

Executive Summary

This country fact sheet provides key trade, investment and tourism related statistics for Australia. Specifically, it shows global trade and investment flows including an analysis of top markets and products for Australia in relation to South Africa and the Western Cape, highlighting the largest and fastest growing products and sub-sectors. It also investigates tourism trends for Australia as well as those between Australia and South Africa. The key highlights in the fact sheet are provided below:

Economy

Australia's GDP (PPP) was valued at USD1.2trn in 2016, making Australia the 20th largest economy in the world measured by purchasing power parity (PPP). With a GDP per capita of USD48,800, Australia is ranked 26th globally. Business Monitor International (BMI 2017), forecast Australia's real GDP growth to average 2.3% per annum over the next decade, down from 2.7% over the past decade as the combined headwinds of slowing population growth, greater government spending, subdued terms of trade and heightened deflation risks weigh on economic activity. (BMI, 2017). The IMF forecasts Australia's economy to grow by 2.9% between 2017 and 2022.

Trade

Over the period 2007 to 2015, Australia was a net exporter of goods. Australia was the 24th largest global exporter of goods in 2016 with exports reaching USD1.9trn. In terms of imports the country was the 23rd largest importer of goods in 2016, importing goods worth USD189bn. Australia was South Africa's 22nd largest global export market in 2016, with exports valued at USD730m. In terms of imports Australia was the country's 24th largest import market valued at USD742m in 2016.

The Western Cape's exported goods to Australia were valued at USD92.4m in 2016, while imported goods were valued at USD50m in 2016. Australia was the Western Cape's 29th largest export destination and 24th largest import market in 2016. Fish fillets was the leading export product category to Australia from the Western Cape in 2016, valued at USD12m. This top export was followed by fruit and nuts (USD8.3m) and beauty or make up (USD6.1m). The highest growth in Western Cape exports was yachts and other vessels with an annual average growth rate of 34% (2012-2016).

Investment

Between January 2003 and June 2016 a total of 2,603 FDI projects were recorded from Australia, representing a total capital investment of USD196.99bn. Between January 2003 and June 2016 a total of 61 FDI projects were recorded from Australia to South Africa, representing a total capital investment of USD5.49bn.

Between January 2003 and June 2016 a total of 3 FDI projects were recorded from the Western Cape to Australia, representing a total capital investment of USD69.80m. The main sectors that Australian companies invested in were software and IT services, food and tobacco and business services.

Tourism

The number of outbound travellers from Australia is expected to increase from 15 million in 2016 to 17.6 million in 2021. Australian arrivals into South Africa increased by 3.5% to 111,213 tourists in 2014 and fell by 11% in 2015 to 99,205 tourists. Arrivals to the Western Cape increased by 26% in 2014 to reach 51,731 tourists in 2014, and decreased by 12% in 2015. The Western Cape received a 46% share of tourists visiting South Africa in 2015.

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1. Country Overview

Australia is a country comprising the mainland of the Australian continent, the island of Tasmania and numerous smaller islands. It is the world's 6th largest country by total area. The neighbouring countries are Papua New Guinea, Indonesia and East Timor to the north; the Solomon Islands and Vanuatu to the north-east; and New Zealand to the south-east. Australia's capital is Canberra, and its largest urban area is Sydney.

The population of 23 million is highly urbanised and heavily concentrated on the eastern seaboard. Australia is a member of the United Nations, G20, Commonwealth of Nations, ANZUS, Organisation for Economic Co-operation and Development (OECD), World Trade Organization, Asia-Pacific Economic Cooperation, and the Pacific Islands Forum.

Australia is a federal parliamentary constitutional monarchy with Elizabeth II at its apex as the Queen of Australia. The Queen is represented in Australia by the Governor-General at the federal level. Governor-General has no actual decision-making or de facto governmental role, and merely acts as a legal figurehead for the actions of the Prime Minister and the Federal Executive Council.

GENERAL INFORMATION	
Capital City	Canberra
Type of Government	Parliamentary Democracy
Head of State	Queen of Australia ELIZABETH II
Head of Government	Prime Minister Malcolm TURNBULL
Population (July 2016)	22,992,654 (ranked 56 th)
Life expectancy	82.2 years
Ethnic groups	English 25.9%, Australian 25.4%, Irish 7.5%, Scottish 6.4%, Italian 3.3%, German 3.2%, Chinese 3.1%, Indian 1.4%, Greek 1.4%, Dutch 1.2%, other 15.8% (includes Australian aboriginal .5%), unspecified 5.4%
Religions	Protestant 30.1% Catholic 25.3%, other Christian 2.9%, Orthodox 2.8%, Buddhist 2.5%, Muslim 2.2%, Hindu 1.3%, other 1.3%, none 22.3%, unspecified 9.3% (2011 est.)
Languages	English 76.8%, Mandarin 1.6%, Italian 1.4%, Arabic 1.3%, Greek 1.2%, Cantonese 1.2%, Vietnamese 1.1%, other 10.4%, unspecified 5% (2011 est.)
HDI (2016)	0.939 Ranked 2 nd globally

Sources: CIA World Factbook, 2017, UNDP, 2017

2. Economic Overview

Australia is a free-market economy supported by a highly educated workforce. Australia's GDP (PPP) was valued at USD1.2trn in 2016, making Australia the 20th largest economy in the world measured by purchasing power parity (PPP). With a GDP per capita of USD48,800, Australia is ranked 26th globally and is higher than that of the United Kingdom, Canada, Germany, Denmark and Belgium in terms of purchasing power parity.

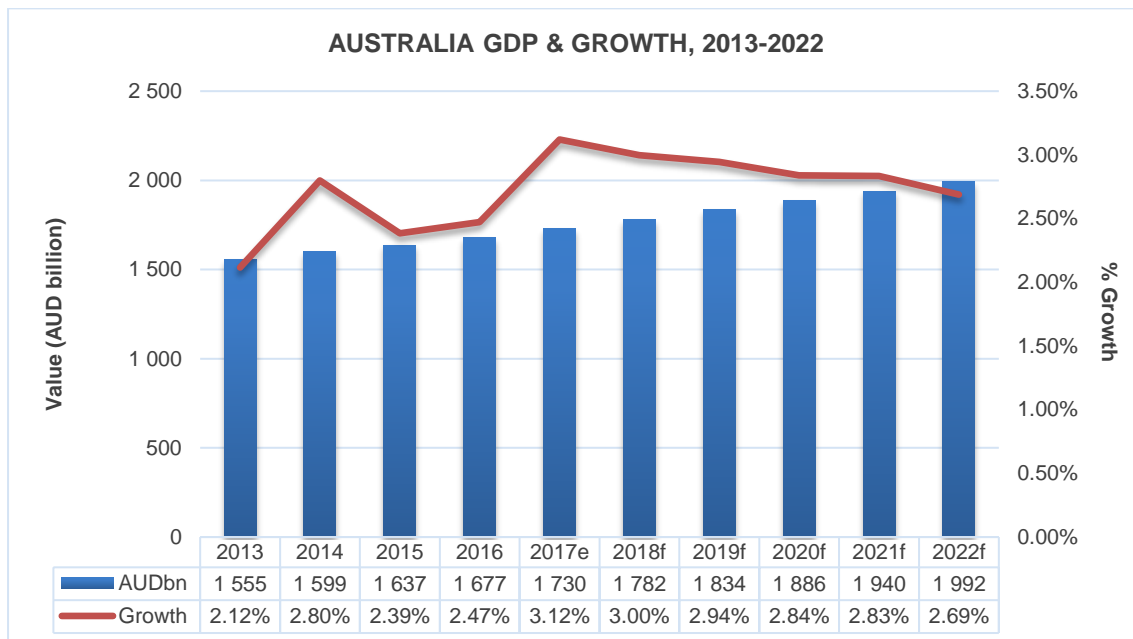
Blessed with rich natural resources, Australia's economic activity has been augmented by demand for commodity exports and the investments made in the mining sector. The Australian Securities Exchange in Sydney is the largest stock exchange in Australia and in the South Pacific and ranks 14th in the world in terms of market capitalisation. Australia is home to some of the largest companies in the world, including but not limited to: Wesfarmers (Coles Group), Woolworths, BHP Billiton, National Australia Bank, ANZ, Commonwealth Bank, Westpac, Rio Tinto Group, Telstra & Caltex – which are the 10 largest companies in Australia.

ECONOMIC INFORMATION	
GDP (PPP) (2016)	USD1.189 trillion
Real GDP growth (2016)	2.9%
GDP per capita (2016)	USD48,800
Inflation (2016)	1.4%

Commercial Bank Prime Lending Rate (December 2016)	5.1%
Unemployment rate (2016)	5.8%
Doing Business in 2017 ranking	15
Total Exports (2016)	USD184.3 billion
Total Imports (2016)	USD203.1 billion
FDI stock at home (December 2016)	USD614.5 billion
FDI stock abroad (December 2016)	USD441.9 billion

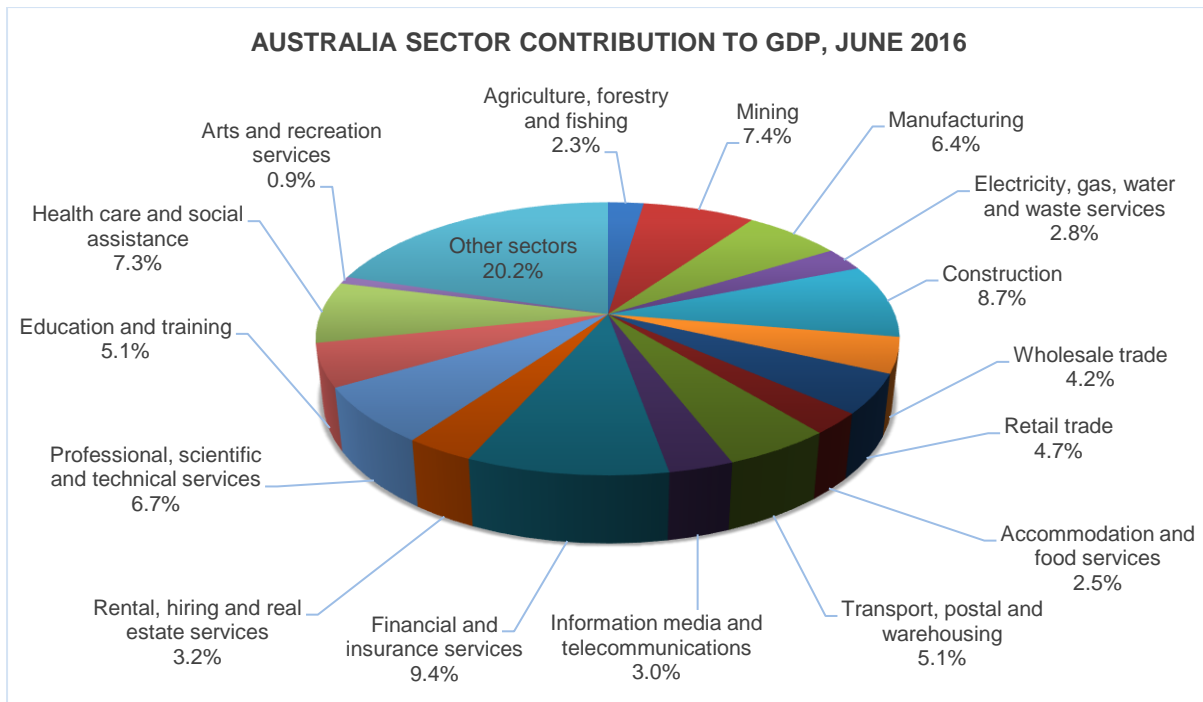
Source: CIA World Factbook, 2017; Doing Business in Australia, 2017

Business Monitor International (BMI 2017), forecast Australia's real GDP growth to average 2.3% per annum over the next decade, down from 2.7% over the past decade as the combined headwinds of slowing population growth, greater government spending, subdued terms of trade and heightened deflation risks weigh on economic activity. (BMI, 2017). The IMF forecasts Australia's economy to grow by 2.9% between 2017 and 2022.



Source: IMF, 2017

The contributions of Australia's economic sectors to GDP in June 2016 are depicted in the figure below. The largest contributor is finance and insurance services (94%) followed by the construction sector accounting for 8.7% of GDP. Australia's main industries consist of mining, industrial and transportation equipment, food processing, chemicals and steel. The country's main agricultural products consist of wheat, barley, sugarcane, fruits; cattle, sheep and poultry.



Source: Australian Bureau of Statistics, 2017

Some major sectors include:

Agribusiness and food:

Australia's growing agribusiness and food sector is estimated at AUD173 billion. Valued at AUD17 billion, grains represent Australia's largest agricultural sector, with main crops including wheat; coarse grains such as barley, sorghum and oats; and oilseeds and legumes. Approximately 68 per cent of the country's annual output is exported. Horticulture is Australia's second largest agricultural industry, with a gross production value of AUD9 billion in 2013-14. Of this, fruit and nuts comprised AUD3.9 billion and vegetables AUD3.8 billion, while other horticulture accounted for AUD1.5 billion. The gross farmgate value of aquaculture stood at AUD1 billion in 2012 to 2013, accounting for 43% of the gross value of Australian fisheries production. At 80,066 tonnes, the industry made up 35% of the total fisheries production. Australia has about 1,980 aquaculture producers.

Digital Technology:

Between 2014 and 2020, the contribution of digital technologies to Australia's economy is forecast to grow 75% to AUD139 billion. Almost all of this growth (97%) is predicted to take place outside the information, communications and technology (ICT) sector. By 2020, the average Australian household will have around 29 internet-connected devices – up from nine devices in 2015 – and will spend AUD3.2 billion on connected devices and services by the end of the decade.

Material Science and Technologies:

Australia has advanced research and innovation capabilities in niche areas of advanced manufacturing and a proven track record in developing materials science and technology solutions, including in: Composites research, including carbon fibres for aerospace, automotive and industrial; light metals, such as titanium, processing including additive manufacturing; bio-products for medical and industrial use, including through nanotechnology and electronic and photonic materials, such as for batteries and energy storage. Australia offers world-class research infrastructure, a strong but flexible regulatory regime including (IP) protection, tax incentives and a supportive business culture for undertaking research and development (R&D).

