

# business envoy



## Roadmap for recovery

Future-proofing our economy with strategies for growth and resilience  
The Hon Dan Tehan MP, Minister for Trade, Tourism and Investment

**Strategies for success, Australia's blueprint for boosting exports and investment**

**Services, supply chains and skills gaps**

**Virtual success – the Australian tech sectors blazing a trail**

**Indigenous exporters and entrepreneurs**

**Events**

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## Future-proofing our economy with strategies for growth and resilience

The Australian Government is working tirelessly to help Australian exporters diversify their international markets and access new and exciting opportunities because this supports jobs, businesses and the economy in Australia.

International trade and foreign investment will be important elements to secure our economic recovery from COVID-19. Australia is emerging from the pandemic in a strong economic position. Our exports grew 19 per cent in 2021.

At the end of 2021, the Australian Government secured important wins for our exporters:

- We concluded the Australia-United Kingdom Free Trade Agreement, which is Australia's most liberal FTA outside of New Zealand, and will make Australian exports to the UK cheaper and create new opportunities for workers, young people and businesses.
- New rules were agreed at the World Trade Organization (WTO) that will reduce red tape and regulatory costs, making it easier for Australian businesses to export to the world. The agreement, which comprises 67 WTO Members - including the 27 EU Member States - accounts for over 90 per cent of global services trade. Services is the fastest

### On the cover:

The Australian Government's International Freight Assistance Mechanism (IFAM) teamed up with Qantas and CT Freight to keep Australia's seafood industry connected to existing markets. IFAM is a temporary, targeted, emergency support measure put in place by the Australian Government to keep global air links open in response to the ongoing effects of the COVID-19 pandemic. The program maintains global air connections and protects hard fought market share, while targeting support where it is needed most and buying Australian businesses time to align their operating models to 'new-look' supply chains. Since April 2020, IFAM has reconnected 9 Australian ports to 61 international destinations and helped the movement of high-value perishable Australian products to international customers. Pictured are Scott Gallagher and Kira Hopgood, from WA-based seafood company MG Kailis, with some fresh lobsters bound for markets in Asia.



growing and most dynamic sector in the Australian economy. The rules developed will help Australian services exporters address the practical challenges of operating in other markets.

- Australia, and the world's, first shipment of liquefied hydrogen was shipped from Victoria to Japan as part of the Hydrogen Energy Supply Chain pilot project, heralding the start of a major new energy export industry. This is a world-first that will make Australia a global leader, aiming to produce 225,000 tonnes of clean hydrogen each year in the Latrobe Valley, with a legacy of lower emissions, greater energy production and more local jobs. Our drive for clean energy and net zero emissions by 2050 is the perfect environment for the birth our hydrogen industry.
- Australia continues to make good progress towards a Comprehensive Economic Cooperation Agreement with India, and an Australia-Singapore Green Economy Agreement.

The Government is committed to ensuring Australia emerges from the pandemic stronger and more resilient than ever. DFAT, the Australian Trade and Investment Commission and Tourism Australia, as well as other key government agencies are responding rapidly to changing conditions, finding flexible and creative solutions, and staying focussed on fortifying Australia's competitive advantage and seizing opportunities for Australian business.

I trust you find much to inform and interest you in this edition of Business Envoy.

**The Hon Dan Tehan MP**  
Minister for Trade, Tourism and Investment

Above: Minister Tehan celebrated 60 years of diplomatic relations between Australia and the Republic of Korea and promoted Australian produce during a visit to Seoul in July 2021.

## Introducing DFAT's Associate Secretary for Trade and Investment



In November 2021, Mr Tim Yeend was appointed to the newly created position of Associate Secretary for Trade and Investment in the Department of Foreign Affairs and Trade.

The creation of the new senior executive position recognises the importance of trade and investment issues in Australia's strategic and economic policy settings. It also sends a strong signal of Australia's support for a strong and robust global trading system where Mr Yeend has particular experience from his time working at the WTO.

"The new position comes at a crucial time for Australia's international economic and trade interests, with both new challenges and considerable new opportunities on the horizon," Trade, Tourism and Investment Minister Dan Tehan said.

"We need to invest in assuring our economic environment remains strong and stable and offers more opportunity for our exporters if we are to continue to support our nation's future prosperity. Mr Yeend's skillset and extensive international experience sees him well-placed to support the Australian government on these critical issues."

Mr Yeend has over 30 years' experience at the highest levels of government and in the international system, providing strategic direction and vision on trade and related issues.

Until early 2021, Mr Yeend was working at the World Trade Organization as Principal Adviser and Chief of Staff to the current and former Director-General. He has also served in a number of senior trade-related positions for the Australian Government including as Ambassador to the WTO and other international economic organisations in Geneva.

# Reimagining Australia's visitor economy



Worth more than \$166 billion in 2019 and our fourth largest export sector, Australia's visitor economy was one of the first casualties of COVID-19. When borders closed, it ground to a near-halt, losing tourists, international students and business travellers overnight. In the two years since, total visitor spend (domestic and international) has almost halved and tens of thousands of jobs have been lost. A clear long-term strategy will support the sector to rebuild and sustain healthy growth long into the future.



## Positioning the sector to THRIVE

THRIVE 2030 – the draft strategy for the Reimagined Visitor Economy was released in late November 2021 for consultation prior to its final consideration by government. It builds on substantial industry consultation to set the visitor economy on a path from the challenges of the pandemic to long-term sustainable growth.

The strategy outlines three priority areas for action:

- Modernisation – building a strong, resilient workforce, improving business practices, enhancing visitor infrastructure and embracing technology.
- Diversification – developing new products and experiences and attracting new market segments.
- Collaboration – between businesses, and between industry and governments at every level.

## Adapting to a changing landscape

Several factors unrelated to the pandemic are also driving the need for the visitor economy to adapt and modernise. Many of these had begun to emerge prior to 2020 and have been brought into even sharper focus during the past two years.

The sector is experiencing significant labour shortages. Building workforce capability will require multiple streams of work, including finding ways to attract a range of cohorts to the workforce (mature workers, people with a disability, women, Aboriginal and Torres Strait Islander peoples), as well as developing tourism as a career of choice.

Traveller preferences are also undergoing a shift. Increasingly, travellers are seeking authentic, sustainable experiences where they are fully immersed in the culture and natural environment of their destination. A growing cohort of older travellers and travellers with disabilities require accessible infrastructure. And there is a growing segment of the market seeking luxurious, 'bucket list' experiences. Australians, as well as international tourists, see many parts of Australia as their dream holiday destinations.

## Regaining lost ground

The first phase of the proposed strategy focuses on recovery. This is not a simple task. The international market has lost significant momentum since Australia necessarily closed its borders in March 2020, and it will take time and effort to rebuild the sector to its previous level. In the immediate term, the focus will continue to be on expanding the domestic market – encouraging Australians to explore their own backyard and actively discover their many great local experiences.

During this initial period, the draft strategy proposes a focus on rebuilding the capability of the visitor economy workforce, developing compelling destinations, and improving the availability of data to support business and attract investment.

As the sector gains momentum, focus will shift to rebuilding and expanding international visitor markets and improving business practices. We will also support the sector to build resilient, modern businesses offering exciting destinations and experiences.

Finally, THRIVE 2030 proposes to foster the conditions for long-term sustainable growth, ensuring our visitor economy businesses are competitive, innovative and unique.

Australia's visitor economy already possesses the attributes needed to succeed. Industry-led and government-enabled, THRIVE 2030 as the draft long-term strategy aims to help the visitor economy regain its footing and stride with confidence into the future.

More information at [austrade.gov.au/reimagine](https://austrade.gov.au/reimagine)

The Royal Botanic Garden Sydney.  
Image courtesy of Archie Sartracom

## Screentime - filmmakers flock to Australia



As worldwide production increases, driven by the proliferation of internet streaming services and an increased demand on more conventional platforms, Australia has become a leading destination for large-budget film and television production, including post-production and VFX activity from global content makers like Marvel Studios, Warner Bros., Sony Television, HBO, Netflix, Amazon Studios, NBC Universal, and Paramount Pictures.

In 2020-21, the total volume of international film and television projects filmed in Australia increased by 114 per cent to an all-time high of \$1.04 billion. The previous five-year average of foreign location filming was \$273 million.

Since 2001 the Australian Government has offered incentives to attract screen production activity, competing with more than 100 other locations that also offer similar inducements. In July 2020, it increased the Location Incentive Fund from \$140 million to \$540 million, extending the program an additional three years to 2026-27. When combined with the Federal Government's Location Offset and state government incentives, Australia provides a very competitive option for international filmmakers.

Australia has the winning combination of award-winning talent, world-class studio facilities; incredibly talented and creative post-production, music, sound, animation and VFX studios; and locations which can double for almost anywhere in the world. International production employs thousands of Australians, providing work for production and post-production services companies as well as flowing out into the wider economy to non-screen businesses such as hospitality, timber for set construction, specialised ropes and cranes for rigging, accommodation and transport to name a few.

With the current support mechanisms from the Federal Government, Australia is well placed to secure an ongoing pipeline of international production activity into the future.



*Attracting this activity to Australia generates significant benefits for the screen industry and for the Australian economy, enabling skills retention, training and growth along with investment in new technology, equipment and infrastructure.*

**Kate Marks**  
CEO of Ausfilm

Above: Wenwu (Tony Leung) and Ying Li (Fala Chen) in Marvel Studios' *Shang-Chi and the Legend of the Ten Rings*. Photo by Jasin Boland. Photo courtesy of Marvel Studios. ©Marvel Studios 2021. All Rights Reserved.

