

Report on Queensland's overseas offices and representation

Achievements

30 June 2009

Contents

1	Foreword
2	Trade Queensland Japan
4	Trade Queensland India
6	Trade Queensland Korea
8	Trade Queensland China
10	Trade Queensland Taiwan
12	Trade Queensland Europe and Africa
14	Trade Queensland Americas
16	Trade Queensland Hong Kong
18	Trade Queensland United Arab Emirates
20	Trade Queensland Saudi Arabia

Copyright: ©The State of Queensland 2010. Copyright protects this material. Enquiries should be addressed to crown.copyright@qld.gov.au

Disclaimer: This publication has been prepared by the State of Queensland as an information only source.

The State of Queensland makes no statements, representations or warranties about the accuracy or completeness of, and you and all other persons should not rely on, any information contained in this publication. Any reference to any specific organisation, product or service does not constitute or imply its endorsement or recommendation by the State of Queensland.

The State of Queensland disclaims all responsibility and all liability (including without limitation, liability in negligence) for all expenses, losses, damages and costs you might incur as a result of the information being inaccurate or incomplete in any way, and for any reason.

All figures are quoted in Australian dollars, unless otherwise specified.

Foreword

Stephen Robertson MP
Queensland Minister for Trade



Despite the Global Financial Crisis, Queensland companies have experienced record export success.

Over the 2008–2009 financial year, Trade Queensland assisted Queensland companies to secure more than \$500M in export sales.

In this time, Trade Queensland helped 2909 clients to become export ready and to make new export deals. Forty-four per cent of these companies were from regional Queensland.

The following report outlines the achievements that our overseas offices, in conjunction with our Brisbane-based market specialists, have shared with our clients in Queensland’s largest export destinations.

Trade Queensland, across its seven regional offices, its representation in 16 overseas locations and its Brisbane-based headquarters, continues to help Queensland companies to go global.

I invite you to read more about our successes.

A blue ink handwritten signature of Stephen Robertson MP, featuring a large, stylized initial 'S' and 'R' followed by a long, horizontal flourish.

Stephen Robertson MP
Minister for Trade

Trade Queensland Japan

In-market representation: Tokyo



Trade Queensland's office in Tokyo is headed by Takeshi Adachi, Queensland Government Trade and Investment Commissioner for Japan.

Japanese-born Mr Adachi has been the Commissioner for Japan since 2004. Before this appointment, he had a successful career as an investment banker, working for a European bank in Tokyo, Sydney and Melbourne.

Mr Adachi holds an MBA and Bachelor of International Law, and has completed scholarships with the Department of Foreign Affairs and Trade and the Australia-Japan Foundation.

Commissioner's statement

Despite the current Global Financial Crisis, Japan continues to be Queensland's number one export market. Trade Queensland opened its Tokyo office in 1979, and this year celebrates the 30th anniversary of this important relationship. Our office, with bilingual staff that are experienced in various different industries, has been actively assisting Queensland businesses not only in established trading items, such as coal and beef, but also in other key sectors such as education and training, food and agribusiness, building materials, biotechnology, nanotechnology and ICT, clean technology, and other emerging technologies and services.

While it is regarded as relatively difficult to penetrate due to various regulations and non-tariff barriers, Japan is a mature yet still very affluent market. Trade Queensland Japan provides assistance to Queensland clients with overcoming cultural and language barriers to identify local Japanese partners that can help to grow their business in Japan.

Over the next 12 months, Trade Queensland Japan will further explore opportunities presented by the following key market themes:

1. changing demographics – food ingredients, nutraceuticals and biotechnologies
2. Japan's Green New Deal – renewable energy, green IT, green building materials and water
3. further female workforce participation – corporate training and education.

Trade Queensland Japan, in close cooperation with its Brisbane-based North Asia team, looks forward to assisting many more new clients from across Queensland.

Market brief

With merchandise exports totalling \$16.5B, which represents 29.4 per cent of Queensland's total exports to Japan, 2008–09 trade data confirms Japan's standing as Queensland's largest merchandise export market. Queensland's two-way trade with Japan represents 22.2 per cent, or \$20B, of Queensland's two-way trade figures for the previous year.

According to the International Monetary Fund (IMF), Japan's GDP in 2007 was US\$4.38 trillion, accounting for around 8.1 per cent of total world GDP, while its per capita income was approximately US\$34 300. In purchasing power parity terms, these figures amounted to US\$4.29 trillion and US\$33 600, respectively, at current exchange rates.

(Source: Department of Foreign Affairs)

On 17 November 2008, Japan's Cabinet Office announced that the country was officially in recession. Its economy contracted 0.7 per cent in 2008. The economy contracted by 3.3 per cent in the fourth quarter (compared to the previous quarter) of 2008, mostly due to falls in net exports. In April 2009, the IMF predicted the Japanese economy would contract by 6.2 per cent in 2009.



Despite the current Global Financial Crisis, Japan continues to be Queensland's number one export market.



Key achievements

Trade Queensland Japan, in conjunction with the Brisbane-based North Asia team, assisted Queensland companies to deliver \$45.3M in export outcomes in 2008–09. The key sectoral focuses included leisure industries, training and education, food and agribusiness, and equine. Trade Queensland Japan also assisted with forming and advancing a number of significant commercial and industry MoUs and strategic alliances.

- Provided strong support to Queensland's international education sector through the promotion of education facilities and courses, assistance with arranging exchange programs and strengthening relationships between education providers and agents. This ongoing assistance has resulted in \$24M in export sales for Queensland institutes and providers in the Japan market in 2008–09.
- Assisted Queensland food companies to achieve export sales worth \$14.2M during 2008–09.
- Assisted with coordinating the successful trade mission to the Food and Additives Conference in Tokyo, from 20–22 May 2009. The 10 Queensland companies that participated in this mission are currently exploring leads and following up with contacts established at the conference.
- Provided strong support to and promotion of the Queensland equine industry, including support for the regular Magic Million sales events. In January 2009, coordinated a Japanese buyer delegation to the Magic Millions Yearling Sales, which generated over \$1.2M worth of sales.
- Also provided assistance to horse management training provider, Traintech 2000, to secure significant training contracts in the Japan market.
- Due to in-market assistance, Ipswich-based Claypave Pty Ltd secured an export agreement with a leading importer and wholesaler of building materials in Japan to supply its quality clay paver products.
- Spotted gum, exported to Japan by Dale & Myers, was used for a new project to enhance a historically well-known coastal area in Shizuoka with a \$275 000 export outcome.
- Assisted Queensland clients in the biotechnology (clinical trials area) and nanotechnology sectors to achieve service exports exceeding \$1.4M during 2008–09.
- Assisted ZeroGen to sign an MoU with Mitsubishi Corp/Mitsubishi Heavy Industries to undertake a feasibility study of the world's first commercial-scale low emission integrated gasification combined cycle (IGCC) power generation plant, with a carbon capture and storage facility.
- June 2009, held a booth at the Renewable Energy Trade Show in Tokyo to represent a wide variety of industries such as solar, biomass and green IT, and have made contacts with over 150 new companies in Japan.

