

EXTERNAL TRADE

GENERAL INFORMATION

Historical background

From a traditional pattern of partnership with the United Kingdom, Australia has become in recent years more a trading partner of Japan and the United States of America and this is also the trading pattern in Victoria. Similarly the place occupied by European countries such as France and Italy in the 1950s has diminished proportionately in Victoria's trading pattern since the implementation of the European Economic Community. In 1975-76 the proportion of Australian trade at Victorian ports was 34.9 per cent of imports and 18.9 per cent of exports. Major imports were machinery, transport equipment, textiles, yarns, fabrics, petroleum and petroleum products, while major exports were wool, meat, wheat, and dairy products. The major countries contributing to imports were the United States of America, Japan, the United Kingdom, and the German Federal Republic, while the major countries receiving exports were Japan, New Zealand, the United States of America, and the United Kingdom.

Further reference, 1977

Legislation and agreements

Introduction

Of the three components of Victoria's trade, namely, transactions within the State, those with other Australian States, and those with countries outside Australia, the first two are, in the main, free of control or restriction; trade with overseas countries is subject to the customs laws of the Commonwealth Government.

By the Commonwealth of Australia Constitution Act, the power to make laws about trade and commerce with other countries was conferred on the Commonwealth Parliament, and by the same Act, the collection and control of customs and excise duties passed to the Executive Government of the Commonwealth of Australia on 1 January 1901.

The first Australian Customs Tariff was introduced by Resolution on 8 October 1901, from which date uniform duties came into effect throughout Australia. The Australian Customs Tariff has been developed in conformity with the policy of protecting economic and efficient Australian industries, and of granting preferential treatment to specified imports from certain Commonwealth countries. Some goods, generally those on which excise duty is paid if produced in Australia, are subject to duty for revenue purposes. Customs collections are a major source of revenue, and the protective character of the tariff has an important influence on the Australian economy.

The present Australian tariff, operative since 1 July 1965, provides for general and preferential rates of duty, and its structure is based on the "Brussels

Nomenclature" which has its origins in the Convention on Nomenclature for the Classification of Goods in Customs Tariffs, signed in Brussels on 15 December 1950.

Preferential rates apply to goods, the produce, or manufacture of the United Kingdom, Ireland, Canada, New Zealand, and Papua New Guinea, and certain goods, the produce or manufacture of specified countries, provided that such goods comply with the laws in force at the time affecting the grant of preference. With the termination on 1 February 1973 of the United Kingdom-Australia Trade Agreement existing preferential rates applicable to United Kingdom goods came under review.

General rates apply to goods from all countries which do not qualify for preferential rates of duty under a particular tariff classification.

Primage duties

In addition to the ordinary duties of customs imposed by the Customs Tariff, *ad valorem* primage duties at rates of 3 per cent, 7.5 per cent, and 10 per cent are charged on some goods according to the types of goods and their origin. Other goods are exempt from primage duty. Goods produced or manufactured by New Zealand, Norfolk Island, Cocos (Keeling) Islands, Christmas Island, and Papua New Guinea are exempt from primage duty.

Anti-dumping duties

The *Customs Tariff (Dumping) Act* 1975 provides protection for Australian industry against various forms of unfair trading. Under this Act dumping duty may be imposed on goods that are sold to Australian importers at a price which is less than the normal value of the goods, where this causes or threatens material injury to an Australian industry. "Normal value" under the Act can be established in accordance with the following criteria:

- (1) The price paid for like goods sold for use in the country of export; or if not appropriate,
- (2) the cost of production, plus f.o.b. charges, selling costs, and profit; or
- (3) the highest price paid for like goods sold to a third country; or if not appropriate,
- (4) the price of like goods from a country with similar costs of production to the exporting country; or
- (5) where insufficient information is available, a price determined by the Minister for Business and Consumer Affairs taking into consideration all available information.

Customs by-laws

Schedules 1 and 2 to the Customs Tariff contain several items relating to "goods, as prescribed by by-law". Such goods are admitted at concessional rates of duty, usually duty free. Generally, by-law entry is accorded to imported goods provided suitably equivalent goods are not reasonably available from Australian manufacturers or production.

Goods which automatically qualify for by-law admission are named in a document, the "Consolidated Customs By-law References", which is published by the Department of Business and Consumer Affairs.

For goods which are not listed in that publication, individual by-law applications may be lodged with the By-law Branch of the Department of Business and Consumer Affairs in Canberra. Responsibility for providing evidence that suitably equivalent goods are not reasonably available from Australian production rests within the person or organisation making the by-law application.

Industries Assistance Commission

The Industries Assistance Commission is a statutory authority whose general purpose is to advise the Commonwealth Government on the assistance which should be given to domestic industries. This advice is given in public reports which are based on public inquiries into the industries concerned. The Commission formally came into existence on 1 January 1974, as a result of the passing of the *Industries Assistance Commission Act 1973*.

Industries in the primary, secondary, or tertiary sectors can be referred to the Commission by the Commonwealth Government, and numerous different forms of assistance can be examined by the Commission. In addition, matters not directly involving assistance, such as the reduction of import duties for the purpose of international trade agreements, can be referred to the Commission. The Act requires the Industries Assistance Commission to report annually to the Commonwealth Government on the operation of the Commission and on the general structure of industry assistance in Australia and its effect on the Australian economy.

