



# Guide to Exporting from Western Australia

## Foreword

Many Western Australians look abroad to grow and develop their business and with the slowdown in the local economy there is no better time to explore international opportunities.

The benefits of exporting include increased sales, profits, and domestic competitiveness, gaining additional skills and expertise, and reducing dependence on the Australian market and seasonal fluctuations.

The *Guide to Exporting from Western Australia* compiled by the Western Australian Global Network is designed to assist businesses minimise risk when developing export strategies and introduce businesses to the services offered by the Western Australian Global Network.

The guide provides an overview of the export process including:

- Determining if you are export ready
- Courses and training
- Government assistance and grants
- Undertaking market research
- Identifying export leads and promoting your business
- Preparing a marketing plan
- Packaging, labeling, pricing and quoting
- Export requirements, restrictions and regulations
- Putting together an international contract and preparing export documentation
- Transportation and distribution channels
- Types of insurance and risk assessment.

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## Western Australian Global Network



The Western Australian Government, through the Western Australian Global Network (WA Global Network), actively assists local businesses and investors to reap the benefits of our strong export and investment culture and capitalise on international business opportunities.

The WA Global Network drives economic growth by facilitating exports, investments, relationships and promoting the State internationally. The WA Global Network includes 12 international offices located in the State's key trading regions and managed by a team of market development specialists to assist businesses and investors gain direct access to global export markets.

The WA Global Network specialists are available world-wide with offices in Perth, Europe, China, India, Indonesia, Japan, Malaysia/Singapore, the Middle East, South Korea and the Americas. Our specialists have extensive international business experience and come from diverse cultural and professional backgrounds. Our market development specialists:

- promote trade and investment with Western Australia
- advise on market entry strategies
- provide statistical, trade and market analysis
- identify business opportunities in established and emerging markets
- represent Western Australia's interests in trade agreements
- manage the Sister State Relationships that Western Australia has in Japan, China, Indonesia and Italy including promotional activities, workshops, seminars and publications
- co-ordinate ministerial and industry trade missions.

For further information about the WA Global Network visit [www.dsd.wa.gov.au/waglobalnetwork](http://www.dsd.wa.gov.au/waglobalnetwork).

### Are you are export ready?

Exporting can be a profitable way of expanding your business and diversifying risk. However, it should not be entered into lightly as the penalties for failure can be costly. Assessing your readiness to export is a way of identifying critical success factors and will help your business develop its export strategy.

#### **Commitment and resources**

Developing export markets can be costly in terms of time, money and resources. It is recommended you take a long-term view and be prepared to be persistent and patient while you wait for returns. Consider how many resources and how long it takes to break into a new regional area in Australia. This can be multiplied several times when you are looking at an overseas country as there are many other factors and processes to consider.

#### **Product/service**

Your product/service needs to be able to better international competition. Price may not always be the deciding factor. Market niches can sometimes be won on superior quality or specifications. You may need to change product design or service offering to suit different industry needs. Product/service literature should preferably be to international standards and tailored to overseas requirements.

#### **Marketing**

A strong grasp of marketing is vital in exporting. Does your company have solid marketing knowledge and experience gained by successfully selling in a number of Australian states? If your product/service has had limited exposure in Australia it could be more cost-effective to expand at home before tackling new export markets.

#### **Management**

Exporting requires considerable time and can be a major distraction from domestic business activities. Does your company have the management capacity required to develop and service exports? Is it necessary to strengthen the management team to successfully go abroad?

#### **Supply capacity**

If you obtain export orders they must be filled correctly and promptly. Does your company have the supply capacity to develop export distribution? Can the existing capacity be expanded quickly when required? Your product, service or technology might be more suited to a licensing arrangement.

#### **Finance**

Breaking into any new export area requires considerable funds (airfares, accommodation, advertising, sales promotion, new brochures, training of overseas sales agents, setting up of joint servicing offices offshore, etc). Does your company have the financial strength to commit, say A\$40,000 for the year or more it may take to develop a new overseas market?

#### **Research capability**

Accessing information and making the right decision about which country to enter first when you are convinced you are export ready is important. The WA Global Network can assist with market information and research ([www.dsd.wa.gov.au/waglobalnetwork](http://www.dsd.wa.gov.au/waglobalnetwork)).