Below: *Peter Rabbit 2: The Runaway*. Made at Fox Studios, Sydney. Peter Rabbit and all associated characters™ & © Frederick Warne & Co Limited. Peter Rabbit™ 2, the Movie © 2021 Columbia Pictures Industries, Inc. All Rights Reserved.

## The booming Australian digital games industry



Already one of the world's largest and fastest-growing entertainment sectors before COVID-19 hit, the digital games industry further expanded during the pandemic. Worth \$240 billion globally in 2020, the market is set to reach \$294 billion in 2024.

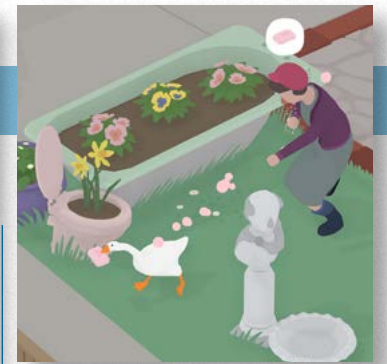
Australia is home to a growing games industry. In 2021, the sector contributed \$226.5million in revenue, an increase of 22 per cent on 2020, and 83 per cent of revenue is from overseas markets.

These numbers are set to boom further, thanks to the introduction



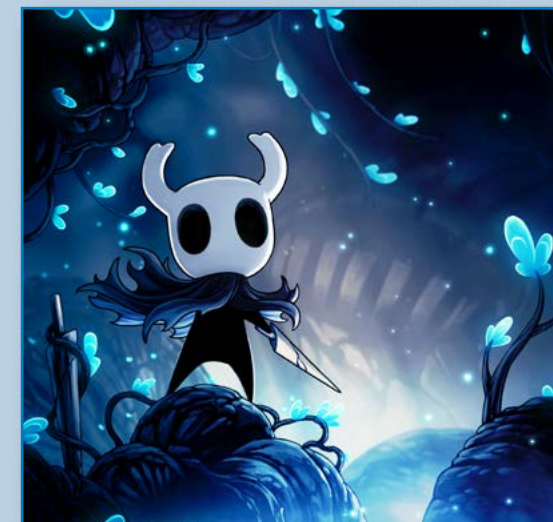
of generous federal and state-based tax incentives. The Digital Games Tax Offset (DGTO), coming into effect in 2022, will allow studios to claim 30 per cent of eligible expenditures. State-based programs complement the DGTO, with South Australia, Victoria and New South Wales offering an additional 10 per cent and Queensland offering 15 per cent.

Tax offsets are a tried and proven mechanism that has allowed countries like Canada and the UK to grow their digital games industries exponentially. With incentives now at a minimum of 40 per cent, Australia will emerge as a serious global player in game development.



The local industry has already seen investments worth more than \$270 million since late 2020 and has the potential to grow into a billion-dollar industry within the next ten years.

Digital games development will be a crucial pillar of a modern, digital, and creative Australia. Making digital games involves every type of media, from animation, to sound, music, and cinematography. In addition to the direct economic benefit, games production adds complexity, talent and a range of transferable skills to the economy.



Top left: A visual effects artist making games at Adelaide-based video game studio Mighty Kingdom, Adelaide, South Australia.

Source: Mighty Kingdom

Top right: *Untitled Goose Game* by House House

Above: *Hollow Knight* by Gameplay

*The recently announced government incentives for game development firmly prove that Australia is open for business. Established Australian studios are well placed to expand in terms of employees and projects. We already have a few international studios here, including EA Firemonkeys, Sledgehammer Games, Gameloft Brisbane and Wargaming Sydney. We expect to see more establish a base here and take advantage not only of the incentives, but experienced, creative and talented staff, plus our amazing lifestyle and perfect time-zones. There is no better time to get over here.*

**Ron Curry**  
CEO of Interactive Games & Entertainment Association

## The Australian fintech export frenzy



In August this year, home-grown fintech Afterpay sold for a staggering \$39 billion, heralding the arrival of a major new export Australian industry – fintech.

Australia now ranks sixth in the world and second in the Asia-Pacific region under global fintech rankings, according to global research and analytics firm, Findexable. This is unsurprising as the broader tech sector is now Australia's fourth largest export sector with an estimated worth of \$8 billion in 2018.

The Australian Trade and Investment Commission (Austrade), EY and Fintech Australia recently launched a census to find out more about our fintech sector. The research data shows fintechs are natural exporters. They create products and solutions for global markets from day one. According to the data, one in five Australian

*Australia's fintechs are competing successfully on the world stage. For many fintechs, their market is truly global, and that's why it's so important to be helping them expand quickly into global business hubs like London, the United States, and Singapore.*

**Andrew Barnes**  
Head of Client Services, Born Global and New Exporter, Austrade

Australian tech attracts global talent, and our banks and super funds are innovators. A fascinating new industry sector, Australian fintech is built on that magic combination of well-managed financial markets and innovation-friendly regulators. And it's powered by a new breed of tech innovators and pioneers who have the courage to go global very fast. For example, established in 2015, Melbourne-funded fintech Airwallex is valued at \$7.6 billion and is growing across Asia-Pacific, Europe, Middle East and Africa.

fintechs already earn most of their revenue from overseas sales. This is an amazing proportion as few of these fintechs existed around a decade ago.

This is especially good news in Australia's current recovery mode. The research data reports an approximate doubling in employment per business on average over the past year. Almost all Australian fintechs – or 88 per cent – report that an increase in exports created jobs in Australia in the past 12 months.

Austrade is working in partnership with groups like Fintech Australia and Insurtech Australia to align the government's support to where the sector sees the greatest growth opportunities.

Investment is another important part of the story. International investors fuel the rapid growth that Australian fintech businesses have been experiencing. From an investor perspective, Australia has a deep talent pool and sophisticated, innovative financial and consumer markets. Together this makes for a great place to develop innovative fintech businesses with the potential for global scale.

Australia is just at the start of its fintech journey, but our entrepreneurs have already established Australia as a distinct force in global fintech. As Australia's services and technology economy continues to grow, that is excellent news for exports.

Find out more about Australian fintech at [austrade.gov.au/fintechexport](https://austrade.gov.au/fintechexport)

*Above: Airwallex co-founders (from left) Xijing Dai, Jack Zhang, Lucy Liu and Max Li. Image courtesy of Airwallex*

## Australia's space sector we have lift-off

**Enrico Palermo**  
Head of the Australian Space Agency



Launch is no doubt the most exciting element of space. Seeing a rocket or satellite shoot into orbit sends a tingle down the spine – be it that of a bright-eyed young kid or the most seasoned space professional.

But for Australia, launch is more than just awe-inspiring – it's an area of economic opportunity that we at the Australian Space Agency are working diligently to grow.

The global space launch services market is expected to reach US\$29.6 billion by 2027.

Australia has a unique opportunity to carve out a healthy piece of this growing industry. Our geographical advantages and political stability alone make us an attractive destination for launch activities.

Access to Space is a priority area for our Agency. We're working with the local space sector to capitalise on our natural advantage and draw on international investment.

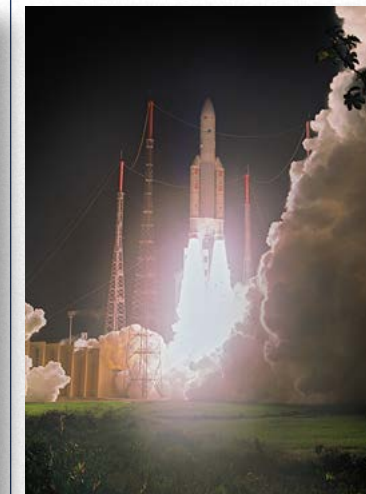


Australia has a long space history, including in launch. We were sending things into space from 'Down Under' more than half a century ago.

But as space evolves and becomes more accessible, launches are now more affordable and frequent. This presents a golden opportunity for our nation.

In 2021, we had two launch facility licenses granted to Australian company Southern Launch and a launch permit granted to international company TISPACE for a hybrid rocket test flight.

Australia's unique launch possibilities have also caught the attention of NASA, which is working with Equatorial Launch Australia



toward a launch at the Arnhem Space Centre in the Northern Territory in mid-2022.

The fact that NASA has picked Australia, for its first launch at a commercial facility outside of the USA, reflects the momentum we are currently seeing in our local space sector.

There are other space businesses around Australia readying for launch too – and the Australian Space Agency is working with them to make that happen.

With a responsibility to both regulate and grow the space sector - we are determined to make Australia a thriving and safe destination for launch.

And our message to the global space sector is that Australia is open for launch business.