Memoranda of Understanding (MoU) and strategic alliances

- Assisted the Queensland Clinical Trials Network to sign an MoU with Osaka Chamber of Commerce and Kansai Bio Promotion Council for collaboration of projects and activities in clinical trials.
- Assisted Gold Coast Institute of TAFE to sign an MoU with the University of Health and Welfare to strengthen its study tour program.
- Assisted Gold Coast Institute of TAFE to sign an MoU with the Yomuiru Institute of Technology to implement an online English language training program and to provide a pathway to vocational training on the Gold Coast for Yomiuri students.
- Assisted the Fukutake Foundation to sign an MoU with the Southbank Institute of TAFE to work in collaboration with the foundation's Australian branch of the Global Careers Academy and the worldwide Berlitz Language schools. This agreement will result in annual study tours for educators and students to visit the TAFE and for long-term vocational students from Japan.

Trade Queensland India

In-market representation:
Bangalore, Mumbai and Jamshedpur



Trade Queensland's office in Bangalore is headed by Rod Solomons, Queensland Government Trade and Investment Commissioner for India.

Rod Solomons was appointed Commissioner for India in February 2008. He brings a wealth of international business experience to the role, as well as a unique understanding of the Indian market. Prior to becoming Commissioner, Rod held a senior executive position with IBM in India.

Commissioner's statement

Trade Queensland India is based in Bangalore, with representational support in Mumbai and Kolkata. Our in-market activities are coordinated around the key sectors that have been identified as prime opportunities for the fast-growing Indian market. The key focus is split between mining and infrastructure (including building and sports infrastructure) and the emerging industries of marine, retail/franchising, renewable energies and creative industries. In addition, the office will increase its focus on the education sector in 2009–2010, with special emphasis on vocational education (VET). VET will include many of the industry sectors mentioned above, such as retail training and specialised aviation training.

As would-be exporters in Australia search for new markets, India has exhibited growth rates fast approaching those of China, rising to prominence as a key export market. In 2009, it is expected that GDP growth for India will be around seven per cent. With this growing interest in India for Australian business, we have found that Queensland companies and educational institutions are visiting India every week with requests for business matching.

Market brief

2008–09 trade data shows that India is now Queensland's second-largest merchandise export market (previously third to Korea), with exports totalling \$6.6B, well over double 2007–08 results.

Despite the ongoing issues of the Global Financial Crisis, India has been fairly insulated due to its large domestic market and limited dependence on imports and exports. The key areas that have suffered include the back-office outsourcing functions for off-shore banks (especially US banks) and residential construction, where off-shore borrowing or foreign investment is concerned. Given the infrastructure shortcomings in India, both the central Indian Government and the various state governments have brought forward many of their infrastructure projects, such as roads, bridges and airports. These are all expected to be completed as Public-Private Partnerships projects, so the potential for Queensland companies remains high.

Also to be remembered, is that India's population (currently estimated at 1.2 billion), is fast growing and young. Currently, 55 per cent of the population is under 25 years, and this is expected to fall to 21 years within 5–10 years. With the inherent shortage of schools, universities and technical colleges (known as ITs), the potential to provide education both off-shore and on-shore, in partnership with existing institutions and major employers, continues to grow.

It is estimated that each year in India there will be a shortfall of around 10 million technical college places and over 1 million higher degree places (mainly in IT, business management and medical).



As would-be exporters in Australia search for new markets, India has exhibited growth rates fast approaching those of China, rising to prominence as a key export market.



Key achievements

In conjunction with the Brisbane-based South Asia team, Trade Queensland India has assisted Queensland companies to deliver \$23.5M in export outcomes in 2008–09. The key sectors comprised infrastructure development, including sports infrastructure, mining equipment, technology and services, marine, aviation, creative industries, and education and training. Trade Queensland India also helped to facilitate investment attraction and assisted with forming and advancing a number of significant commercial and industry MoUs and strategic alliances.

- October 2008, coordinated a building and construction trade mission to Bangalore to promote Queensland's building and construction capabilities, particularly its green building products and services. Five Queensland companies participated in the mission.
- Introduced Cooroy-based Ritek Building Solutions to a large Indian property development firm, Metrocorp Group. This introduction has recently resulted in Ritek Building Solutions securing a contract with Metrocorp Group worth \$1.8M.
- Provided assistance to a number of Queensland companies in the sports infrastructure sector, including designer and manufacturer of membrane roofing solutions, Taiyo Membrane Corporation. The company has secured three major contracts, worth a combined value of more than \$10M, during 2008–09 for a series of major Indian infrastructure projects.
- Coordinated a mining trade mission to Kolkata to attend the International Mining and Machinery Exhibition in November 2008. Fifteen companies participated in this successful trade mission. To date, the participating Queensland companies have achieved sales of \$2.1M as a result of the mission.
- July 2008, a 17-member delegation from the Confederation of Indian Industry visited Queensland to participate in a business matching program with Queensland's mining equipment, technology and services firms. The delegation also attended the Queensland Mining Engineering Exhibition held in Mackay.
- February 2009, coordinated a marine trade mission to the Mumbai International Boat Show. Five companies participated in the mission. The Indian marine sector has strong potential for Queensland companies, particularly in the sub-sectors of manufacture, design and fit-out.
- Coordinated a delegation of four Indian companies to visit Queensland in May 2009 to attend the Sanctuary Cove International Boat Show. They undertook business meetings with key Queensland boating and marine manufacturer and service providers. Opportunities for joint ventures and distributor arrangements, which were discussed during the visit, are currently being progressed.
- Aviation continues to show strong prospects for growth for Queensland, particularly in the aviation training services sector. Trade Queensland India assisted Queensland training providers to secure contracts in India worth around \$1.9M during 2008–09.
- Provided ongoing support to Queensland's international education sector through the strong promotion of education facilities and courses, assistance with arranging exchange programs and strengthening relationships between education providers and agents. This has resulted in approximately \$3.2M in export sales for Queensland institutes and providers in the India market in 2008–09.

Investment

- To date, Dhanush InfoTech has agreed to establish its Asia-Pacific base in Brisbane.

Trade Queensland Korea

In-market representation: Seoul



Trade Queensland's office in Seoul is headed by Dr SangMin Woo, Queensland Government Trade and Investment Commissioner for Korea.

Dr Woo was appointed to the role in August 2009, succeeding Mr Matthew Kang, who established the office in 2001 and served for eight years before retiring in April 2009.

With a unique blend of high-level trade representative and commercial experience, Dr Woo is well-placed to lead Trade Queensland Korea and continue to assist Queensland companies to achieve export results in Korea, particularly in the areas of marine and leisure industries, food and agribusiness, and equine and bloodstock, as well as to identify and facilitate investment attraction to Queensland.

Commissioner's statement

New to the role, Commissioner Woo is currently assessing his post and the sectors the Korean office will focus on for the 2009–10 financial year. Leisure industry development, with a particular focus on creative industries and architecture, is one key strategic project that has already been identified.

There will also be a focus on the June 2010 Korea International Boat Show to exploit market opportunities for Queensland companies. Commissioner Woo has identified key market opportunities for Korea in the following sectors: professional services, biotechnology, equine, wine business migration, resources and energy, and education and agribusiness, through the Queensland Primary Industries and Fisheries initiative, Grow Korea.

Market brief

2008–09 trade data shows that Korea is Queensland's third-largest merchandise export market, with exports totalling \$6.3B, a significant increase on the previous year (\$3.7B).

According to the OECD, South Korea is one of the fastest-recovering major economies from the Global Financial Crisis. During the second quarter of 2009, South Korea posted its strongest growth in five and a half years, despite the heightened tension on the Korea peninsula.

