

# [The imports and exports between france and australia](https://assignbuster.com/the-imports-and-exports-between-france-and-australia/)

Although France and Australia are separated by seventeen thousand kilometers, these (respectively) fifth and twelfth world economies power are trading together. The purpose of this project was to determine what were the different imports and exports between them and how their relationship works. To get true information about this subject it was important to be based on reliable websites. As a consequence I used the two government websites and the public statistics as INSEE (National Institute for Statistics and Economic Studies) and ABS (Australian Bureau of Statistics). As a result of the above procedure, there are various sectors of trades between France and Australia but the amount of trade is not as big as we could thing. In addition, their relationship is much more than commercial. To conclude, the imports and exports between France and Australia and their cooperation grew slowly but they still are increasing.

## INTRODUCTION

While France is going through a financial European crisis and an important debt crisis, the Australian economy is one of the most successful of the developed countries. This is its twentieth consecutive year of growth and, since 1991, the annual average growth is around three percent. We can wonder if the trades between these two countries could be a solution for France.

## GOALS OF THE TASK ESSAY

This task essay has two mains goals that will be achieved respectively in the two chapters.

The first chapter tries to obtain more information about the exports and the imports between France and Australia. It deals with what type of merchandises, services and investments there are between the two countries and what is the amount of these types. The goal is to know if the trade is quite big or more superficial… It is also to know if, for France, Australia could represent a solution and if, for Australia, France is an important commercial partner.

The second chapter speaks about the relationships. It examines when did the link start, how it kept going and now, what are the main agreements between these countries. The goal is to know exactly what kind of relationships there are. Is it only commercial or is it also cultural or friendly?

## DESCRIPTION OF THE METHODOLOGY

To write this Task Essay, I first wrote on a paper my subject « imports and exports between France and Australia ». I defined for myself the most important terms (imports, exports, France, Australia) and wrote what was the other « keywords » in relation with the subject (trade balance or agreements for example). Then, I began to research on Internet some articles. I used Google as a search engine and choose the government websites to find information. I made the researches in English to have Australian information and also in French for the same reason. I took care to pick up information from 2010 or 2011 and to consider the rate exchange.

Once I had found lots of explanations, I made the main body plan and organized the different ideas in the chapters. I checked the numbers and the amounts with others websites to be sure that my information were exact.

After that, I wrote the introduction and the conclusion to have my entire main body and so I could do the table of contents. At the end I wrote the abstract, the goals and the descriptions. The bibliography and the graphs will be the ultimate part of my task essay.

## 1. THE VARIOUS SECTORS OF IMPORTS AND EXPORTS

## 1. 1 GENERAL INFORMATION ABOUT THE COUNTRIES

## 1. 1. 1 General information about France

The Republic of France has a population of more than sixty five million people and a surface area of five hundred and fifty two thousand square kilometers.

France is a member of the European Union and it is also a member of the Group of Eight (G8) and the Group of Twenty (G20) world’s largest economies.

In 2011 the gross domestic product (GDP) of France grew at one thousand nine hundred and ninety six billions euros (in current prices) while the GDP in « Purchasing Power Parity » (PPP) was at thousand six hundred and ninety two billions euros.

France’s trade is one of the largest in the world: it ranks sixth in terms of export volumes and fifth when it comes to imports. However, the negative trade balance reached seventy billions euros in 2011.

Graph 1. 1: French trade balance from 1960 to 2011, in billions euros.

The principal import sources of France in 2011 were Germany (which represents 16. 5% of the total of France’s imports), Italy (8. 2%), and Spain (7. 3%). Australia was the twenty second with 0. 9%. The principal export destinations were Germany (16. 9%), China (8. 0%) and Belgium (7. 8%). Australia arrived fifty third with 0. 2%.

Besides French trade, tourism and agriculture are also a big contributor to the national GDP. Almost 25% of the European Union’s total agricultural products has being produced in France.

## 1. 1. 2 General information about Australia

Australia has a population of twenty two million six hundred thousand people and a surface area of seven thousand six hundred and ninety two thousand square kilometers.

As France, Australia is a member of the Group of Twenty world’s largest economies.

According to the GDP (in current prices), Australia was the twelfth largest economy in the world in 2011 and according to the GDP in PPP it was the seventeenth largest. Australia’s GDP was thousand hundred and thirty five billions euros and the GDP in PPP was six hundred and ninety nine billions euros in 2011. Australia has ended the 2010 financial year with a trade surplus of thirteen thousand seven hundred and fifty seven million euros.

Graph: 1. 2: Australian trade balance from April 2010 to October 2011, in millions A$.

## 1. 2 AUSTRALIA’S TRADE WITH FRANCE

Trade and investment links between Australia and France are considerable but the balance is always in France’s favor. This balance had declined in 2009 due to the financial crisis, but had increased in 2010 to reach thousand nine hundred and thirty nine million euros, which was the biggest amount these last ten years.

