



Australian Government

Department of Foreign Affairs and Trade

Australian Trade Commission

# Export*EU*

A Guide to the European Union for Australian Business



# Disclaimer

© Commonwealth of Australia 2005

This work is copyright. Apart from any use permitted under the Copyright Act 1968, no part may be produced by any process without prior written permission from the Commonwealth available from Info Products. Requests and enquiries concerning reproduction and rights should be addressed to the Manager, Legislative Services, Info Products, Department of Finance and Administration, GPO Box 1920, Canberra ACT 2601.

While every care has been taken in ensuring the accuracy of the information provided, the Department of Foreign Affairs and Trade, its employees and agents, accept no liability for any loss, damage or expense arising out of, or in connection with, any reliance on any omissions or inaccuracies in the material contained in this publication.

Where identified, material in this publication is drawn from third party submissions and the Department of Foreign Affairs and Trade neither endorses those submissions, nor vouches for the accuracy or completeness of the information contained within them.

This publication is intended to provide general information only and before entering into any particular transaction users should:

1. rely on their own enquiries, skill and care in using this information
2. check with primary sources in respect of third party submissions
3. seek independent advice.

Designed and Typeset by Levitate Graphic Design

# Acknowledgments

The Department of Foreign Affairs and Trade (DFAT) and the Australian Trade Commission (Austrade) wish to acknowledge all those who assisted in the publication of previous editions of Export EU. In addition they would also like to acknowledge those who assisted with this updated publication.

Primary research and drafting was undertaken by the European Union and Western Europe Branch within DFAT. Contributions from Trade Development Division and the Office of Trade Negotiations were also appreciated.

For the original version, Walter Goode's Dictionary of Trade Policy Terms (published by the Centre for International Economic Studies, University of Adelaide) was a useful reference document and elements of this have been drawn upon for the A-Z section.

As the case studies show, a number of businesses provided substantial input to the publication. Valuable comments and assistance came from Patons Macadamias, Hardy Wine Company, Seedmark, Michell Wool, RM Williams, AV Syntec, National Australia Bank, Garwood International, ACL Bearing Company, Virtual Programming, Bishop Technology Group, Austal Ships and Chris Grow Engineering.

Other government agencies consulted include the Department of Industry, Tourism and Resources; the Department of Agriculture, Fisheries and Forestry; the Australian Quarantine and Inspection Service; and the Export Finance and Insurance Corporation.

European Union photographs were sourced from the Central Audiovisual Library, European Commission.

# Contents

<b>Acknowledgements</b>	<b>iii</b>
<b>Executive Summary</b>	<b>v</b>
<b>Section 1: Overview</b>	<b>1</b>
The European Union	2
The EU in the Global Economy	2
Institutions of the European Union	3
The Single Market and the Common Commercial Policy	5
Australia's Trade Relations with the European Union	7
Australia's Trade with the European Union	7
Agenda for Cooperation	10
Australia's Market Access Priorities in the EU	11
European Union Trade Policy	13
The EU and Regional and Free Trade Agreements	14
Issues Affecting Australia's Trade with the EU	18
European Economic Integration	18
The Euro	18
EU Enlargement	19
Eastward Expansion for the EU	20
How the Australian Government Assists Business	23
<b>Section 2: A-Z of Trade and Market Information</b>	<b>29</b>
<b>Section 3: Country Information</b>	<b>83</b>
<b>Appendices</b>	<b>85</b>
Abbreviations and Acronyms	86
Contacts	89
Further Reading	104

## Executive Summary

The European Union is one of the largest economies in the world along with the United States, with a GDP of US\$11 trillion in 2003. Australia and the member states of the EU have a long trading history and, taken as a single entity, the EU is Australia's largest trading partner and source of foreign investment. Australia has run a historical trade deficit with the EU. However, Australian merchandise exports to the EU have increased steadily in recent years and services trade has also grown strongly. Following enlargement in May 2004 from 15 to 25 members and further market integration, the EU will continue to be a very important market for Australian exporters. EU membership is set to increase in the future.

The single market enables goods to move freely throughout the EU. Australia enjoys good access to the EU market, with the exception of agriculture. The EU and Australia have differences on some trade policy issues but our trading relationship is healthy.

The EU is the world's largest exporter and plays a significant role in the international trade arena, including in the World Trade Organization (WTO). It has also been active in pursuing bilateral and regional free trade agreements to achieve its economic and political objectives.

On 1 May 2004, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia joined the existing 15 EU member states. Romania and Bulgaria are aiming to join by 2007. Negotiations for Turkey and Croatia's accession are to begin in 2005. Expanded membership has resulted in enormous growth in the population and area of the EU. Central European markets have become increasingly attractive as the benefits of joining the EU flow through to their economies. Some Australian companies are already active in these markets.

The euro has so far been adopted by 12 EU member states, forming the 'euro area' and the new members will be seeking to adopt the euro in the near future. For Australians doing business in the EU, the euro reduces cross-border transaction costs, impacts on pricing strategies, and creates a deeper and more liquid financial market.

The EU presents an excellent range of opportunities for Australian companies. Section One of this publication outlines these opportunities and provides information for potential exporters on the EU and its institutions. All dollar amounts are in Australian Dollars (A\$) unless otherwise specified.

The A-Z in Section Two of this publication includes a list of terms that business may encounter when dealing with the EU. It also contains a number of case studies from firms already doing business in this market.

Links to economic fact sheets for 29 countries, in Section Three, provide a statistical profile of EU and potential EU member states. Appendices include a comprehensive list of commonly used acronyms and abbreviations, a detailed list of contacts, both here and overseas, and a further reading section.

Section 1: *Overview*



***The EU economy rivals that of the US in size...***

***Enlargement has made the EU an ever-more important market for Australia.***

***The EU is a significant exporter of goods and services...***

***and an important global investor.***

***The EU is developing strategies to boost growth.***

## The EU in the Global Economy

The European Union is on par with the United States as a major centre of power in the global economy. In 2003, the GDP of the EU of 25 was US\$11 trillion. This constituted 30.4 per cent of global GDP, the same as that for the United States, and compared with 11.9 per cent for Japan. With a population of over 450 million people, the EU represents an increasingly attractive market. Enlargement of the EU to 25 member states in May 2004 increased the EU's GDP by around US\$491 billion. In addition, the EU includes the third, fourth, fifth, sixth and ninth largest economies in the world: Germany, the United Kingdom, France, Italy and Spain. These characteristics combine to create an enormous export and investor market that is mature and sophisticated, combined with rapid growth in its new members.

In 2003, the EU accounted for 15.0 per cent of global merchandise exports (as compared to 10.7 per cent by the US), valued at US\$940 billion, not including intra-EU trade. Illustrating the size of the economy, extra-EU merchandise exports in the same year accounted for only 10.2 per cent of the GDP of the EU. Services exports were valued at US\$686 billion. Additionally, EU member states comprise six of the world's top 10 exporters of commercial services.

The EU is also a major player in international capital markets, both through lending and investment. The EU is the world's most important source of foreign direct investment flows and, as at 2001, was the domicile of 51 of the world's 100 largest transnational corporations, as ranked by foreign assets.

In 2000, the EU adopted the Lisbon Strategy, an ambitious economic reform program designed to make the EU the most dynamic and competitive knowledge-based economy in the world by 2010. However, implementation of the Strategy has been slow, hampered by weak EU economic growth in recent years.

The EU economy rebounded slightly in 2004, with Consensus Forecasts estimating the EU25 economy grew by 2.3 per cent, up from 1.0 per cent in 2003, but lagging behind the US and Japan at 4.4 and 3.9 per cent respectively. The EU's turnaround was driven mainly by exports, which performed well despite the strong euro.

***Enlargement will encourage growth in the EU as a whole, especially in the new member states***

***The EU is overseen by the European Council, which brings together Heads of State or Government and the President of the Commission.***

However, there is disparity in the performance of individual EU members. Growth in the euro area was just 1.8 per cent in 2004, with weak domestic demand largely offsetting increased export earnings. Germany, the euro area's largest economy, grew by 1.7 per cent, while France and Spain expanded by 2.2 and 2.6 per cent respectively. Growth in newly acceded EU countries was 4.7 per cent in 2004. While this result was achieved from a low base, with the combined GDP of all 10 new members equivalent only to that of the Netherlands, most are forecast to experience average real GDP growth of at least 4 per cent a year in the medium term.

Regularly updated information and statistics on economic activity in the EU is available from the country information pages on the DFAT website: [http://www.dfat.gov.au/geo/european\\_union/index.html](http://www.dfat.gov.au/geo/european_union/index.html)

## **Institutions of the European Union**

---

The European Union binds together 25 member states. The business of the EU is carried out by five institutions. The decision-making institutions are the European Council, the Commission of the European Communities and the European Parliament. The European Court of Justice and the Court of Auditors are judicial bodies.

The **European Council** is the pre-eminent body of the EU, under which the Heads of State or Government of the EU member states and the President of the European Commission come together in regular summits.

Under current arrangements the **Presidency of the European Union** rotates among member states on a six-monthly basis. The Presidency is responsible for moving forward issues on the EU agenda, primarily by organising and leading meetings of the European Council and the Council of Ministers, acting as spokesperson of the EU and representing the EU internationally. If ratified, the new Constitutional Treaty would provide for the six-month rotating Presidency to be replaced by a Council President who would be elected for a term of two and a half years. Under the new constitution, groups of three member states would hold the Presidency for a period of 18 months, working under the Council President.

The making of EU legislation (regulations, directives and decisions) is shared between the Commission, the Parliament, and the Council of Ministers. Only the Commission is able to propose new regulations or directives. The proposals then go to the European Parliament and the Council where, depending on the subject area, different legislative processes apply. Processes are complex and can include consultations, cooperation and co-decision.

### *The European Commission*

The **European Commission** has extensive powers to initiate and develop Community legislation. However, it has no direct implementation or enforcement powers. The Commission consists of a President and Commissioners from each member state (appointed for five year terms). The Commission also manages the EU's external trade relations and so is the most visible of the EU's institutions to outsiders.

### *The European Parliament*

The **European Parliament** is the one institution that is directly elected by citizens of the member states for a term of five years. Each member state has an allocated number of representatives who are elected, according to rules drawn up by the individual member state. The Parliament is responsible, with the Council, for adopting the European Community budget. It shares decision-making power with the Council on most internal market policies, and must be consulted on other policy matters before the Council takes a decision.

### *The Council of Ministers*

The Council of the European Union is usually known as the **Council of Ministers**. The Council, which feeds into the Heads of Government or State deliberations (that is the European Council), is composed of portfolio ministers from each member state, and is responsible for taking decisions on particular portfolio policies (eg, agriculture) that come under European Community competence.

### *The European Court of Justice*

The **European Court of Justice** is the legal authority of the EU. Its primary task is to interpret the treaties upon which the EU is founded. The Court ensures EU law is uniformly interpreted and implemented in EU member states. It also adjudicates between EU institutions, between EU member states and between the institutions and individual citizens. The Court consists of one judge from each member state and eight advocates-general and is supplemented by a

### ***The Court of Auditors***

Court of First Instance, comprised of judges from each of the member states. Individuals and businesses may bring cases of European Community law before the Court of First Instance with the possibility of subsequent appeal to the Court of Justice.

### ***The EU continues to reform its institutions.***

The **Court of Auditors** is the EU's independent audit body. Each year it examines the use of the budget funds and related accounts, and reports to the Council of Ministers and the European Parliament as the joint budgetary authority. It consists of one member from each member state appointed by the Council, after consultation with the Commission and European Parliament, for a renewable six-year term.

The EU is continually developing and reforming itself through amendments to the treaties which govern its operations. At the European Council Summit in June 2004, member states agreed on the text of a new Constitutional Treaty. Among other changes, the constitution sets out new rules for qualified majority voting, the number of Commissioners, and creates the roles of European Council President and EU Foreign Minister.

The constitution must be ratified by all member states, a process which is likely to continue until 2006, with many countries holding public referenda. If the constitution is ratified in time, its provisions are expected to come into force in 2007.

## **The Single Market and the Common Commercial Policy**

---

### ***The single market is a fully integrated and liberalised market for goods, services and factors of production.***

The **Single Market** refers to the creation of a fully integrated market within the EU which allows for the free movement of goods, services and factors of production (including labour).

The Treaty of Rome, signed in 1957, marked the beginning of the evolution of the single market. By 1969, the European Economic Community (EEC) had abolished most tariffs and quotas between states, allowing goods to circulate relatively freely within the EEC. By 1993, the creation of the Single European Market was largely complete, with the removal of most technical and physical barriers to the movement of people, goods, capital and services.

*The EU has in place a number of policies designed to assist the efficient functioning of the single market.*

*The Common Commercial Policy harmonises external aspects of the single market.*

The EU, in conjunction with member states, has in place a number of policies designed to assist the functioning of the market. Among the most important of these policies are:

- free movement of goods: establishment of a customs union covering all trade in goods and adoption of a common customs tariff with respect to third countries;
- free movement of persons: mandating the right of any citizen of an EU member state to live and work in any other EU member state. There will be a phased-in period for this right for citizens of the 10 new member states;
- competition policy: designed to prevent price fixing, collusion and abuse of monopoly or significant market power. The EU adopted the Lisbon Strategy in 2000 to improve, among other things, competition in key sectors such as energy and transport;
- services: providing for the freedom for any member state national to provide services in other member states;
- capital: prohibiting restrictions on the movement of capital, and on payments, within the EU and between member states and third countries;
- taxation: agreement between member states that Value Added Tax (VAT) will be applied at a rate of not less than 15 per cent; and
- Simpler Legislation for the Internal Market: an initiative of the EU aiming to improve and simplify the legislation governing the functioning of the internal market by cutting business red tape.

The **Common Commercial Policy** is the external aspect of the single market, and harmonises member states' trade policies around common principles relating to tariff rates, trade agreements, liberalisation measures, export policy and anti-dumping. Under the Common Commercial Policy, the European Commission is empowered to negotiate international trade agreements on behalf of the EU. (New member states are obliged to abrogate existing bilateral trade agreements.) The Common Commercial Policy covers only trade in goods, although the Council can, in certain circumstances, extend it to services and intellectual property.

# Australia's Trade Relations with the European Union

*Australia and the EU have a substantial trading relationship...*

*our exports to the EU have doubled in the last ten years.*

*Major exports in 2003 were gold, coal, wine and wool...*

## Australia's Trade with the European Union

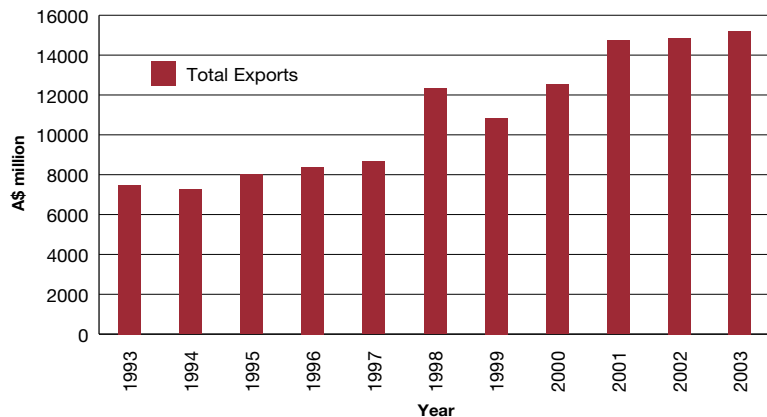
The EU, when viewed as a single entity, is Australia's largest trading partner. In the calendar year 2003, two-way merchandise trade between Australia and the EU was valued at \$46 billion. Australia sent \$15.2 billion worth of merchandise exports to the EU, and received \$30.8 billion in imports, resulting in a trade deficit of \$15.6 billion. In 2003, total services trade was valued at \$14.1 billion, and two-way investment at December 2003 was valued at \$489.2 billion.

For the latest statistics on Australia's trade relationship with the EU, see the DFAT website: [www.dfat.gov.au/geo/fs/eu.pdf](http://www.dfat.gov.au/geo/fs/eu.pdf).

### EXPORTS

Australian merchandise exports have grown over the last ten years from \$7.5 billion in 1993 to \$15.2 billion in 2003, an average increase of 9 per cent per annum. The EU accounted for 14 per cent of Australia's total exports in 2003, up from 12 per cent in 1993.

### AUSTRALIA'S MERCHANDISE EXPORTS TO THE EU 1993–2003



Source: ABS data on the DFAT STARS Database

Major Australian exports to the EU in 2003 included non-monetary gold, coal, alcoholic beverages, and wool.

Historically, Australia has been a large exporter of unprocessed primary products. Although exports of primary products continued to grow over the last decade, their proportion in our total exports to the EU has declined (from 49 per cent in 1993 to 34 per cent in 2003).

*and a variety of simply and elaborately transformed goods.*

*Our exports are not spread evenly throughout the EU*

*we have success in some markets, and less penetration in others.*

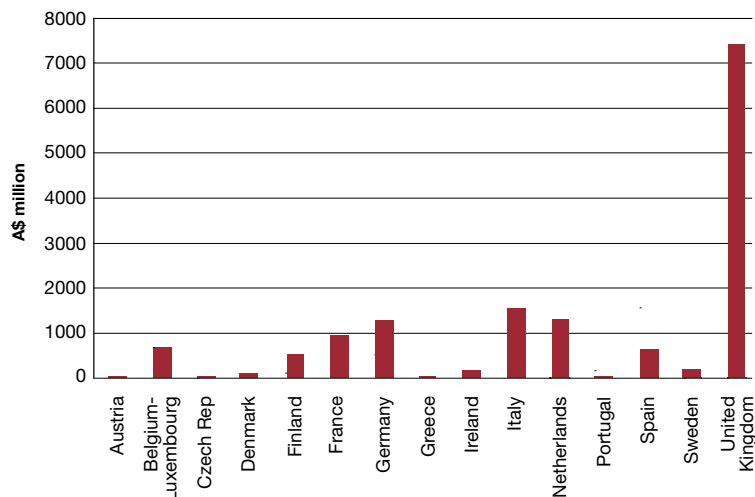
In 2003, Australian exports of simply transformed manufactures (STMs) to the EU were worth \$774 million. These included lead, zinc and copper. In the same period, elaborately transformed manufactures (ETMs) were valued at \$2.9 billion, and included medicaments, measuring and controlling instruments, and electrical machinery.

There is a vast difference between the value of our exports to different EU member states which, in 2003, ranged from a high of \$7.4 billion to the UK to \$50 million to Greece. Australia's exports to the new member states totalled \$172 million in 2003. Their integration into the EU should generate new export opportunities for Australia, in particular, in meeting the requirements for improvements to banking, financial, educational and other service industries.

Besides the UK, other important markets for Australian goods in 2003 were Italy (\$1.6 billion), Germany (\$1.3 billion), the Netherlands (\$1.3 billion), France (\$990 million), and Belgium/Luxembourg (\$694 million). These figures record where goods land, not necessarily their final destination. For example, produce may land in the Netherlands and Belgium, with their major ports of Rotterdam and Antwerp, which is then transshipped to other EU and non-EU European destinations.

Although the EU is a single market, each member state has market preferences which will determine demand and affect final export outcomes for Australian exporters.

### **MERCHANDISE EXPORTS TO THE EU BY COUNTRY 2003**



Source: ABS data on the DFAT STARS Database

*The EU is an important source of imports.*

*Bilateral trade in services is high.*

## IMPORTS

Australia's total merchandise imports from the EU in 2003 were \$30.8 billion. The average annual growth rate in imports over the decade since 1993 has been 8 per cent. Major imports from the EU in 2003 were medicaments, passenger motor vehicles, aircraft and parts, telecommunications equipment, and paper and paperboard. The EU accounted for 24 per cent of Australia's imports in 2003, up from 22 per cent in 1993.

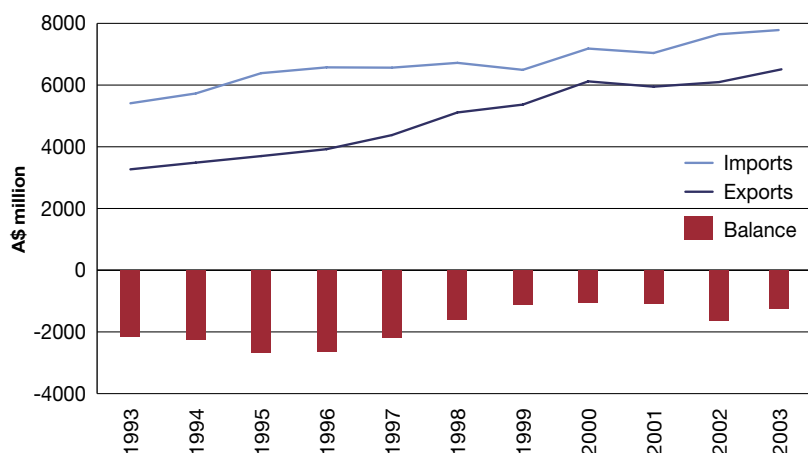
## SERVICES

Bilateral trade in services is growing strongly. The EU is Australia's largest overseas market for services, accounting for 22 per cent of our total trade in services in 2003. Services trade with the EU rose 4 per cent in 2003 to \$14.1 billion, with exports valued at \$6.6 billion and imports at \$7.5 billion.

Major Australian services exports were transportation services (\$1.4 billion) and travel services (\$3.6 billion). Similarly, major imports were also transportation services (comprising 30.1 per cent and worth \$2.3 billion) and travel services (comprising 42.3 per cent and worth \$3.2 billion). In addition, other areas such as business services, including financial and insurance services, and education are growing steadily.

The United Kingdom accounted for 52.8 per cent (\$7.5 billion) of Australia's total two-way trade in services to the EU in 2003, followed by Germany with 13.5 per cent (\$1.9 billion) and France with 6.9 per cent (\$969 million).

## AUSTRALIA'S SERVICES TRADE WITH THE EU 15



Source: ABS catalogue 5363.0.

***The EU is a major foreign investor in Australia...***

***and second largest destination for Australian investors.***

***Australia and the EU strengthen their cooperation***

## INVESTMENT

Total foreign investment in Australia from EU countries, including both direct investment and portfolio investment, was worth \$340.7 billion as at December 2003. The EU is thus our largest source of foreign investment. Largest member state investors were the United Kingdom (\$258.8 billion), Germany (\$17.9 billion) and the Netherlands (\$20.4 billion).

The EU is the second largest foreign destination for Australian investors, with investment totalling \$148.4 billion as at December 2003. The major EU member state destinations for Australian investment were the United Kingdom (\$82.6 billion) and the Netherlands (\$12.7 billion).

## Agenda for Cooperation

---

The 20th Ministerial Consultations between Australia and the European Commission, held in Brussels in May 2004, gave both sides the opportunity to underline the strength of the EU-Australia relationship, based on increased cooperation through regular exchange. Our ongoing review of the relationship since the signing of the original Joint Declaration in 1997 reveals that Australia and the EU have achieved a dynamic work program and intensified exchanges to make progress on a diverse and increasing range of common interests.

The 2003 *Australia – EU Agenda for Cooperation*, adopted by Australian Ministers and the European Commission, identifies priorities, under seven headline areas, for future engagement. The following areas were identified as high priorities over the next five years: security and strategic issues; trade; education, science and technology; transport; the environment; development cooperation; and migration and asylum.

For a copy of the agenda and a stocktake of activity since the launch of the agenda, see the DFAT website.