Major Korean exporters reported strong earnings in the first half of 2009 on the back of the weak currency under the global economic downturn. The manufacturing sector grew 8.2 per cent, quarter-on-quarter, with electronics and chemicals playing a major role. Private consumption rose by 3.3 per cent in the period, spurred by expenditure on cars due to Korean Government tax incentives.

Over the past six months, the depreciated Korean Won has negatively impacted investment and imports, with major importers and investors, exposed to the vulnerable exchange rates, reducing their risks. However, the Korean stock market recently rallied, with foreign equity investors encouraged by the improving economic outlook.

Growth for the Korean economy is expected be around 2.5 per cent for the next financial year.



According to the OECD, South Korea is one of the fastest-recovering major economies from the Global Financial Crisis.



Key achievements

Trade Queensland Korea, in conjunction with the Brisbane-based North Asia team, has assisted Queensland companies to deliver \$39.9M in export outcomes in 2008–09. The key sectoral focuses have included marine, food and agribusiness, bloodstock and equine, education and training, and creative industries. Trade Queensland Korea also assisted with the formation and advancement of commercial and industry MoUs and strategic alliances.

- Coordinated a marine mission to the Korea International Boat show in Gyeonggi province in June 2009. Six Queensland marine companies participated in this mission. To date, a major outcome of the mission has been the winning of the high-profile Seoul Metropolitan Government's Han River project bid. By joining a consortium with local construction companies, a Queensland company was able to secure the contract. Other promising outcomes for several companies include distributorships with Korean buyers.
- Organised a successful inbound visit to the Sanctuary Cove International Boat Show in May 2009, which comprised three delegations from Gyeongnam Province, Jinhae City and Incheon Port Authority. Included in the delegation was the Vice-Governor of Gyeongnam Province and other high-level representatives. Productive networks were forged with a number of Queensland companies during the visit.
- Ongoing support to Populous, an international design consultancy, has resulted in a major partnership contract to design the main stadium in Incheon, Korea for the 17th Asian Games in 2014. This major stadium will be the first landmark building that people will see when travelling to Seoul from the airport.
- Assisted Bora, a Brisbane-based fashion company, to launch a new line of products in Korea and a fashion show in Seoul in March 2009. Through these promotional efforts, Bora attained great success, recording a sell-out at its first sale on Lotte Homeshopping, a major broadcasting shopping channel in Korea. Bora has now established its brand as a steady seller in the TV homeshopping sector.
- In collaboration with Queensland Primary Industries and Fisheries and under the successful "Grow Korea" initiative, Trade Queensland Korea assisted Queensland companies to achieve over \$24M in exports to Korea this financial year.
- Since the first Korea wine delegation visited Queensland in July 2008, the awareness of Queensland wines has greatly increased in the market. Queensland's wines were featured in a local leading wine monthly, Wine Review, which attracted positive interest from Korea's wine industry. As a result, Sirromet Wines has secured an agreement with OK Meat to supply its wines to the Korean restaurant franchise.
- Regularly organised successful visits by the Korean Racing Association and influential South Korean private racehorse owners to the Magic Millions sales on the Gold Coast. For the past financial year, export sales to Korea of bloodstock and allied equine equipment have totalled \$2.1M.
- Worked directly with Queensland educational institutions and registered training organisations to promote VET and education courses, which has resulted in \$4.7M worth of export sales for Queensland institutes and providers in the Korea market in 2008–09.
- Hosted a delegation of Queensland non-government schools in September 2008. Five regional schools joined the delegation and explored opportunities in the Korean market via a seminar and site-visits. As a result of the promotional activities, three schools secured both long-term programs and short-term study tour programs from Korea during 2009.

Trade Queensland China

In-market representation: Shanghai, Beijing and Guangzhou



Trade Queensland's offices in Shanghai, Beijing and Guangzhou are headed by Zijian Zhang, Queensland Government Trade and Investment Commissioner for China.

Mr Zhang has been Commissioner for China since 2001 and has a career with the Queensland Government spanning 16 years. He worked for the Chinese Government for over a decade

before undertaking internationally oriented positions in the Australian private sector. Previously managed by the Commissioner for Hong Kong, responsibility for Trade Queensland's Guangzhou office, which services Southern China, was transferred to the Commissioner for China on 1 April 2009.

Commissioner's statement

China has become one of Queensland's most important trading and investment partners. It is also a major source of international students and tourists, and is increasingly an important source of finance for the resource and energy sector. Bilateral trade between Queensland and China has increased by more than 500 per cent since the Shanghai office was established in 1996. In recognition of the huge size and diversity of the China market, Queensland currently has representation in three strategic locations: Beijing, Shanghai and Guangzhou (established in 2007). On the basis of economic output, these are China's three most important cities and cover the main centres of growing prosperity.

Our offices have been actively involved in significant local events, assisting Queensland firms to win contracts linked to the Beijing Olympic Games 2008 and Shanghai World Expo 2010. We have also established strong business networks that include the Central Government and local governments, as well as business, to facilitate and promote Queensland business interests in China. This also includes Sister State relations with Shanghai and a Friendship State MoU with Guangdong Province. This level of representation ensures that Queensland firms can receive prompt and efficient service from staff that are familiar with all the major areas of China.

Market brief

China (incl. Hong Kong) is Queensland's fourth-largest merchandise export market, with 2008–09 trade data showing exports totalling \$5.6B. Queensland's export trade to China (incl. Hong Kong) has more than doubled from the 2007–08 financial year, with dramatic increases in the values of coal, aluminium and non-ferrous metals.

Currently, more than 90 per cent of Queensland's trade with China is comprised of resource and energy and agricultural products. Exports of manufactured goods in the 2008–09 year reached more than \$400M.

China is an important source of international students with more than 16 000 new students arriving in Queensland to take up paid study courses in 2008–09.

China also provides some 160 000 international tourists to Queensland each year, a figure which has been growing strongly year on year for the past five years.

Increasingly, China is becoming an important source of finance for major resource and energy projects in Queensland. While precise figures are difficult to obtain, Chinese firms such as Shenhua, Huaneng, Chalco, Guangdong Rising, Jilin Nickel, and China Minmetals are known investors. And, Shandong-based coal miner, Yanzhou Coal Co., is in negotiations with Felix Resources Ltd.

The China market offers huge opportunities for Queensland, but it is a market with very different rules of engagement from those in English-speaking countries. Companies considering entering the China market are encouraged to obtain expert advice on market conditions.



Bilateral trade between Queensland and China has increased by more than 500 per cent since the Shanghai office was established in 1996.



Key achievements

Trade Queensland Shanghai and Beijing, in conjunction with the Brisbane-based East Asia team, assisted Queensland companies to deliver \$37.2M in export outcomes in China in 2008–09.

The key sectors included mining equipment and services, building and construction, education and training, and food and agribusiness. Trade Queensland Shanghai-Beijing also facilitated investment attraction to Queensland and assisted with forming and advancing commercial and industry MoUs and strategic alliances.

Trade Queensland Guangzhou, in conjunction with the Brisbane-based East Asia team, assisted Queensland companies to deliver \$6.1M export outcomes in 2008–09. This is a sound result for a small office, which was only established in 2007.

