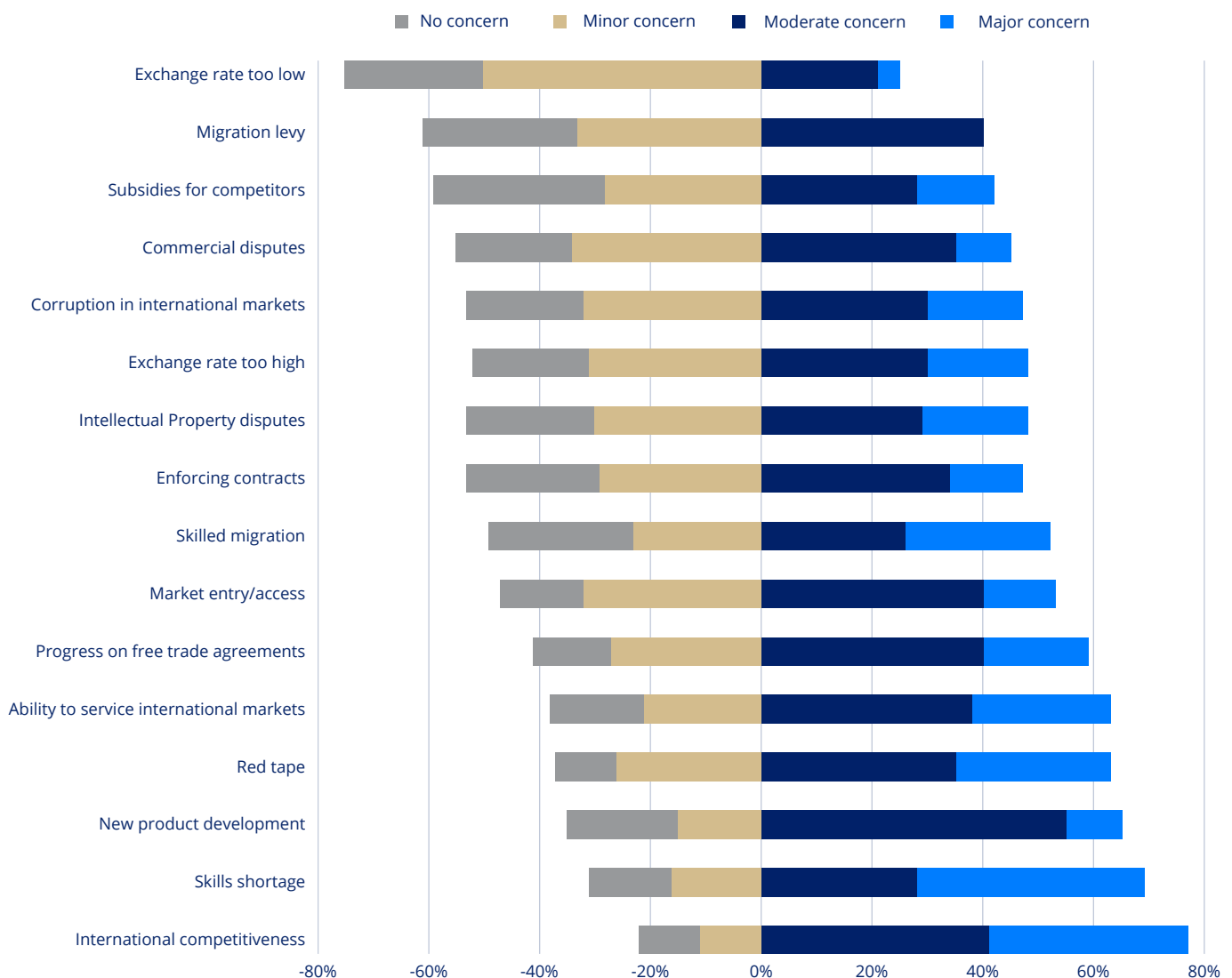
## Challenges for goods businesses

Specifically for businesses trading in goods, supply chain issues are the most common significant concern, with 90 per cent of survey respondents ranking shipping and logistics as a major or moderate concern.

