



EXPORT ASSIST

Solutions for Export Management

EXPORT NEWS

Issue 4, Autumn 2009

WINE EXPORTS

The Australian Wine & Brandy Corporation have released their Wine Export Approval Report for the year ending 30th April 2009.

The volume of Australian Wine exports fell by 0.7% to 726 million litres. The average price fell by 14% to \$3.32 per litre, also resulting in a 14% fall in total value to \$2.4 billion.

Source: www.wineaustralia.com

QUICK STAT

In 2008 Australia's merchandise exports to Chile where worth \$336million. This accounted for only 0.5% of total merchandise imports into Chile.

Source: www.dfat.gov.au

Welcome to the latest edition of Export News. The year seems to be flying by, winter is only a couple of days away, and Wayne Swan has delivered a recession busting budget.

For exporters, the major news to come out of the budget was an extra \$50m towards the Export Market Development Grant (EMDG). In the 06/07 financial year, exporters were stung with a shortfall in the scheme, resulting in reduced grants for a large number of Australian exporters. The injection of funds will increase the amount of the 2nd tranche payment for 07/08 applications, while an extra \$50m has also apparently been confirmed for 08/09 and 09/10.

With a large number of exporters feeling the pinch as a result of the Global Financial Crisis, this is a great win, which will give them the support needed to get back on the plane and to continue travelling to develop their export markets.

In light of the extra funding, our feature article on the following page provides some more information on EMDG, and some changes to the scheme for the 08/09 financial year.

In the past few months, I have been busy working on a range of new services. One of those services Export Interchange is up and running, and I have provided further information below. Stay tuned for further information on other new services in the near future.

Cheers

Darren White

EXPORT INTERCHANGE: What to do when your export staff are away.

Export Interchange is designed for exporters to ensure continuity of service during periods of staff shortage or peak workload. Whether your export staff are on annual leave, sick leave, or you need assistance managing an increase in orders, Export Interchange provides the help you need. Think of us as your interchange bench, coming on for a short period of time to make sure the team goes well.

Export Assist™ has been working with leading bulk wine exporter Austwine for the past 2 years, and more recently have been providing this service with great success. Chief Financial Officer, Ben Preston commented "Darren White and Export Assist™ provide Austwine professional, tailored solutions in the areas of export logistics and management. Austwine has also taken advantage of Export Assist's "Export Interchange" service since its inception as a way of maintaining a seamless export service while export staff are on leave."

For further information, please give Darren a call on 8357 9043 or email darren@exportassist.com.au



www.exportassist.com.au

EXPORT MARKET DEVELOPMENT GRANT (EMDG)

The Export Market Development Grant (EMDG) provides assistance to Australian exporters with up to 50% reimbursement of eligible export promotion expenditure over a non refundable annual threshold of \$10,000. For companies spending \$10,000 per financial year, a minimum Grant of \$5,000 would apply, while for companies with larger marketing budgets a maximum grant of \$200,000 applies. In recent years the scheme has been hit with a shortfall in funding meaning the maximum grant payable has been substantially reduced. However the recent budget announcement of an extra \$50million into the scheme will hopefully alleviate the shortfall experienced in the past.

Grants consultant, Stuart Mitchell of Export Solutions commented on the difference the extra funding would make to exporters. "This is not reckless spending. The additional \$50 million equates to one tenth of 1 per cent of the budget expenditure. This is really good news, it means all those applicants whose grant entitlement was above the 1st tranche payment of \$40,000 will now receive the remaining payment in full and they can now confidently continue planning strategies to the international market place for next year."

Eligible expenses are calculated on a cash basis each financial year, and eligible companies can lodge up to 8 applications. Further, for your first application, you can pool 2 years worth of expenses, essentially providing you with up to 9 years of assistance to grow your export business.

What can be claimed?

There are 9 different categories under which expenses can be claimed:

- ⇒ **Overseas Representatives:** All reasonable costs paid to an overseas representative to act on your behalf. A maximum of \$200,000 is claimable under this category.
- ⇒ **Marketing Consultants:** The cost of engaging an independent consultant to undertake export market research or marketing activities. A maximum of \$50,000 is claimable under this category.
- ⇒ **Marketing Visits:** The cost of travel during marketing visits (eg airfares & taxis). A \$300 per day allowance is paid (up to 21 days) to cover the cost of accommodation and meals.
- ⇒ **Communications:** The cost of communications to promote your product. In lieu of claiming actual communications costs, a 3% automatic addition to your grant can be payable.
- ⇒ **Free Samples:** The cost of providing free samples of your product, including freight costs.
- ⇒ **IP Registration:** The cost of registering your Intellectual Property under foreign laws, including the cost of obtaining insurance to protect these rights.
- ⇒ **Trade Fairs:** The costs related to participating in trade fairs, seminars or in-store promotions.
- ⇒ **Promotional literature & advertising:** The cost of promotion material such as brochures and website development.
- ⇒ **Overseas buyers:** The cost of bringing potential buyers to Australia. A maximum of \$7,500 per buyer per visit is allowed, totaling \$45,000 per application.