- Ongoing support to Queensland's coal mining equipment and engineering technology companies has been instrumental in Queensland's success in this sector in China. In November 2008, the office facilitated a mining mission to the China Coal Expo and Chining Mining Conference and Exhibition in Beijing. Twenty Queensland companies participated in the mission. The China-based offices have assisted Queensland mining equipment and service companies to achieve \$23.6M in export sales during 2008–09.
- Assisted GroundProbe to reach a contract to bring its world-leading Slope Stability Radar (SSR) technology into Chinese mines. The contract includes distribution and support of SSR systems in China and cooperation on future technology development.
- Provided strong support to Queensland's international education sector through the promotion of education facilities and courses, assistance with arranging exchange programs and strengthening relationships between education providers and agents. These initiatives have helped to generate \$5.7M worth of export sales for Queensland institutes and providers in this market in 2008–09.
- With the assistance of Trade Queensland Guangzhou, the Queensland University of Technology has signed agreements with Sun Yat-Sen University and Guangdong University of Technology on the 2+2, 4+1 joint teaching programs and short-term study abroad programs.
- Provided assistance to Flight Training Australia (FTA). FTA has signed an agreement with China Eastern Airlines and the Civil Aviation University of China, Tianjin (CAUC), to train pilots. The first 33 cadets are already in Australia and FTA expects an additional 100 Chinese cadets before the end of 2010.
- Assisted Total Energy Solutions, a Brisbane company that specialises in energy efficiency, to win a contract worth approximately \$700 000 to provide energy services to Yueyang hospital in Shanghai.
- Assisted with the export of sandstone from central Queensland to a real estate project in Sheshan, Shanghai.
- Assisted Brisbane-based arts company, Urban Art Projects (UAP), to win a \$2.1M contract with the Shanghai World Expo Bureau to provide statuettes for the eight main entrances of the Expo site.
- Assisting Queensland Primary Industries and Fisheries and two macadamia processing companies in Queensland to conduct market research on macadamia nuts. The objective is to increase exports to China for Queensland macadamia nut products.
- Undertaken a significant amount of work in promoting awareness and interest in Queensland mangoes in the China market, particularly in Southern China. Counter-seasonal trade in mangoes from Queensland to China is now possible with the signing of bilateral quarantine protocols.

Trade Queensland Taiwan

In-market representation: Taipei



Trade Queensland's office in Taipei is headed by Elizabeth Sullivan, Queensland Government Trade and Investment Commissioner for Taiwan.

Appointed Commissioner to Taiwan in 2006, Ms Sullivan has a long career in international trade, particularly in relation to Taiwan. In addition to her experience working with various Taiwan-related organisations, including managing the Australia Taiwan Business Council, Ms Sullivan has held significant postings in Beijing, New Delhi and London.

Market brief

Preliminary 2008–09 trade data shows that Taiwan remains Queensland's fifth-largest merchandise export market, with exports totalling \$3.2B, an increase on 2007–08 export figures.

Taiwan is a highly sophisticated, developed and competitive market for Queensland's goods and services.

Taiwan's Executive Yuan (Cabinet) has passed \$23B economic stimulus package to soften the impact of the Global Financial Crisis. Biotechnology, creative industries, healthcare, renewable energy and tourism have been prioritised as key sectors for growth and opportunity. These industries are compatible with Queensland's export capabilities. The Bill also includes investment in key infrastructure projects (airport, port, tourism) to boost the economy and curb unemployment.

Taiwan and China continue to establish closer relations. The inauguration of direct cross-strait flights is a major step toward closer engagement. Taiwan and China are also looking to sign a wide-ranging free trade agreement. This will address issues including intellectual property protection, financial services and investment. These developments are of interest to Queensland.

Queensland continues to be the favoured destination for Taiwan students seeking to study in Australia. However, Queensland's education and training providers need to promote new and emerging areas of education, training and research excellence in order to remain competitive in the market.

Commissioner's statement

The 2008–09 year provided an opportunity for Trade Queensland Taiwan to consolidate, following an operational reduction at the end of June 2008. The Taiwan office continued to focus on education and training, food and agribusiness, and aviation, as well as promoting Queensland as a destination for investment. Work also commenced in identifying and developing opportunities in growth sectors, such as building materials, sports and recreation, and health and beauty.

Our office works predominantly on a one-on-one basis with a range of Queensland exporters. Through customised business matching and the provision of market intelligence, research and other specific export assistance as required by the Queensland companies, the office assisted with exploring and furthering their export efforts in the Taiwan market.

Our office has also engaged in a number of high-profile, strategic activities, including highlighting Queensland's research expertise through the Australian Eminent Speakers' Program in Taiwan.

Taiwan is a highly sophisticated, developed and competitive market for Queensland's goods and services.

Key achievements

Trade Queensland Taiwan, in conjunction with the Brisbane-based East Asia team, assisted Queensland companies to deliver \$16M in export outcomes in 2008–09. The key sectors included education and training, aviation, and food and agribusiness. Trade Queensland Taiwan facilitated investment attraction to Queensland and assisted with forming and advancing commercial and industry MoUs and strategic alliances.

- Provided ongoing support to Queensland's education and training sector through the promotion of the School, VET, ELICOS and Higher Education sectors, as well as strengthening the relationships between education providers and local in-market agents. This included major Queensland Government sponsorship of a Queensland stand to support 17 Queensland education and training providers to exhibit at the Study in Australia Exhibition in Taipei 27 September–1 October 2008 and a key speaking slot to promote Queensland as a destination for study.
- Helped Queensland education institutions secure approximately \$14.5M in export sales in the Taiwan market in 2008–09.
- Assisted Queensland food companies to achieve over \$365 000 in export sales in the food and agribusiness sector (both the food retail and food service sectors). This included exports in organic beef and meatballs, grains and flours, processed nuts and tortilla wraps. A number of these companies were first-time exporters to the Taiwan market.
- Aviation continues to show strong prospects for growth for Queensland, particularly in the aviation training services sector. Trade Queensland Taiwan assisted a number of Queensland education and training providers to secure contracts worth \$940 000 in Taiwan during the past year.
- Worked closely with Taiwan's leading aviation industry training and recruitment body, the Airline Career Development Association (ACDA), to jointly deliver over 10 industry-related recruitment seminars to promote Queensland as a destination for aviation-related education and training. Assistance was also provided to facilitate an ACDA visit to Queensland from 9–11 February 2009.
- The aviation sector is expected to expand following the establishment of direct flights between Taiwan and China, giving Queensland training providers the opportunity to service cross strait airlines.

Investment

- Provided strong support and assistance to Taiwan's First Commercial Bank to establish its first Australian headquarters in Brisbane. This is the first time an overseas bank has made Queensland the base of its Australian operations.
- Organised the first Queensland Welcomes Investment in Exploration and Mining (Minerals and Energy) Seminar, in conjunction with Queensland's former Department of Mines and Energy and Taiwan's Bureau of Energy on 20 February 2009. The minerals and energy sector offers long-term trade and investment opportunities for Queensland. More than 40 senior representatives from government, business and industry attended the seminar to learn about the latest developments in Queensland's minerals and energy sectors.

Trade Queensland Europe and Africa

In-market representation: London and Paris

Servicing Europe, including Russia, and sub-Sahara Africa



Trade Queensland's office in London is headed by Andrew Craig, Agent-General and Queensland Government Trade and Investment Commissioner for Europe and Africa.

Mr Craig was appointed Commissioner for Europe in March 2008. Prior to that, he served as Commissioner in

Los Angeles for a year and was Director of the Australian Industry Group from 2003 to 2007. Mr Craig has been Director of Commerce Queensland and Executive Director of the Australian Red Cross, Queensland Division. He has also consulted in the specialised field of defence, aerospace and related industries and was in the Royal Australian Navy from 1968 to 1988.