There are certain matters which the Minister is required to refer to the Commission for inquiry and report, before action is taken by the Commonwealth Government. These are, basically, proposed variations in the long-term assistance granted to industries in the primary or secondary sectors of the economy. Long-term assistance in this context means assistance which is provided by means of tariffs or other restrictions on imports; or financial assistance which extends over a period of two or more years. The Commission itself has the power to initiate inquiries into those industries whose assistance has not been reviewed for at least ten years, in the case of industries assisted by means of duties on imports, or at least six years in the case of industries assisted by other means.

The Act states that the Commission shall consist of from five to nine commissioners, appointed by the Governor-General for renewable terms of up to five years. It provides also for the appointment of associate commissioners, either for the purpose of particular inquiries or, like the commissioners, for renewable terms of up to five years. The commissioners are supported by an office which is staffed by members of the Commonwealth Public Service.

The Commission is required to hold public hearings during the course of its inquiries into individual industries. These hearings, which are advertised widely throughout Australia, are open to the public.

Temporary Assistance Authority

The *Industries Assistance Commission Act 1973* provided for the creation of a Temporary Assistance Authority comprising not more than three persons. The function of the Temporary Assistance Authority is to inquire into and report on the need for urgent action to protect particular industries against import competition. This action can take the form of temporary duties or restrictions on imports. The Temporary Assistance Authority is required to report to the Minister within thirty days of being asked to undertake an inquiry. However, before taking action on the Authority's report the Minister is required first to refer the question of any permanent change in protection against imports to the Industries Assistance Commission for inquiry and report. Temporary protection recommended by the Authority may operate for a period of up to three months after the date of receipt of the final report by the Industries Assistance Commission on the goods concerned.

Bilateral trade agreements

Australia has numerous trade agreements with overseas countries. The principal ones, describing the main features of the agreements, are outlined in the following notes.

Canada

Signed 1960. Provides for each country to give the other tariff preferences on specific goods and for the exchange of preferences in each country's tariff derived from the preferential agreements each had with Britain. The termination of these agreements with Britain created a need for Canada and Australia to review their own preferential trading arrangements. An Exchange of Letters governing the future operation of the 1960 Agreement was signed on 25 October 1973. The Exchange provides for a continuation of the tariff preferences, but on a more flexible basis, with some other modifications of provisions of the 1960 Agreement, particularly those relating to indirect shipment of goods and to anti-dumping procedures.

New Zealand

The New Zealand-Australia Free Trade Agreement (NAFTA) signed in 1965 came into force on 1 January 1966 and formally established a free trade area between Australia and New Zealand. However, complete free trade was not thereby achieved. The Agreement provides only for free trade in certain scheduled goods. Provision is made for additions to the free trade schedule. It also provides in respect of non-scheduled goods, for the two governments to agree on special measures (including the remission or reduction of duties) beneficial to the trade and development of each country.

The 1933 Agreement continues in effect as part of the Free Trade Agreement except as superseded or modified by it. Following the termination in early 1973 of the trade agreements which they had with Britain, Australia and New Zealand entered into an interim arrangement on tariffs and tariff preferences on 7 May 1973. This was further extended to 30 September 1977, to allow for the continuation of the contractual right of both countries to margins of preferences in each others' markets.

Malaysia

Signed 1958. The Agreement provides for each country to accord preferences to the other on certain specified goods. The exchange of these preferences was placed on a more flexible basis by an Exchange of Letters on 21 February 1975. The Agreement further provides for protection of Malaysia's tin and rubber exports to Australia and of Australia's wheat exports to Malaysia against dumped or subsidised competition. There are also certain guarantees of market access for Australian wheat in the Malaysian market and for natural rubber in the Australian market provided that the Papua New Guinea natural rubber crop is absorbed. The Agreement also assures Malaysia that Australian tariff or import licensing treatment of natural rubber will be the same as for synthetic rubber.

Republic of Korea

Signed 1975. The current Agreement replaced an earlier Agreement entered into by Australia and the Republic of Korea in 1965. The new Agreement states that the two governments are to take all appropriate measures to facilitate, strengthen, and diversify bilateral trade in accordance with the General Agreement on Tariffs and Trade; recognises the need to improve the conditions of world commodity trade; declares support in principle for international commodity agreements, and expresses support in principle for the conclusion of long-term commercial contracts between organisations and enterprises of the two countries. The Agreement also established a joint trade committee to further the aims of the Agreement.

Philippines

Signed 1965. Provides, *inter alia*, for reciprocal most favoured nation treatment of imports from either country; recognises preferential agreements of both

countries ; provides consultations on request of either Government ; supports the principle of international action to improve international trade in primary products.

In August 1977 notes were yet to be exchanged between the two Governments to formally bring into force a verified Trade Agreement signed in June 1975.

Papua New Guinea

Signed 1976. The Papua New Guinea Australia Trade and Commercial Relations Agreement (PTCRA) provides, *inter alia*, that subject to certain exceptions, trade between Australia and Papua New Guinea shall be free of duties and other restrictions.

Indonesia

Signed 1972. Current Agreement replaced earlier Agreement signed in 1959. provides, *inter alia*, for reciprocal most favoured nation treatment of imports ; expresses support for trade initiatives and arrangements among member countries of the Association of South East Asian Countries (ASEAN) ; declares support in principle for international commodity agreements and encouragement for Australian commercial investment in Indonesia.

Iran

Signed 1974. The Agreement states that the two governments are to take all appropriate measures to facilitate, strengthen, and diversify trade and encourage industrial and technical co-operation ; declares the support of both governments for the principle of long-term contracts between organisations and enterprises of the two countries ; incorporates schedules of goods each country is interested in exporting to the other ; and provides that payments in relation to trade will be in convertible currency. The Agreement also established a committee of representatives to further the aims of the Agreement.