[www.dfat.gov.au/geo/european\\_union/aust\\_ec\\_min\\_conb.pdf](http://www.dfat.gov.au/geo/european_union/aust_ec_min_conb.pdf)  
[www.dfat.gov.au/geo/european\\_union/stocktake.pdf](http://www.dfat.gov.au/geo/european_union/stocktake.pdf)

*The EU is a relatively open market for industrial goods and services*

*Australia develops market access priorities in close consultation with industry:*

*further reform of the CAP is important for Australia...*

## Australia's Market Access Priorities in the EU

Access to the EU market for industrial products is generally open. However, with few exceptions, access for agricultural products is severely limited. Tariff barriers vary widely, from an average of around four per cent for non-agricultural products (excluding petroleum) to an average of at least 16 per cent for agricultural products.

In some instances, tariffs (outside tariff quotas under preferential arrangements) are set at prohibitive levels, for example in the sugar sector. Tariff peaks apply to meat, dairy products, processed and unprocessed cereal products, processed fruits and vegetables. Access to high tariff items is mainly subject to tariff quotas. The EU's Common Agricultural Policy (CAP, see below) also impacts on global agricultural trade because of the use of production and export subsidies.

Australia's market access priorities are under constant review. The latest information on priority areas for the EU can be accessed through the TradeWatch online service at [www.tradewatch.dfat.gov.au](http://www.tradewatch.dfat.gov.au). Given the potential scope for progress, efforts to improve market access will include a particular focus on these areas over the next 12 months. The following list is not exhaustive. Comments on the appropriateness of the items are welcomed, and should be forwarded to the Department of Foreign Affairs and Trade by email to [trade.watch@dfat.gov.au](mailto:trade.watch@dfat.gov.au).

### THE COMMON AGRICULTURAL POLICY

The CAP reform packages agreed in June 2003 and April 2004 are welcome steps towards introducing greater market orientation into EU farm production. Separating (decoupling) farm payments from production will help to reduce the negative impact of the CAP on world agricultural markets. The 2003 reforms included arable crops, beef, dairy, rice, seeds, potato starch and nuts, with the 2004 reforms covering the so-called "Mediterranean products" (olives, tobacco, and cotton) and hops.

These reforms, however, do not directly address market access issues, such as tariffs and tariff quotas or export subsidies. These are issues the Australian Government is actively pursuing in the current Doha Round of WTO negotiations.

*finalisation of the Australia-EU Wine Agreement is important...*

The EU has circulated proposals on sugar reform which suggest a significant cut in price support following the expiry of the current regime on 30 June 2006. The proposals are presently being considered by member states.

## SUGAR

In October 2004, the WTO found in favour of complaints lodged by Australia, Brazil and Thailand that the export subsidy schemes on sugar granted by the EU are in breach of its obligations for the reduction of such subsidies under the Agriculture Agreement. The EU is appealing the decision.

## WINE

Australia is continuing its efforts under the 1994 Australia-EU Wine Agreement to finalise outstanding issues, which include:

- how to handle traditional expressions used in the description of wines; and
- more flexible EU processes for the authorisation of Australian wine-making practices.

The agreement has allowed some smaller wine producers to enter the market for the first time. Australia's exports to the EU have grown rapidly over recent years with wine now Australia's third largest merchandise trade export to the EU, valued at \$1.06 billion in 2003. This represents more than a quadrupling of our wine exports to the EU since the agreement was signed in 1994.

## NON-TARIFF MEASURES

Australia has initiated a WTO challenge to EU legislation protecting geographical indications for foodstuffs and agricultural products. Potentially affected products are mainly dairy and processed meat products, although a diverse range of other products could also be affected. Examples of terms protected by the EU include "feta" cheese and "kalamata" olives. Wine and spirits, which are covered by separate EU legislation and the Australia-EU Wine Agreement, are not at issue in this dispute. Further information is available at [www.dfat.gov.au/trade/negotiations/index.html](http://www.dfat.gov.au/trade/negotiations/index.html).

Coal subsidies in the EU have been progressively reduced over the last ten years and have enabled growth of Australian coal exports to the EU over that period. Australia is seeking to ensure that reductions in EU

coal subsidies continue, particularly following the accession to the EU on 1 May 2004 of coal producing countries Poland and the Czech Republic.

The EU has developed complex regulatory systems that affect third countries, such as Australia, when they seek to export to the EU, when the EU's regulatory approaches are adopted by others or when the EU attempts to influence other regulatory regimes. For example, the EU has released draft legislation for a new industrial chemicals strategy. Australia supports the environmental objectives of the draft legislation, but has made representations to the EU urging that the measures proposed under the legislation be the least trade restrictive possible.

## European Union Trade Policy

---

EU member states together constitute the world's largest exporter and importer. Most of the EU's trade remains intra-European, with over 60 per cent of EU member states' exports going to other EU members. Of the EU's external trading partners, the United States is the largest, taking 22.4 per cent of the EU's exports and providing 15.2 per cent of imports in 2003. The May 2004 enlargement of the EU to include 10 countries, mainly from Central and Eastern Europe, increases the percentage of trade which remains intra-EU. These countries accounted for about 12 per cent of the EU's exports in 2003.

The EU plays a leading role in shaping the process of globalisation, multilateral rules and economic development, and is a key player in the current Doha Round of WTO multilateral trade negotiations. It uses WTO dispute settlement procedures to enforce the multilateral trade obligations of its trading partners, and is just as frequently involved as a respondent in trade disputes.

Australia's bilateral trade relationship with the EU is open and generally constructive, with the two sides working through their differences on difficult bilateral trade issues, such as agriculture. Initiatives to facilitate market access for products such as wine are ongoing, as is work on the Mutual Recognition Agreement between Australia and the EU to remove existing origin restrictions. In the Agenda for Cooperation, adopted in 2003, Australia and the EU committed to continue joint efforts to ensure an ambitious approach to the Doha Round on market access issues, rule-making issues and issues relating to development.

***The EU is the world's largest exporter...***

***and is a key player in the WTO multilateral trade negotiations ...***

## The EU and Regional and Free Trade Agreements

---

*The EU actively seeks regional free trade agreements ...*

*and offers preferential access to developing countries... Europe (Europe Agreements),*

*the European Economic Area,*

The EU is active in pursuing Free Trade Agreements (FTAs) with other countries and regional groupings. In fact, much of the trade flowing into the EU does so with some level of preference granted under a Regional Trade Agreement (RTA). However, some key sectors, usually agriculture, are often 'carved out' of agreements the EU concludes.

European trade arrangements with developing countries sometimes allow a 12-year implementation period for liberalisation reforms in the developing country. EU development policy is focused on least developed countries (initially through the Lomé Convention, and now the Cotonou Agreement) and Generalised System of Preferences (GSP) beneficiaries. Its "Everything But Arms" initiative eliminates duty and quotas on all products bar arms imported from 49 least developed countries. However, some sensitive products such as rice, sugar and bananas are exempted from the agreement until 2009.

The EU is party to numerous Regional Trade Agreements:

### EUROPE AGREEMENTS

The Europe Agreements were concluded with a number of Central and Eastern European countries (CEECs) following the start of their transition to market economies. These agreements are part of the European integration process and form the first steps towards deeper economic and political integration. The agreements provide for reciprocal free trade (zero tariffs) in industrial goods, free movement of services, payments and capital in respect of trade and investments, free movement of labour and cooperation in the fields of environment, transport and customs. Sensitive agricultural products are excluded. With the majority of signatory CEECs having joined the EU in 2004, Romania and Bulgaria are currently the only countries for which the Europe Agreements apply.

### EUROPEAN ECONOMIC AREA

The European Economic Area (EEA) entered into force on 1 January 1994 and extends the EU internal market to Iceland, Liechtenstein and Norway. The EEA provides for the freedom of movement of goods, persons, services and capital throughout the territory of the

**Switzerland,**

Contracting Parties. The EEA Joint Committee decides which new EU legislation regarding the internal market should be adopted by Iceland, Liechtenstein and Norway. In addition, the EU's competition policy framework applies (except for agriculture and fisheries).

**SWITZERLAND**

Switzerland, the EU's second largest trading partner after the US, did not ratify the EEA in a referendum held in 1992 due to the sensitive issue of free movement of persons. The EU and Switzerland concluded seven bilateral agreements in December 1998 on land-based transport, air transport, the free movement of people, agriculture, research and procurement, and technical barriers to trade. In May 2004, Switzerland and the EU signed another nine bilateral agreements addressing areas such as free movement of persons, trade in agricultural products, border and asylum policies, savings taxation and fight against fraud.

**African, Caribbean and Pacific States under the Cotonou Agreement,****ECONOMIC PARTNERSHIP ARRANGEMENTS WITH ACP STATES**

The EU endorsed a mandate, in June 2002, to negotiate Economic Partnership Agreements (EPAs) with the 76 countries of the African, Caribbean and Pacific (ACP) regions. The basic principles and the timetable for EPA negotiations were set out in the **Cotonou Agreement**. This agreement was concluded between the EU and ACP countries in June 2000 and governs development, political and trade aspects of EU-ACP relations. Negotiations for EPAs opened in September 2002 and are expected to be concluded by January 2008. Key elements of the EU's negotiation strategy include enhanced market access into the EU, gradual and managed liberalisation of ACP economies, regional integration across ACP economies, encouraging more beneficial investment, and trade in services.

**Mexico,****MEXICO**

The EU Free Trade Agreement with Mexico entered into force on 1 July 2000. The broad outline of the agreement calls for the EU to grant duty-free entry to most Mexican products between November 1999 and 2003, and for Mexico to gradually open its markets to EU goods by 2007. It provides for free trade in non-agricultural products and covers only 62 per cent of historical agricultural trade. Sensitive agricultural products are excluded. The agreement also covers services, public procurement, competition and intellectual property rights.

*Chile,*

## CHILE

The EU signed an Association Agreement with Chile on 18 November 2002. Apart from a free trade area in goods, services and government procurement, the agreement includes provisions regarding investment, customs and trade facilitation, intellectual property rights, competition and a dispute settlement mechanism. It also includes an agreement on the phasing out of usage of geographical indications and traditional expressions. Since 1 February 2003, the bulk of the trade chapter, the institutional framework and the trade-related cooperation provisions have been applied provisionally.

*Mercosur,*

## MERCOSUR

Negotiations for an FTA between the EU and Mercosur were launched in June 1999 and are continuing. The aim is to achieve a greater level of political and economic cooperation and integration, including by liberalising substantially all trade and goods and services, between the two.

*South Africa,*

## SOUTH AFRICA

The EU Trade, Development and Cooperation Agreement with South Africa entered into force provisionally on 1 July 2000. Under the agreement, 95 per cent of EU imports from South Africa will be fully liberalised at the end of a 10-year period, and 86 per cent of South Africa's imports from the EU will be fully liberalised at the end of a 12-year period, covering more than 90 per cent of bilateral merchandise trade. Some agricultural concessions are provided within quotas, but sensitive products are excluded. A separate agreement on the recognition, protection and control of wine-name and spirits designations was signed and entered into force on a provisional basis on 28 January 2002.

*Euro-Mediterranean (association agreements),*

## EURO-MEDITERRANEAN

The Euro-Mediterranean Partnership between the EU and Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, the Palestinian Authority, Syria and Tunisia was launched in November 1995 in Barcelona. Libya has also expressed strong interest in joining the Partnership. The partnership foresees the establishment of a

---

<sup>1</sup> Mercosur: (also known by its Portuguese acronym, Mercosul), is the Southern Cone Common Market. Mercosur's members are Argentina, Brazil, Uruguay and Paraguay, while Chile and Bolivia are currently associate members.

**FYROM**  
**(a Stabilisation**  
**and Association**  
**Agreement)**

**and Croatia.**

Euro-Mediterranean free trade area by 2010. To this end, the EU has signed Association Agreements with all partners except Syria, with which an agreement is still being finalised. Agreements with Egypt and Algeria have been signed but are not yet in force. These agreements provide for free trade in non-agricultural products, while agricultural trade is limited by quotas largely linked to historical flows. They also contain provisions for liberalisation in the area of services, capital movement and competition. In March 2004, Morocco, Tunisia, Jordan and Egypt signed the Agadir Agreement which allows for further regional trade and economic integration. Malta and Cyprus are both now members of the EU.

## BALKANS

The EU signed its first Stabilisation and Association Agreement (SAA) with the Former Yugoslav Republic of Macedonia (FYROM) on 9 April 2001. The agreements are seen by the EU as of central importance in advancing the reform process in the Balkans and as a major contributing factor to peace and stability in the entire region.

The agreement aims at free trade within a 10-year period and contains sections on trade, the harmonisation of FYROM's legislation with the regulatory framework of the EU, cooperation within the areas of justice and home affairs (in areas such as illegal migration and the smuggling of goods and human beings) and cooperation in the environment, energy, telecommunications and transport sectors.

The EU and Croatia signed the second SAA on 14 May 2001, and negotiations are planned with Albania, Bosnia and Herzegovina, and Serbia and Montenegro.

## European Economic Integration

---

Economic integration is contributing to the creation of the single market within the EU which allows for the free movement of goods, services and factors of production (including labour).

The significance of this integration for Australian business depends on individual products/services, and companies' ambitions and capabilities. But in general the benefits are twofold: greater scope for operations to span a great number of European countries (but bound by only one set of trade and investment laws); and, for those preferring to focus on one country (at least initially), a greater choice of individual markets.

## The Euro

---

The creation of the euro stands as one of the strongest symbols of European unification. The euro became the official currency of Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain on 1 January 1999. Greece adopted the euro on 1 January 2001. National currencies remained in circulation, but at fixed exchange rates against each other, until euro notes and coins were introduced into circulation on 1 January 2002. As a prerequisite to accession, all the new member states will adopt the euro in the coming years although some will be quicker to take it up than others.

The 12 member states that have adopted the euro – termed the 'euro area' – have a range of agreed commitments determining their economic policy settings. Monetary policy for the euro area is determined by the Frankfurt-based European Central Bank (ECB). In addition, the euro area countries are required under the 1992 Maastricht Treaty's Stability and Growth Pact (SGP) to comply with criteria relating to government budget balances and total government debt, with penalties applicable for non-compliance unless in exceptional circumstances (although these penalties are yet to be enforced).

Euro area governments, the Commission and the ECB have been exploring whether greater flexibility should be permitted in these criteria, particularly in managing budget deficits which in some

*The euro is now the official currency of the EU, and it has been adopted by 12 member states...*

*Certain economic criteria must be met before the euro may be adopted.*

***There are both advantages and disadvantages apparent in adopting the euro.***

***The EU of 25 member states...***

***continues to expand***

***resulting in enormous growth in population and area.***

cases – Germany, France, Portugal, Italy, the Netherlands and Greece – have exceeded the deficit ceiling of three per cent of GDP. Insufficient consolidation of public finances in a number of economies has also led their public debt levels to exceed the public debt limit of 60 per cent of GDP.

European monetary authorities are keen that any changes to these criteria not have adverse consequences for the credibility of the euro. The ECB, still a relatively new institution, has been praised for its management of the smooth introduction of the euro into circulation. The ECB has maintained price stability in the euro area, with inflation having averaged around its target ceiling of two per cent. Structural rigidities in euro area product and labour markets have influenced the ECB's ability to stimulate economic growth with looser monetary settings.

The adoption of the euro has a number of economic advantages for euro area economies, namely reduced exchange rate risk, the elimination of intra-euro area currency exchange costs and more transparent pricing for consumers. Political considerations, however, drove the euro's creation. The euro and the euro area have been managed soundly since their inception, but are yet to face a serious challenge such as, for example, sharply divergent growth and inflation performance within the euro area.

## **EU Enlargement**

---

The EU of 25 consists of Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom.

Romania and Bulgaria are aiming to join in 2007. Croatia and Turkey have been invited to commence accession negotiations in 2005.

The latest wave of enlargement has significantly changed the demographics of the EU. The EU population has increased by around 20 per cent, from 375 million to over 450 million, and land area by 23 per cent, but GDP has increased only by around 4-5 per cent. The Gross National Income (GNI) per capita for the previous EU of 15 averaged US\$27,400 in 2003 whereas in the new member states it was US\$6,600.

***There are a number of entrance criteria to be met.***

***The effects of EU membership on the new member states are significant...***

***foreign investment has increased and will continue to do so...***

***historical economic problems and lack of infrastructure are being addressed...***

A candidate country for EU membership is required to meet a number of political and economic criteria before accession negotiations can begin (these are known as the Copenhagen criteria). They are:

- stability of institutions guaranteeing democracy, the rule of law, human rights and the respect for and protection of minorities;
- the existence of a functioning market economy;
- the capacity to cope with competitive pressure and market forces within the EU; and
- the ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union.

## **Eastward Expansion for the EU**

---

From a business perspective, the effects of EU enlargement were already being felt in the new member states. All enjoyed very close trade ties, and favourable market access conditions, with the EU of 15 member states. For example, 68 per cent of Poland's two-way merchandise trade was with the EU of 15. EU companies have also made significant investments in the new member states, particularly in Central Europe, encompassing greenfield investments and also participation in the privatisation of state-owned enterprises.

Substantial investment has also come from the United States, Japan and the Republic of Korea. Lower wages, a skilled work force, highly educated population, market oriented consumers and favourable geographical location are key attractions of operating in the Central Europe region. In Poland, Hungary and the Czech Republic, inward investment flows for 1996-2001 totalled US\$79.4 billion.

With major foreign direct investment inflows, the Central European states have in most cases made good headway in tackling the economic and structural problems bequeathed by their former communist regimes. Physical infrastructure (roads, railways, telecommunications, IT systems, etc) is one of the biggest challenges, and is being addressed using grants and loans from the EU, the World Bank and the European Bank for Reconstruction and Development (Australian companies are already active in seeking out opportunities for participation in these infrastructure projects). Economic stability, growth levels and unemployment vary across the region.

***and the reforms triggered by EU membership are acting as a strong stimulant.***

***These markets will become increasingly attractive to Australian exporters.***

Other key elements of the operating environment in Central Europe are also in need of attention, and are changing rapidly in response to demands from the EU. These range from simplification of administrative procedures (eg, for establishing business operations) to the harmonisation of import regimes, coming into line with common EU standards. Reform of the public service and overhauling of their legal systems have also been targeted.

The rigorous process of gaining EU membership has acted as a strong stimulant for structural and economic reform in the Central European region. In some countries, this has had some short- to medium-term negative consequences (such as high unemployment caused by restructuring of heavy industry and the public service). But it is also producing a growing middle class, marked by affluence and new aspirations – and therefore likely to purchase more and higher priced goods and services.

These forces and the effects of EU membership are illustrated by the examples of Spain and Portugal, which both joined the EU in 1986. EU funding of infrastructure and development, the flow of investment from the rest of the EU and the ability of people to move freely to and from other EU states quickly lifted growth rates and led to a greater degree of economic parity between these states and the rest of the EU. Spain and Portugal also became significant outward investors.

The changes that are taking place in the EU after enlargement present new opportunities to Australian exporters. Similarly the changes in the market environment taking place in the new member states will also affect the way Australians conduct their business in these countries. For a multicultural nation like Australia the expansion of nationalities within the EU holds particular advantages. Australia is home to many who have historical links to the new member states of Central and Eastern Europe and these links can be of benefit when seeking to export overseas.

Australian exporters and investors should consider the case for establishing operations in new or potential member states now, as a base for ready access to other parts of the EU single market and also into the EU's new eastern neighbours including the Balkans, Ukraine and Russia. The potential, in terms of market size, anticipated growth and demand, is certainly attractive.

***Some Australian firms are already active and growing.***

***Competitors exist – EU firms are already looking at these emerging markets***

The opportunities presented in the new member states are already being exploited by some Australian businesses. Across the region, Australian exporters, manufacturers and service providers are finding niche opportunities in alcoholic beverages, commodities, environmental goods and services, financial services, government services, information technology, and manufacturing. Many are establishing regional operations from headquarters in one country.

One of the biggest challenges for Australian exporters will be to compete with European rivals in the new EU member states. Prior to accession, countries still retained a range of quotas and tariffs for goods imported from the EU. These were often more favourable than those applied to Australian products, but they did “level the playing field” slightly. Now, the current EU members enjoy unfettered access to the new markets, albeit following transition periods in some sensitive areas.

As part of enlargement, the new members adopted the EU’s Common External Tariff (CET), which has limited access for some Australian exports, while improving access for others. Where changes have resulted in deterioration in market access conditions in the new member states, Australia may have rights under the WTO to seek offsetting market access benefits to the EU as a whole. These rights relate only to tariff rates bound under the WTO and not to applied rates. Australia has notified the EU of its wish to enter into negotiations and has lodged an initial claim of interest.

The Trade Sub-Committee of the Joint Standing Committee of Foreign Affairs, Defence and Trade inquiry, 2003, explored expanding Australia’s trade and investment relationships with the countries of Central Europe. The Committee report (No. 110) and Government’s response are available on the Committee website: [www.aph.gov.au/house/committee/jfadt/reports.htm](http://www.aph.gov.au/house/committee/jfadt/reports.htm)

Further economic information on the new member states is also contained in Section Three. European market access information can also be found on the *TradeWatch* website at [www.tradewatch.dfat.gov.au](http://www.tradewatch.dfat.gov.au).

# How the Australian Government Assists Business

*DFAT assists exporters by working to improve market access for Australian exports in a range of ways.*

*... legal advice on WTO dispute settlement*

*and advice and information on economic and political conditions overseas.*

*Austrade's job is to help Australians win export business and generate inward and outward investment.*

A number of government agencies have a role in assisting Australian exporters.

The primary trade role of the **Department of Foreign Affairs and Trade** (DFAT) is to improve access to overseas markets for Australia's goods and services exports. It does this through negotiations in the WTO and other bodies; lobbying other governments to reduce barriers to Australian exports; and facilitating trade and investment through regional groups such as APEC, and in individual countries. DFAT also provides information and data on the economies of different countries and the policies of their governments.

The WTO Trade Law Branch in the Department of Foreign Affairs and Trade serves as a specialised centre on all international trade law matters. The Branch combines a high level of legal expertise with trade policy knowledge. Its objective is to deliver a world-class level of legal service for Australian industry and firms/businesses interested in examining how the WTO dispute settlement regime might be able to assist in addressing specific trade problems.

DFAT also provides advice and information on trade for business through its Business Gateway ([www.dfat.gov.au/trade/services\\_to\\_business.html](http://www.dfat.gov.au/trade/services_to_business.html)), the TradeWatch facility ([www.tradewatch.dfat.gov.au](http://www.tradewatch.dfat.gov.au)), and through the network of overseas embassies, high commissions and consulates. In instances where enquiries are specific to a company's interests, they may be dealt with by Austrade, with which DFAT works closely.

The **Australian Trade Commission** (Austrade) is the official export and outward investment facilitation agency of the Australian Government. Austrade provides a wide range of export and outward investment services to Australian companies, as well as to international buyers. Austrade operates in 117 locations in 58 countries. A full list of contacts in the EU is contained in the contacts section of this publication. Further information can be obtained by contacting Austrade on 13 28 78 or visiting the Austrade website [www.austrade.gov.au](http://www.austrade.gov.au).

75 staff in 15 markets represent Austrade across the EU. Growth characterises most industry sectors in the EU, which is creating a wide range of trade prospects.

***Austrade targets key areas for Australian exporters to the EU.***

***Austrade offers many services to help exporters gain access to the EU markets***

***eCommerce is of growing importance in both Australia and the EU.***

***The EU has a high internet usage...***

The industry sectors providing opportunities for Australian companies include: agribusiness, wine, automotive, ICT/e-government, sport, services (education, health, tourism, franchising, culture), biotechnology, defence, marine, oil and gas, art, consumer items for retail outlets (jewellery, children's needs, giftware and home wares), fashion and infrastructure (environment, building, roads, ports, airports, railways, energy).

Austrade and [TradeStart](#) offers a package of services for first time exporters designed to assist small and medium-sized Australian companies develop their businesses overseas and make their first export sales. The program, called the New Exporter Development Program, provides advice and information about getting into exporting, export coaching and assistance on the ground in foreign markets.

