



NSW Trade with Japan and the USA

by John Wilkinson

1. Introduction

In an earlier e-brief, the NSW Parliamentary Library Research Service examined the trading relationship between NSW and the emerging economies of China and India. This companion paper looks at the State's trading relationship with two of its established trading partners, Japan and the USA. Both countries are amongst the State's top five trading partners.

2. Japan

2.1 Australia's Position in Japan's Total Trade

As indicated by the tables below, Australia is a major supplier of imports into Japan. On the other hand, Australia's position as an export destination for Japan is relatively modest:

Japan's Imports by Selected Sources (as % of all Imports): 2009¹

China	22.2%
USA	11%
European Union	10.7%
Australia	6.3%
Saudi Arabia	5.3%

Japan's Exports by Selected Destinations (as % of all Exports): 2007²

China	18.9%
USA	16.4%
European Union	12.5%
South Korea	8.1%
Australia	2.1%

2.2 Australia's Trade with Japan

Between 1966-67 and 2008-09 Japan was Australia's biggest trading partner. Currently, Japan is Australia's second-biggest trading partner in terms of two-way trade in goods and services.³

Over the last 30 years, Australia has enjoyed a surplus in merchandise trade with Japan, as indicated by the following statistics:

Australia's Merchandise Trade with Japan: Exports To and Imports From (1980-2010)⁴

	Exports	Imports
1980-81	\$5.2 bn	\$3.6 bn
1985-86	\$9.3 bn	\$8.3 bn
1990-91	\$14.4bn	\$8.8 bn
1995-96	\$16.4bn	\$10.8 bn
2000-01	\$23.5 bn	\$15.4 bn
2005-06	\$31 bn	\$17.3 bn
2010	\$43.6bn	\$18.2bn

The above table does not include trade in services. In the case of Japan,

however, services are not such a large part of total trade, as illustrated by the figures below:

Australia's Services Trade with Japan: 2009-10⁵

Imports from Japan	\$2.1 bn
Exports to Japan	\$1.9 bn

Australia's principal exports to Japan are minerals, in return for which Australia imports manufactured goods. This can be seen in the accompanying tables for the main items in Australian-Japanese Trade:

Australia's Main Merchandise Exports to Japan: 2010 (by value)⁶

Coal	\$14.8bn
Confidential Items of Trade	\$8.9 bn
Iron Ore and Concentrates	\$8.6 bn
Beef	\$1.7bn
Aluminium	\$1.5bn

Australia's Main Merchandise Imports from Japan: 2010 (by value)⁷

Passenger Vehicles	\$7.1 bn
Commercial Vehicles	\$1.4 bn
Refined Petroleum	\$1.1 bn
Civil Engineering Items	\$0.7 bn
Tyres	\$0.6 bn

3. USA

3.1 Australia's Position in USA's Total Trade

In terms of overall US trading relationships, the position occupied by Australia as a trading partner with the US is far smaller than the comparable position held by Australia in relation to Japan's trading partners. This is evident from the following tables:

USA's Exports by Selected Destinations (as % of all Exports): 2006⁸

Canada	22.2%
European Union	20.6%
Mexico	12.9%
Japan	5.8%
China	5.3%
Australia	1.7%

USA's Imports by Selected Sources (as % of all Imports): 2006⁹

European Union	17.7%
Canada	16%
China	15.9%
Mexico	10.4%
Japan	7.9%
Australia	0.8%

2.2 Australia's Trade with the USA

The USA is Australia's third-largest trading partner in terms of two-way trade in goods and services.¹⁰ Trade balances have consistently been in favour of the USA, as can be seen in the table for merchandise trade below:

Australia's Merchandise Trade with the USA: Exports To and Imports From (1980-2010)¹¹

	Exports	Imports
1980-81	\$2.1 bn	\$4.2 bn
1985-86	\$3.3 bn	\$7.3 bn
1990-91	\$5.8 bn	\$11.5 bn
1995-96	\$4.6 bn	\$17.6 bn
2000-01	\$11.6 bn	\$22.3 bn
2005-06	\$9.8bn	\$22.7 bn
2010	\$9.2 bn	\$24.5 bn

Again, the above table does not include trade in services. In the case of the USA this is significant because services are a large part of total trade, as illustrated by the figures below:

Australia's Services Trade with the USA: 2009-10¹²

Imports from the USA	\$10.1 bn
Exports to the USA	\$5.3 bn

Australia's principal merchandise imports from the USA are essentially secondary products, in exchange for which Australia exports to the USA a mixture of primary and secondary products. This is indicated in the accompanying tables:

Australia's Main Merchandise Imports from the USA: 2010 (by value)¹³

Confidential Items of Trade	\$2.7 bn
Civil Engineering Equipment	\$930 m
Medicaments	\$906 m
Analysis Instruments	\$884 m
Non-Electric Engines	\$840 m

Australia's Main Merchandise Exports to the USA: 2010 (by value)¹⁴

Confidential Items of Trade	\$1.4 bn
Special Transactions	\$777 m
Beef	\$771 m
Alcoholic Beverages	\$596 m
Medical Instruments	\$469 m

4 New South Wales Trade with Japan and the USA

4.1 Japan

According to the 1976 *NSW Official Year Book*:

Trade with Japan has increased markedly in recent years and in 1972-73 it replaced the USA as the principal country trading with NSW. In 1973-74, trade with Japan accounted for 18 per cent of imports into NSW, and 24 per cent of exports from the State.¹⁵

Currently, Japan is NSW's second largest trading partner, second only to China in 2009-10. As shown in the

tables below, it was also in second place at the turn of the twenty-first century, although then it was the USA that held the first position:

NSW Top Five Trading Partners: 2000-01¹⁶

	Imports From	Exports To
USA	\$10.8 bn	\$2.4 bn
Japan	\$5.9bn	\$4.8 bn
China	\$4.3 bn	\$0.95 bn
S. Korea	\$2.4 bn	\$1.4 bn
N.Z.	\$1.7 bn	\$1.7 bn

NSW Top Five Trading Partners: 2009-10¹⁷

	Imports From	Exports To
China	\$18.3 bn	\$3.2 bn
Japan	\$5.8 bn	\$8.3 bn
USA	\$8.9 bn	\$2.3 bn
S. Korea	\$2.3 bn	\$3.1 bn
N.Z.	\$2.7 bn	\$2.2 bn

NSW has a significant trade surplus with Japan. In 2009-10, the State had a merchandise trade surplus with Japan amounting to around \$2.4 billion.¹⁸ The following tables illustrate the major merchandise items traded between the two jurisdictions:

NSW: Selected Major Merchandise Exports to Japan (2009-10)¹⁹

Coal, Coke and Briquettes	\$4.5 bn
Confidential Items of Trade	\$1.4 bn
Metalliferous Ores/Scrap	\$945 m
Non-Ferrous Metals	\$550 m
Meat/Meat Preparations	\$303 m
Total all Exports	\$8.3 bn

NSW: Selected Major Merchandise Imports from Japan (2009-10)²⁰

Road Vehicles	\$2.9 bn
Office Machines	\$463 m
Communications Equipment	\$362 m
Industrial Machinery	\$314 m
Electrical Machinery	\$284 m
Total all Imports	\$5.9 bn

Note that neither the above tables relating to Japan, nor those below for NSW trade with the USA, include trade in services. No disaggregated figures seem to be available for individual States.

4.2 The USA

The USA is NSW's third-largest trading partner.²¹ As for Australia generally, the State's trade balance with the USA is in deficit.

The tables below show the major merchandise items traded, between the two jurisdictions, and the extent of the NSW's deficit with the USA in 2009-10 (-\$6.6 bn):

NSW: Selected Major Merchandise Imports from the USA (2009-10)²²

Medicaments	\$702 m
Medical Instruments	\$616 m
Telecom Equipment/Parts	\$392 m
Analysing Instruments	\$379 m
Vegetables and Fruit	\$373 m
Total all Imports	\$8.9 bn

NSW: Selected Major Merchandise Exports to the USA (2009-10)²³

Medical Instruments	\$453 m
Wine	\$298 m
Uncoated Flat-Rolled Iron and Steel	\$250 m
Beef	\$189 m
Starches/Inulin/Wheat Glutin	\$39m
Total all exports	\$2.3 bn

5. Key sectors in NSW Trading Relationships with Japan and the USA

5.1 Japan

Company Activity

In 2007 there were 2,323 Japanese companies in Australia.²⁴ Japan is the

third most important country for foreign investment in Australia, with \$118 billion invested in Australia in 2010.²⁵

NSW has been the entry point for Japanese companies' operations in Australia, as Lalith de Silva has described:

direct investment by Japanese multinational companies in Australia can be divided into the following two types, according to how they established the local production plants. . . Type one is those made in Australia from 1970 to 1980 which started in New South Wales and further expanded to Victoria and the other states. . . [because] the Australian government [at that time] imposed various types of tariffs. . . Japanese multinational companies had no other choice than to begin local production... Type two is direct investment made during the 1980s, 1990s and 2000s.²⁶

Japanese companies continue to make direct investments in Australia in the twenty-first century, including in New South Wales. For example, in 2008 Kirin acquired Dairy Farmers and, the following year, acquired Lion Nathan.