Japan

Signed 1957. The current Agreement on commerce between Australia and Japan was initially signed in 1957, amended in 1963 and formerly ratified on 27 May 1964. It provides for reciprocal most favoured nation treatment of imports while recognising the preferential arrangements of both countries ; for certain commitments by Japan in regard to some important Australian export commodities including wool, soft wheat, sugar, canned meat, leather, butter, and cheese ; and for equal opportunity for Japanese products in relation to Commonwealth Government purchases from suppliers overseas. It also provides for close consultation between the two countries on matters relating to trade.

People's Republic of China

Signed 1973. The Agreement provides, *inter alia*, for reciprocal most favoured nation treatment for imports, while recognising the preferential arrangements extended by both countries. The Agreement includes schedules of goods which each country is interested in exporting to the other. It also provides that exchanges of goods and technical services under contracts and agreements will be at reasonable international market prices ; that payments in relation to trade will be in freely convertible currency ; and that each country will promote the interchange of trade representatives, groups, and delegations, and encourage the commercial exchange of industrial and technical expertise. The Agreement also established a Joint Trade Committee to further the aims of the Agreement.

U.S.S.R.

Signed 1965. The Agreement provides for reciprocal most favoured nation treatment of imports and recognised the preferential agreements of both countries. A supplementary Agreement on the Development of Trade and Economic

Relations was signed in 1973 and provides, *inter alia*, for encouragement and facilitation of trade between the two countries; encouragement of industrial and technical co-operation; support for international commodity agreements; and established a Mixed Commission to provide a forum for regular consultations on measures to develop bilateral trade and on bilateral trade problems, and to further the aims of the Agreement.

Eastern Europe

The Trade Agreements Australia signed with the German Democratic Republic, Hungary, Bulgaria (all in 1974), and Roumania (in 1975) are broadly similar in their provisions. They either confirm reciprocal most favoured nation treatment of imports while recognising preferential arrangements or, as in the Trade Agreements with Hungary and Roumania, acknowledge that trade between Australia and these countries is to be in accordance with the rights and obligations of both countries under the General Agreement on Tariffs and Trade. They provide for the encouragement and facilitation of the further development of mutually beneficial trade and economic relations; and express support in principle for the conclusion of relevant international commodity agreements aimed at improving the conditions of international trade in primary products. There are provisions to encourage and facilitate the development of economic co-operation and the negotiation of long-term commercial contracts between respective enterprises and organisations and the interchange of commercial trade and technical representations, groups, and delegations. In addition, the Agreements with the German Democratic Republic and Bulgaria provide for the exchange of indicative lists of goods each country is interested in exporting to the other. Mixed Commissions are also established by these Agreements to provide a forum for regular bilateral discussions on trade development and trade related issues and problems. Other Bilateral Trade Agreements are in force with Poland, signed 1966; Yugoslavia, signed 1970; Czechoslovakia, signed 1972. A protocol (to the Trade Agreement with the German Democratic Republic) on Industrial and Technical co-operation was signed in Berlin in 1977.

Other nations

Other Bilateral Trade Agreements are in force with the Socialist Republic of Vietnam, signed 1974, and India, signed 1976.

General Agreement on Tariffs and Trade (GATT)

The General Agreement on Tariffs and Trade, to which Australia was one of the original contracting parties, is an international trade agreement which has been in operation since 1 January 1948. At March 1976, eighty-three countries, whose foreign trade represents well over 80 per cent of the total volume of world trade, were full contracting parties to the Agreement, three had acceded provisionally, and nineteen had applied the Agreement on a *de facto* basis.

Six series of tariff negotiations have been conducted, as a result of which Australia has obtained tariff concessions from individual countries on a number of its principal or potential exports to them, as a consequence of both direct negotiation by Australia and negotiation by other countries. A new round of multilateral trade negotiations (the seventh) was inaugurated at Tokyo in September 1973, and approximately ninety countries, both GATT and non-GATT members, are participating in the negotiations. It has been agreed that the principal areas of negotiation should be the reduction of tariff and non-tariff barriers to trade in agricultural and industrial products; and the safeguarding of measures against the disruption of domestic industries by imports. The problems of developing countries are being given special consideration.

Excise Tariff

The Excise Tariff applies to certain articles which can be manufactured only under licence and subject to certain conditions. The tariff relates to beer, spirits, amylic alcohol and fusel oil, saccharin, liqueurs, flavoured spirituous liquors, tobacco, cigars, cigarettes, snuff, coal, certain petroleum, shale, or coal tar distillates, playing cards, cigarette papers, matches, wine (certain types), and canned fruit.

Customs (Import Licensing) Regulations

Import licensing of certain goods from non-British countries was introduced in 1936 by an amendment to the Customs (Prohibited Imports) Regulations. Licensing was strengthened on 1 December 1939 under the Customs (Import Licensing) Regulations because war-time conditions required close controls on imports. It was relaxed progressively after the end of the Second World War so that by March 1952 goods from the non-dollar area (except Japan, to which special conditions applied until 1957) were virtually free from import licensing controls. A decline in the price of wool and a large increase in imports in the year 1951-52 so endangered Australia's external financial position that import licensing was significantly intensified in March 1952.

The 1939 Regulations were subsequently substituted by the Customs (Import Licensing) Regulations of 1956. Between March 1952 and February 1960 import restrictions were varied broadly in line with Australia's balance of trade position. From February 1960 only some 10 per cent of imports by value remained subject to control. Most of the restrictions were removed in October 1962 when licensing was limited to certain goods controlled for reasons of industry protection.