The Export Market Development Grants (EMDG) scheme is the Australian Government's principal financial assistance program for aspiring and current exporters. Administered by Austrade, the purpose of the scheme is to encourage small and medium sized Australian businesses to develop export markets.

## ECOMMERCE

Electronic commerce has enormous potential to create business efficiencies and improve productivity. The most intensive use of eCommerce in the future is expected to be transactions between businesses rather than between businesses and consumers. Both the EU and Australia have a high uptake of internet usage. 72 per cent of Australian companies currently use the internet; and the EU is expected to trade 14 per cent of its GDP online by 2005.

The rate of uptake of information technology, particularly internet usage in the EU, varies considerably across the member states. In Sweden, Germany, UK, Finland, the Netherlands and Denmark more than 50 per cent of the total population is connected to the internet, whereas only 15 per cent of Greece's population is connected to the internet. Of the new member states, Slovenia has the highest rate of usage, at 38 per cent of the population. In comparison Australia has one of the world's highest uptakes of information technology in the world, with 64 per cent of households being connected to the

***eMarket Services aims to assist business by providing independent information on emarkets.***

***Austrade's online ebusiness courses***

***EFIC provides insurance against non-payment, and finance for purchase of Australian capital goods and services.***

internet. In April 2001, Australia and the EU adopted a Joint Statement on cooperation in the global information economy, which sets out a common vision for the development of a global information economy.

Information on business-to-business electronic marketplace can be obtained from eMarket Services (at [www.emarketservices.com](http://www.emarketservices.com)) an international collaboration of trade promotion organisations focusing on knowledge of business-to-business electronic marketplaces and aims to assist business by providing independent information on eMarkets. Founding partners include Australia, Sweden, Denmark, Norway and Iceland. New partners include Italy, the Netherlands and New Zealand.

Austrade also organises online ebusiness courses, which provide introductory information on eCommerce tools, and their use in pursuing export opportunities.

**Export Finance and Insurance Corporation (EFIC)**, Australia's export credit agency, has a charter from the Government to increase the volume of Australian exports, and reports to the Minister for Trade. It is a self-funding, statutory corporation, wholly-owned and guaranteed by the Commonwealth of Australia. Under the EFIC Act, EFIC undertakes the following key functions:

- facilitating and encouraging Australian export trade by providing insurance and financial services and products to persons involved directly or indirectly in exports;
- encouraging banks and other financial institutions in Australia to finance or assist in financing exports. EFIC seeks to complement the services banks provide and help extend those services to exporters;
- providing information and advice regarding insurance and financial arrangements to support Australian exports.

EFIC assists Australian exporters and investors to compete internationally by providing a range of insurance and finance facilities for their overseas contracts and investments.

The **Australian Quarantine and Inspection Service (AQIS)** is responsible for certifying that agricultural exports meet importing countries' health and quarantine conditions. AQIS also helps negotiate access to overseas markets by reducing or eliminating technical barriers to trade imposed on the basis of quarantine or health regulations.

***AQIS provides certification, advice and assistance to exporters on overseas import conditions and other relevant information.***

AQIS provides advice/assistance to existing and potential exporters of agricultural products and processed foods through its Export Facilitation Program. The five export facilitation officers in the Program provide information on the following topics:

- other countries' import conditions;
- Australian legislative requirements for export;
- documentation including export permits, health, phytosanitary and other certificates;
- AQIS quality assurance arrangements;
- premises registration requirements;
- inspection procedures;
- AQIS fees and charges.

The export facilitators can also act as the initial contact point for exporters who are experiencing any difficulties with their exports in relation to government health documentation or other quarantine barriers. This service is particularly helpful for new exporters who are unfamiliar with Australia's exporting requirements and the importing country's requirements.

***DITR provides advice and information on the Australia-EU Mutual Recognition Agreement.***

The **Department of Industry, Tourism and Resources (DITR)** provides information and advice on the **Australia-European Community Mutual Recognition Agreement (Aust-EC MRA)** on Conformity Assessment. The Aust-EC MRA came into force on 1 January 1999 and assists Australian exporters by allowing conformity assessment (testing, inspection and certification) of products traded between Europe and Australia to be tested and certified for compliance with the regulatory requirements of the importing country prior to export.

The MRA currently covers the following sectors, although more may be added in the future:

- Automotive products
- Electromagnetic compatibility (EMC)
- Low voltage electrical equipment
- Telecommunications terminal equipment
- Machinery
- Medical devices
- Pharmaceuticals – Good Manufacturing Practice (GMP)
- Pressure equipment

**AusIndustry  
administer R&D  
START grants.**

The Government also provides assistance with research and development through the tax system and R&D START grants, administered by **AusIndustry**, a division of the Department of Industry, Tourism and Resources (DITR). In many cases, firms are able to take these new or improved products to overseas markets.

For more information see the DITR or AusIndustry websites:  
[www.industry.gov.au](http://www.industry.gov.au); [www.ausindustry.gov.au](http://www.ausindustry.gov.au).



**Section 2: *A-Z of Trade and Market Information***



# A

---

**Accession:** the formal processes countries go through to join the EU (or another international organisation or agreement). Accession to the EU requires compliance with a range of regimes and measures. See also **Copenhagen criteria**.

**Accession Treaty:** the act of joining the EU is known as ‘accession’ and the treaties that embody the conclusions of the negotiations between applicant states and the existing member states of the EU are known as ‘Treaties of Accession’. The most recent treaty was signed on 16 April 2003 and paved the way for the enlargement of the EU to a total of 25 member states from May 2004. The new member states are Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia. On joining the EU, applicants are obliged to adopt the “*acquis*”, i.e. the EU’s detailed laws and rules. The negotiations focus on the terms under which the applicants will adopt, implement and enforce the *acquis* as well as on possible transitional arrangements.

**Acquis communautaire:** all legislation adopted under the treaties establishing the European Communities, including regulations, directives, decisions, recommendations and opinions. When a country accedes to the **European Union**, its national legislation needs to be harmonised with the *acquis communautaire*.

**ACP States:** African, Caribbean and Pacific Island States given preferential access to the EU market through the Lomé Convention, and more recently, the Cotonou Agreement.

**Ad valorem tariff:** a tariff rate charged as a percentage of the value of the goods to be exported or imported.

**Agenda for Cooperation:** A 2003 review of the Joint Declaration on Relations between Australia and the EU resulted in the Australia-European Union: an Agenda for Cooperation. This sets out initiatives for joint cooperation under seven headline areas: security and strategic issues, trade, education and science and technology, transport, environment, development cooperation, migration and asylum. The Agenda for Cooperation and the Joint Declaration can be found at [http://www.dfat.gov.au/geo/european\\_union/index.html](http://www.dfat.gov.au/geo/european_union/index.html). See also **Joint Declaration**.

**Amsterdam Treaty:** The 1997 Amsterdam Treaty finalised preparations for economic and monetary union, further deepened the internal market, and strengthened cooperation in both political and security matters, justice, international policing and immigration and asylum issues.

**Anti-dumping measures:** special import duties imposed when a firm, following an inquiry, is assessed as having sold a product in the importing market at prices below the one it charges for the same product in its home market. In other words, it has been found to be **dumping**. Anti-dumping measures are therefore a form of **safeguards**. Under **WTO** rules, anti-dumping measures may only be imposed if in addition to the price differential material injury is caused to domestic industry producing like products in the importing country.<sup>1</sup>

**Applied tariffs:** applied tariffs are the actual tariffs applied to goods entering a customs territory. A WTO member may have bound tariffs at a certain level, but for a variety of reasons may choose to apply a lower tariff rate to goods coming in.

**Article 133 Committee:** a special committee of member state representatives which assists the Commission in its role as negotiator of trade agreements on behalf of the EU.

**Australian Business in Europe (ABIE):** a networking organisation to assist and promote the conduct of business between Australia and Europe. Founded in London in 1975, ABIE is a non-political organisation which provides a network for those interested in business between Europe and Australia as well as information, views and opinions to facilitate the conduct of business. ABIE has established a presence in Belgium, France, Germany, Italy and other European countries. Banking, insurance, finance, manufacturing and service industries are well represented, as are smaller enterprises.

**Austrade:** The Australian Trade Commission (Austrade) provides advice to companies on overseas markets and entry to those markets, and on what practical and financial help is available. Austrade operates an international network of offices in 108 cities in 57 countries, which can help Australian businesses with local contacts and partnerships. Austrade also provides market research services and coordinates Australian involvement in international trade fairs.

- Austrade's **Export Market Development Grants (EMDG) Scheme** provides assistance to eligible small and medium Australian businesses seeking out and developing export markets by reimbursing part of the export marketing costs they incur.
- In many regional areas, access to Austrade's services is facilitated through **TradeStart** offices. TradeStart is a partnership between Austrade and a range of public and private sector service providers and provides a national network of 51 offices in regional centres across the country.

**Australian Quarantine and Inspection Service (AQIS):** provides inspection and certification for a range of animal and plant products exported from Australia. See also **quarantine**.

---

<sup>1</sup> Goode, p16

## Australian Icon

RM Williams is far and away the leading name in the Australian bush outfitting business. With sales of over \$50 million a year, the company's retail and concept store program has grown to more than 100 locations in Australia and New Zealand and overseas stores in London and New York.



Case Study

“The company is passionate about Australian bush heritage, we are very much a reflection of the Australian way of life and our unique Australian style,” says Hamish Turner, Chief Executive Officer, RM Williams. RM Williams Outback magazine has one of the highest subscription rates of any magazine in Australia. The magazine plays a key role in the company's strategy for targeted marketing and promotions to reinforce their brand image and market position as an Australian icon.

RM Williams is continuing to expand its export business, particularly in the US, Canada, UK, Germany and other European countries. The quality of its products and exposure to overseas markets through export and tourism has earned the company, among other accolades, the reputation of “the best boot-makers in the world”.

**Autonomous Tariff Quotas (ATQs):** Also called autonomous tariff suspensions and quotas, ATQs permit the total or partial waiver of the normal duties applicable to goods imported into the EU, for an unlimited quantity (suspension) or a limited quantity (quota). The role of ATQs is to stimulate EU economic activity, improve competitive capacity, create employment and modernise structures, by allowing EU companies to import particular supplies at a lower cost. The supplies concerned are raw materials, semi-finished goods, or components not available in the EU (suspensions), or which are available in the EU but in insufficient quantities (quotas). ATQs are reviewed regularly by the EU to take account of technical or economic trends in products and markets after which permitted ATQs may be added to, modified or deleted.

## Australian rock lobsters

Following an intensive lobbying effort in Europe, and close cooperation between the Australian government and industry, exporters of Australian rock lobsters have gained a foot in the door in accessing the large EU market.

In October 2003, the EU granted an autonomous tariff quota (ATQ) enabling the import of 1500 tonnes of frozen rock lobster (*Palinurus spp*, *Panulirus spp*, *Jasus spp*) for further processing at 6 per cent duty – well down from the usual 12.5 per cent tariff – for the remainder of the 2003 calendar year. It brought tariffs for Australian products into line with those of comparable species of lobster from the United States and Canada which already benefited from a similar tariff rate.

In March 2004, the European Union announced it would extend the lower tariff on rock lobster until December 2006. This decision, covering a three-year period, provides an opportunity for Australian exporters to plan and take full opportunity of improved access to the EU market.

In 2003, Australian exports of rock lobster to the EU were worth \$8 million, an increase of nearly 80 per cent over 2002, when rock lobster exports to that market totalled \$4.5 million.



Photo Courtesy CSIRO

Case  
Study

## B

**Barriers to Trade:** include physical barriers in the form of customs controls of goods, technical barriers in the form of specifications, standards and regulations, and tariffs, duties or other charges.

**Binding Tariff Information (BTI):** a central instrument in the implementation process of the EU Common Customs Tariff, BTI ensures that the customs nomenclature is applied correctly and uniformly across all member states.<sup>2</sup> Exporters may apply for BTI for their product.

<sup>2</sup> [http://europa.eu.int/comm/taxation\\_customs/databases/bti\\_en.htm](http://europa.eu.int/comm/taxation_customs/databases/bti_en.htm)

The application is free of charge, but where customs incur specific costs in analysis, these may be passed on, and any documents submitted with the application may need to be translated. See also, **Customs classification**.

**Blue Box subsidies:** see **Subsidies**

**Bound tariff rates:** The bound tariff rate is the rate which has been documented (and usually negotiated) in the WTO, and set down as a binding commitment. Members of the WTO may not raise their tariffs above their bound rates except through negotiation with affected trading partners.

## C

---

**Cairns Group:** a coalition of 17 diverse agricultural exporting countries with a common commitment to achieving a fair and market-oriented agricultural trading system. Members of the Group are: **Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Malaysia, New Zealand, Paraguay, the Philippines, South Africa, Thailand and Uruguay.**

Since it formed in 1986, the Cairns Group has succeeded in putting agriculture firmly on the multilateral trade agenda. It is an excellent example of successful coalition-building in the trade area. By acting collectively the Cairns Group countries have had more influence and impact on the agriculture negotiations than any individual member could have had independently.

**Carnet:** an ATA (Admission Temporaire/Temporary Admission) carnet is a temporary importation customs document, issued by Chambers of Commerce in countries in the scheme given authorisation by the International Chamber of Commerce (ICC), Paris. It is known as the “ATA guarantee”. A Carnet dispenses of the need for raising bonds or depositing duty at customs posts in different countries. The Carnet contains the appropriate customs clearance papers, and generally this method is preferred by Customs.

The ATA Carnet is a simple Customs document. Inside are two vouchers for each foreign country you wish to visit. You hand one voucher to the foreign Customs people when you enter the country and the other when you leave. There are also two vouchers for presentation to Customs when leaving and returning to your own country. You do not need to have your goods with you. They can be sent on ahead if you prefer – by road, rail, air or sea – even by post (with a few exceptions). They can enter and leave countries at different points. And a single Carnet enables you to visit an unlimited number of countries during one year.

Goods that qualify are:

- Commercial samples and Advertising film (16mm) under the Commercial Samples Convention;

- Goods for International Exhibition – under the Goods and Exhibition Convention;
- Professional Equipment under the Professional Equipment Convention.

Carnets are available from Chambers of Commerce, and are recognised throughout the EU.<sup>3</sup> For more information see [www.iccwbo.org/index\\_ata.asp](http://www.iccwbo.org/index_ata.asp)

**CE Marking:** CE represents “*Conformité Européene*”. CE Marking indicates that the product may be legally sold in all 25 member states of the European Union. Each member state must accept CE marked products without requiring any further testing or approval in relation to requirements covered by the New Approach directives.

CE Marking is evidence that the manufacturer is responsible for the conformity of their product to all provisions of the applicable New Approach Community directives. It indicates that the product conforms to the relevant essential requirements, and other applicable provisions, and that the product has been subject to the appropriate conformity assessment procedures. The CE Marking is mandatory for certain products and must be affixed before the product is placed on the market. The manufacturer of the product is responsible for its conformity to the provisions of the directive(s) and the affixing of the CE Mark. See also **Mutual Recognition Agreement on Conformity Assessment**.

The Department of Industry, Tourism & Resources has produced the following guide on the CE Mark:

*The European Union Standards and Conformity Assessment System: A guide for Australian Manufacturers and Exporters*

This guide is available from their website, [www.industry.gov.au](http://www.industry.gov.au) by following the links to Industry, Agreements, ECMRA.

## Chris Grow Engineering

Chris Grow Engineering is an Adelaide-based company which manufactures specialist mowers for use in vineyards. They have been exporting to Californian wineries without trade barriers. Increasing inquiries about the mowers from Europe prompted Chris Grow Engineering to obtain the CE mark.

The CE mark certifies that a product conforms to the relevant EU standards, and all machinery products placed on the European market must display the CE mark before they can be imported.

<sup>3</sup> Information supplied by the NSW State Chamber of Commerce.

“When we first looked at obtaining a CE mark for our products, we found the options of having two European engineers come to Australia, or sending our machines to Europe, to be prohibitively expensive.”

“Via Austrade we obtained information about the CE mark and contact addresses for accredited conformity assessment bodies in Australia from the Department of Industry, Tourism and Resources.”

Chris Grow Engineering used the National Association of Testing Authorities (NATA) accredited compliance testing company Risk Plant Consultants to assess their products.



Case Study

**Certificates of Origin:** see Export Documentation

**Chambers of Commerce:** can be useful starting points for exporters. They are located in most major cities and countries. Chambers of Commerce provide valuable assistance to exporters through activities such as information seminars, facilitating trade delegations to key export markets and authorising and validating export license certificates. The Chambers keep up to date copies of relevant publications on what requirements particular countries have for importing specific commodities. They also have access to valuable country information through publications such as the World Trade Almanac. Australia has Chambers of Commerce in all its capital cities.

Chambers of Commerce also play a key role in facilitating trade in Europe. It can be helpful to contact the relevant chamber of commerce in the destination market you are looking to export to, as well as your local Chamber of Commerce. See the contacts section to find where your nearest Chamber of Commerce is located.

See also, **Austrade**.

**Codex Alimentarius Commission:** the international food standards-setting body, established under the joint auspices of the FAO and WHO, and currently with a membership of 165 countries, including Australia. The Codex secretariat is located in Rome. EU member states are members of Codex in their own right, with the European Commission participating as an observer. The European Commission has sought membership in its own right, in recognition of its shared competencies with EU member states in relation to food issues.

**Common Agricultural Policy (CAP):** The objectives of the Common Agricultural Policy (CAP), stated in Article 33 of the Treaty establishing the European Community, are to increase production in the sector concerned, provide a fair income for farmers, stabilise markets, assure the availability of supplies, and ensure that these supplies reach consumers at reasonable prices. These objectives are to be attained by common organisation of agricultural markets, through instruments that include regulation of prices, aids for production and marketing of the various products, storage and carryover arrangements and common machinery for stabilising imports or exports. The European Commission has the major responsibility for implementing the CAP.

The CAP encourages over-production of many agricultural commodities, especially in times of low world prices, leading to a distortion of international agricultural markets. This is of serious concern to Australia, as an efficient and unsubsidized exporter of agricultural products.

The CAP reforms agreed by EU member states in June 2003 are a step forward in introducing greater market orientation into EU farm production by scaling back the link between farm subsidies and production. The key elements of the reforms, covering cereals, oilseeds, protein crops, beef, and dairy, are:

- a single farm payment for EU farmers, independent of production levels (“decoupled”), although some coupled elements may be maintained to prevent production from being abandoned;
- this payment will be linked to farmers meeting certain criteria on environmental practices, food safety, animal and plant health, and animal welfare standards (“cross compliance”);
- a reduction in direct payments (“modulation”) to larger farms to finance a new rural development policy;
- a “financial discipline” mechanism to prevent spending exceeding the budgetary ceiling.

Ten<sup>4</sup> member states opted to introduce decoupled payments to farmers from 1 January 2005, with the remaining five pre-enlargement member states doing so in 2006. The 10 new members are subject to a different regime which reflects the differing nature of their agricultural industry, although Malta and Slovenia have indicated their intention to implement the new arrangements in 2007.

Further CAP reform proposals on the so-called ‘Mediterranean products’ – olive oil, cotton, and tobacco – and hops were agreed in April 2004. These reforms, to be implemented in 2006, follow the direction of the 2003 reforms and provide for full or partial decoupling. The Commission is also considering reforms to the sugar regime.

None of these reforms do anything to improve market access or address export subsidies. These issues, along with reductions in domestic support, are being pursued vigorously in the current WTO round of multilateral negotiations.

---

<sup>4</sup> Austria, Belgium, Denmark, Germany, Ireland, Italy, Luxembourg, Portugal, Sweden and the United Kingdom.

The CAP accounts for about half of the total EU budget. Following agreement in 2002 by EU leaders, the growth in overall CAP budget expenditure, other than that for rural development, is limited to one per cent per year in nominal terms, for the period 2007–13. The CAP reforms were based on the limits agreed at the 2002 Brussels Summit, including full funding for extending the CAP to the 10 new member states, and do nothing to reduce the overall level of support to EU farmers. Preliminary estimates of the budget costs for direct payments and market support of the CAP after the reforms show that expenditure would rise from euro 42 billion in 2004 to euro 49 billion in 2013 for the EU-25.

**Common Commercial Policy (CCP):** the external aspect of the single market which harmonises member states' trade policy around common principles relating to tariff rates, trade agreements, liberalisation measures, export policy and anti-dumping. Under the CCP, the European Commission is empowered to negotiate international trade agreements on behalf of the EU on the basis of a mandate agreed by the member states.

**Community Legislation:** EU Legislation takes different forms, depending on the objectives to be achieved. Legally binding legislation takes the form of **regulations, directives** and **decisions**, which can be adopted by the Commission, the Council or the European Parliament acting jointly with the Council. Non legally binding **recommendations** or **opinions** can also be delivered by the EU institutions.

**Regulations** have general application, are binding in their entirety and are directly applicable in all member states. An example of this is Regulation No 2913/92 of 12 October 1992 (as amended), which deals with the valuation of goods for customs purposes. All states were immediately bound by this Regulation which becomes part of their domestic law, and thus, valuation of goods becomes harmonised across the EU.

**Directives** are binding, but as to the result to be achieved, not the form or methods. As an example Council Directive 89/108/EEC of 21 December 1988 sets out the rules for the quick-freezing, packaging, labelling and inspection of quick-frozen foodstuffs. This directive is designed to harmonise the member states' laws on quick-frozen foods, so as to facilitate their free movement within the Community. Member states are required to implement domestic legislation to achieve the objectives of the Directive, and ensure compliance by industry.

**Decisions** are binding in entirety on those to whom they are addressed, and usually deal with specific questions. For example, while a Directive was issued concerning the general safety requirement for consumable products (Directive 92/59/EEC of 29 June 1992), it was a Decision (1999/815/EC – Official Journal L 315, 09.12.1999, then as

amended) which prohibits member states from placing on the market toys and child care articles, intended to be placed in the mouth by children under three years of age, made of soft PVC containing certain phthalates, due to safety considerations.

**Recommendations** and **opinions** have no binding force, instead carrying political and moral significance. These enable the community institutions to express a view to the member states, which is not binding and does not place any legal obligations on the addressees. A recommendation may be used to urge a particular form of behaviour, while an opinion is used where the Community institutions are called upon to state a view on a current situation or particular event.

**Community Trade Mark (CTM):** The Community trade mark grants its proprietor a uniform right valid in all member states of the European Union by means of one procedural system. The CTM is unitary in nature and gives proprietors exclusive rights enabling them to prohibit any third parties from using the sign in their commercial or industrial activities. The CTM has been designed to complement the national systems of protection. The European Trade Mark Office is located in Alicante, Spain. For more information, contact the Office for Harmonization in the Internal Market (Trademarks and Designs) – full details at [www.oami.eu.int](http://www.oami.eu.int).

**Competition Policy:** designed to prevent price fixing, collusion and abuse of monopoly or significant market power.

Rules on competition at EU level are established by the **Council of the European Union**. Member states retain the authority to rule on competition matters within their own national jurisdiction. The Commission is charged with the implementation of such rules, in cooperation with member state national authorities. Commission rulings on infringements of competition rules are enforceable by the Court of Justice. Member states are also bound by common rules on competition in the operation of public enterprises and special concessions for private enterprises.

In practical terms, this policy impacts on exporters when appointing distributors. A firm may appoint only one distributor but may not call this agent an 'exclusive' distributor.

**Conformity Assessment:** Conformity Assessment is the different methods (testing, inspection and certification) used to demonstrate that products comply with requirements. See also **Mutual Recognition Agreement on Conformity Assessment**.

**Conformity Assessment Body:** A body whose activities and expertise include performance of all or any stage of the conformity assessment process.

