

EXTERNAL TRADE

GENERAL INFORMATION

Historical background

From a traditional pattern of partnership with the United Kingdom, Australia has become in recent years more a trading partner of Japan and the United States of America and this is also the trading pattern in Victoria. Similarly the place occupied by European countries such as France and Italy in the 1950s has diminished proportionately in Victoria's trading pattern since the implementation of the European Economic Community. In 1977-78, the proportion of Australian trade at Victorian ports was 34.5 per cent of imports and 20.4 per cent of exports. Major imports were machinery, transport equipment, textile yarns, fabrics, and professional instruments, while major exports were wool, meat, wheat, and dairy products. The major countries contributing to imports were the United States of America, Japan, the United Kingdom, and the German Federal Republic, while the major countries receiving exports were Japan, New Zealand, the United States of America, and China (excluding Taiwan Province).

Further reference: *Victorian Year Book 1977*, pp. 527-8

Legislation and agreements

Introduction

The Constitution of the Commonwealth of Australia confers on the Commonwealth Parliament exclusive power to impose duties of customs and excise. Responsibility for the collection of these duties, and for the administration of various controls over imports and exports, rests with the Commonwealth Department of Business and Consumer Affairs.

Customs Tariff

The Australian Customs Tariff has been developed on the policy of protection for economic and efficient Australian industries and preference for certain imports from Commonwealth countries and certain developing countries. Duties are also imposed on some goods (e.g., potable spirits, tobacco, cigarettes, and petrol) mainly for revenue purposes.

There are two major scales of customs duty — the Preferential Tariff and the General Tariff. The Preferential Tariff applies to goods which are the produce or manufacture of the United Kingdom and Ireland, provided that they have been shipped from those countries without trans-shipment (or, if trans-shipped, if Australia was the intended destination of the goods when originally shipped). It applies also to most goods produced or manufactured in Canada, with certain exceptions (all of which pay a lower rate of duty), to goods which are the produce or manufacture of Papua New Guinea, and to specified goods imported from declared preference countries, all of which are, or were, British Commonwealth countries or British non-self-governing colonies, protectorates, or trust territories. From 19 July 1973, goods which are the produce or manufacture of New Zealand attract a special rate of duty which is less than the preferential rate — before that date all New Zealand goods (with certain exceptions which paid a lesser rate of duty) attracted the preferential rate.

Preferential rates of tariff have been operating since 1965 for selected products imported from certain declared "less-developed" countries. A revised scheme was implemented

from 1 January 1974 covering most imports of manufactured and semi-manufactured products, the exceptions comprising mainly those products where developing countries are already competitive or are likely to quickly become competitive at General Tariff rates of duty.

The General Tariff applies to goods imported from British Commonwealth countries but not qualifying for the Preferential Tariff, and to goods imported from other countries.

Primage duties

In addition to the duties imposed by the Customs Tariff, *ad valorem* primage duties are levied on some imports at rates of 3 per cent, 7 per cent, or 10 per cent according to the origin and type of goods. Goods which are the produce or manufacture of New Zealand, Fiji, Papua New Guinea, Norfolk Island, the Territory of Cocos (Keeling) Islands, or the Territory of Christmas Island are exempt from primage duty. A number of specified goods for use by primary producers, many machines, tools of trade, raw materials not manufactured or produced in Australia, and a wide range of other goods are also exempt from primage duties.

Anti-dumping duties

Protection of Australian industries against various forms of unfairly traded imported goods is provided by the *Customs Tariff (Anti-Dumping) Act 1975*. Under this Act, dumping duty may be imposed on goods shipped to Australia at an export price which is less than the normal value of those goods in the country of export. Similarly, a countervailing duty may be imposed to offset the effect of subsidies, bounties, or other forms of assistance paid to exporters of goods competitive with local production. In both cases it must be established that such imports cause or threaten material injury to an Australian industry. These duties are additional to the normal duties imposed by the Customs Tariff.

Customs by-laws

Schedules 1 and 2 to the Customs Tariff contain several items relating to "goods, as prescribed by by-law". Such goods are admitted at the concessional rate of duty specified in the item. Generally, by-law entry is accorded to imported goods provided suitably equivalent goods are not reasonably available from Australian manufacturers or production.

Goods which automatically qualify for by-law admission are named in a document entitled *Consolidated Customs By-law References*, which is published by the Department of Business and Consumer Affairs.

For goods which are not listed in that publication, individual by-law applications may be lodged with the By-law Branch of the Department of Business and Consumer Affairs in Canberra. Responsibility for providing evidence that suitably equivalent goods are not reasonably available from Australian production rests with the person or organisation making the by-law application.

Industries Assistance Commission

The Industries Assistance Commission is a statutory authority which came into existence on 1 January 1974 as a result of the passing of the *Industries Assistance Commission Act 1973* by the Commonwealth Parliament. The Commission replaced the Tariff Board, which since 1921 had been responsible for advising the Commonwealth Government on assistance for industries mainly in the secondary sector of the economy. (The *Industries Assistance Commission Act 1973* was amended in March 1978.)

The Commission is an advisory authority, advising the Commonwealth Government. Its functions are to hold inquiries and make reports to the Commonwealth Government in respect to matters of assistance to industries in the primary, secondary, and tertiary sectors of the economy, and in respect to other matters referred to the Commission by the Commonwealth Government. The Commonwealth Government is required to seek the Commission's advice before it makes changes in the long-term assistance afforded industries; but it is not obliged to accept the Commission's advice.

References from the Commonwealth Government requiring the Commission to inquire into and report on certain matters mainly arise from representations to the

Commonwealth Government from organisations, companies, or individuals seeking assistance. References are also initiated by the Commonwealth Government and the Commission itself has the power to initiate an inquiry. The receipt of a reference from the Commonwealth Government is the official document directing the Commission to inquire into and report on matters in accordance with the terms of reference and the guidelines as set by the Commonwealth Government.

