


10th June 2004

Export Communication Network
Department of Innovation, Industry and Regional Development
Government of Victoria, Victoria, Australia



NATIONAL COATING COMPANY PTY LTD
Trading as
BRADSA
Suppliers to the
Curtain Industry

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National Coating Company Pty Ltd trading as Bradsal is a wholesaler and manufacturer of acrylic foam coatings to the curtain industry. At present with the aid of new machinery we are also aiming to diversify into fabric coating for the automotive and aged care markets.

National Coating Company Pty Ltd imports up to two hundred thousand metres of cotton and polycotton each month for the purpose of coating for an end use as a curtain lining or coated face fabric. We market this product both in Australia and internationally into currently 26 different countries. We import this fabric from both China and Pakistan. Hence we are value adding to an imported product and we are re-exporting this product in increasing volumes. Our products are also internationally renowned for their quality.

Of the counties that we are exporting to, China mainland is not one of them (as opposed to China – Hong Kong). The idea of a free trade agreement has some merit in that it may promote greater trading within our 2 countries. However I fear that Australia may be exploited in any agreement with China. The danger is that our markets may be flooded with cheap Chinese copies. Whilst some trade barriers for Australian Exporters may be removed, the cultural barriers that still exist in blocking our entry into China would still remain and thus any agreement would have the potential to be all one-way traffic.

China is currently a very difficult region to develop an export business into. I appreciate that we must consider breaking down these trade barriers to promote further business, but any move to do so has the potential to endanger the viability of Australian manufacturers. These same Australian manufacturers will have to endure the pain of an even more competitive Chinese cheap product without the upside of easy access into their own Chinese markets.

Equally as frustrating from a local manufacturers point of view is that we are negotiating such a free trade agreement with a country whose currency is linked to the fortunes of the US Dollar. Any negotiation should include the floating of the Chinese yuan and therefore allow market forces to take effect. Surely if we negotiate to open our borders in relation to trade then the floating of the Chinese yuan must be an absolute requirement to make it a truly open agreement.

Please consider my thoughts and my fears re the effect that the giant might of the Chinese economy may have on our Australian market and manufacturers.

Regards,

Barri Trotter
General Manager