A list of Conformity Assessment Bodies eligible to provide conformity assessment services to Australian exporters under the EC-Australia MRA is available from the Department of Industry, Tourism and Resources, details in the contacts section. See also **Mutual Recognition Agreement on Conformity Assessment**.

**Constitution:** after two years of negotiation, the member states agreed on the text of the Constitutional Treaty for the European Union at the June 2004 Summit in Ireland. The Constitution, once ratified, will replace the series of Treaties which established the European Union and its institutions. See also **Treaties**.

**Copenhagen criteria:** so named because the criteria were developed at the 1993 meeting of the European Council in Copenhagen, refer to a number of political and economic criteria that candidate countries for EU membership are required to meet before **accession** negotiations can begin. They are:

- stability of institutions guaranteeing democracy, the rule of law, human rights and the respect for and protection of minorities;
- the existence of a functioning market economy;
- the capacity to cope with competitive pressure and market forces within the EU; and
- the ability to take on the obligations of memberships including adherence to the aims of political, economic and monetary union.

**Cotonou Agreement:** named after the capital of Benin in West Africa where it was signed in June 2000, a 20-year agreement on trade, development and political cooperation between the EU and the African, Caribbean and Pacific countries (ACP). This agreement entered into force in April 2003. See also **Economic Partnership Arrangement**.

**Council of Europe:** established in 1948 following a call from Sir Winston Churchill in 1946 for creation of a united states of Europe, was the first coming together of European States in the search for a new, more peaceful and engaged Europe. While the Council of Europe could be said to have spawned the ultimate formation of the European Union, it did not evolve itself into a 'united states' of Europe. The Council of Europe is an intergovernmental organisation with aims including the protection of human rights, pluralist democracy and the rule of law, and promotion of Europe's cultural identity and diversity. Any European state can become a member of the Council of Europe provided it accepts the principle of the rule of law and guarantees human rights and fundamental freedoms to everyone under its jurisdiction. Current membership is 46 states. See [www.coe.int](http://www.coe.int).

The Council of Europe should not be confused with the **Council of the European Union**, which comprises Ministers of the EU, nor with the **European Council**, which brings together Heads of State or Government.

**Council of the European Union:** usually known as the Council of Ministers, is the EU's decision-making and legislative body, although in certain areas it shares the legislative function with the European Parliament. The Council of Ministers enacts EU legislation (regulations, directives and decisions), and it has joint control, with the European Parliament, over the EU budget. The Council is assisted by a General Secretariat. Each EU member state in turn holds the presidency of the Council for six months. The Council consists of member state ministers, with the minister attending varying according to the subject of the meeting. See also **European Council**.

## Customs classification:

“Ensure your product is classified correctly before shipping,” says Ryan Hill, International Business Manager of Paton’s Macadamias. “One of our trial shipments of product into an EU member state was unfortunately classified differently in other member states of the EU. Our product was charged 29 per cent (plus variable content) duty, instead of the usual 8 per cent (plus variable content), and once the classification was made by the relevant customs authority, having the classification changed proved time consuming and expensive.

“A better way to go is to approach the relevant customs authorities and seek a tariff classification at the point of entry. For food products they will ask for the ingredients and may laboratory test it to check (approximate cost is US\$110). Once a product is classified, you may request a **Binding Tariff Information (BTI)** document for the product, which is valid for six years, and the country may keep a control sample, ensuring future shipments are of the same ingredient mix.

At least this way you have a chance of appeal prior to shipping the goods & won’t face demurrage whilst the BTI is done.”

The European Union has a common external **tariff**, the operation of which is guided by Regulation 2913/92 (as amended). This regulation established the Community Customs Code. Customs classification relies on the World Customs Organisation’s Harmonised System. The implementing provisions for classification are in Commission Regulation (EEC) No. 2454/93. It has been amended several times. For some specific products, the Commission gives instructions to Customs authorities on how they are to be classified.



Case Study

The World Customs Organisation periodically announces such international decisions, including the establishment of new classification opinions and explanatory notes and of amendments to existing explanatory notes. These announcements may be found on the World Customs Organisation's web site [www.wcoomd.org](http://www.wcoomd.org). Such decisions may also affect binding tariff decisions.

**Customs duties:** Customs duties were harmonised in the EU on the formation of the customs union. All entry points to the EU single market apply the same tariff rates. (See also **customs classification**.)

**Customs policy:** described by the EU as 'a foundation of the Union and an essential element in the functioning of the single market'. The importance of customs policy to the successful operation of the single market can't be understated. 'The single market can only function properly where there are common rules applied in a common way at its external borders – all Customs administrations acting as one. These common rules go beyond the Customs Union as such – with its common tariff – and extend to all aspects of trade policy, such as preferential trade, health and environmental controls, the common agricultural and fisheries policies, the protection of our economic interests by non-tariff instruments and external relations policy measures.'<sup>5</sup>

**Customs union:** the creation of a single market from more than one customs territory (usually a country) where all external duties are harmonised. There are no internal tariffs applied to the movement of goods.

**Customs valuation:** Valuation of goods for customs purposes is based primarily on the transaction value: the price actually paid or payable for the goods when sold for export, adjusted where necessary. The applicable provisions are set out in Chapter 3 of Regulation 2913 of 12 October 1992, as amended.

## D

---

**Data Protection:** EU member states are bound by a Directive of the European Parliament in relation to personal data protection [Directive 95/46/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data]. The Directive contains a provision (Article 25) allowing the transfer of personal data to a third (non-EU) country where that country has an adequate level of data protection. The European Commission (EC) assesses the adequacy of the level of protection afforded by a third country.

---

<sup>5</sup> [http://europa.eu.int/comm/taxation\\_customs/publications/customs/customsbrochure.html](http://europa.eu.int/comm/taxation_customs/publications/customs/customsbrochure.html)

To date only five non-EU countries (Canada, Argentina, Guernsey, Switzerland and Hungary, the latter of which is now a member of the EU) have been formally assessed as having an adequate level of data protection. The US 'Safe Harbour' arrangement and transfer of Air Passenger Name Records have also been accepted as adequate. The European Commission has commenced assessments of the data privacy regimes of other third countries including Australia and Japan.

The effects of this legislation are that EU companies cannot transfer personal data to countries that do not meet its privacy protection adequacy test.

Australia has recently adopted new private sector privacy legislation. The legislation (which amends the *Commonwealth Privacy Act 1988*) establishes a co-regulatory regime for the protection of personal information handled by private sector organisations, containing provision for the development of approved privacy codes as well as 'default' legislative privacy standards (National Privacy Principles).

National Privacy Principle (NPP) 9 limits the circumstances in which personal information may be transferred from Australia to a recipient in a foreign country. While there are some situations where transfer is permitted by NPP 9 (such as where the individual consents), there is a general prohibition on transfer of personal information out of Australia to other countries that do not have a law, binding scheme or contract that effectively upholds data protection standards that are substantially similar to the National Privacy Principles. Most EU-member countries have domestic data protection laws regulating private sector. However, contractual measures protecting any personal information transferred may be needed in some circumstances. Further information about Australia's private sector privacy legislation can be obtained from the Federal Privacy Commissioner's website: [www.privacy.gov.au](http://www.privacy.gov.au).

The European Commission and Australia (the Attorney-General's Department) are holding ongoing discussions concerning the free and safe flow of electronic data between EU member states and Australia.

**Decision:** See **Community Legislation**

## Decision-making in the European Union

The process of decision-making within the European Union involves a number of complex procedures and substantial interaction between the Council of Ministers, the European Commission and the European Parliament in order to come to a conclusion that has as much common support as possible. The European Commission has the right to initiate legislation in respect of European Community matters, with the Council of Ministers only taking decisions on proposals from the Commission. Similarly, the European Parliament

cannot initiate legislation but considers proposals from the Commission in association with the Council. This consideration and taking of decisions occurs through four types of legislative procedure.

The four procedures are known as consultation, co-decision, cooperation and assent.

The consultation process requires the Parliament to provide a formal opinion, including proposed amendments, on a legislative proposal by the Commission. The Commission considers the Parliament's opinion and submits the original or a revised proposal to Council. There is no legal requirement for the Commission or the Council to act on the Parliament's amendments. A Council working party and COREPER (the Committee of Permanent Representatives) will normally consider the Commission's proposal after consultation. The Council then adopts the proposal according to the voting procedure specified for the

subject in question (e.g. unanimous agreement for matters concerning harmonisation of taxes and foreign policy, qualified majority agreement for matters relating to agriculture). If the Council wishes to amend the Commission's proposal, it must do so unanimously.

The co-decision and cooperation procedures are substantially more complex than those involving consultation. In both, two readings are required by the European Parliament. Co-decision is the normal mode of EU decision-making and applies to most Community policies relating to the single market, including environment, consumer policy, energy and transport. It gives the Parliament the right to adopt legislation jointly with the Council. The cooperation procedure relates to certain aspects of economic and monetary policy and involves the Council adopting a common position by qualified majority after receiving the Commission's proposal. The Parliament then has the right to amend, reject or accept the proposed legislation, before it is returned to the Commission and the Council.

The assent procedure, introduced by the Single European Act in 1986, gives the European Parliament the right of veto over a Council act. The procedure is used for the adoption of international agreements, as well as agreements that either create new institutions, or have significant budgetary implications for the EU, or require the amendment of EU legislation subject to co-decision. Assent is also required for the accession of new members to the EU. These legislative procedures may be simplified by the new EU constitution, if ratified by the member states.

**Declaration of Conformity:** An EC Declaration of Conformity is a certificate issued by the manufacturer, or their authorised representative established in the EU, in which the manufacturer, or their representative, declares that a product being placed on the EU market

complies with all the essential health and safety requirements that are detailed in the appropriate Annexes of the relevant **New Approach Directives**. An EC declaration is often referred to as a “manufacturer’s declaration”.

In support of a declaration of conformity, the manufacturer must establish technical documentation which enables the conformity of the product to be assessed by an appropriate authority when required for market surveillance purposes. This documentation must describe the design, manufacture and operation of the product and must be available to the surveillance authorities of EU member states for 10 years.

**Decoupling:** a term used to describe the process of separating the amount of subsidies EU farmers receive from the level of their agricultural production under the Common Agricultural Policy. It is intended to reduce incentives to over-produce certain agricultural products.

**Deepening:** relating to increasing integration: economic, social, legal etc, between the member states. Used in contrast to ‘widening’ – expanding EU membership.

**Degressivity:** a term used within Europe to describe proposals for progressive reductions in subsidy payments. It is most commonly applied to the **CAP**.

**Derogation:** literally, a lessening or deviation from law, derogation refers to temporary suspension or waiver of requirements. In drawing up regulations or directives, a special dispensation or exemption clause may be added to allow specified member states a temporary suspension or waiver from the requirements.

**Directive:** see **Community Legislation**

**Doha Round:** also known as the Doha Development Agenda, is the name given to the current round of WTO multilateral trade negotiations. The Round was launched at the Fourth WTO Ministerial Conference in Doha, Qatar, on 14 November 2001. The Doha Ministerial Declaration gives a specific commitment to negotiations on agriculture; services; non-agricultural market access (industrial products); a multilateral register for wines and spirits geographical indications; improvements and clarification of the dispute settlement understanding; WTO rules (covering anti-dumping, subsidies and countervailing measures, fisheries subsidies and regional trade agreements); and trade and environment. Importantly, WTO members also reaffirmed at Doha that special and differential treatment for developing and least developed countries is an integral part of the WTO suite of agreements. The full text of the Doha Declaration and information on the progress of the Doha Round can be found at <http://www.wto.org>.

## Distribution:

---

“Understanding your supply chain into different markets is critical”, says John Le Plastrier, Trading Manager for Seedmark. “Most countries have a wide variety of customs, laws and capabilities that need to be considered and constantly monitored, especially with a complex product like planting seed. Having your own agent or office in major export destinations is imperative, and strong relationships with buyers is a must to work through the inevitable problems that occur when exporting.”



Case Study

“The key to successful exporting is not when the product is bought or sold, but how the transaction is executed. This includes having expertise in domestic transport, ocean freight, banking, insurance, documentation, quarantine laws, tariffs, and local customs. Quite often a deal is made or broken on logistics, not price. The ability to deliver Just-In-Time is becoming a more valuable commodity in international trade and the companies that understand and can deliver on this are the ones that will prosper in the future.”

“Managing foreign exchange risk is obviously an important consideration and one which is quite often mismanaged as many smaller exporters do not understand or have the skills to manage this risk. Talking to your foreign exchange dealer and explaining the export trade you are doing can often highlight better ways to manage this risk.”

Seedmark is a company owned by grower shareholders and specialises in the production and marketing of a wide range of pasture legumes and forage seeds, cereals, pulses, spices and vegetable seeds. Started in 1964 as Seedco, Seedmark is now Australia’s largest producer of pasture legume seeds suitable for dryland and irrigation farming systems. Seedmark has clients in over 65 countries and is a six-time winner of Government Export Awards for outstanding achievement in export sales and marketing.

**Documentation:** see **export documentation**

## E

---

**Eco-label:** The Community eco-label award scheme is designed to promote products which have a reduced environmental impact compared with other products in the same product group; and to provide consumers with accurate and scientifically based information and guidance on products. The eco-label may be awarded to products available in the Community which meet certain environmental requirements and specific eco-label criteria.

The criteria are set and reviewed by the European Union Eco-Labeling Board (EUEB), which is also responsible for the assessment and verification requirements relating to them. Applications may be made for award of the eco-label for a fee, and the Commission and member states are obliged to promote the Eco-label.

Any product to which the eco-label is awarded is recognisable by the 'daisy' logo, as described in Annex III to the Regulation. (Regulation (EC) No 1980/2000)<sup>6</sup>.

**Economic and Monetary Union:** means a single monetary policy within a single economic market. The three stages of economic and monetary union were firstly, the dismantling of internal barriers to the free movement of capital in the EU; secondly the establishment of the European Monetary Institute, the prohibition of financing the public sector by the central banks and the avoidance of excessive deficits in public finances; and thirdly, the transfer of monetary competence to the Eurosystem, the irrevocable fixing of exchange rates between the currencies of the participating EU member states and the introduction of the **Euro**.<sup>7</sup> Monetary policy is run by the **European Central Bank (ECB)**. See also **Euro**.

**Economic Partnership Arrangement (EPA):** a reciprocal and WTO-compatible free trade arrangement proposed as the basis of the EU trade relationship with Africa, Caribbean and Pacific (ACP) countries after January 2008.

**EC Declaration of Conformity:** see **Declaration of Conformity, Mutual Recognition Agreement on Conformity Assessment**.

**Enlargement:** the EU has been through various phases of enlargement.

The original six – Belgium, Germany, France, Italy, Luxembourg and the Netherlands – were joined:

- in 1973 by United Kingdom, Denmark and Ireland
- in 1981 by Greece
- in 1986 by Portugal and Spain

---

<sup>6</sup> For more information see <http://europa.eu.int/scadplus/leg/en/vb/l28020.htm>

<sup>7</sup> For more detail see <http://www.ecb.int>

- in 1995 by Austria, Finland and Sweden
- in 2004 by Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia, and Slovak Republic.

Bulgaria and Romania are aiming to join in 2007. Turkey and Croatia have been invited to commence accession negotiations in 2005.

Switzerland and Norway have both rejected EU membership by referendum, although Switzerland's (now dormant) application is still current.

**Eur-lex:** The website listing all EU legislation, including the Official Journal, Treaties, Legislation in Force, Case law and Documents of public interest. Available at <http://europa.eu.int/eur-lex/en/index.html>.

**Euro:** stands as one of the strongest symbols of European unification. The euro became the official currency of Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, The Netherlands, Portugal and Spain on 1 January 1999. Greece adopted the euro on 1 January 2001. National currencies remained in circulation, but at fixed exchange rates against each other, until euro notes and coins were introduced into circulation on 1 January 2002. These countries are known as the euro area. The new member states will all be seeking to join the euro area in the near future.

**European Australian Business Council (EABC):** a national body established in Australia to promote the business interests of those EU member states which are represented in Australia by organisations such as chambers of commerce and industry, foreign trade offices, and other similar business/trade associations or representations. EABC member organisations also represent corporate and individual members involved in trade and investment within Europe. For further information see [www.eabc.com.au](http://www.eabc.com.au).

**European Bank of Reconstruction and Development (EBRD):** established in 1991, with the aim of fostering economic transition in central and eastern Europe and the Commonwealth of Independent States. Through its investments it promotes private sector activity, the strengthening of financial institutions and legal systems, and the development of the infrastructure needed to support the private sector. The EBRD seeks to help its 27 countries of operations to implement structural and sectoral economic reforms. The EBRD has a number of programs including the Trade Facilitation Programme, TurnAround Management Programme, and in collaboration with other financial intermediaries supports small and medium sized projects. Further information can be found at [www.ebrd.com](http://www.ebrd.com).

**European Central Bank (ECB):** established in 1999, its role is to conduct monetary policy across the euro area. The principal objective of the ECB (assisted by the national central banks of euro area member states) is to maintain price stability. The ECB has defined this as a year on

year increase in consumer prices of below 2 per cent.<sup>8</sup> The two pillars which support this aim are the reference value for the annual growth of the broad monetary aggregate M3 of 4.5 per cent, and an assessment of a broad range of non-monetary economic and financial indicators (eg, projections for real GDP growth, inflation forecasts, unemployment and wages growth).

The ECB's tasks in pursuit of this objective are to define and implement monetary policy, conduct foreign exchange operations, hold and manage member states' official reserves, and promote the smooth operations of payment systems.

The European Central Bank is based in Frankfurt am Main, Germany.

European Coal and Steel Community (ECSC): established under the Paris treaty in 1951, including Belgium, the Netherlands, Luxembourg, France, Germany, and Italy, and was the first integration of European country markets.

**European Commission:** the executive body, the “public service” of the EU, but is also more than this. Sharing policy and decision-making powers with the Council and member states, the Commission consists of a President, nominated by common consent of the member states with the approval of the European Parliament, and 25 Commissioners, nominated by common consent of the member states and the President of the Commission. The Commission's role is to ensure the implementation of the Treaties through the application of specific legislative and administrative measures. The Commission services employ over 20,000 civil servants, with a significant proportion of these employed as translators and interpreters for the EU's twenty official languages. A new Commission assumed office in November 2004. The structure and policy responsibilities of the Commission may also change under the new EU constitutional treaty.

**European Commissioners:** Each Commissioner is responsible for a portfolio and often has a political background. While each Commissioner is appointed by the mutual agreement of the governments of the current member states, they may not take instructions from their own national governments. They are to act in the interests of the Community, and the European Parliament supervises their actions. Commissioners serve for a term of five years, to coincide with the term of the European Parliament. A new Commission assumed office in November 2004.

**European Communities:** formed in July 1967, were the result of the merging of the European Economic Community (EEC), the **European Coal and Steel Community (ECSC)** and Euratom. With the entry into force of the Treaty on European Union in 1993, the EC became the EU.

---

<sup>8</sup> For more details see [www.ecb.int/](http://www.ecb.int/)

**European Council:** brings together the Heads of State or Government of the member states of the European Union and the President of the European Commission. The Council usually meets at least twice a year.

The European Council cannot legislate but its written conclusions provide guidance and impetus to the Council of Ministers.

It should not be confused with the **Council of Europe** (which is an international organisation) or with the **Council of the European Union** (which consists of the Ministers of the member states served by a Council Secretariat).

**European Court of Justice:** responsible for ruling on the interpretation of the Treaties, the consistency of acts of Community institutions and the European Central Bank with Treaty provisions, and cases of Community law. The Commission or individual member states may bring cases to the Court of Justice where they consider a member state has failed to fulfil its obligations under the Treaty. The Court can impose fines and penalties on member states if they fail to comply with Court rulings.

The European Court of Justice consists of 25 Judges, nominated by common accord of the member states for a renewable term of six years. The Judges are assisted by eight Advocates-General, nominated by the member states for a renewable six-year term.

The seat of the Court of Justice and the Court of First Instance is Luxembourg.

**European Economic Area (EEA):** The European Economic Area includes all member states of the EU and three of the four states of **European Free Trade Agreement (EFTA)**, (Iceland, Liechtenstein and Norway) and forms a single market. Switzerland, while being a member of EFTA, is not part of the EEA.

**European Economic Community (EEC):** established by the Treaty of Rome in 1957. In 1967 the EEC was merged with the **European Coal and Steel Community (ECSC)** and European Atomic Energy Community (Euratom), to form the **European Communities (EC)**. With the entry into force of the Treaty on European Union in 1993, the EC became the EU.

**European Free Trade Association (EFTA):** a free trade association comprising Iceland, Liechtenstein, Norway and Switzerland. While EFTA does not envisage the same level of integration as that of the EU, it contains provisions on restrictive business practices and the right of establishment of enterprises of member countries.

**European Investment Bank:** grants loans and guarantees finance to facilitate: projects in less developed regions of the EU; projects to modernise enterprises or develop new activities relevant to the progressive establishment of the common market that are too large to be

funded from member state resources; and projects of interest to several member states that are too large to be funded from member state resources. The Bank operates on a non-profit basis and is funded through its own resources and use of the capital markets.

The European Investment Bank is based in Luxembourg.

**European Parliament (EP):** directly elected by the citizens of the European Union (EU) for five-year terms. The last elections were held in June 2004. The seat of the European Parliament is in Strasbourg where one-week plenary sessions are held once a month. Unlike national legislatures, the European Parliament does not normally have the right to introduce legislation, this being the prerogative of the European Commission. The main functions of the Parliament are: consideration of the European Commission's legislative proposals and co-decision with the Council of Ministers (which is the prime decision-making body of the EU, on which all member states are represented) in the legislative process; control over EU activities through confirmation of the appointment of the European Commission (and the right to censure it) and through the written and oral questions it can put to the Commission and Council; and sharing of budgetary powers with the Council in voting on the annual budget and overseeing its implementation. See also Decision Making in the EU.

**European Patent Convention (EPC):** Convention adopted in 1973 by 13 European states which rationalised procedures for issuing patents by establishing a common judicial system. See **Patents**.

**European Patent Office (EPO):** established in 1973 by the Munich convention to issue patents valid throughout Europe. The EPO has its headquarters in Munich, a branch in The Hague, and sub-offices in Berlin and Vienna.

The member states of the EPO are Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Germany, Denmark, Estonia, Finland, France, Greece, Hungary, Iceland, Ireland, Italy, Liechtenstein, Lithuania, Luxembourg, Monaco, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, and the United Kingdom. Countries expected to join the EPO system in the near future include Albania, Croatia, Latvia, and the Former Yugoslav Republic of Macedonia.

The EPO grants European patents under a unitary and centralised procedure. By filing a single patent application in any of the three official languages – English, French or German – an applicant can obtain patent protection in as many EPO member and extension states as desired. The office receives over 160 000 patent applications per year.

Once a patent is granted, it becomes the legal responsibility of the countries designated by the applicant in their application, and in each of them affords the same protection as a

national patent. It is valid for 20 years, although extensions are possible for patents relating to pharmaceutical and plant protection products.<sup>9</sup>

**European Union (EU):** Established by the Treaty on European Union (also referred to as the Maastricht Treaty), signed in December 1991 and coming into force in November 1993, the EU was designed to mark a new stage in the process of creating a closer union among the peoples of Europe. The Treaty on EU set objectives of economic and monetary union (including the establishment of a single currency), the implementation of common and security policy, protection of rights and interests through introduction of citizenship of the Union, closer cooperation on justice and home affairs, and maintenance and building on the *acquis communautaire*.

**Everything But Arms (EBA):** a policy of the EU which provides 42 least developed countries (LDCs) duty-free access to the EU markets without quota or other restrictions for all agricultural primary and processed products. EU imports of sugar, bananas, and rice are subject to progressively reducing tariffs and increased access transition arrangements until completely phased out by 2009.

