



**Export Council of Australia**

The Voice for Australia's Exporters

## **Appendix A: ECA activities to support Australia's SME exporters**

### **Export training for SMEs**

For over 60 years the ECA has educated Australian businesses on international trade. Through practical education and training, the ECA has helped thousands of companies to develop the business skills that have enabled them to succeed internationally.

### **Export Awards and Export Heroes**

The ECA showcases Australia's top exporters by running Export Awards programs for NSW, Qld and WA, as well as running its own Export Heroes Awards program.

The Export Awards is a national program that recognises and honours Australian companies engaged in international business who have achieved sustainable growth through innovation and commitment. The awards measure businesses against their peers based on the strength of their international growth, marketing and financial strategies.

Australian Export Heroes Awards recognise individuals who have made an outstanding contribution to building Australia's position and performance in international trade. Export Heroes are the champions of Australia's export community, having contributed to building modern export enterprises and helping to further develop a uniquely Australian export culture.

### **Australia's International Business Survey**

In 2014, the ECA launched a longitudinal survey, Australia's International Business Survey (AIBS), with Austrade and Efic. The 2014 survey captured data on the international business activity of over 1600 Australian exporters. It was the most comprehensive investigation into Australia's international business activity in more than 15 years. There have been annual AIBS surveys since 2014, with the 2017 survey going to field early 2017.

### **Advancing Trade Development report**

This report examined the export-oriented trade promotion services offered by public agencies in some of the world's largest exporting nations. It highlighted the programs the governments of these countries offered and the contributions these programs made to international best practice. It made recommendations about how Australia could improve its support for exporters.

### **Export research**

The ECA has delivered many large-scale research projects, usually in collaboration with public bodies or private industry. We focus on both specific areas related to trade—such as free trade agreements and their impact—as well as broader topics, such as on market-based opportunities.

### **Non-tariff measure portal**

The ECA is planning to develop a portal to help Australian exporters to overcome non-tariff measures (NTMs). As Australia's growing FTA network reduces tariffs, NTMs become more prominent barriers to trade. The NTM portal will collect and analyse data on the range and frequency of NTMs. It will provide Australian companies resources, information and linkages to help overcome NTMs, and allow government to prioritise which NTMs to address

### **Campaign promoting the importance of trade**

In 2017, the ECA intends to launch a campaign to strengthen support in Australia for open trade. The campaign will highlight to everyday Australians how central trade is to their lives.



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## **Appendix B: ECA scoping of a portal to help businesses take advantage government procurement provisions in trade agreements**

The ECA has scoped a portal to help Australian SMEs better understand the access and benefits they have under the GPA and government procurement chapters in FTAs. We welcome the opportunity to collaborate with the Australian Government on this portal.

### **Scope**

Research by the Economist Intelligence Unit found that just 19 per cent of exporters have taken advantage of each of the nine FTAs signed between Australia and other nations since 2005, and this includes the government procurement opportunities that are often negotiated as part of an agreement.

The major reasons Australian companies are not chasing the opportunities created through FTAs are:

- a poor understanding of FTAs
- the complexity and length FTAs, for example, FTAs can run to 500 pages or more in length and most SME companies do not have the time or resources to dedicate to reading and interpreting the text
- a sense that the negotiated FTAs are not relevant to their company.

By contrast, 75% of Australian companies who use an FTA have experienced export growth. Key advantages included access to new markets, access to a wider client base and the creation of new business opportunities.

The Export Council of Australia has identified an opportunity to develop a portal that could be used by Australian SMEs in anticipation of Australia joining the WTO GPA agreement.

An interactive portal would allow companies to easily search for information by country or product/service/technology line in order to find information about the opportunities available to their business through government procurement.

The portal would:

- provide SMEs with the ability to either 1) search or 2) subscribe to receive updates by industry and/or country on government procurement opportunities.
- provide SMEs with a single point of access to market information under the GPA and directs them to the WTO site for further information
- provide information on which countries are party to the agreement and what they have committed to provide. This would involve linking DFAT's FTA portal ([ftaportal.dfat.gov.au](http://ftaportal.dfat.gov.au)) with the WTO's GPA portal ([e-gpa.wto.org](http://e-gpa.wto.org)).
- help SMEs in not only identifying the market opportunities but also educates them on the complexities of doing business with government.

This portal would need to go beyond the text of the agreement. The below case study highlights the complexity of selling goods and services to the US Government.

Example case study: selling goods and services to the US Government

- Sales to the U.S. Federal Government are completely different from commercial sales. This reflects in large part the purchasing power of the Federal Government.
- Suppliers must agree to a panoply of requirements and obligations imposed by the buyer both in the supply contract, under Federal law and in U.S. Government procurement regulations. The latter are known as the Federal Acquisition Regulation (FAR).

- Individual departments also have their own supplements to the FAR.
- These various requirements dictate required business practices of the contractor, formulas for and restrictions on pricing, detailed cost criteria and a range of other restrictions and obligations.
- The regulations also have highly specialized provisions on the treatment and ownership of intellectual property that must be studied and considered carefully prior to entering into a contract, or subcontract on a Federal Government project.
- The process of adhering to these contracting requirements and submitting a responsive and compliant bid is highly complex and involves a large amount of advance preparation on the part of intending bidders.
- There is no tolerance within the system for bids that fail to meet the detailed requirements set forth in the RFP and in legal and regulatory provisions and clauses incorporated by reference.
- There are also various different strategies for contracting with the US Federal Government that should be considered. These include:
  - offering a good or service as a sole source product
  - offering a good or service as an off-the-shelf item
  - seeking to qualify for a small business set-aside contract
  - seeking U.S. Government R & D funding for a project
  - selling via a prime contractor
  - licensing vs selling to the government via a prime contractor.
- Because of the complexity of the U.S. federal acquisition system, many non-U.S. companies seek to act as a subcontractor to a prime on a federal procurement. This can be a viable strategy but companies still need to understand the procurement system and be able to make the case for their good, service or technology.
- Companies must also understand the potential risks of contracting through a prime, and be aware of the fact that the federal procurement regulations often flow down to subcontractors and will apply to their performance as well.