

Media Release

Australian businesses need to view FTAs realistically and respond while time is on their side...says Tynan

Tuesday November 17, 2015. Whilst congratulating the federal government for implementing Free Trade Agreements (FTAs) with Australia's trading partners, Connect ASEAN CEO and founder Paul Tynan also cautions supporters of FTAs and 'would be' exporters that they need to be viewed realistically as these arrangements are only the first step in a long process of developing new trade markets, relationships and export opportunities.

Exporting agricultural products and professional services to satisfy the demand from the rapidly expanding Asian economies and burgeoning middle classes in these countries will take time and patience emphasised Tynan. Most importantly, an FTA can only be viewed as nothing more than a piece of paper if it is not actioned.

"The speed of communication and technological developments has resulted in the world becoming fundamentally smaller and reflecting its reference as a *global village*", said Tynan. "It may sound like a well worn cliché but it is a reality that the barriers to trade and commercial engagement are being torn down at an unprecedented rate".

"However, Australia still needs to support entrepreneurs to build bridges and links into Asia. The future growth of business will be small businesses but unfortunately the reality is they commonly work in their own bubble and they don't seek help to assist them with their endeavours. Another handbrake to success is the reluctance of SMEs to pay for professional assistance or they simply can't afford to pay for help".

Not a day goes by without a story being published in the newspapers referring to the rising tide of the Asian middleclass and why Australian businesses large and small must position themselves to take advantage of this opportunity.

Although success is being achieved by small businesses in markets to Australia's north, far more are struggling to overcome self imposed inertia and develop a platform to participate in the Asian Century added Tynan.

On a recent holiday to Switzerland Tynan witnessed firsthand the Asian middleclass phenomenon and refers to his experience as an eye opening 'reality check'.

Whilst in the Jungfrau region, there were groups of Chinese tours everywhere holidaying in the Swiss Alps. The tours were very well structured (they even had their own reserved trains) and everywhere the sightseeing signs were written in Chinese to assist the tourists to better appreciate and experience the enjoyment of the Alps.

For those who have never travelled to this region – the Jungfrauoch is the highest train station in Europe at 3454 metres and is the highlight of every trip to Switzerland. At the station there was a watch shop managed by and staffed by Chinese speaking shop assistants to assist the overseas tourists with their purchase of expensive luxury goods.

All of this reminded Tynan of Queensland's Gold Coast in the 70's and 80's when Australia responded proactively to the wave of Japanese tourism.

Tynan continued, “Australian businesses have immense untapped capacity to capitalise on FTAs, the economic growth in Asia Pacific and the drop in the Australian dollar which is making local goods and services extremely attractive and competitive. The missing link is an assertive entrepreneurial spirit and ability to engage on a P2P level!”

Again reflecting on his European experience and vacation, Tynan was immensely impressed by the Swiss tourism industry for targeting Chinese middleclass tourists and marketing themselves brilliantly in the promotion of the Alps as an enjoyable, safe, friendly and welcoming destination – a lesson Australia needs to emulate.

Tynan concluded, “The barriers to international trade are rapidly being removed and national governments are moving quickly to implement FTAs that will provide opportunities and platforms for businesses to export their goods and services. An overseas holiday can actually provide a reality check for Australian businesses as it highlights very clearly that our SMEs and large corporates don’t have a monopoly in this region and while time is still on their side they need to act now and quickly to embrace the Asian Century or the commercial potential will be lost”.

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Issued by Connect ASEAN www.connectasean.com.au

Media enquiries

Mr. Joe Perri
Joe Perri & Associates Pty Ltd
Telephone: +61 3 9324 0362
Mobile: +61 412 112 545
Email: jperri@joeperry.com.au