**Excise:** Excise duty is applied to manufactured tobacco, alcohol and alcoholic beverages and mineral oils. Council Directive 92/12/EEC of February 25 1992 (as amended), describes the general arrangements for products subject to excise duty and on the holding, movement and monitoring of such products. Excise is payable on both imported and locally manufactured products, either at the time of production within the territory of the Community or of their importation. The payment of excise on imported goods may be suspended under tax-warehousing arrangements.

The amount of excise charged may vary between member states, and member states can continue to levy other (unharmonised) taxes on these products (green taxes) and others, such as vehicle registration or road taxes, fees, etc. Excise duty tables are published on the internet at: [http://europa.eu.int/comm/taxation\\_customs/publications/info\\_doc/info\\_doc.htm](http://europa.eu.int/comm/taxation_customs/publications/info_doc/info_doc.htm).

### **Export Documentation:**

#### *Certificate of Origin*

A Certificate of Origin is an export document needed to certify the place of growth, production or manufacture of the goods specified thereon. It is needed when:

- Exporting to specific countries;
- Required by the consignee for customs clearance;
- Stipulated in a letter of credit.

---

8 From [www.european-patent-office.org/epo\\_detailed.htm](http://www.european-patent-office.org/epo_detailed.htm)

*How to obtain a Certificate of Origin*

A Certificate of Origin can be obtained from State Chambers of Commerce and other issuing bodies by completing a Declaration of Origin and providing other relevant export documentation. A Declaration of Origin is an affidavit signed by the exporter or his/her representative certifying the country of growth, production or manufacture of the exported goods. Copies of the following documents may also be required:

- Commercial Invoice;
- Bill of Lading (seafreight);
- House Airway Bill (airfreight);
- Letter of Credit (if applicable).

*Other document certification*

It may be necessary to carry a variety of certified documents overseas. State Chambers can certify (by stamping) the validity of a wide range of documents. These include Certificates of Origin prepared by the exporter of his/her representative and other documents including health certificates, agency agreements / contracts, visa letters, packing lists, AQIS certificates, DPI certificates, certificate of free sale etc.

*How to obtain certification*

To obtain certification original documents must be submitted for stamping. An extra copy may also be required for the issuing Chamber's records.

For further information on Certificates of Origin and Certifications contact your local State Chamber of Commerce.<sup>10</sup>

**Export Finance and Insurance Corporation (EFIC):** Australia's export credit agency, has a charter from the Government to increase the volume of Australian exports, and reports to the Minister for Trade. It is a self-funding, statutory corporation, wholly-owned and guaranteed by the Commonwealth of Australia. EFIC assists Australian exporters and investors to compete internationally by providing a range of insurance and finance facilities for their overseas contracts and investments:

EFIC's Export Finance Group provides a range of services to assist the export of Australian capital goods and services and investment in overseas projects. Its products include: medium- to long-term finance to overseas buyers, such as Direct Loans and Export Finance Guarantees to finance the purchase of Australian capital goods or services, Advance Payment and Performance Bonds and guarantees, Political Risk Insurance (for Investors and Lenders), Medium-Term Payment Insurance and Unfair Bond Calling Insurance.

---

<sup>10</sup> Information supplied by the NSW State Chamber of Commerce

For smaller exporters, EFIC can help secure working capital finance from financial institutions through its Export Working Capital Guarantee (EWCG). An EWCG can be beneficial to exporters who face a working capital shortage when fulfilling export contracts where there is a mismatch between the timing of outgoing costs and incoming revenues. The facility may assist small- to medium-sized businesses to obtain unsecured pre-shipment finance where they do not have sufficient security to obtain additional bank finance. EFIC may provide a guarantee to the exporter's relationship bank, which then provides the necessary working capital funds.

In 2003, EFIC sold its short-term credit insurance business to Atradius, one of the world's largest providers of insurance to exporters. This reflected the view that the private market had grown rapidly in the provision of short term trade insurance and that there was no longer a rationale for government involvement. Atradius can be contacted on [www.atradius.com](http://www.atradius.com).

EFIC works closely with other Commonwealth industry and export facilitation agencies such as AusIndustry and Austrade to further assist Australian companies in strengthening their trading potential and experience.

EFIC can be contacted on tel: 1800 887 588, email: [info@efic.gov.au](mailto:info@efic.gov.au) or via their website: [www.efic.gov.au](http://www.efic.gov.au).

EFIC worked closely with Austal Ships Pty Ltd and its bank to provide a flexible financing solution to support the sale of a trimaran ferry to Fred Olsen S.A.

EFIC customised its Export Finance Guarantee for Austal's bank in relation to the sale, which was by way of a unique contractual structure.

Bob McKinnon, Managing Director, Austal says that, "EFIC worked with our bank to structure an innovative and sophisticated financing option that enabled us to conclude this landmark sale".

The trimaran will be the world's largest high-speed multi-hull vessel and will be based on a new hull form collaboratively developed between Fred Olsen S.A. and Austal and involving more than three years of research and development. The new trimaran will operate in the Canary Islands on the routes from Los Cristianos, Tenerife to San Sebastian, Gomera and the island of Palma.

**Export Market Development Grants (EMDG):** The EMDG Scheme provides assistance to small and medium Australian exporters committed to, and capable of, seeking out and developing export business by repaying part of their promotional expenses. Applicants may qualify for up to 50 per cent reimbursement of eligible export marketing expenses above \$15,000 pa to a maximum of eight grants. Up to \$200,000 pa may be reimbursed. For further information, please refer to Austrade's website [www.austrade.gov.au](http://www.austrade.gov.au).

# F

**Forum for European-Australian Science and Technology (FEAST) Cooperation:** is aimed at highlighting the multilateral and bilateral cooperation between Europe and Australia and at improving this cooperation. FEAST has successfully established itself through a series of events, including conducting information seminars on major developments (such as the European Union's 6th Framework programme for Research), as well as information and partner matching services through a dedicated website ([www.feast.org](http://www.feast.org)). See also the Department of Education, Science and Training's website at [www.dest.gov.au](http://www.dest.gov.au).

**Four freedoms:** the free movement of goods, capital, labour and services. The expression is often used in the context of the Treaty Establishing the European Communities (also known as the Treaty of Rome) where they are mandated in Titles I and III, and also in relation to the **single market**.

**Free Trade Area:** a group of two or more countries that have eliminated tariffs and quotas on substantially all the trade amongst themselves. Participating countries may continue to apply their own tariffs on external goods, or they may agree on working towards a common external tariff. Free trade areas are called reciprocal when all partners eliminate their tariffs and other barriers towards the other partners. See also, **Customs Union**.

## Freight: when it is cheaper to freight to Europe than Brisbane

Many potential exporters are discouraged from exporting to Europe because of the distance and related expectations of high transport costs reducing profit margins. However, many businesses exporting all round the world, including Europe, say that the transport costs are the same whether they are exporting to Asia, or Europe. In fact, David Michell, Chief Executive, Michell Pty Ltd states that "from Adelaide, it is cheaper to freight to Europe than Brisbane".

"We have found transport costs to be around 3-4 per cent of product cost whether we ship to Europe, the US or Asia" notes Mr Michell. However, he cautions that "distribution costs and port fees vary significantly from port to port". It is important to research the various routes for getting your product to the destination market to ensure you are not paying more than you need.



David Michell, Chief Executive,  
Michell Pty Ltd

Case  
Study

“Shipping prices also vary substantially for different container sizes. We saved \$50,000, or 25 per cent of our total shipping costs, on a shipment to Europe just by using 40 foot, rather than 20 foot containers. But, you need to make sure the port you are delivering to is able to handle 40 foot containers, and that the land transport distribution networks from that port exist. Many ports and roads aren’t equipped to deal with 40 foot containers. While most trains can take 40 foot containers, they can be expensive. Make sure you get a full costing of the various transport logistics options to ensure you get value for money.”

Michell is the world’s largest exporter and processor of Australian wool. Through its global outlook and worldwide sales offices, Michell has become recognised as a leader in the provision of high-quality products to the wool consuming regions of the world, including Asia, the United States, the European Union and the Australian domestic market.

## G

### Garwood International

“Australia’s comparative advantage in labour costs means that we have defence for any price challenge,” says David Horrocks, Director of Garwood International. “Europe is a great market for us. They have the money and will spend it to get what they want. We have the technological and engineering expertise to fill their needs.”

“Rather than using a main distributor for Europe, we are establishing our own sales office together with at least one and maybe two other Australian manufacturers who are involved in our industry. By establishing an ‘Australian syndicate’ and combining our product and expertise we hope to gain more clout in the marketplace, spread our risk and increase our potential for greater volume sales. The potential margin increase for our combined sales over what can be achieved locally in Australia is a big inducement to put in the effort. The present low A\$ levels against the British and other European currencies is a help and by the time, if ever, that the A\$ gets back up to the levels of years ago



Peter Vanheiden, (Special Projects Manager) and David Horrocks, (Director), with the Australian Technology Showcase award winning Bantam product which is the spearhead of Garwood’s European Export thrust.

Case Study

we hope to be well enough established that the price differential will not be such a bar to success.”

Garwood International, specialising in Environmental Control Equipment, has successfully grown exports to the UK and is currently looking closely at other EU countries as new potential markets, for direct sales. Previously Garwood has sold technology into Germany.

**GATS (General Agreement on Trade in Services):** the first and only set of multilateral rules covering international trade in services. It is an outcome of the Uruguay Round, which came into force in January 1995. It covers all internationally traded services with two exceptions: services provided to the public in the exercise of governmental authority (government procurement) and, in the air transport sector, traffic rights and all services directly related to exercise of traffic rights. The GATS also defines ways in which a service can be traded.

**GATT (General Agreement on Tariffs and Trade):** establishes multilateral obligations for trade in goods. Negotiated following the end of World War 2, the GATT is the founding agreement in a set of agreements which now constitute the rules agreed to by **World Trade Organization (WTO)** member countries to regulate world trade.

**Generalised System of Preferences (GSP):** first proposed at UNCTAD II in 1968, gives developing countries a margin of preference in the tariff rates their goods face in the markets of developed countries and in this way increases their competitiveness. The preferential tariff rates are included on-line in the **TARIC** database. See also, **Lomé Convention**.

**Genetically Modified Organisms (GMOs):** organisms in which the genetic material (DNA) has been altered using biotechnology. A number of crops (such as certain types of tomatoes, flowers, cotton and grains) that have been modified in order to better withstand pest or diseases or to enhance productivity come into this category. Consumer concerns about health risks and the ethical and social implications of genetic engineering have led the EU to call for a labelling of all products which contain GMOs. A number of EU member states have imposed a moratorium on GMO imports, a move which is under challenge in the WTO.

**Geographical Indications:** Under the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) a geographical indication identifies a good as originating from a particular geographical source, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin. (Article 22)

**Government Procurement:** known in the EU more commonly as Public Procurement, Government Procurement in the EU is worth around 14 per cent of GNP each year.

The tendency to allocate tenders to local firms was one of the obstacles to the efficient functioning of the EU single market. In an effort to address this issue, the EU adopted four Directives on the subject, covering works contracts, supply contracts, service contracts and finally procurement by “utilities”, that is to say enterprises operating in the water, energy, transport and telecommunications sectors.

**Government Procurement Agreement (GPA):** a WTO plurilateral agreement with 37 signatories, including the EU. Its purpose is to open up as much of Government procurement business as possible to international competition (but only from other signatories to the agreement). Designed to increase transparency in government procurement and to eliminate discrimination against foreign products or suppliers, the present agreement and commitments were negotiated in the **Uruguay Round**. Australia is not a signatory to the Agreement as it considers its provisions inequitable – it departs from the WTO principle of non-discrimination; it allows bilateral agreements between signatories that enable carve outs of sensitive and potentially lucrative sectors; and it establishes prescriptive procedural requirements at odds with Australian Federal, State and Territory practice and policies.

**Green Box:** see **Subsidies**.

**Green labelling:** See **eco-label**

## H

---

**“Harmonised Standards”:** Technical specifications adopted by a European standards institution on the basis of a mandate from the Commission of the European Community. Harmonised standards are published in the **Official Journal**.

**Harmonised Commodity Description and Coding System:** often referred to as the Harmonised System. It is a system for classifying goods traded internationally embodied in the International Convention on the Harmonised Commodity description and Coding System, managed by the World Customs Organisation<sup>11</sup>. The Harmonised System is used mainly for customs purposes to achieve international uniformity in the classification of goods. As such it is also relevant for the administration of rules of origin. It contains 96 chapters, 1,241 headings and more than 5000 six digit sub-headings which may be subdivided further to reflect national administrative and statistical requirements. Beyond the six-digit level of agreed classification, countries and economies develop their own further **customs classification** of goods and this is where there is potential for goods to be classified differently.

---

11 For further information go to the World Customs Organisation Website at [www.wcoomd.org](http://www.wcoomd.org).

**Import Licensing:** the need to obtain a permit for importing a product.

**Incoterms:** make international trade easier and help traders in different countries to understand one another. These standard trade definitions that are most commonly used in international contracts are protected by the International Chamber of Commerce Copyright.

For detailed information on Incoterms go to the International Chamber of Commerce, at <http://www.iccwbo.org>. The thirteen Incoterms are listed below:

EXW	EX WORKS (named place)
FCA	FREE CARRIER (named place)
FAS	FREE ALONGSIDE SHIP (named port of shipment)
FOB	FREE ON BOARD (named port of shipment)
CFR	COST AND FREIGHT (named port of destination)
CIF	COST, INSURANCE AND FREIGHT (named port of destination)
CIP	CARRIAGE AND INSURANCE PAID TO (named place of destination)
CPT	CARRIAGE PAID TO (named place of destination)
DAF	DELIVERED AT FRONTIER (named place)
DDP	DELIVERED DUTY PAID (named place of destination) <sup>12</sup>
DDU	DELIVERED DUTY UNPAID (named place of destination)
DES	DELIVERED EX SHIP (named port of destination)
DEQ	DELIVERED EX QUAY (named port of destination)

**Intellectual Property (IP):** a type of intangible property comprising rights derived from creative and inventive endeavours, or signs, words and symbols used to distinguish goods and services in the market place. IP rights include copyright (rights in literary, musical, artistic, photographic and audiovisual works), and industrial property rights (rights in inventions, trademarks, industrial designs and geographical indications or appellations of origin). IP law gives creators and inventors certain exclusive rights with respect to their creations and inventions, and provides businesses and consumers alike with confidence that distinctive signs such as trade marks are not used in a way that deceives or misleads the public.

**Internal Frontiers:** the borders between member states within the EU.

**International Office of Vine and Wine (OIV):** a scientific and technical inter-governmental organisation working in the field of vine and vine-based products. The OIV was established by international agreement in 1924. There were eight founding members of the OIV – Spain,

<sup>12</sup> [www.iccwbo.org/index\\_incoterms.asp](http://www.iccwbo.org/index_incoterms.asp)

France, Greece, Luxembourg, Portugal and Tunisia. Other countries have successively joined, including Australia and New Zealand. The OIV seeks to inform members of the measures they can adopt to accommodate concerns of producers, consumers and other participants in the wine sector. It also seeks to contribute to international harmonisation of existing practices and standards and, to contribute to the preparation of new international standards. Further information about OIV can be found at [www.oiv.int/uk/index.html](http://www.oiv.int/uk/index.html).

**International Plant Protection Convention (IPPC):** The International Plant Protection Convention (IPPC) is an international treaty for protecting plant health. The purpose of the IPPC is to secure common and effective action to prevent the spread and introduction of pests of plants and plant products and to promote appropriate measures for their control. It applies to protection of cultivated plants and plant products and to the protection of natural flora (refer to [www.ippc.int/IPP/En/default.htm](http://www.ippc.int/IPP/En/default.htm)).

**Investment:** The regulation of investment remains with individual EU member states. For details on new developments in this area please refer to the relevant country sections of TradeWatch at [www.tradewatch.dfat.gov.au](http://www.tradewatch.dfat.gov.au).

## J

---

**Joint Agreements:** Australia and the EU have a number of joint agreements. These include the 1994 Agreement relating to **Science and Technology Cooperation**, the 1994 Agreement with European Community on Trade in **Wine**, the 1998 EU-Australia Agreement on **Mutual Recognition in relation to Conformity Assessment**, Certificates and Markings.

**Joint Declaration on Relations between Australia and the European Union:** signed on 26 June 1997, a comprehensive, non-treaty status political declaration on relations between Australia and the EU. The Declaration commits Australia and the EU to strengthen relations and to cooperate across the many areas in which we have shared interests, including in the areas of peace and security, migration, asylum and refugee protection issues, trade and economic issues, science and technology, education and training, the environment, and development cooperation. See also **Agenda for Cooperation**.

## L

## Labelling:

“When labelling wine for export to the EU, it’s important to get it right before you press the print key!” says Tracey Nicholas, International Product Manager with the Hardy Wine Company. “We had one wine shipment delayed at the border because the lettering expressing alcohol content was 0.5mm smaller than the regulations required.

There are also different symbols required for recycling in different countries, and other regulations. For example, in Denmark we can’t use PVC capsules, instead we must use PET. Don’t be discouraged, however. The EU has proven to be a growth market for the Australian wine industry, with exports rising from \$73 million in 1990 to \$1.132 billion in 2002. It has definitely been worth the effort for us.”

Hardy’s now checks every new label design with Australian Wine and Brandy Corporation and the UK Wine Standards Board before production to ensure it meets EU as well as member state requirements. This is not mandatory but is a good idea to save time and money.

Your target country may have requirements in regards to:

- Government regulations – eg:
  - name and address of the manufacturer and/or exporter and/or importer;
  - country of origin marked in a certain way;
  - description of product composition;
  - net weight and volume of contents, possibly stated in the local unit;
  - ingredients listed for food items;
  - ‘use by date’, or ‘best before’ date;
  - storage conditions once opened;
  - instructions for use.
- Health standards and mandatory warnings – eg:
  - warnings as to any hazards classified by the authority of the country;
  - be careful making claims such as ‘low fat’, ‘longer lasting’ or other comparative or health related descriptors as this may be strictly regulated.



## Case Study

- Correct use of foreign language on the label:

In some countries legislation requires that the local language must appear in type no smaller than the manufacturer's language, or that the language appear on the label itself – not on a sticker affixed later. If you are exporting to non-English speaking countries you need also to be aware that there may be different dialects for different regions. Make sure that your product name translated into the importing country's language or in English is not offensive to that country.

In addition to the importing country's laws relating to labelling, the Australian Customs Service also requires compliance with the following:

- Exporters should be aware that it is an offence to knowingly apply any false trade descriptions to any goods destined for export or to export such goods. A false trade description means any description which by addition, deletion, effacement or otherwise is false or is likely to mislead.
- Trade description markings must be:
  - in prominent and legible characters; and
  - on a principal label or brand attached to the goods in a prominent position in as permanent manner as practical.
- The Commerce (*Trade Descriptions Act*) 1905 provides that any goods exported in contravention of any regulation may be seized and forfeited to the Crown.

If you are uncertain about any aspect of Customs requirements on labelling/trade descriptions contact a Customs Information Centre on 1300 363 263. The Customs Department also produces a 'Customs Guide for Business', available on their website at [www.customs.gov.au](http://www.customs.gov.au) or a copy may be requested from a Customs Information Centre.

**Lomé Convention:** first signed in 1975, an umbrella agreement for 71 African, Caribbean and Pacific (ACP) states with the EU. The agreement provided for non-reciprocal trade preferences for ACP states. These included duty-free access for all industrial and a large part of agricultural and processed agricultural products as well as preferential tariffs for almost all the remaining agricultural products. The Lomé Convention expired in February 2000, and has been succeeded by the **Cotonou Agreement**.

**Lisbon Strategy or Lisbon Agenda:** the central objective of the EU's 2000 Lisbon Strategy is to become "the most competitive and dynamic knowledge-based economy in the world by 2010, capable of sustainable economic growth, with more and better jobs and greater social

cohesion". The Strategy involves increasing competition in energy, transport, postal and financial services sectors. It also aims to reduce state aid to companies and highlights the EU's social policy goals of harmonising education policy and job-creation.

**Living Modified Organisms (LMOs):** organisms in which the genetic material has been altered through modern biotechnology and which are capable of propagation. They may include plants, animals or micro-organisms, including processed and unprocessed foods and pharmaceutical products, with wide application to agricultural production, environmental management and public health.

## M

---

**Maastricht:** The Treaty on European Union, also known as the Maastricht Treaty, agreed in December 1991, which came into force in November 1993. The 'Maastricht criteria' is also the common name for the convergence criteria, which sets out the qualifications countries must meet to be able to adopt the euro. These economic criteria are low inflation, sound public finances, low interest rates and stable exchange rates, and the political independence of their national central banks.<sup>13</sup>

**Market Access:** market access describes the extent to which goods may enter a market and the conditions, including tariffs, quotas, standards, licences, excises, which may affect that entry.

**Modulation:** a system which reduces support payments for large farm businesses under the Common Agricultural Policy, and uses the savings to finance rural development and environmental programs.

**Monetary Policy:** covered by Articles 105 to 111 (former Articles 105 to 109) of the EC Treaty. It is fundamental to economic and monetary union (EMU).<sup>14</sup>

**Most Favoured Nation (MFN) Principle:** enshrined as Article 1 of the **GATT**, which obliges **WTO** member nations to offer the same treatment to imports from any nation, as that which applies to imports from their most favoured trading partner. That is, if a lower tariff or other trade concession is offered to one (WTO Member) trading partner, it must be offered, immediately and unconditionally to all trading partners. Allowable exceptions include where WTO members establish a free trade area or a customs union, and preferential rates to developing countries as allowed under the **Generalised System of Preferences**.

---

<sup>13</sup> <http://www.ecb.int/>

<sup>14</sup> From: <http://europa.eu.int/scadplus/leg/en/cig/g4000m.htm#m1>

**'Multi-speed' Europe:** the term used to describe the idea of a method of differentiated integration whereby common objectives are pursued by a group of member states both able and willing to advance, it being implied that the others will follow later.<sup>15</sup>

**Mutual Recognition Agreement on Conformity Assessment:** in full, the Australia-European Community Mutual Recognition Agreement (Aust-EC MRA) on Conformity Assessment. The Aust-EC MRA came into force on 1 January 1999 and is now fully operational.

The MRA assists Australian exporters by allowing products traded between Europe and Australia to be tested and certified for compliance with the regulatory requirements of the importing country prior to export. In the case of Australian exporters, this means compliance with the requirements of the relevant European Community Directives (**New Approach Directives**) or regulations can be established in Australia and the **CE marking** applied to the product prior to export. In this way the product can be placed on the EU market with, usually, no further intervention by EC authorities for the range of products covered by the MRA. (Australian firms can still choose to have their product assessed in the European Union by one of their **conformity assessment bodies**.)

The MRA currently covers regulated products in the following eight industry sectors:

- automotive products
- electromagnetic compatibility (EMC)
- low voltage electrical equipment
- telecommunications terminal equipment
- machinery
- medical devices
- pharmaceuticals – Good Manufacturing Practice (GMP)
- pressure equipment

The MRA benefits Australian business by eliminating the time delays and costs associated with obtaining regulatory approval in the importing country. The major beneficiaries are private businesses, especially small and medium-sized enterprises.

## N

---

**National Treatment:** a requirement on WTO members that imports must be treated no less favourably than those originating or supplied domestically. See also Most Favoured Nation.

---

<sup>15</sup> From: <http://europa.eu.int/scadplus/leg/en/cig/g4000m.htm#m1>

**New Approach Directives:** A directive is binding for all member states. It specifies regulations for a particular subject field and the date from which the regulations apply. Member states are allowed to decide for themselves the form and method to be used when incorporating the [regulations of the Directive in national legislation](#).