### The export process

Once the decision has been made to export, there are a number of factors that must be considered:

#### Evaluation

Evaluate the company's export capability and product suitability for the potential market, carefully considering the consumers' needs. A contingency plan should be prepared in anticipation of increased demand on the company's resources, both in terms of finance and productivity.

#### Market research

The company must decide whether to market in a single country, few or many countries. Country attractiveness is influenced by the product, its competitiveness in the market, geographical factors, income and population, economic environment, political climate and other factors.

#### Marketing plan

The company needs to develop a marketing plan, paying special attention to the method of market entry as well as how much to adapt the domestic marketing strategy to satisfy market conditions overseas.

#### Restrictions and regulations

Legislation may prohibit or restrict the exportation of certain goods.

#### Quoting for product export

When ready to export it's essential that goods are sold competitively and quotes are correctly prepared.

#### Export finance, insurance and payment

Consideration must be given to the possibility of any delays in payment, losses due to fluctuations in exchange rates and the possibility of not receiving payment for a number of reasons. It is important that companies talk to their banks to determine the most suitable form of payment from their buyers, prior to concluding any agreement. The bank is an important partner to exporters and is able to provide valuable information and assistance.

### Courses and training

The following organisations provide courses and training:

#### Austrade ([www.austrade.gov.au](http://www.austrade.gov.au))

- TradeStart Program for new exporters.

#### Chamber of Commerce and Industry ([www.cciwa.com](http://www.cciwa.com))

- Dealing with documentary credits
- International trade documentation
- Exporting successfully
- Getting paid for your exports
- Understanding Incoterms.

### **Australian Institute of Export** ([www.aiex.com.au](http://www.aiex.com.au))

- Advanced Diploma in International Business Management
- Graduate Certificate/Diploma in International Business Management
- Export and import procedures and documentation
- Understanding documentary credits.

### **Small Business Development Corporation** ([www.sbdc.com.au](http://www.sbdc.com.au))

- Feasibility of your business idea
- Exporting
- Introduction to market research
- Applying for finance.

## **Government grants**

As well as offering free advice and assistance, the following government grants are designed to assist new and existing exporters.

### **TradeStart Program**

The State Government partners with Austrade to provide TradeStart coverage for the mining equipment and services industry. The prime objective of the TradeStart program is to assist small and medium sized enterprises to commence exporting and to convert irregular exporters to sustainable export activity. TradeStart also provides assistance to established exporters to expand their markets.

The program contains elements of coaching and action learning; with the goal being to assist each business to achieve long-term success in their first and subsequent export markets.

For further information visit [www.commerce.wa.gov.au/ScienceInnovation/Content/Services/TradeStart/export assistance.html](http://www.commerce.wa.gov.au/ScienceInnovation/Content/Services/TradeStart/export%20assistance.html)

### **Export Market Development Grant**

This Commonwealth Government grant, administered by Austrade, is aimed at aspiring and current exporters. The grant reimburses 50 per cent of expenses incurred on eligible export promotional activities, less the first \$15,000. For further information visit [www.austrade.gov.au](http://www.austrade.gov.au)

### **Industry Association and Bilateral Business Organisation Development (BODS)**

The aim of this scheme is to assist Western Australian Industry Associations and Bilateral Business Organisations who wish to promote, access or develop international trade opportunities. Potential applicants are encouraged to contact David McCulloch, General Manager Market Development, WA Global Network on 08 9222 0496.

### Additional government financial assistance

**GrantsLINK** ([www.grantslink.gov.au](http://www.grantslink.gov.au)) is managed by the Australian Government Department of Infrastructure, Transport, Regional Development and Local Government. This website provides assistance with finding suitable and relevant grants for your company from the many Commonwealth grants that are available.

**AusIndustry** ([www.ausindustry.gov.au](http://www.ausindustry.gov.au)) provides a range of programs which supports businesses and individuals to increase the commercialisation of innovative products, processes and services.

### Undertaking market research

Understanding your market is essential for export success.