Public hearings are held by the Commission in Canberra and in capital cities throughout Australia. At these hearings evidence is taken on oath or affirmation. The Act requires the Commission to take into consideration only sworn evidence. The inquiry subject and the date and location of public hearings are advertised in the press and advised by Commission circular.

If after receiving a report from the Commission, the Commonwealth Government decides that assistance afforded a particular industry should be changed, it introduces a proposal to this effect in Parliament. Thus the final responsibility for altering assistance given to particular industries within Australia rests with Parliament. Copies of the Commission's reports, when released for publication by the Commonwealth Government, are sold by the Australian Government Publishing Service bookshops.

The Commission is also required to report annually to the Commonwealth Government on its operations and on the general structure of industry assistance within Australia and its effects on the economy.

Temporary Assistance Authority

The Temporary Assistance Authority (TAA), which replaced the Special Advisory Authority set up under the Tariff Board Act, came into operation on 1 January 1974 under the provisions of the *Industries Assistance Commission Act 1973* (since amended). The main function of the TAA is to undertake inquiries and submit reports to the Commonwealth Government within 45 days of receipt of a reference from the Commonwealth Government on the question of whether urgent action is necessary to provide assistance to any industry that is experiencing difficulty due to the importation of specified goods. If urgent action is necessary the Authority recommends the nature and extent of the assistance to be provided.

The Authority's reports on individual inquiries are normally made public once the Commonwealth Government's decision is announced and are available, as is the annual report, from the Australian Government Publishing Service bookshops.

Bilateral trade agreements involving customs tariff preferences and free trade arrangements

New Zealand

The New Zealand–Australia Free Trade Agreement (NAFTA), signed in 1965, which came into force on 1 January 1966 has the main objective of furthering the development of the NAFTA area and the use of its resources by promoting a sustained and mutually beneficial expansion of trade. The Agreement provides for free trade in certain scheduled goods and for progressive listing in the Schedule of all goods unless the addition of such goods would be seriously detrimental to industry, contrary to national interest or inconsistent with any commodity arrangement to which both countries are parties. In respect of non-scheduled goods, the Agreement provides under Article 3:7 for both countries to agree on special measures beneficial to the trade and development of each country. The 1933 Trade Agreement between Australia and New Zealand continues in effect as part of NAFTA except as superseded or modified by it.

Following United Kingdom accession to the European Economic Community and consequent termination of Australia's and New Zealand's respective trade agreements with the United Kingdom, both countries negotiated an interim Agreement in May 1973 to maintain, to the maximum extent possible, the preferences derived from those trade agreements. A more enduring Agreement on Tariffs and Tariff Preferences was subsequently negotiated and entered into force in December 1977.

Canada

The Agreement, signed in 1960, provides for each country to give the other tariff preferences on specific goods and for the exchange of preferences in each country's tariff

derived from the preferential agreements each had with Britain. The termination of these agreements with Britain created a need for Canada and Australia to review their own preferential trading arrangements. An Exchange of Letters governing the future operation of the 1960 Agreement was signed on 25 October 1973. The Exchange provides for a continuation of the tariff preferences, but on a more flexible basis, with some other modifications of provisions of the 1960 Agreement, particularly those relating to indirect shipment of goods and to anti-dumping procedures.

Malaysia

The Agreement, signed in 1958, provides for each country to accord preferences to the other on certain specified goods. The exchange of these preferences was placed on a more flexible basis by an Exchange of Letters on 21 February 1975. The Agreement further provides for protection of Malaysia's tin and rubber exports to Australia and of Australia's wheat exports to Malaysia against dumped or subsidised competition. There are also certain guarantees of market access for Australian wheat in the Malaysian market and for natural rubber in the Australian market provided that the Papua New Guinea natural rubber crop is absorbed. The Agreement also assures Malaysia that any Australian import licensing restriction on natural rubber will be the same as for synthetic rubber and that Australian import duties on natural rubber will not exceed those on synthetic rubber.

Papua New Guinea

The Papua New Guinea-Australia Trade and Commercial Relations Agreement (PATCRA), which came into force in 1977 provides, *inter alia*, that subject to certain exceptions, trade between Australia and Papua New Guinea shall be free of duties and other restrictions.

Other bilateral trade agreements

The main bilateral agreements operating are as follows:

Country	Signed	Country	Signed
Bahrain	1979	Japan	1964
Brazil	1978	Korea	1975
Bulgaria	1974	Philippines	1975
China	1973	Poland	1978
Czechoslovakia	1972	Romania	1975
German Democratic Republic	1974	South Africa	1935
Hungary	1974	Switzerland	1938
India	1976	Thailand	1979
Indonesia	1972	U.S.S.R.	1973
Iran	1974	Vietnam	1974
		Yugoslavia	1970

Most of the above agreements provide for mutual most-favoured nation treatment and establish joint trade committees which meet generally once a year to promote mutual trade. Further information on the features of these agreements can be found on pages 407-10 of the *Victorian Year Book* 1979.

General Agreement on Tariffs and Trade (GATT)

The General Agreement on Tariffs and Trade, which came into force on 1 January 1948 is a multilateral trade treaty designed to facilitate trading relations between participating countries by reducing tariff and other barriers to the free interchange of goods, and providing rules for the conduct of international trade. The Agreement includes a framework within which negotiations can be held to further reduce barriers to trade, and a structure for embodying the results of such negotiations in a legal instrument.