New Approach Directives are adopted for broad product areas or defined risks. EU policy is to limit the adoption of New Approach directives to areas where national legislation can create legitimate barriers to trade. Because New Approach directives apply to broad product areas and only cover one or a few types of risks, any product may be covered by more than one directive. In most cases the manufacturer can choose both how to meet the essential requirements and the means to demonstrate that the product conforms to technical requirements.

The New Approach Directives are:

90/396/EEC	Appliances burning gaseous fuels
00/9/EC	Cableway installations designed to carry persons
89/106/EEC	Construction products
89/336/EEC	Electromagnetic compatibility
94/9/EC	Equipment and protective systems in potentially explosive atmospheres
93/15/EEC	Explosives for civil uses
95/16/EC	Lifts
73/23/EEC	Low voltage equipment
90/385/EEC	Medical devices: Active implantable
93/42/EEC	Medical devices: General
98/79/EC	Medical devices: In vitro diagnostic
90/384/EEC	Non-automatic weighing instruments
94/62/EC	Packaging and packaging waste
89/686/EEC	Personal protective equipment
97/23/EC	Pressure equipment
99/5/EC	Radio and telecommunications terminal equipment
94/25/EC	Recreational craft
98/37/EC	Safety of machinery
88/378/EEC	Safety of toys
87/404/EEC	Simple pressure vessels
92/42/EEC	Efficiency requirements for new hot-water boilers fired with liquid or gaseous fluids

These Directives can be accessed from the New Approach Directives website: [www.newapproach.org/](http://www.newapproach.org/).

## New Opportunities

“Over the last few years the importance of the European market has grown for ACL Bearing Company”, says Shemek Wisniewski, Regional Manager, Europe and Middle East. ACL Bearings’ presence in the market spreads from Spain to Russia and from Finland to Greece. Altogether, ACL has customers in 15 European countries and its products are distributed to another 6-8 countries in the region.



Case  
Study

“The major challenge for ACL Bearing Company has been the ‘tyranny of distance’ perception among European distributors. In order to overcome that, increasing number of products are being air freighted to individual customers.” Fast order turn-around and quick deliveries mean that ACL products are as attractive as products from within Europe.

“With always increasing competition ACL has made a strategic decision to focus on quality, increased range of products and service.”

“In the upcoming year it will be interesting to observe the effect of EU enlargement on automotive aftermarket sectors in new as well as old EU member states. By participating in the regional automotive trade shows and through frequent visits to the market we want to be able to capitalise on any upcoming opportunities in the region.”

ACL Bearing Company is Australia’s only manufacturer of precision engine bearings for automotive applications and the largest manufacturer of powder metallurgy components for automotive applications, domestic whitegoods, industrial and other applications. The firm employs around 470 people and exports about half of its total production to 40 countries in North America, Asia, Europe and Africa. It won Tasmanian Exporter of the Year in 1998 and Australian Car Industry Supplier of the Year for 1999 and 2000.

**Nice Treaty:** signed in 2000, it foreshadowed the significant changes for the European Commission, Parliament and Council post-enlargement. The Treaty of Nice allows EU business to continue until the EU constitutional treaty is implemented.

**Non Discrimination:** a fundamental concept in the multilateral trade framework. A country may not discriminate among foreign supplier countries, and it may not apply adverse discriminatory treatment to products once they have entered its territory legally. The **WTO** rules permit some exceptions to this concept under strictly defined conditions. For example, members of a **free-trade area** or a **customs union** may discriminate against non-members in the application of tariff rates. WTO members may also maintain preferential tariff schemes for developing countries.<sup>16</sup>

**Non-Tariff Barriers:** government measures other than tariffs that restrict trade flows. Includes quantitative restrictions, import licensing, voluntary restraint arrangements, standards, labelling and quarantine.

**“Non-trade” concerns:** The WTO Agreement on Agriculture provides significant scope for governments to pursue important “non-trade” concerns such as food security, the environment, structural adjustment, rural development, and poverty alleviation. Most countries accept that agriculture is not only about producing food and fibre, but also has multiple functions, including realising non-trade objectives. The question debated in the WTO is whether trade-distorting subsidies are needed to allow agriculture to perform its many roles.

## O

---

**Office International des Epizooties (OIE):** an intergovernmental organisation created by international agreement in 1924. Its mission is to guarantee the transparency of animal disease status worldwide. Each OIE member undertakes to report animal diseases detected in its territory, after which the OIE disseminates the information to other countries, allowing them to take the necessary preventative action. Further information on OIE can be obtained at [www.oie.int/](http://www.oie.int/).

**Official Journal (OJ):** Official Journal of the European Communities is available on line at Eur-lex at <http://europa.eu.int/eur-lex/en/index.html>.

**“Open skies” arrangements:** It is the policy of the Australian Government, when it is in the national interest, to negotiate reciprocal “open skies” arrangements with like-minded partners to remove restrictions which prevent further liberalisation of air services. These restrictions include: passenger and freight capacity; and frequency to, from, between and beyond Australia and our trading partners; code sharing on each others’ airlines; the routes to be operated, including points of access in both countries, as well as access to third country markets; multiple designation of airlines, and; prices.

---

<sup>16</sup> Goode, p193

**Opting out:** an exemption granted to a country that does not wish to join the other member states in a particular area of EU cooperation. For example, the UK has opted out of the Economic and Monetary Union and Denmark has opted out of joint security arrangements.

## P

**Packaging:** see Labelling.

### Patents:

“Selling engineering technology to Germany is a bit like selling ice to Eskimos,” says Bishop Technology Group’s Managing Director Bruce Grey, “but we’ve been doing it successfully for years. In fact, Bishop rack and pinion steering systems are in 20 per cent of all cars, including Mercedes Benz, Ford and Jaguar.

“What has been vital to our success is intellectual property protection. Over the years, our creative ingenuity has been complemented by our skill in commercialising intellectual property. We hold over 350 patents and patent applications, and have successfully licensed our technology to engineering corporations throughout the world.

“Protecting ideas is an ongoing process. Pre-empting the market, and continually refining ideas and inventions is crucial to continuing success. We take advantage of the fact that Australian engineers can be up to a fifth of the cost of an engineer in Europe and we licence our technology all around the world.”

Patent protection in the EU is a combination system. Patents are lodged with the **European Patent Office (EPO)**, which allows for the filing of a single patent application in either English, French or German. The patent application is examined by the EPO and if allowable is allowed to proceed to grant upon payment of fees and translation of the claim set into the three official languages. However, in order for the Patent to be effective in the designated member states, it must be translated into the official language of the member state and lodged with the National Patent Office of the member state. This process is referred to as “validation”. Once a patent is validated in a member state, annuity fees are payable in that member state, if you wish to keep it in force for the remainder of the twenty year life.



Case  
Study

The advantage of the EPO is that the applicant need only prosecute the application in a single language before a single examining authority, and need only worry about translating costs once the patent is granted. It is worth noting that the cost of patents in Europe is five to eight times higher than in the US, largely because of these translation costs. However, once the European Patent is granted and then validated in various member states, the responsibility for keeping protection in force transfers to the member states. After a European Patent is granted, this does not mean that the applicant will validate the patent in all states. For instance most of Bishop's European patents are only validated in the automotive manufacturing countries of Germany, United Kingdom, France, Italy, Spain and Sweden. In recent times, Bishop has added Switzerland to the list.

It is essential to check the status of cases before the individual National Patent Offices once the cases are no longer the responsibility of the EPO. However, INPADOC which is a subscriber database, keeps legal status of patent families. If you know the details of one of the patents in the patent family it is possible to retrieve status on various corresponding patents.

## Payment: Finance of International Trade

---

Information provided by Garry Hay, Head of Trade Solutions, National Australia Bank Limited, Sydney.

*Export sales present fantastic new opportunities for business growth, however greater emphasis should be placed on risk management to ensure success.*

The danger is, that in the interests of sales growth, many of the usual business disciplines used to verify the credit worthiness of new buyers, avoid payment delays and ensure the right payment mechanism is in place are often relaxed.

This may occur because the usual sources of information on buyers are not as readily available, difficulties in cross border communication and the nature of the more complex payment methods that are involved.

A consistent approach to addressing some of the risk issues is important for long term export sales success. Some of the key issues for consideration are classified under the following:

- What risks are involved?
- How do I manage those risks?
- What is the impact on business cash-flow and how best to finance?

*What risks are involved?*

- Non-payment – country (political) and or buyer credit risk
- Financial markets risk – currency and or interest rate risk
- Shipping and transit risks

*How do I manage these risks?*

- Choosing the most appropriate method of payment and/or insurance protection (ie, letters of credit, documentary collections, trade credit insurance) giving consideration to the country and or buyer credit risk, industry practice, operating cycles, terms of payment and or buyer/supplier financing requirements.
- Managing currency and/or interest rate risks through appropriate hedging strategies.
- Covering transit risks with appropriate insurance cover – marine/air risk insurance cover.

*What is the impact on cash flow and how best to finance?*

Some of the key issues for consideration in determining cashflow impact and financing solutions are:

- What payment terms to offer the buyer?
- What currency to quote in (euro / A\$ or another currency)? What is the cost/benefit and what are the risks?
- Is the cash-flow impact prior to or following shipment or both?
- How does the bank view finance for export sales?
- What currency to finance in?
- What are the financing alternatives?

Assistance and expertise is readily available from all major trading banks, when dealing in foreign markets. A more considered and comprehensive approach to financial risk management is highly recommended.

See also **Export Finance and Insurance Corporation**.

**Point of entry:** a crucial consideration when considering export to the EU is which point of entry to use. One must ensure that the distribution systems that exist from the point of entry will accommodate entry to the various final market destinations. For example, the UK may not be the best point to land into the EU if the majority of goods will end up in France, as the distribution may be more difficult and expensive.

**Preferential Access:** see **Generalised System of Preferences (GSP), Lomé, Cotonou, Free Trade Agreements, Regional Trade Agreements.**

**Privacy:** See **Data Protection**

**Procurement:** see **Government Procurement.**

## Q

---

**Quantitative restrictions (QR):** restrictions on trade in goods. While QR on imports and exports between EU countries are prohibited under the EEC Treaty, the EU retains a number of **quotas** on imports from the rest of the world and a number of **tariff quotas**, mainly for agricultural and food products.

**Quarantine:** the **Australian Quarantine and Inspection Service (AQIS)** provides advice and assistance to existing and potential exporters of agricultural products and processed foods through its Export Facilitation Program. The five export facilitation officers in the Program provide information free of charge on the following topics:

- other countries' import conditions;
- Australian legislative requirements for export;
- documentation including export permits, health, phytosanitary and other certificates;
- AQIS quality assurance arrangements;
- premises registration requirements;
- inspection procedures;
- AQIS fees and charges.

The export facilitators can also act as the initial contact point for exporters who are experiencing difficulties with their exports in relation to government export documentation or other quarantine barriers. This service is particularly helpful for new exporters who are unfamiliar with Australia's export requirements and the importing country's requirements. If an issue does not come under AQIS's jurisdiction, the facilitation officer can refer clients to other relevant agencies that may be able to assist. Go to [www.aqis.gov.au](http://www.aqis.gov.au).

## R

---

**REACH (EU draft legislation for the Registration, Evaluation and Authorisation of Chemicals):** see **Community Legislation**

The EU's proposed new regulation for the registration, evaluation and authorisation of industrial chemicals COM (2003) 644 is an example of how EU internal regulatory approaches

may profoundly affect global markets and therefore the interests of trading partners such as Australia.

While Australia welcomes the legislation's objectives to protect human health, safety and the environment (which are also key priorities for the Australian chemicals industry), we have some concerns about its far-reaching global effect and its complexity and likely economic impact on international markets. It also cuts across efforts elsewhere to achieve a globally harmonised system. The draft legislation may have unintended impacts in sectors such as minerals and metals where Australia has key interests.

The draft legislation is the subject of intensive lobbying from both industry and green groups. EU member state political leaders, industry, third countries and regional groupings such as APEC have all criticised the proposal for being excessively complex, burdensome, costly and resource intensive. Third countries are also concerned that REACH could have an unintended negative impact on markets beyond the EU. The Australian Government, in consultation with Australian industry groups, is working with other affected non-EU countries and in multilateral fora such as the WTO to seek amendments to the legislation that will address Australia's concerns.

**Recommendation:** see Decision Making in the EU

**Red box subsidies:** see **Subsidies**

**Regional Trade Arrangement (RTA):** a free trade agreement, customs union or common market consisting of two or more countries. The EU is a member of a number of RTAs (see the entry in the first section detailing the EU's approach to RTAs).

RTAs will affect your business, and manufacturers must understand them to understand buyers' actions. Those who can understand what RTAs exist and how they affect customers will have an advantage. Under EU **rules of origin**, the Australian product, finished or added to in another country may still remain an Australian product, and attract the **Most Favoured Nation** duty rate. On the other hand the product may be deemed to be from the country where the secondary production took place. If this is in a developing country it may mean that it enters duty free, but if it was a textile product, it may mean that it is then subject to quota. Understanding how trade flows are affected by RTAs and your specific business is crucial.

**Regulation:** See Community Legislation

**Risk:** See payment

**Rules of origin (ROOs):** EC non-preferential origin provisions are based on two core criteria: “**wholly obtained**” and “**last substantial transformation**”. These criteria determine how and when a product can be considered as originating in a specific country. In other words, a product shall be considered as originating in a country if it has been either wholly obtained or undergone sufficient working or processing in that country.

Goods “wholly obtained” in a country are, for instance, mineral products extracted within its territory, harvested vegetable products or live animals born and raised there. The concept of “last substantial transformation”, on the other hand, is best defined as a process that is economically justified, carried out in an undertaking equipped for that purpose and bringing about significant changes in inputs, so much so that the finished product has properties and composition which differ from that of its input.

Nevertheless, due to the complexity of some operations, the Community has sometimes adopted interpretative rules defining which operations are to be considered as origin-conferring. This was the case for textiles products and integrated circuits, for example. In other cases, where complex assembly operations were at stake (such as for radios, TV sets and tape recorders), the last substantial operation was interpreted as implying an added-value criterion.

The first Regulation on origin dates back to 1968 (Regulation (EEC) No. 802/68). It was repealed by the Community Customs Code (Regulation no. 2913/92), which entered into force in 1994 and contained the provisions currently applied for non-preferential purposes.

Articles 22 to 27 of Regulation (EEC) No. 2913/92 (OJ No. L 302 of 19.10.1992) and Articles 35 to 65 and Annexes 9 to 13 of Regulation (EC) No. 2454/93 (OJ No. L 253 of 11.10.1993) lay down all provisions currently applied for non-preferential purposes.<sup>17</sup>

## S

---

**Safeguards:** temporary measures taken to safeguard a domestic industry against heightened competition from imports. Can include the imposition of **tariffs, tariff quotas, quotas** or other support to a domestic industry. Most commonly, “safeguards” refers to action taken under Article XIX (Emergency Action on Imports of Particular Products) of the WTO framework.

**Sanitary and Phytosanitary (SPS) Measures:** those measures put in place by the EU (or any nation) to protect human, animal or plant life or health. The **WTO** agreement on the application of SPS measures requires that they are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination, or a disguised restriction on trade.

---

<sup>17</sup> Information provided by the Delegation of the European Commission to Australia and New Zealand, [www.ecdel.org.au](http://www.ecdel.org.au)

**Schengen (Agreement and Convention):** one of the main objectives of the single market was the free movement of people. By the Agreement signed at Schengen on 14 June 1985, Belgium, France, Germany, Luxembourg and the Netherlands agreed that they would gradually remove their common frontier controls and introduce freedom of movement for all individuals within the Schengen area. These same five States signed the Convention Implementing the Schengen Agreement on 19 June 1990, although this only came into force in 1995. The Convention lays down the arrangements and guarantees for implementing freedom of movement. Italy, Spain, Portugal, Greece, Austria, Sweden, Finland and Denmark have since joined the list of signatories, while the non-EU states of Norway and Iceland also became parties to the Convention in 1996. All new and future members of the EU will adopt the Schengen Convention as part of the *acquis communautaire*, however its application may not be simultaneous or may have time-lapse provisions. Anyone travelling to the member states of the EU should check with the relevant embassy regarding visa requirements for Australians. See **Visas, *acquis communautaire***.

**Science and Technology Cooperation:** see **FEAST (Forum for European-Australian Science and Technology Cooperation)**

**Simpler Legislation for the Internal Market (SLIM):** in an effort to improve and simplify the legislation governing the functioning of the internal market, the European Commission has proposed a number of procedural improvements and simplifications. These are greater cooperation 'mutual assistance' on VAT collection between member states, replacing the current refund procedure by a new mechanism allowing traders to deduct VAT paid anywhere in the Community to their own state, abolition of the rule that Community traders carrying out taxable transactions in a member state where they are not represented must appoint a tax representative there, and creation of a single contact point in each member state to make it easier for companies to register.

**Single European Act:** an amendment to the Treaty of Rome which came into effect on 1 July 1987, set a target date of 1 January 1993 for the creation of the internal market, when all customs controls were removed from within the EU. Although internal tariffs and quotas on the movement of goods had been virtually abolished in 1969, other barriers had prevented the market from operating freely. The Act defined the internal market as "*an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured*"<sup>18</sup>. Current EU priorities for the single market now include further liberalisation in areas such as gas, electricity, postal services and transport, as well as completion of liberalisation of EU energy markets and electronic communications markets. There are proposals from the European Commission to enhance the legislative basis of the internal market by completion of the Financial Services Action Plan; establishment of a regulatory framework for electronic

---

18 (ISR paper Standards and conformity <http://www.isr.gov.au/industry/tbt/mra/System.pdf>)

commerce; adoption of an EU-wide intellectual property rights protection regime; and further liberalisation of transportation services.

**Single Market (or Single European Market):** the formation of the single market was first envisaged in 1957 in the Treaty of Rome. The Single European Act brought the Single Market further to fruition, in mandating practical steps to be taken towards the creation of an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured.

**Stability and Growth Pact:** is a set of commitments on economic management that **Economic and Monetary Union (EMU)** members adopted in 1999, when they launched the **euro**, to support fiscal discipline in the euro area. The Pact calls for annual government budget deficits not to exceed three per cent of GDP, unless in exceptional circumstances. It calls for a member's public debt not to exceed 60 per cent of GDP or, if a member's public debt is greater than this ceiling, the member should have policies in place to reduce the level to below the ceiling. The Pact limits how much a member's inflation rate may deviate from the euro area average. EMU members agreed in May 2003 to pay greater attention to country-specific circumstances when assessing members' conformity with the Pact's requirements.

**Standards and conformity:** A manufacturer wishing to sell goods in the EU must ensure and, in some cases, have products tested to meet the standards or technical requirements which apply. In the EU, these requirements are contained in the form of directives put out by the EU which cover a range of product areas, either '*old approach*' directives, or '*new approach*' directives. European standards are adopted by either of the three European Standards organisations, CEN the European Committee for Standardisation, CENELEC, the European Committee for Electrotechnical Standardisation, and ETSI, the European Telecommunications Standards Institute. See also **Mutual Recognition Agreement for conformity assessment, CE Marking, Labelling, New Approach Directives.**

**Subsidies:** Subsidies are financial or in-kind assistance by governments to producers or exporters of commodities, manufactures and services. This assistance can be in the form of direct payments, foregone government revenue (eg, non-collection of tax), forms of income or price support and so on. The WTO Agreement on Subsidies and Countervailing Measures categorised the payment of subsidies into three sets: 'Red box' or prohibited subsidies (which are subsidies contingent upon export); 'Amber box' or actionable subsidies (subsidies which may only be maintained if they do not injure the domestic industry of another member); and 'Green box' or non-actionable subsidies (non-specific subsidies including domestic support for agriculture exempted from Uruguay Round reduction commitments). Direct payment to agricultural producers under production-limiting programs (if linked to payments based on hectares and numbers of animals) not subject to Uruguay Round reductions are called 'blue box' subsidies.

# T

---

**TARIC (Integrated Tariff of the Community):** (acronym for “Tarif Intégré de la Communauté”) is accessible at [www.europa.eu.int/comm/taxation\\_customs/databases/taric\\_en.htm](http://www.europa.eu.int/comm/taxation_customs/databases/taric_en.htm).

The TARIC contains a nomenclature in 19 official languages with about 15,000 tariff lines, showing all third country and preferential duty rates actually applicable as well as all commercial policy measures. The TARIC constitutes an instrument for practical use and information, but does not have a legal status in itself. The TARIC serves as a direct basis for the preparation of member states working tariffs.<sup>19</sup>

**Tariff:** A duty or tax levied at the border on goods going from one customs territory (in most cases a country) to another. The EU has a ‘common customs tariff’ (CCT) which applies uniformly across the member nations. The CCT was implemented in July 1968. Information on EU tariff rates can be obtained from Austrade or the Europa website at [www.europa.eu.int/comm/taxation\\_customs/databases/taric\\_en.htm](http://www.europa.eu.int/comm/taxation_customs/databases/taric_en.htm). See also **TARIC, Generalised System of Preferences.**

**Tariff Classification:** When declaring goods for customs purposes, the goods must generally be classified within the Combined Nomenclature. This nomenclature is based on the internationally recognized Harmonized System, which is run by the World Customs Organisation (WCO). Tariff classification within the Combined Nomenclature may therefore be affected by international decisions related to the Harmonized System. The WCO periodically announces such international decisions, including the establishment of new classification opinions and explanatory notes and of amendments to existing explanatory notes. These announcements may be found on the WCO’s web site at [www.wcoomd.org](http://www.wcoomd.org).

Such decisions may also affect binding tariff decisions (**Binding Tariff Information**) made within the framework of Articles 5 to 12 of Regulation (EEC) No 2454/93 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code.<sup>20</sup>

**Tariff Rate Quota (TRQ):** determines the tariff payable on goods based on quantities imported. For goods imported up to a specified quantity (‘in quota’), a certain tariff will apply. Any goods imported after the specified quantity has been met will attract a higher duty (referred to as ‘out of quota’). The ‘out-of-quota’ rate is, in many cases, substantially higher than the ‘in-quota’ rate usually acting as a deterrent to further import of goods.

---

<sup>19</sup> Taric is an instrument which was created at the same time as the Combined Nomenclature (CN) by Regulation 2658/87 (Art. 2). Another field for the application of TARIC codes is in automated customs clearance. The use of the TARIC codes is obligatory in customs and statistical declarations in trade with third countries (Article 5(2) of R 2658/87). It has to be entered in box 33 of the Single Administrative Document (SAD).

<sup>20</sup> [http://europa.eu.int/comm/taxation\\_customs/customs/index\\_en.htm](http://europa.eu.int/comm/taxation_customs/customs/index_en.htm)

**Taxation:** Despite the introduction of a single market and economic and monetary union, there is still no genuine Community policy on taxation. In collaboration with the member states, the European Commission publishes a survey of the taxes in force in the member states of the EU. The publication aims to provide all those interested in tax law with a general but complete view of the tax systems of the member states. The taxes presented in the inventory are classified as follows:

1. Current taxes on income and wealth (direct taxes)
2. Capital taxes
3. Taxes linked to import and production (indirect taxes)
  - 3.1. VAT and excise duties
  - 3.2. Taxes on services
  - 3.3. Others

The tax inventory may be accessed at [www.europa.eu.int/comm/taxation\\_customs/publications/info\\_doc/taxation/txinventory/tax\\_inventory17ed\\_en.pdf](http://www.europa.eu.int/comm/taxation_customs/publications/info_doc/taxation/txinventory/tax_inventory17ed_en.pdf)

*Direct Taxes:* There has been no harmonisation or coordination of direct taxes in the community. (Personal tax, company tax, other direct taxes)

*Indirect Taxes:* The most important agreement on tax harmonisation so far in the EU has been the agreement to apply value added tax at a rate of not less than 15 per cent throughout the EU (most EU states apply a higher rate, see table below). In addition to this, states have harmonised the application of VAT, (VAT Directive 77/388/EEC) which has ensured that the tax was applied to the same transactions in all member states.

