

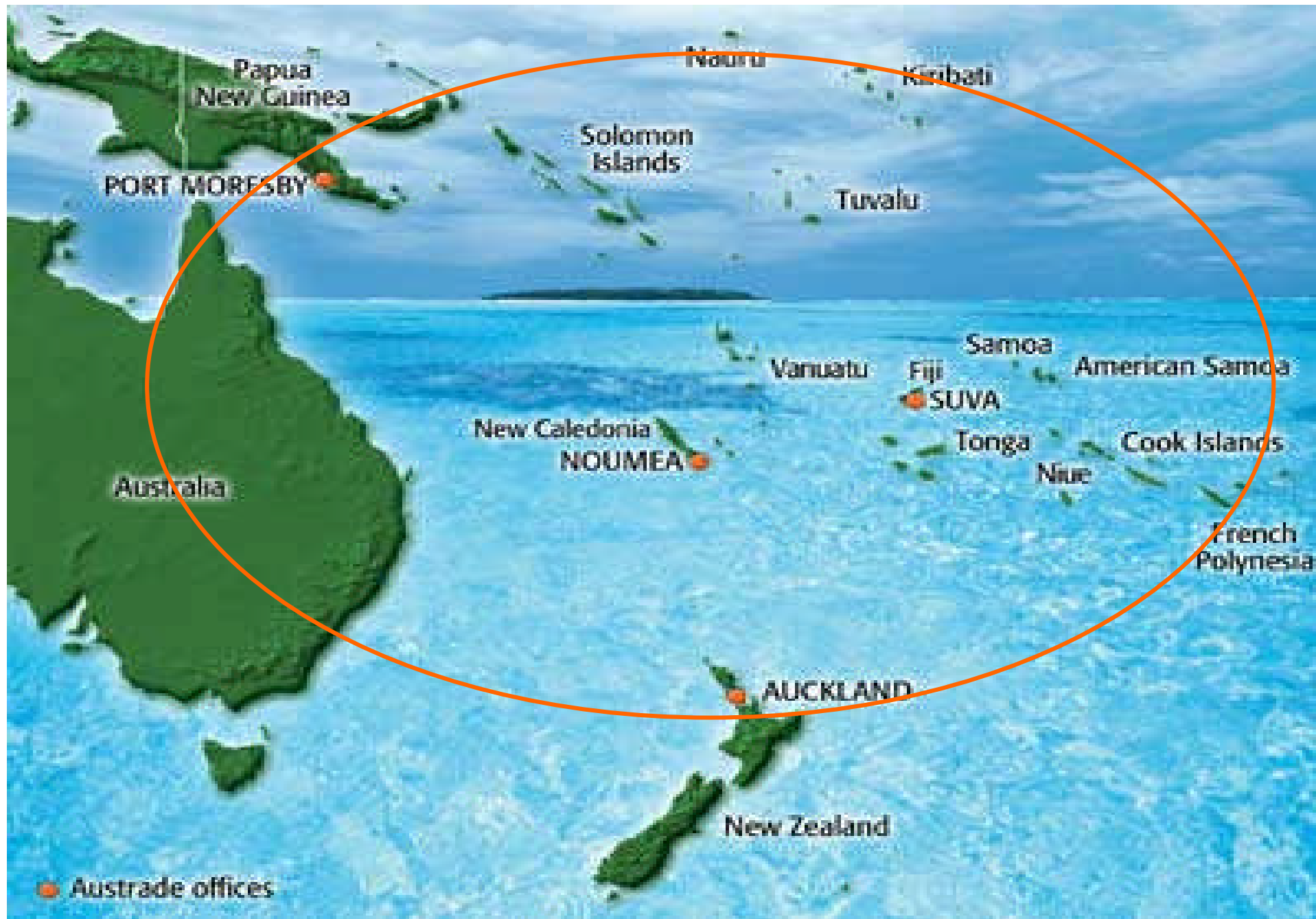


Australian Government
Australian Trade Commission



**Austrade in the Pacific – Delivering
Value For You.
A Deeper Ocean of Opportunity.**

**TROPLINKS CAIRNS
23 -24 AUGUST 2010**



The Pacific advantage

- Tourism: Pacific Islands are the ultimate destination for tourists
- Oceans: Their vast, unpolluted waters contain some of the world's largest fish reserves and potentially cover significant mineral deposits.
- Minerals / resources: The region contains a disproportionate share of the world's land based mineral wealth

The Pacific advantage

Agriculture: potential agricultural powerhouse, particularly for organically certified produce.

Governments: It is also a largely peaceful and stable region with relatively low labour costs.

The Pacific advantage

Finally, it is a developing market and, as such, has the potential to deliver a higher return on investment than in many first world economies

Caveat - sometimes at a higher risk profile

Australia and the Pacific

- Generally speaking Australia is the preferred supplier to the Pacific Islands due to geographic proximity and historical links. Australia is also the largest source of investment. New Zealand has strong supply chains in the Polynesian region with Australia's strength lying in the Melanesian islands and New Caledonia.

Australia and the Pacific

- Apart from New Zealand and PNG the Pacific has relatively small, import dependent economies and consequently Australia exports are diverse.
- Mining (including services and technology), Health and Wellbeing, ICT, Services (Education and Financial), Building and Construction inc professional services, Infrastructure, Food and Beverage, Agribusiness, Consumer. Energy and Clean Energy (particularly sustainable technologies) sectors are growth opportunities for Australian businesses in the region.