Australia is one of the original contracting parties to the GATT. At 1 December 1979, there were eighty-five contracting parties to the Agreement, three countries which had provisionally acceded (i.e., they participated in the GATT but had not yet contracted to it), and twenty-eight countries which applied the provisions of the Agreement on a *de facto* basis, having formerly been colonies of contracting parties to the GATT. These 116 countries account for approximately 85 per cent of world trade.

There have been seven main tariff negotiations under the provisions of the Agreement, and a number of smaller scale negotiations preceding the accession of individual countries.

As a result, the tariff rates for a great many items entering into world commerce have been reduced or bound against increase.

The Multilateral Trade Negotiations (MTN), the seventh under the auspices of the GATT, were inaugurated at a meeting of Ministers in Tokyo in September 1973. Almost one hundred countries (both members and non-members of GATT) participated in the negotiations which were concluded during 1979.

Fourteen agreements or understandings which aim at liberalising and stabilising international trade in both industrial and agricultural products have been finalised. The subjects covered are subsidies and countervailing duties; government procurement; customs valuation; standards; import licensing; anti-dumping; trade in civil aircraft; reciprocity; more favourable treatment and fuller participation for developing countries; trade measures for balance of payments purposes; safeguard action for development purposes; notification, consultation, dispute settlement, and surveillance; export restrictions; and arrangements relating to bovine meat and dairy products. Whether governments will accede or not to these agreements (most of which were expected to come into effect on 1 January 1980) was under consideration.

Within the context of the MTN, various participants have held bilateral negotiations with the aim of exchanging tariff and access concessions. Australia has concluded bilateral agreements with the United States of America, the European Economic Community, and Japan which, *inter alia*, provide for better access of Australian beef, dairy products, and wool. Australia planned to conclude bilateral agreements with other trading partners before the end of 1979.

Excise Tariff

The Excise Tariff applies to certain articles which can be manufactured only under licence and subject to certain conditions. The tariff relates to beer, spirits, amylic alcohol and fusel oil, liqueurs, tobacco, cigars, cigarettes, snuff, coal, certain refined petroleum, playing cards, cigarette papers, matches, wine (certain types), crude oil, and liquid petroleum gas.

Import controls

There are two methods of effecting import restrictions through import quotas. One is the use of tariff quotas which utilise the tariff by legislating for temporary additional duties to be applied to subject goods falling outside quota levels. The other method is through the Customs (Import Licensing) Regulations which are used to impose a quantitative restriction. Subject goods outside the licensed quota are prohibited from importation.

Import licensing and tariff quota controls are imposed by the Commonwealth Government when it is considered necessary to afford short-term protection against disruption to local industry caused by imports of competitive goods. In addition to these controls the Customs Act prohibits the import of specified types of commodities. The items are listed in the *Customs (Prohibited Imports) Regulations*, and include dangerous drugs, certain firearms, undesirable publications, and articles dangerous to public health.

Export controls

The export of goods is controlled by means of the Customs Act and various other legislation administered by the Department of Business and Consumer Affairs which provide:

- (1) A monetary control exercised under the Banking (Foreign Exchange) Regulations, to ensure that the full proceeds of the sale of exported goods are received into the Australian banking system in the currency, in the manner, and within such period as the Reserve Bank of Australia approves. The Reserve Bank supervises the return of export proceeds, including checks of Customs entries and returns;
- (2) for the gathering of export statistics by requiring the provision of information on export entries;
- (3) a quality control exercised under Customs (Prohibited Exports) Regulations and Commerce Regulations to protect the reputation of Australian goods by ensuring that the goods, packaging, and presentation are of a high standard;

- (4) a commodity control exercised in the national interest over those goods listed in the Customs (Prohibited Exports) Regulations for many reasons including preservation of international relations, obligations under international agreements, orderly marketing, and conservation of resources;
- (5) a basis for collection of any export duties that are payable; and
- (6) a preservation measure, relating to fauna and flora, under the Customs (Endangered Species) Regulations.

Trade services

Trade Commissioner Service

The stimulation of interest abroad in Australia's exports is an important government activity in which the Australian Trade Commissioner Service plays a prominent role. Since the end of the Second World War, the Service has increased steadily; by early 1980 there was an establishment of 174 Trade Commissioners and Assistant Trade Commissioners in Australia and in 55 posts in 46 countries.

Trade Commissioners are responsible for providing commercial intelligence in their territories in the fields of manufactured goods, rural commodities, resources, energy, and technical and allied services. Particular facilities provided for Australian exporters and export organisations include: surveying market prospects; advising on selling and advertising methods; arranging introductions with buyers and agents; providing reports on the standing of overseas firms; advising and assisting business visitors; helping to organise and carry through trade missions, trade displays, newspaper supplements, and other promotion and publicity media; providing information on import duties, import licensing, economic conditions, quarantine and sanitary requirements, and other factors affecting the entry and sale of goods and services; helping to attract desirable investment overseas by Australian firms; and providing information on Australia to overseas firms interested in investing in Australia.

In some countries Trade Commissioners also participate in inter-governmental negotiations in the resources and commercial fields. In certain countries where there is no Australian diplomatic or consular mission, Trade Commissioners are called upon to act as the Australian Government representative.

Trade Commissioners, Assistant Trade Commissioners, and Trainee Trade Commissioners are primarily drawn from private enterprise but some are also drawn from the Australian Public Service. Applications for entry are invited periodically by public advertisement. Recruitment is generally at the Trainee Trade Commissioner or Assistant Trade Commissioner level and officers are promoted to higher grades as experience and performance warrant. In the majority of posts the Trade Commissioner is supported by an Assistant Trade Commissioner and, in some cases, also by another Trade Commissioner.