With the dropping of the tariff on Japanese imports, a number of large Japanese companies operate in the wholesale sector, directly importing items (particularly cars, electronics goods and building machinery) from Japan into Australia. The following are amongst such companies based in Sydney:

- Canon
- Fuji Xerox
- Fujitsu
- Hyundai
- Itochu
- Komatsu
- Mitsui
- Panasonic

- Sumitomo
- Toshiba²⁷

Sectors of Trade

Minerals

Lalith de Silva wrote in 2008 that, in regard to Australia exports of coal,

Japan is its largest market...Japan buys 43 per cent of Australia's total coal exports.²⁸

Coal is NSW's biggest export, the State having 40% of the nation's coal resources (second only to Queensland). Japan is NSW's biggest customer, taking 54% of all coal exports in 2008-09 (\$15 billion in value).²⁹

Manufacturing

Australia's principal manufactured export to Japan is aluminium. In 2000-01, aluminium exports to Japan were worth nearly \$2 billion. The second most important manufactured export, internal combustion piston engines and parts, was worth just over \$128 million.³⁰ In 2007, Japan took 39% of Australia's exports of aluminium, \$2.2 billion by value (out of total exports worth \$5.7 billion).³¹ NSW has two aluminium smelters in the Hunter Valley, at Kurri Kurri and Tomago. In 2010, aluminium exported through NSW to Japan amounted to just over \$552 million.³²

Services

Tourism is both Australia's, and NSW's, most important services export to Japan. Between the 1980s and the 1990s, the number of Japanese visitors to Australia expanded to the point where, between 1995 and 1999, Japan was the most important inbound

tourist market for Australia. In 1997, a peak total of 814,000 Japanese tourists visited Australia. From 1998 onwards the number of Japanese visitors to Australia steadily declined.³³ The reasons, both for the upsurge and the subsequent decline in Japanese inbound tourism, have been explained by Emmanuel Fernando as follows:

growth was mainly due to the Japanese government's 'Ten Million' program designed to boost travel abroad to reduce Japan's balance of payments surplus. This program was aimed at doubling the amount of Japanese overseas travel from the 1986 level of 5.5 million to 10 million by the end of 1991, with an increase in Japanese workers' annual leave entitlements providing a substantial medium to long-term impact on Japanese outbound travel. After 2000, Japanese arrivals declined due to Japan's severe economic recession in 1997-1998...resulting in negative growth in 1998, and again in 2001 when the IT bubble burst...The continuing slow Japanese economy caused further decline in Japanese arrivals to Australia in 2003.³⁴

Between 2006-07 and 2010-11, Japanese tourists declined even more - by over 200,000, as the following figures demonstrate:

Overseas Tourists Visiting Australia (by Major Source): 2006-07/2010-11³⁵

	2006/07	2010/11	Difference
China	319,000	463,000	+144,000
NZ	976,000	1.064m	+88,000
USA	429,000	438,000	+9,000
UK	691,000	587,000	-104,000
Japan	582,000	352,000	-230,000

Tourism Research Australia (TRA) has estimated that, by 2010-11, Japanese tourists were the fifth largest group of tourists (by nationality) visiting Australia, as illustrated below:

Overseas Tourists Visiting Australia (by Major Source): 2010-11³⁶

New Zealand	1,064,000
UK	587,000
China	463,000
USA	438,000
Japan	352,000

36.7% of Japanese tourists to Australia in 2010-11 (243,000 out of 663,000) visited NSW (only Queensland attracted more – 39.2%). Correspondingly, amongst the two States that are the greatest recipients of Japanese tourists, NSW attracts the second-largest expenditure as follows:

Modelled International Visitor Expenditure by Japanese Tourists (NSW/ Queensland): 2010-2011³⁷