Commissioner's statement

Europe in general, and the UK in particular, has been through a difficult 12 months because of the Global Financial Crisis. But signs of improvement are beginning to emerge.

Depending on political will, the crisis may be turned into a (partial) virtue by forcing governments to constructively review and re-draft the regulatory frameworks that underpin much of the commercial activity within the European Union (EU). There appears to be a general view that the 'pre-crisis' status quo is not an acceptable option for the future.

In spite of the challenges of the last year, there has been a constant stream of Queensland companies seeking to do business in Europe. Areas in which we have seen activity include, aerospace, agriscience and agribusiness, creative industries, ICT, mining equipment and technology, education and infrastructure.

In addition to the above, opportunity exists in other sectors, such as clean or green technology, clean coal, renewable energy, and biotechnology and life sciences. This is not a prescriptive list and the size and sophistication of the European market is such that there are many niches in which good business can be conducted.

In short, Europe is still very much open for business and the UK is an excellent entry point.

Market brief

The European economy as a whole is showing signs of recovery from the recession. However, as some economies continue to contract, the recovery may not be particularly strong or rapid.

Russia was badly affected by the Global Financial Crisis and there was a 'flight of capital' from the country. The recovery in Russia will be influenced as much by politics as it is by the stabilisation of the economy. For the investor or prospective trader, Russia is not for the faint of heart. But, there are good opportunities for those who are willing to invest the time and money to understand the Russian culture and business climate and to create and nurture business relationships.

Sub-Sahara Africa presents trade and investment opportunities for Queensland particularly in mining equipment, technology and services, education and training, agribusiness, construction and infrastructure, energy, and environmental services.

With a growing consumer base of 650 million and economic reforms, the market potential of sub-Sahara Africa is increasing. A major contributor to the region's sustained economic growth is its abundant natural resource base. Sub-Sahara Africa is one of the richest global regions for minerals and other natural resources, yet it remains largely untapped.

Many countries, including South Africa, Angola, Botswana, Democratic Republic of the Congo, Tanzania, Chad and Nigeria, are among the world's largest exporters of gold, aluminium, copper, cobalt, coal, oil, diamonds, and a wide range of other industrial minerals. Africa's tropical climate supports its agricultural base, making it an enormous long-term market for agribusiness solutions.



In short, Europe is still very much open for business and the UK is an excellent entry point.



Key achievements

In 2008–09, Trade Queensland Europe and Africa, in conjunction with the Brisbane-based Europe and Africa team, assisted Queensland firms to achieve over \$44.7M in export sales to Europe and Russia. This includes \$35M for food and agribusiness, \$5M for mining and \$1.3M for music.

In addition, with Trade Queensland assistance, Queensland firms secured over \$500 000 in export deals in sub-Saharan Africa.

- Assisted Majans to secure a UK distributor, and launch its snack (Bhuja Mix) in 341 Sainsbury stores in August 2008 and Waitrose stores in May 2009.
- Assisted Vigil Systems to secure contracts in the UK and France for its driver training system.
- Assisted Quickcorp to achieve its first sale to the UK for its Reel Spray.
- Antiwave, supplier of pool equipment, commenced discussions for opportunities arising from the London 2012 Olympics.
- Helped to deliver multi-million dollar beef sales into Russia, where Queensland now dominates Australian export sales for that market.
- Supported Queensland Primary Industries and Fisheries with successful trial shipments of various Queensland produce, including inspecting produce on arrival, monitoring stock in the stores and assisting short-term visitors from Queensland Primary Industries and Fisheries with their work in the UK. This provided significant market intelligence in preparation for future exports.
- Supported the University of Queensland to formalise its academic and student exchange program with universities in Moscow and St Petersburg to enable students to undertake studies at the reciprocal university in accredited subjects.
- Developed strategic relationships with key players in the UK music industry to increase the profile of Queensland's contemporary music and provide artists with access to decision-makers. In addition to this, the office hosted an industry showcase of Queensland bands at Gibson Guitar Studio.
- Developed the official program for the Governor of Queensland, Her Excellency Ms Penelope Wensley AO, and supported her throughout the visit to the UK. The Governor liaised with a number of Queensland's key trade and investment partners and raised the profile of Queensland at G'Day UK events.
- Provided significant promotional opportunities for 10 Queensland food and wine companies through the G'Day UK program of events. These products were showcased at the VIP reception and at an event at Selfridges, a high-end London department store. A number of the products received high acclaim for their freshness and quality.
- Provided logistical and administrative support to Queensland Health recruitment activities, which resulted in 75 positions being offered to UK nurses.
- February 2009, Commissioner Andrew Craig led a trade mission comprising eight Queensland companies to the Mining Indaba Conference in Cape Town, South Africa.
- September 2008, nine Queensland companies were supported at the Electra Mining Exhibition in Johannesburg, South Africa. Mineware secured its first export deal, worth \$500 000, in South Africa and several other Queensland exhibitors have established various investment leads and are negotiating potential contracts.

Trade Queensland Americas

In-market representation: Los Angeles

Servicing North America, Canada and Latin America



Trade Queensland's office in Los Angeles is headed by the Hon. Peter Beattie, Queensland Government Trade and Investment Commissioner for the Americas.

Mr. Beattie was appointed Commissioner for the Americas in March 2008. Having served Queensland as Premier and Minister for Trade for almost 10 years, he has undertaken

numerous trade missions on behalf of Queensland. He has a wealth of knowledge and experience across government and business along with numerous high-level contacts in the USA.

Commissioner's statement

Trade Queensland Americas has delivered export and investment activity valued at \$53.7M for the 2008–09 financial year, a year which will go down in the records as the toughest since the Great Depression.

This outstanding result is a tribute to the tenacity and vision of Queensland's exporters, which have been relentlessly pursuing export opportunities across the Americas. The businesses have been clever and strategic and our office has been supporting them every step of the way, whether in the established USA and Canadian markets or in the new and emerging markets of Latin America, such as Colombia, Brazil, Mexico, Chile and Peru.

Key activities for my office in the next six months include bringing a delegation of North American biotech companies and investors to Queensland for AusBiotech 2010, rolling out the new Queensland Energy Independence Working Group, further strengthening Queensland's profile in Latin America, with strategic visits to Colombia, Chile and Peru, and leading a trade mission to Latin America early next year.

It's clear that we have to think globally to secure our prosperity. My office will continue to aggressively find, develop and cultivate new markets for Queensland. This is a critical part of protecting the Queensland economy.

Market brief

The work of the LA office has focused on supporting a range of Queensland companies to create export opportunities across the Americas, a region covering Canada, the United States and Latin America, roughly a third of the world.

Trade Queensland is aggressively driving an agenda which focuses on mining services and education in Latin America and industrial biotechnology, alternative energy technology and the life sciences, as well as education and general investments, in the USA and Canada.

The emerging business and investment opportunities in Brazil, Chile, Peru, Colombia and Mexico are often underestimated in Australia, despite the economic facts. These countries, much like Australia, have weathered the financial storm of the last year better than most parts of the world. They are politically stable and are increasingly looking to open up to the world.

All of these countries are strong in mining and are compatible with Queensland and the expertise and skills of the State's companies. As ambitious and outward looking countries, they also have a strong desire for improved infrastructure, leading to opportunities in ports (land and sea), rail, road, tunnels and rapid transit systems. The same goes for energy and research collaboration. Additionally, all of these countries support public-private partnerships.