Medical Science and Technologies:

Australia's medical devices industry comprises over 500 companies generating total revenue of AUD11.8 billion, exporting over AUD2.1 billion each year and in 2013-14, employing over 19,000 people. Analysis in 2015 suggests that the Australian healthcare IT market is expected to grow at a compound annual rate of 12.3 per cent between 2013 and 2020, reaching an estimated market value of USD2.21 billion by 2020. The 2015 healthcare IT market size is estimated at USD1.20 billion.

Advanced Manufacturing Technologies:

Australia's advanced a manufacturing technologies sector value added was worth an estimated AUD28 billion in 2014/15. The sector includes: additive manufacturing/3D printing; advanced materials; Industry 4.0; biotechnologies; nanotechnologies and design-led innovation.

Source: Australian Government: <http://www.austrade.gov.au/international>

2.1 Companies in Australia

The top Australian companies on the Forbes Global top 2000 list are shown below.

AUSTRALIAN COMPANIES ON THE FORBES GLOBAL 2000 LIST, 2017						
GLOBAL RANK	COMPANY	SECTOR	SALES (USDbn)	PROFITS (USDbn)	ASSETS (USDbn)	MARKET VALUE (USDbn)
#58	Commonwealth Bank	Banking	\$33.1 B	\$6.9 B	\$657 B	\$99.2 B
#72	Westpac Banking Group	Banking	\$30.2 B	\$6.3 B	\$571 B	\$80.6 B
#84	ANZ	Banking	\$31.1 B	\$5.9 B	\$625.8 B	\$54.9 B
#88	National Australia Bank	Banking	\$28.8 B	\$5 B	\$671.6 B	\$56.5 B
#262	Telstra	Telecommunications	\$20.2 B	\$3.2 B	\$30.9 B	\$50.8 B
#264	Wesfarmers	Food Retail	\$47.7 B	\$1.8 B	\$30.4 B	\$36.4 B
#343	Macquarie Group	Investment Services	\$11.2 B	\$1.5 B	\$146.8 B	\$17.6 B
#455	BHP Billiton	Diversified Metals and mining	\$30.5 B	\$-6.1 B	\$118.7 B	\$80.3 B
#510	AMP	Investment Services	\$10.3 B	\$729 M	\$101.6 B	\$13.1 B
#530	Suncorp Group	Diversified Insurance	\$10.2 B	\$774 M	\$68.7 B	\$12.5 B
#571	QBE Insurance Group	Property and casualty insurance	\$12.9 B	\$675 M	\$42.9 B	\$12 B
#760	Woolworths	Food Retail	\$45.3 B	\$-80 M	\$17.6 B	\$21.5 B
#764	Scentre Group	Property Investment	\$2.2 B	\$2 B	\$23.2 B	\$18.6 B
#818	CSL	Biotechs	\$5.8 B	\$1.4 B	\$7.5 B	\$37 B
#827	Westfield	Property management and development	\$1.2 B	\$2.4 B	\$17.6 B	\$16 B
#891	Insurance Australia Group	Property and casualty insurance	\$7.4 B	\$462 M	\$22 B	\$10.9 B
#966	Amcor	Containers and packaging	\$9.3 B	\$662 M	\$8.2 B	\$13.6 B
#1044	Qantas Airways	Airline	\$12.2 B	\$782 M	\$12.7 B	\$5.4 B
#1119	Woodside Petroleum	Oil and Gas Operations	\$5 B	\$-26 M	\$23.8 B	\$18.1 B
#1140	Lend Lease Group	Real Estate	\$11.1 B	\$493 M	\$13.9 B	\$5.6 B
#1142	Brambles	Business and personal services	\$5.4 B	\$589 M	\$7.7 B	\$15.3 B
#1161	Fortescue Metals Group	Iron and Steel	\$7 B	\$318 M	\$20.4 B	\$8.1 B
#1260	Caltex Australia	Oil and Gas Operations	\$14.8 B	\$391 M	\$3.7 B	\$6.7 B
#1264	Origin Energy	Electrical Utilities	\$7.9 B	\$-666 M	\$21.3 B	\$7.3 B
#1298	Goodman Group	Real Estate	\$1 B	\$1.2 B	\$8.9 B	\$9.3 B
#1304	Vicinity Centres	Real Estate	\$964 M	\$658 M	\$11.7 B	\$9.9 B
#1308	Stockland Australia	Real Estate	\$1.6 B	\$853 M	\$12.1 B	\$7.8 B
#1411	Transurban Group	Other transportation	\$1.5 B	\$63 M	\$16 B	\$17.9 B
#1442	AGL Energy	Electrical Utilities	\$8.3 B	\$-404 M	\$10.6 B	\$9.5 B
#1538	Ramsay Health Care	Healthcare Services	\$6.1 B	\$314 M	\$5.8 B	\$9.9 B
#1568	Bendigo & Adelaide Bank	Regional Banks	\$2.4 B	\$304 M	\$47.8 B	\$3.3 B
#1607	Newcrest Mining	Diversified Metals and mining	\$3.4 B	\$344 M	\$11.3 B	\$10.6 B
#1620	MAp	Other transportation	\$917 M	\$395 M	\$9.1 B	\$11.3 B

AUSTRALIAN COMPANIES ON THE FORBES GLOBAL 2000 LIST, 2017						
GLOBAL RANK	COMPANY	SECTOR	SALES (USDbn)	PROFITS (USDbn)	ASSETS (USDbn)	MARKET VALUE (USDbn)
#1723	GPT Group	Real Estate	\$518 M	\$650 M	\$8 B	\$6.7 B
#1852	Bank of Queensland	Regional Banks	\$1.8 B	\$247 M	\$35.6 B	\$3.5 B

Source: Forbes, 2017

2.2 Doing Business in Australia

The table below shows Australia's ease of doing business in 2017. According to the World Bank's *Doing Business 2017* report, Australia is ranked 15th out of 189 countries in terms of the ease of doing business. Australia's top ranking indicators are dealing with construction permits (2nd); enforcing contracts (3rd) and getting credit (5th).

AUSTRALIA'S EASE OF DOING BUSINESS, 2017	
SELECTED INDICATORS	RANKING OUT OF 189 COUNTRIES
Starting a Business	7
Dealing with Construction Permits	2
Getting Electricity	41
Registering Property	45
Getting Credit	5
Protecting Investors	63
Paying Taxes	25
Trading Across Borders	91
Enforcing Contracts	3
Resolving Insolvency	21
Doing Business 2017	15

Source: Cost of Doing Business, 2017

2.3 Australia's Risk Ratings

"A sovereign credit rating is the credit rating of a country or sovereign entity. Sovereign credit ratings give investors insight into the level of risk associated with investing in a particular country and also include political risks. At the request of the country, a credit rating agency will evaluate the country's economic and political environment to determine a representative credit rating".

Source: Investopedia

While a number of credit agencies exist, the three most recognised credit ratings agencies globally are Fitch Ratings, Moody's Investors Services (Moody's) and Standard & Poor's (S&P). Reasons for a country/sovereign to seek a credit rating from one of these three agencies include not only to access funding in international bond markets via the issuance of bonds in external debt markets, but it is a means to attract foreign direct investment. Obtaining a good sovereign credit rating instils confidence in investors seeking to invest in that country, with the credit rating a means for the country to demonstrate financial transparency and credit standing.

Two key rating 'standards' exist, with the highest possible rating category being "AAA" according to S&P, which indicates that the rated country has extremely strong capacity to meet its financial commitments. A wide range of rating categories exists below this, with the categories ranging all the way down to SD (i.e. defaulted), which means the rated country has failed to pay one or more of its financial obligations when it came due.

Standards and Poors remain pessimistic about the Government's ability to close existing budget deficits and return a balanced budget by the year ending June 30, 2021. Over the coming months, they will continue to monitor the Government's willingness and ability to enact new budget savings or revenue measures to reduce fiscal deficits materially over the next few years.

AUSTRALIA'S COUNTRY RATINGS						
STANDARD & POORS SOVEREIGN RATINGS				FITCH RATING		MOODY'S RATINGS
Local Rating	Currency	Foreign Rating	Currency	T&C Assessment	Credit Rating	Credit Rating
AAA		AAA		AAA	AAA	Aaa

Source: Standard & Poors, 2016, TradingEconomics

A number of alternative measures and rating scales exist to assess risks posed to companies and banks, particularly those pertaining to political and commercial risks when undertaking international commercial transactions. One such company which offers these services is Belgium's Delcredere, the country's official export credit agency and public credit insurer.

The table below shows Delcredere's current risk assessment of Australia in terms of export transactions and direct investments. Ratings are between 1 and 7, and between A and C, with 7 and C being the maximum risk indicators.

- In terms of political risk associated with export transactions in Australia, these are deemed to be low in the short, medium and long-term.
- Commercial risk in turn is considered to be low levels of risk.

Regarding direct investments, risks associated with all of the categories are considered to be low as indicated by scores awarded below.

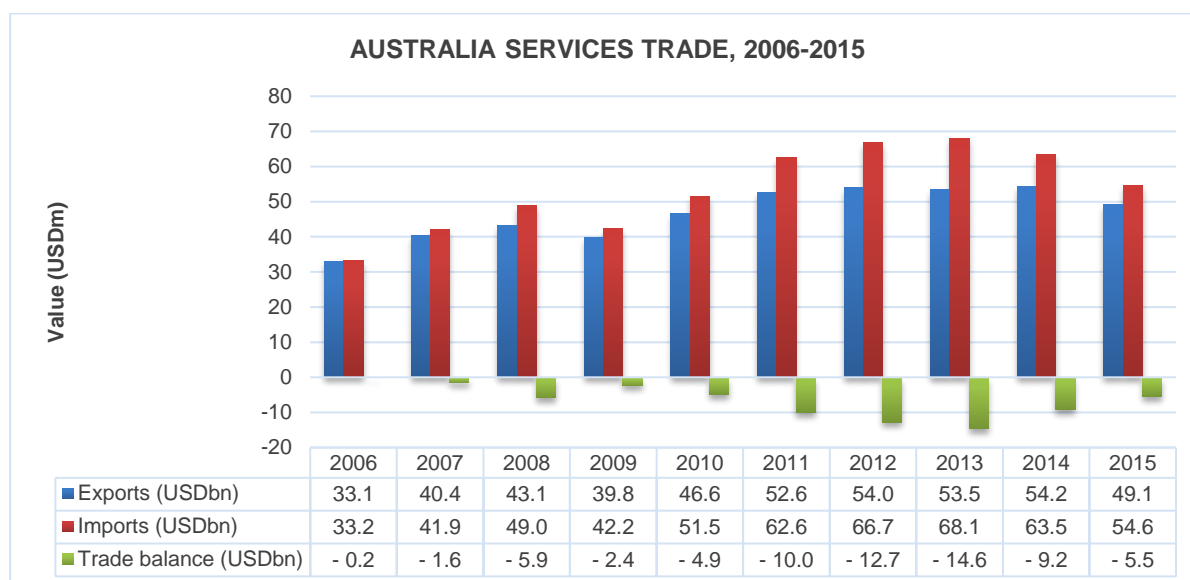
AUSTRALIA'S RISK ASSESSMENT - Delcredere		
EXPORT TRANSACTIONS - (Scale 1 – 7)*		
Political Risks	Short Term	1
	Medium-Long term	1
	Special Transactions	1
Commercial Risk	A	
DIRECT INVESTMENTS		
Political violence risk	1	
Expropriation Risk	1	
Currency Inconvertibility & Transfer Restriction Risk	1	
* Where 1 is associated with the least risk and 7 the most.		
** Where B is associated with mid risk; A is low risk and C is high risk.		

Source: ONDD, 2017

3. Trade

3.1 Australia's trade in services

In 2015, Australia was the 25th largest global exporter of services, valued at USD49bn. Australia's global exports of services grew by an annual average growth rate of 1.3% between 2011 and 2015. In terms of global imports, Australia was ranked 24th in 2015, valued at USD55bn and growing by an annual average growth rate of 1.9% between 2011 and 2015. Over the period analysed, Australia has consistently maintained a negative trade balance.



Source: Trademap, 2017

Travel was the largest service export from Australia valued at USD29.7bn. This was followed by other business services (includes merchanting and other trade-related services, operational leasing (rental), miscellaneous business, professional, and technical services and other services), valued at USD6.5bn. Transport and financial services were ranked 4th and 5th valued at USD6.5bn and USD5.1bn respectively.

Travel was also the largest import service into Australia valued at USD21.9bn followed by transport valued at USD13.2bn.