Customs and border crossing costs are the second most cited concern (67 per cent), with non-tariff barriers and tariffs on imports and exports also identified as significant concerns.

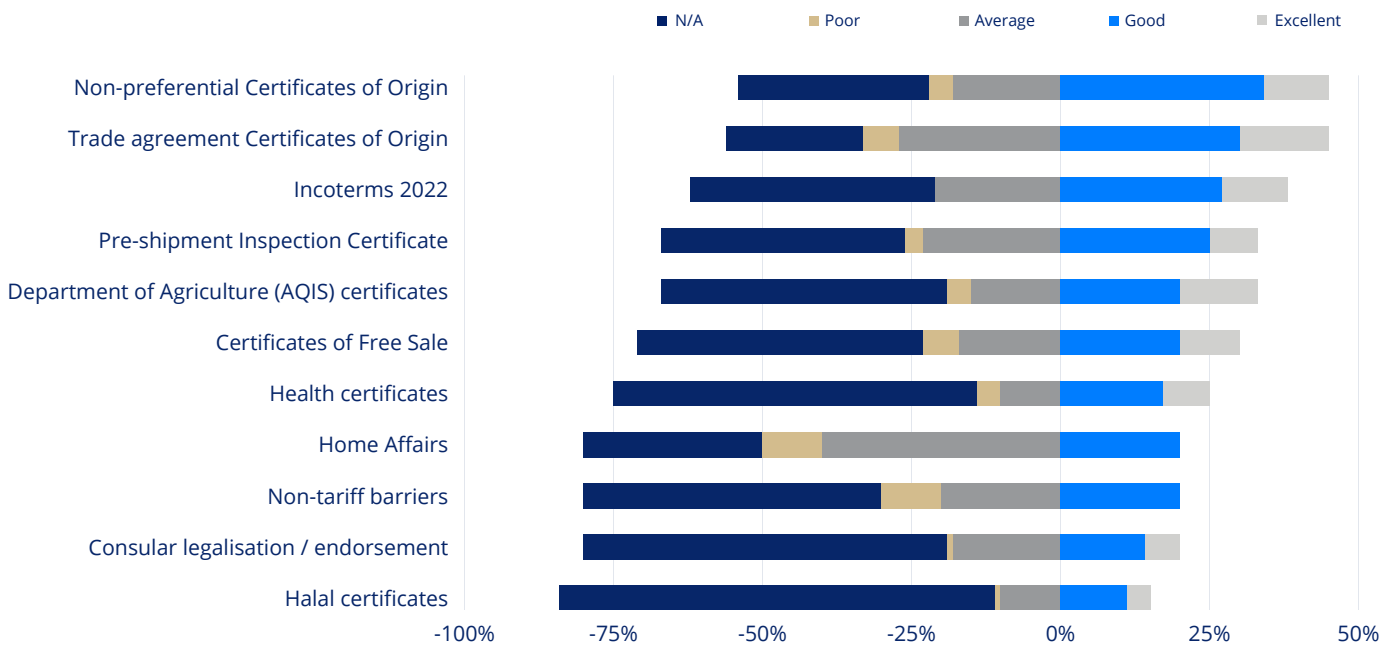
The challenges of transporting goods across border are well known, with the Simplified Trade System Implementation Taskforce established to address such barriers. At present, regulations that impact cross-border goods movements are administered by more than 28 federal government agencies.