The Trade Commissioner Service is administered by the Commonwealth Department of Trade and Resources (as distinct from the diplomatic and consular services administered by the Department of Foreign Affairs), but in countries where there is an Australian diplomatic or consular mission, it is the practice for Trade Commissioners to be attached to that mission and to hold an appropriate diplomatic or consular rank — Minister (Commercial), Counsellor (Commercial), or Commercial Secretary.

The countries where Australian Trade Commissioner posts are located are shown in the following list. Except where indicated, the missions are located in capital cities only. Algeria; Argentina; Austria; Bahrain; Belgium; Brazil (Rio de Janeiro); Britain; Canada (Vancouver, Toronto, Ottawa); China, People's Republic; Egypt, Arab Republic of; Fiji; France; German Democratic Republic; Germany, Federal Republic; Greece; Hong Kong; India; Indonesia; Iran; Iraq; Israel; Italy (Rome, Milan); Japan (Tokyo, Osaka); Kenya; Korea, Republic of; Kuwait; Libya; Malaysia; Mexico; Netherlands; New Zealand (Wellington, Auckland); Papua New Guinea; Philippines; Poland; Saudi Arabia; Singapore; South Africa (Johannesburg); Spain; Sweden; Switzerland (Geneva); Thailand; United Arab Emirates (Abu Dhabi); United States of America (Washington, D.C., Chicago, Los Angeles, San Francisco, New York); U.S.S.R.; Venezuela; and Yugoslavia, Socialist Federal Republic.

Trade missions

Up to October 1979, the Commonwealth Government had sent 154 trade and survey missions and five trade ships overseas as part of the campaign to increase exports. The experience acquired has indicated the need for flexibility in techniques to suit particular products or markets. At present the following types of trade missions are in use:

- (1) *Survey missions*. These are organised to obtain precise knowledge about the export trade potential for specific products in one or more overseas markets. Such methods are used to explore export prospects in new or developing areas where commercial intelligence is not readily available or where a complex industry is involved and the industry requires special export knowledge.
- (2) *Specialised and general trade missions*. Arrangements are made for specific industries or groups of firms representing a number of industries to participate in a planned selling campaign in overseas markets with known sales potential. The mission visits the market, publicises its products, and subsequently negotiates sales.

Trade displays, fairs, exhibitions, and store promotions

Since 1949, the Commonwealth Department of Trade and Resources has organised Australian participation in numerous major trade fairs, exhibitions, and displays throughout the world.

Initially the emphasis was on participation in general trade fairs directed at the public and the general commercial community. With the development of more sophisticated export promotion techniques and the increased diversity of Australian manufactured goods available for export, more emphasis is now placed on individual Australian trade displays and participation in specialised trade shows directed almost entirely at the business community. In addition, display rooms attached to Trade Commissioner offices are currently in use in Singapore, Kuala Lumpur, Manila, Hong Kong, Jakarta, Port Moresby, and Suva.

Export incentives

Export incentives have been an important feature of the trade policies of successive Commonwealth Governments since 1961. The Export Market Development Grants Scheme, which was first introduced on 1 July 1974 for five years, has been extended with amendments designed to improve its effectiveness and will now operate until 30 June 1982.

The Export Expansion Grants Scheme based on improved export performance was introduced in 1978 to apply for five years with effect from 1 July 1977. Both schemes are administered by an independent Export Development Grants Board responsible to the Minister for Trade and Resources. Any individual, partnership, company, or association carrying on business in Australia and incurring eligible expenditure or having eligible export earnings is entitled to apply for grants under the schemes. Further details of the two schemes are given below.

Export Market Development Grants Scheme

The scheme is designed to encourage firms to seek out and develop overseas markets and to participate in Commonwealth Government sponsored promotions. Under the scheme, grants are payable to claimants on eligible export market development expenditure incurred for any goods, certain services (including tourism services), industrial property rights and know-how which are substantially of Australian origin, and value added services performed on imported goods owned by foreigners and subsequently re-exported.

Grants are payable at a single 70 per cent rate of grant for all eligible expenditure.

There is a ceiling on annual payments to any one claimant of \$100,000, plus an additional amount of up to \$25,000 in respect of eligible expenditure on Commonwealth Government sponsored trade promotions. Wholly owned subsidiaries and their parent corporations are treated as separate entities and each is entitled to claim up to the maximum grant ceiling.

Export Expansion Grants Scheme

This is a scheme under which grants are calculated on a formula applied to the increase in eligible exports in the grant year, over the average annual eligible exports in the three immediately preceding years. The grant rate scale to be applied to the increase in exports is:

AUSTRALIA—EXPORT EXPANSION
GRANTS SCHEME: GRANT RATE

Value of increase	Grant rate-cents in the dollar
\$	
1-500,000	15
500,001-5,000,000	10
5,000,001-10,000,000	5
10,000,001 and over	2.5

The scheme covers exports of manufactured goods, some bulk farm and agricultural products, certain services provided overseas, value added services performed on imported goods subsequently re-exported, and the sale of industrial property rights and know-how that are substantially Australian in origin. Specific exclusions are minerals, wool, wheat, sugar, livestock, most meat (including offal), hides, tallow, woodchips, and waste and scrap materials.

Export of consulting services

Australian professional consultants, with the assistance of the Commonwealth Department of Trade and Resources, have been increasingly successful in obtaining overseas commissions and are contributing significantly to Australia's foreign exchange earnings.

The consultants are representative of a wide range of disciplines, including engineering, architecture, agriculture, mining, surveying, and urban and regional planning.

Most opportunities for Australian professional consultants arise through development projects financed by international aid and lending organisations such as the International Bank for Reconstruction and Development, the United Nations Development Programme, and the Asian Development Bank.