**Technical Barriers to Trade (TBT):** refers to technical regulations which may create unnecessary obstacles to trade. Under WTO rules, members are obliged to ensure that regulations are no more trade restricting than necessary. Technical regulations, however, are allowed when they fulfill legitimate objectives such as ensuring protection of human health or safety or prevention of deceptive practices.

## Technical considerations for software designed for the EU:

---

“A number of issues arose while developing a software package, the VP-ASP Shopping Cart ([www.vpasp.com](http://www.vpasp.com)), for sale and use outside of Australia,” says Howard Kadetz of VP-ASP. “The software allows the creation of an Internet shop. The technical issues involved in developing software that can be used worldwide include languages, euros, currency formats, date formatting, time differences.”

**Terminology:** In the descriptions below, a merchant is someone who has bought the VP-ASP Shopping Cart and has set up an Internet shop. A customer is someone who is buying goods from that merchant on the Internet.

**“Language Issues:** The software needed to be able to run in any language and in many cases to switch the language dynamically. To accomplish this, we removed all English words from the actual code and placed them into separate language files. One language file per language. The user of the software then selected their default language.

**“Because our software allows merchants to sell their goods on the Internet, we also allow language switch dynamically. So that if the merchant sets the default language to say French, the customer can click a button and have the language changed to Russian. Product descriptions can be in any language and the descriptions change as the language changes if the merchant so chooses.**

**“Euros and National Currency:** Most European users of our software want the amounts displayed in both euros and their own national currency. A basic currency conversion is available that does the conversion. The merchant supplies the conversion rate. The software displays two columns of prices, the national currency and the euro price.

**“Microsoft Windows has a facility called the ‘Local System Identifier’ (LCID). It is used to set the default currency symbol, date format, decimal point usage for say France. There is no LCID for the euro. This makes it difficult to have the correct currency symbol displayed as euros. To overcome this, we replaced the Microsoft format currency subroutine with our own. This allows the merchant to specify the currency symbol independent of Microsoft.**

**“Currency Formats:** Europeans have two unique requirements for currency formats. One is that many European countries use a comma as a decimal point. In France 1,00 means 1.00. This may cause problems if the underlying database expects decimal points and not commas. In our product a number conversion facility is available to convert comma to decimal as required.

**“Some countries such as Turkey and Italy do not use decimal points at all. Our software allows the merchant to specify the number of decimal points to use for all currency displays.**

**“When a person needs to define a number, do not always assume that the number should have a decimal point if their country uses comma as a decimal point.**

“Date Formats: Date is notoriously difficult to use and display. Our own code normalizes dates internally to yyyy-mm-dd which is accepted by Microsoft and SQL databases. We also allow the merchant to specify how they wish the dates to display.

“States and Customer Information: Many European countries do not have states. Our software is used both in the US, Australia and Europe. We have provided drop down lists for our US customers and the ability to remove state prompts for our European customers.

“Time Differences: On the Internet, the actual location of the web hosting company can be on a different continent. To cater for this, we allow the merchant to specify a time difference from their locality and their web hosting company. This allows dates and times to appear as if they were local.”

The VP-ASP Shopping Cart was released in March 2000. VP-ASP has sold thousands of copies of the product in over 70 countries, including every country in the European Union plus Russia. The free version has been downloaded in just about every country in the world and is used in many places as an education tool for learning Internet programming techniques.

**Traceability:** a system used to determine the authenticity of products. In European Community Food Law, traceability is defined as “the ability to trace and follow a feed, food producing animal or substance intended to be, or expected to be, incorporated into a food or feed, through all stages of production, processing and distribution”. There is no internationally agreed definition of traceability. Negotiations as to whether international guidelines on traceability/product tracing are necessary are taking place in the **Codex Alimentarius Commission** (which develops international standards in food).

**Trade Mark:** see Community Trade Mark.

**Trade Displays and Exhibitions:** International trade fairs can be an effective way of promoting Australian products and services to targeted buyers and users overseas. Austrade co-ordinates Australian national stands at more than 100 international trade exhibitions each year. Austrade assists Australian exporters with stand design and construction, freight forwarding and clearance, and provision of exhibitor facilities.

Trade Missions and market visits are organised by both the Federal and State Governments. Businesses can arrange to accompany other like or complementary businesses overseas, usually led by a Trade Minister. Contact Austrade, and your relevant State or Territory authority to find out about upcoming missions.

**TradeStart:** a partnership between Austrade and a range of public and private sector service providers. It is designed to improve access for small to medium businesses in regional and rural Australia to the export assistance services of Austrade. A national network of 18 TradeStart offices is now delivering the market expertise of Austrade's global network to businesses in regional Australia. Many TradeStart offices also deliver the Export Access program. For further information refer to Austrade's website: [www.austrade.gov.au](http://www.austrade.gov.au).

**Treaties:** The European Union was established through a series of treaties between its member states. The 1957 Treaty of Rome established the European Economic Community (EEC) and was signed by the six founding members of the EU (Germany, France, Italy, Belgium, Netherlands, Luxembourg). The Treaty of Rome has been revised several times by the Intergovernmental Conference of member states resulting in the 1992 Maastricht Treaty (The Treaty of European Union), the 1997 Amsterdam Treaty, and the 2000 Nice Treaty. Once ratified by the member states, the new European Union Constitution, agreed to in June 2004, will replace the treaties. See also **Constitution**.

**TRIPS Agreement:** Uruguay Round international trade negotiators recognised that intellectual property (IP) was an increasingly important component of international trade, and that different levels of protection of IP rights within WTO members could impede trade and investment. This led to the conclusion of TRIPS – the Agreement on Trade-Related Aspects of Intellectual Property Rights – as one of the set of agreements making up the integrated WTO system of trade rules (TRIPS text is available at [www.dfat.gov.au/ip](http://www.dfat.gov.au/ip)). TRIPS recognises the commercial importance of know-how and design, technical and aesthetic innovation, commercial and geographic reputation, and original cultural works, and the damage to legitimate trade interests that occurs when IP rights are not effectively administered and enforced.

## U

---

**Uruguay Round:** a major round of multilateral trade negotiations under the General Agreement on Tariffs and Trade (**GATT**), beginning in 1986 and concluding in 1993. These negotiations achieved significant reductions in tariffs and trade barriers, established a stronger and clearer legal framework for the conduct of international trade, established a multilateral framework of disciplines for trade in services and protection of trade-related intellectual property rights and created the World Trade Organization (**WTO**). See also **Doha Round**.

## V

---

### **Visas:** Visa/Passport requirements for the EU<sup>21</sup>

#### *Tourist*

Australian passport holders planning to holiday in the Schengen area countries for less than a total of 90 days within a six month period do not need a visa. Different conditions apply for the UK and Ireland.

#### *Business*

Business visas are still an area of national, rather than EU, competence. Business visitors to EU countries should check with the embassy or consulate(s) concerned about visa requirements for the countries they plan to do business in.

#### *Working*

All EU member states require Australian and New Zealand citizens to hold a Working Visa if they are planning to work in the member states. Applications for a Working Visa should be made direct to the member state embassy or consulate concerned.

See also **Schengen Agreement**.

**Valuation for customs purposes:** see Customs Valuation.

**VAT:** see **taxation**

## W

---

**EC-Australia Wine Agreement:** on 31 January 1994, the Australian Government signed an agreement on trade in wine with the European Commission. The Agreement was negotiated with the active participation of the Australian wine industry.

The Agreement ensures improved access for Australian producers to the EU wine market, particularly through the lowering of certain technical barriers to Australian wines. Under the agreement, the EU agreed to:

- reduce the number of analyses needed for Australian wine to be imported into EU countries;
- accept, via an approval mechanism set out in the agreement, Australian winemaking practices;
- allow Australian wine to be labelled with multi-varietal and multi-regional blends; and

---

<sup>21</sup> further information should be obtained from the Delegation of the European Commission to Australia and New Zealand website at <http://www.ecdel.org.au/main.htm> or the embassies of the countries you are planning to visit.

- not introduce further certification requirements on Australian wine imports without prior consultation with Australia.

In return, Australian producers agreed to phase-out the use of certain European geographical names, eg, “champagne” and “port”, and to develop arrangements to phase out traditionally used terms, eg, “cru” and “chateau”.

**EU Wine Labelling Regulations:** the EU has introduced new labelling requirements (Regulation 753/2002) for all wine imported into the EU on or after 1 February 2004. On behalf of Australia’s wine producers, Australia is maintaining that the regulation is a barrier to trade because it makes it harder for Australian wines to be sold in the EU and increases costs.

The EU wine labelling regulation imposes strict conditions on the use of many common descriptive words used on wine labels to describe the qualities and production methods associated with the wine.

Specifically, under the regulation:

- third countries are required to regulate the conditions of use of a number of terms commonly used on wine labels, including those indicating: colour (whether the wine is red or white); vintage year; vine varieties; sweetness/acidity; and traditional expressions (TE);
- the use of TEs in the EU market is restricted. Some TEs may only be used with the permission of the EU, eg, the word “cream” on sherry labels, and a small group of TEs may not be used at all in prescribed circumstances, eg, the words “ruby”, “tawny” and “vintage” on port labels;
- certain bottle shapes are reserved for particular EU wines, eg, the “rosé” bottle shape.

**World Trade Organization (WTO):** successor to the GATT, and established in 1993 after the completion of the Uruguay Round of multilateral trade negotiations, to help trade flow more smoothly, freely, fairly and predictably. The WTO does this by facilitating the implementation, administration and operation of the outcomes of the Uruguay Round. The WTO has 148 members (as at October 2004), accounting for over 90 per cent of world trade. Twenty-six others are negotiating membership. The WTO provides the forum for negotiations among Members on the existing agreements, and for negotiation of new agreements. The EU represents all its member states within the WTO on any WTO negotiations. The WTO’s top level decision-making body is the Ministerial Conference which meets at least once every two years.



















The WTO has a Secretariat headed by the Director-General, and is based in Geneva, Switzerland. See also **Doha Round, Uruguay Round, GATT, GATS.**

# Section 3: *Country Information*



© Maps.com

# European Union and Candidate Countries

 AUSTRIA	 LATVIA
 BELGIUM	 LITHUANIA
 BULGARIA*	 LUXEMBOURG
 CROATIA*	 MALTA
 CYPRUS	 NETHERLANDS
 CZECH REPUBLIC	 POLAND
 DENMARK	 PORTUGAL
 ESTONIA	 ROMANIA*
 FINLAND	 SLOVAK REPUBLIC
 FRANCE	 SLOVENIA
 GERMANY	 SPAIN
 GREECE	 SWEDEN
 HUNGARY	 TURKEY*
 IRELAND	 UNITED KINGDOM
 ITALY	

\* Bulgaria and Romania are aiming to join the European Union in 2007. Croatia and Turkey have been invited to commence accession negotiations in 2005.

Click on the links above to view the statistical information for each country over the internet from the DFAT website. The information contained on each page is updated regularly.

## *Appendices*



# Abbreviations and Acronyms

ABIE	Australian Business in Europe
ACP	African, Caribbean and Pacific [states]
APEC	Asia Pacific Economic Cooperation
AQIS	Australian Quarantine and Inspection Service
ATA Carnet	Admission Temporaire/Temporary Admission Carnet
ATQ	Autonomous Tariff Quotas
Austrade	The Australian Trade Commission
AWBC	Australian Wine and Brandy Corporation
BTI	Binding Tariff Information
CAP	Common Agricultural Policy
CCP	Common Commercial Policy
CCT	Common Customs Tariff
CEECs	Central and Eastern European Countries
CE Marking	Conformité Européene marking
CEN	European Committee for Standardisation
GENELEC	European Committee for Electrotechnical Standardisation
COREPER	Comité des Représentants Permanents (Committee of Permanent Representatives)
CTM	Community Trade Mark
DFAT	Department of Foreign Affairs and Trade
DITR	Department of Industry, Tourism and Resources
EABC	European-Australia Business Council
EBA	Everything But Arms
EBRD	European Bank of Reconstruction and Development
EC	European Community
ECB	European Central Bank
ECSC	European Coal and Steel Community
EEA	European Economic Area
EEC	European Economic Community
EFIC	Export Finance Insurance Corporation
EFTA	European Free Trade Association
EMC	Electromagnetic compatibility
EMDG	Export Market Development Grants
EMU	Economic and Monetary Union
EP	European Parliament

EPA	Economic Partnership Arrangement
EPO	European Patents Office
ETSI	European Telecommunications Standards Institute
EU	European Union
EUEB	European Union Eco-labelling Board
EWCG	Export Working Capital Guarantee
FAO	Food and Agricultural Organisation
FEAST	Forum for European-Australian Science and Technology
FTA	Free Trade area
FYROM	Former Yugoslav Republic of Macedonia
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GMO	Genetically Modified Organisms
GMP	Good Manufacturing Practice
GNI	Gross National Income
GNP	Gross National Product
GPA	Government Procurement Agreement
GSP	Generalised System of Preferences
ICC	International Chamber of Commerce
IP	Intellectual Property
IPCC	International Plant Protection Convention
LCID	Local Identifier
LMOs	Living Modified Organisms
MFN	Most Favoured Nation
MRA	Mutual Recognition Agreement on Conformity Assessment
NPP	National Privacy Principle
OIE	Office International des Epizooties
OIV	Office International de la Vigne et du Vin
OJ	Official Journal of the European Communities
QR	Quantitative Restrictions

ROOs	Rules of Origin
RTA	Regional Trade Agreement
SAA	Stabilisation and Association Agreement
SGP	Stability and Growth Pact
SLIM	Simpler Legislation for the Internal Market
SPS	Sanitary and Phytosanitary Agreement
TARIC	Integrated Tariff of the Community
TBT	Technical Barriers to Trade
TE	Traditional Expressions
TRIPS	Trade-Related Aspects of Intellectual Property Rights
TRQ	Tariff Rate Quota
UNCTAD	United Nations Conference on Trade and Development
VAT	Value-added Tax
WCO	World Customs Organisation
WHO	World Health Organisation
WTO	World Trade Organization

# Contacts

## Australian Organisations

### DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

The RG Casey Building  
John McEwen Crescent  
BARTON ACT 0221  
Tel: (02) 6261 1111  
Home page: [www.dfat.gov.au](http://www.dfat.gov.au)

European Union and Western Europe Branch:  
[www.dfat.gov.au/geo/europe/index.html](http://www.dfat.gov.au/geo/europe/index.html)

Trade contacts:

- Disputes Investment and Enforcement Mechanism – [www.dfat.gov.au/trade/negotiations/wto\\_disputes.html](http://www.dfat.gov.au/trade/negotiations/wto_disputes.html) or email [wto.disputes@dfat.gov.au](mailto:wto.disputes@dfat.gov.au) or write to WTO Trade Law Branch, DFAT
- TradeWatch – a free, online market access service for Australians doing business overseas – [www.tradewatch.dfat.gov.au](http://www.tradewatch.dfat.gov.au)

The primary trade role of the Department of Foreign Affairs and Trade (DFAT) is to improve access to overseas markets for Australia's goods and services exports. It does this through negotiations in the WTO and other bodies; lobbying other governments to reduce barriers to Australian exports; and facilitating trade and investment through regional groups such as APEC, and in individual countries. DFAT also provides information and data on the economies of different countries and the policies of their governments.

### DEPARTMENT OF FOREIGN AFFAIRS AND TRADE – OVERSEAS REPRESENTATION EUROPEAN UNION POSTS

#### Austria

Australian Embassy  
Mattiellistrasse 2, 1040  
Vienna, Austria  
Tel: (0011 43 1) 506 740  
(also accredited to Slovakia, Slovenia)

#### Belgium

Australian Embassy and Mission to the European Union  
Guimard Centre, Rue Guimardstraat 6-8,  
1040 Brussels, Belgium  
Tel: (0011 32 2) 286 0500  
(also accredited to Luxembourg)

#### Cyprus

Australian High Commission  
Level 2, 4 Annis Komninis Street  
1060 Nicosia Cyprus  
PO Box 21331  
1506 Nicosia, Cyprus  
Tel: (0011 357 22) 753 001

#### Czech Republic

Ambassador resident in Warsaw, Poland  
Australian Consulate  
Unit 6/3 Solitaire Office Building, Klimentaska  
10, 110 00 Prague 1  
Czech Republic  
Tel: (0011 420 2) 96578350

**Denmark**

Australian Embassy  
Dampfaergevej 26, 2, DK-2100 Copenhagen,  
Denmark  
Tel: (0011 45 70) 263 676

**Estonia**

Ambassador resident in Stockholm, Sweden  
Australian Consulate  
C/- Standard Ltd  
Kopli 25, Tallin EE-104122, Estonia  
Tel: (0011 358 9) 447 233

**France**

Australian Embassy  
4 Rue Jean Rey, 75724 Cedex 15  
Paris, France  
Tel: (0011 33 1) 4059 3300

**Germany**

Australian Embassy  
Wallstrasse 76-79, 10179 Berlin  
Federal Republic of Germany  
Tel: (0011 49 30) 880 0880

**Greece**

Australian Embassy  
Level 6, Thon Building  
Cnr Kifisias & Alexandras Avenue,  
Ambelokipi, Athens 115 23, Greece  
PO Box 14070, Ambelokipi  
Athens 115 10, Greece  
Tel: (0011 30 210) 870 4000

**Hungary**

Australian Embassy  
Kiralyhago ter 8-9, H-1126 Budapest,  
Hungary  
Tel: (0011 36 1) 457 9777

**Ireland**

Australian Embassy  
7th Floor, Fitzwilton House  
Wilton Terrace  
Dublin 2, Ireland  
Tel: (0011 353 1) 6645300

**Italy**

Australian Embassy  
Via Antonio Bosio 5, 00161  
Rome, Italy  
Tel: (0011 39 06) 852 721

**Lithuania**

Ambassador resident in Stockholm, Sweden  
Australian Consulate  
23 Vilnius Street  
LI - 2001 Vilnius, Lithuania  
Tel: (0011 370 2) 12 3369

**Malta**

Australian High Commission  
Ta' Xbiex Terrace  
TA' XBIEX, MSD 11  
Malta G.C.  
Tel: (0011 356) 2133 8201

**The Netherlands**

Australian Embassy  
Carnegielaan 4, The Hague 2517 KH  
The Netherlands  
Tel: (0011 31 70) 310 820

**Poland**

Australian Embassy  
3rd floor Nautilus Building, ul. Nowogrodzka  
11, 00-513 Warsaw, Poland  
Tel: (0011 48 22) 521 3444

**Portugal**

Australian Embassy  
Avenida da Liberdade, 200, 2nd Floor  
Lisbon 1250-147, Portugal  
Tel: (0011 351 21) 310 1500

**Slovenia**

Ambassador resident in Vienna, Austria  
Australian Consulate  
Trg Republike 3/XII 1000 Ljubljana Slovenia  
Tel: (0011 386 1) 425 4252

**Spain**

Australian Embassy  
Plaza del Descubridor, Diego de Ordas, 3  
Santa Engracia 120, 28003  
Madrid, Spain  
Tel: (0011 34 91) 441 6025

**Sweden**

Australian Embassy  
11th Floor, Sergels Torg 12, Stockholm,  
Sweden  
Box 7003, S-103 86  
Stockholm, Sweden  
Tel: (0011 46 8) 613 2900  
(also accredited to Finland, Estonia,  
Latvia, Lithuania)

**United Kingdom**

Australian High Commission  
Australia House, The Strand  
London WC2B 4LA, United Kingdom  
Tel: (0011 44 20) 7379 4334

Australian Consulate  
Melrose House, 69 George St, Edinburgh  
EH2 2JG, Scotland, United Kingdom  
Tel: (0011 44 131) 624 3700

**OTHER EUROPEAN UNION POSTS****Bulgaria**

Ambassador resident in Athens, Greece  
Australian Consulate  
37 Trakia Street  
Sofia 1504, Bulgaria  
Tel: (0011 359 2) 946 1334

**Croatia**

Australian Embassy  
Kaptol Centar, 3rd Floor  
Nova Ves 11  
Zagreb 10000, Croatia  
Tel: (0011 385 1) 489 1200

**Former Yugoslav Republic of Macedonia**

Ambassador resident in Belgrade, Serbia  
and Montenegro  
Australian Consulate  
Motiva, Londonska 11 B  
Skopje, 1000, Former Yugoslav Republic of  
Macedonia  
Tel: (0011 389 2) 3061 114

**Norway**

Ambassador resident in Copenhagen,  
Denmark  
Australian Consulate  
Po Box 33, 1324 Lysaker  
Oslo, Norway  
Tel: (0011 47) 6758 4848

## **Romania**

Ambassador resident in Belgrade,  
Serbia and Montenegro  
Australian Consulate-General  
Blvd Unirii Nr 74 BI J3B  
Et 5, Sector 3  
Bucharest, 75103, Romania  
Tel: (0011 40 21) 320 9802

## **Russian Federation**

Australian Embassy  
10a/2 Podkolokolny Pereulok  
Moscow  
The Russian Federation 119028  
Tel: (0011 7 095) 956 6070

## **Serbia and Montenegro**

Australian Embassy  
13 Cika Ljubina  
Belgrade, 11000, Serbia and Montenegro  
Tel: (0011 381 11) 330 3400

## **AUSTRADE**

Head Office:  
Level 23, Aon Tower,  
201 Kent Street Sydney NSW 2000  
GPO Box 5301, Sydney NSW 2001  
Tel: 132 878 / (02) 9390 2000  
Website: [www.austrade.gov.au](http://www.austrade.gov.au)  
Email: [info@austrade.gov.au](mailto:info@austrade.gov.au)

## **AUSTRADE REGIONAL OFFICES**

### **Bulgaria**

Australian Consulate  
37 Trakia Street  
Sofia 1504, Bulgaria  
Tel: (0011 359 2) 946 1334  
Email: [info@austrade.gov.au](mailto:info@austrade.gov.au)

## **Switzerland**

Ambassador resident in Berlin, Germany  
Australian Consulate-General  
Chemin des Fins 2, Case Postale 172, 1211  
Geneva 19  
Switzerland  
Tel: (0011 41 22) 799 9100

## **Turkey**

Australian Embassy  
Nenehatun Caddesi 83, Gaziosmanpasa,  
Ankara 06700, Turkey  
Po Box PK 32 Cankaya 06552, Turkey  
Tel: (0011 90 312) 459 9500

## **Ukraine**

Ambassador resident in Moscow, Russia  
Australian Consulate  
18 Kominterna Ul, Apartment 11  
Kyiv, 252032, Ukraine  
Tel: (0011 380 44) 235 4481

Austrade (Australian Trade Commission) provides advice to companies on overseas markets and entry into those markets, and on what practical and financial help is available.