## Key trade concerns impacting trading businesses - goods and services



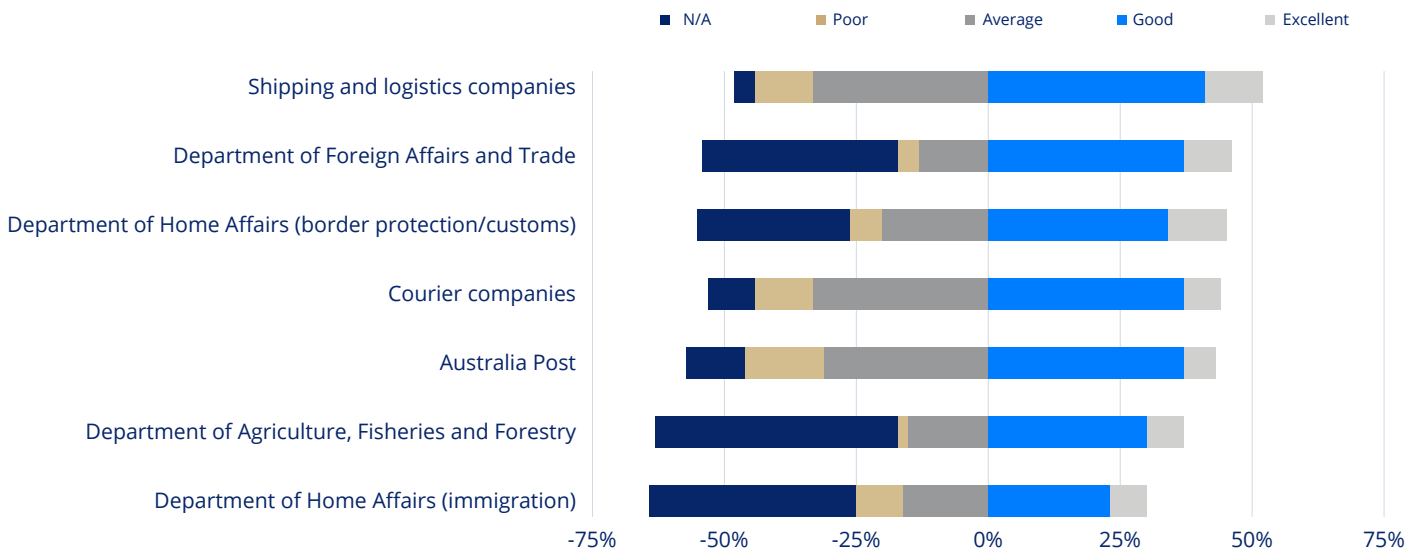
## Goods traders – experiences obtaining trading documents

Trade documentation assists traders to access the benefits of trade agreements, enables passage of products across borders and provide assurance about product quality. This survey asked respondents for experiences in obtaining trade documentation and associated services. Owing to the diversity of products and their trade documentation needs, the level of engagement varies considerably. Certificates of origin were ranked the highest in terms of user experience, both under free trade agreements and for markets without them.



## Goods and services traders - Experiences with trade administration organisations

Respondents in both goods and services categories were also asked to rate their experience with a list of government and non-government organisations providing trade administration services. Of those listed, traders rated shipping and logistics companies most highly, ahead of government agencies.



# Trade support services

Australian governments at the federal, state and territory level, industry associations and commercial providers invest significant resources in supporting Australian businesses to identify and capitalise on international trade opportunities.

A key component of the National Trade Survey has been to provide an indicator of the uptake and value of these services for Australian business.

*All past National Trade Surveys highlighted the large number of respondents who never employed government trade support services. The 2023 survey reinforces this finding.*