Australia and the Pacific

- Australian investment in the Pacific is concentrated on financial services, mining, tourism, infrastructure, logistics, food and beverage, agribusiness and energy. New Zealand, PNG and Fiji are the primary investment destinations. However New Caledonia and Vanuatu are starting to attract investment (eg, the new nickel mine and processing plant at Koniambo in New Caledonia, tourism in Vanuatu).

Australia and the Pacific

- Four of the top 20 markets of exporters doing deals per annum are within the Pacific.
- #1 NZ Over 13000 exporters
- #7 PNG 4400 exporters
- #10 Fiji 3000 exporters
- #20 New Caledonia 1800 exporters

Australia and the Pacific

- Australia faces supply competition predominantly from New Zealand, USA and increasingly from China. For the French speaking Pacific the European Union nations also figure prominently. There are some signs in the growth of intra regional trade led primarily by Fiji and PNG, but also between French Territories (New Caledonia, French Polynesia) and Vanuatu

FIJI

- **Economic and political headwinds**
- **Bilateral relationships strained**
- **Life goes on - Australia remains a supplier of choice. Biggest investor, over 3000 Australian companies do business in Fiji each year**
- **Key industries Tourism/Tourism/Tourism**
- **Sugar /Garments /water and mining are key 2nd tier industries.**
- **Pop 870,000**
- **Ruling by Decrees and inward investment is hesitant**

FIJI OPPORTUNITIES

- **Agricultural services and products inc rice, livestock (meat and dairy) and vegetables**
- **Products and Services to capital markets**
- **Public service reform and downsizing is continuing. Superannuation has been especially targeted for reform**
- **Lack of public service ICT services, computerisation of records and ICT links between departments**

FIJI OPPORTUNITIES

- **Imports regarding pearl farming inputs are being encouraged by duty reduction**
- **Water and waste water infrastructure improvements are being targeted**
- **Bio-diesel and renewable energy/energy efficiency solutions are encouraged**
- **Tools for ensuring capital budgets are managed/spent due to previous underspends**

FIJI OPPORTUNITIES

- **Substantial increases in gold mining and production and its related inputs**
- **Products or services attractive to low cost air carriers**



NEW CALEDONIA

- **New Caledonia is a significant destination for Australian exporters with over 1800 clients doing business in New Caledonia each year**
- **Australian exports have increased by 50 per cent over the last 5 years, mainly to large pieces of equipment for the new nickel processing plants currently under construction, and the supply of coal for new thermal power generation plants.**

NEW CALEDONIA

- **Major Australian exports include foodstuffs (cereals and milk in particular), civil engineering equipment and parts, coal and butane and plastic and metal products.**
- **Over 40 Australian companies with local branches or licensee arrangements with local companies . Business sectors involved include freight, education, mining, financial audit and construction**

SAMOA

- **Over 400 Australian exporters do business in Samoa each year.**
- **Major Australian exports include electrical circuitry, dairy products, paper and foodstuffs.**
- **Australian investment in Samoa in 2008 was AUD90m**
- **ANZ and Westpac Banks**
- **Fosters Group**
- **Polynesian Blue Airlines**

TONGA

- **Over 200 Australian exporters do business with Tonga each year.**
- **Australian exports include tobacco, telecommunications equipment, petroleum based products and building materials.**
- **Australian exporters active in Tonga include ANZ and Westpac banks**
- **Kramer Ausenco - an engineering company.**
- **Chapman Group – focuses on timber, office equipment, shipping and consultancy and employs approximately 100 staff members.**
- **Tonga Gas (Origin Energy)**

SOLOMON ISLANDS

- **Wide range of goods and services**
- **Australian Investments include ANZ and Westpac Banks.**
- **Pacific Air Express** - twice weekly service to Solomon Islands,
- **Allied Gold Limited** - April 2010 Gold Ridge mine re-development approximately 40 kilometres from Honiara

VANUATU

- **Major Australian exports include LPG, consumer goods, alcoholic beverages and tobacco**
- **Over 890 Australian exporters each year and largest exporter.**
- **Australia largest aid donor and the main source of tourists and investment, mainly small scale individual investment in building, real estate and resort development**

FRENCH POLYNESIA

- **Major Australian exports include LPG, cereal preparations, beef and coffee.**
- **Over 470 Australian exporters do business in FP each year.**
- **Major Australian investments include Total, Qantas, Nestlé and QBE Insurance**

THE AUSTRALDE TEAM IN THE PACIFIC

- **Port Moresby covers PNG and Solomon Islands**
Trade Commissioner and Four Business Development Managers
- **Suva Post Manages Fiji and the Pacific Islands Excluding Guam and FSM**
Trade Commissioner and 3 Business Development Managers
- **New Caledonia; *Noumea Post (New Caledonia and Vanuatu and French Polynesia on a reactive basis)***
1 Business Development Manager / Post Manager
- **Western Samoa and Tonga Part Time Trade Facilitators**
- **Other countries in the territory serviced by Post: Kiribati, Nuie, Tuvalu, Tokelau, American Samoa, Wallis and Fortuna, The Cook islands, French Polynesia**

USEFUL REFERENCES

Austrade web site

www.austrade.gov.au

Dept of Foreign Affairs and Trade country
economic fact sheet web site

www.dfat.gov.au

www.businessadvantageinternational.com

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