

29 February 2016

Australia-European Union Free Trade Agreement
Europe Division
Department of Foreign Affairs and Trade
RG Casey Building
John McEwan Crescent
BARTON ACT 0221

Via email: a-eufta@dfat.gov.au

Dear Sir/Madam

Re: Free Trade Agreement

I write this letter in support of a Free Trade Agreement between Australia and the European Union.

ANCA is a manufacturer of CNC Grinding machines located in Bayswater, Victoria. The ANCA products have very little domestic market, and as a result export 99% of our products to other global markets. A substantial market for ANCA are the countries contained within the European Union.

For over 22 years ANCA has had a sales and service facility in Germany and is committed to selling our Australian made products and services into the European market. ANCA employs approximately 60 staff in the European division, 3 of which are Australian residents providing expertise to service the European market.

Last year ANCA opened a new purpose built European headquarters in Weinheim, Germany. This new facility includes a state of the art showroom and demonstration centre, customer care and training facilities and also a comprehensive spare parts warehouse. The new European headquarters firmly establishes our position in Europe and is affirmation of our commitment to future business in the European market.



Outside front view of the new 4 million European Headquarters.



His Excellency, Mr David Ritchie, AO, the Australian Ambassador to Germany and Mr Pat Boland, ANCA Joint Managing Director, unveiling the commemorative plaque at the European Headquarters opening.

In the 2015 financial year, ANCA paid approximately EUR €320,000 in import duties into Europe for our CNC Grinding machines. As well as the supply of our core product we also have a significant aftermarket business to support our customer base. Duty on all spare and warranty parts imported into Europe are subject to duty. Parts sent back to Australia for repair or reconditioning also incur duty. The duty amount is dependent on the item and harmonised code, but ranges between 0.5% and 4%.

Running a business operation in Europe is extremely costly compared with other locations. Managing costs and overheads can be a challenge and any additional revenue that can be kept in the business to offset the operating overhead is an advantage. A Free Trade Agreement between Australia and the European Union would, for ANCA, result in approximately EUR €500,000 being kept in the business. This additional revenue would contribute to ANCA's sustainability in the Europe market. It would also facilitate new employee positions to continue to grow the business and resulting flow back to Australia is additional exports. ANCA Motion, a division of ANCA Pty Ltd, is also looking to develop into the European market and set up in our German office. Any assistance from a trade perspective would assist in our decision making. We see substantial opportunity for growth for ANCA Motion in the European market.

ANCA is fully supportive of a Free Trade Agreement between Australia and the European Union and hope this brief submission in some way assists in the process and determining of priorities for forthcoming negotiations.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Grant Anderson', with a large, sweeping initial 'G'.

Grant Anderson
Chief Executive Officer
ANCA Pty Ltd