While the USA has been the epicentre of the Global Financial Crisis, the Obama Administration's stimulus plan, formally known as the American Recovery and Reinvestment Act of 2009, has created \$1 trillion worth of new opportunities (when you add in the so-called TARP money and other initiatives, nearly \$9 trillion has been committed to rescuing the USA economy).

There are opportunities in the areas of water infrastructure, science, biomedical research (cancer and stem cells), e-health,



My office will continue to aggressively find, develop and cultivate new markets for Queensland.



clean energy (carbon capture and storage and solar) and alternative fuels (biomass, geothermal and hydrogen). All are worth pursuing by Queensland companies and institutions.

Banks are starting to make profits and lend money, GM is selling cars again, and a degree of sanity has returned the stock market. Some cautious optimism has returned to the world's biggest economy.

Key achievements

In 2008–09, Trade Queensland Americas, in conjunction with the Brisbane-based Americas and the Pacific team, assisted Queensland firms to achieve \$39.7M in export outcomes. Trade Queensland Americas also facilitated investment attraction to Queensland and assisted with forming and advancing commercial and industry MoUs and strategic alliances.

- Worked closely with American philanthropist Chuck Feeney, and other senior executives from Atlantic Philanthropies, to secure a \$102M donation to three Queensland medical projects. It is Australia's largest ever single philanthropic donation.
- Organised a high-profile Latin American mining, infrastructure and energy trade mission to Mexico, Colombia, Brazil, and Chile in March 2009 with a delegation of 16 Queensland companies. The mission has already produced results for its participants, with one Queensland firm securing \$9.4M in export deals and the trialling of Queensland mining intelligence services in Brazil.
- Assisted with establishing the Queensland Energy Independence Working Group and securing the involvement of high-profile American partners from companies such as Amyris and DuPont to work with Queensland's experts on innovative energy independence projects.
- Helped to open up the emerging market of Colombia to Queensland companies through a strategic program of visits, a trade mission, keynote addresses to conferences and high-level networking, including meetings with President Uribe.
- Involved with developing and the signing of a formal government-to-government agreement with the Canadian province of British Columbia to target knowledge-intensive sectors, such as biotechnology, life sciences and mining services, promote bilateral education opportunities, enhance engagement with the Asia Pacific and collaborate on climate change initiatives and energy management.
- Involved with developing and the signing of a Statement of Intent with the Mexico National Government in Mexico City to encourage cooperation in the mining sector, facilitate further business-related links and enhance trade and investment between Queensland and Mexico.
- Helped to expand Queensland's relationship with South Carolina through the signing of a biotechnology collaboration agreement with Governor Mark Sanford.
- Managed and coordinated the Queensland biotechnology mission to the USA and BIO International Convention in Atlanta, Georgia, which comprised 70 Queensland delegates.
- Ongoing outcomes relating to the Queensland Contemporary Music Export Strategy (QMEx) included synchronisation deals for television, film and advertising for Queensland bands. These shows have a mostly world-wide distribution, ensuring ongoing royalty payments for Queensland artists.
- The Veronicas sold 1.6 million copies of their single *Untouched* in the USA and signed a music endorsement deal with Bayer Pharmaceuticals, and the Ten Tenors toured the USA from 6–24 April 2009. Assisted with export advice and assistance in various markets and continue to monitor the Ten Tenors touring schedule and to include them in government opportunities as they arise.
- Musexpo LA has provided ongoing financial outcomes for Queensland music. Record labels, bands and artists have secured licensing deals, synchronisation deals for television, film and advertising, and tour and festival performances.
- Trade Queensland has a contract with A&R Worldwide and this year three export-ready bands – Dead Letter Circus, Yves Klein Blue and Chris Pickering – performed at the event. Hosted a business reception on 25 April 2009 prior to Musexpo LA.
- Cloudstreet and Chris Pickering showcased at the North American Folk Alliance, 18–21 February 2009. As a direct result of participation at the conference, Cloudstreet received positive responses from the Philadelphia Folk Festival and is negotiating further touring opportunities in northern USA and possibly Canada.
- UAP (Urban Art Projects) has also been assisted in many markets. This includes assistance with arranging meetings with Westfield USA. Projects secured by UAP include a contract for Westfield Shopping Centre USA.

Investment

- Working with Pfizer executives in New York to obtain a commitment from the Animal Health division to make Brisbane its global headquarters for animal genetics research.

Trade Queensland Hong Kong

In-market representation: Hong Kong



Trade Queensland's office in Hong Kong is headed by Simon Lee, Queensland Government Trade and Investment Commissioner for Hong Kong.

Mr Simon Lee is the agency's longest-serving Commissioner, joining the Queensland Government in 1993.

Mr Lee has brought substantial experience in commercial banking, investment and international trade to the role. Prior to joining the Queensland Government, he was General Manager of a major publicly listed company in Hong Kong, a former Vice President of the National Bank of Canada, and a former Director of American Express Bank – Hong Kong.

Previously managed by the Commissioner for Hong Kong, responsibility for Trade Queensland's Guangzhou office, which services Southern China, was transferred to the Commissioner for China on 1 April 2009.

Commissioner's statement

Queensland is now well known in the Pearl River Delta region as a reliable source of innovative products and services. This is underpinned by Queensland's provision of professional services to High Court judges, senior police officers, teachers of English and public servants from Guangdong.

While the Global Financial Crisis has invariably impacted on consumer demand, it has also presented opportunities for Queensland's knowledge-based industries and companies due to the following factors:

- the economic stimulus packages have included a requirement for premium building materials, world-class architectural services and landscape design
- retailers are seeking innovative products that are organic, clean, green and healthy, particularly for food and cosmetics products
- quality of education and diverse pathways to university studies
- the demand for increases in productivity and effectiveness using Queensland's enterprise resource planning (ERP) software products.

Trade Queensland Hong Kong focuses on driving exports into this region with targeted trade missions and tailored business matching programs. In 2008–09, these activities delivered \$43.6M in export outcomes.

These results are attributable to a very experienced and knowledgeable team that is proactive in driving exports, establishing and maintaining local business contacts, which have been developed over many years, and highly experienced in all facets of doing business in Hong Kong.

Market brief

2008–09 trade data shows that Queensland merchandise exports to Hong Kong totalled \$407M, a 43 per cent increase on the previous year's \$283M.

Hong Kong Special Administrative Region (SAR) is a regional hub in Asia and the most unique city of China, with special economic and political status. An international finance centre and the world's 12th-largest trading economy, China has designated Hong Kong as its only offshore clearing centre for RMB and endorsed the Reform and Development of the Pearl River Delta (2008–2020), integrating Hong Kong to play a significant role. Coupled with a quasi-free trade agreement (Close Economic Partnership Arrangement) with China, Hong Kong hosts some 3890 regional headquarters and representative offices as at June 2007 and has become a platform for overseas enterprises and hundreds of China's major corporations. Macau has transformed itself to become Asia's entertainment centre and presents a niche market opportunity for Queensland's education and training sector, as well as ERP developers.

Hong Kong is a premium market for Queensland exports due to the very affluent and sophisticated consumers living in Hong Kong, business visitors and tourists. However, it is also a city relying completely on imports. Queensland suppliers find this market most willing to explore new premium and innovative products. Due to market sophistication and the strength of the service industry, sound banking system and the strong support from the Chinese Government, Hong Kong is able to weather the economic downturn and will recover earlier than most other places.

Queensland is now well known in the Pearl River Delta region as a reliable source of innovative products and services.