Ways to undertake market research

- Engage a student studying international business or marketing to design and carry out the project
- Hire a marketing research firm - refer to Yellow Pages Online ([www.yellowpages.com.au](http://www.yellowpages.com.au)) for a list of firms in Western Australia (keyword - "market research")
- Undertake your own market research by utilising the Internet and library resources (refer to useful links below).

The WA Global Network website ([www.dsd.wa.gov.au/waglobalnetwork](http://www.dsd.wa.gov.au/waglobalnetwork)) provides export related data with Western Australia's top trading partners including export opportunities, export and trade statistics, economic and political overviews, information on doing business (including culture and protocol), trade relationships, and key contacts.

Once you have explored the information provided on our website contact the WA Global Network's team of market development specialists (<http://www.dsd.wa.gov.au/waglobalnetworkcontacts>) who are available to provide expert advice, assistance and access to global markets.

### Useful links

**Austrade** ([www.austrade.gov.au](http://www.austrade.gov.au)) provides detailed information on countries and export industries, including political and economic information and details on the products/services exported from Australia.

**Department of Foreign Affairs and Trade** ([www.dfat.gov.au/geo](http://www.dfat.gov.au/geo)) provides detailed country information including economic and regional information. The website also contains Trade Fact Sheets and information on the status of Australia's International Trade Agreements.

**Chamber of Commerce and Industry of Western Australia** ([www.cciwa.com](http://www.cciwa.com)) provides general information on export issues such as financing, finding distributors, and legal and cultural issues.

**The CIA World Fact Book** (<https://www.cia.gov/library/publications/the-world-factbook>) provides information on countries including geography, people, politics and much more.

### Market research checklist

- Political framework and stability
- Economic performance of country - gross domestic product, economic growth rates, balance of trade, inflation, unemployment, exchange rate and stability of currency, average income and personal disposable income, currency controls
- Population - size and distribution, composition
- Culture - language, religion, education, social class system, social attitudes and values
- Trade statistics.

### Export opportunities checklist

- Size of market
- Competition - alternative suppliers, competitive company strengths and weaknesses, competitive product's strengths and weaknesses, analysis of domestic suppliers and import suppliers, concentration and distribution of market share
- Compatibility of product
- Product demand - level of market penetration/saturation, seasonal demand
- Competitiveness of product - sales growth and industry projections
- Competitive prices - prevailing market prices, competitor pricing, import duties, after sales services, warranties, returns, payment period, allowances, discounts
- Production presentation - acceptable packaging and sizes
- Buyer behaviour and characteristics
- Product promotion - advertising, sales promotion, accepted methods and channel of promotion, cultural factors impacting on sales figure, Australia's image in the market
- Methods of distribution to and within the country - air freight/shipping costs, state buying systems, standard agency arrangement for industry, terms of appointment of agents/distributors, distribution system and profit margins, advertising support requirements, available distribution infrastructure and storage
- Import restrictions, duties and documents - documents required by authorities in importing countries, commercial documents, transport documents.

### Visiting your target market

It is recommended that you visit your target market to gauge for yourself the suitability for your product.

The WA Global Network has overseas offices located around the world and are in an ideal position to aid companies entering markets for the first time. They can arrange itineraries, meetings and orientations and offer professional and general advice about the target market.

It is important that companies develop a professional company profile. If targeting markets like China, Japan, Korea, the Middle East and some European countries, it is always important to ensure that an introduction, at least, is in the language of the target market.

For translation services in Western Australia please refer to Yellow Pages Online ([www.yellowpages.com.au](http://www.yellowpages.com.au)). Use keyword - "translation" or "interpreters".

Remember that companies overseas are not likely to know you at all. Therefore making a good impression takes on added importance.

### Understanding Asian cultures

To take full advantage of opportunities provided by the State's export economy it is important for Western Australians intending to do business internationally to understand the cultural practices of our trading partners.

Our nearest neighbour is Asia, an exotic and diverse continent of many different ethnic groups, religions and cultures. These cultural variations have a profound influence on the way business is conducted.

## Identifying export leads and promoting your business

There are a number of ways to identify export leads and promote your business overseas:

- Register of new opportunities - Austrade ([www.austrade.gov.au](http://www.austrade.gov.au)), the Commonwealth Government's export and trade agency, provides regularly updated information on new opportunities received from its offices around the world
- Website promotion (refer to the E-commerce section)
- Advertising in trade journals
- International trade exhibitions and trade missions
- Visiting your target market (refer to the section on undertaking market research)
- Register your company on online trade databases.