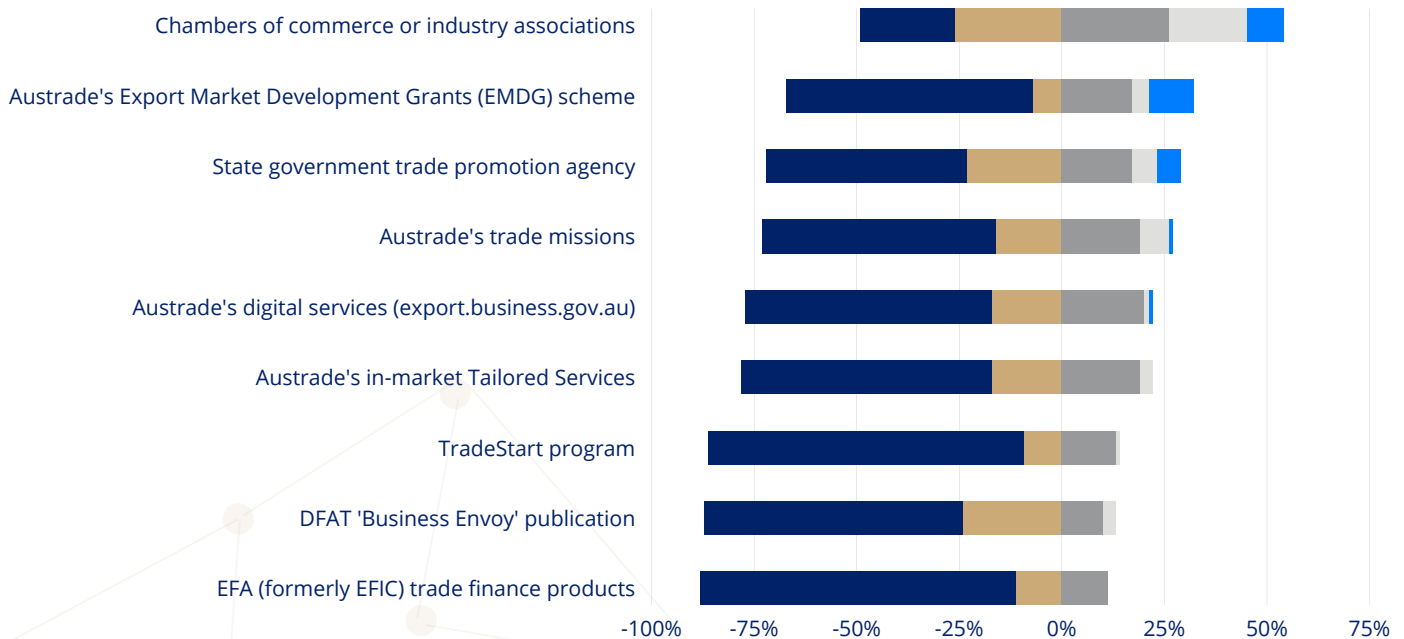
## Use of trade support services

Between 57 and 77 per cent of respondents indicated they never used federal government trade support services. Forty-nine per cent indicated they never used state and territory government trade support services. Fifty-four per cent of respondents said they sometimes, often or always used trade support services provided by chambers of commerce or industry associations.

This finding would suggest there is scope to amplify government investment in trade support services to business by working more closely with chambers of commerce and industry associations.

## Use of trade support services

■ Never ■ Rarely ■ Sometimes ■ Often ■ Always

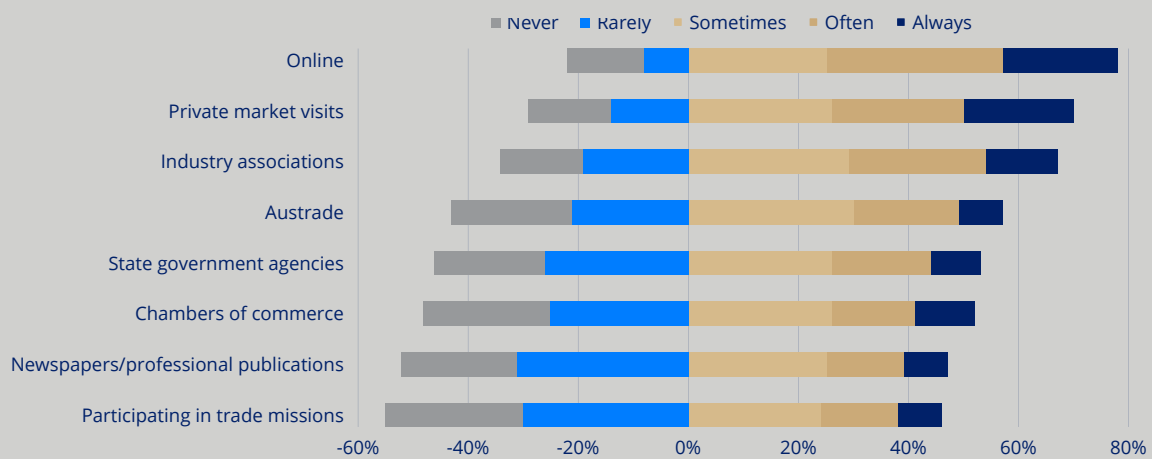


## Where do businesses get information about new international trade opportunities?

Businesses draw upon a range of information sources when gathering market intelligence and considering potential trade opportunities.