Queensland's business community must take a long-term view of doing business to strike success in this region.

Trade Queensland Hong Kong, in conjunction with the Brisbane-based East Asia team, assisted Queensland companies to achieve \$43.6M in export outcomes. The key sectors included food and agribusiness, building, construction and environmental technologies, equine (horse sales), aviation and marine, mining, energy and infrastructure, and the film industry.

Key achievements

- Provided extensive assistance to Queensland's education providers, which generated around \$12.9M in export sales. The export outcomes resulted from an array of activities, including organising the first ever Queensland English Writing Test in Guangdong, and the 9th consecutive Queensland English Writing Test in Hong Kong, assistance with setting up the Institute of Accounting for the University of Southern Queensland in Zhengchen City, a number of road shows for major universities and schools to increase international student enrolments, especially in the emerging market of Macau, exhibitions, seminars, as well as fostering a number of sister school relationships.
- Assisted with structuring programs and curriculum for English teachers, high court judges and police officers and other Chinese public servants from Hong Kong and Guangdong to attend short-term professional training programs in Queensland. In addition, the office helped Runge to stage its first ever overseas Mining Fundamentals and Economics 2009 seminar series in Hong Kong, with participants from neighbouring countries.
- Targeted the booming construction and infrastructure sector in the region and assisted a number of service providers in the areas of building material, fire services and marine technology, as well as architectural service providers. Also helped secure contracts worth \$10.08M, with project owners such as the Hong Kong Jockey Club and China Light and Powers.
- Began to focus on the lifestyle and creative industries sector three years ago by organising commercial sponsorships for Queensland artists to perform in this region. Also targeted the beauty- and professional aromatherapy-related cosmetic industry with structured market entry strategies and marketing programs for a organic skin care manufacturer from Mount Tambourine. It resulted in a major export contract for the company.
- In November 2008, coordinated Trade Queensland's first trade mission to Cosmoprof Asia in Hong Kong. Eighteen Queensland companies in the beauty, lifestyle, wellbeing and training services sector participated in the trade mission to capture export business in the increasing affluent middle class markets of Hong Kong and China.
- Provided strong support and promotion to the Queensland equine industry. Helped Magic Millions secure the international sale of thoroughbreds in Hong Kong for the Hong Kong Jockey Club and has supported Magic Millions with the promotion of its October Sale on the Gold Coast. This support has resulted in sales totalling \$705 500 to Hong Kong and Macau and yearling sales to Hong Kong worth \$5.5M at the Magic Millions International Horses Sales in January 2009. Hong Kong is the biggest horse buying city in sales value.
- Assisted Queensland's food and beverage suppliers with tailored business matching programs that targeted major importers, distributors, retailers and food services and catering companies in Hong Kong, as well as organising the Queensland Fine Food promotion at ParkNShop in March 2009. ParkNShop, Hong Kong's largest supermarket chain, profiled an array of Queensland products from 15 food and beverage suppliers, including three new exporters of premium food at 35 of ParkNShop's premium stores. The activity generated around \$1.74M in exports.
- Coordinated Trade Queensland's first trade mission to HOFEX (Asia's premier food and beverages trade exhibition) in Hong Kong in May 2009. Twenty-five companies participated in this successful mission.
- Identified and referred five major investment leads to Invest Queensland, which resulted in the purchase of a large supermarket chain in Queensland by Hong Kong investors. Five major inbound investment missions, including those from Shenzhen Energy, Guangdong Power and the Hong Kong Stock exchanges, were also arranged to Queensland during the year.

Trade Queensland United Arab Emirates

In-market representation: Abu Dhabi



Trade Queensland's office in Abu Dhabi is headed by Susan Rae, Queensland Government Trade and Investment Commissioner for the United Arab Emirates.

Ms Rae was engaged as the Commissioner for the United Arab Emirates in August 2008. Ms Rae has experience working with Australian exporters to access the Middle East market, particularly in the construction, health and education sectors.

Trade Queensland operates two offices in the Middle East – Abu Dhabi, United Arab Emirates and in Riyadh, Saudi Arabia. The Queensland Government was the first Australian state to establish trade representation in these two cities and as a result, Queensland's trading relationship with the region has grown from strength to strength. The United Arab Emirates office recently moved to new premises in Al Muhairy Centre, the same building that houses the Australian Department of Foreign Affairs and Trade.

Commissioner's statement

Trade Queensland's foresight to establish an office in Abu Dhabi, an emerging powerhouse of the Arabian Gulf, is enabling Queensland exporters to profit from access to this lucrative and rapidly expanding market. As Abu Dhabi continues to succeed in placing itself firmly at the centre of the world stage, many opportunities exist for our companies across a number of sectors, from marine and construction to education and consumer products. While the Global Financial Crisis has undoubtedly had medium-term effects on Dubai's prosperity, Abu Dhabi has been more cautious in its development and has far greater natural resources, ensuring greater sustainability. Although Abu Dhabi has felt the recent recession, the impact has been mild in comparison to most of the rest of the world and opportunities still abound.

The Abu Dhabi office assists both new and experienced exporters with considered and quality introductions, either through participation in trade missions and exhibitions, or through tailored business matching programs.

With a strong government commitment to develop Abu Dhabi's infrastructure, we are likely to see spending continue at a high level in areas such as healthcare, renewable and traditional power, water, transport and education. With its accessibility to business, huge opportunities and increasing demands for higher quality products and services, Abu Dhabi is the place to be!

Market brief

The Global Financial Crisis has had a mixed impact on the different emirates. Significant effects in Dubai have resulted in the cancellation or postponement of many large construction projects, including the Dubai Waterfront, Dubailand and the Palm Deira. Uncertainty continues to dominate Dubai's immediate future as the Emirate's dependence on Abu Dhabi financial backing grows.

In the northern emirates too, projects have been cancelled or postponed, with the number of developers reduced by more than half over the past 10 months. Far less affected, Abu Dhabi has seen new strategies introduced and the construction sector has seen a shift away from the luxury developments of the past to more affordable housing, with developers concentrating on the needs of the end user, and hence appealing to the long-term investor. The speculators have disappeared from the UAE market.

According to the Economist Intelligence Unit, the economy will contract by 1.8 per cent in 2009, ahead of an estimated growth of 4 per cent in 2010. (HSBC's estimates are 0.9 per cent growth in 2009 and 2.9 per cent in 2010). The contraction in 2009 is largely due to lower oil prices in a country which is still heavily reliant on its oil and gas reserves.

Other sectors are expected to grow by about 2.3 per cent. Future strong growth at the levels seen before the financial crisis depends on whether we will see a return to annual growth up around seven per cent per annum, the average from 2005 until the fourth quarter of 2008. Many believe it will return to those levels, or at least very healthy levels, in the shorter to medium term.



Trade Queensland's foresight to establish an office in Abu Dhabi, an emerging powerhouse of the Arabian Gulf, is enabling Queensland exporters to profit from access to this lucrative and rapidly expanding market.



According to MEED, Abu Dhabi is set to award US\$7B of construction contracts this year, mainly in infrastructure, taking advantage of lower commodities prices and a more affordable labour market.

The Abu Dhabi Government's infrastructure program is on track, with the announcement of the new Capital District in April 2009, which is destined to be the seat of the Federal Government, as well as the Plan Al Ain 2030 and substantial development of the resource rich Western District.

Of late, there have been steady gains on the Abu Dhabi stock market, indicating investor confidence is returning to the market.