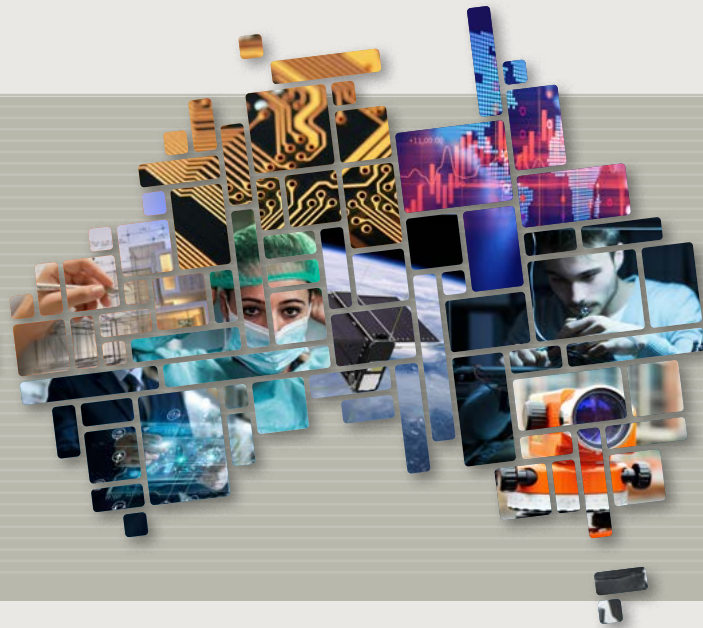
*Top: Datron antenna in Alice Springs with Indigenous artwork to recognise the Arrernte people as the traditional owners of the land. Image courtesy of Geoscience Australia.*

*Far left: The launch pad at the Whalers Way Orbital Launch Complex in South Australia. Image courtesy of Southern Launch.*

*Left: Satellite launch. Image courtesy of NBN Co.*

## Boosting the competitiveness of Australian services exports

# Australia's Services Exports Action Plan



Expanding the global reach of world-class Australian service businesses is at the heart of Australia's Services Exports Action Plan, the first international strategy to boost services exports beyond tourism and international education.

Services exports make up around 20 per cent of Australia's total exports and there are ample opportunities to further expand. In 2018, the OECD found that Australia's services industry was one of the most domestically focused of all OECD countries. The Action Plan aims to change this by supporting services exporters and improving their international competitiveness.

COVID-19 has fast-tracked the shift to online services and shown the benefits of adopting digital processes across the services sector, including telemedicine, work from home and paperless processes.

The Action Plan empowers Australian business, leverages our comparative advantages and identifies international opportunities. Co-developed by industry and government, it lays out a strategic framework to grow services exports and increase the competitiveness of Australian services exporters in the global marketplace.

In developing the Action Plan, industry made 72 recommendations to improve the international competitiveness of Australia's services sector. Eighty-two actions have been identified for implementation by government, industry or jointly by government and industry. These actions fall under five outcomes which form the backbone of Australia's policy on services exports:

- free and open international trade in services
- best practice systems and rules across Australia
- world-class skills and talent
- cutting-edge and internationalised services
- information-driven policies and business strategies.

At October 2021, work had commenced on 77 of the 82 actions, with 58 updates demonstrating progress across all five objectives. Highlights include the release of the Digital Economy Strategy, expansion of Australia's mutual recognition agreements, development of an export market profiles tool and commitment to modernise Australia's tax treaty network.

The pace of work continues with the establishment of a Low Emissions Technologies and Services Working Group. The working group is focused on ensuring Australia is well positioned to showcase its innovative and solutions-driven expertise across this emerging sector and build our international presence. Industry members of the working group are now developing and refining recommendations for government consideration and incorporation into the Action Plan.

More information on Australia's Services Exports Action Plan can be found at: [services-exports.gov.au](https://services-exports.gov.au)

## Professional mobility across borders – Mutual recognition agreements

Professional services are an increasingly important component of Australia's export economy. Mutual recognition agreements (MRAs), negotiated between professional associations, accreditation bodies and regulators, streamline professional practice requirements between Australia and counterpart countries. Where MRAs are agreed it is easier for professionals to practise in each others' jurisdictions based on their existing qualifications and licensing.

Australia's trade agreements ensure professionals like architects, lawyers, physiotherapists and others have access to foreign markets. However, professionals practising overseas may need to meet licensing, registration or other requirements that are designed to protect consumers. This includes Australian professionals providing services to international clients or to Australian clients with international operations. MRAs reduce costs and time periods associated with license or registration processes while maintaining professional standards.

Australia's engineers are just one profession using MRAs.

*Engineering is truly a global profession. The engineering profession benefits from international benchmarked competency standards that facilitate mobility of professional engineers and supports the maintenance of high standards of practice. MRAs facilitate the mobility of engineers through recognition of the Australian Chartered Professional Engineer (CPEng) credential. This credential provides evidence that an engineer has met the independent practice competence standard and has an ongoing commitment to continuing professional development and our Code of Ethics.*



**Jane MacMaster**  
Chief Engineer, Engineers Australia

For more information on how a MRA could benefit your profession, contact DFAT's Professional Services and Mutual Recognition Unit: [professionalservicesmru@dfat.gov.au](mailto:professionalservicesmru@dfat.gov.au)

## New way forward for Australian international education



International education is one of Australia's great success stories. Australia is a magnet for students from more than 190 countries and has educated more than three million international students in the past 20 years.

The international education sector was hit hard by the pandemic, with many international students offshore when borders closed and others onshore were affected by lockdowns. International student enrolments have declined by up to 70 per cent on pre-pandemic levels for some parts of the sector.

However, with the reopening of borders, targeted government support and a new ten-year strategy, 2022 is looking positive for the sector and for international students studying with Australia.

The Australian Strategy for International Education 2021-2030 reflects four priorities for Australian international education to drive a more sustainable sector, create new opportunities for growth and enhance the experience of Australian and international students:

- Diversification
- Meeting Australia's skills needs
- Students at the centre
- Growth and global competitiveness.

The strategy also emphasises growth opportunities in new markets, particularly online and offshore. There is enormous demand for higher learning within our region which Australian institutions could help meet with differing product offerings.

As part of the strategy, the Australian Government announced more than \$37 million of targeted measures to support the international education sector to bounce back, as international borders reopen. These measures, which include extended regulatory fee waivers, additional grant funding, and changes to visa settings, will accelerate the COVID-19 recovery process for the 2022 academic year.

More information on the strategy at [dese.gov.au/australian-strategy-international-education-2021-2030](https://dese.gov.au/australian-strategy-international-education-2021-2030).



# Attracting top talent to Australia

The Global Business and Talent Attraction Taskforce is on a global hunt for the best and brightest in a wide range of future-facing industries to help fill skill shortages and boost prosperity in Australia.

The Global Talent visa provides a pathway for a diverse range of exceptionally talented academics, scientists and other professionals who are leaders in their fields to bring their expertise to our shores. Find out more at [globalaustralia.gov.au](http://globalaustralia.gov.au)

Meet some of the talented professionals now based in Australia:

**Mohammad Assefi**  
Iran  
Energy, renewables and resources



*“This visa program accelerates the arrival of global talent to the Australian market.”*

Mohammad is a specialist in the energy, renewables and resources space, with a particular focus on e-waste and lithium-ion batteries. He is now an R&D chemist at Ceramisphere in Sydney.

**Louis Dunlevy**  
United Kingdom/Ireland  
Visual effects



*“My family and I are amazed by how quickly and smoothly our visa process was completed.”*

Louis is a visual effects expert with an impressive career spanning more than two and a half decades. He is currently Head of Effects at Rising Sun Pictures in Adelaide.

**Yu-Ling Hsueh**  
Taiwan  
Quantum computing



*“Getting an Australian Global Talent visa was surprisingly quick.”*

Yu-Ling is a quantum computing specialist working at the ARC Centre of Excellence for Quantum Computation and Communication Technology at the University of New South Wales (UNSW).

**Evelyn Kelly**  
Ireland  
Health and life sciences



*“Australia is a key market for those looking to provide global access to innovative and life-changing rare disease products.”*

Evelyn founded Orphan Drug Consulting in 2017 to support pharmaceutical companies looking to expand or launch in global markets. She has now brought her business to Australia.

**Elizabeth Moench**  
United States of America  
Pharmatech



*“Gaining access to Australian talent who benefit from global knowledge transfer is an economic win-win for all.”*

A shining light in the pharmatech sector, Elizabeth has relocated to Brisbane and set up a bespoke global tech platform to recover the data of patients who drop out of clinical trials.

**Dr Pulak Purkait**  
India  
Digital technologies



*“There are many companies in Australia offering opportunities for machine learning specialists.”*

As an applied scientist, Pulak is using machine learning to develop more efficient systems that will improve the availability and seamless delivery of products for Amazon customers.

**Hayley Richardson**  
South Africa  
Agtech



*“The plant-based food industry is growing at a rapid rate in Australia and creating great opportunities in this exciting industry.”*

As Global Head of Product for international food company LiveKindly, Hayley is applying her agtech and R&D expertise to the booming plant-based food industry in Australia.

**Anatoly Tulchinsky**  
Canada  
Data science and artificial intelligence



*“Australia presents a unique opportunity for technology innovations and an incredible lifestyle.”*

Anatoly is using his extensive experience in data science, machine learning and artificial intelligence to help Australian companies move quickly into the emerging technology space.

## Spread the word...

Australia needs more top talent and high-value businesses to help turbocharge the economy. And we need them now. See [globalaustralia.gov.au](http://globalaustralia.gov.au) for more information about the Taskforce, the Global Talent visa program, the industries we are targeting and the guidelines for potential candidates. Meet more of Australia's new talent at [globalaustralia.gov.au/recent-arrivals](http://globalaustralia.gov.au/recent-arrivals)

# Simplifying Australia's trade system

Australia's trade systems are being revamped to make cross-border trade easier and less costly for business.

Currently, Australian businesses looking to import or export can face expensive and time-consuming processes, with multiple government jurisdictions and regulations to navigate. Some processes are manual and duplicative.