### **Croatia**

Australian Embassy  
Kaptol Centar, 3rd Floor  
Nova Ves 11  
Zagreb 10000, Croatia  
Tel: (0011 385 1) 489 1200  
Email: [info@austrade.gov.au](mailto:info@austrade.gov.au)

**Czech Republic**

Australian Consulate  
 Unit 6/3 Solitaire Office Building Klimentska  
 10, 110 00 Prague 1  
 Czech Republic  
 Tel: (0011 420 2) 96578350  
 Email: info@austrade.gov.au

**Denmark**

Australian Trade Commission  
 Dampfaergevej 26, 2, DK-2100 Copenhagen,  
 Denmark  
 Tel: (0011 45) 3527 0050  
 Email: info@austrade.gov.au

**France**

Australian Embassy  
 4 Rue Jean Rey, 75724 Paris, Cedex 15  
 France  
 Tel: (0011 33 1) 4059 3385  
 Email: info@austrade.gov.au

**Germany**

Australian Consulate-General  
 Grunenburgweg 58-62  
 60322 Frankfurt/Main  
 Germany  
 Tel: (0011 49 69) 9055 8110  
 Email: info@austrade.gov.au

**Greece**

Australian Trade Commission  
 Level 6, Thon Building  
 Cnr Kifisias & Alexandras Avenue  
 Ambelokipi, Athens 115 23  
 Tel: (0011 30 210) 647 0561  
 Email: info@austrade.gov.au

**Hungary**

Australian Trade Commission  
 2nd floor, Maros Utca. 19-21  
 H-1222, Budapest, Hungary  
 Tel: (0011 36 1) 457 0270  
 Email: info@austrade.gov.au

**Israel**

Australian Embassy  
 Europe House  
 37 Shaul Hamelech Boulevard  
 Tel Aviv, Israel  
 Tel: (0011 972 3) 695 0451  
 Email: info@austrade.gov.au

**Italy**

Australian Consulate-General  
 Level 3, Via Borgogna 2, 20122 Milan  
 Italy  
 Tel: (0011 39 02) 7770 4227  
 Email: info@austrade.gov.au

**Former Yugoslav Republic of Macedonia**

Australian Consulate  
 Motiva, Londonska 11 B  
 Skopje, 1000  
 Former Yugoslav Republic of Macedonia  
 Tel: (0011 389 1) 3061 114  
 Email: info@austrade.gov.au

**Malta**

Trade Consultant Malta  
 Haus Hugel  
 Schembri Street  
 Kappara SGN 06, Malta  
 Tel: (0011 356) 2138 6190  
 Email: info@austrade.gov.au

**The Netherlands**

Australian Trade Commission  
Stieltjesstraat 176  
3071 JX Rotterdam  
The Netherlands  
Tel: (0011 31 10) 423 1830  
Email: [info@austrade.gov.au](mailto:info@austrade.gov.au)

**Poland**

Australian Embassy  
11 Nowogrodzka, 2nd Floor  
00513 Warsaw, Poland  
Tel: (0011 48 22) 521 3471  
Email: [info@austrade.gov.au](mailto:info@austrade.gov.au)

**Romania**

Australian Consulate-General  
74 Unirii Blvd, Sector 3  
Bucharest 75103  
Tel: (0011 402 1) 3209 802  
Email: [info@austrade.gov.au](mailto:info@austrade.gov.au)

**Russian Federation**

Australian Embassy  
2/10 Pevcheskiy  
Pereulok  
Moscow, 109 028  
Tel: (0011 7 095) 232 3266  
Email: [info@austrade.gov.au](mailto:info@austrade.gov.au)

**Spain**

Australian Embassy  
Plaza del Descubridor  
Diego de Ordas 3,  
2 Edificio Santa Engracia 120  
28003 Madrid  
Tel: (0011 34 91) 441 6180  
Email: [info@austrade.gov.au](mailto:info@austrade.gov.au)

**Sweden**

Australian Embassy  
Sergels Torg 12  
PO Box 7003  
S-103 86 Stockholm  
Sweden  
Tel: (0011 46 8) 5451 8000  
Email: [info@austrade.gov.au](mailto:info@austrade.gov.au)

**Turkey**

Australian Consulate General  
Asker Ocagi Caddesi No 15  
34367 Sisli Istanbul  
Tel: (0011 90 212) 243 1333  
Email: [info@austrade.gov.au](mailto:info@austrade.gov.au)

**United Kingdom**

Australian Trade Commission  
Australia House, The Strand  
London WC2B 4LA  
United Kingdom  
Tel: (0011 44 20) 7887 5226  
Email: [info@austrade.gov.au](mailto:info@austrade.gov.au)

## EXPORT FINANCE AND INSURANCE CORPORATION (EFIC)

Head Office  
 Level 10, Export House, 22 Pitt Street  
 Sydney NSW 2000  
 PO Box R65, Royal Exchange  
 Sydney NSW 2000  
 Tel: 1800 887 588  
 Website: [www.efic.gov.au](http://www.efic.gov.au)  
 Email: [info@efic.gov.au](mailto:info@efic.gov.au)

EFIC assists exporters with the management of payment risks as well as providing finance solutions that enhance their competitiveness.

## AUSTRALIAN QUARANTINE AND INSPECTION SERVICE (AQIS)

National Office  
 Edmund Barton Building, Kings Avenue,  
 Barton ACT 2600  
 GPO Box 858, Canberra ACT 2601  
 Tel: 1800 020 504  
 Website: [www.aqis.gov.au](http://www.aqis.gov.au)

AQIS is responsible for certifying that agricultural exports meet importing countries' health and quarantine conditions. It also helps to negotiate access to overseas markets by reducing or eliminating technical barriers to trade.

## AUSTRALIAN CUSTOMS SERVICE

Customs House, 5 Constitution Avenue  
 Canberra ACT 2601  
 Tel: 1300 363 263  
 Website: [www.customs.gov.au](http://www.customs.gov.au)

The Australian Customs Service is able to provide certification, as well as administering specific industry assistance schemes and trade measures.

## DEPARTMENT OF INDUSTRY, TOURISM AND RESOURCES

20 Allara Street  
 Canberra City ACT 2601  
 GPO Box 9839, Canberra ACT 2601  
 Tel: 1800 024 095  
 Website: [www.industry.gov.au](http://www.industry.gov.au)

The Department can advise of conformity assessment regulations and where to have products tested to meet these requirements.

Manager  
 Standards and International Liaison Section,  
 DITR  
 Tel: (02) 6213 6156

## OTHER WEB ADDRESSES:

AusIndustry  
[www.ausindustry.gov.au](http://www.ausindustry.gov.au)

AusIndustry is the Commonwealth Government's principal agency for delivering information, programs and services which support industry, research and innovation.

Australian Directory of Export Services  
[www.does.com.au](http://www.does.com.au)

This Directory has been established by DITR and the Australian Institute of Export (NSW), with comprehensive information on export services provided by Commonwealth and State Governments as well as private export service firms.

## STATE / TERRITORY GOVERNMENT AGENCIES – ASSISTANCE TO EXPORTERS

State and Territory Governments provide a range of services including export advice, investment facilitation services and background information, amongst other types of assistance.

### **Australian Capital Territory**

Chief Minister's Department  
Level 2, Canberra Nara Centre  
Cnr Constitution Ave & London Circuit  
Canberra City ACT 2600  
Tel: 1800 244 650  
Website: [www.business.act.gov.au](http://www.business.act.gov.au)

### **Northern Territory**

Department Business, Industry, Resources,  
and Development  
2nd floor, Development House  
76 The Esplanade  
Darwin NT 0800  
Tel: (08) 1800 193 111  
Website: [www.tbc.nt.gov.au](http://www.tbc.nt.gov.au)

### **New South Wales**

Department of State and Regional  
Development  
Level 35, Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000  
Tel: 1800 777 022  
Website: [www.business.nsw.gov.au](http://www.business.nsw.gov.au)

### **Queensland**

Department of State Development  
Level 21, 111 George Street  
Brisbane QLD 4000  
Tel: (07) 3001 6359; 13 26 50 (QLD only)  
Website: [www.sd.qld.gov.au](http://www.sd.qld.gov.au)

**South Australia**

Department of Trade and Economic  
Development  
Level 10, Terrace Towers  
178 North Terrace  
Adelaide SA 5001  
Tel: (08) 8303 2400  
Website: [www.oed.sa.gov.au](http://www.oed.sa.gov.au)

**Tasmania**

Department of Economic Development  
ANZ Centre  
22 Elizabeth Street  
Hobart TAS 7000  
Tel: (03) 6233 5888; 1800 030 688  
Website: [www.development.tas.gov.au](http://www.development.tas.gov.au)

**Victoria**

Department of Innovation, Industry and  
Regional Development  
55 Collins Street  
Melbourne VIC 3000  
Tel: 13 22 15  
Website: [www.businessaccess.vic.gov.au](http://www.businessaccess.vic.gov.au)

**Western Australia**

Department of Industry and Resources  
2 Havelock Street  
West Perth WA 6005  
Tel: (08) 9222 5555; 1800 628 767  
Website: [www.doir.wa.gov.au/index.asp](http://www.doir.wa.gov.au/index.asp)

**CHAMBERS OF COMMERCE**

State and Territory Chambers of Commerce can assist with certificates of origin and “carnets”, as well as a range of business development services.

Joint Chambers can assist in pursuing closer business ties between Australia and Europe through the development of trade and investment links.

**Australian Chamber of Commerce and Industry**

Level 3, Commerce House  
24 Brisbane Avenue  
Barton ACT 2600  
Tel: (02) 6273 2311  
Website: [www.acci.asn.au](http://www.acci.asn.au)

**STATE/TERRITORY****Australian Capital Territory**

ACT & Region Chamber of Commerce and  
Industry  
12a Thesiger Circuit  
Deakin ACT 2600  
Tel: (02) 6283 5200  
Website: [www.actchamber.com.au](http://www.actchamber.com.au)

**New South Wales**

State Chamber of Commerce (NSW)  
Level 12, 83 Clarence Street  
Sydney NSW 2000  
Tel: 1300 137 153  
Website: [www.thechamber.com.au](http://www.thechamber.com.au)

**New South Wales**

Australian Business Limited  
140 Arthur Street  
North Sydney NSW 2060  
Tel: 13 26 96  
Website: [www.australianbusiness.com.au](http://www.australianbusiness.com.au)

**New South Wales**

Employers First TM  
313 Sussex Street  
Sydney NSW 2000  
Tel: (02) 9264 2000  
Website: [www.employersfirst.org.au](http://www.employersfirst.org.au)

**Northern Territory**

Northern Territory Chamber of Commerce  
and Industry Inc  
GPO Box 1825  
Darwin NT 0801  
Tel: (08) 8936 3100  
Website: [www.ntcci.com.au](http://www.ntcci.com.au)

**Queensland**

Commerce Queensland  
Industry House, 375 Wickham Terrace  
Brisbane QLD 4000  
Tel: (07) 3842 2244  
Website: [www.commerceqld.com.au](http://www.commerceqld.com.au)

**JOINT AUSTRALIAN-EUROPEAN****Australian British Chamber of Commerce**

Level 16, The Gateway Building  
1 Macquarie Place  
Sydney NSW 2000  
Tel: (02) 9247 6271  
Website: [www.britishchamber.com](http://www.britishchamber.com)

**South Australia**

Business SA  
Enterprise House, 136 Greenhill Road  
Unley SA 5061  
Tel: (08) 8300 0000  
Website: [www.business-sa.com](http://www.business-sa.com)

**Tasmania**

Tasmanian Chamber of Commerce  
and Industry  
30 Burnett Street  
North Hobart TAS 7000  
Tel: (03) 6236 3600  
Website: [www.tcci.com.au](http://www.tcci.com.au)

**Victoria**

Victorian Employers' Chamber of  
Industry House  
486 Albert Street  
East Melbourne VIC 3002  
Tel: (03) 8662 5333  
Website: [www.vecci.org.au](http://www.vecci.org.au)

**Western Australia**

Chamber of Commerce and Industry of  
Western Australia  
180 Hay Street  
East Perth WA 6004  
Tel: (08) 9365 7555  
Website: [www.cciwa.com](http://www.cciwa.com)

**Australian Croatian Chamber of Commerce**

Level 9, 24 Albert Road  
South Melbourne VIC 3205  
Tel: (03) 9682 7211

**Finland Australia Chamber of Commerce Inc.**

537 New South Head Road  
 Double Bay NSW 2028  
 Tel: (02) 9327 5164  
 Website: [www.finland.com.au](http://www.finland.com.au)

**French-Australian Chamber of Commerce and Industry**

Level 9, 259 George Street  
 Sydney NSW 2000  
 Tel: (02) 9251 1033  
 Website: [www.facci.com.au](http://www.facci.com.au)

**German Australian Chamber of Industry and Commerce**

Level 10, 39-41 York Street  
 Sydney NSW 2000  
 Tel: (02) 8296 0400  
 Website: [www.germany.org.au](http://www.germany.org.au)

**Hellenic Australian Chamber of Commerce and Industry (NSW) Ltd**

PO Box 7077  
 St Kilda Road  
 Melbourne VIC 3004  
 Website: [www.hacci.com.au](http://www.hacci.com.au)

**Irish-Australian Chamber of Commerce**

1/234 Albert Road  
 South Melbourne VIC 3205  
 Tel: (03) 9696 3716  
 Website: [www.irlaust.com](http://www.irlaust.com)

**Italian Chamber of Commerce and Industry in Australia**

Level 5, 499 St Kilda Road  
 Melbourne VIC 3004  
 Tel: (03) 9866 5433  
 Website: [www.icciaus.com.au](http://www.icciaus.com.au)

**Netherlands Australia Chamber of Commerce**

PO Box 216  
 Sandringham VIC 3191  
 Tel: (03) 9598 0645  
 Website: [www.ncca.com.au](http://www.ncca.com.au)

**Spanish Official Chamber of Commerce in Australia Inc.**

Suite 409, 203 New South Head Road  
 Edgecliff NSW 2027  
 Tel: (02) 9362 3168  
 Website: [www.spanishchamber.org](http://www.spanishchamber.org)

**Swedish-Australian Chamber of Commerce**

Level 25, 44 Market Street  
 Sydney NSW 2000  
 Tel: (02) 9262 1077  
 Website: [www.swedelink.com.au](http://www.swedelink.com.au)

**Swiss-Australian Chamber of Commerce and Industry**

Suite 209, Edgecliff Centre  
 203-233 New South Head Road  
 Edgecliff NSW 2027  
 Tel: (02) 9326 1986  
 Website: [www.sacci.com.au](http://www.sacci.com.au)

## EUROPEAN AUSTRALIAN BUSINESS COUNCIL

Level 12, 83 Clarence Street  
Sydney NSW 2000  
Tel: (02) 9350 8103  
Website: [www.eabc.com.au](http://www.eabc.com.au)

The Council is a formally constituted national body, established with the aim of promoting the business interests of the member states of the European Union through improved access to governments, government organisations and other business-based organisations.

## AUSTRALIAN BUSINESS IN EUROPE (ABIE)

PO Box R1301, Royal Exchange  
Sydney NSW 2000  
(02) 9322 7231

ABIE – Australian Chairperson  
Madgwicks Lawyers  
Level 19, 535 Bourke Street  
Melbourne VIC 3000  
Tel: (03) 92424744  
Website: [www.abie.com.au](http://www.abie.com.au)

ABIE provides a network for those interested in business between Europe and Australia, as well as information, views and opinions to facilitate the conduct of business and activities to enhance an advancement of its objects.

## AUSTRALIAN INSTITUTE OF EXPORT

Level 12, 83 Clarence Street  
Sydney NSW 2000  
Tel: (02) 9350 8170  
Website: [www.aiex.com.au](http://www.aiex.com.au)

The Institute promotes and develops export awareness within Australia by providing practical training and continuing education to members and graduates.

## European Organisations

---

### DELEGATION OF THE EUROPEAN COMMISSION

18 Arkana Street  
Yarralumla ACT 2600  
Tel: (02) 6271 2777  
Website: [www.ecdel.org.au](http://www.ecdel.org.au)

## FOREIGN MISSIONS IN AUSTRALIA

**Austria**

Embassy of Austria  
 12 Talbot Street  
 Forrest ACT 2603  
 Tel: (02) 6295 1533, 6295 1376  
 Website: [www.austriaemb.org.au](http://www.austriaemb.org.au)  
 Email: [austria@bigpond.net.au](mailto:austria@bigpond.net.au)

**Belgium**

Royal Belgian Embassya  
 19 Arkana Street  
 Yarralumla ACT 2600  
 Tel: (02) 6273 2501, 6273 2502  
 Email: [canberra@diplobel.org](mailto:canberra@diplobel.org)  
 (also represents Luxembourg)

**Cyprus**

High Commission for Cyprus  
 30 Beale Crescent  
 Deakin ACT 2600  
 Tel: (02) 6281 0832, 6281 0834  
 Email: [info@cyprus.org.au](mailto:info@cyprus.org.au)

**Czech Republic**

Embassy of the Czech Republic  
 8 Culgoa Circuit  
 O'Malley ACT 2606  
 Tel: (02) 6290 1386  
 Email: [canberra@embassy.mzv.cz](mailto:canberra@embassy.mzv.cz)

**Denmark**

Royal Danish Embassy  
 101 Thompson Road  
 # 13-01 United Square  
 Singapore 307591  
 Tel: (65) 63555010  
 Website: [www.denmark.com.sg](http://www.denmark.com.sg)  
 Email: [sinabm@um.dk](mailto:sinabm@um.dk)

**Estonia**

Consulate-General of the Republic of Estonia  
 86 Louisa Road  
 Birchgrove NSW 2041  
 Tel: (02) 9810 7468  
 Email: [eestikon@ozemail.com.au](mailto:eestikon@ozemail.com.au)

**Finland**

Embassy of Finland  
 12 Darwin Avenue  
 Yarralumla ACT 2600  
 Tel: (02) 6273 3800  
 Email: [finland@austarmetro.com.au](mailto:finland@austarmetro.com.au)

**France**

Embassy of France  
 6 Perth Avenue  
 Yarralumla ACT 2600  
 Tel: (02) 6216 0100  
 Website: [www.ambafrance-au.org](http://www.ambafrance-au.org)  
 Email: [embassy@ambafrance-au.org](mailto:embassy@ambafrance-au.org)

**Germany**

Embassy of the Federal Republic of Germany  
 119 Empire Circuit  
 Yarralumla ACT 2600  
 Tel: (02) 6270 1911  
 Website: [www.germanembassy-canberra.com](http://www.germanembassy-canberra.com)  
 Email: [info@germanembassy.org.au](mailto:info@germanembassy.org.au)

**Greece**

Embassy of Greece  
 9 Turrana Street  
 Yarralumla ACT 2600  
 Tel: (02) 6273 3011  
 Email: [greekemb@greekembassy-au.org](mailto:greekemb@greekembassy-au.org)

**Hungary**

Embassy of the Republic of Hungary  
17 Beale Crescent  
Deakin ACT 2600  
Tel: (02) 6282 3226  
Email: hungcbr@ozemail.com.au

**Ireland**

Embassy of Ireland  
20 Arkana Street  
Yarralumla ACT 2600  
Tel: (02) 6273 3022, 6273 3201  
Email: irishemb@cyberone.com.au

**Italy**

Embassy of Italy  
12 Grey Street  
Deakin ACT 2600  
Tel: (02) 6273 3333  
Website: [www.ambitalia.org.au](http://www.ambitalia.org.au)  
Email: [embassy@ambitalia.org.au](mailto:embassy@ambitalia.org.au)

**Latvia**

Consulate of Latvia  
32 Parnell Street  
Strathfield NSW 2135  
Tel: (02) 9744 5981  
Email: [dalins@optusnet.com.au](mailto:dalins@optusnet.com.au)

**Lithuania**

Consulate-General of the Republic of  
Lithuania  
40B Fiddens Wharf Road  
Killara NSW 2071  
Tel: (02) 9498 2571

**Malta**

High Commission for Malta  
38 Culgoa Circuit  
O'Malley ACT 2606  
Tel: (02) 6290 1724, 6290 1847  
Email: [maltahc@bigpond.com](mailto:maltahc@bigpond.com)

**The Netherlands**

Royal Netherlands Embassy  
120 Empire Circuit  
Yarralumla ACT 2600  
Tel: (02) 6220 9400  
Website: [www.netherlands.org.au](http://www.netherlands.org.au)  
Email: [can@minbuza.nl](mailto:can@minbuza.nl)

**Poland**

Embassy of the Republic of Poland  
7 Turrana Street  
Yarralumla ACT 2600  
Tel: (02) 6273 1208, 6273 1211  
Website: [www.poland.org.au](http://www.poland.org.au)  
Email: [polamb@tpg.com.au](mailto:polamb@tpg.com.au)

**Portugal**

Embassy of Portugal  
23 Culgoa Circuit  
O'Malley ACT 2606  
Tel: (02) 6290 1733  
Email: [embportcanb@internode.on.net](mailto:embportcanb@internode.on.net)

**Slovakia**

Embassy of the Slovak Republic  
47 Culgoa Circuit  
O'Malley ACT 2606  
Tel: (02) 6290 1516, 6290 2405  
Website: [www.slovakemb-aust.org](http://www.slovakemb-aust.org)  
Email: [embassy@slovakemb-aust.org](mailto:embassy@slovakemb-aust.org)

**Slovenia**

Embassy of the Republic of Slovenia  
 Level 6, St George Building  
 60 Marcus Clarke Street  
 Canberra ACT 2601  
 Tel: (02) 6243 4830  
 Website: [www.gov.si/mzz/dkp/vca/eng](http://www.gov.si/mzz/dkp/vca/eng)  
 Email: [vca@mzz-dkp.gov.si](mailto:vca@mzz-dkp.gov.si)

**Spain**

Embassy of Spain  
 15 Arkana Street  
 Yarralumla ACT 2600  
 Tel: (02) 6273 3555  
 Website: [www.embaspain.com](http://www.embaspain.com)  
 Email: [embespau@mail.mae.es](mailto:embespau@mail.mae.es)

**Sweden**

Embassy of Sweden  
 5 Turrana Street  
 Yarralumla ACT 2600  
 Tel: (02) 6270 2700  
 Website: [www.embassyofsweden.org.au](http://www.embassyofsweden.org.au)  
 Email: [sweden@austarmetro.com.au](mailto:sweden@austarmetro.com.au)

**United Kingdom**

British High Commission  
 Commonwealth Avenue  
 Yarralumla ACT 2600  
 Tel: (02) 6270 6666  
 Website: [www.britaus.net](http://www.britaus.net)  
 Email: [information.section@uk.emb.gov.au](mailto:information.section@uk.emb.gov.au)

**EUROPEAN UNION WEBSITE**

[www.europa.eu.int/](http://www.europa.eu.int/)

The official website of the European Union is a vast resource that includes information on tariff rates and regulations and directives, as well as more general country information.

**CHAMBERS OF COMMERCE**

Eurochambres  
 Avenue des Arts 19 A/D  
 B-1000 Brussels  
 Belgium  
 Tel: (0011 32 2) 282 08 50  
 Website: [www.eurochambres.be/](http://www.eurochambres.be/)

For a list of chambers of commerce in Europe, go to this website.

## FURTHER READING

Goode, Walter, *Dictionary of Trade Policy Terms*, 4th Edition, University of Cambridge Press and the World Trade Organization, 2003

Australian Institute of Export, *Export Handbook*, 17th Edition, Sunbird Publications, Sydney, 2000

Department of Foreign Affairs and Trade, *Australia's Trade Influences into the New Millenium*, Commonwealth of Australia, Canberra, 2001

Department of Foreign Affairs and Trade, *Privatisation in European Transition Economies and Opportunities for Australia*, TradeWinds No. 4 Commonwealth of Australia, Canberra, August 2000

Economist Intelligence Unit *European Policy Analyst* Key Issues and Developments for Business, Quarterly, also online at <http://www.eiu.com>

European Australian Business Council, *European Asia-Pacific Business*, Stroudgate Australasia Pty Ltd, available online at [www.stroudgate.net/eab](http://www.stroudgate.net/eab)

European Commission Delegation to Australia and New Zealand, *The European Union in Partnership with Australia and New Zealand*, Australia, 2003

European Commission, *Glossary: Institutions, Policies and enlargement of the European Union*, Luxembourg, available online at [europa.eu.int/scadplus/leg/en/cig/g4000.htm](http://europa.eu.int/scadplus/leg/en/cig/g4000.htm)

### Websites

---

<http://europa.eu.int/>

<http://www.ecdel.org.au/>

<http://www.dfat.gov.au/>

<http://www.austrade.gov.au/>