After the general 25 per cent reduction in the Australian Customs Tariff rates in 1973 it also became necessary to impose licensing on a quantitative basis in respect of a limited number of commodities. These controls were introduced to afford temporary protection to local manufacturers pending the examination by the Industries Assistance Commission of the longer term needs for protection.

Trade Services

Trade Commissioner Service

The stimulation of interest overseas in Australia's exports is an important government activity in which the Australian Trade Commissioner Service plays a prominent role. Since the end of the Second World War the Service has grown steadily, and by early 1977 there were 160 Trade Commissioners and Assistant Trade Commissioners, and 57 posts had been established in 46 countries.

Trade Commissioners are responsible for commercial intelligence in their territories. Particular facilities provided for Australian exporters and export organisations include: surveys of market prospects; advice on selling and advertising methods; arranging introductions with buyers and agents; providing reports on the standing of overseas firms; advice and assistance to business visitors; assisting less developed countries in promoting their exports in Australia; helping to organise and carry through trade missions, trade displays, newspaper supplements, and other promotion and publicity media; providing information on import duties, import licensing, economic conditions, quarantine and sanitary requirements, and other factors affecting the entry and sale of goods and services, particularly in consultancy fields; helping to attract desirable investment overseas by Australian firms; and providing information on Australia to overseas firms interested in investing in Australia.

In some countries Trade Commissioners also participate in inter-governmental negotiations in the economic and commercial fields. In certain countries where there is no diplomatic or consular mission, Trade Commissioners are called upon to act as the Australian representative.

Trade Commissioners, Assistant Trade Commissioners, and Trainee Trade Commissioners are drawn from both private enterprise and the Commonwealth Public Service, and applications for entry are invited periodically by public advertisement. Recruitment is generally at the Trainee Trade Commissioner or Assistant Trade Commissioner level and officers selected are promoted to higher grades or to Trade Commissioner as experience and performance warrant. In the majority of posts the Trade Commissioner is supported by an Assistant Trade Commissioner and, in some cases, also by another Trade Commissioner.

The Trade Commissioner Service is administered by the Commonwealth Department of Overseas Trade (as distinct from the diplomatic and consular services administered by the Commonwealth Department of Foreign Affairs), but in countries where there is an Australian diplomatic or consular mission it is the practice for Trade Commissioners to be attached to the mission and to hold an appropriate diplomatic or consular rank (Minister Commercial, Commercial Counsellor, Commercial Secretary, or Commercial Attaché).

Trade missions

Up to December 1976 the Commonwealth Government had sent 119 trade and survey missions and five trade ships overseas as part of the campaign to increase exports. The experience acquired has indicated the need for flexibility in techniques to suit particular products or markets. At present the following types of trade missions are in use:

(1) *Survey missions.* These are organised to obtain precise knowledge about the export trade potential for specific products in one or more overseas markets. Such methods are used to explore export prospects in new or developing areas where commercial intelligence is not readily available or where a complex industry is involved and the industry requires special export knowledge.

(2) *Specialised and general trade missions.* Arrangements are made for specific industries or groups of firms representing a number of industries to participate in a planned selling campaign in overseas markets with known sales potential. The mission visits the market, publicises its products, and subsequently negotiates sales.

Trade displays, fairs, exhibitions, and store promotions

Since 1949, the Commonwealth Department of Overseas Trade has organised Australian participation in numerous major trade fairs, exhibitions, and displays throughout the world.

Initially the emphasis was on participation in general trade fairs directed at the public and the general commercial community. With the development of more sophisticated export promotion techniques and the increased diversity of Australian manufactured goods available for export, more emphasis is now placed on individual Australian trade displays and participation in specialised trade shows directed almost entirely at the business community. In addition, display rooms attached to Trade Commissioner offices are currently in use in Singapore, Kuala Lumpur, Manila, Hong Kong, Jakarta, Port Moresby, and Suva.

Export market development grants

In December 1974, legislation was passed by the Commonwealth Parliament to provide incentives for the development of export markets. The *Export Market Development Grants Act 1974* authorised the establishment of the Export Market Development Grants Board to administer the grants scheme. This scheme, operative for five years, replaced the former Export Market Development Allowance and Export Incentive Grants schemes.

Grants payable under this scheme are subject to income tax and are designed to encourage Australian exporters and prospective exporters to develop overseas markets for their products and services which are substantially of Australian origin.

Grants are payable to any resident of Australia who incurs eligible expenditure, as defined in the Act, in developing an export market for goods and services intended to be exported from Australia. Export market development grants are made at either the premium rate of 85 per cent or the standard rate of 60 per cent for eligible expenditure. The premium rate applies to participants in Commonwealth Government organised and Commonwealth Government sponsored overseas promotions, new markets, and to certain subscriptions or levies. The standard rate applies to all other eligible expenditure.

For practical purposes the Commonwealth Department of Overseas Trade organises Australian participation only in those specialised overseas promotions which are likely to attract a sufficient number of Australian exporters to reflect a reasonably comprehensive range of Australian products. For specialised overseas promotions in which it is not organising Australian participation, the Commonwealth Department of Overseas Trade is prepared to consider requests from intending Australian participants to sponsor these promotions. Eligible expenditure incurred in both Commonwealth Government organised and Commonwealth Government sponsored overseas promotions automatically qualifies for the premium grant rate.

The maximum grant payable in any year is \$100,000 or 10 per cent of export earnings, whichever is the lower, plus an additional amount of up to \$25,000 for eligible expenditure incurred on Commonwealth Government organised or Commonwealth Government sponsored promotions.