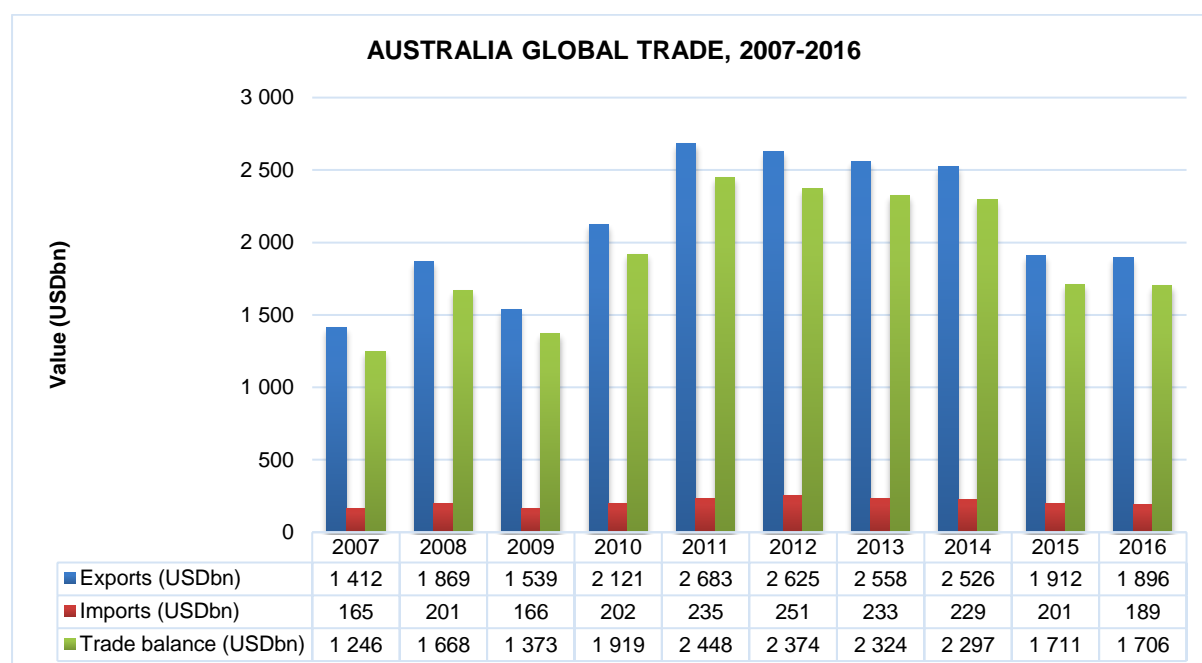
TOP 10 SERVICES EXPORTED BY AUSTRALIA, 2015				TOP 10 SERVICES IMPORTED BY AUSTRALIA, 2015			
CODE	SERVICE	VALUE 2015 (USDm)	% GROWTH 2011-2015	CODE	SERVICE	VALUE 2015 (USDm)	% GROWTH 2011-2015
4	Travel	29 714.7	0.95%	4	Travel	21 875.2	0.23%
10	Other business services	6 548.6	0.45%	3	Transport	13 166.8	0.15%
3	Transport	5 055.6	-2.71%	10	Other business services	8 421.5	5.75%
7	Financial services	2 955.7	28.10%	8	Charges for the use of intellectual property n.i.e.	3 516.4	1.19%
9	Telecommunications, computer, and information services	2 009.4	4.92%	9	Telecommunications, computer, and information services	2 402.1	5.62%
8	Charges for the use of intellectual property n.i.e.	786.4	-3.88%	7	Financial services	1 727.6	28.18%
12	Government goods and services n.i.e.	744.3	-0.22%	11	Personal, cultural, and recreational services	1 526.6	4.58%
11	Personal, cultural, and recreational services	669.1	1.21%	12	Government goods and services n.i.e.	947.9	4.31%
6	Insurance and pension services	424.0	7.83%	6	Insurance and pension services	679.5	5.23%
5	Construction	136.5	21.50%	2	Maintenance and repair services n.i.e.	358.6	12.74%

TOP 10 SERVICES EXPORTED BY AUSTRALIA, 2015				TOP 10 SERVICES IMPORTED BY AUSTRALIA, 2015			
CODE	SERVICE	VALUE 2015 (USDm)	% GROWTH 2011-2015	CODE	SERVICE	VALUE 2015 (USDm)	% GROWTH 2011-2015
2	Maintenance and repair services n.i.e.	64.0	10.95%	-	-	-	-
1	Manufacturing services on physical inputs owned by others	9.7	-15.30%	-	-	-	-
TOTAL EXPORTS		49 118.2	1.31%	TOTAL IMPORTS		54 622.3	1.87%

Source: TradeMap, 2017

3.2 Australia's trade in goods

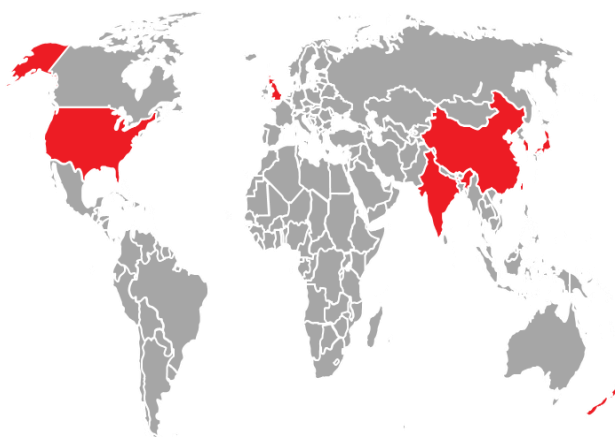
Over the period 2007 to 2016, Australia was a net exporter of goods. Australia was the 24th largest global exporter of goods in 2016 with exports reaching USD1.9trn. In terms of imports the country was the 23rd largest importer of goods in 2016, importing goods worth USD189bn. From 2012 to 2016, exports decreased by an annual average growth rate of 6% while imports fell by 4%.



Source: TradeMap, 2017

China was the leading export market for Australia valued at USD62bn. Japan and Korea rank second and third valued at USD26.1bn and USD12.5bn respectively. Seven of the top 10 destination countries are in Asia. South Africa is Australia's 24th largest importer, importing USD0.7bn worth goods

TOP 10 DESTINATION COUNTRIES FOR AUSTRALIA'S EXPORTS, 2016			
RANK	COUNTRY	VALUE 2016 (USDbn)	% GROWTH 2012-2016
1	China	61.8	-0.39%
2	Japan	26.1	-6.56%
3	Korea, Republic of	12.5	-10.56%
4	United States of America	9.0	1.70%
5	India	7.6	-11.71%
6	United Kingdom	7.5	18.57%
7	New Zealand	6.5	-2.46%
8	Taipei, Chinese	5.3	-8.93%



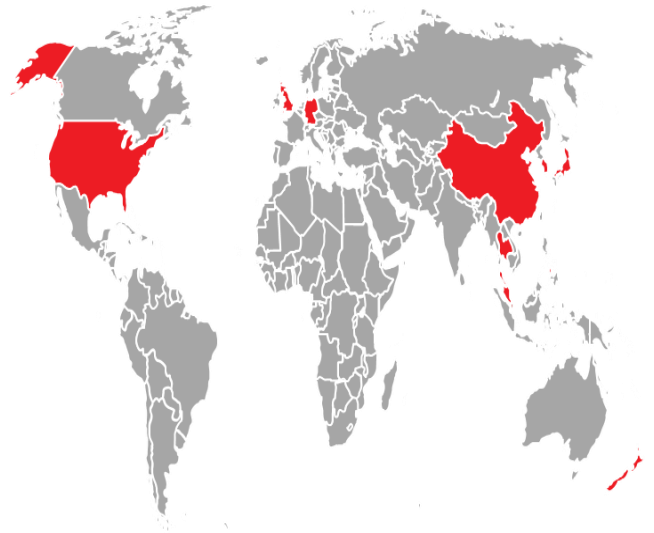
9	Hong Kong, China	5.2	17.79%
10	Singapore	4.3	-3.85%
24	South Africa	0.7	-5.68%
TOTAL EXPORTS		189.6	-6.23%

Source: TradeMap, 2017

China was the leading import market, valued at USD44bn. The United States and Japan were ranked second and third valued at USD21.7bn and USD14.6bn respectively. South Africa is the 29th largest exporter to Australia, exporting goods to the value of USD0.8bn in 2016, declining by 1.1%.

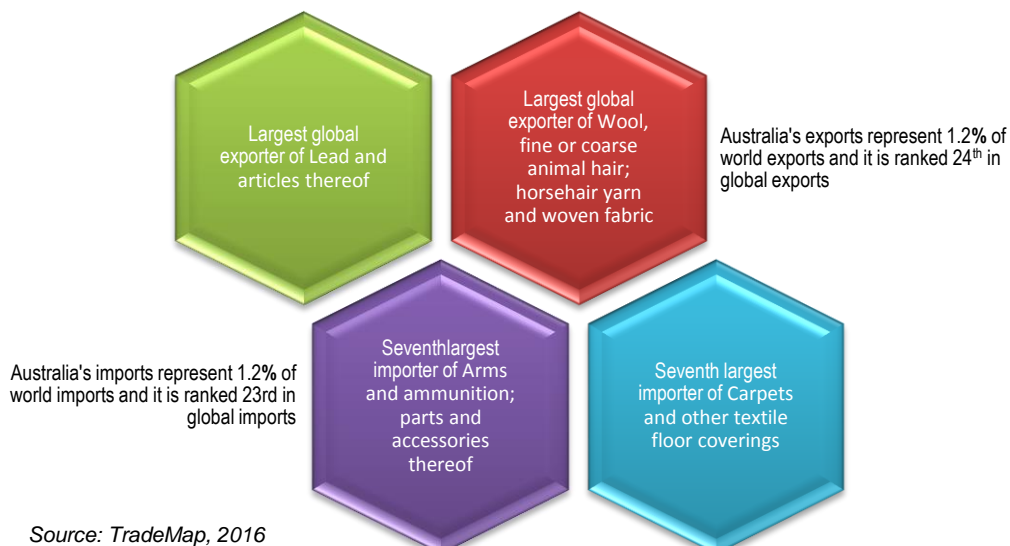
TOP 10 SOURCE MARKETS FOR AUSTRALIA'S IMPORTS, 2016			
RANK	COUNTRY	VALUE 2016 (USDbn)	% GROWTH 2012-2016
1	China	44.2	0.71%
2	United States of America	21.7	-3.49%
3	Japan	14.6	-3.97%
4	Thailand	10.9	5.70%
5	Germany	10.1	-1.21%
6	Korea, Republic of	8.1	4.62%
7	Malaysia	7.0	-3.00%
8	New Zealand	5.6	-5.66%
9	United Kingdom	5.3	-5.18%
10	Singapore	5.3	-16.74%
29	South Africa	0.8	-1.05%
TOTAL IMPORTS		189.3	-4.02%

Source: TradeMap, 2017



11

The hexagons below show Australia's competitive advantage in trade:



Source: TradeMap, 2016

Iron ores were the leading export product category from Australia, valued at USD39.5bn. This was followed by coal worth USD28.3bn and petroleum gases ranked third valued at USD14bn. Other top exports are gold (USD13.5bn) and artificial corundum (USD4.3bn).

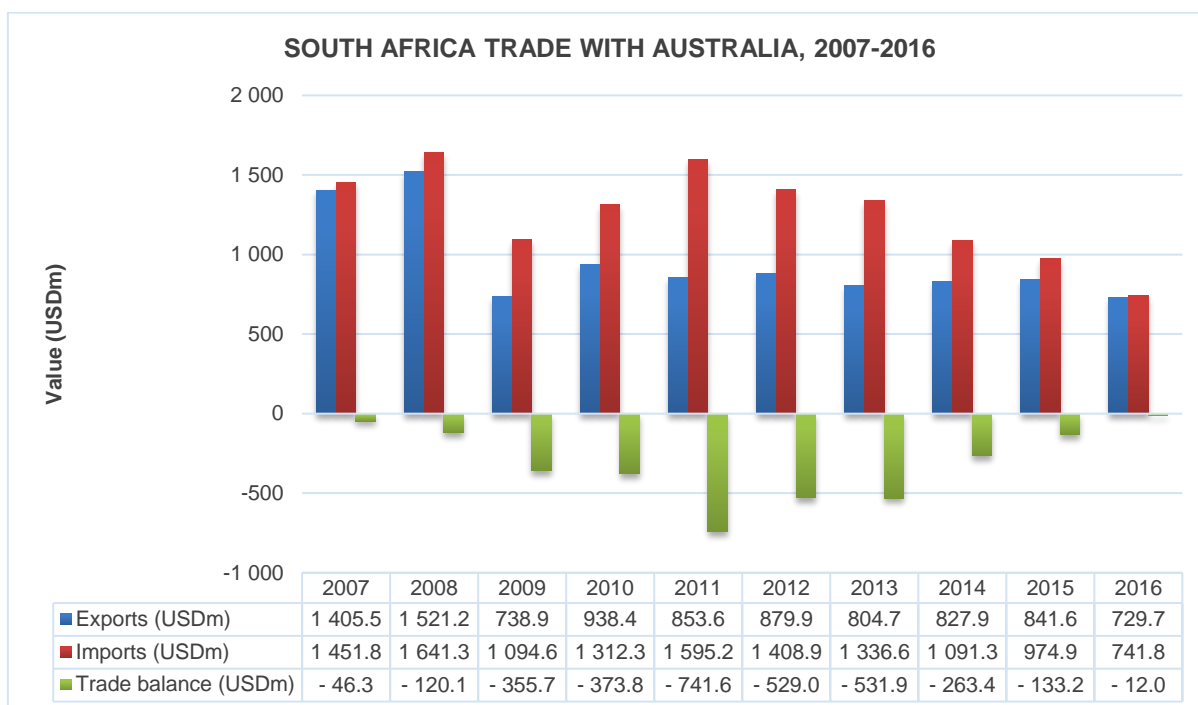
Cars were the leading imported product in Australia in 2016, valued at USD15.9bn. Refined petroleum oils and telephone sets were ranked second and third at USD11bn and USD7.3bn respectively. Medical instruments had the highest 5-year growth per annum of 2.9%.

TOP 10 PRODUCTS EXPORTED BY AUSTRALIA, 2016				TOP 10 PRODUCTS IMPORTED BY AUSTRALIA, 2016			
RANK	PRODUCT	VALUE 2016 (USDbn)	% GROWTH 2012-2016	RANK	PRODUCT	VALUE 2016 (USDbn)	% GROWTH 2012-2016
1	Iron ores and concentrates, incl. roasted iron pyrites	39.5	-6.17%	1	Motor cars and other motor vehicles principally designed for the transport of persons, incl.	15.9	2.23%
2	Coal; briquettes, ovoids and similar solid fuels manufactured from coal	28.3	-9.44%	2	Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing	11.0	-4.87%
3	Petroleum gas and other gaseous hydrocarbons	14.0	3.18%	3	Telephone sets, incl. telephones for cellular networks or for other wireless networks	7.3	1.89%
4	Gold, incl. gold plated with platinum, unwrought or not further worked than semi-manufactured	13.5	-1.63%	4	Petroleum oils and oils obtained from bituminous minerals, crude	5.9	-18.50%
5	Artificial corundum, whether or not chemically defined; aluminium oxide; aluminium hydroxide	4.3	-4.59%	5	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses	5.7	-7.75%
6	Wheat and meslin	3.6	-10.08%	6	Automatic data-processing machines and units thereof; magnetic or optical readers, machines	5.5	-4.26%
7	Petroleum oils and oils obtained from bituminous minerals, crude	3.6	-17.90%	7	Motor vehicles for the transport of goods, incl. chassis with engine and cab	5.4	-0.29%
8	Copper ores and concentrates	3.4	-8.88%	8	Gold, incl. gold plated with platinum, unwrought or not further worked than semi-manufactured	4.4	-4.45%
9	Meat of bovine animals, frozen	3.3	4.35%	9	Instruments and appliances used in medical, surgical, dental or veterinary sciences, incl.	2.2	2.87%
10	Unwrought aluminium	2.4	-11.39%	10	Parts and accessories for tractors, motor vehicles for the transport of ten or more persons	2.1	-3.26%
TOTAL EXPORTS		189.6	-6.23%	TOTAL IMPORTS		189.3	-4.02%

Source: TradeMap, 2017

3.3 Trade with South Africa

Australia was South Africa's 22nd largest global export market in 2016, with exports valued at USD730m. In terms of imports Australia was the country's 24th largest import market valued at USD742m in 2016. South Africa's imports to Australia were greater than exports, with the largest trade deficit of USD742m in 2011.