The Australian Government has committed an additional \$137.7 million over four years for the whole-of-government Simplified Trade System microeconomic reform agenda.

The Simplified Trade System will streamline trade regulations, supported by more modern ICT systems, and make it easier for business to interact with government.

The measures will also modernise Australia's agriculture export and import systems and processes, and deliver on commitments to support industry's \$100 billion by 2030 and the Commonwealth Biosecurity 2030 agenda.

Australian agricultural producers and exporters will benefit from the harmonisation of traceability standards and data, maximising exporters' ability to meet market demands and receive premium prices for their quality produce. There will be improvements to modernise biosecurity systems, with businesses easily able to book biosecurity inspections online and manage changes to these bookings.

The Simplified Trade System is an outcome of the government's deregulation agenda to cut red tape, boost productivity and save time and money. The Simplified Trade System Implementation Taskforce is leading this agenda.

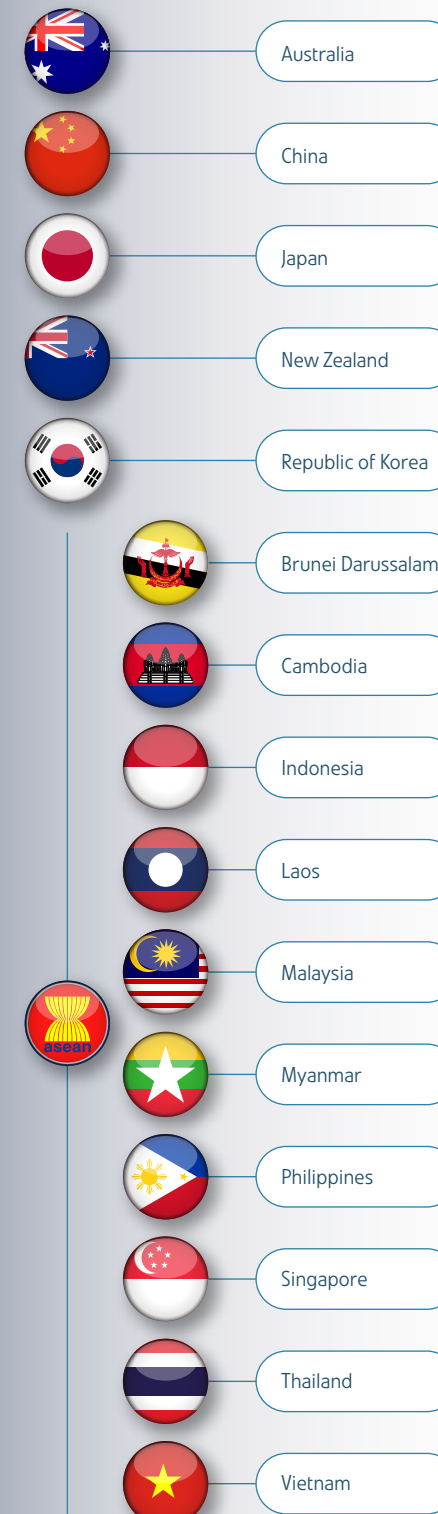
For more information on the Simplified Trade System, visit [simplifiedtrade.gov.au](http://simplifiedtrade.gov.au)

*We're stepping forward; using new digital technologies to lead the world in removing paper documents from the international trading system – making trade faster, more efficient and more secure*

**Karen Andrews**  
Minister for Home Affairs



## RCEP – a single set of trade rules across the world's most dynamic region



The Regional Comprehensive Economic Partnership Agreement (RCEP) will make it easier for Australian businesses to operate in the Indo-Pacific region. No other free trade agreement brings together the collective economic weight of the ASEAN nations and major economies of North Asia.

RCEP entered into force on 1 January 2022 for 10 countries: Australia, Brunei Darussalam, Cambodia, China, Japan, Laos, New Zealand, Singapore, Thailand and Vietnam. RCEP entered into force for Republic of Korea on 1 February 2022 and will do so for Malaysia on 18 March 2022. Once in force for the remaining signatories, RCEP will be the world's largest free trade agreement (FTA).

By simplifying customs processes and reducing traditional barriers to trade, RCEP will encourage predictability, consistency, and transparency which will boost regional business confidence and economic recovery from the COVID-19 pandemic.

Australian businesses no longer have to choose from 10 different FTAs with the 15 countries of the region, each with its own rules and procedures. Instead, RCEP will support regional value chains by providing a single set of rules and procedures for accessing preferential tariffs.

Businesses can still access Australia's high quality portfolio of existing FTAs to use whenever more favourable treatment is available.

RCEP's rules of origin, which ensure that goods 'originating' in the RCEP parties will be eligible for its preferential tariffs, reflect contemporary production processes and simplify the movement of goods within the region.

Goods made from Australian exports—for example, iron ore, wheat, barley, milk powder, copper, nickel and wool—will benefit from tariff preferences under RCEP when processed in a second RCEP party and exported to a third.

As an ASEAN-centric agreement, RCEP is a platform to expand trade and security partnerships within the Indo-Pacific region. Through the agreement, Australia is able to support the development of regional economic architecture which will bring the region closer together.

To support the implementation of RCEP and the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA), Australia will also deliver a \$46 million development cooperation and capacity building program, known as Regional Trade for Development (RT4D).

Read more about RCEP at [dfat.gov.au/rcep](http://dfat.gov.au/rcep)



# A Blueprint for Trade and Investment with Indonesia: A handy guide to an emerging economic powerhouse

To help business seize new opportunities offered by the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA), the Government has launched a Blueprint for Trade and Investment with Indonesia.

The Blueprint highlights opportunities in the sectors of health and aged care; education, training and skills; agriculture and food; and resources and energy services. It also signals future opportunities in sectors that will likely emerge from Indonesia's changing regulatory environment and digital growth.

Indonesia is on track to be one of the world's ten largest economies by the mid-2030s and the fourth largest economy by mid-century. A rising middle class, expanding population and digitalisation are changing Indonesia's business scene. This transformation in such a near neighbour offers huge opportunities for Australian businesses.

Indonesia is an increasingly urbanised democratic nation with one of the world's fastest growing consumer markets. Its middle class is at least 52 million strong, or one Indonesian in every five, and is steadily growing. An 'aspiring middle class' adds a further 115 million. With steady growth of around five per cent pre-COVID, economic forecasters predict a return to this growth in 2022.

Despite the impacts of COVID-19, Indonesia's economy has proven remarkably resilient. Looking ahead, the World Bank projects Indonesia's economic growth in 2023 to be 5.1 per cent (real GDP), comparable to Australia's other trading partners, like China (5.3 per cent) and India (6.5 per cent).

*The Blueprint for Trade and Investment with Indonesia provides actionable insights about the opportunities for Australian businesses who are seeking to benefit from the Indonesia-Australia Comprehensive Economic Partnership Agreement, and to build on the strong commercial ties with our largest neighbour.*

**Penny Williams** PSM  
Ambassador to Indonesia

Australia has well-established economic, trade and investment ties, made even stronger through the IA-CEPA which entered into force in 2020.

In Indonesia, basic universal healthcare is expanding while the growing middle class seeks more premium services at home, rather than abroad, creating opportunities for Australian businesses in aged care, training for carers, digital health and medtech.

Indonesia is seeking to add 57 million skilled workers to the country's economy by 2030. Achieving this will require more international education and technical training partnerships, which Australia is well placed to provide.

As one of the world's foremost producers of safe, high-quality and nutritious foods, Australia has a well-established reputation in Indonesia. We are well placed to meet Indonesia's growing demand for premium, healthy and safe food products.

Likewise, moving beyond basic mining and securing Indonesia's resources and energy future is critical due to population and policy changes. Australia's resources and energy services sectors have long had a good reputation in Indonesia for best practice and this extends to Australian companies in other parts of these sectors.

In Indonesia, relationships based on trust and commitment are key to doing business. Now is the time for Australian businesses to start investing in building relationships in Indonesia to reap long-term rewards.

Enquiries on the Blueprint or trade and investment with Indonesia can be emailed to:  
[IndonesiaBlueprint@dfat.gov.au](mailto:IndonesiaBlueprint@dfat.gov.au)

Read the Blueprint  
[dfat.gov.au/publications/trade-and-investment/blueprint-trade-and-investment-indonesia](https://dfat.gov.au/publications/trade-and-investment/blueprint-trade-and-investment-indonesia)



Main image left: Australian fresh produce on display in an Indonesian supermarket.

Image courtesy of Austrade and Supra Boga Lestari.

Main image right: Minister for Agriculture and Northern Australia David Littleproud at a supermarket in Jakarta, January 2022.

# Australia-United Kingdom Free Trade Agreement – Benefits for Australia

The A-UKFTA will open up new commercial opportunities for Australian business and promote job creation. It will eliminate tariffs on trade in goods and remove red tape that slows trade down.

Building on our exceptional people-to-people links, the A-UKFTA will enhance mobility pathways for workers and young people who wish to work in the UK, while making it easier for Australian service companies and professionals to do business there. It will deepen our already strong investment ties with our second largest source of foreign investment.

## MOBILITY

More opportunities for Australians to live and work in the UK including: managers and specialists, graduate trainees, investors, contractual

services suppliers and independent professionals, innovators, and working holiday visitors up to the age of 35.