### Promotional material

It is advisable to prepare company brochures and business cards in the local language. Please refer to Yellow Pages Online ([www.yellowpages.com.au](http://www.yellowpages.com.au)) for translation services in Western Australia (keyword - "translation").

### Trade missions

The WA Global Network, Perth Office conducts trade missions to key events and markets around the world.

Trade missions offer companies an excellent way to enter a new market by profiling Western Australia's capabilities to the international market place, and establishing sound long-term relationships for future trade and investment.

Many successful Western Australian companies have benefited from such missions by identifying country partners, gaining greater cultural and market understanding, and achieving direct export sales.

New exporters are particularly encouraged to consider trade missions as an option to leverage the knowledge of experienced Western Australian colleagues and government agencies.

For information about international trade missions and exhibitions please contact the WA Global Network's team of market development specialists (<http://www.dsd.wa.gov.au/waglobalnetworkcontacts>).

### Overseas trade exhibitions

International trade exhibitions are a good way to build your export business.

Such an event helps raise your business profile and allows you to gain first hand knowledge of a local business environment and meet key decision-makers.

Austrade ([www.austrade.gov.au](http://www.austrade.gov.au)), the Commonwealth Government's export and trade agency, provides a short-list of events carefully selected for their ability to offer genuine export-building opportunities. Further information can be obtained from Austrade's website (refer to "Events"). In addition, it provides a brochure containing helpful advice on preparing for an overseas trade exhibition.

Expo Database ([www.expodatabase.com](http://www.expodatabase.com)) gives you access to over 10,000 trade events throughout the world. In addition, you may also like to try Galaxy Visual Displays ([www.galaxy-displays.com](http://www.galaxy-displays.com)) for tips on preparing for a trade show.

### E-Commerce

The following organisations provide information on E-Commerce:

**Small Business Development Corporation's E-Com Entry Point** ([www.sbdc.com.au](http://www.sbdc.com.au)) provides a range of programs and services to assist with e-commerce.

**Austrade** ([www.austrade.gov.au](http://www.austrade.gov.au)) provides information on exporting online.

**Department of Broadband, Communications and the Digital Economy** ([www.dbcde.gov.au](http://www.dbcde.gov.au)) provides resources to assist users to make the most of the Internet, including information on domain names and e-business.

**The Treasury** ([www.treasury.gov.au](http://www.treasury.gov.au)) provides Australian guidelines for electronic commerce.

**Econsumer.gov** (<http://www.econsumer.gov/english/>) provides information about international consumer protection laws and activities, as well as providing a mechanism for cross border e-commerce complaints.

**EMarket Services** ([www.emarketservices.com](http://www.emarketservices.com)) is an Internet portal on business-to-business e-commerce, includes a directory of business-to-business electronic marketplaces.

**Europe's Information Society** ([http://ec.europa.eu/information\\_society/](http://ec.europa.eu/information_society/)) provides information on e-commerce developments in Europe, including policy and legislative updates.

**US Department of Commerce** (<http://www.commerce.gov/>) provides information on US Government online activity as well as updates on policies and activities.

The **Australian Domain Name Administrator** ([www.auda.org.au/](http://www.auda.org.au/)) provides information on the .au namespace (Internet names ending in .au).

**Internet Corporation for Assigned Names and Numbers** ([www.icann.org/](http://www.icann.org/)) sets the rules about the ways domain names are sold and authorises registrars to do business.

**Melbourne IT** ([www.melbourneit.com.au](http://www.melbourneit.com.au)) offers domain name solutions and online business services.

**InterNIC** ([www.internic.net/](http://www.internic.net/)) provides public information regarding Internet domain name registrations.

**Oanda Currency Converter** ([www.oanda.com/converter/classic](http://www.oanda.com/converter/classic)) a multi-lingual foreign exchange converter for over 164 currencies.

**Systransoft** ([www.systran.co.uk](http://www.systran.co.uk)) provides European language translations.

**time and date.com** ([www.timeanddate.com/](http://www.timeanddate.com/)) is a useful guide for time zones and calendars.