Source: Quantec, 2017

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The leading export product to Australia from South Africa in 2016 were cars, valued at USD314m, followed by aluminium plates (USD24.5m) and machinery for sorting, screening (USD17.8m). Between 2012 and 2016, the highest growth in exports was recorded for aluminium (77% p.a.).

The leading import product into South Africa from Australia was artificial corundum valued at USD278m, followed by coal (USD119m) and unwrought lead (USD17bn). Between 2012 and 2016 the highest growth in imports was recorded for coal (41% p.a.).

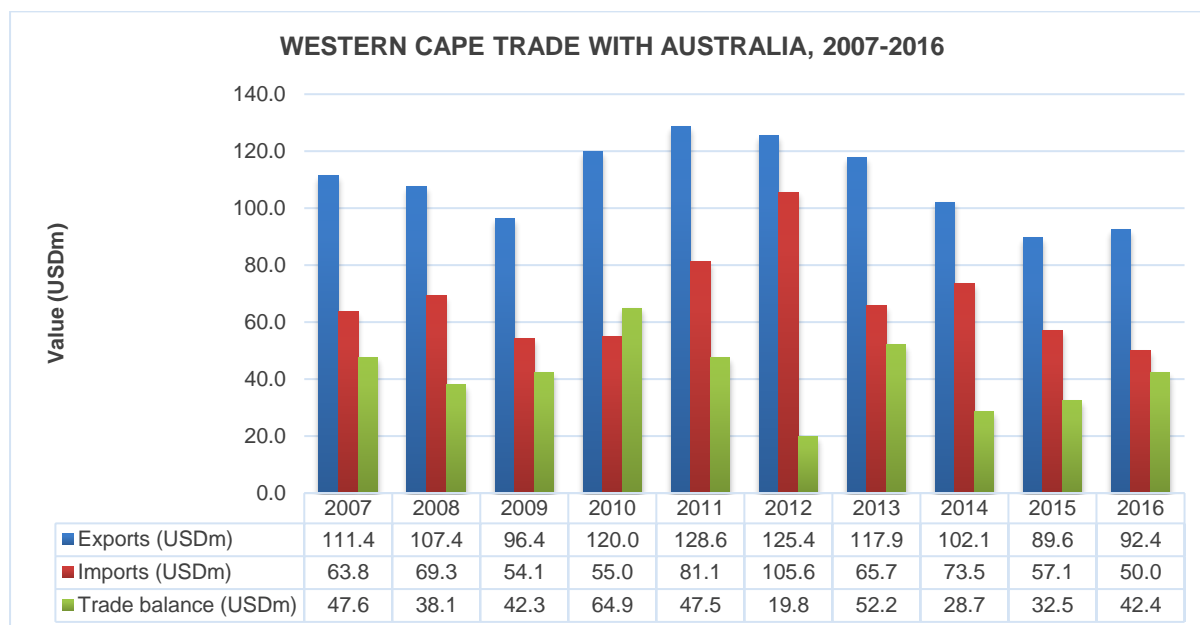
TOP 10 SOUTH AFRICAN EXPORTS TO AUSTRALIA, 2016				TOP 10 SOUTH AFRICAN IMPORTS FROM AUSTRALIA, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016	RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016
1	Motor cars and other motor vehicles principally designed for the transport of persons	314.3	15.39%	1	Artificial corundum, aluminium oxide & hydroxide	277.7	-9.96%
2	Aluminium plates, sheets and strip	24.5	76.80%	2	Coal; briquettes, ovoids and similar solid fuels manufactured from coal	119.3	41.26%
3	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing earth, stone, ores	17.8	-14.60%	3	Unwrought lead	17.0	2.48%
4	Lead ores and concentrates	13.9	-	4	Unwrought nickel	15.7	-
5	Fish fillets and other fish meat, fresh, chilled or frozen	12.6	-3.87%	5	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing earth, stone, ores	15.0	2.82%
6	Fruit, nuts and other edible parts of plants	8.6	-2.84%	6	Wheat and meslin	13.9	-15.67%
7	Ferro-alloys	8.1	-16.55%	7	Uncoated kraft paper and paperboard, in rolls or sheets	12.9	5.56%

TOP 10 SOUTH AFRICAN EXPORTS TO AUSTRALIA, 2016				TOP 10 SOUTH AFRICAN IMPORTS FROM AUSTRALIA, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016	RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016
8	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses	7.9	14.16%	8	Coke and semi-coke of coal, of lignite or of peat	12.2	-
9	Structures and parts of structures (for example, bridges, lock-gates, towers, lattice masts, roofs etc)	7.9	2.54%	9	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules	10.4	2.65%
10	Parts suitable for use solely or principally with the machinery of headings 84.25 to 84.30	7.1	4.41%	10	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses	8.3	-22.92%
TOTAL EXPORTS		729.7	-2.84%	TOTAL IMPORTS		741.8	-13.95%

Source: Trademap, 2017

3.4 Trade with the Western Cape

The Western Cape's exported goods to Australia were valued at USD92.4m in 2016, while imported goods were valued at USD50m in 2016. Australia was the Western Cape's 29th largest export destination and 24th largest import market in 2016. Exports increased in 2016 by 3.1%, while imports decreased by 12%. Over the period, the Western Cape has demonstrated a positive trade balance, with the highest trade balance (USD65m) in 2010.



Source: Quantec, 2017

Fish fillets was the leading export product category to Australia from the Western Cape in 2016, valued at USD12m. This top export was followed by fruit and nuts (USD8.3m) and beauty or make up (USD6.1m). The highest growth in Western Cape exports was yachts and other vessels with an annual average growth rate of 34%.

The leading import into the Western Cape from Australia is uncoated kraft paper valued at USD8.4m. This top import is followed by guts, bladders valued at USD4m and dish washing machines valued at USD3.8m. The highest import growth was for food and drink machinery (ranked 7th), growing at 242% per annum over the 5 year period.

TOP 10 WESTERN CAPE EXPORTS TO AUSTRALIA, 2016				TOP 10 WESTERN CAPE IMPORTS FROM AUSTRALIA, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016	RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016
1	Fish fillets and other fish meat	12.1	-4.42%	1	Uncoated kraft paper and paperboard, in rolls or sheets	8.4	86.03%
2	Fruit, nuts and other edible parts of plants	8.3	-2.93%	2	Guts, bladders and stomachs of animals	4.0	29.54%
3	Beauty or make-up preparations and preparations for the care of the skin	6.1	2.50%	3	Dish washing machines; machinery for cleaning or drying bottles; machinery for filling or closing	3.8	239.71%
4	Fruit juices and vegetable juices,	5.1	-6.54%	4	Undenatured ethyl alcohol; spirits, liqueurs	3.4	-2.88%
5	Fish, dried, salted or in brine; smoked fish	4.1	-3.93%	5	Seeds, fruit and spores, of a kind used for sowing.	2.4	3.69%
6	Prepared or preserved fish; caviar	4.1	-8.76%	6	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules	2.3	3.87%
7	Yachts and other vessels for pleasure or sports; rowing boats and canoes.	4.0	33.80%	7	Machinery for the industrial preparation or manufacture of food or drink	2.2	242.12%
8	Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products, disinfectants	2.9	7.43%	8	Hydrazine and hydroxylamine; other inorganic bases; other metal oxides	1.6	-

TOP 10 WESTERN CAPE EXPORTS TO AUSTRALIA, 2016				TOP 10 WESTERN CAPE IMPORTS FROM AUSTRALIA, 2016			
RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016	RANK	PRODUCT	VALUE 2016 (USDm)	% GROWTH 2012-2016
9	Trailers and semi-trailers; other vehicles, not mechanically propelled	2.8	-	9	Vegetable alkaloids, natural or reproduced by synthesis, and their salts, ethers	1.2	-12.73%
10	Fruit	2.6	9.47%	10	Meat of sheep or goats	1.1	22.35%
TOTAL EXPORTS		92.4	-6.19%	TOTAL IMPORTS		50.0	-6.09%

Source: Quantec, 2017

3.5 Trade Agreements

Australia has free trade agreements with: ASEAN, Chile, China, Japan, Korea, Malaysia, New Zealand (CER), Singapore, Thailand and United States of America. Australia is negotiating or planning to negotiate free trade agreements with: Gulf Cooperative Council, India Comprehensive Economic Cooperation Agreement, Indonesia, Pacific Agreement on Closer Economic Relations (PACER) Plus, Regional Comprehensive Economic Partnership (RCEP) and Trade in Services Agreement (TISA).

3.6 Tariffs

Tariffs imposed on South African exports to Australia for 2015 are listed below. These tariffs are listed by the importing country i.e. Australia.

TARIFFS IMPOSED ON SOUTH AFRICAN EXPORTS BY AUSTRALIA, 2015					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H01: Live animals	0	H33: Essential oils, perfumes, cosmetics, toiletries	5	H65: Headgear and parts thereof	1
H02: Meat and edible meat offal	0	H34: Soaps, lubricants, waxes, candles, modelling pastes	4	H66: Umbrellas, walking-sticks, seat-sticks, whips	3
H03: Fish, crustaceans, molluscs, aquatic invertebrates	0	H35: Albuminoids, modified starches, glues, enzymes	2	H67: Bird skin, feathers, artificial flowers, human hair	0
H04: Dairy products, eggs, honey, edible animal product	3	H36: Explosives, pyrotechnics, matches, pyrophorics	5	H68: Stone, plaster, cement, asbestos, mica, articles	5
H05: Products of animal origin	0	H37: Photographic or cinematographic goods	5	H69: Ceramic products	5
H06: Live trees, plants, bulbs, roots, cut flowers	0	H38: Miscellaneous chemical products	3	H70: Glass and glassware	4
H07: Edible vegetables and certain roots and tubers	1	H39: Plastics and articles thereof	5	H71: Pearls, precious stones, metals, coin	1
H08: Edible fruit, nuts, peel of citrus fruit, melons	1	H40: Rubber and articles thereof	4	H72: Iron and steel	4
H09: Coffee, tea, mate and spices	0	H41: Raw hides and skins (other than furskins) and leather	4	H73: Articles of iron or steel	5
H10: Cereals	0	H42: Articles of leather, animal gut, harness, travel goods	5	H74: Copper and articles thereof	2
H11: Milling products, malt, starches, inulin, wheat gluten	0	H43: Furskins and artificial fur, manufactures thereof	5	H75: Nickel and articles thereof	0
H12: Oil seed, oleagic fruits, grain, seed, fruit,	0	H44: Wood and articles of wood, wood charcoal	4	H76: Aluminium and articles thereof	4
H13: Lac, gums, resins, vegetable saps and extracts	2	H45: Cork and articles of cork	2	H78: Lead and articles thereof	0
H14: Vegetable plaiting materials, vegetable products	0	H46: Manufactures of plaiting material, basketwork, etc.	0	H79: Zinc and articles thereof	0
H15: Animal, vegetable fats and oils, cleavage products,	2	H47: Pulp of wood, fibrous cellulosic material, waste	0	H80: Tin and articles thereof	0
H16: Meat, fish and seafood food preparations	3	H48: Paper & paperboard, articles of pulp, paper and board	4	H81: Other base metals, cermets, articles thereof	0
H17: Sugars and sugar confectionery	3	H49: Printed books, newspapers, pictures	2	H82: Tools, implements, cutlery, of base metal	4
H18: Cocoa and cocoa preparations	3	H50: Silk	0	H83: Miscellaneous articles of base metal	5
H19: Cereal, flour, starch, milk preparations and products	4	H51: Wool, animal hair, horsehair yarn and fabric thereof	3	H84: Nuclear reactors, boilers, machinery	3
H20: Vegetable, fruit, nut food preparations	5	H52: Cotton	4	H85: Electrical, electronic equipment	2
H21: Miscellaneous edible preparations	2	H53: Vegetable textile fibres paper yarn, woven fabric	0	H86: Railway, tramway locomotives, rolling stock, equipment	5
H22: Beverages, spirits and vinegar	4	H54: Manmade filaments	5	H87: Vehicles other than railway, tramway	12
H23: Residues, wastes of food industry, animal fodder	0	H55: Manmade staple fibres	4	H88: Aircraft, spacecraft, and parts thereof	0
H24: Tobacco and manufactured tobacco substitutes	0	H56: Wadding, felt, nonwovens, yarns, twine, cordage	4	H89: Ships, boats and other floating structures	3
H25: Salt, sulphur, earth, stone, plaster, lime and cement	0	H57: Carpets and other textile floor coverings	4	H90: Optical, photo, technical, medical apparatus	1
H26: Ores, slag and ash	0	H58: Special woven or tufted fabric, lace, tapestry	4	H91: Clocks and watches and parts thereof	0
H27: Mineral fuels, oils, distillation products,	0	H59: Impregnated, coated or laminated textile fabric	5	H92: Musical instruments, parts and accessories	2

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TARIFFS IMPOSED ON SOUTH AFRICAN EXPORTS BY AUSTRALIA, 2015					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H28: Inorganic chemicals, precious metal compound, isotopes	2	H60: Knitted or crocheted fabric	5	H93: Arms and ammunition, parts and accessories thereof	5
H29: Organic chemicals	1	H61: Articles of apparel, accessories, knit or crochet	5	H94: Furniture, lighting, signs, prefabricated buildings	4
H30: Pharmaceutical products	1	H62: Articles of apparel, accessories, not knit or crochet	5	H95: Toys, games, sports requisites	4
H31: Fertilizers	0	H63: Other made textile articles, sets, worn clothing	4	H96: Miscellaneous manufactured articles	0
H32: Tanning, dyeing extracts, tannins, derivatives, pigments	4	H64: Footwear, gaiters and the like, parts thereof	4	H97: Works of art, collectors pieces and antiques	2

Source: Trademap, 2017

NOTE: Exporters should not take the HS2 tariff as conclusive and as the actual tariff that will be applied to the exported product. The tariffs indicated above are average tariffs and for products within the category it may be higher or lower than indicated. Where the tariff is zero it can be assumed that there is zero tariff applicable to all products within that HS code. Tariffs are determined according to the importing country's national tariff line from the HS6 level and upwards. Exporters are advised to visit www.macmap.org to determine the exact tariff applicable to the product at HS6.