The findings suggest that businesses pursue new opportunities independently or with the assistance of sector-specific information. Online resources remain the most commonly used sources of information, with self-directed private market visits outranking participation in government-arranged trade missions.

Sources of information on new international trade opportunities



## Use of trade finance products

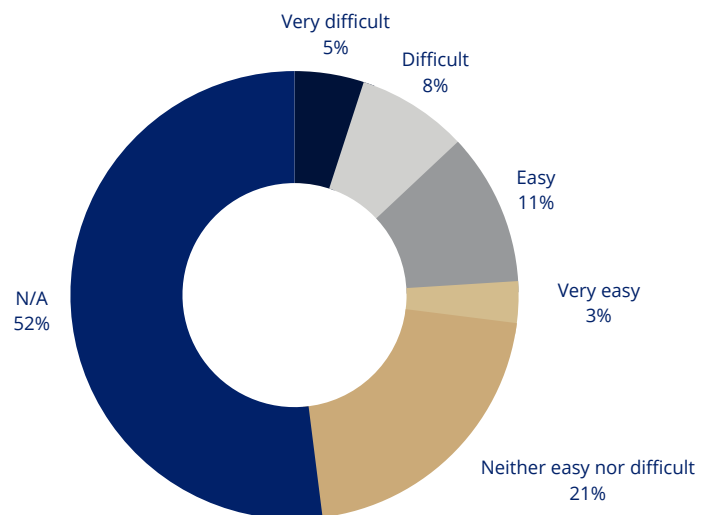
Specific trade finance products exist to finance transactions and to assist businesses to manage risks in their trading environment, particularly when entering new and unfamiliar markets.

Relative to business loans, trade finance products can provide access to cheaper debt, the ability to finance a larger proportion of the overall transaction and to free up business loans for other operational or productive investments.

Notwithstanding business concerns about the current international market risks demonstrated in this survey. A majority of respondents to this survey continue to consider trade finance products inapplicable to their business.

This suggests that business loans continue to be used instead and may indicate a knowledge gap about the uses of trade finance products.

## Ease of accessing trade finance



# Trade agreements

Trade agreements assist business in multiple ways. These include reducing and/or removing tariffs and quotas and removing, simplifying or harmonising trade administration and services trade regulations. Trade agreements can increase the accessibility of information on trade-related regulations and processes, and establish processes for resolving trade disputes.

The National Trade Survey provides a useful indication of the value placed on trade agreements by Australian trading businesses. A consistent finding across the previous five National Trade Surveys is that trade agreements are not well understood by businesses but they are keen to better understand them.

## Impact of trade agreements for business

Respondents were asked about the perceived impact of trade agreements in terms of improved market access, operational savings and increased ability to employ.

The 2023 survey indicates wide variability in the value placed on trade agreements by business. In terms of the overall impact of Australia's current trade agreements on business, rated from 1 (lowest impact) to 5 (highest impact), with respondents relatively evenly spread between the 5 rankings from lowest to highest impact.