**World lingo** ([www.worldlingo.com/](http://www.worldlingo.com/)) assists companies with website localisation, globalisation and translation.

### Preparing a marketing plan

Developing an export marketing plan is crucial to a successful export business. Some of the areas that need to be included are:

- Promotion - cultural implications, exhibitions
- Distribution strategy - transport and distribution methods
- Market segment - target market, buyer behaviour, key buyers or clients, cultural implications
- Product for export - suitability and modifications, quantities available for sale, quality, packaging requirements, cultural implications, protection, advertising and servicing
- Pricing for the export market
- Processing of orders
- Financing export transactions
- Competition - market positioning
- Permits and licenses
- Business practices
- Resources and organisational structure - to facilitate export
- Market entry strategy - this could be a joint venture with a local distributor or investor, or perhaps supply direct to wholesalers and/or retailers.

Implementation of the marketing plan may include visiting your target market and market testing.

The experience of many successful exporters has proved that a visit to the potential overseas market is rewarding and it helps to establish contacts with prospective customers and provides opportunities to study the point of sale presentation of goods.

You may also wish to consider using the services of export agents who are experienced international traders prepared to buy from you and sell overseas. Export agents can also undertake overseas marketing on a commission or retainer basis. For contact details of export agents in Western Australia please refer to Yellow Pages Online ([www.yellowpages.com.au](http://www.yellowpages.com.au)). Use keyword - "export agents".

You may also wish to commission a specialist to prepare your marketing strategy and plan. For a list of firms in Western Australia, please refer to Yellow Pages Online (keyword - "marketing services and consultants").

### Packaging and labelling

You will need to take the following points into consideration when packaging and labelling your products for the overseas market:

#### Importing country requirements

- Legal labelling requirements of the country you are exporting to
- Cultural considerations (for example colours that may not be appropriate)
- Correct use of foreign language.

For information on translation services in Western Australia please refer to Yellow Pages Online ([www.yellowpages.com.au](http://www.yellowpages.com.au)). Use keyword - "translation".

Information on labelling requirements for the country you wish to export to can be obtained from Austrade ([www.austrade.gov.au](http://www.austrade.gov.au)), the Commonwealth Government's export and trade agency. Information is available under Industry Standards for the country you wish to export to.

#### Australia's exporting requirements

The Australian Customs Service ([www.customs.gov.au](http://www.customs.gov.au)) requires compliance with the following:

"Exporters should be aware that it is an offence to knowingly apply any false trade descriptions to any goods destined for export or to export such goods. A false trade description means any description which by addition, deletion, effacement or otherwise is false or is likely to mislead".

For further information please contact the Customs Information Centre on 1300 363 263.

### Pricing and quoting your export product

Pricing can be a problem, even for an experienced exporter. It is critical that you consider all additional costs incurred when exporting as these additional costs can add substantially to the price you will need to set. It is advisable to find out what the prices are of your competitors.

### Pricing

Costs that may need to be considered in determining a price for your export product include:

- Cost per unit (either full or marginal costing)
- Tax or duty drawback
- Profit margin required
- Special labelling requirements and special packaging requirements
- Marketing packaged products
- Insurance costs (marine, transport and payment)
- Haulage costs to wharf, yard, storage
- Loading charges, port or airport charges
- Demurrage, cold storage or other holding fees
- Transport charges and cost to storage at destination
- Cost of obtaining export documents, licences, permits, etc
- Consular charges for verification of documents
- Shipping agent/freight forwarding agent fees
- Cost of financial transaction
- Cost of hedging the transaction and exchange charges
- Unloading fees
- Import duties
- Overseas agent commission.

It is advisable to develop an export costing and quotation sheet, to ensure an accurate price is quoted to the buyer. Following a formal checklist helps reduce the chance of exporting at a loss. Most shipping agents, freight forwarders and airlines will assist in preparing costings and documentation requirements.

### Quoting

The key items that must be included in a quote are:

- Name of product
- Quantity supplied
- Packaging to be used
- Quality determinants that apply to the product
- Price and terms of price (for example, price includes freight)
- Payment terms and method of payment
- Shipping details
- Documentation (certificate of origin, airway bill, bill of lading, etc)
- Other specific conditions of sale.

