

# AUSSIE BUSINESS UNEARTHS SUCCESS IN PERU

EXPORT CASE STUDY | APRIL 2018

Hedweld Group of Companies has been exporting its mining and earthmoving products to Peru for the past sixteen years. With the recent signing of Australia's free trade agreement with Peru, the company now has its sights on expanding its business even further within the market.

Founded in 1980 by Ian Hedley, Hedweld Group of Companies started out as a repair and maintenance business for the mining industry in the Hunter Valley.

Noticing a gap for innovative and technologically advanced products within the market, Hedweld turned its sights to design and manufacturing, developing the Trilift and Safe-Away ranges. The company offers high-quality ladder and stair access systems as well as safe and reliable removal, installation and handling components for mining and heavy earthmoving vehicles.

Hedweld's products are specifically designed to improve safety and efficiency within the mining industry. Trilift and Safe-Away have become pioneer ranges for Hedweld, making the company a world leader in mining design and manufacturing.

## Building growth through exports

With a long history of exporting, Hedweld has built a strong global network, shipping its Trilift and Safe-Away ranges to 32 countries, including China, South Africa, the US, Canada, Brazil and Chile.

Hedweld's Global Products Manager, Mark Gream, says these international markets have been a key contributor to the company's recent growth.



**'The introduction of PAFTA will help strengthen our relationships with existing customers, as well as allow us to build new relationships with potential buyers and suppliers.'**

Mark Gream, Global Products Manager, Hedweld Group of Companies

'In the last year or so, we've seen around a 20 per cent increase across the business,' he says.

'Exports consist of around 65 per cent of our total sales, making international markets extremely important to the continued growth of the company.'

## PAFTA welcomed by exporters

Australia's free trade agreements (FTAs) help reduce barriers to trade and facilitate stronger trade and commercial ties, contributing to increased economic integration between participating countries.

Australia has 10 FTAs currently in force, including New Zealand, South East Asia and North Asia. In February 2018, Australia signed a new FTA with



Australian Government

Australian Trade and Investment Commission



Peru, establishing the Peru-Australia Free Trade Agreement (PAFTA).

Hedweld has been exporting to the South American country for the past sixteen years and Gream says the recent signing of PAFTA will allow the company to build on its success in the market.

‘Peru is the largest importer of our Trilift products and its potential for growth is exceptionally high, making the market huge for us,’ he says.

‘The introduction of PAFTA will help strengthen our relationships with existing customers, as well as allow us to build new relationships with potential buyers and suppliers.’

### **FTAs lower export costs**

Under PAFTA duty free access has been secured for Australian mining machinery, equipment and parts.

Gream says the tariff elimination will not only lower export costs for Hedweld but will also help lower importation costs for their customers in Peru.

‘Lower import costs will allow our customers to purchase and import our products at a cheaper price,’ Gream says.

‘This drop in price will allow our products to have a competitive edge compared to those made locally.’

### **Consider cultural barriers**

While Hedweld is hoping to continue its expansion throughout Peru with the help of PAFTA, Gream says the company faced a steep learning curve when it initially began exporting to the country.

‘Peruvian culture holds strong beliefs in hierarchy. If you’re not perceived as a senior member of the organisation or industry, it can be hard to get an audience,’ he says.

‘On first entering Peru’s market, most potential customers would only speak with a translator.

‘Breaking down this cultural barrier requires you to prove your status and gain the respect of your customers. Make frequent visits to meet with them, know your products inside and out, and ensure all your marketing material and technical documents are translated into the native language.’

### **Austrade invaluable for exporters**

For SMEs considering exporting, Gream says Austrade is an invaluable asset.

‘Austrade provides exceptional advice and support for exporters just starting out,’ Gream says.

‘They can help you gain access to market experts and translators and also help initiate meetings with potential customers.’

Gream says it’s also important to attend industry events to familiarise yourself with the market and gain exposure.

‘As a new exporter, it can be hard to gain exposure within the foreign market. Attending industry events, such as trade shows and FTA seminars, are a great way to understand the market and meet new customers.’

Gream says there are many opportunities for Australian businesses in global markets, but only for those who are willing to work hard.

‘The opportunities are out there but you must be prepared to put in the hard yards. Immerse yourself in the culture, understand how the market works and know that success doesn’t happen overnight, it can take several years to be a leader in the market.’

**Find out more about [PAFTA](#).**

### **About Austrade**

The Australian Trade and Investment Commission – Austrade – contributes to Australia’s economic prosperity by helping Australian businesses, education institutions, tourism operators, governments and citizens as they:

- › develop international markets
- › win productive foreign direct investment
- › promote international education
- › strengthen Australia's tourism industry
- › seek consular and passport services.

#### **Disclaimer**

Whereas every effort has been made to ensure the information given in this document is accurate, the Australian Trade and Investment Commission does not provide warranty or accept liability for any loss arising from reliance on such information.

©Commonwealth of Australia 2018