## Usefulness of existing agreements

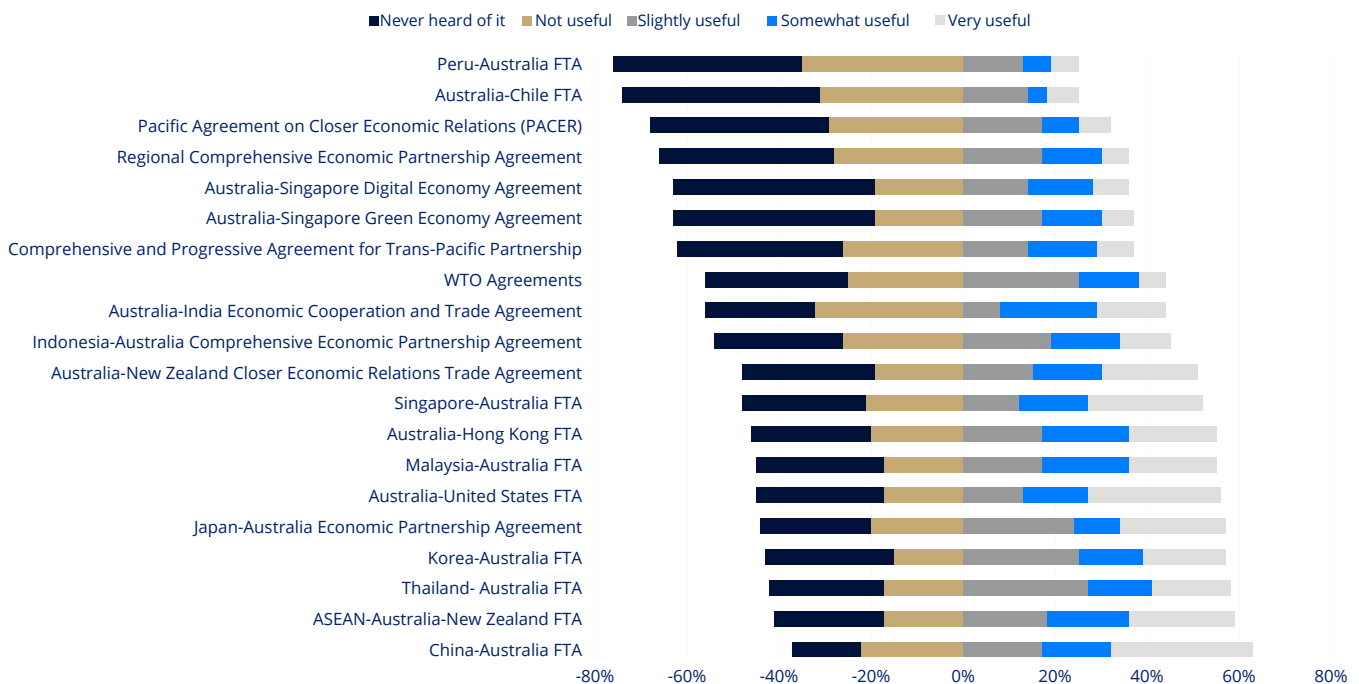
Reinforcing the findings of previous years, this National Trade Survey finds that a large number of respondents have either never heard of specific trade agreements or do not find them useful.

In this category, the Peru-Australia Free Trade Agreement ranks lowest with 41 per cent of respondents having never heard of the agreement and 35 per cent not finding it useful. In contrast, 63 per cent found the China-Australia Free Trade Agreement either slightly (17 per cent), somewhat (15 per cent) or very (31 per cent) useful.

The survey confirms that the perceived usefulness of agreements broadly aligns with Australia's trade patterns. However, it suggests that understanding of the usefulness of large multilateral trade agreements – such as the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) – are lagging behind. ACCI's own trade agreement utilisation data confirms this finding.

The new free trade agreement with India, which entered into force in December 2022, is showing strong early signs of business awareness. Future surveys will provide a stronger indication of actual business experiences with the agreement.