### International terms

It is important you obtain a copy of the book *Incoterms 2000* that details the various terms used in quoting for exports and the responsibilities of the buyer and the seller. Copies are available through Austrade ([www.austrade.gov.au](http://www.austrade.gov.au)) or the Chamber of Commerce of Western Australia ([www.cciwa.com](http://www.cciwa.com)).

### Export requirements, restrictions and regulations

The export of goods from Australia is controlled by the Australian Customs Service. Officers are available to provide advice and information relating to export requirements and restrictions. Please contact 1300 363 263.

#### Overseas countries' importing regulations

The Australian Customs Service ([www.customs.gov.au](http://www.customs.gov.au)) has detailed information available online, including customs guide to exporting, prohibited and restricted exports and moving cargo more securely.

Please also refer to the Australian Quarantine and Inspection Service ([www.daffa.gov.au/aqis](http://www.daffa.gov.au/aqis)) for information on exporting animal and plant products, including inspection and certification services.

Most countries apply a number of import and exchange control regulations, which govern the entry of foreign goods into their country. You will need to find out what the regulations are for the country you are planning to export to. This information is available by:

- Contacting the customs department in the country you are planning to export to
- Refer to Austrade's ([www.austrade.gov.au](http://www.austrade.gov.au)) country information section ("Tariffs/Regulations").

The World Trade Organisation ([www.wto.org](http://www.wto.org)) is the only global international organisation that deals with the rules of trade between nations.

The World Legal Information Institute ([www.worldlii.org](http://www.worldlii.org)) provides free, independent and non-profit access to worldwide law.

### Putting together an international contract

International contracts can be extremely complex and you should seek legal advice from an international contracts expert.

When it comes to putting together a contract you will find the following information is required:

- Definition of terms (refer to *Incoterms 2000*)
- Limiting agreement to the contract
- Goods description
- Contents of the payment clause
- The 'retain property until payment' clause

- Trade terms (shipping terms, as with *Incoterms 2000*)
- Force majeure
- Dispute resolution
- Applicable law and jurisdiction
- Fees and charges - including what you are responsible for and what your buyer is responsible for.

The Western Australian Chamber of Commerce and Industry ([www.cciwa.com](http://www.cciwa.com)) can provide sample agreements to assist companies negotiate contracts for the sale of goods as well as agency, distributorships, joint ventures and licensing agreements.

### International terms - *Incoterms 2000*

It is important you obtain a copy of the book *Incoterms 2000* that details the various terms used in quoting for exports and the responsibilities of the buyer and the seller. Copies are available through Austrade ([www.austrade.gov.au](http://www.austrade.gov.au)) or the Western Australian Chamber of Commerce and Industry ([www.cciwa.com](http://www.cciwa.com)).

## Preparing your export documentation

Export documentation can vary in complexity, depending on the method of transport and payment terms. For example, some of the documentation includes:

- **Commercial documents** - such as packing lists, commercial invoices, bill of exchange and insurance certificates
- **Transportation documents** - such as interim receipt/forwarding instructions, bill of lading, export wharfage and air way bills
- **Special documents** - include those which are specific to the importing country.

### Assistance with preparing export documentation

The Chamber of Commerce and Industry, Western Australia ([www.cciwa.com](http://www.cciwa.com)) can provide full details on documentation required for specific countries. CCIWA is authorised to issue documentary evidence of origin (Certificates of Origin) for goods exported from Australia, and also provides certification and authentication services for other documents such as commercial invoices, price lists, agency agreements and visa letters.

Another source of information on documentation is the Australian Federation of International Freight Forwarders ([www.afif.asn.au](http://www.afif.asn.au)) who provide a package of services including logistics, export documentation, and customs requirements.

Australia Trade and Shipping ([www.australiatrade.com.au](http://www.australiatrade.com.au)) provides information on shipping and export documentation.

Australian Institute of Export ([www.aiex.com.au](http://www.aiex.com.au)) provides a wide range of exporter services, practical export education and training and acts as a conduit between industry and government.

There are several organisations that run specific courses on preparing export documentation. Please refer to the section on courses and training for further information.