Queensland	\$260 million
New South Wales	\$243 million

Primary Products

Japan takes around 17% of Australia's agricultural exports. The Australian Department of Agriculture, Fisheries and Forestry (DAFF) advised a federal parliamentary committee that,

Beef, butter, cheese, wheat and sugar have been Australia's predominant agricultural exports to Japan. Many of Australia's exports are traded as inputs to the Japanese food processing industry (for example, natural cheese is used to manufacture processed cheese; dairy products are inputs to bakery items; special wheat varieties are [used] for udon noodles; and sugar is used for confectionary production).³⁸

Major primary product exports from NSW to Japan, in 2010, were as follows:

NSW Major Primary Product Exports to Japan: 2010³⁹

Beef	\$389 million
Wheat	\$73.3 million
Barley	\$30 million
Cotton	\$23.5 million
Cheese	\$22.4 million

Beef: In 2010, beef was Australia's most valuable primary product export, with a value of \$4.4 billion.⁴⁰ Lalith de Silva wrote in 2008 that:

Japan is...[Australia's] largest market for...beef...[and] buys...49 per cent of its beef exports.⁴¹

With the second highest number of beef cattle amongst the Australian States, New South Wales is a major supplier of beef to North East Asia.⁴² In 2010, NSW exported 22.6% of all Australian beef to Japan (the national value, of Japan-shipped exports, amounting to \$1.72 billion).⁴³

Wheat: In 2009-10, Japan took 11% of Australian exports of wheat.⁴⁴ New South Wales, is a major supplier of wheat to Japan, in 2010 exporting 24.5% of all Australian wheat to Japan (the national value of Japan-despatched exports amounting to \$299.3 million).⁴⁵

Barley: On average NSW produces about 16% of the national crop, most of which is used for domestic production (compared to Western Australia where over 75% of the barley crop is exported).⁴⁶ In 2010 NSW exported 15.7% of all Australian barley to Japan (the national value of Japan-shipped exports amounting to \$191 million).⁴⁷

Cotton: NSW produces the majority of the nation's cotton (generally around 60%). In 2010 the total value of the national cotton crop (effectively as

produced by NSW and Queensland) was \$754 million.⁴⁸ Japan, however, takes only a small amount of Australian cotton. In 2010 NSW exported cotton to Japan valued at about \$23.5 million (the national value of Japan-despatched exports amounting to \$38.7 million).⁴⁹

Cheese: In 2010-11, Japan was Australia's most important export market, taking 50% of all exported cheese (84,470 tonnes, \$356 million in value). The NSW share of national cheese exports to Japan, in the same financial year, was 7% (6,452 tonnes, \$25 million in value).⁵⁰

5.2 USA

Company Activity

In 2001 there were 3,400 American-owned businesses in Australia.⁵¹ The USA is the most important country for foreign investment in Australia: with \$550 billion invested in 2010.⁵²

American companies provide major inputs into Australia production. Australia is the second-largest import market for American exports of mining equipment. 38% of Australian imports of software originate from the USA.⁵³ The following are a selection of prominent American companies with Australian head offices in Sydney:

- 3M
- Baxter Healthcare
- Campbell's
- Cisco Systems
- Citigroup
- CSC
- DuPont
- EDS
- Eli Lilly
- Hewlett-Packard
- IBM

- Johnson and Johnson
- Kimberly-Clark
- McDonalds
- Merck Sharp and Dohme
- Microsoft
- Pfizer
- Sun Microsystems
- Wyeth⁵⁴

Minerals

Australia does not export minerals, in any significant quantity, to the USA.

Manufacturing

Australia does export a significant amount of manufactured products to the USA. In 2010, the highest earning categories were as follows:

Australian Manufactured Exports to the USA: Highest Earning Categories (2010)⁵⁵

Medical Instruments	\$520 m
Aircraft/Aircraft Spare Parts	\$311 m
Medicaments	\$310 m
Uncoated Flat-Rolled Iron and Steel	\$309 m
Measuring and Analysing Instruments	\$216 m
Chemicals and Related Products (Not Elsewhere Specified)	\$196 m
General Industrial Machinery and Parts	\$183 m
Telecommunications Equipment and Parts	\$168 m
Miscellaneous Manufactured Articles (Not Elsewhere Specified)	\$163 m
Miscellaneous Manufactured Articles	\$141 m