3.7 Standards and regulations

Import Requirements and Documentation

The Australian Customs and Border Protection Service has sole jurisdiction to clear imports. Local importers are responsible for obtaining formal customs clearance for goods.

While there are several methods of valuing goods for customs purposes, the method most frequently applied (transaction value) is based on the price actually paid (or payable) for the imported goods subject to certain adjustments. A major condition for using the transaction value is that there is no relationship between the buyer and seller that may influence the price. Valuation of imported goods can be complex and importers are urged to seek advice from a customs broker or to contact a Customs Information Centre. The Customs Brokers and Forwarders Council of Australia posts a list of members at: <http://www.cbfc.com.au>.

Goods entering Australia may incur duty, GST, and/or additional charges. customs duty rates vary and depend on a number of factors, such as type of goods and country of origin. Customs does not require companies or individuals to hold import licenses, but importers may need to obtain permits to clear the goods. Further information on permits is contained at: <http://www.border.gov.au/Trav/Impo/Proh>.

Some authorities that issue import permits publish brochures/pamphlets that explain their areas of concern. However, these agency publications may not always reflect current customs legislation and procedures as they are often modified. It would be advisable to contact a Customs Information Center to check these issues <https://www.border.gov.au/>.

The liability to pay a 10 percent GST for imports rests with the importer. Payment of GST may not be required for temporary importation of goods. Imported, second-hand goods are treated the same way as any taxable goods and are therefore subject to GST. Under the GST, the amount paid or payable for international transport and insurance is also added to the taxable importation value. Further information on GST can be found on the Australian Tax Office website: <https://www.ato.gov.au/business/gst/>.

The minimum amount of documentation required for customs clearance comprises a completed Customs Entry or Informal Clearance Document (ICD), an air waybill (AWB) or bill of lading (BLAD), as well as invoices and other documents relating to the importation. Customs does not require the completion of a special form of invoice. Normal commercial invoices, bills of lading, and receipts are acceptable. These documents should contain the following information: invoice terms (e.g., FOB, CIF) name and address of the seller of the goods (Consignor) monetary unit referred to on invoice (e.g. AUD, USD), and country of origin.

Import Labelling

In general, goods imported in the packages in which they are customarily sold or offered for sale need to be marked with a true description of the goods and the country in which the goods were made. The trade description needs

to be applied to the packages in prominent and legible characters. Any additional information applied and/or labeled on the packages must be true and may not contradict or obscure the information required as part of the trade description.

The quantity of a commodity sold in a package must be truly stated on the main display panel of the package, in units of the metric system. The word "net" should always be used when expressing quantity in mass.

Trade Standards

Australia is a signatory to the GATT/WTO Standards Code. It is common in Australia to use quality standards, such as the ISO 9000 series. Standards Australia, the national standards body, has a Quality Assessment division and can provide a list of companies adhering to the ISO 9000 series. Australia still has in place various standards that can affect product entry.

Standards Australia is Australia's leading standards development organization. While not a government agency, Standards Australia is recognized as the leading standards development body in Australia. In partnership with SAI Global Ltd., an information services company, it delivers standards and related products to industry.

The DAWR, <http://www.agriculture.gov.au/> is responsible for enforcing the Standards Code for imported foods. Both Standards Australia (<http://www.standards.org.au/>) and the National Institute of Standards and Technology (NIST), (<http://www.nist.gov/>) have current information on Australian standards.

Market Challenges:

Learn about barriers to market entry and local requirements, i.e., things to be aware of when entering the market for this country.

- Australia's distance from the rest of the world, large land area, and relatively small population has led to market dominance by a few large firms in certain sectors.
- South African companies will find that Australian and third- country competitors in Australia have some long-established brands with strong reputations and existing supplier relationships.
- Australia has ready access to Asian and other, low-cost producers.
- South African firms must therefore demonstrate sufficient added value to overcome the costs of getting the product to market, and to compete.

Market Entry Strategy:

Generalizes on the best strategy to enter the market, e.g., visiting the country; importance of relationships to finding a good partner; use of agents:

- Successful market entry strategies for Australia have three common elements: Understanding the market, selecting the optimal partner, and providing ongoing support to that partner in the market.
- A common language and familiar business framework may lead South Africans to overlook Australia's cultural and market differences. It is vital to first gain an understanding of the Australian context for product or service, its competitors, standards, regulations, sales channels, and applications.
- Success in the Australian market often requires establishing a local sales presence. For many South African exporters, this means appointing an agent or distributor. The bounds of that appointment are negotiated, and may include only certain states of Australia, the entire country, or New Zealand as well.
- The distance from many of their trading partners and the sheer size of the Australian continent - comparable to the African continental - causes Australian firms to stress the importance of local support and service. South African companies should visit Australia both to meet prospective partners and demonstrate ongoing support, as this is the common practice of their competitors.
- Most of the criteria South African firms use to select agents or distributors are applicable to Australia, with expectations adjusted to the scale of the market given the population of 24 million. Performing due diligence is just as important in Australia as in South Africa.

Contact	Address	Website
South African High Commission	Corner State Circle and Rhodes Place, Yarralumla 2600; +61 2 6272 7300; satrade@optusnet.com.au	https://www.sahc.org.au/contact.htm
Austrade (Australian Government Trade and Investment Commission)	http://www.austrade.gov.au/contact/contact	http://www.austrade.gov.au/international
Australian Chamber of Commerce and Industry	Canberra and Melbourne +61 2 6270 8000; info@acci.asn.au	https://www.acci.asn.au/
Customs Brokers and Forwarders Council	043 Nariel Street Albion QLD 4010 +61 7 3256 1244	http://www.cbfc.com.au/
Food Standards Australia and New Zealand	http://www.foodstandards.gov.au/Pages/contact.aspx	http://www.foodstandards.gov.au/Pages/default.aspx

3.8 Port-to-Port

Australia is mostly a desert area larger than those on any other continent. The most populous agglomerations are located at the coast, and that's where Australia's biggest seaports are situated.

The seaport of Brisbane is currently it is the third busiest port in Australia and the fastest growing container port. It is located on the east coast of the state of Queensland. The seaport of Sydney is the second largest seaport in Australia and is called Port Botany (the name comes from the Botany Bay where it is situated) and it is located near to the Sydney airport. The table below shows the transit times for shipping from Cape Town to Australia's largest ports:

TRANSIT TIME FROM CAPE TOWN TERMINAL TO THE LARGEST PORTS IN AUSTRALIA, 2014		
TERMINAL	DISTANCE	TRANSIT TIME
Brisbane	6464.32 mi (11971.91 km)	a month (14 knots)
Fremantle	4721.48 mi (8744.18 km)	22 days (14 knots)
Melbourne	5606.42 mi (10383.09 km)	25 days (14 knots)
Sydney	6032.76 mi (11172.66 km)	a month (14 knots)

Source: SeaRates, 2016

3.9 Western Cape Export Opportunities to Australia

This section uses the Decision Support Model (DSM) to identify realistic export opportunities for Western Cape firms exporting to Australia. The DSM results, indicated in the table below, show the top 20 realistic export opportunities (REOs) for Western Cape exports to Australia.

TOP 20 REALISTIC EXPORT OPPORTUNITIES FOR WESTERN CAPE FIRMS EXPORTING TO AUSTRALIA			
HS4 Section	HS4 Description	HS6 Section	HS6 Description
HS3304	Beauty/make-up preps. & preps. for the care of the skin (excl. meds.; excl. ...	HS330499	Beauty/make-up preps. & preps. for the care of the skin (excl. meds.; excl. of 3304.10-3304.91), incl. sunscreen/sun tan preps.
HS2103	Mustard flour & meal & prepd. mustard	HS210390	Sauces & preps. therefor, n.e.s.; mixed condiments & mixed seasonings, n.e.s.
HS8421	Centrifuges, incl. centrifugal dryers, other than cream separators & clothe ...	HS842139	Filtering/purifying mach. & app. for gases, other than intake air filters for int. comb. engines
HS2208	Gin & Geneva	HS220870	Liqueurs & cordials
HS0806	Grapes, dried	HS080620	Grapes, dried
HS8431	Parts suit. for use solely/princ. with buckets, shovels, grabs & grips	HS843139	Parts suit. for use solely/princ. with the mach. of 84.28 (excl. of 8431.31)
HS3808	Disinfectants, put up in forms or packings-RS/as preps./arts.	HS380850	Insecticides [excluding that containing camphechlor (iso) (toxaphene)]
HS3603	Safety fuses; detonating fuses; percussion/detonating caps; igniters; elec. ...	HS360300	Safety fuses; detonating fuses; percussion/detonating caps; igniters; elec. detonators

TOP 20 REALISTIC EXPORT OPPORTUNITIES FOR WESTERN CAPE FIRMS EXPORTING TO AUSTRALIA			
HS4 Section	HS4 Description	HS6 Section	HS6 Description
HS0813	Apples, dried	HS081340	Dried fruit (excl. of 08.01-08.06 & 0813.10-0813.30)
HS0306	Crabs, whether or not in shell, frozen	HS030611	Rock lobster & oth. sea crawfish (Palinurus spp., Panulirus spp., Jasus spp.), whether or not in shell, frozen
HS2206	Fermented beverages (e.g., cider, perry, mead), n.e.s.; mixts. of fermented	HS220600	Fermented beverages (e.g., cider, perry, mead), n.e.s.; mixts. of fermented beverages & mixts. of fermented beverages & non-alcoholic beverages, n.e.s.
HS8474	Concrete/mortar mixers	HS847420	Crushing/grinding machines for earth/stone/ores/oth. min. subs., in solid (incl. powder/paste) form
HS8413	Centrifugal pumps (excl. of 8413.11-8413.40)	HS841381	Pumps n.e.s. in 84.13
HS1212	Seaweeds & oth. algae, fresh/chilled/frozen/dried, whether or not ground	HS121299	Vegetable prods., incl. sugar cane & unroasted chicory roots (Chicorium intybus sativum) used primarily for human consumption, n.e.s.
HS2009	Apple juice (excl. of 2009.71), unfermented & not cont. added spirit	HS200939	Juice of any single citrus fruit other than orange/grapefruit (excl. of 2009.31), unfermented & not cont. added spirit, whether or not cont. added sugar/oth. sweetening matter
HS2001	Cucumbers & gherkins, prepd./presvd. by vinegar/acetic acid	HS200190	Vegetables, fruit, nuts & oth. edible parts of plants (excl. cucumbers & gherkins), prepd./presvd. by vinegar/acetic acid
HS7308	Bridges & bridge-sections of iron/steel	HS730890	Structures...& parts of structures...of iron/steel (excl. of 7308.10-7308.40); plates, rods...and the like, prepd. for use in structures, of iron/steel [see complete text #129]
HS0910	Curry	HS091099	Spices, n.e.s.
HS2202	Non-alcoholic beverages other than waters of 2202.10 (not incl. fruit/veg.	HS220210	Waters, incl. min. waters & aerated waters, cont. added sugar/oth. sweetening matter/flavoured
HS1211	Ginseng roots	HS121190	Plants & parts of plants, incl. seeds & fruits, of a kind used primarily in perfumery/pharmacy/for insecticidal/fungicidal/sim. purps., n.e.s. in Ch.12, fresh/dried, whether or not cut/crushed/powdered

Source: DSM Trade Advisory, 2017

Disclaimer re DSM Model Results and Findings

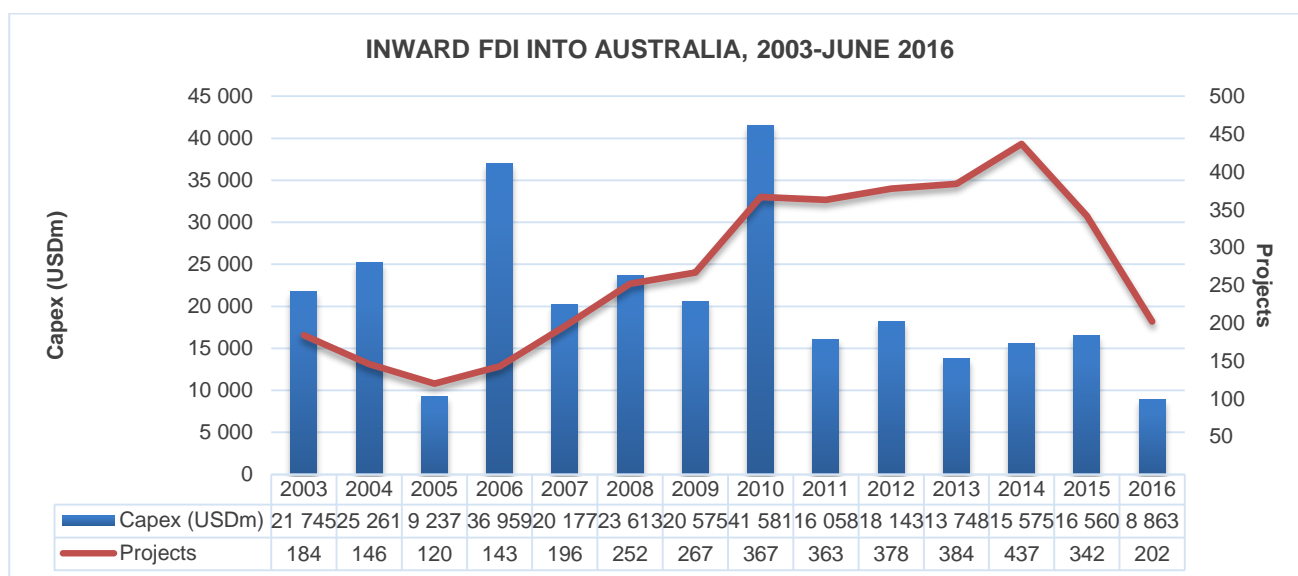
While the Decision Support Model (DSM) can offer varying degrees of input for identifying, prioritising, designing, planning and executing export promotion activities, the results of the DSM are inescapably based on statistical data which are at least two years old. Accordingly, it would be unwise to rest all export promotion decisions upon the DSM results alone, and there is an additional need to have the realistic export opportunities identified assessed by experts 'in the field' such as panels of exporters, representatives of sector organisations and commercial attaches at diplomatic missions abroad. Diplomatic and political issues also need to be taken into consideration.