To provide consultants with a form of promotion appropriate to their function, the Commonwealth Government established the Consulting Services Feasibility Study Fund in 1973. This facility is used to finance selected feasibility studies of approved developmental projects overseas carried out by Australian consultants in developing countries.

The Department of Trade and Resources maintains close contact with the respective professional bodies representative of consultants, particularly the Australian Professional Consultants Council.

Construction contracts overseas

The Australian Overseas Construction Council, which was formed by the Master Builders' Federation of Australia and the Australian Federation of Construction Contractors, assists construction contractors in the securing of contracts overseas. It has a close liaison with the Commonwealth Department of Trade and Resources, which provides information on construction opportunities overseas.

Australian Overseas Projects Corporation

The Commonwealth Government has established the Australian Overseas Projects Corporation (AOPC). The basic objective of the AOPC is to assist Australian industry to compete for large-scale development projects overseas. It does this at the request of Australian industry, by acting in a co-ordinating role, especially when a project involves a range of skills and requires a number of firms to combine as a consortium to provide a single competitive bid. In some cases, the inclusion of Commonwealth Government expertise may be required by Australian industry and this may be made available through the Corporation.

The AOPC is directed by a Board drawn primarily from Australian private enterprise. It operates on a commercial basis and charges a fee for its services.

Investment overseas

The Commonwealth Government promotes and encourages direct private Australian investment overseas, particularly in developing countries where the investment is undertaken on a joint venture basis with participation by local partners, and which is in accordance with the social and economic development priorities and investment plans of

the host countries. Investments overseas should also be in Australia's national interest. The Commonwealth Government assists worthwhile new investment by a number of measures, including:

Overseas Investment Insurance Scheme. Insurance of overseas investments against the non-commercial risks of expropriation, exchange control restrictions, and war damage can be effected with the Export Finance Insurance Corporation. Since February 1975, the scope of the scheme has been broadened to include all new investments which might assist in the economic and social development of an overseas country. The scheme has also been extended to include new eligible investments in Papua New Guinea.

General Investment Information and Advisory Service. To assist Australian firms in evaluating investment prospects in overseas countries, a comprehensive range of investment information on a number of overseas countries is held by the regional and head offices of the Commonwealth Department of Trade and Resources, and is available free on request to investors and potential investors. The Department also arranges seminars on investment opportunities and prospects in specific countries.

Victoria's business representation overseas

The State of Victoria is represented overseas by an Agent General's office in London, a Victorian Government office in Tokyo, and Victoria Promotion Committee offices in London, Milan, Munich, New York, and Paris.

The Tokyo office is administered by the Department of the Premier and serves Japan, the People's Republic of China, South Korea, Hong Kong, and the Philippines. The other offices are administered by the Victoria Promotion Committee which has two committees, one located in Melbourne and the other in London. Both committees comprise leading members of the business community and representation from the Victorian Government. Currently, their activities centre around attracting overseas industries and capital to Victoria and the linking of overseas and local interests in joint ventures, technological expertise, and licensing agreements, etc.

In various ways, all the overseas offices direct their efforts to attract investment into Victoria and to promote communication and trade with other countries. Consequently, the overseas offices maintain direct liaison with a number of government departments and other organisations. For instance, the Department of State Development, Decentralization and Tourism, and the Victorian Development Corporation co-operate to provide comprehensive information to overseas inquiries. Some of these include such topics as the extent of investment opportunities in Victoria, economic analyses of industrial and commercial proposals, detailed submissions on industrial locations, and promoting generally the overseas use of Victorian expertise and skills.

Victorian Government officers organise and conduct overseas promotional projects and displays to maintain an awareness of the export potential of the State. Assistance is provided to co-ordinate and service incoming and outgoing overseas trade missions and group visits.

The Victorian Government also maintains up-to-date information on interstate and overseas channels of distribution and marketing of commercial intelligence, undertakes market surveys, and identifies areas of comparative advantage for Victorian products. For example, a Victorian Directory of Exports has recently been produced, listing a wide variety of Victorian manufacturers, primary producers and commercial operators who wish to have their products or services promoted overseas and interstate.

The overseas offices handle inquiries relating to contracts and tenders, and from overseas organisations wishing to obtain a wide range of goods and services. Where practicable, these inquiries are directed to Victorian manufacturers or suppliers.

World Trade Centre, Melbourne

Construction of the World Trade Centre in Melbourne commenced in March 1979. The project is being developed by the Port of Melbourne Authority and is scheduled for progressive completion during 1981-82.

The Centre will be located at North Wharf, one of the oldest areas of the Port of Melbourne. This site became available for re-development when the North Wharf area could no longer be used for direct shipping purposes because of the construction of the low-level Johnson Street Bridge over the Yarra River in 1978. The site's close proximity to

the Port and the commercial and financial centre of the city, and its ready access to Melbourne Airport, rail, and tram services, and Melbourne's major arterial roads make the 5.6 hectare area of land most suitable for the development of a World Trade Centre.

The Centre will consist of five inter-linked office buildings, a gallery exhibition area, retail concession areas, and extensive car-parking facilities. The Port of Melbourne Authority will be re-located at the complex, occupying a major portion of the tallest fifteen storey building. The central computer, which will be available for use by all other tenants, will be located within this building. The four other buildings, ranging between eight and thirteen storeys in height, will contain office accommodation for manufacturers, customs agents, freight forwarders, shipping companies, government trade promotion services, and other sections of the international business community. Information regarding suppliers and purchasers, foreign markets, transport conditions, finance fluctuations, and changing foreign government requirements will be available through the information services provided with the Centre.