## SERVICES AND INVESTMENT LIBERALISATION

Greater access and certainty for Australian service suppliers and investors across a range of sectors through equal treatment with UK and international competitors.

## PROFESSIONAL SERVICES

Provisions to support mutual recognition of qualifications and greater certainty entering the UK labour market.

## INVESTOR PROTECTION

Investment protections covering portfolio and direct investment.

## BREAKING DOWN BARRIERS TO DIGITAL TRADE

No unnecessary restrictions on movement of data, including for financial services; choice of where data is stored; acceptance of electronic documentation, including at the border; protecting privacy and consumers.

## GOVERNMENT PROCUREMENT

More opportunities for Australian suppliers to secure UK government contracts.

## ENVIRONMENT

Bilateral cooperation on a broad range of environmental issues and to tackle climate change.

## SMEs

Improved ease of access to information that will assist SMEs interested in trading, investing, or doing business with the other country.

## WOMEN

Greater cooperation between Australia and the UK to promote businesses owned or led by women and a dialogue mechanism to implement gender equality commitments.

## INDIGENOUS

New opportunities for Indigenous exporters and protection of Australia's right for favourable treatment to Indigenous Australian businesses.

## INNOVATION

New Strategic Innovation Dialogue to promote trade innovation policy, supply chain resilience, and encourage trade in innovative goods and services. A new innovation visa pilot to recruit top talent will be available to highly skilled UK citizens across a range of industries.

## Key benefits for Australia

Read about the key benefits for Australia in handy summaries available on the DFAT website at [dfat.gov.au/trade/agreements/not-yet-in-force/aukfta/ukfta-outcomes-documents](https://dfat.gov.au/trade/agreements/not-yet-in-force/aukfta/ukfta-outcomes-documents)

Benefits for Australia (overview)

Benefits for SMEs

Benefits for Farmers

Benefits for Women

Benefits for Service Professionals

Benefits for the Workplace

Benefits for Service Suppliers and Investors

Benefits for the Environment

Benefits for Students and Recent Graduates

Benefits for Indigenous Business

Benefits for Tech Entrepreneurs and Innovators

### WINE



Elimination of tariffs on entry into force (EIF), equating to a saving of around \$43 million in customs duties each year.

### SHEEP MEAT



Elimination of tariffs after 10 years with immediate access to duty-free transitional quotas of 25,000 tonnes, rising to 75,000 in year 10. Product specific safeguards will be applied on imports for a further 5 years.

### DAIRY



Elimination of tariffs over 5 years, with immediate access to duty-free quotas for dairy products, including 24,000 tonnes for cheese, 5,500 tonnes for butter (rising to 11,500 tonnes in year 5) and 20,000 for remaining dairy products.

### SEAFOOD



Elimination of tariffs on most products on EIF, and remaining tariffs over 3 years. Tariffs eliminated on EIF include those on all finfish and the 12 per cent tariff on fresh and frozen rock lobster.

### HORTICULTURE



Elimination of tariffs on most fruits and vegetables on EIF, with tariffs on other products of Australian export interest eliminated over 3 years, and all remaining tariffs eliminated over 7 years.

### PROCESSED FOODS



Elimination of tariffs on most processed foods on EIF

### BEEF



Elimination of tariffs after 10 years with immediate access to duty-free transitional quotas of 35,000 tonnes, rising to 110,000 tonnes in year 10. Product specific safeguards will be applied on imports for a further 5 years.

### SUGAR



Elimination of tariffs over 8 years, with immediate access to a duty-free quota of 80,000 tonnes, rising to 220,000 in year 8 of the agreement.

### RICE



Elimination of tariffs for short and medium grain milled rice on EIF. Elimination of tariffs on broken rice over 4 years, with immediate access to a duty-free transitional quota. Access to a permanent annual duty-free quota for long grain milled rice.

### HONEY



Elimination of the 16 per cent tariff on EIF.

### WHEAT, BARLEY AND OTHER CEREALS



Elimination of tariffs over 4 years. Immediate access to a duty-free quota of 80,000 tonnes per year for wheat, and a duty-free quota of 7,000 tonnes per year for barley.

### INDUSTRIAL PRODUCTS



Elimination of tariffs on all Australian origin industrial goods, except ammonia and aluminium where tariffs of up to 6 per cent will be eliminated over 3 years.

## Australia and Vietnam set to deepen economic ties

*Our economies are highly complementary. Australia is a reliable supplier of the services and raw materials that Vietnam's exporters require, and our consumers enjoy Vietnam's high-quality products in their homes and workplaces. There is enormous potential to take this relationship even further as we emerge from COVID-19.*

*This Strategy is the strongest reflection yet of our confidence in our shared economic future, bringing us closer to becoming top ten trade partners and doubling investment. Through the strategy we can recover our economies and prosper together.*

HE **Robyn Mudie**  
Australia's Ambassador to Vietnam

Above: Ho Chi Minh City

Below: HE Robyn Mudie, Australia's Ambassador to Vietnam promotes Australian cherries.

Centre: Australian Skills Week demonstration

Right: Culinary demonstration at Australian Skills Week.



Becoming top ten trading partners and doubling two-way investment is the ambitious goal at the core of the recently released Australia-Vietnam Enhanced Economic Engagement Strategy.

Launched by Prime Minister Morrison and Vietnam's Prime Minister Chinh on 1 November 2021, the strategy solidifies a commitment to trade liberalisation and economic connectivity and will help businesses in both countries take advantage of emerging market opportunities.

The economic potential between Australia and Vietnam is enormous. Building on existing strengths across key sectors will be central to realising this potential. Sectors of focus include education, skills and training; resources and energy; agriculture, forestry and fisheries; manufacturing; tourism; science, technology and innovation; digital economy; and health, logistics, financial and professional services.

Vietnam and Australia have complementary needs and resources. Vietnam offers a fast-growing consumer class and high-performing manufacturing sector. Australia offers resources, agriculture, skills and high-quality education. This complementarity creates a pathway of opportunities to deepen trade and investment ties. To assist Australian and Vietnamese businesses and other stakeholders, the strategy is accompanied by an Implementation Plan outlining a series of mutually beneficial, practical initiatives to deepen trade and investment links in key sectors through to 2025.

Business Champions, who are industry leaders, have been appointed to support the delivery of the strategy and promote trade and investment opportunities to business communities in Vietnam and Australia. These are honorary positions appointed for an initial one-year term. The inaugural Business Champions for Australia are Louise Adams, Chief Operating Officer, Aurecon; Professor Martin Bean CBE, former Vice-Chancellor and President, RMIT University; and Rob Gordon, CEO SunRice.

For more information on the Strategy, and its accompanying Implementation Plan, please visit [australia-vietnam-eees.gov.au](http://australia-vietnam-eees.gov.au)

## Australia and Singapore: Propelling our sustainable green economy future

Australia and Singapore are partnering to create business and investment opportunities through a Green Economy Agreement. The agreement will facilitate trade and investment in environmental goods and services, including in clean energy, while seeking to address climate change. It will take our strong bilateral trade and investment relationship to a new level of ambition.

As Prime Minister Scott Morrison and Singapore's Prime Minister Lee Hsien Loong announced in June 2021, the agreement will support Australia and Singapore's transition to new energy economies and drive investments in green sectors. It also has the potential to become a template for other countries to adopt.

The agreement was showcased in the Australian pavilion at the 26th UN Climate Change Conference in November 2021 in Glasgow, UK. Delegates heard from the Minister for Trade, Tourism and Investment, Dan Tehan, Singapore's Trade and Industry Minister, Mr Gan Kim Yong, and directly from business. Macquarie Group chief executive, Shemara Wikramanayake, described government partnerships as important to "help nascent industries mature, set clear frameworks and facilitate collaboration", while addressing climate change.



DFAT is working across government to ensure the agreement is practical and delivers for Australian business, workers, and the environment. Consultations with Australian industry on its views and preferences for the agreement commenced in October 2021 and are ongoing.

More information, including Australia and Singapore's joint vision for the Green Economy Agreement, can be found on DFAT's website [dfat.gov.au/geo/singapore/singapore-australia-green-economy-agreement](http://dfat.gov.au/geo/singapore/singapore-australia-green-economy-agreement)

*As we drive decarbonisation, we need to do it in partnership, driving down tariffs on environmental goods, making sure that we can freely exchange environmental services, drive environmental investment [and] look [at] what we can do together with regards to carbon offsets.*

Dan Tehan  
Minister for Trade, Tourism, and Investment



## Partnering with Korea on clean energy technology and critical minerals



Heralding a new era in Australia-Korea relations, the new Comprehensive Strategic Partnership (CSP) announced by leaders in December will generate opportunities for business, drive practical cooperation and innovation.

*Our two countries share the ambition of advancing the development and commercialisation of low and zero emissions technologies so they can achieve cost parity with high-emitting technologies as soon as possible.*

**Angus Taylor**  
Minister for Industry, Energy and Emissions Reduction



The CSP was announced during President Moon Jae-in's December 2021 visit to Australia to mark the 60th anniversary of diplomatic relations. His visit highlighted funding announcements of up to \$100 million to support initiatives under the Low and Zero Emissions Technology Partnership, enhancing opportunities for industry-led projects in technologies like clean hydrogen, low emissions iron ore and steel, and carbon capture and storage.

Through the partnership, the Republic of Korea will support research on hydrogen supply chains between Korean and Australian companies.

