



Trading with our South American neighbours

"South America is an untapped region that Australian companies should be forging greater trade links with," Geoff Prosser, Chair of Parliament's Trade Sub-Committee, explained.

"There are some smart businesses in Australia that have already taken up opportunities in South America, but there is so much potential and enormous capabilities for growth."

For the past 14 months, Mr Prosser has chaired a parliamentary inquiry into Australia's trade and investment relationship with South America. During this time, the Trade Sub-Committee has discussed the positive and negative issues on establishing trading partnerships with South America. It has reviewed close to 40 submissions from Australian organisations, held a number of public hearings across Australia, and visited eight South American countries to obtain first hand experience and knowledge. Members of the Trade Sub-Committee visited Argentina, Brazil, Chile, Colombia, Ecuador, Peru, Uruguay and Venezuela.

The inquiry was referred to the Joint Standing Committee on Foreign Affairs, Defence and Trade in 1999 by the then Minister for Trade, Tim Fischer.

The South American trade and investment market can be compared in size to many of the Asian markets. There are more than 338 million people, a growing middle class and a very wealthy upper class.

South America is geographically a diverse region and therefore has a broad range of industries that Australian companies can tap into. These include oil and gas, mining, agriculture, information technology and telecommunications, marine and fisheries, infrastructure and transport, urban planning, construction technology, consumer goods, service industries, automotive after-market, and education.

"The potential of the region is enormous," Mr Prosser said. "Australia is well placed to take advantage of the opportunities in South America and we are also capable of linking into the niche markets."

"The South American landscape and lifestyle is not dissimilar to Australia – the cities are cosmopolitan and sophisticated and there are large expanses of rural areas."

"When the Committee recently visited South America we found that the local businesses, industry and governments were very receptive to Australia and to us developing closer ties. I am proud to say that we have an excellent reputation and are seen as honest and reliable."

The Trade Sub-Committee is currently completing its inquiry into South America and will table its findings in the Spring session of Parliament.

For copies of the submissions and report once it is tabled contact the Inquiry Secretary on (02) 6277 2313 or visit the Trade Sub-Committee web site:
www.apf.gov.au/house/committee/jfadt/index.htm

Photo above: Members of Parliament's Trade Sub-Committee inspecting BHP's hot briquetted iron plant being constructed at Puerto Ordaz, Venezuela in March 2000. The plant is a significant joint venture investment by BHP. The first briquette rolled off the production line on 29 May 2000.