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4. Foreign Direct Investment

4.1 Global Investment into Australia

Between January 2003 and June 2016 a total of 3,781 FDI projects were recorded into Australia. These projects represent a total capital investment of USD288.09bn which is an average investment of USD76.20m per project. During the period, a total of 392,505 jobs were created. The graph shows that capex into Australia peaked at USD42bn in 2010, while projects reached their peak in 2014 with a total of 437 projects.



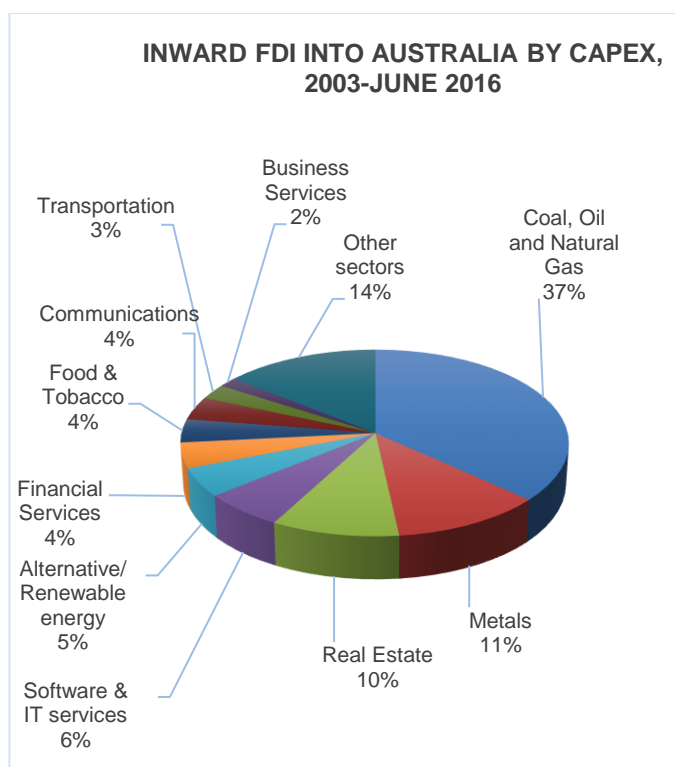
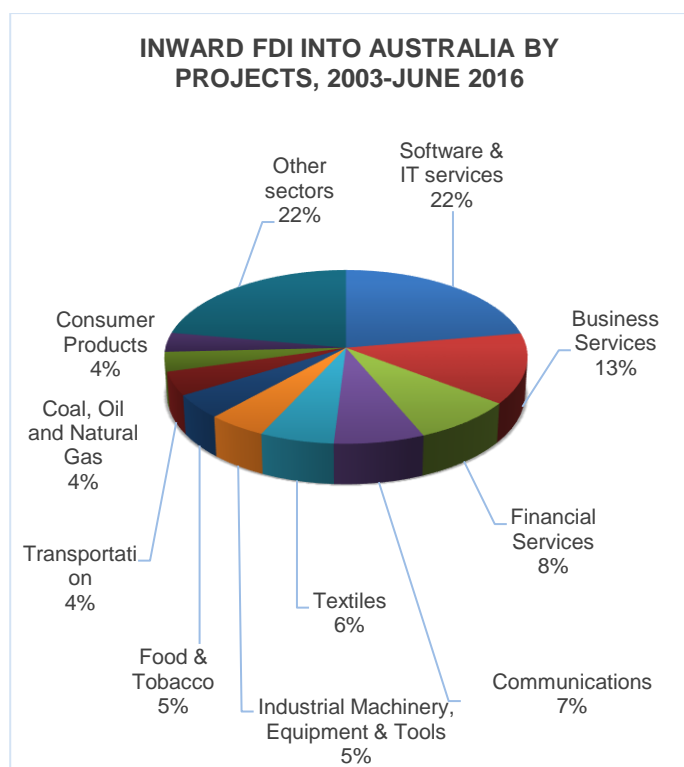
Source: FDI Intelligence, 2017

The United States was the largest source market for inward FDI into Australia in terms of projects, with 1,248 investment projects, which accounted for 33% of projects. The UK and Germany are ranked second and third accounting for 18% and 6% respectively.

TOP 10 SOURCE MARKETS FOR FDI INTO AUSTRALIA, 2003 –JUNE 2016						
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES
1	United States	1 248	33.01%	58 659	20.36%	937
2	UK	687	18.17%	41 148	14.28%	522
3	Germany	231	6.11%	12 915	4.48%	124
4	Japan	198	5.24%	68 195	23.67%	122
5	France	141	3.73%	4 295	1.49%	95
6	New Zealand	115	3.04%	2 902	1.01%	81
7	Canada	105	2.78%	8 614	2.99%	94
8	Netherlands	98	2.59%	8 583	2.98%	70
9	China	93	2.46%	12 799	4.44%	70
10	India	92	2.43%	10 799	3.75%	68
TOTAL		3 781	100%	288 094	100%	2 718

Source: FDI Intelligence, 2017

Software and IT services and business services were the top receivers of FDI by projects, accounting for 22% and 13% of FDI projects respectively. This was followed by financial services with 8%. In terms of capex, coal, oil and natural gas and metals were the top receivers at 37% and 11% share respectively.



Source: FDI Intelligence, 2017

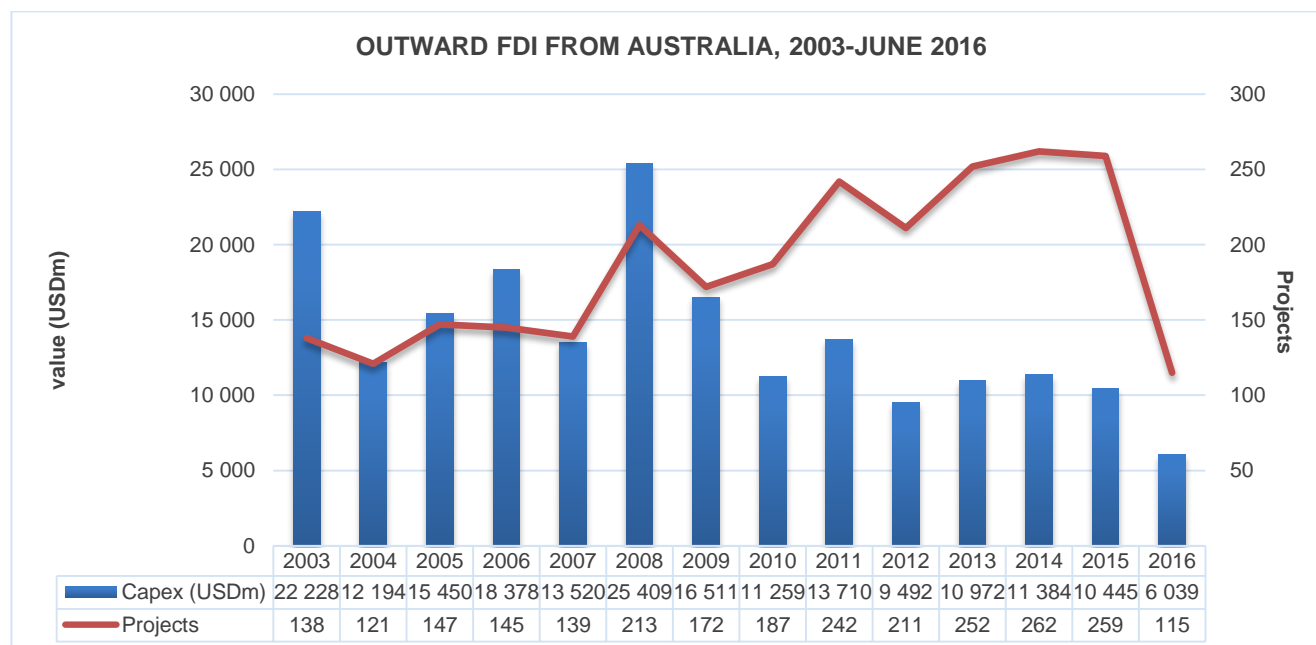
The table below gives a list of the companies for FDI inflow into Australia. The leading company is Aldi with 51 investment projects to the value of approximately USD5.2bn. Rio Tinto Group was the second largest investing company by project with 23 projects.

TOP 10 COMPANIES FOR FDI INTO AUSTRALIA, 2003–JUNE 2016					
RANK	COMPANY	SECTOR	PROJECTS	CAPEX (USDm)	JOBS CREATED
1	Aldi	Food and Tobacco	51	5 188	12 109
2	Rio Tinto Group	Metals	23	16 689	21 394
3	Apple Inc	Business Machines and Equipment	17	68	1 095
4	GAC Group	Transportation	14	920	844
5	IKEA	Consumer Goods	14	839	6 074
6	IBM	Textiles	12	540	2 001
7	Komatsu	Industrial Machinery, Equipment and Tools	12	367	1 168
8	Coca-Cola Amatil (CCA)	Beverages	11	759	1 494
9	Hennes & Mauritz (H&M)	Textiles	11	191	1 500
10	Microsoft	Software and IT services	11	295	891
TOTAL			3 781	288 094	392 505

Source: FDI Intelligence, 2017

4.2 Global investment from Australia

Between January 2003 and June 2016 a total of 2,603 FDI projects were recorded from Australia. These projects represent a total capital investment of USD196.99bn which is an average investment of USD75.70m per project. During the period, a total of 451,802 jobs were created. The graph shows that outward FDI CAPEX from Australia peaked in 2008 worth USD25bn and projects peaked in 2015 with 259 projects.



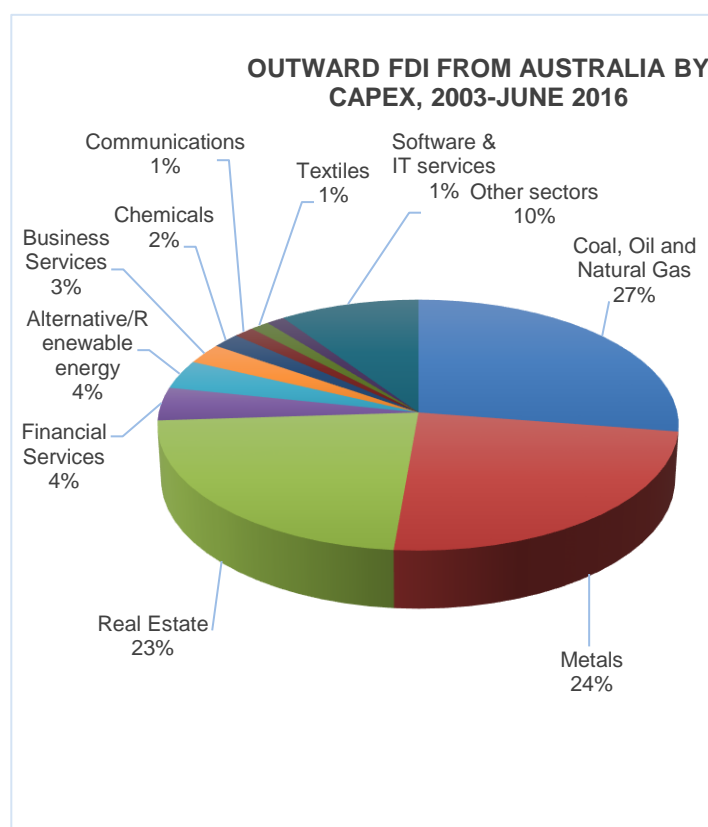
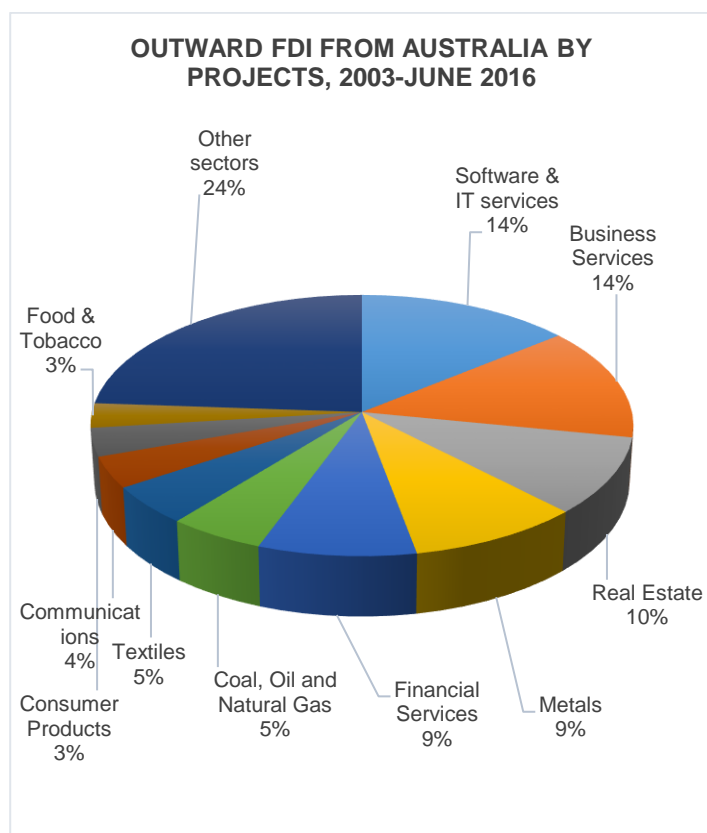
Source: FDI Intelligence, 2017

The table below shows the destination markets for outward FDI from Australia from 2003 to June 2016. The United States was the largest destination market in terms of projects, with 445 investment projects, which accounted for 17% of all projects. The UK and China are ranked second and third accounting for 12.4% and 7.6% respectively.

TOP 10 DESTINATION MARKETS FOR FDI OUT OF AUSTRALIA, 2003-JUNE 2016						
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	JOBS
1	United States	445	17.10%	22 357	11.35%	306
2	UK	323	12.41%	20 856	10.59%	248
3	China	197	7.57%	14 477	7.35%	125
4	Singapore	152	5.84%	6 000	3.05%	136
5	New Zealand	127	4.88%	4 428	2.25%	106
6	India	99	3.80%	3 934	2.00%	69
7	Hong Kong	81	3.11%	1 821	0.92%	76
8	Germany	77	2.96%	2 690	1.37%	45
9	UAE	77	2.96%	2 560	1.30%	68
10	Malaysia	76	2.92%	5 704	2.90%	64
TOTAL		2 603	100%	196 993	100%	1 313

Source: FDI Intelligence, 2017

Business services received the largest share of FDI from Australia in terms of projects accounting for 14%, followed by business services and real estate accounting for 14% and 10% respectively. Coal, oil and natural gas received the highest percentage of total capex, accounting for 27%, followed by metals and real estate accounting with 24% and 23% respectively.