## Usefulness of existing trade agreements





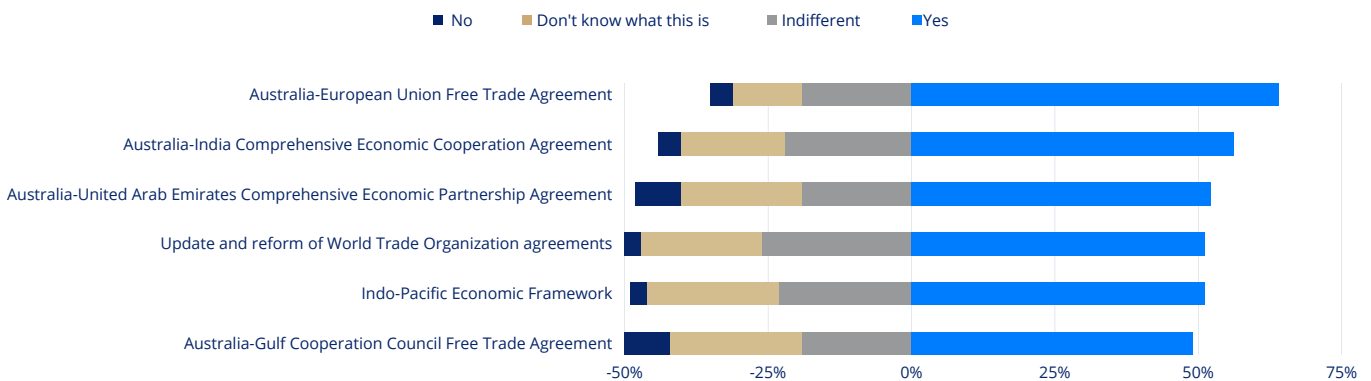
## Support for current Australian Government trade negotiations

While understanding and awareness of trade agreements is low, and their usefulness rating variable, respondents indicated relatively strong support for the negotiation of new trade agreements.

Australia's current negotiations with the European Union ranked the highest with 64 per cent of respondents indicating they were in favour of the negotiation.

Interestingly, 51 per cent of respondents were in favour of negotiations to update and reform the World Trade Organization, a body generally poorly understood by Australian businesses.

### Support for new trade agreements



## Trade negotiation priorities

Respondents were also asked to rank 14 specific and general types of trade and investment agreements they consider the Australian Government should prioritise.

The National Trade Survey confirms that the Australian Government's current negotiation priorities are aligned with those of Australian business.

Trade agreements with the European Union and the second tranche agreement with India ranked as the first and third priorities overall.

However, it may be surprising that respondents selected update and reform of World Trade Organization agreements as their second highest priority on average. Indeed, WTO reform and update was the negotiation priority most often cited as respondents' top priority. The highest negotiating priorities not currently under negotiation by the Australian Government are with the Gulf Co-operation Council and the United Arab Emirates.

Included for the first time in this survey were new, subject matter agreements such as green economy and digital economy agreements. These generally rated lower and are currently less popular than comprehensive preferential trade agreements for respondents, although this outcome is not surprising considering the relative newness of these kinds of agreements. Future surveys will provide a useful indication of the value of these kinds of agreements for business.

# ACCI's recommendations

**The 2023 National Trade Survey indicates how Australia can invest in a better trade future.**

## **Take action to ease skills shortages**

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Skills shortages are the issue most often identified as a major concern for Australian trade businesses, impacting on their ability to trade. Urgent action is needed to address chronic skills shortages.

## **Invest in our domestic productivity**

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International competitiveness is once again the top concern of Australian trading businesses. Addressing inefficiency in our maritime shipping and logistics system, and addressing uncompetitive tax, workplace relations and energy policy settings are vital to enhancing the position of Australian businesses in competitive international markets.

## **Modernise our trade systems and reduce red tape**

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The Australian Government has invested heavily in the Simplified Trade System Implementation Taskforce – we must see it deliver commercially meaningful results or risk being left behind our trading partners.

## **Make government support and information sources more accessible and relevant to contemporary international market risks**

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The 2023 National Trade Survey shows that businesses are attuned to their need to diversify and adapt to geopolitical tensions and supply chain disruptions. Nevertheless, the survey shows that there are opportunities to rationalise the sources of government support so that businesses know where to access the support they need when they need it.

## **Adopt a Team Australia approach to get Australia trading**

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Trade businesses value and trust the services they receive from chambers of commerce and industry associations. Governments, chambers of commerce and industry associations can work together more closely to ensure government supports and communicated effectively to trading businesses and to ensure government advocacy meets genuine industry needs.

# ACCI members

## State and Territory Chambers



## Industry Associations



