

Importance of exporting

Most Australians are now better off than they otherwise would have been because Australian industry has become more competitive, jobs and pay have increased.

— Mark Vaile, Federal Minister for Trade, November 2003.

Employment

- One in five Australian jobs rely on exports, one in four jobs in regional Australia
- Exporters tend to pay higher wages, employ a higher proportion of full-time permanent staff and are more likely to provide training for their staff than non-exporters
- A 10 per cent increase in exports could create 70,000 new Australian jobs

Living standards

- More open trade has increased average annual family income by \$1,000 each year since 1986
- Foreign exchange earnings allow Australians to import a wider range of products at lower prices

Business benefits

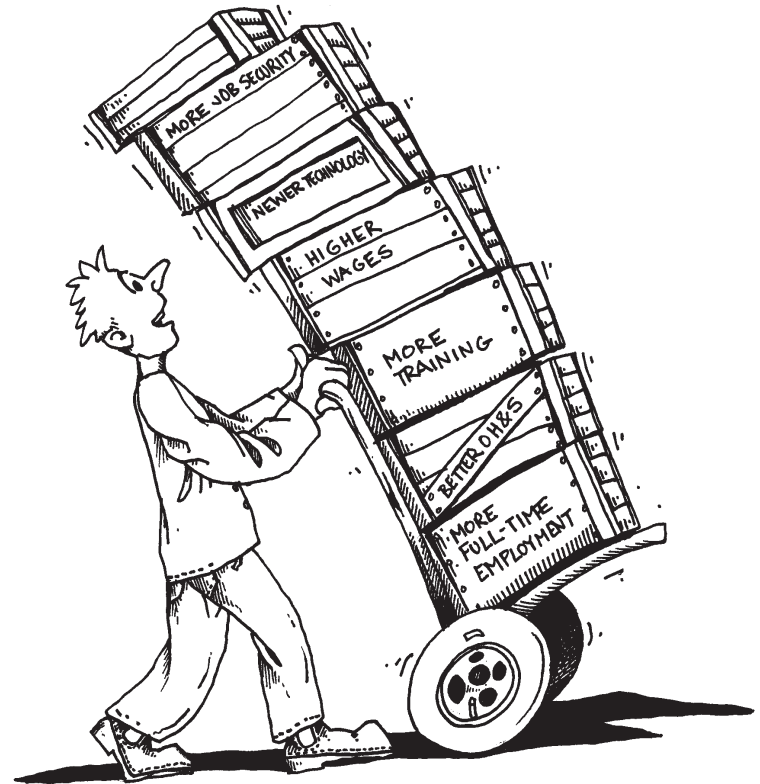
- International competition encourages businesses to be more innovative and use new technology
- Exporting businesses generate growth in infrastructure, production facilities and research and design

National benefits

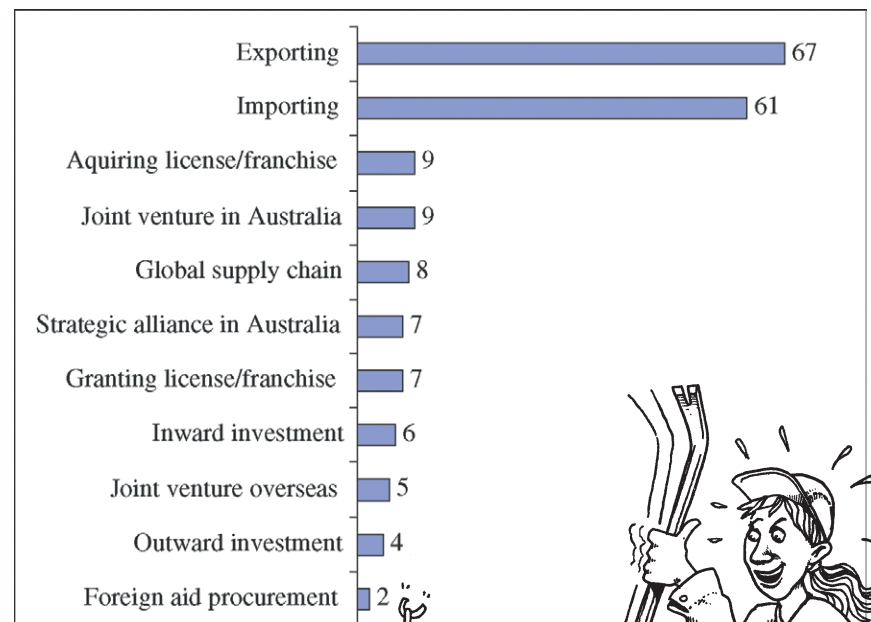
- Business and international relationships are improved through exporting
- Exports and investment provide almost a quarter of Australia's total income
- Exports add diversity to Australia's national income, providing wider markets and less vulnerability to global economic downturns.

Why businesses export

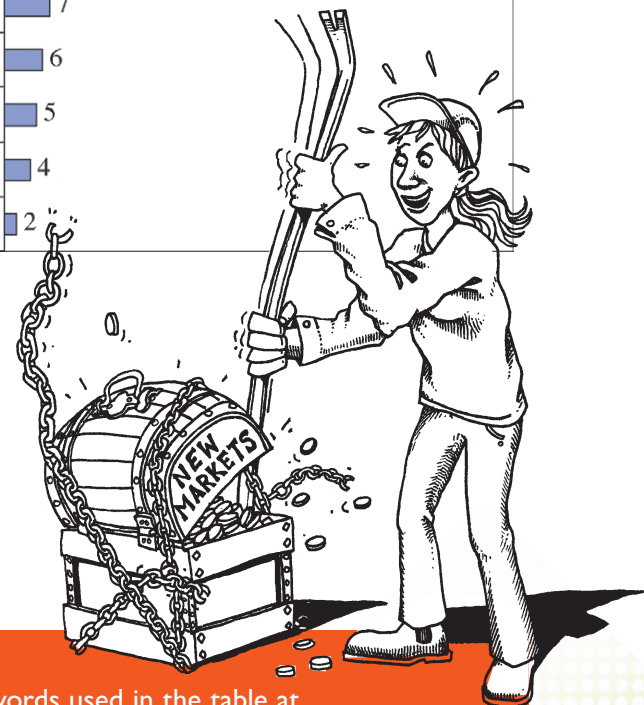
- Improve competitiveness, business know-how and new technologies
- Long-term expansion
- Use unique technology and expertise
- Get resources and technology
- Improve return on investment and increase profitability
- Balance seasonal or cyclical fluctuations
- New opportunities for growth with a wider sales base
- Economies of scale and continuing production
- Use excess production capacity
- Extend the life of a product
- Respond to demand in overseas markets, such as niche markets.



Percentage of internationally active SMEs by type of activity, 2001



Source: Yellow pages business index, May 2001 (SMEs – Small and medium sized enterprises)



Student activities

- Find the meanings of the words used in the table at www.austrade.gov.au/newexporter. See different ways to take your business off-shore.
- Discuss why exporters are more likely to pay higher wages and keep their workers' skills up-to-date than non-exporters.