The first World Trade Centre was established in New Orleans in 1943. In 1968, representatives from twenty-five countries met in Tokyo to assess the potential of World Trade Centres in their respective countries. From this meeting emerged the World Trade Centres Association, whose main objective is to expand international business by fostering the World Trade Centre concept. Through this Association, Melbourne will become linked to Trade Centres around the world, thereby providing reciprocal, mutual, and co-operative services.

No two World Trade Centres are entirely alike. Each existing Centre has been designed to meet the needs and requirements of the particular trading community it serves. However, each World Trade Centre has a basic common characteristic: it brings together, into one location, organisations involved in the trading community to provide a focal point for international trade which will ensure the maximum utilisation of services to enable increased trade, profitability, and more efficient operations for tenants and the trade community in general.

Further references: Victoria's pattern of trade, *Victorian Year Book* 1964, pp. 781-5; Export Payments Insurance Corporation, 1975, pp. 531-2; Historical background, 1977, pp. 527-8

EXTERNAL TRADE STATISTICS

Compilation

A description of the method of compilation of external trade statistics can be found on pages 537-8 of the *Victorian Year Book* 1977.

Recorded value of imports and exports

Before 1 July 1976, all values in overseas trade statistics were determined on a "free on board (f.o.b.) port of shipment" basis. This meant that all charges (in particular the cost of freight and insurance) incurred after the goods had been exported from the port of shipment were excluded. Only transport and service charges incurred, or usually incurred, before export were included in the determination of trade values.

On 1 July 1976, a new system was introduced for valuing imports for customs purposes. Under the new system, which is based on the internationally recognised Brussels Definition of Value, the value for duty is now based on the normal price, i.e., the price the goods would fetch at the time when the duty becomes payable on a sale in the open market between a buyer and a seller independent of each other. The goods are valued in the country of exportation, i.e., freight and insurance are excluded.

Overseas trade of Victoria

Statistics of Australia's overseas trade passing through Victorian ports are compiled from documents obtained under the Customs Act and are shown in the following tables. These present a five-year summary of total imports into, and exports from, Victorian ports, followed by a comparison of this trade with that of Australia as a whole, and details of the commodities and countries involved.

VICTORIA—OVERSEAS TRADE: RECORDED VALUES OF IMPORTS
INTO AND EXPORTS FROM VICTORIAN PORTS
(\$'000) (a)

Year	Imports	Exports			Excess of imports
		Australian produce	Re-exports	Total	
1973-74	2,155,759	1,556,720	36,920	1,593,640	562,119
1974-75	2,793,411	1,631,044	65,784	1,696,828	1,096,583
1975-76	2,875,342	1,752,502	65,742	1,818,244	1,057,098
1976-77 (a)	3,665,917	2,131,432	84,803	2,216,235	1,449,682
1977-78 (a)	3,855,619	2,421,256	84,512	2,505,768	1,349,851

(a) For footnote see page 434.

AUSTRALIA AND VICTORIA—VALUE OF AUSTRALIAN TRADE
AND PROPORTION HANDLED AT VICTORIAN PORTS

Year	Australian trade			Proportion of Australian trade handled at Victorian ports		
	Imports	Exports	Total	Imports	Exports	Total
	\$'000	\$'000	\$'000	per cent	per cent	per cent
1973-74	6,085,004	6,913,746	12,998,750	35.4	23.1	28.8
1974-75	8,083,099	8,672,762	16,755,861	34.6	19.6	26.8
1975-76	8,240,187	9,600,748	17,840,935	34.9	18.9	26.3
1976-77 (a)	10,410,617	11,646,412	22,057,029	35.2	19.0	26.7
1977-78 (a)	11,166,553	12,269,530	23,436,083	34.5	20.4	27.1

(a) For footnote see page 434.

Classification of overseas imports and exports

The value of trade according to Australian Import Commodity Classification (AICC) and Australian Export Commodity Classification (AECC) classifications is shown in the following table for the years 1976-77 and 1977-78:

VICTORIA—CLASSIFICATION OF OVERSEAS IMPORTS AND EXPORTS
(\$'000) (a)

Division number	Description	Imports		Exports	
		1976-77	1977-78	1976-77	1977-78
00	Live animals	5,794	5,610	3,265	13,199
01	Meat and meat preparations	460	682	253,763	340,936
02	Dairy products and eggs	9,410	10,065	152,982	149,673
03	Fish and fish preparations	32,919	37,083	19,522	21,817
04	Cereals and cereal preparations	5,169	6,039	214,426	316,596
05	Fruit and vegetables	26,556	33,497	72,967	82,585
06	Sugar and sugar preparations and honey	4,184	4,144	1,730	1,680
07	Coffee, tea, cocoa, spices, and manufactures thereof	80,185	112,996	17,768	14,779
08	Feeding-stuff for animals (except unmilled cereals)	3,004	4,196	19,639	20,348
09	Miscellaneous preparations chiefly for food	4,081	5,123	2,255	3,023
11	Beverages	11,289	13,014	4,243	5,713
12	Tobacco and tobacco manufactures	18,480	22,777	958	1,673
21	Hides, skins, and fur skins, undressed	1,885	1,800	116,248	125,604
22	Oil seeds, oil nuts, and oil kernels	1,448	2,748	461	145
23	Crude rubber (including synthetic and reclaimed)	26,897	29,208	935	1,249
24	Wood, timber, and cork	38,336	30,437	312	681
25	Pulp and waste paper	19,282	18,716	238	376
26	Textile fibres and their waste	39,080	42,163	449,635	391,370
27	Crude fertilisers and crude minerals (except coal, petroleum, and precious stones)	21,441	29,324	1,719	1,839

VICTORIA—CLASSIFICATION OF OVERSEAS IMPORTS AND EXPORTS—*continued*
(S'000) (a)