Critical minerals present one of the most promising areas for future cooperation between Australia and Korea. Australia and Korea have also signed an MOU on critical minerals that will drive stronger links between our private sectors and bolster supply chain resilience.

In 2020, Korea was Australia's fourth largest two-way trading partner and export market, primarily underpinned by energy, resources and agriculture.

Find out more at [pm.gov.au/media/australia-rok-comprehensive-strategic-partnership](https://pm.gov.au/media/australia-rok-comprehensive-strategic-partnership)

**Korea's H<sub>2</sub> Mobility + Energy Show in Seoul in September 2021: Steel-making Korean company POSCO outlines its green steel plans to Australia's Ambassador to the Republic of Korea Catherine Raper, and Trade Commissioner Ron Green.**

## Clean hydrogen collaboration with Japan



Australia and Japan are building on a long-term and trusted energy partnership in clean energy. A new initiative and a world-first shipment of liquid hydrogen will help develop Australia's export hydrogen industry and provide opportunities for Australian businesses working on hydrogen supply chain projects.

At the Leaders' Meeting on 6 January, Prime Minister Kishida welcomed Prime Minister Morrison's announcement to establish the \$150 million Australian Clean Hydrogen Trade Program.

The first round of the program, which will support Australian-based hydrogen supply chain projects that secure overseas investment, will focus on the export of clean hydrogen to Japan under the Japan-Australia Partnership on Decarbonisation through Technology.

The program will help accelerate the development of an Australian hydrogen export industry to become a supplier of choice for Japan and the region.

Clean hydrogen imports are a key pillar in Japan's plan to achieve carbon neutrality by 2050, and the country is heavily investing in international supply chains

*Clean hydrogen is central to both Australia's and Japan's plans to achieve net zero emissions while growing our economies and jobs.*

**Scott Morrison**  
Prime Minister of Australia

including through its ¥2 trillion [\$24.5 billion] Green Innovation Fund.

The Clean Hydrogen Trade Program will complement growing Japanese government support for private investment in Australia's green hydrogen sector.

Energy and resources lie at the heart of the Japan-Australia commercial partnership. Australia is Japan's largest supplier of LNG, coal and iron ore. The two countries

are working together to support initiatives that will advance low emissions technologies and achieve net zero by 2050.

Japan is an economic heavyweight. The Australia-Japan partnership is Australia's closest and most mature in Asia, underpinned by deep and longstanding trade and investment ties. In 2020, Japan was Australia's second largest export market and largest source of new foreign direct investment.

Prime Ministers Morrison and Kishida reaffirmed their commitment to the full implementation of the Japan-Australia Economic Partnership Agreement, which came into force in 2015. They also highlighted Japan's role as a priority partner in developing resilient critical minerals supply chains.

Arrival of the world's first liquid hydrogen transportation ship, the 'Suiso Frontier' from Japan, picking up the first shipment of hydrogen in Australia in January 2022.  
Image courtesy of HySTRA



# Inclusive trade: Ensuring Australia's Indigenous entrepreneurs benefit from the global trading system.

*We have a vision for a world where the rights and traditions of Indigenous people are respected; where open markets facilitate the free flow of trade, capital and ideas for Indigenous businesses; and where Indigenous peoples are participants and beneficiaries of the international system.*

Indigenous Diplomacy Agenda: Department of Foreign Affairs and Trade (2021)  
[dfat.gov.au/sites/default/files/indigenous-diplomacy-agenda.pdf](https://dfat.gov.au/sites/default/files/indigenous-diplomacy-agenda.pdf)

How many Indigenous businesses are export ready and what impediments do they face in exporting into international markets or attracting foreign investment?

In an Australian first, DFAT commissioned Indigenous company i2i Global to survey the Australian Indigenous business sector to develop a picture of their export activities and aspirations.

The findings will inform government policy and programs to ensure access to trade and investment opportunities is equitable and inclusive. It will help inform work being undertaken under the *Services Exports Action Plan (2020)*.



The report is a “first pass” snapshot showing an untapped export potential in Indigenous businesses. It shows there is a growing cohort of Indigenous companies ready to access export assistance programs, and that better data, such as a longitudinal approach, could provide a more rigorous basis that better captures the breadth of Indigenous investment and trade.

The findings have already fed into the Department's commitments to inclusive trade as outlined in the National Roadmap for Indigenous Jobs, Skills and Wealth Creation released in November 2021, and will inform the trade and economic pillar of DFAT's Indigenous Diplomacy Agenda.

Led by the Hon Minister Ken Wyatt MP, Minister for Indigenous Australia, through the National Indigenous Australians Agency (NIAA), the Roadmap specifies how Commonwealth agencies will deliver inclusive trade policies with the aim of developing international market opportunities for

Indigenous businesses, including by supporting:

- export readiness training and mentoring
- inclusion of Indigenous commercial and economic development issues in the work of multilateral organisations
- participation of Indigenous businesses and economic organisations in the benefits of Free Trade Agreements and trade summits, and
- engagement between Indigenous business and foreign companies investing in Australia.

Inclusive trade: Unlocking the Export Potential of Australia's Indigenous SMEs is available at [dfat.gov.au/publications/international-relations/inclusive-trade-unlocking-export-potential-australias-indigenous-smes](https://dfat.gov.au/publications/international-relations/inclusive-trade-unlocking-export-potential-australias-indigenous-smes)

## Trade and Economic Policy



### Pillar 2: Maximise opportunities for Indigenous Australia and indigenous peoples in a globalised world

Grow the Australian and global economy through the promotion of indigenous commerce and investment.

Promote the excellence of Indigenous Australia to the world.

Support the global engagement of Indigenous Australia.

Enhance the global participation of indigenous peoples, particularly in international meetings on issues affecting them.

Indigenous Diplomacy Agenda: Department of Foreign Affairs and Trade (2021)

## Key Findings



### INDIGENOUS COMPANIES ARE ALREADY EXPORTERS

A cohort of 24 Indigenous companies are already exporting services and goods into overseas markets. They are joined by 50 additional Indigenous-owned companies that see exporting as a part of their pathway to growth.



### INDIGENOUS WOMEN ARE LEADING THE SECTOR

Of those surveyed, 54 per cent were owned and/or led by Indigenous businesswomen. This is a significant characteristic of the Indigenous export orientated business sector.



### INDIGENOUS BUSINESSES ARE LOCATED IN REMOTE AND REGIONAL AUSTRALIA

The profile of the respondent businesses mirrors the Indigenous population distribution across remote and regional Australia. This is a great advantage that links Indigenous business growth directly into remote and regional Indigenous interests in rural economies.



### THERE IS GROWTH POTENTIAL IN THE AGRICULTURE, FOOD & BEVERAGE SECTORS

Indigenous botanicals and fauna will provide the basis for new multi-million-dollar Indigenous companies in the sectors of agriculture, foodstuffs and beverages, fishing and aquaculture. In parallels with Indigenous interests in New Zealand/Aotearoa and Canada, Australian Indigenous businesspeople have charted their ambition to boost Australian exports in these sectors above all others.



### INDIGENOUS BUSINESSES ARE EXPORTING TO THE INDO-PACIFIC, EUROPE AND NORTH AMERICA

Half of all respondents that were already exporting were exporting into New Zealand. The next two largest markets were the United Kingdom and the United States of America. Emergent interest was shown for new markets clustered on Canada, Indonesia, Papua New Guinea and Singapore.

# Connecting Australian business to international opportunities at Expo 2020 Dubai



Expo Dubai 2020 has crossed the halfway mark, with the Australian Pavilion having hosted over 87 events and 685,000 visitors in the first three months and looking ahead to a jam-packed, exciting program over the remaining three months.

Showcasing Australian industry, creativity and capability, the pavilion has welcomed more than 100 international business delegations and government representatives from across the globe as well as 1,000 school groups.

Australia's trade and investment activities are leveraging Expo 2020 as a platform to connect Australian industry with international commercial delegations, focussing on priority sectors such as education, mining & resources, food & agribusiness, advanced manufacturing (including space and defence), infrastructure, digital technology, and new energy & renewable energy.



A Study Australia virtual pavilion complements the physical Australian Pavilion, featuring masterclasses by leading academics, interactive workshops for high school students on the Internet of Things and postgraduate sessions with Australian universities based in the UAE.

An Australian delegation of mining equipment and service providers visited the Expo and the MENA Mining Show, the Middle East's largest mining exhibition and conference. Companies connected with customers from Saudi Arabia, Chile, Egypt, the United Arab Emirates and Morocco, all seeking Australian capabilities and solutions. The Australian Pavilion is also hosting in-person and virtual roundtables for Australian companies such as ASX-listed Codan and Telstra, connecting with Ministers from Eswatini and Botswana.

Virtual business matching events are connecting Australian food and beverage exporters to buyers and distributors in the UAE, Saudi Arabia, Kuwait, and Qatar. An industry roundtable on Australia's position as a premium food supplier involved state government representatives, food and beverage suppliers, retailers and distributors in market.

Australian companies participated in the Dubai Airshow and the International Astronautical Congress, supported by Austrade, state and territory governments and the Australian Space Agency. Introductions to UAE advanced manufacturing and defence stakeholders are expected to lead to commercial outcomes, including for Australian search and rescue businesses. A follow-up program is being developed for Australian companies to participate in the International Maritime Defence Exhibition in March 2022.