As indicated above, "Medical Instruments" is the leading category of export to the USA. NSW, in turn, has the largest share of Australian production of medical instruments. In

2007-08, NSW exports of medical devices reached \$1.14 billion in value, with 50% of all exports going to the USA. Two of the biggest manufacturers of medical devices, Cochlear and ResMed, are both based in NSW.⁵⁶ In 2004, Cochlear had a 60% to 65% share of the American market.⁵⁷ ResMed, in 2010, earned 98% of its revenue from overseas sales. The American share of its overseas sales amounted to 67%.⁵⁸

Services

In respect to services, Australia has a deficit with the USA. This is illustrated by statistics for Australia's trade in services with the USA for 2010:

Australia's Imports of Services from the USA: 2009-10⁵⁹

Other Services (Communications, Construction, Royalties and Licence Fees, Finance and Insurance, Computer and Business Services)	\$6.7bn
Travel	\$2.5bn
Transportation	\$0.5bn
TOTAL	\$9.8bn

Australia's Exports of Services to the USA: 2009-10⁶⁰

Other Services (Communications, Construction, Royalties and Licence Fees, Finance and Insurance, Computer and Business Services)	\$3.8bn
Travel	\$1.4bn
Transportation	\$0.8bn
TOTAL	\$6.1bn

In 2008 the Department of Foreign Affairs and Trade (DFAT) expanded the categories of Australia's "other services" trade with the USA, as follows:

Australia's "Other Services" Imports from the USA: 2008⁶¹

Franchise and Similar Rights (Music/Software etc)	\$1.6 bn
Royalties on Entertainment Products (Film/Television etc.)	\$0.7 bn
Business Services between Affiliated Companies	\$0.7 bn
Computer and Information Services	\$0.6 bn
Royalties and Licence Fees	\$0.5 bn
Insurance Services	\$0.3 bn

Australia's "Other Services" Exports to the USA: 2008⁶²

Engineering and Architectural Services	\$0.5 bn
Computer and Information Services	\$0.5 bn
Legal and Accounting Services	\$0.4 bn
Business Services between Affiliated Companies	\$0.3 bn
Royalties and Licence Fees	\$0.3 bn
Insurance Services	\$0.3 bn

The most important services Australia as nation exported to the USA in 2009-10 were "other services" (communications; construction; royalties and licence fees; finance and insurance; and computer and business services). For NSW, on the other hand, tourism remained its biggest services export to North America. NSW Trade and Investment has calculated that, in 2009, "travel services" was the State's most important services export, accounting for \$12 billion or 55% of the State's services exports. "Other Services" accounted for \$4.1 billion or 19% of NSW services exports.⁶³

Between the mid-1990s and the beginning of the twenty-first century the number of American visitors to Australia grew to a peak in 2000 (the year of the Sydney Olympics), with 488,000 American visitors.⁶⁴ With the onset of the dot-com bust, the numbers of American visitors declined to 422,000 in 2003. By 2007, however, the number of American tourists visiting Australia had risen to 459,000.⁶⁵ Then, with the onset of the global financial crisis, the number of American visitors declined once more, to 438,000 in 2010-11.

41.7% of American tourists to Australia in 2010-11 visited NSW (296,000 out of 717,000), more than any other State.⁶⁶ Correspondingly, amongst the three States that are the greatest recipients of American tourists, NSW attracts the largest expenditure as follows:

Modelled International Visitor Expenditure by American Tourists (NSW/ Queensland): 2010-2011⁶⁷

New South Wales	\$471 million
Queensland	\$222 million
Victoria	\$203 million

Primary Products

Major primary product exports from NSW to the USA, in 2010, were as follows:

NSW Major Primary Product Exports to the USA: 2010⁶⁸

Wine	\$202.2 million
Beef	\$174.3 million
Sheep Meat	\$97.8 million
Oranges	\$12.4 million
Goat Meat	\$11.7 million

Wine. The USA has become a major export market for Australian wine, second only to Britain. Between 2001 and 2010, the value of Australian wine,

shipped to the USA, increased by 23%, from \$457 million (2001) to \$562 million (2010).⁶⁹ The NSW share, of national exports to the USA is 34%. In 2010, the value of NSW wine exports amounted to \$202.2 million.