Export of consulting services

Australian professional consultants, with the assistance of the Commonwealth Department of Overseas Trade, have been increasingly successful in obtaining overseas commissions and are contributing significantly to Australia's foreign exchange earnings.

The consultants are representative of a wide range of disciplines, including engineering, architecture, agriculture, mining, surveying, and urban and regional planning.

Most opportunities for Australian professional consultants arise through development projects financed by international aid and lending organisations such as the International Bank for Reconstruction and Development, the United Nations Development Programme, and the Asian Development Bank.

To enable Australian consultants to improve their competitive position as compared with that of foreign consultants, the Commonwealth Government established the Consulting Services Feasibility Study Fund in 1973. This facility is used to finance selected feasibility studies of approved developmental projects overseas carried out by Australian consultants in developing countries.

The Department of Overseas Trade maintains close contact with the respective professional bodies representative of consultants, particularly the reconstructed Australian Professional Consultants Council.

Construction contracts overseas

The Australian Overseas Construction Council, which was formed by the Master Builders' Federation of Australia and the Australian Federation of Construction Contractors, assists construction contractors in the securing of contracts overseas. It has a close liaison with the Commonwealth Department of Overseas Trade, which provides information on construction opportunities overseas.

Investment overseas

The Commonwealth Government promotes and encourages direct private Australian investment overseas, particularly in developing countries where the investment is undertaken on a joint venture basis with participation by local partners, and which is in accordance with the social and economic development priorities and investment plans of the host countries. Investments overseas should also be in Australia's national interest. The Commonwealth Government assists worthwhile new investment by a number of measures, including:

Overseas Investment Insurance Scheme. Insurance of overseas investments against the non-commercial risks of expropriation, exchange control restrictions, and war damage can be effected with the Export Finance Insurance Corporation. Since February 1975, the scope of the scheme has been broadened to include all new investments which might assist in the economic and social development of an overseas country. The scheme has also been extended to include new eligible investments in Papua New Guinea.

General Investment Information and Advisory Service. To assist Australian firms in evaluating investment prospects in overseas countries, a comprehensive range of investment information on a number of overseas countries is held by the regional and head offices of the Commonwealth Department of Overseas Trade, and is available free on request to investors and potential investors. The Department also arranges seminars on investment opportunities and prospects in specific countries.

Victorian Government involvement in overseas trade

There are no specific Victorian trade services, although Victorian Government representatives overseas indirectly stimulate trade in performing agency functions. The Victorian Government has acted as co-sponsor or patron for trade fairs.

Further reference, 1977 ; Victoria's pattern of trade, 1964 ; Export Payments Insurance Corporation, 1975 ; Historical background, 1977

EXTERNAL TRADE STATISTICS

Compilation

A description of the method of compilation of external Trade Statistics can be found on pages 537-8 of the *Victorian Year Book 1977*.

Recorded value of imports and exports

Before 1 July 1976 all values in overseas trade statistics were determined on a "free on board (f.o.b.) port of shipment" basis. This meant that all charges (in particular the cost of freight and insurance) incurred after the goods had been exported from the port of shipment were excluded. Only transport and service charges incurred, or usually incurred, before export were included in the determination of trade values.

On 1 July 1976 a new system was introduced for valuing imports for customs purposes. Under the new system, which is based on the internationally recognised Brussels Definition of Value, the value for duty is now based on the normal price, i.e., the price the goods would fetch at the time when the duty becomes payable on a sale in the open market between a buyer and a seller independent of each other. The goods are valued in the country of exportation, i.e., freight and insurance are excluded.

Overseas trade of Victoria

Statistics of Australia's overseas trade passing through Victorian ports are compiled from documents obtained under the Customs Act and are shown in the following tables :

**VICTORIA—OVERSEAS TRADE : RECORDED VALUES OF IMPORTS
INTO AND EXPORTS FROM VICTORIAN PORTS**
(\$'000 f.o.b.)

Year	Imports	Exports			Excess of imports
		Australian produce	Re-exports	Total	
1971-72	1,431,076	1,103,230	36,501	1,139,731	291,345
1972-73	1,472,602	1,461,778	33,595	1,495,373	-22,771
1973-74	2,155,759	1,556,720	36,920	1,593,640	562,119
1974-75	2,793,411	1,631,044	65,784	1,696,828	1,096,583
1975-76	2,875,342	1,752,502	65,742	1,818,244	1,057,098

NOTE. Minus (—) sign denotes excess of exports.

**AUSTRALIA AND VICTORIA—VALUE OF AUSTRALIAN TRADE
AND PROPORTION HANDLED AT VICTORIAN PORTS**

Year	Australian trade			Proportion of Australian trade handled at Victorian ports		
	Imports	Exports	Total	Imports	Exports	Total
	\$'000 f.o.b.	\$'000 f.o.b.	\$'000 f.o.b.	per cent	per cent	per cent
1971-72	4,008,365	4,893,368	8,901,733	35.7	23.3	28.9
1972-73	4,120,727	6,213,704	10,334,431	35.7	24.1	28.7
1973-74	6,085,004	6,913,746	12,998,750	35.4	23.1	28.8
1974-75	8,083,099	8,672,762	16,755,861	34.6	19.6	26.8
1975-76	8,240,187	9,600,748	17,840,935	34.9	18.9	26.3

Classification of overseas imports and exports

The value of trade according to Australian Import Commodity Classification (AICC) and Australian Export Commodity Classification (AECC) classifications is shown in the following table for the year 1974-75 and 1975-76:

VICTORIA—CLASSIFICATION OF OVERSEAS IMPORTS AND EXPORTS
(\$'000 f.o.b.)