Australia Day at the Global Manufacturing and Industrialisation Summit (GMIS) showcased Australian capability in infrastructure, new energy and renewable energy to UAE ministries and industry stakeholders. UAE renewable energy Sovereign Wealth Fund Masdar identified over \$2 billion in investment opportunities in Australia and is already investing \$500 million in energy from waste projects. The Australia Pavilion also hosted roundtables with visiting ministers, such as Mozambique's Minister for Natural Resources and Energy.

Australian digitech companies such as ZipCo, Grabba Technologies, FIN-PAY, and Enteruptors featured at GITEX, the Abu Dhabi Fintech 100 and the GMIS conferences. Australia is also collaborating with the Abu Dhabi Global Market and 25 countries around the Fintech 100, including Singapore, the US, Canada and New Zealand. Fintech Australia released a report promoting Australian investment opportunities to over 80 stakeholders at a fintech showcase.

Expo 2020 Dubai continues until 31 March 2022.

For more on Australia at Expo 2020 Dubai go to [australiaexpo2020.com](http://australiaexpo2020.com)



Above:

The Kingdom of Saudi Arabia welcomes Australia - a collaborative performance of traditional instruments from respective countries.

Top row, from left:

A fusion of Indigenous spices and Emirati flavours in the kitchen - serving Australian lamb at UAE National Day;

Deputy Prime Minister of Thailand and his delegation enjoy the immersive visitor experience at the Australian pavilion;

South Australian medical device company, Numedico Technologies entering into a US\$5.5 million distribution partnership with UAE-based medical device distributor PBC Medicals.

Second row, from left:

Symposium on Inclusive Urban Ingenuity - collaboration with Kingdom of Saudi Arabia Pavilion

Mining roundtable with Botswana's Minister of Mineral Resources, Green Technology & Energy Security, Hon Lefoko Moagi, and his delegation.

Images courtesy of the Australian Pavilion at Expo Dubai 2020

# Global Insights

Dispatches from the diplomatic network



## Korea: Coffee diplomacy growing demand for Australian products

To celebrate the 60th anniversary of diplomatic relations between Australia and the Republic of Korea, Australia was the Country of Honour at Seoul Café Show 2021, Asia's biggest food and beverage business platform. The Australian pavilion featured speciality coffee demonstrations, promoted Aussie blends, held business-matching activities and promoted Australian tourism and lifestyle. The first

mega public event since the Korea government introduced its living 'with Corona' policy, the show attracted 100,000 in-person visitors. This is because Koreans love coffee! Recently Melbourne-style cafes, often established by those who visited Australia on the working holiday maker program, have gained popularity among young Koreans. And independently owned Aussie-style speciality coffee shops are now more visible not only in Seoul but in other regional areas such as Jeju, Ganereung and Busan.



Above: Australian coffee promotion by the Australian Embassy, Seoul.

Above right: Crowd near the New Market, Kolkata, India.

## India: Australia steals spotlight at Asia's largest tech event

Australia had the highest profile and largest foreign presence at the Bengaluru Tech Summit. Led by Prime Minister Morrison, Australia's 320-strong virtual delegation included ministers, policy makers and CEOs. As a country partner, Australian content had prime positioning – viewed 40 million times including by 27,000 delegates from 48 countries. Over the course of the three-day event,



15 Australian panellists showcased Australia's cyber, critical tech and innovation credentials, and promoted market access programs and visa pathways into Australia.

Prime Minister Morrison announced two major initiatives under the Comprehensive Strategic Partnership to deepen bilateral technology engagement – a Consulate-General in Bengaluru and Centre of Excellence for Critical and Emerging Technology Policy in India. These initiatives will enhance access to India's technology marketplace and accelerate growth in Australia-India collaboration from cyberspace to outer space.

## New South Wales: Australian agrifood - Harnessing the power of data-driven research

Australian food production and global food supply chains are going digital, thanks to work led by the Food Agility Cooperative Research Centre (CRC). The CRC invests in new data-driven technology such as artificial intelligence, advanced data analytics and blockchain to make Australian agrifood systems more productive, sustainable and globally competitive. A global collaboration between Australian agtech company, The Yield, Bosch, Yamaha Motor and University of Technology Sydney is building the next generation of automated horticultural technology. Trials are underway at Treasury Wine Estate vineyards in Australia and the US, piloting new robotic and sensor technology. And in 2021, for the first time ever, Costa Avocados sent a shipment of its premium Lovocados to Asian markets by sea freight, rather than air, using data modelling to determine optimum transport conditions and measure robustness of the fruit throughout the supply chain.



## Victoria: Australia's booming medical technology sector

The medical technology and pharmaceuticals (MedTech/MTP) industry has experienced strong growth, with exports growing 16 per cent per year since 2016. The MTP sector is now the eighth largest export segment in Australia, worth around \$8.2 billion. CSIRO estimates the sector will be worth \$3 trillion globally by 2025. Victoria is home to 37 per cent of Australia's MTP organisations, producing over 47 per cent of Australia's pharmaceutical exports. Australia

has cemented its reputation for high-quality, fast and cost-effective clinical trials. From 2015-2019, the number of trials increased 22 per cent and are estimated to contribute \$1.1 billion to the economy each year. The Australian Government offers a research and development tax incentive of 43.5 per cent for trials and 35 per cent of Australia's national dedicated phase 1 facility beds for human clinical trials are in Victoria. Many large, global MTP companies have their headquarters or manufacturing plants in Victoria, including Symbion, Pfizer, Ego Pharmaceuticals and CSL – one of the top five companies on the ASX and Australia's largest medical technology company. Victoria also hosts several of the world's leading medical research universities and institutions.



Above: Melbourne's world-class biomedical precinct in Parkville. Peter Bennetts courtesy of Plenary Group.

## Rural leaders boosting their regions through international trade and foreign investment



In 2021 DFAT, in partnership with the Regional Australia Institute, ran the Horizons Regional Leadership program to mentor regional and rural economic development officers on the benefits of international trade and investment.



32 participants from regional and rural councils around Australia took part in the two programs and enjoyed access to trade experts from DFAT, Austrade, Export Finance Australia, Tourism Australia and Asialink. As part of the program, participants were encouraged to develop their own international engagement schemes.



A proposal for the Murray River to capture the imagination of international visitors was the winner of the Horizons inaugural program in June, 2021.

*"It's amazing to have the opportunity to advocate for an exciting initiative in such an important part of our country. The Horizons program has opened doors so that initiatives like this can really get off the ground."*

**Ella Winnall**  
District Council of Loxton Waikerie, SA,  
inaugural Horizons program winner



A proposal to explore the Top End's potential for an agribusiness and logistics precinct that would shorten supply chains to Asia won the second Horizons program.

*"Regional Australia continues to be competitively placed in benefiting from high international growth markets. The Horizons Program provides regional leaders from across Australia with the knowhow to get us there; encouraging us to think bigger through the development of bold and innovative international investment strategies to showcase our regions to the world. The connection with expertise throughout Australia in international engagement, trade and export markets and regional place branding was invaluable and the learnings provided participants the opportunity to chase global opportunity by drawing on our region's capabilities."*

**Miranda Halliday**  
Big Rivers Region, NT,  
winner of the 2nd Horizons program

Top: Houseboating on the Murray River  
Image courtesy of South Australian Tourism Commission

## Partnerships for Recovery – Opportunities for business



Australia's Development Program offers opportunities for business to contribute to an open, prosperous and resilient Indo-Pacific.

Health security, stability and economic recovery in our immediate region – the Pacific and Southeast Asia – are key pillars in the development program. As outlined in Partnerships for Recovery – Australia's COVID-19 Development Response, a key focus is supporting the most vulnerable, including women and girls and people with a disability, to enhance safety and well-being.

Partnerships with the private sector can maximise the impact of Australian Government investments and assist with achieving development objectives. DFAT values private sector technical capabilities and market insights and, in return, can offer businesses expertise, influence and expanded networks.

In 2020-21, Australia's Official Development Assistance budget is over \$4 billion, with a focus on the three key pillars and supporting vaccine access initiatives.

DFAT is seeking to partner with organisations that value diversity and inclusiveness, that can bring innovative solutions to problems, and can work with the wide range of stakeholders in the development program. The program is helping to shape our region, and we want to support development which reflects our core values - the rule of law, freedom of thought and expression, valuing the role of women, accountable governments, and a rules-based international order.

Businesses interested in the development sector are encouraged to consider DFAT's procurement and grant opportunities. Contracting opportunities are advertised on AusTender, the government's procurement system. Sub-contracting opportunities are listed on DFAT's AusConnect portal ([www.ausconnect.dfat.gov.au/opportunities](http://www.ausconnect.dfat.gov.au/opportunities)). Grant opportunities and related information can be found on GrantsConnect, the Australian Government's grants system and DFAT's grants page ([www.dfat.gov.au/about-us/grant-opportunities/Pages/grants-programs](http://www.dfat.gov.au/about-us/grant-opportunities/Pages/grants-programs)).

Businesses can also broaden their development networks through DFAT's Suppliers Network on LinkedIn; DFAT Business Opportunities webpage; International Development Contractor's Community (IDCC) and Australian Council For International Development (ACFID).

Enquiries about working with Australia's development program can be sent to [supplier.engagement@dfat.gov.au](mailto:supplier.engagement@dfat.gov.au)

Above: Australian and PNG officials explore options for the landing site for the telecommunications cable from Australia to PNG. Caution Bay, PNG.