Beef. As mentioned earlier, in 2010 beef was Australia's most valuable primary product export. The USA is a major export market for Australian beef, taking around 27% of Australian exports in 2010 (\$771.5 million by value).⁷⁰ In 2010, NSW exported 22.6% of all Australian beef to the USA (\$174.3 million in value).⁷¹

Sheep Meat. In 2009, Australia exported 179,300 tonnes of lamb and 200,900 tonnes of mutton. The USA was the biggest market for Australian lamb exports, taking 35,900 tonnes in 2009 (20%). The USA took a smaller amount of mutton, 6.7% (13,400 tonnes).⁷² In 2010, NSW produced just over 24% of all Australia's sheep meat exports to the USA (\$97.8 million in value).⁷³

Oranges. The USA is the principal export destination for Australian oranges. From 1993 (when only 2,414 tonnes of oranges were despatched), orange shipments to the USA reached a peak of 28,969 tonnes in 2007. Orange exports then declined to 21,505 tonnes in 2008.⁷⁴ In 2010, Australia exported 15,711 tonnes of oranges to the USA. In 2010, NSW produced just over 49% of all Australia's exports of oranges to the USA (\$12.4 million in value).⁷⁵

Goat Meat. Despite ranking only 43rd in terms of its goat numbers, Australia is the largest exporter of goat meat in the world. In 2009-10, Australia produced 27,842 tonnes of goat meat. The USA is Australia's biggest market for goat meat exports, taking 14,339

tonnes in 2010 (51%).⁷⁶ In 2010, NSW produced nearly 18% of Australia's goat meat exports (\$11.7 million in value).⁷⁷

6. Conclusion

Japan and the USA are long established trading partners of NSW. From the early 1970s to the turn of the twenty-first century both were consistently ranked first or second among the State's trading partners. While China has now supplanted Japan and the USA as NSW's pre-eminent trading partner, those older trading relationships remain very important.

Japan is a trading partner with which the State has a trade surplus, and one that provides NSW with important inputs into production, such as electronics goods, construction equipment and vehicles.

The USA provides NSW with financial and computer services, and has a major presence in the State's pharmaceutical industries. For NSW, medical instruments, wine and beef are among the State's major merchandise exports to the US, while tourism is the State's main service export to North America.

¹ World Trade Organisation (WTO) Secretariat, *Trade Policy Review: Japan* (WTO, Geneva, 2011), Appendix Tables.

² WTO Secretariat, n.1, *Trade Policy Review: Japan*, Appendix Tables.

³ Department of Foreign Affairs and Trade (DFAT), *Composition of Trade Australia: 2010* (DFAT, Canberra, 2011), p.29.

⁴ *Australia Year Book: 1984* (Australian Bureau of Statistics, Canberra, 1984), p.611; *Australia Year Book: 1988* (ABS, Canberra, 1988), p.902; *Australia Year Book: 1995* (ABS, Canberra, 1994), p.767; *Australia Year Book: 1997* (ABS, Canberra, 1997), p.701; *Australia Year Book: 2002* (ABS, Canberra, 2002), p.837; *Australia*

Year Book: 2007 (ABS, Canberra, 2007), p.692; DFAT, n.3, p.224.

⁵ DFAT, *Trade in Services Australia: 2009-10* (DFAT, Canberra, 2011), pp.34-35.

⁶ DFAT, n.3, p.224. "Confidential Items of Trade" include all commodities for which the Australian Bureau of Statistics has restricted the release of data (in order to protect the confidentiality of importers, exporters and other interested parties).

⁷ DFAT, n.3, pp.224-225.

⁸ World Trade Organisation (WTO) Secretariat, *Trade Policy Review: United States* (WTO, Geneva, 2006), Appendix Tables.

⁹ WTO Secretariat, n.8, Appendix Tables; DFAT, n.3, p.315.

¹⁰ DFAT, n.3, p.29.

¹¹ *Australia Year Book: 1984* (Australian Bureau of Statistics, Canberra, 1984), p.611; *Australia Year Book: 1988* (ABS, Canberra, 1988), pp.902-903; *Australia Year Book: 1995* (ABS, Canberra, 1994), pp.767-768; *Australia Year Book: 1997* (ABS, Canberra, 1997), p.702; *Australia Year Book: 2002* (ABS, Canberra, 2002), p.838; *Australia Year Book: 2007* (ABS, Canberra, 2007), p.692; DFAT, n.3, p.313.

¹² DFAT, n.5, pp.34-35.