Division number	Description	Imports		Exports	
		1974-75	1975-76	1974-75	1975-76
00	Live animals	5,024	5,350	4,754	3,995
01	Meat and meat preparations	1,051	531	121,323	178,507
02	Dairy products and eggs	6,060	7,864	125,743	152,665
03	Fish and fish preparations	19,190	21,449	10,353	12,248
04	Cereals and cereal preparations	3,054	3,509	221,180	244,349
05	Fruit and vegetables	32,946	20,941	58,950	64,714
06	Sugar and sugar preparations and honey	3,060	3,520	2,803	2,526
07	Coffee, tea, cocoa, spices, and manufactures thereof	40,510	39,598	8,782	8,902
08	Feeding-stuff for animals (except unmilled cereals)	1,797	1,723	6,090	7,428
09	Miscellaneous preparations chiefly for food	3,267	3,395	1,531	2,260
11	Beverages	5,965	7,703	4,684	5,139
12	Tobacco and tobacco manufactures	21,006	25,233	2,294	3,175
21	Hides, skins and fur skins, undressed	1,754	1,533	50,884	66,667
22	Oil seeds, oil nuts, and oil kernels	2,555	1,542	343	1,039
23	Crude rubber (including synthetic and reclaimed)	17,560	21,790	821	1,388
24	Wood, timber, and cork	19,835	23,215	173	154
25	Pulp and waste paper	20,945	14,608	23	51
26	Textile fibres and their waste	24,155	41,021	244,019	286,528
27	Crude fertilisers and crude minerals (except coal, petroleum, and precious stones)	24,675	22,119	1,403	1,705

VICTORIA—CLASSIFICATION OF OVERSEAS IMPORTS AND EXPORTS—*continued*
(S'000 f.o.b.)

Division number	Description	Imports		Exports	
		1974-75	1975-76	1974-75	1975-76
28	Metalliferous ores and metal scrap	458	437	51,525	44,108
29	Crude animal and vegetable materials, n.e.c.	8,600	7,192	8,955	9,847
32	Coal, coke, and briquettes	290	230	4,248	2,560
33	Petroleum and petroleum products	111,423	109,329	118,443	111,895
34	Petroleum gases and other gaseous hydrocarbons	31	34	(a)	(a)
41	Animal oils and fats	387	475	20,785	21,231
42	Fixed vegetable oils and fats	15,288	19,145	838	588
43	Animal and vegetable oils and fats, processed, and waxes of animal or vegetable origin	2,141	1,889	1,103	1,221
51	Chemical elements and compounds	103,626	86,203	8,934	10,764
52	Mineral tar and crude chemicals from coal, petroleum, and natural gas	1,267	1,268	3	5,123
53	Dyeing, tanning, and colouring materials	16,024	16,766	4,156	3,660
54	Medicinal and pharmaceutical products	27,506	25,192	9,324	9,997
55	Essential oils and perfume materials; toilet, polishing, and cleansing preparations	6,155	5,937	2,827	2,226
56	Fertilisers, manufactured	3,082	2,288	32	1,124
57	Explosives and pyrotechnic products	4,019	3,667	2,460	1,435
58	Plastic materials, regenerated cellulose, and artificial resins	97,329	81,736	16,856	16,200
59	Chemical materials and products, n.e.c.	35,601	31,384	11,288	20,445
61	Leather, leather manufactures, n.e.c., and dressed fur skins	8,569	10,232	1,890	2,508
62	Rubber manufactures, n.e.c.	37,144	33,028	3,302	2,028
63	Wood and cork manufactures (except furniture)	12,949	16,024	918	590
64	Paper, paperboard, and manufactures thereof	80,186	65,482	5,835	4,330
65	Textile yarns, fabrics, made-up articles, and related products	194,890	256,669	14,145	11,052
66	Non-metallic mineral manufactures, n.e.c.	48,335	52,136	9,717	8,184
67	Iron and steel	104,458	66,619	18,508	8,594
68	Non-ferrous metals	20,110	14,476	48,581	45,795
69	Manufactures of metal, n.e.c.	72,737	68,590	42,545	37,276
71	Machinery (except electric)	466,969	428,012	76,557	74,605
72	Electrical machinery, apparatus, and appliances	238,681	289,734	44,583	38,034
73	Transport equipment	418,761	451,867	100,972	71,136
81	Sanitary, plumbing, heating, and lighting fixtures and fittings	7,658	8,746	1,358	949
82	Furniture	8,316	12,214	722	707
83	Travel goods, handbags, and similar articles	4,879	6,737	118	38
84	Clothing and clothing accessories; articles of knitted or crocheted fabric	70,873	82,465	6,041	6,421
85	Footwear, gaiters, and similar articles and parts thereof	21,265	25,788	513	427
86	Professional, scientific, and controlling instruments; photographic and optical goods, watches, and clocks	93,477	106,836	24,242	27,114
89	Miscellaneous manufactured articles, n.e.c.	128,293	144,671	24,212	16,805
9A	Commodities and transactions of merchandise trade, n.e.c.	48,234	57,138	(b)97,064	(b)118,194
Total merchandise		2,774,420	2,857,280	1,649,753	1,780,651
9B	Commodities and transactions not included in merchandise trade	18,991	18,061	47,075	37,594
Total		2,793,411	2,875,342	1,696,828	1,818,244

(a) Included in Division 9A.