Source: FDI Intelligence, 2017

The leading company is Goodman in the real estate sector, with 100 investment projects to the value of approximately USD19.8bn. Servcorp is the second largest investing company by project, with 47 projects. Australia and New Zealand Banking Group (ANZ Bank) is the third largest investing company from Australia, investing in 44 projects.

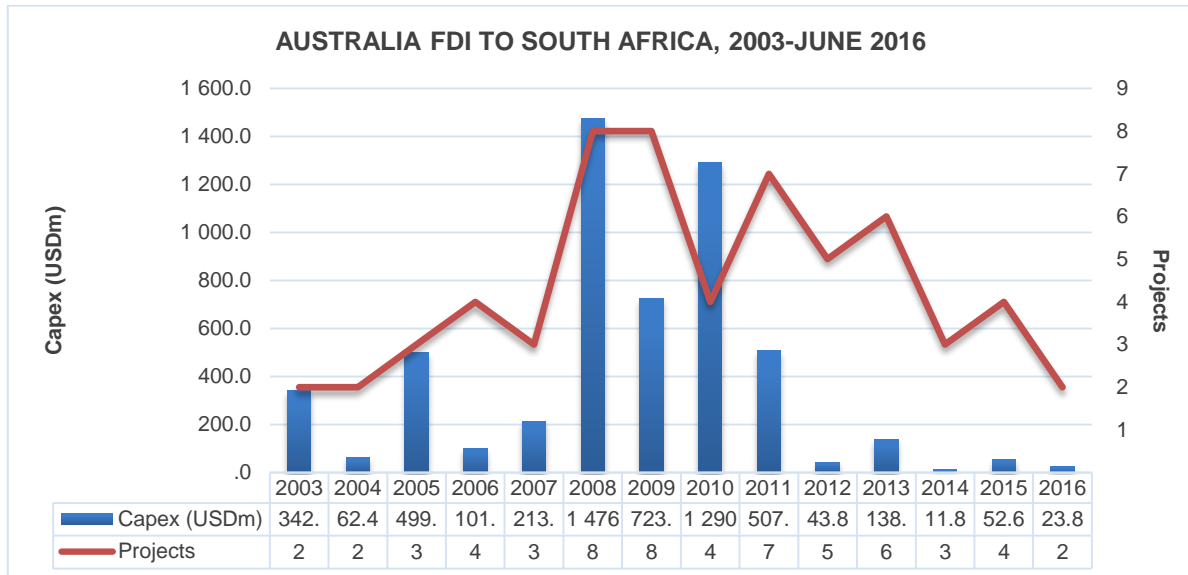
TOP 10 COMPANIES FOR FDI OUT OF AUSTRALIA, 2003–JUNE 2016					
RANK	COMPANY	SECTOR	PROJECTS	CAPEX (USDm)	JOBS CREATED
1	Goodman Group	Real Estate	100	19 701	81 659
2	Servcorp	Real Estate	47	856	706
3	Australia and New Zealand Banking Group (ANZ Bank)	Financial Services	44	2 147	7 727
4	BHP Billiton	Metals	44	18 597	29 026
5	Cotton On	Textiles	26	455	2 833
6	Macquarie Bank	Financial Services	18	554	796
7	Commonwealth Bank of Australia (CBA)	Financial Services	17	936	1 872
8	BlueScope Steel	Metals	16	1 773	4 266
9	Rip Curl	Textiles	16	220	988
10	Flight Centre	Hotels & Tourism	14	46	477
TOTAL			2 603	196 993	451 802

Source: FDI Intelligence, 2017

4.3 Investment Relations between South Africa and Australia

4.3.1 Australia FDI to South Africa

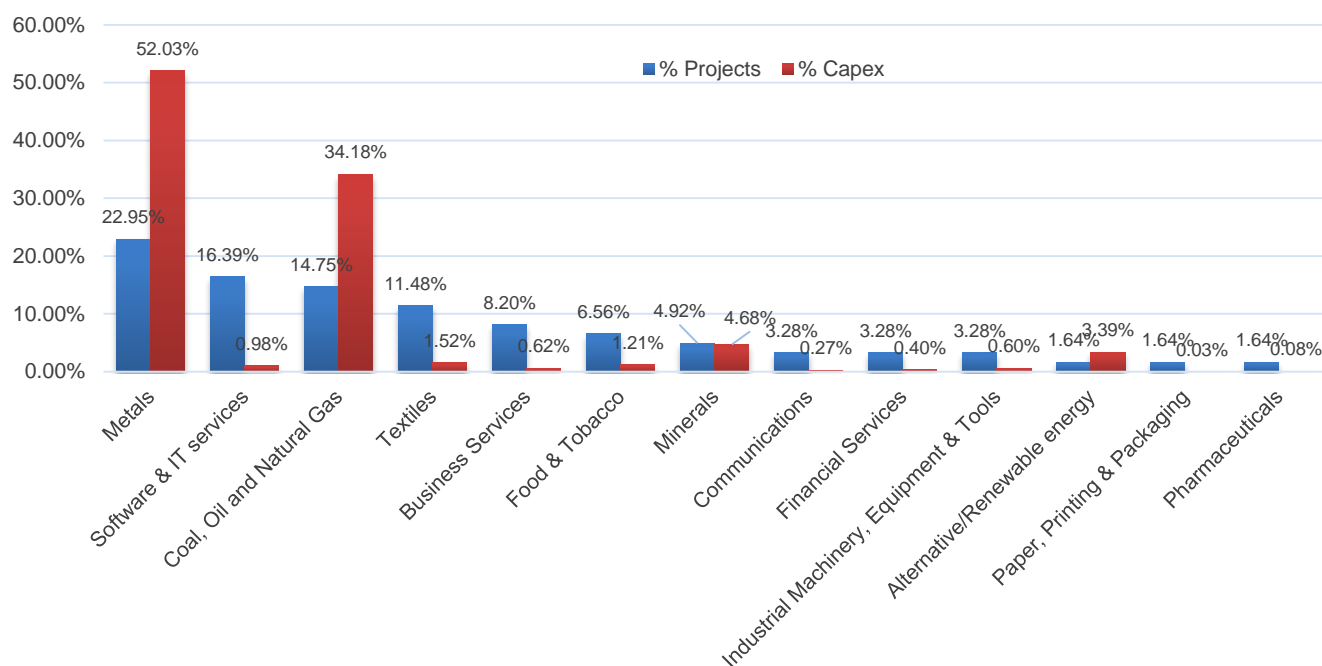
Between January 2003 and June 2016 a total of 61 FDI projects were recorded from Australia to South Africa. These projects represent a total capital investment of USD5.49bn which is an average investment of USD90.00m per project. During the period, a total of 12,901 jobs were created.



Source: FDI Intelligence, 2017

South Africa's metals sector received the largest FDI from Australia both in terms of projects (23% share) and capex (52%). The software and IT services and coal, oil and natural gas were ranked second and third in terms of projects with 16% and 15% respectively. In terms of capex the coal, oil and natural gas (34% share) and minerals (5% share) were ranked second and third respectively.

AUSTRALIA FDI TO SOUTH AFRICA BY SECTORS, 2003-JUNE 2016



Source: FDI Intelligence, 2017

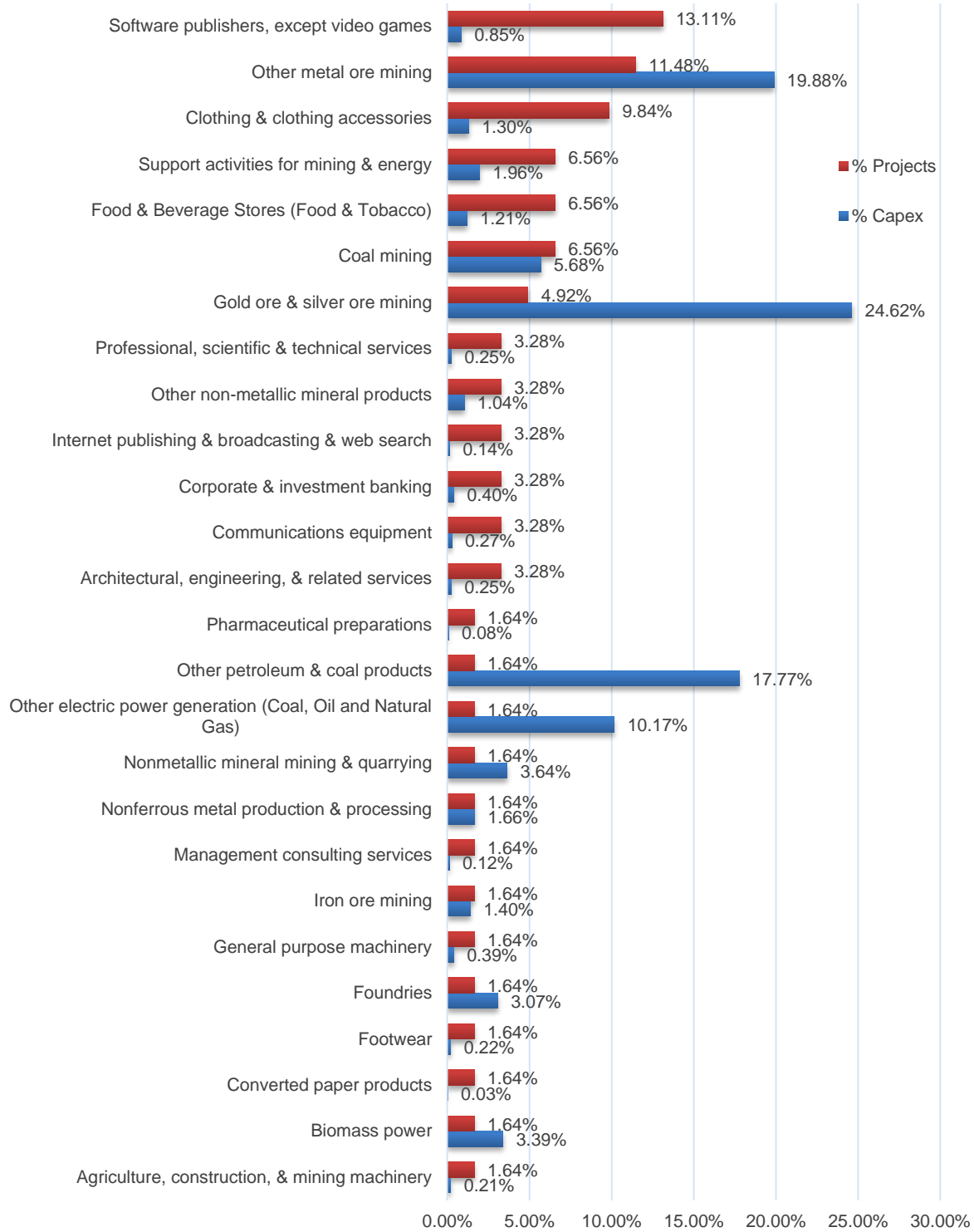
The figures below show FDI from Australia's to South Africa by sector, for 2003 to June 2016 by number of projects and capex. In terms of projects, the highest shares were in the following sectors:

- Software publishers accounted for 13% of projects,
- Metal ore accounted for 12% share of projects, and
- Clothing accessories accounted for 10% of projects.

In terms of CAPEX, the highest shares were in the following sectors:

- Gold ore and silver ore mining accounted for 25% of capex,
- Metal ore mining accounted for 20% of capex, and
- Petroleum and coal products accounted for 18% of capex.

AUSTRALIA FDI TO SOUTH AFRICA BY SUBSECTORS, 2003-JUNE 2016



Source: FDI Intelligence, 2017

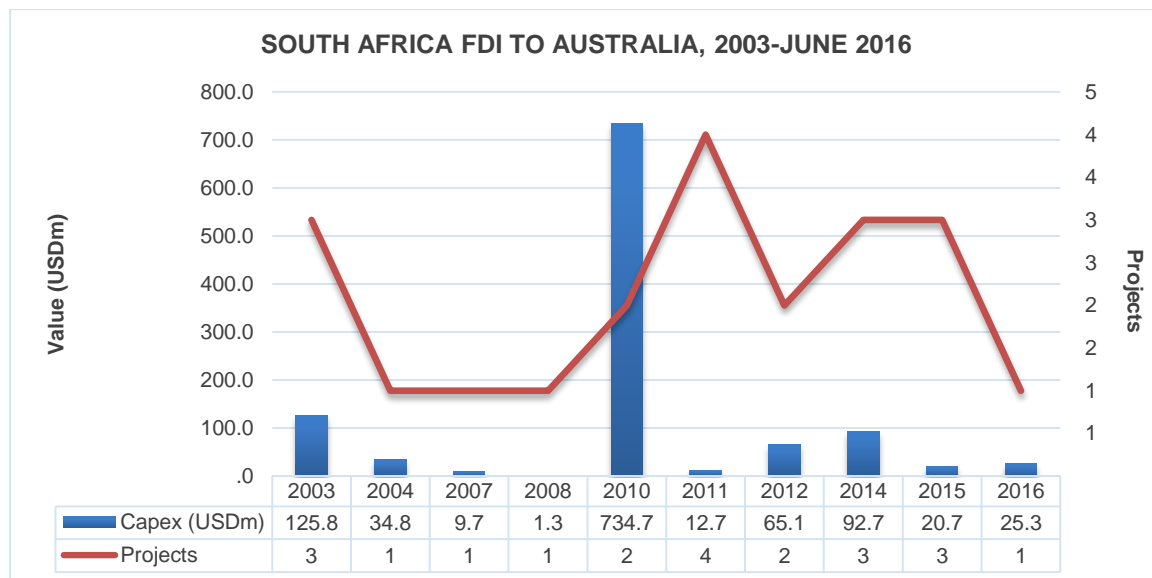
BHP Billiton was the leading investor into South Africa from Australia by projects, with 5 projects over the period, followed by Cotton On (4 projects) and Woolworths (4 projects).

