



VICTORIA'S TRADE WITH CHINA

TWO-WAY TRADE:

- China is Victoria's largest trading partner and total two-way merchandise trade was worth \$11.7 billion in 2007–08.

GOODS EXPORTS:

- China is Victoria's largest goods export destination.
- Victoria's goods exports to China were worth \$2.3 billion in 2007–08 and have grown by an average 13% a year over the past decade.
- Victoria's top 10 goods exports to China in 2007–08 were:

• Wool	\$303m
• Raw hides and skins	\$203m
• Milk and cream	\$105m
• Internal combustion piston	\$96m
• Aluminium	\$79m
• Non-ferrous base metal waste	\$76m
• Liquefied propane & butane	\$75m
• Leather	\$64m
• Pulp & waste paper	\$47m
• Plastic articles, nes	\$37m

Total merchandise exports (a) \$2.3b

(a) Includes \$599m of confidential items, mainly confidential component of wool

- Other fast-growing Victorian goods exports included wine valued at \$15 million in 2007–08 (76% growth since 2002–03) and machine tools \$12 million, 76% since 2002–03.

SERVICES EXPORTS:

- Victoria's top services exports to China were education and tourism
 - Victoria hosted more than a quarter of the 107,000-plus Chinese student enrolments in Australian educational institutions in 2007.
 - Victoria received over 140,000 or 42% of all Chinese visitors to Australia. The number of Chinese visitors has risen by 92% since 2003, making them Victoria's 3rd largest source of inbound arrivals.
- Victoria has direct air services from Melbourne to Beijing, Shanghai and Guangzhou.



- Victoria's merchandise exports to China:

Financial Year	A\$m
1997-98	624
1998-99	669
1999-00	1,124
2000-01	1,430
2001-02	1,559
2002-03	1,601
2003-04	1,891
2004-05	1,821
2005-06	1,772
2006-07	2,073
2007-08	2,276



Partner Country	Financial Year 2007-08 A\$m
China	2,276
New Zealand	2,222
Japan	1,842
United States	1,716
Republic of Korea	1,194

AREAS WITH RISING EXPORT POTENTIAL FOR VICTORIA INCLUDE:

- Financial, insurance, banking and legal services
- Architectural and engineering services
- Niche software and other computer services
- Food and beverages
- Biotechnology
- **Environmental technology**
- **Clean technology and renewable engineering**

GOODS IMPORTS:

- China is Victoria's largest goods import source with goods imports valued at \$9.5 billion in 2007–08.
- Victoria's top five imports from China in 2007–08 were:
 - Clothing \$1659m
 - Toys, games and sporting goods \$643m
 - Footwear \$443m
 - Furniture \$426m
 - Telecommunications equipment \$407m

**65% of imported goods enter Australia through Victoria and NSW which act as distribution centres for other states. A proportion of these imports are sent on to neighbouring states and territories.*

OFFICIAL LINKS:

- The Victorian Government has business offices in Shanghai, Nanjing and Hong Kong as well as a special trade envoy for North Asia.
 - Victoria has a link with the Jiangsu Province.
 - Melbourne and China's third-largest city, Tianjin, established a sister city relationship in 1980—the first such relationship between an Australian city and a city in the People's Republic of China.
 - The Melbourne suburb of Bayside has a link with the city of Cixi (Zhejiang Province).
 - The Melbourne suburb Moreland has a link with the city of Xianyang (Shaanxi Province).
 - Victorian regional links include:

Victoria	China
Ararat	Taishan (Guangdong Province)
Ballarat	Kunshan (Jiangsu Province)
Baw Baw	Jiujiang (Jiangxi Province)
Bendigo	Tianshui (Gansu Province)
Dandenong	Xuzhou (Jiangou Province)
East Gippsland Shire	Weifang (Shandong Province)
Geelong	Lianyungang (Jiangsu Province)
Healesville	Pingdu (Shandong Province)
La Trobe City	Taizhou (Jiangsu Province)
Melton	Baoji (Shaanxi Province)
Portland	Zhangjiagang (Jiangsu Province)
South Gippsland	Jinshan
Southern Grampians	Gaoyou (Jiangsu)

VICTORIAN CASE STUDIES:

- With offices in Sydney and Brisbane and two Melbourne-based manufacturing facilities, **Sports Technology International** recently installed synthetic turf at the official hockey site for the Beijing 2008 Olympic Games. The hockey surface, accredited by the International Hockey Federation, was manufactured at Sports Technology International's factory in **Dandenong**. The company holds accreditations with all major sporting bodies around the world. In recognition of its export success, Sports Technology International was awarded the Victorian Exporter of the Year Award at the 2008 Governor of Victoria Export Awards.

- **ABT Creative**, an event marketing and brand communication agency based in Melbourne and Sydney, opened for business in Beijing in 2007. Recent projects in China have included high-profile branding events for Snickers chocolate bars and for IBM Beijing. ABT was awarded the contract to design and fit-out the environments as well as creating and managing the many events and activities for Austrade's Business Club Australia Beijing Olympic program. The Business Club program aims to facilitate business networking opportunities between Australian and Chinese businesses.
- **Complete Print Solutions (CPS)**, a Melbourne based specialist print management company, opened its Shanghai office last year. The office is providing risk-managed and low-cost print solutions for Chinese customers, as well as their existing multinational clients with operations in Asia.
- **Enex Testlab**, a Melbourne based IT testing service provider, recently signed a cooperation Memorandum of Understanding with Shanghai Pudong Service Provider of Software Resource & Technology (SPRT). The two companies will jointly deliver testing services for Chinese and overseas clients with a focus on embedded systems.
- **Orica Watercare**, a division of Orica Limited, is collaborating with China Water on a pilot water treatment plant project in Jiangsu province, using Orica Water's MIEX Technology for drinking water treatment. Orica Watercare is a leading supplier of environmentally responsible chemical water treatment technologies to the Australian Water and Wastewater industry and has offices in all Australian States, New Zealand and the United States.
- **Murray Goulburn Co-operative**, the largest processor of milk in Australia and the nation's largest exporter of processed food, opened a joint venture factory in China 2007. The business packages infant and adult nutritional products and distributes and markets these products under Murray Goulburn's brands into the Chinese market. The raw material is supplied to the joint venture company from Murray Goulburn's Cobram, Cobram Nutritionals and Leongatha plants. Murray Goulburn's technical and QA staff played a key role in establishing the factory and have spent time in Qingdao (the location of the factory) establishing quality systems and programs required to meet their requirements.
- With plants in Victoria and South Australia, **Futuris Automotive** has set up a joint venture subsidiary in Wuhu City, Anhui province, to supply seating systems to Chery Auto, one of China's major auto manufacturers.

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For information on the Australia-China FTA negotiations contact:

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For information on the practical aspects of exporting to China, contact Austrade on **13 28 78** or visit **www.austrade.gov.au**.