(b) Includes Division 34.

Trade with overseas countries

The value of trade with overseas countries for the years 1973-74 to 1975-76 is shown in the following table :

VICTORIA—OVERSEAS IMPORTS AND EXPORTS : COUNTRIES OF
ORIGIN AND CONSIGNMENT
(\$'000 f.o.b.)

Country	Imports			Exports		
	1973-74	1974-75	1975-76	1973-74	1974-75	1975-76
Arab Republic of Egypt	345	273	46	13,273	38,891	40,141
Belgium-Luxembourg	23,164	28,902	24,883	10,356	8,717	20,888
Canada	64,828	75,105	57,967	36,521	31,244	28,144
China—						
Excluding Taiwan						
Province	23,489	25,822	22,787	42,760	51,694	49,193
Taiwan Province only	45,504	41,616	54,922	19,162	23,443	36,843
Denmark	10,726	12,586	12,161	2,057	2,413	2,536
Fiji	686	655	1,484	12,578	18,268	14,852
France	33,475	57,463	55,704	65,224	46,125	49,007
Germany, Federal						
Republic of	212,455	261,072	251,077	37,175	42,782	40,475
Hong Kong	61,229	64,058	85,241	34,417	30,695	40,790
India	20,023	21,261	20,446	9,838	11,149	17,800
Indonesia	4,775	7,113	8,503	27,437	39,682	37,899
Iran	4,527	6,036	8,190	6,505	22,428	12,682
Iraq	18,812	64,038	38,969	3,061	2,795	844
Italy	53,479	73,821	66,770	31,200	24,187	36,005
Japan	383,578	478,637	564,515	355,031	313,653	399,581
Korea, Republic of	11,484	18,613	30,491	12,126	14,692	19,730
Kuwait	19,639	7,878	8,234	1,898	3,856	3,909
Malaysia	26,787	20,870	31,524	35,707	41,405	34,544
Netherlands	30,434	48,557	61,126	11,597	20,279	18,556
New Zealand	67,015	67,856	95,783	170,275	217,874	185,415
Pakistan	5,555	2,139	2,786	1,755	16,604	7,238
Papua New Guinea	11,370	10,939	12,310	30,444	45,300	45,600
Philippines	4,815	6,863	9,325	24,449	39,606	36,710
Poland	2,747	2,866	2,023	18,204	16,225	15,030
Qatar	21,614	..	..	299	2,113	1,324
Saudi Arabia	3,709	12,325	20,184	8,687	16,360	14,814
Singapore	14,230	19,366	30,549	32,934	55,262	54,530
South Africa	9,343	11,966	10,668	33,280	30,389	29,662
Spain	14,089	14,223	14,600	7,202	5,004	5,876
Sri Lanka	4,137	5,593	4,952	3,368	12,989	7,629
Sweden	42,137	70,315	67,169	6,790	10,038	8,310
Switzerland	32,861	35,561	40,298	6,615	5,262	3,350
Thailand	3,592	5,514	7,321	19,761	17,179	14,507
United Kingdom	318,101	453,895	411,944	102,673	97,559	84,901
United States of America	439,779	599,966	603,087	173,441	121,370	164,508
U.S.S.R.	1,749	2,514	1,673	42,124	38,991	72,632
Yugoslavia	910	1,269	1,368	28,929	15,268	13,342
Other and unknown	108,567	155,865	134,262	114,487	145,037	148,447
Total	2,155,759	2,793,411	2,875,342	1,593,640	1,696,828	1,818,244

Interstate trade

Statistics of trade between Victoria and other Australian States are incomplete and relate mainly to seaborne trade. Although a substantial quantity of freight is carried by road and rail transport between Victoria and neighbouring States, no details of this traffic are available. A small tonnage of freight is carried interstate by air.

Interstate trade by sea

In terms of quantity, the principal cargoes carried interstate by ship to and from Victorian ports are coal and briquettes, petroleum and petroleum products, steel, sugar and sugar preparations, and timber. However, there is also a considerable trade in foodstuffs, motor vehicles, and other manufactured goods, particularly through the Port of Melbourne.

Port of Melbourne

Interstate exports during 1975-76 totalled 2,973,554 tonnes. The principal commodities were petroleum products, 1,178,616 tonnes; transport equipment (including touring passenger cars), 413,088 tonnes; food preparations, 69,855 tonnes; beverages, 44,285 tonnes; fruit and vegetables, 43,640 tonnes; and paper and paperboard, 38,810 tonnes.

Interstate imports during the same period totalled 2,886,238 tonnes, the principal commodities being petroleum products, 345,221 tonnes; iron and steel, 350,534 tonnes; sugar and sugar preparations, 296,900 tonnes; timber, 212,204 tonnes; paper and paperboard, 269,041 tonnes; gypsum, 179,425 tonnes; touring passenger cars, 164,668 tonnes; chemicals, 164,540 tonnes; and fruit and vegetables, 140,110 tonnes.

Port of Geelong

Total interstate exports during 1976 amounted to 1,151,287 tonnes, of which petroleum and petroleum products accounted for 1,120,117 tonnes. Total interstate imports for the same period amounted to 388,622 tonnes, and consisted mainly of aluminium, 199,775 tonnes; cement constituents, 68,305 tonnes; and pig iron and steel, 57,226 tonnes.

Trade of Victoria with Western Australia and Tasmania

Details of trade between Victoria and other States are available only for trade with Western Australia and trade by sea with Tasmania.