When are you paid?

Applications for the 2008/09 financial year open on 1st July 2009 and must be lodged by 30th November 2009. Grants are paid in 2 payments, with the first tranche payment amount set by Austrade every year. For the 2007/08 financial year, this first payment was \$40,000, meaning applicants with a grant less than this will be paid their full entitlement as soon as the application has been approved by Austrade. For grants in excess of this amount, the \$40,000 would be paid immediately, with the 2nd tranche payment for amounts above this level paid towards the end of the financial year. The actual final amount of this 2nd payment will be determined by Austrade, depending on the funds available in the pool for that year.

Key Changes for 2008/09

Stuart Mitchell from Export Solutions highlighted the following summary of changes to the EMDG Scheme that will be introduced for the 2008/09 financial year:

- ⇒ "The minimum expenditure has been decreased from \$15,000 to \$10,000, providing greater access for smaller exporters"
- ⇒ "Company income ceiling has been increased from \$30m to \$50m, potentially allowing larger exporters back into the scheme"
- ⇒ "Maximum Grant increased from \$150,000 to \$200,000"
- ⇒ "Maximum number of Grants increased from 7 to 8, once again allowing exporters back into the scheme that may have previously used up their 7 grants."
- ⇒ "Inclusion of IP related costs"
- ⇒ "And the export earnings test has been reintroduced, meaning from the 3rd grant onwards, the actual grant paid will depend on the level of export sales."

For further information on EMDG and how to lodge, see

www.austrade.gov.au/EMDG/default.aspx or www.exportsolutions.com.au



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EMDG

The following provides an example of the calculation of a grant based on different eligible expenditures.

Eligible Expenditure	\$12500	\$20000	\$100000
Less non reimbursable threshold	\$10000	\$10000	\$10000
Total	\$2500	\$10000	\$90000
50%	\$1250	\$5000	\$45000
GRANT	\$5000 * (min grant)	\$5000 *	\$45000 *

* potential grants are subject to export earning tests, and funds available in the scheme

Export Assist™ is a member of the following organisations:

- ⇒ *Exporters Club*
- ⇒ *South Australian Freight Council*
- ⇒ *Australia India Business Council*
- ⇒ *Australia Indonesia Business Council*
- ⇒ *Business SA*
- ⇒ *Inner Southern BEC*
- ⇒ *Inner West BEC*
- ⇒ *Wine Industry Suppliers Australia*

Export Assist™ is pleased to be associated with the Barossa & Light Regional Development Board

Export Assist™ is a sponsor the South Australian Wine Industry Association

Events & Workshops

Australia-Chile Free Trade Agreement

Wednesday 3rd June 2009, 5:30pm-8:00pm

Exporters' Club of Onkaparinga

Unit 5, 209 Main South Road, Morphett Vale

The Exporters Club will be holding a seminar on the Australia-Chile Free Trade agreement, with guest speaker John Michell, State Director of the Department of Foreign Affairs & Trade.

For further information [click here](#) or contact Fabio Vasconcelos at the Exporters Club on 8326 6511 or exporters@ssbec.com.au

Business Networking Luncheon

Thursday 11th June 2009, 12:00pm—2:30pm

Kooyonga Golf Club

May Terrace, Lockleys

The Inner West Business Enterprise Centre (IWBECC) are hosting a networking lunch with guest speaker Craig James, the Chief Equities Economist at Commonwealth Securities.

For further information [click here](#) or contact Debbie Biggs at the IWBECC on 8159 8700 or iwbcc@bec.org.au

Doing Business with India

Tuesday 14th July 2009, 5:30pm—7:00pm

Business SA

136 Greenhill Road, Unley

Presented by Business SA and the Australia India Business Council and hosted by Brian Hayes QC, this seminar will help to make the most of the opportunities available in India.

For further information contact Marissa Fawcett at Business SA on 8300 0087 or marissaf@business-sa.com



Trade Fairs

Asia Fruit Logistica

2nd-4th September 2009

Hong Kong

Asia Fruit Logistica is a leading international exhibition for fresh fruit and vegetable marketing in Asia. In 2008 over 3500 visitors attended to see the 215 exhibitors from 33 countries.

For further information go to www.asiafruitlogistica.com



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