Division number	Description	Imports		Exports	
		1976-77	1977-78	1976-77	1977-78
28	Metalliferous ores and metal scrap	372	1,395	53,314	68,525
29	Crude animal and vegetable materials, n.e.c.	8,559	8,922	11,026	12,384
32	Coal, coke, and briquettes	148	218	4,189	3,537
33	Petroleum and petroleum products	107,205	106,340	118,859	122,279
34	Petroleum gases and other gaseous hydrocarbons	36	39	(b)	(b)
41	Animal oils and fats	169	369	21,512	33,257
42	Fixed vegetable oils and fats	21,833	24,824	711	538
43	Animal and vegetable oils and fats, processed, and waxes of animal or vegetable origin	2,359	3,469	2,147	2,416
51	Chemical elements and compounds	118,931	115,426	11,132	13,504
52	Mineral tar and crude chemicals from coal, petroleum, and natural gas	993	1,878	2	—
53	Dyeing, tanning, and colouring materials	21,690	23,640	5,023	6,499
54	Medicinal and pharmaceutical products	29,228	32,396	14,707	18,371
55	Essential oils and perfume materials; toilet, polishing, and cleansing preparations	7,808	9,915	2,061	3,105
56	Fertilisers, manufactured	3,683	3,746	15	16
57	Explosives and pyrotechnic products	4,214	6,849	2,359	1,713
58	Plastic materials, regenerated cellulose, and artificial resins	105,848	109,420	23,265	24,482
59	Chemical materials and products, n.e.c.	42,200	50,623	21,970	22,235
61	Leather, leather manufactures, n.e.c., and dressed fur skins	9,615	12,680	2,997	3,509
62	Rubber manufactures, n.e.c.	42,197	46,450	2,777	3,096
63	Wood and cork manufactures (except furniture)	19,556	17,194	985	853
64	Paper, paperboard, and manufactures thereof	97,112	97,901	6,244	6,989
65	Textile yarns, fabrics, made-up articles, and related products	294,213	308,962	14,072	11,392
66	Non-metallic mineral manufactures, n.e.c.	70,606	76,485	11,537	12,062
67	Iron and steel	87,874	99,926	24,480	48,816
68	Non-ferrous metals	19,670	20,452	56,908	50,596
69	Manufactures of metal, n.e.c.	100,277	110,489	39,037	38,635
71	Machinery (except electric)	604,408	646,533	80,606	99,359
72	Electrical machinery, apparatus, and appliances	337,873	344,544	38,018	38,771
73	Transport equipment	585,557	516,293	67,590	67,127
81	Sanitary, plumbing, heating, and lighting fixtures and fittings	12,278	11,153	1,237	1,309
82	Furniture	19,920	21,321	538	876
83	Travel goods, handbags, and similar articles	9,352	10,042	86	45
84	Clothing and clothing accessories; articles of knitted or crocheted fabric	94,572	115,073	7,367	5,430
85	Footwear, gaiters, and similar articles and parts thereof	33,345	39,296	441	878
86	Professional, scientific, and controlling instruments; photographic and optical goods, watches, and clocks	131,310	157,646	30,674	39,608
89	Miscellaneous manufactured articles, n.e.c.	191,315	209,109	18,351	20,122
9A	Commodities and transactions of merchandise trade, n.e.c.	61,040	68,684	(c)147,334	(c)188,212
	Total merchandise	3,647,266	3,839,324	2,176,637	2,463,832
9B	Commodities and transactions not included in merchandise trade	18,651	16,295	39,598	41,936
	Total	3,665,917	3,855,619	2,216,235	2,505,768

(a) The recorded value of imports is the value for duty for Customs purposes. On 1 July 1976, the f.o.b. valuation basis relating to imports was replaced by the Brussels Definition of Value, i.e., the price the goods would fetch at the time the duty becomes payable on a sale in the open market between a buyer and a seller independent of each other. Because of this change, the import figures for 1976-77 and 1977-78 are not strictly comparable with those before July 1976. Export figures remain valued on the f.o.b. basis.

(b) Included in Division 9A.

(c) Includes Division 34.

Trade with overseas countries

The value of trade with overseas countries for the years 1975-76 to 1977-78 is shown in the following table:

**VICTORIA—OVERSEAS IMPORTS AND EXPORTS: COUNTRIES OF
ORIGIN AND CONSIGNMENT
(\$'000) (a)**

Country	Imports			Exports		
	1975-76	1976-77 (a)	1977-78 (a)	1975-76	1976-77	1977-78
Arab Republic of Egypt	46	76	39	40,141	37,330	56,593
Austria	9,464	10,295	12,862	1,250	1,902	5,219
Belgium-Luxembourg	24,883	32,383	41,312	20,888	19,174	15,498
Brazil	4,785	9,560	13,189	3,903	2,561	12,603
Canada	57,967	92,952	76,718	28,144	37,741	43,427
China—						
Excluding Taiwan						
Province	22,787	30,414	37,457	49,193	28,542	96,064
Taiwan Province only	54,922	88,135	98,935	36,843	30,354	40,684
Fiji	1,484	2,349	3,011	14,852	17,208	24,693
Finland	8,556	18,329	18,146	821	1,539	1,516
France	55,704	69,831	67,066	49,007	71,102	70,167
Germany, Federal						
Republic of	251,077	352,456	336,487	40,475	67,485	85,635
Hong Kong	85,241	100,984	101,791	40,790	46,578	53,398
India	20,446	28,422	35,354	17,800	33,560	14,683
Indonesia	8,503	18,185	30,653	37,899	36,400	34,881
Iran	8,190	3,267	1,747	12,682	37,664	61,199
Iraq	38,969	740	1,840	844	5,072	22,419
Italy	66,770	82,192	92,706	36,005	70,541	57,879
Japan	564,515	711,075	703,398	399,581	504,449	524,156
Korea, Republic of	30,491	39,084	58,081	19,730	33,113	56,393
Kuwait	8,234	22,883	21,375	3,909	6,583	7,690
Malaysia	31,524	44,616	47,871	34,544	42,983	51,026
Netherlands	61,126	72,279	77,300	18,556	16,742	19,017
New Zealand	95,783	124,032	148,951	185,415	224,088	223,664
Papua New Guinea	12,310	28,139	40,049	45,600	52,586	59,613
Philippines	9,325	14,576	22,158	36,710	41,550	40,659
Poland	2,023	2,561	2,595	15,030	30,467	22,056
Saudi Arabia	20,184	30,442	35,563	14,814	26,698	43,312
Singapore	30,549	49,454	55,377	54,530	56,505	67,515
South Africa	10,668	18,052	20,131	29,662	15,468	17,550
Spain	14,600	16,945	16,722	5,876	10,633	17,432
Sweden	67,169	86,873	61,785	8,310	9,020	13,701
Switzerland	40,298	55,653	47,524	3,350	4,555	4,415
Thailand	7,321	9,315	10,495	14,507	23,793	21,887
United Kingdom	411,944	447,898	524,879	84,901	101,933	88,057
United States of America	603,087	813,463	834,757	164,508	170,297	232,327
U.S.S.R.	1,673	2,205	1,999	72,632	97,424	75,875
Venezuela	14	1,690	556	1,194	6,801	23,421
Yugoslavia	1,368	1,791	2,340	13,342	24,601	24,915
Other and unknown	131,342	132,321	152,400	160,006	171,193	174,529
Total	2,875,342	3,665,917	3,855,619	1,818,244	2,216,235	2,505,768

(a) For footnote see page 434.

Interstate trade

Statistics of trade between Victoria and other Australian States are incomplete and relate mainly to seaborne trade. Although a substantial quantity of freight is carried by road and rail transport between Victoria and neighbouring States, no details of this traffic are available. A small tonnage of freight is carried interstate by air.

Interstate trade by sea

In terms of quantity, the principal cargoes carried interstate by ship to and from Victorian ports are coal and briquettes, petroleum and petroleum products, steel, sugar and sugar preparations, and timber. However, there is also a considerable trade in foodstuffs, motor vehicles, and other manufactured goods, particularly through the Port of Melbourne.

Port of Melbourne

Interstate exports during 1977-78 totalled 2,955,585 tonnes. The principal commodities were petroleum products, 1,139,645 tonnes; transport equipment (including touring

passenger cars), 363,717 tonnes; chemicals, 49,500 tonnes; food preparations, 48,642 tonnes; fruit and vegetables, 37,604 tonnes; beverages, 34,774 tonnes; and machinery, 30,679 tonnes.

Interstate imports during the same period totalled 3,091,913 tonnes, the principal commodities being petroleum products, 377,828 tonnes; iron and steel, 349,777 tonnes; paper (newsprint and other), 283,105 tonnes; sugar, 227,203 tonnes; timber, 225,560 tonnes; touring passenger cars, 205,823 tonnes; and gypsum, 166,000 tonnes

Port of Geelong

Total interstate exports during 1978 amounted to 1,710,589 tonnes, of which petroleum and petroleum products accounted for 1,638,711 tonnes. Total interstate imports for the same period amounted to 443,020 tonnes, and consisted mainly of aluminium, 221,619 tonnes; petroleum and petroleum products, 180,250 tonnes; and pig iron, 22,360 tonnes.

Trade of Victoria with Western Australia and Tasmania

Details of trade between Victoria and other States are available only for trade with Western Australia and trade with Tasmania.

Western Australia

Exports from Victoria to Western Australia are valued in terms of landed cost (i.e., c.i.f. basis) at port of entry. Imports from Western Australia are valued at the f.o.b. equivalent at the port of shipment of the price at which the goods were sold. The small proportion of goods received by rail is valued at the f.o.r. equivalent.

For 1977-78, the value of exports from Victoria to Western Australia totalled \$809.3m. Transport equipment, \$153.7m; machinery other than electric, \$83.1m; clothing and clothing accessories and articles of knitted or crocheted fabric, \$63.5m; and petroleum and petroleum products, \$58.0m, were the main types of commodities included in this total.

Imports from Western Australia during the same period were valued at \$101.4m. Machinery other than electric, \$19.0m; chemical elements and compounds, \$17.8m; and petroleum and petroleum products, \$9.7m, were the main types of commodities imported.

Detailed statistics of this trade appear in the publication *Statistics of Western Australia, Trade (Interstate and Overseas), 1977-78* (5401.5) issued by the Deputy Commonwealth Statistician, Perth.

Tasmania

Details of trade between Victoria and Tasmania include both air and sea trade. Both exports and imports are valued on an f.o.b. basis.

For 1977-78, exports by sea and air from Victoria to Tasmania were valued at \$447.1m. Petroleum products, \$90.2m; transport equipment, \$72.5m; clothing and accessories, \$34.0m; and machinery other than electric, \$25.6m, were the main types of commodities exported. The value of tourists' motor vehicles included in the total for 1977-78 was approximately \$39.4m.

Imports from Tasmania during the same period amounted to \$396.7m. Major items for which no figures can be released were newsprint, and printing and writing papers. Values for other main imports were tungsten ores, \$32.8m; timber, \$30.7m; preserved vegetables, \$28.4m; and refined zinc, \$14.4m. The value of tourists' motor vehicles included in the total for 1977-78 was approximately \$40.1m.

Further reference: Customs and excise revenue, *Victorian Year Book 1979*, pp. 418-9

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