### Finance and payment methods

Financing a company to export requires:

- Developing credit checking, credit risk and exchange risk minimisation procedures
- Establishing an accounting system to keep track of and recover payments from buyers
- Planning the medium to long term financial requirements for export expansion
- Preparing cash flow projections to determine the amount of finance required and the period of time the finance will be required for. Issues affecting cash flow are:
  - Purchase of stock
  - Manufacturing expenses
  - Payment of export expenses
  - Payment terms offered to buyer
  - Finance and insurance expenses.
- Discussing with financial institutions and the international sections of banks the different financing facilities that may be available to exporters:
  - Overdraft
  - Commercial bills
  - Foreign bill negotiation facility
  - Foreign currency export advance facility
  - Foreign currency accounts.
- Determine buyer credit and payment method policies for export sales:
  - Prepayment
  - Open account
  - Documentary collection
  - Documentary credit.

Most major banks have trade divisions that can help you with financing international transactions. In addition, the Export Finance and Insurance Corporation ([www.efic.gov.au](http://www.efic.gov.au)) has financing services especially developed for exporters.

The Export Finance and Insurance Corporation can also help secure working capital finance from financial institutions through its Export Working Capital Guarantee product or provide the bond facilities often required for export contracts.

Xe.com ([www.xe.com](http://www.xe.com)) provides a free universal currency conversion tool.

### Transportation and distribution channels

Due to extensive handling of your product when transporting the goods overseas, it is important that you package the product appropriately to avoid breakage, moisture damage and theft.

#### Methods of transport

- Postal - ideal for small packages. Postal types include surface mail, airmail and surface air lifted
- Sea freight – the cheapest, although slowest, method of transport
- Air freight – the fastest, although most expensive method of transport. It is worthwhile contacting a freight forwarder for discounted rates
- Road and rail transport - once product has reached country.

#### Freight forwarders and customs brokers

Using a freight forwarder can alleviate many of the problems associated with direct exporting as they will arrange all of the necessary transport and documentation required.

Customs brokers help clients find the most cost-effective ways to move trade consignments around the world.

For information on customs brokers and freight forwarders in Western Australia, please refer to Yellow Pages Online ([www.yellowpages.com.au](http://www.yellowpages.com.au)). Use keywords - "customs brokers", "transport and forwarding agents", "air cargo services".

#### Distribution channels

Austrade ([www.austrade.gov.au](http://www.austrade.gov.au)), the Commonwealth Government's export and trade agency, provides information on distribution channels under its Export Markets section.

### Types of insurance and risk assessment

There are a number risks and obstacles associated with exporting, which need to be considered and addressed. Risks and obstacles include additional risk management, preparing new promotional material, waiting longer for payments, possible political and commercial insecurity, and the additional resources required to successfully export your goods. The WA Global Network can discuss risk mitigation with you. To discuss risk mitigation strategies please contact the WA Global Network's team of market development specialists (<http://www.dsd.wa.gov.au/waglobalnetworkcontacts>).

Insurance can cover against some risk causing potential losses. In the case of exporting there are two forms of insurance to consider:

- Marine insurance - for damage caused to goods during transport. Many marine insurers now provide insurance policies that cover multi-modal transport
- Payment insurance - to cover against non-payment arising from defined political and commercial risks.

Export Finance and Insurance Corporation ([www.efic.gov.au](http://www.efic.gov.au)), Australia's export credit agency, provides Medium-Term Payments Insurance to cover against non-payment arising from defined political and commercial risks.

In addition, Atradius ([www.atradius.com.au](http://www.atradius.com.au)) offers an extensive range of tailored credit insurance solutions to protect your profits and improve your cash flow. This organisation can also provide in-depth knowledge of global and domestic trade and market conditions to enable you to trade more safely. Atradius also offers an extensive range of risk management services.

### Export services directory

The export services directory has been designed to assist individuals and businesses to search for information relating to commerce and trade. It contains website addresses for State and Commonwealth Government departments; Australian and international industry associations; and international agencies that provide information on a number of countries, together with advice on how to do business in those countries.

The export services directory is available at [www.dsd.wa.gov.au/waglobalnetwork](http://www.dsd.wa.gov.au/waglobalnetwork).