



## Australia–China Free Trade Agreement



# WESTERN AUSTRALIA'S TRADE WITH CHINA

## TWO-WAY TRADE:

- China is Western Australia's largest trading partner with two-way merchandise trade worth \$19.2 billion in 2007–08.

## GOODS EXPORTS:

- China is Western Australia's largest goods export destination.
- Western Australia's goods exports to China were worth \$17.4 billion in 2007–08 and have grown by an average 29% a year over the past decade. Western Australia accounts for more than 60% of Australia's merchandise exports to China.

- Western Australia's top 10 goods exports to China in 2007–08 were:

• Iron ore	\$11,997m
• Crude petroleum	\$646m
• Nickel ores	\$402m
• Nickel	\$248m
• Copper ores and concentrates	\$208m
• Wool	\$189m
• Zinc ores and concentrates	\$166m
• Pigments, paints, varnishes	\$117m
• Liquefied propane/butane	\$103m

**Total merchandise exports (a) \$17.4b**

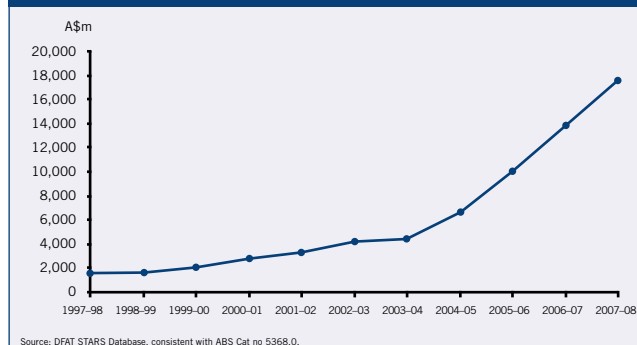
*(a) Includes \$3.3bn of confidential items, mainly alumina, LNG, wheat and nickel.*

- Other fast-growing Western Australian goods exports included animal fats valued at \$20 million (50% average annual growth since 2002–03), other mineral substance worth \$37 million (46% average annual growth since 2002–03).

## SERVICES EXPORTS:

- Western Australia's top services exports to China were education and tourism
  - Western Australia hosted over 4500 Chinese student enrolments in 2007.
  - Western Australia received nearly 13,000 Chinese visitors in 2007, an increase of 23% on 2003 figures.

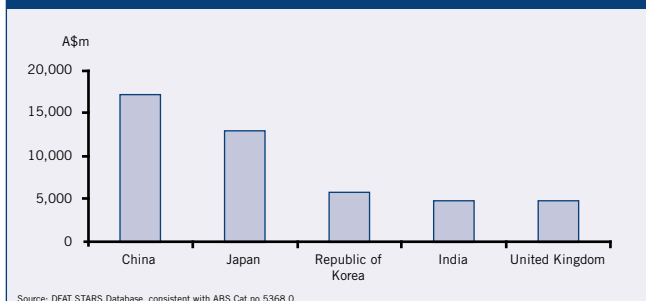
### Western Australia's Merchandise Exports to China



- Western Australia's merchandise exports to China:

Financial Year	A\$m
1997–98	1,498
1998–99	1,501
1999–00	1,867
2000–01	2,708
2001–02	3,208
2002–03	4,089
2003–04	4,414
2004–05	6,586
2005–06	9,837
2006–07	13,781
2007–08	17,380

### Western Australia's Top 5 Merchandise Export Destinations 2007–08



Partner Country	Financial Year 2007–08 A\$m
China	17,380
Japan	13,047
Republic of Korea	5,902
India	4,929
United Kingdom	4,833

## AREAS WITH RISING EXPORT POTENTIAL FOR WA INCLUDE:

- Minerals and petroleum products
- Mining/engineering technology and software
- Architectural/design services
- Building and construction products/services
- Joint manufacturing ventures
- Education and tourism
- Food and agricultural produce

## GOODS IMPORTS:

- China is Western Australia's 5th largest goods import source after Singapore, Japan, the United Kingdom and the United States.
- Total imports from China in 2007–08 were valued at \$1.9 billion.
- Western Australia's top five imports from China in 2007–08 were:
 

• Furniture	\$136m
• Fertiliser	\$105m
• Railway vehicles	\$98m
• Civil engineering equipment	\$84m
• Clothing	\$71m

## OFFICIAL LINKS:

- The Western Australian Government has trade offices in Shanghai and Hangzhou.
  - Western Australia and Zhejiang Province established a sister state relationship in 1987. Zhejiang has the highest per capita GDP as a province in China. Hangzhou, the provincial capital, and Ningbo are among the top ten cities in China for business according to Fortune magazine.
  - Perth and Nanjing established a sister city relationship in 1998. Situated in the lower reaches of the Yangtze River, Nanjing is the capital of Jiangsu Province and is an important communication and transportation centre with an extensive industrial base. It is also one of China's four major scientific research and educational centres and an important regional cultural centre.
  - The regional centre Bunbury is a sister city of Jiaxing (Zhejiang Province), Joondalup is a sister city of Jinan, the provincial capital of Shandong Province, and Cockburn has a link with Yueyang (Hunan Province).

## WESTERN AUSTRALIAN CASE STUDIES:

- Perth-based transit system company **ERG**, together with a local partner, supplied and installed a \$16 million automated fare collection system for the Beijing Metro System before the 2008 Beijing Olympics. The system is expected to handle fare collections for over 40 million passenger movements daily.
- Micromine China, the subsidiary of Perth-based global software company **Micromine**, is the country's largest full-scale exploration and mining software company. With on-the-ground support from mining industry specialists including geologists, surveyors and mining engineers, Micromine's software provides solutions for mine design and modelling, data management, mine production control, mine production management and the recording of field data. Micromine China has over 170 customers in China, ranging from small non-mechanised producers to top-tier commodities producers.
- Medical simulation and training company **Medic Vision** first opened its doors in Perth and now has offices in Hong Kong, Shanghai, London, Melbourne and Sydney. Medic Vision has exported more than \$2 million worth of cutting-edge simulation devices and consulting services to China.

- Perth's **Curtin University of Technology** has established research partnerships with several Chinese universities including the South China University of Technology (LNG-related technologies), the Huazhong University of Science and Technology (grid computing), the Harbin Institute of Technology (water quality) and the China University of Petroleum in Beijing (gas to liquid technologies). In 2007, Curtin University signed a collaborative agreement with the University of Newcastle, Tsinghua University and the Chinese Academy of Sciences, to advance the development of clean coal technology. Curtin University has also established teaching-related cooperation with the China University of Petroleum in Beijing (engineering) and the Dalian University of Finance and Economics (accounting).
- **The University of Western Australia**, with 2005 Nobel Laureates for Medicine, has joint labs with Zhejiang University (medical and agricultural researches).
- In Australia's biggest ever single-value export deal, WA's **North West Shelf Venture** is supplying the Guangdong Liquefied Natural Gas Terminal with between 3-4 million tonnes of LNG a year for 25 years starting in 2006.
- Western Australia accounts for one third of world production of high speed aluminium ferries. Western Australia built ferries are servicing in Pearl River Delta, Yangtze River Delta and Bohai Bay. **Austral Ships** has just delivered fourteen 47.5 meter passenger catamarans for Hong Kong operator Venetian Marketing Services Limited.
- Almost all the major steel companies in China have now invested in iron ore and iron ore processing projects in Western Australia.
- **China Southern Airlines** has trained its own pilots in Western Australia since 1993 and over 1,000 pilots have graduated from China Southern Flying College in Perth, China's only such training facility overseas.
- China's top three petroleum companies have either significant investments in, or trade deals with, Western Australia.

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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**.