¹³ DFAT, n.3, pp.316-317.

¹⁴ DFAT, n.3, p.315.

¹⁵ *NSW Official Year Book*, 1976, p.257.

¹⁶ Australian Bureau of Statistics, *New South Wales Year Book: 2002* (ABS, Canberra, 2002), pp.295, 297.

¹⁷ DFAT, *Australia's Trade by State and Territory: 2009-10* (DFAT, Canberra, 2011), p.26.

¹⁸ Information provided by NSW Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) - International Markets and Trade Division.

¹⁹ Information provided by NSW DTIRIS (International Markets and Trade Division).

²⁰ Information provided by NSW DTIRIS (International Markets and Trade Division).

²¹ DFAT, n.17, p.26.

²² Information provided by NSW DTIRIS (International Markets and Trade Division).

²³ Information provided by NSW DTIRIS (International Markets and Trade Division). Inulin is a polymer of fructose that is found in artichokes and other so-called white plants. It is used to improve the flavour of low-fat and low-sugar processed foods. See Merriam-Webster dictionary at <http://www.merriam-webster.com/dictionary/inulin>.

- ²⁴ Elizabeth Masamune, *A Yen for Profits: Inside Japan's New Economy* (Austrade, Sydney, 2008), p.15.
- ²⁵ Australian Bureau of Statistics, *International Investment Position: Australia*, ABS Catalogue 5352.0 (ABS, Canberra, 2011). Table 2 (Foreign Investment in Australia: Level of Investment by Country, and by Country Groups, by Type of Investment and Year).
- ²⁶ Lalith de Silva, "Direct Investment and Japanese Subsidiaries in Australia" in the *Otemon Journal of Australian Studies*, vol.32, 2006, pp.100-101.
- ²⁷ In 2007, imports formed 75% of motor vehicles purchased in Australia. See Nixon Apple, Tim Harcourt, Peter Upton and Elizabeth Webster, *Review of Australia's Automotive Industry*, final report (Commonwealth of Australia, Canberra, 2008), p.162. See also IBISWorld estimations of wholesale firms in the "Top 500 Companies" category at www.ibisworld.com.au/alliance/ceoforum/index.html.
- ²⁸ Lalith de Silva, "A Macro Analysis of Japan-Australia Bilateral Trade Relations: Present Status and Future Trends" in the *Otemon Journal of Australian Studies*, vol.34, 2008, p.42.
- ²⁹ NSW Minerals Council, *Key Industry Statistics: 2009* (NSW Minerals Council, Sydney, 2009), p.7; NSW Industry and Investment, *Innovative Technologies: Mining* (NSW Industry and Investment, Sydney, 2010).
- ³⁰ Yoshihiro Toyama, "The Developing Australian Economy and Japan's Involvement: Comprehending and Teaching around this Topic" in the *Otemon Journal of Australian Studies*, vol.30, 2004, p.219.
- ³¹ Access Economics, *Report 3: State and Regional Economic Futures* (Access Economics, Canberra, 2009), p.38.
- ³² See "Australia – Exports via New South Wales to Japan" in the *World Trade Atlas* (Global Trade Information Services, Columbia, South Carolina, 2011).
- ³³ Emmanuel Fernando, *Identifying and Predicting Turning Points in Australian Inbound Tourism Demand Growth* (PhD Thesis, Victoria University, 2010), p.12.
- ³⁴ Fernando, n.33, p.15.
- ³⁵ Tourism Research Australia, *International Visitors in Australia: March 2011* (Tourism Research Australia, Canberra, 2011), p.11.
- ³⁶ Tourism Research Australia, n.35, p.12.
- ³⁷ Tourism Research Australia, n.35, p.45.
- ³⁸ Department of Agriculture, Fisheries and Forestry (DAFF), *Response to the Joint Standing Committee on Foreign Affairs, Defence and Trade* (DAFF, Canberra, 2008), p.6.
- ³⁹ Information provided by NSW DTIRIS.
- ⁴⁰ DFAT, n.3, p.40.
- ⁴¹ Lalith de Silva, n.28, p.42.
- ⁴² In 2010, NSW had 5.5 million beef cattle out of 26.6 million nationally. See Meat and Livestock Authority (MLA), *Australian Red Meat: 2000-2010* (MLA, Sydney, 2010), p.3.
- ⁴³ Information provided by NSW DTIRIS.
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