

Iowa Trades with Australia

Australia is the 11th largest market for Iowa goods exports, worth over \$199.6 million in 2007. Iowa's major exports to Australia include tractors, pork, agricultural machinery and drilling equipment.

Product	Value (\$)	Percent
Machinery Manufactures	94,107,044	47.1
Processed Foods	33,720,016	16.9
Chemical Manufactures	17,543,883	8.8
Electrical Equip., Appliances & Parts	10,911,057	5.5
Computers & Electronic Products	10,305,687	5.2
Plastic & Rubber Products	6,763,033	3.4
All Others	26,255,659	13.2
TOTAL	199,606,379	100%

Source: US Department of Commerce 2007 CY

Did you know?

- During the 2005-2006 academic year, almost 250 Iowa college students participated in **study abroad programs in Australia**, an increase of around 3% on the previous year.
- **Iowa State University** has established the Dean's International Leadership Seminar in Australia, a summer program with **Monash University** and the **Australian Institute of Management** in Sydney, and also has direct student exchange arrangements with several Australian universities.
- The United States is the number one destination for Australian investment abroad, with total investment of US\$355.6 billion, and direct investment of US\$133.1 billion. Australia is the eighth largest foreign investor in the United States. There is considerable investment in the US manufacturing, finance and real estate sectors.

Australia invests in Iowa

- **Global Ethanol Holdings** has a majority stake in an ethanol plant in Lakota.
- **Manildra Milling**, part of an Australian group, produces wheat starch and wheat gluten at its state-of-the-art production facility in Hamburg.

Australia: Strong economy, important trading partner

- Total trade between Australia and the United States was \$44 billion in 2007, with US exports to Australia amounting to \$29 billion. Australia ranks in the top 10 export markets for 14 states and the top 25 markets for 48 states.
- Australia is among the most highly developed and economically successful countries in the world with a gross domestic product (GDP) of \$1 trillion for the 2007/08 financial year.
- Australia has one of the world's most open and innovative economies. The OECD's 2008 annual review of economic reform assesses that Australia's economy is the least regulated among OECD member countries and imposes the least impact on economic behaviour.

AUSFTA

The **Australia-US Free Trade Agreement (FTA)** came into force on 1 January 2005. The FTA gives US businesses price advantages and preferential access over international competitors in the Australian market. The FTA eliminates 99% of Australia's manufacturing tariffs, giving US firms a 5% average cost advantage over their international competitors in the Australian market. Additionally the FTA:

- Grants enhanced preferential access for American service exporters to Australia.
- Grants tariff-free access to Australia's agricultural market for US exporters.
- Removes foreign investment screening for a range of foreign investment activities, including establishment of all new businesses in Australia.