Western Australia

Exports from Victoria to Western Australia are valued in terms of landed cost (i.e., c.i.f. basis) at port of entry. Imports from Western Australia are valued at the f.o.b. equivalent at the port of shipment of the price at which the goods were sold. The small proportion of goods received by rail is valued at the f.o.r. equivalent.

For the year 1975-76 the value of exports from Victoria to Western Australia totalled \$626.2m. Transport equipment, \$117.2m; machinery other than electric, \$78.2m; clothing and clothing accessories and articles of knitted or crocheted fabric, \$54.3m; electrical machinery, apparatus and appliances, \$46.1m, were the main types of commodities included in this total.

Imports from Western Australia during the same period were valued at \$63.9m. Chemical elements and compounds, \$12.9m; machinery other than electric, \$11.8m; petroleum and petroleum products, \$5.8m, were the main types of commodities imported.

Detailed statistics of this trade appear in the publication *Statistics of Western Australia, Trade (Interstate and Overseas)*, 1975-76 issued by the Deputy Commonwealth Statistician, Perth.

Tasmania

Details of trade between Victoria and Tasmania are available only for trade by sea. Both exports and imports are valued on an f.o.b. basis.

For the year 1975-76 exports by sea from Victoria to Tasmania were valued at \$359.2m. Petroleum products, \$49.9m; transport equipment, \$44.1m;

machinery other than electric, \$21.4m, were the main types of commodities exported. The value of tourist's motor vehicles included in the total for 1975-76 were approximately \$31.6m.

Imports from Tasmania during the same period amounted to \$284.0m. Preserved vegetables, \$20.3m and timber, \$21.6m were the main types of commodities imported. The value of tourists' motor vehicles included in the total for 1975-76 was approximately \$32.8m.

Customs and excise revenue

The total gross customs duties collected by the Commonwealth Government in Victoria in each of the three years 1973-74 to 1975-76 were \$222.1m, \$305.8m, and \$358.2m, respectively. Collections include duty received on account of goods transferred to other States for consumption and exclude duty in respect of goods imported into other States but consumed in Victoria.

The principal commodities produced in Victoria on which the Commonwealth Government imposes excise duty are shown in the following table, together with the gross amount of duty collected on account of each item for each of the three years 1973-74 to 1975-76. As with customs duties, collections include duty levied on goods exported to other States for consumption and exclude duty in respect of goods produced in other States, but consumed in Victoria.

VICTORIA—GROSS EXCISE DUTY COLLECTED ON PRINCIPAL COMMODITIES

Article and unit of quantity	Quantity on which duty was collected			Gross excise duty collected		
	1973-74	1974-75	1975-76	1973-74	1974-75	1975-76
	'000	'000	'000	\$'000	\$'000	\$'000
Spirits (potable) litre al.	2,143	1,868	1,823	12,332	16,526	18,159
Tobacco kg	482	439	453	3,341	3,577	4,311
Cigars and cigarettes kg	7,852	8,060	7,742	105,377	128,032	144,479
Petroleum and liquid petroleum gas (a) tonne	..	..	10,371,421	..	..	130,680
Petrol litre	3,486,727	3,569,379	3,599,761	164,805	175,078	176,568
All other articles (b)	..	..	..	152,936	161,001	224,544
Total	..	..	..	438,791	484,214	698,741

(a) Operative from 19 August 1975.

(b) Includes excise duty collected on beer, which is not available for separate publication.

The overseas trade and the gross revenue collected at Victorian ports during the year 1975-76 are shown in the following table:

VICTORIA—OVERSEAS TRADE AND GROSS REVENUE COLLECTED AT VICTORIAN PORTS, 1975-76 (\$'000)

Particulars	Melbourne (a)	Geelong	Portland	Western Port	Total
Overseas trade—					
Imports	2,752,353	111,796	4,799	6,394	2,875,342
Exports	1,426,398	216,399	28,727	146,719	1,818,244
Total	4,178,751	328,195	33,526	153,113	4,693,586
Gross revenue—					
Customs	356,758	1,441	..	..	358,199
Excise	682,866	15,875	..	..	698,741
Total	1,039,624	17,316	..	..	1,056,940

(a) Includes Port of Melbourne, Melbourne Airport, and parcels post.

**AUSTRALIA—VALUE OF OVERSEAS TRADE, GROSS CUSTOMS, AND EXCISE
DUTY COLLECTED BY STATES, 1975-76
(\$'000)**

State	Imports	Exports	Excess of exports	Gross duty collected	
				Customs	Excise
New South Wales	3,451,189	2,253,660	-1,197,529	406,482	879,303
Victoria	2,875,342	1,818,244	-1,057,098	358,199	698,741
Queensland	634,893	2,322,021	1,687,128	73,659	314,964
South Australia	501,476	685,029	183,553	60,229	176,178
Western Australia	637,439	2,117,898	1,480,459	46,767	183,837
Tasmania	76,262	250,580	174,318	6,368	56,320
Northern Territory	59,159	151,851	92,692	6,301	8,917
Australian Capital Territory	4,426	1,464	-2,962	602	212
Australia	8,240,187	9,600,748	1,360,561	958,608	2,318,473

NOTE. Minus (-) sign denotes excess of imports.

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- 5412.0 Imports cleared for home consumption : part 1 chapter 1-67 of customs tariff
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- 5414.0 Australian imports, country by commodity
- 5415.0 Exports by mode of transport (quarterly)
- 5416.0 Imports of assembled new passenger motor cars (preliminary) (monthly)
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- 5419.0 Overseas trade : major groups of countries (quarterly)
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