Key achievements

In 2008–09, \$146.7M in export deals were generated by firms assisted by Trade Queensland Abu Dhabi and Riyadh, in conjunction with the Brisbane-based Middle East and North Africa team, in the construction, agribusiness, creative industries, education and training, marine and health industry sectors in markets including the Gulf Countries and North Africa.

Strong relations between Queensland and Abu Dhabi are underpinned by a government-to-government MoU.

- Managed and coordinated the largest Queensland Government construction trade mission to the United Arab Emirates in November 2008. Thirty-seven Queensland delegates, representing 24 companies, participated in the trade mission that was led by the former Minister for Trade, signaling strong industry interest in the Middle East market.
- At the BIG 5 Exhibition in Dubai, the largest construction exhibition in the Middle East, Queensland companies raised the profile of the State's expertise. Ecospecifier International was the first Queensland company to sponsor the Gaia Green Building Awards. Coolshield International was awarded the gold award and two silver Gaia Green Building Awards and Australian Innovative Systems was awarded a silver award. Both awardees are Queensland companies.
- Strengthened the relationship between Queensland and the Government of Abu Dhabi to further the MoU, which promotes collaboration in economic, social and infrastructure development. The MoU, which has led to several Queensland companies and government agencies providing expertise and advice to the Abu Dhabi Government, was broadened and the new draft was signed in October 2008.
- Supported Queensland companies at Gulfood (Dubai), Dubai International Boat Show, Arab Health (Dubai) and Cityscape (Dubai and Abu Dhabi).
- Assisted specialist Gold Coast marine manufacturer, Superior Jetties, to complete a major \$1.7M contract in Abu Dhabi.
- Attracted and facilitated a high-level visit to Queensland by the Abu Dhabi Emiratization Council, leading to business negotiations between Queensland companies and the Council.
- Successfully business matched a Sunshine Coast building products firm with a partner in Abu Dhabi, resulting in a \$1M contract.

In Queensland, Trade Queensland delivers the Middle East Export Network Forum. The Forum is a series of quarterly networking events, which has enabled Queensland exporters to capitalise on the wealth of knowledge and experience that exists within this large group of exporters to the Middle East.

An outcome of this initiative and the Big 5 trade mission was the signing of an MoU between Queensland small businesses Ritek Building Solutions and Thomson Adsett Architects with construction giant Laing O'Rourke. This achievement is a testament to how Queensland companies can work together to enter the lucrative Middle East market.

Trade Queensland Saudi Arabia

In-market representation: Riyadh



Trade Queensland office in Riyadh is headed by Hassan Miski, Queensland Government Trade and Investment Commissioner for Saudi Arabia.

Mr Miski was appointed Commissioner for Saudi Arabia in January 2007. Prior to this role, he worked for Austrade – Riyadh in Saudi Arabia for 15 years.

Trade Queensland operates two offices in the Middle East – Abu Dhabi, United Arab Emirates and in Riyadh, Saudi Arabia. The Queensland Government was the first Australian state to establish trade representation in these two cities and as a result, Queensland's trading relationship with the region has grown from strength to strength.

Commissioner's statement

Since the establishment of Trade Queensland representation in Riyadh less than three years ago, considerable progress has been achieved in developing trade linkages with Saudi Arabia. The Saudi market is one of the most prominent in the Middle East, but is also one of the most difficult markets to navigate.

Saudi Arabia is the largest producer of oil in the world, has a population of over 25 million, with the majority of the population under the age of 25, has a high population growth rate, and most importantly, meets the majority of its needs and demands through imports. These combined factors make Saudi an attractive market for exporters.

Challenges in doing business in Saudi arise from access to the market (entry visa), cultural and traditional differences and lack of information and awareness of Australian capabilities.

Indeed, with the Global Financial Crisis, which badly impacted on the other markets of the Middle East and to a lesser extent on Saudi Arabia, and the huge development in the Saudi construction sector, the majority of the Australian companies that were working in the region are now striving to shift their work into Saudi Arabia.

Market brief

Although Saudi Arabia has been largely unaffected directly by the Global Financial Crisis, the indirect impact on the real economy was significant. It is expected that Saudi Arabia will see real GDP growth contract by one per cent in 2009 as the shortfall in the oil sector offsets moderating growth in the non-oil sector.

A report published by the National Commercial Bank in August 2009 explains the three main channels through which the crisis has crept into the local economy. First, the steep fall in crude oil prices, which has reduced the dominant source of government revenues. Second, the weaker global demand that has motivated OPEC to cut oil production. And third, the tighter credit and increased risk aversion in international markets, which have led to a shortage of foreign capital, massive declines in local asset prices and lower investment.

The findings of the report indicate that government investment expenditure will remain the key driver of growth in Saudi Arabia. This is based on aggressive fiscal policy plans that emphasise capital expenditure as well as indirect fiscal stimulus measures to support the non-oil sector. With large accumulated reserves and low levels of domestic debt, the report estimated that Saudi Arabia will be able to spend its way out of the crisis.

Senior economists at the National Commercial Bank NCB have stated that the Saudi Arabian Monetary Agency (SAMA) has been very proactive in loosening monetary policy and ensuring that liquidity is available. Saudi interbank rates have fallen and deposits are now growing faster than lending, which has brought down the loan-to-deposit ratio to 77 per cent.

Meanwhile, private sector credit growth is still sluggish, due to lower investment demand and tighter bank lending.

The report pointed out that the Kingdom sees light at the end of the tunnel and will eventually emerge from it, indicating that the confidence levels have improved significantly over the past two months, with rising oil prices and relative calm in international financial markets. Saudi Arabia's real GDP growth is expected to increase to three per cent in 2010, based on a recovery in global demand and a higher oil production level.

Key achievements

In 2008–09, \$146.7M in export deals were generated by firms assisted by Trade Queensland Abu Dhabi and Riyadh, in conjunction with the Brisbane-based Middle East and North Africa team, in the construction, agribusiness, creative industries, education and training, marine and health industry sectors in markets including the Gulf Countries and North Africa.

- Managed and coordinated the largest Queensland Government construction trade mission to Saudi Arabia in November 2008. Sixteen Queensland delegates, representing 10 companies, participated in the trade mission that was led by the former Minister for Trade, signaling strong industry interest in the Middle East market.
- Supported Queensland companies at the MENA-Ex mining trade show (Saudi), Saudi Building and Interior Design Exhibition, Saudi Medicare 2009 Exhibition, Saudi Food Exhibition, Saudi Agriculture 2008 Exhibition and Cityscape Saudi Arabia Exhibition.
- Assisted with securing contracts for Queensland organisations with Saudi Civil Defence Aviation and Saudi National Guard worth \$18.5M.
- Successfully business matched a Sunshine Coast building products firm with a partner in Saudi, leading to a \$1M contract, and facilitated a multi-million dollar contract between Urban Art Projects and King Abdulaziz University in Jeddah.
- Supported Queensland agribusiness firms to secure \$6M in exports to Saudi Arabia.

Since the establishment of Trade Queensland representation in Riyadh less than three years ago, considerable progress has been achieved in developing Queensland trade linkages.

With representation worldwide, Trade Queensland has a dedicated team of experts that can help you explore global business opportunities.

To find out more contact:

PO Box 12400
George Street Queensland 4003
Australia

Tel +61 7 3224 4035
Fax +61 7 3835 1002
tradeinfo@qld.gov.au

export.qld.gov.au