



China trade deal opens the pearl gates

Kim Macdonald

A WA pearling company is targeting the holy grail of exports following the Free Trade Agreement with China that will abolish the 21 per cent tariff over four years.

Atlas Pearls — which recently presented its pearl perfume as an official gift to Chinese president Xi Jinping in Australia for the G20 Summit — said exports to China had become “tangible and realistic” after the historic agreement.

While Kailis and Paspaly pearl companies declined to comment on their export intentions, economists have noted the pearl sector is one of the big winners from the FTA, along with horticulture, beef, dairy and wine industries.

Atlas chief executive Pierre Fallourd said China had recently overtaken the US as the biggest market for cultured pearls.

“All leading pearl producers have been eyeing off, and some have already successfully penetrated, the Chinese market in the past few years,” he said.

“But it’s usually through a complex and intricate import procedure involving additional costs, often at the expense of the Chinese consumer as it invariably results in higher prices.

“What the FTA will allow is a streamlined value chain.”

Atlas is one of many enterprises gearing up to take advantage of the FTA, which is set to boost economy by \$18 billion over 10 years.

The Australian Institute of Management WA said its Global Leaders Program to China, in

February, would help businesses take advantage of the deal.

The program takes local business people to Shanghai and Beijing for workshops with Australian

businesses already in China, who can teach them to navigate systems ranging from industrial law to banking.

AIM WA International director Maria Perez said the program was designed to foster leaders’ understanding of leadership and business in China, including the all-important cultural aspects.

“FTA presents opportunities for WA small and medium businesses looking to expand into international markets,” Ms Perez

said. “However, China as a market is huge, hence the challenges for WA small to medium businesses will be how to get connected and how to gain knowledge of what is required to export effectively.

“(They need to know how) to deliver ... while maintaining quality and sustainable operations. Real success and traction will depend on how well the businesses can effectively respond and act on opportunity.”



FREE TRADE
Tariff removals in the FTA

- DAIRY**
20% lifted within 11 years
-- BEEF**
25% lifted over nine years
-- LIVE ANIMAL EXPORTS**
10% lifted over four years.
-- SHEEP EXPORTS**
12% to 23% lifted immediately
-- WINE**
14% to 20% lifted over four years
-- PEARLS**
21% lifted within four years

SOURCE: Department of Foreign Affairs and Trade