



Full Support As Australian Business Set to Benefit from EMDG Review

Thursday 20 August 2015

The Export Council of Australia (ECA) fully supports the recommendations outlined today in the *2015 Review of the Export Market Development Grants (EMDG) scheme*.

Tabled in Parliament by Trade and Investment Minister Andrew Robb AO MP, the *review* concluded that the EMDG grants helped exporters create, develop and expand their markets overseas, something that the ECA has been championing on behalf of exporters for a number of years.

There is a strong rationale and support for the EMDG scheme, which helps explain its existence for over 40-years despite significant changes to the political and economic landscape over that period.

CEO of the Export Council of Australia Lisa McAuley says the EMDG scheme helps businesses, especially small and medium sized companies, overcome market barriers associated with their expansion into international markets.

“Australia’s export businesses are increasingly competing with companies from around the world and it is imperative that Australia looks at investing in long term strategies that leverage best practice in trade promotion and create value for Australia.

These issues were recently highlighted by the ECA in a comprehensive report *Advancing Trade Development*, a study into the international trade programs of 10 of Australia's key export competitors, the excellent programs offered and the contributions they make to international best practice.

“Now is the time to enhance trade promotion activities in Australia and invest in long-term strategies, particularly if we want to capitalise on the market opportunities created through the latest Free Trade Agreements.” Ms McAuley said.

The Australia’s International Business Survey 2015 (AIBS) research also suggests that the EMDG scheme is effective in increasing the number of businesses that achieve sustainability in export markets and generate additional exports, as well as being effective in developing an export culture in Australia.

A relatively large number of participants (45 per cent) have received an export market development grant (EMDG) in the past, of those businesses that have received a grant at some point, 94 per cent said that it was very important or moderately important to their international marketing efforts.

In the ECA's submission as part of our review the ECA put forward eight key recommendations:

1. Aiming to increase the number of businesses that receive and benefit from the EMDG scheme to 3,800
2. Increasing promotion of the EMDG scheme to SME exporters, especially those in non-traditional export sectors and sectors that are currently underutilising the scheme.
3. Increasing the number of businesses accessing the EMDG scheme, including through increased promotion, means that the funding for the scheme should increase



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to \$175 million. The Government should commit to this level of funding for 5 years and the funding cap should be indexed annually to preserve its real value.

4. Including trade training as an eligible expense under EMDG. Trade training should include education and raising awareness of FTAs so business can investigate and select countries with which Australia has an FTA as a priority. It will also include education on market regulation and compliance issues.
5. Further improving and simplifying the online application process and piloting it with exporters prior to publically launching.
6. Set 8 years as the minimum number of years the EMDG scheme is available to an eligible business. There should be no differentiation in the number of grant years available depending on target export markets. Any extension of the scheme could be linked to the Government's FTA agenda.
7. Introducing a 'reactivation clause', allowing businesses that have not received a grant in 10 years or more to apply for an additional 3 years of EMDG if they can prove there have been significant changes to the business and its export plan.
8. Implementing the 'New to Export Grant' proposed by the Mortimer Review in 2008.

"We are glad to see that at least four of the ECA's key recommendations have been included and this is a strong message of support for the exporting community in Australia," Ms McAuley said.

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About the Export Council of Australia: The Export Council of Australia is the peak Industry body for the Australian export community. The ECA is the next exciting step in the evolution of the Australian Institute of Export (AIEx) which, for over 50 years, has had the interests of Australian exporters at heart.