

FAST FACTS 17: EXPORTING AND IMPORTING

Why export?

Many businesses consider exporting because the domestic market offers limited growth and profits. By contrast, the international marketplace offers enormous potential, but exporting presents many new challenges and demands, and often requires a totally new approach to your business.

Getting started

Exporting should not be seen as a short-term strategy. While there are no hard and fast rules for success in exporting, you will need to invest a great deal of time, effort and money in 'doing your homework'.

Overseas markets are different, and it is important that you know your market intimately before you go overseas. You also need to understand the technical aspects of exporting such as documentation, financing and freight. This involves doing a great deal of 'desk research' and preparing a detailed market study. Agencies such as Austrade, Australian Customs Service and the Australian Bureau of Statistics can provide much of the required information.

When considering an overseas market, you should first research trade barriers such as tariffs, duties and quotas. Also look at labelling and other product regulations, identify your competitors, and establish contact with potential agents and distributors.

Cultural and language differences also need to be considered. Your product, labelling and advertising may need to be adapted to satisfy the cultural, religious or political sensitivities in your overseas market. You may also need to have instructions, technical details and specifications translated into the local language to avoid confusion.

Many export transactions occur in foreign currencies, and it is important that you understand the impact of foreign exchange rate movements on your business. You should consult the international department of your bank to ensure all the financial aspects of your export venture are covered.

Why import?

Many of the tips about dealing with foreign companies and countries when exporting are equally relevant when importing.

It is important that you consider the demand for the product/s you intend importing, and look at the quality, presentation and packaging, and retail price of the goods. Trade consulates can assist in identifying overseas products and suppliers. Your industry association or the Chamber of Commerce may be able to provide contact details for counterpart organisations overseas.

Special considerations for importers

Customs and quarantine regulations apply to the import of products from overseas countries, and certain categories of goods are subject to import control (ie, permission must be obtained before the goods arrive in Australia).

The Australian Customs Service must clear all goods imported into Australia by air, sea or post, and importers are responsible for obtaining customs clearance. Most imported goods are subject to Goods and Services Tax (GST), which is collected by customs in the same way as customs duty.

FAST FACTS 17: EXPORTING AND IMPORTING

It is a good idea to engage the services of a licensed customs broker who can help you deal with the regulations and tariff requirements, pick-up and delivery of your cargo, and the processing of formal import documentation. It is wise to ensure that your broker is a member of the Customs Brokers and Forwarders Council of Australia:

T: (07) 3252 1348

As you are legally liable for products that you import into Australia, it is important to consider purchasing product liability insurance. Your insurer will require details of the product/s to assess the level of risk.

Assistance for exporters and importers

Information and advice on international trade is available from:

Austrade	T: 13 28 78
Australian Customs Service	T: 1300 363 263
Australian Quarantine and Inspection Service	T: 1800 020 504
Australian Institute of Export (SA/NT Office)	T: (08) 8288 7663
International Business Council	T: (08) 8936 3100
Trade Support Scheme (TSS)	T: (08) 8946 9550

For more information refer to other Fast Facts in this series or contact:

Territory Business Centre

Department of **Business and Employment**

Development House, 76 The Esplanade, DARWIN NT 0800

GPO Box 3200, DARWIN NT 0801

T: (08) 8982 1700

TF: 1800 193 111 (within Australia)

F: (08) 8982 1725

E: info.dberd@nt.gov.au

W: www.nt.gov.au/business

Disclaimer: The material contained in this publication is intended for use as a guide and for general information only. It is not intended to be a substitute for independent professional advice. The Department of Business and Employment of the Northern Territory Government accepts no responsibility or liability for the correctness, accuracy and completeness of any of the material contained in this publication and recommends that users of this publication exercise their own skill, care and judgment in the application of the information contained in the publication.