# From the Chief Economist

Australia's economy is weathering the Coronavirus storm, but global challenges remain. Australia's economy has showed remarkable resilience since the onset of the COVID-19 global pandemic. While the effects of COVID-19 and related public health measures have so far resulted in two of the worst non-consecutive quarterly GDP contractions in Australia's economic history, Australia's GDP ended the third quarter of 2021 almost the same size as at the start of the pandemic.

Australia's strong economic performance during the pandemic to date is partly attributable to trade and its growth in export earnings – driven by high prices and strong demand for iron ore from China in the first half of 2021 and then by significant demand for thermal coal and LNG from northern hemisphere economies. The gains in commodities exports during this period even outweighed the decline of Australia's services exports (chiefly international tourism and education) induced by COVID-19 travel restrictions. In December 2021, Australia recorded its 45th consecutive month of trade surpluses, with year-to-date total export earnings increasing by 19 per cent to \$518 billion.

As we enter 2022, the rapid onset of the new Omicron variant is generating uncertainty about the short-term outlook for the Australian economy and presents numerous health and economic challenges that might yet hobble a global recovery. These include a deterioration in health outcomes from the continued spread of Omicron to major economies with lower rates of vaccination, such as India and those in Southeast Asia and Latin America, and the adverse effect of this on workforces and productive capacity.

Further disruptions to global supply chains and transport networks are also likely driving costs higher and prolonging the global imbalance between constrained supply and



David Woods joined DFAT as Chief Economist in November 2021. David previously worked in Treasury, serving most recently as head of the team responsible for assessing FIRB applications. Before that, David spent five years in Beijing as the head of the Treasury office in the Australian Embassy. David led a division working on the regulation of the financial system following the global financial crisis and he has extensive experience working on fiscal policy in both The Treasury and The Department of the Prime Minister and Cabinet. He holds degrees from the University of Sydney and the London School of Economics.

a growing demand for goods. This is likely to contribute to sustained inflationary pressures, particularly on prices for food, energy, labour and shipping, all of which will place pressure on central banks in advanced economies to tighten monetary policy settings through the withdrawal of quantitative easing measures and interest rate rises.

Action on inflation in advanced economies also has the potential to further exacerbate the two-track recovery between developed and developing economies. Already held

back delays in vaccine availability, higher and more severe infection rates, and limited fiscal capacity to shoulder the cost of a prolonged crisis, action on inflation would further limit growth in developing economies – reducing the competitiveness of exports, raising import costs, imposing liquidity constraints, and lifting the cost of public debt.

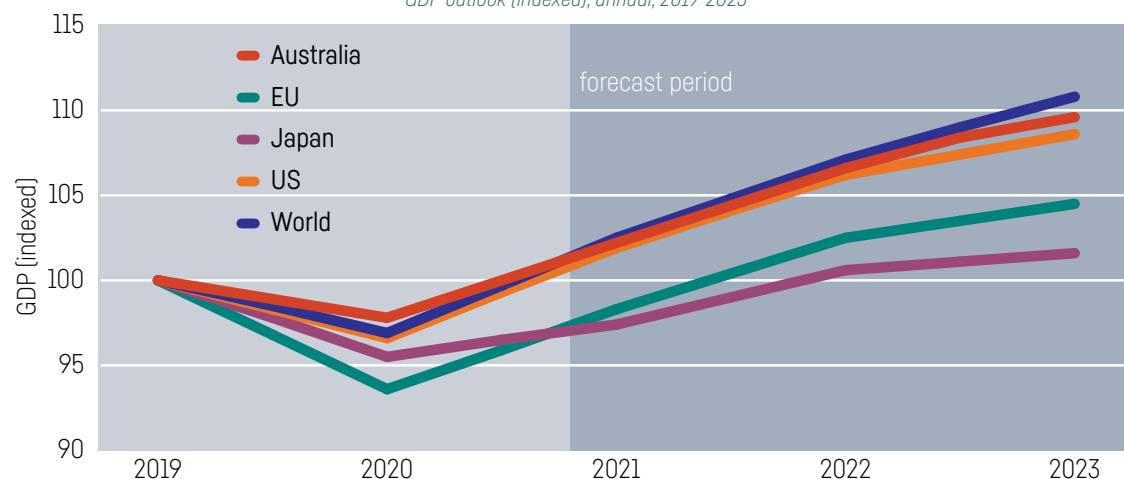
Finally, the prospect of slowing growth in China, which is grappling with electricity supply constraints, a weakening property construction and finance sector

(think Evergrande), and lockdowns in pursuit of COVID-zero, has the potential to dampen demand in the global economy, which in turn could affect Australian exports.

Despite the strain the Omicron variant is currently placing on Australia's economy, its effects are expected to be temporary – delaying rather than downgrading our economic recovery in 2022. As the fast-moving Omicron wave passes, the domestic drivers of growth look positive. A recovery in business confidence and investment, tightening labour market conditions favouring wage growth, combined with elevated levels of household savings, are all expected to drive higher consumption as conditions improve. These will also likely offset any declines in goods exports that might be experienced as commodity prices recede from pandemic highs.

Australia's economy outperformed during the pandemic, but is forecast to slow

GDP outlook (indexed), annual, 2019-2023



## Dilkara Australia – following the rainbow



Julie Okely, a proud Kamilaroi woman, is taking on major global brands. Dilkara, her home-grown cosmetics and hair care range is derived from Australia's native Indigenous botanicals and is in demand, with the US and UK the strongest markets.

The word Dilkara is an Aboriginal word for rainbow and each Dilkara product has also been given an Aboriginal name to connect it to both Julie's culture, and the organic Australian bush areas and themes that have been selected for the products. The company's marketing approach is to educate and provide access to Indigenous knowledge and culture for people who may never have experienced the Australian bush. It taps into the positive sentiment for Australia in the international market and their perception of clean air, beautiful and unspoilt landscapes, and ancient wisdom.

Dilkara's blends are renowned for their healing qualities and are infused with traditional Aboriginal and Torres Strait Islander native bush essences that are compatible with the harsh Australian climate. Working with Indigenous communities profoundly influenced Dilkara's products. By blending Australian Dreamtime in their product names, they use the art of storytelling to connect people to place.

It was important to Julie that the brand is Australian Made, environmentally friendly, uses sustainable packing and maintains authenticity in their supply chain by sourcing ingredients from Indigenous Communities. With elements like Desert Lime, Kakadu Plum, Eucalyptus and Tea Tree oil they have recently won global recognition in the 2021 Luxury Lifestyle Awards in the category of Best Luxury Hair Care in Australasia.

In 2021, Dilkara's products were launched on Amazon, extending their global reach. Dilkara expanded into a skincare line, going from 30 products to 63 and reinvented their e-commerce platform. Taking 12 months to build, the platform provides a diagnostic tool for clients, allowing them to choose which products suit their skin and hair.






*Growing Dilkara has been a joy to me, and I am proud to say that as a single parent and sole operator, I have grown this business over the years to see it become a very successful brand.*

**Julie Okely**  
Founder



## What's On – events calendar



<p>17 February</p> <p><b>Global Market Insights: Thailand</b></p> <p>3pm – 4pm AEDT • Online – Free</p>  <p><a href="https://trybooking.com/events/landing?eid=860477&amp;">trybooking.com/events/landing?eid=860477&amp;</a></p>	<p>1 – 18 March</p> <p><b>AIBX Innovative Health Bootcamp</b></p>  <p><a href="https://austrade.gov.au/event/Healthbootcamp/0x0/y#/event">austrade.gov.au/event/Healthbootcamp/0x0/y#/event</a></p>	<p>3 March</p> <p><b>Destination Australia Conference 2022</b></p>  <p><a href="https://tourism.australia.com/en/events-and-tools/industry-events/upcoming-tourism-australia-industry-events/destination-australia-conference-2022.html">tourism.australia.com/en/events-and-tools/industry-events/upcoming-tourism-australia-industry-events/destination-australia-conference-2022.html</a></p>
<p>5 – 7 April</p> <p><b>#ACCELERATERegTech2022</b></p>  <p><a href="https://regtech.org.au/ACCELERATERegTech2022">regtech.org.au/ACCELERATERegTech2022</a></p>	<p>9 – 12 May</p> <p><b>Mining Indaba 2022 Australia Lounge (South Africa)</b></p>  <p><a href="https://austrade.gov.au/event/miningindaba/0x0/y#/event">austrade.gov.au/event/miningindaba/0x0/y#/event</a></p>	<p>18 – 19 May</p> <p><b>FINTECH 21</b></p>  <p><a href="https://fintechshowcase.com.au/">fintechshowcase.com.au/</a></p>
<p>29-31 May 2022</p> <p><b>WA-ASEAN Summit 2022</b></p>  <p><a href="https://wa-asean-summit.com.au/">wa-asean-summit.com.au/</a></p>	<p>15 May</p> <p><b>Australian Tourism Exchange 2022</b></p>  <p><a href="https://events.tourism.australia.com/ate22/">events.tourism.australia.com/ate22/</a></p>	<p>13 – 15 June</p> <p><b>PDAC 2022 Convention</b></p>  <p><a href="https://www.pdac.ca/convention">www.pdac.ca/convention</a></p>

# business envoy

## Acknowledgements

*business envoy* is DFAT's flagship quarterly magazine providing the latest insights into the Australia's open trade and investment agenda. It provides businesses with updates on Australian Government policy, industry news, and expert analysis of the latest global market trends and events.

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