

AUSTRALIAN TECHNOLOGY COMPANY TAPS INTO GLOBAL SUCCESS

EXPORT CASE STUDY | SEPTEMBER 2018

Russell Mineral Equipment (RME) has been exporting its minerals processing products and services to the world for more than 30 years. Thanks to Australia's Free Trade Agreements with China, Japan, Korea and Peru, the company is now looking to expand its international presence.

Located in Toowoomba, Queensland, Russell Mineral Equipment (RME) is recognised as a leading designer, manufacturer, supplier, servicer and operator of minerals processing equipment.

The company's product range comprises the RME Mill Relining System, including RUSSELL Mill Relining Machines, Feed Chute Transporters and Bases and the renowned THUNDERBOLT Recoilless Hammer range. This System makes grinding mill maintenance safer and more efficient. The RME Mill Relining System and the company's dedicated RME MILL RELINING crews improve the productivity and profitability of mines around the world by reducing the grinding mill maintenance downtime.

Over the past 33 years, RME has grown its business capabilities and people to include specialised OEM Servicing. The company currently employs more than 400 international personnel.

FTAs provide export certainty

Since its establishment in 1985, RME has built a strong global network, supplying its products and services to over 56 countries, including China.

Australia's Free Trade Agreements (FTAs) with North Asia have played a key role in RME's current export success. Chief Financial Officer, John Howard, says the FTAs have provided the company



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John Howard, Chief Financial Officer,
Russell Mineral Equipment

with many benefits, including certainty on import tariffs and protection from some of the risks associated with exporting.

'The FTAs are a framework that cover the requirements and regulations for exporting into certain markets. Having them in place gives us the confidence to invest money into foreign markets and ensures we are protected against risks such as intellectual property theft and copyright,' he says.

The China-Australia FTA (ChAFTA) has been particularly important to RME, offering reduced tariffs on a number of its products.



Australian Government

Australian Trade and Investment Commission



ChAFTA has reduced the tariff on the THUNDERBOLT Recoilless Hammer range from eight per cent to 1.6 per cent. This tariff will be eliminated on 1 January 2019.

Howard says the effects of these tariff reductions have been significant to RME, giving the company an upper hand in the market and helping lower the cost of exports.

‘Our products on average are worth between \$1.5 million and \$2.5 million. In a competitive market like China, a five or eight per cent reduction in tariffs allows us to lower the price of our products, giving us an in-market advantage,’ he says.

PAFTA opens up more trade opportunities to Peru

RME is also active in Peru and looking to benefit from the newly signed Peru-Australia FTA (PAFTA).

Under PAFTA, most of the tariffs on mining equipment, machinery and parts will be bound at zero. Once the agreement is in force, Australian mining manufacturers and exporters will also have guaranteed access on non-discriminatory terms for mining-related consulting, research and development, engineering, technical testing and analysis services.

Howard says the new FTA will make it easier for RME to do business and support its customers in Peru.

‘Peru is the seventh largest mining country in the world and one of our major export markets, so PAFTA will certainly make it easier to employ staff in country and help us grow our exports to the region,’ he says.

Time zones a barrier to entry

RME plans to continue its global expansion with the help of FTAs. Howard says managing various time zones between export markets has been challenging but the company has established a number of business processes to overcome this issue.

‘We have a dedicated team of team members working within each market to ensure our distributors and customers are able to speak with us at all times. This support has helped increase demand for our products and drive new business opportunities,’ he says.

Benefit from Austrade experts

RME has worked closely with Austrade throughout its export journey, gaining expert advice and market insights.

Howard says it’s important for new exporters to take advantage of valuable tools and resources like Austrade early on.

‘The export process can be tricky to navigate at times, especially when you’re new to it. Austrade do a great job of helping you learn about the process and understand the market you’re exporting to,’ he says.

To learn more about Australia’s FTAs, visit austrade.gov.au/ftas

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.

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