TOP 10 COMPANIES FROM AUSTRALIA INVESTING IN SOUTH AFRICA 2003- JUNE 2016					
RANK	COMPANY	SECTORS	PROJECTS	CAPEX (USDm)	JOBS CREATED
1	BHP Billiton	Metals	5	1 218.7	1 835
2	Cotton On	Textiles	4	47.6	344
3	Woolworths	Food & Tobacco	4	66.4	708
4	Coal of Africa (CoAL)	Coal, Oil and Natural Gas	3	215.3	437
5	International Ferro Metals	Metals	3	803.1	1 339
6	Platinum Australia	Metals	3	679.8	2 080
7	Aquarius Platinum	Metals	2	354.9	1 061
8	Metocean Services International	Business Services	2	13.6	30
9	Sedgman Limited	Coal, Oil and Natural Gas	2	8.6	90
10	ADG Global Supply	Industrial Machinery, Equipment & Tools	1	11.5	59
TOTAL			61	5 487.3	12 901

Source: FDI Intelligence, 2017

4.3.2 South African FDI to Australia

Between January 2003 and June 2016 a total of 21 FDI projects were recorded from South Africa to Australia. These projects represent a total capital investment of USD1.12bn which is an average investment of USD53.50m per project. During the period, a total of 2,062 jobs were created.



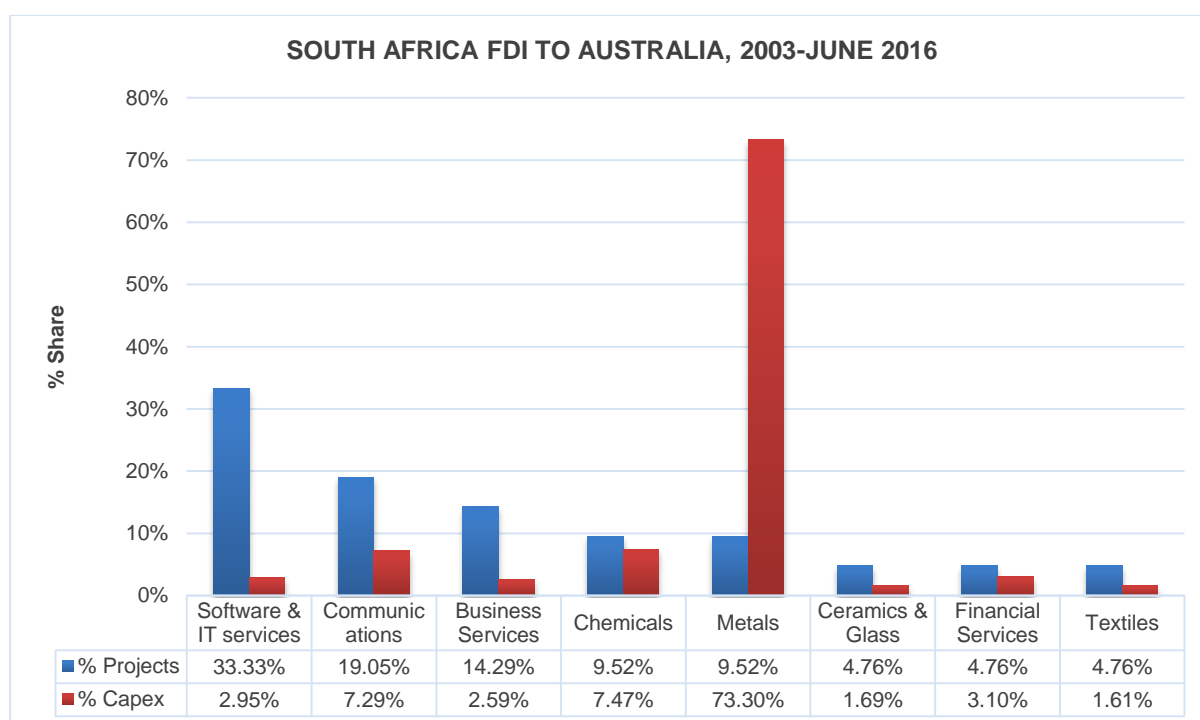
Source: FDI Intelligence, 2017

The figures below show FDI from South Africa to Australia by sectors, for 2003 to June 2016 by number of projects and capex. In terms of projects, the highest shares were in the following sectors:

- Software & IT accounted for 33%,
- Communications accounted for 19% and
- Business Services accounted for 14%.

In terms of capex, the highest shares were in the following sectors:

- Metals accounted for 73% of capex,
- Chemicals accounted for 7.5% of capex, and
- Communications accounted for 7% of capex.



Source: FDI Intelligence, 2017

Logicalis from South Africa was the leading investor into Australia by projects with 3 projects, followed by AECI and Westcon Group with 2 projects each.

TOP 10 COMPANIES FROM SOUTH AFRICA INVESTING IN AUSTRALIA, 2003-JUNE 2016					
RANK	COMPANY	SECTORS	PROJECTS	CAPEX (USDm)	JOBS
1	Logicalis	Software and IT services	3	3.9	159
2	AECI	Chemicals	2	83.9	82
3	Westcon Group	Communications	2	64.2	183
4	Allan Gray Asset Management	Financial Services	1	34.8	36
5	AngloGold Ashanti	Metals	1	725.0	722
6	Beget	Communications	1	8.8	32
7	Ceramic Industries	Ceramics and Glass	1	19.0	155
8	Digiterra	Software and IT services	1	1.3	53
9	Drive Revenue	Software and IT services	1	25.3	13
10	Fairfield Meetings & Incentives	Business Services	1	9.7	12
TOTAL			21	1 122.8	2 062

Source: FDI Intelligence, 2017

4.4 Investment Relations between the Western Cape and Australia

Between January 2003 and June 2016 a total of 5 FDI projects were recorded from Australia to the Western Cape. These projects represent a total capital investment of USD37.80m which is an average investment of USD7.60m per project. During the period, a total of 224 jobs were created.

AUSTRALIA FDI TO THE WESTERN CAPE, 2003-JUNE 2016						
DATE	INVESTING COMPANY	INDUSTRY SECTOR	SUB-SECTOR	INDUSTRY ACTIVITY	CAPEX (USDm)	JOBS
Jan 2014	biNu	Software & IT services	Internet publishing & broadcasting & web search	Sales, Marketing & Support	1.8	8
Oct 2011	SiteMinder	Software & IT services	Software publishers, except video games	Sales, Marketing & Support	5.8	9
Nov 2009	Woolworths	Food & Tobacco	Food & Beverage Stores (Food & Tobacco)	Retail	16.6	177
Dec 2008	Metocean International Services	Business Services	Architectural, engineering, & related services	Business Services	6.8	15
Dec 2004	Metocean International Services	Business Services	Architectural, engineering, & related services	Business Services	6.8	15
					37.8	224

Source: FDI Intelligence, 2017

Between January 2003 and June 2016 a total of 3 FDI projects were recorded from the Western Cape to Australia. These projects represent a total capital investment of USD69.80m which is an average investment of USD23.30m per project. During the period, a total of 61 jobs were created.

WESTERN CAPE FDI TO AUSTRALIA, 2003-JUNE 2016							
DATE	INVESTING COMPANY	DESTINATION CITY	INDUSTRY SECTOR	SUB-SECTOR	INDUSTRY ACTIVITY	CAPEX (USDm)	JOBS
Jun 2016	Drive Revenue	Brisbane	Software & IT services	Software publishers, except video games	Sales, Marketing & Support	25.3	131
Jul 2010	Fairfield Meetings & Incentives	Brisbane	Business Services	Other support services	Business Services	9.7	12
Aug 2004	Allan Gray Asset Management	Sydney	Financial Services	Investment management	Business Services	34.8	36
Total						69.8	61

Source: FDI Intelligence, 2017

4.4.1 Western Cape Investment Opportunities

WESTERN CAPE INVESTMENT OPPORTUNITIES FOR AUSTRALIAN COMPANIES, 2017	
Agribusiness Opportunities:	
<ul style="list-style-type: none"> • Niche markets such as biltong, herbal tea and ostrich meat are likely to find a burgeoning global audience among health-conscious consumers. • The increasing use of genetically modified crops will help to significantly improve yields and output. • Corn production would benefit from a decision to lift the ban on the use of the crop for biofuel. • Sugar consumption is set to rise and, along with disposable incomes, there will be growth in the fast food and casual dining industries. • Development of food supply chain technologies especially in food safety • Growing and exporting of cut and dried flowers. • Expand domestic fruit juice concentrate production. • Extend production of organic products for domestic and export markets. • Expand production of honey bush teas to meet growing consumer demand. • Expand production and processing of ostrich products • Expand production of high quality wines for export and establish boutique cellars. • Modernise and expand wine and beverage production facilities. • Expand packaging, freezing and canning facilities for export products. • Cuniculture (Rabbit farming). • Agri tourism • Cold storage facilities • Multiple opportunities in agribusiness value chain • Per capita food consumption is forecast to grow dynamically over our forecast period, opening up expansion opportunities for existing companies. • A number of food segments remain underdeveloped and would benefit from further investment. • Many industry sub-sectors, such as energy drinks, tea and coffee, are far from saturated and would benefit from further investment. • Rising health-consciousness is boosting demand for low-calorie soft drinks. • Scope for growth in high-end premium retailing as South Africa gets richer over the long term. 	
ICT Opportunities:	
<ul style="list-style-type: none"> • In the personal devices market vendors will be able to tap demand from first-time buyers and in the upgrade/replacement market as the economic environment becomes more supportive. • Improvements to network infrastructure an enabler for device sales, as well as wider adoption of cloud services and smart infrastructure. • Potential for South Africa to become a cloud services hub in the region due to relative strengths in network connectivity and legal environment. Strong private investment in key industry verticals, including financial services, retail and manufacturing. • Vibrant small- and medium-sized business sector will sustain demand for IT products and services. 	
Oil & Gas	
<ul style="list-style-type: none"> • Considerable offshore exploration opportunities with major companies involved in upstream activity. • Shale gas resources in the Karoo Basin are thought to be among the largest in the world. • Coal-bed methane potential in the Karoo, with positive pilot production displaying upside potential. • The potential development of the LNG IPP Programme presents notable upside to gas imports. • The proposed separation of oil and gas regulation from legislation covering the mining industry could provide greater regulatory clarity. • Considerable offshore exploration opportunities in South Africa • Shale gas resources in Karoo Basin • Services facility: Port development and management; • Onshore and offshore maintenance • Pipeline engineering and construction (both subsea and onshore): • Lack of gas infrastructure: LNG facilities plant required: over reliance on imports and Eskom needed to reduce reliance on diesel due to costs and shift towards gas • Upgrading of refineries required to meet standards • Building a new refinery as future forecast is that the consumption will outstrip production • Storage facilities 	
Real Estate Opportunities:	
<ul style="list-style-type: none"> • Good retail sales, despite a slowing economy, reveal potential for relevant commercial unit developments, as well as distribution space. • A developing REIT market will attract foreign investment further down the line. • The anticipated rebound in GDP growth indicates potential for the broader commercial real estate market, amid improving demographics • Building of boutique hotels (5 star, 4 star and 3 star) due to growing tourism market 	
Electronics Opportunities:	
<ul style="list-style-type: none"> • Suppliers of parts and components for wind turbines and photo voltaic • Manufacture of automotive and electronic components • Manufacture of consumer electronics 	

Source: BMI, 2017, SAOGA, 2016, AIU, 2016

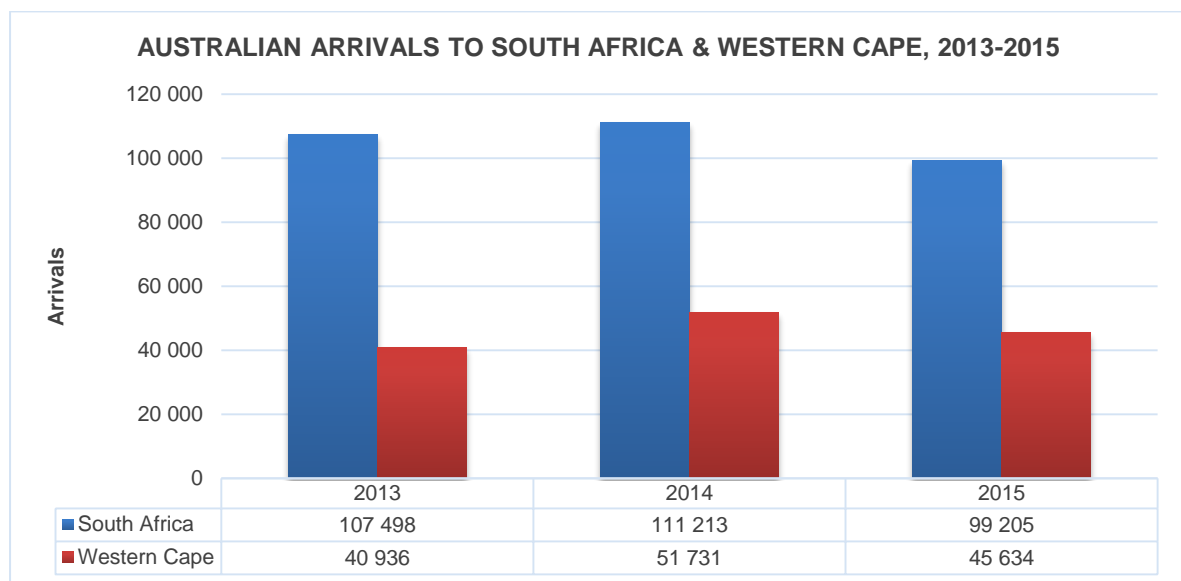
5. Tourism

The number of outbound travellers from Australia is expected to increase from 15 million in 2016 to 17.6 million in 2021. Strong growth in aviation projects, particularly new aircraft orders, has helped Australia's tourism investment pipeline rocket to AUD59.8 billion (up AUD6.5 billion) for the year ending 2015. However, BMI forecasts slow growth of 2.8% in the outbound travel market in 2017, with departures expected to reach 15.9 million. Rising prices are likely to continue deterring outbound travel, and Australians also have many options for domestic travel across the country's vast expanse (BMI, 2017).

5.1 Australian tourist departures to South Africa and the Western Cape

Australian arrivals into South Africa increased by 3.5% to 111,213 tourists in 2014 and fell by 11% in 2015 to 99,205 tourists.

Arrivals to the Western Cape increased by 26% in 2014 to reach 51,731 tourists in 2014, and decreased by 12% in 2015. The Western Cape received a 46% share of tourists visiting South Africa in 2015.



Source: SATourism, 2017

*Note: Statistics SA made changes to the release of its Tourism & Migration reports in 2014 and now no longer report on transit arrivals. As a result of this change, the weighting methodology has been revised and the results are now not comparable to data prior to 2013. 2014 represents the beginning of a new series of data.

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