## 1. 2. 1 Australian merchandise trade with France:

In 2010, the Australian imports had increased by 28, 3% and its exports by 25, 2%.

For Australia, France is the eighteenth largest merchandise trading partner overall. It represented three billions eight hundred and seventy one millions euros in 2011. France is the thirteenth supplier and the twenty third customer of Australia.

For France, Australia is its seventh trade surplus. It is also the twenty sixth customer and the forty eighth supplier.

Graph 1. 3: Australia’s merchandise trade with France from 2006 to 2011, in million A$.

1. 2. 1. 1 Australian exports

Australia’s merchandise exports to France were a total of nine hundred and forty eight millions in 2011.

The major exports to France are: the coal (four hundred and eighty millions euros), the aircraft and spacecraft (eighty millions five hundred thousand euros), the oil-seeds and oleaginous fruits (forty three millions four hundred fifty thousand euros), and finally the coke and semi-coke (fourteen millions two hundred and ten thousand euros).

We can say that three out of four of Australian exports are raw materials.

1. 2. 1. 2 Australian imports

Imports from France in the same period totaled two billions nine hundred and twenty three millions euros.

The major products include: the medications including veterinary (five hundred and eleven millions euros), the alcoholic beverages (hundred and seventy six millions euros), the perfumery and cosmetics excluding soap (hundred and seventy millions euros) and civil engineering equipment (hundred and nine millions euros).

In a general way, Australia exchanges its raw materials against intermediate goods.

## 1. 2. 2 Australian services trade with France:

In 2011, Australia exported five hundred and sixteen millions euros in services to France and services imports were valued at eight hundred and fifty four millions euros.

1. 2. 2. 1 Major Australian service exports:

The major Australian service exports are: the personal travel excluding education (two hundred seventy millions euros) and the education-related travel (seventy five millions euros).

Tourist links between the two countries are significant; Australia was receiving approximately ninety four thousand and six hundred French visitors in 2010.

1. 2. 2. 2 Major Australian service imports:

The major Australian service imports are: the personal travel excluding education (five hundred thirty seven millions euros) and the professors (eighty eight millions euros).

## 1. 2. 3 Australia’s investment relationship with France:

Total Australian investment in France in 2011 was valued at twenty one billions three hundred and thirty millions euros.

Total French investment in Australia was valued at fifteen billions eight hundred millions euros in 2011. With 462 setting up (that employ about seventy five thousand employees), France is the eighth foreign investor in Australia.

## 2. THE BILATERAL PARTNERSHIP

## 2. 1 THE ECONOMIC COOPERATION

## 2. 1. 1 History of the relationship

The friendship between France and Australia began with the opening of the first French consulate in Australia in 1842. The main purpose of this consulate was commercial: they wanted to encourage French companies’ implantation.

After the World War II the Australian-French League was created. It concerned war damages, war veterans and commemorative monuments established in both countries. In the cultural domain, the teaching of the French language spread.

The evolution was less clear in the commercial domain. On one part the French trade balance showed an imbalance for the imports and on the other part, the first bilateral agreement of business was concluded in 1936 only. With this settlement, France could take advantages of the sterling area: the exchanges suffered to there high taxes applied to certain products, which meant a loss of 25 % of its exports.

The second half of the twentieth century was convenient to the development of the bilateral relations between France and Australia, especially with the creation of the embassy of France in Canberra. The main signed bilateral agreements concerned varied activities: in 1955 were reached the tariff agreements relative to customs and to business. In the seventies, the French-Australian exchanges changed in favor of the French exports. Indeed from 1945, French companies took advantage of a strong economic and demographic growth in Australia to increase their sales in high technologies.

## 2. 1. 2 The declaration of 11th September 2011

To celebrate this 170 years of relationship and an historical cooperation in two World Wars, Mr. Kevin Rudd (Minister for Foreign Affairs of the Commonwealth of Australia) and Mr. Alain Juppé (Minister for Foreign and European Affairs of the French Republic) have issued the following joint statement: the declaration of 11th September 2011. The purpose was to establish a strategic partnership.

2. 1. 2. 1 Promote bilateral trade and investment

In 2007 already, the establishment in 2007 of the Australian Business in Europe (ABIE) was an important initiative to boost the trade and investment relationship with France. This Corporate Club has a high-level membership of the main Australian and French multinationals involved in the bilateral trade and investment relationship. It has already paid dividends, stimulating contact and collaboration between some of the participants. In 2011, the two Governments had confirmed their intention to promote bilateral trade and investment.

2. 1. 2. 2 Organize exchanges

France and Australia will organize exchanges between the two countries’ regulatory authorities in areas of common interest. That will apply in the market regulation and competition.

They want to organize exchanges between Australian officials and French officials on bilateral and multilateral economic. They also want to share experiences about G20 presidencies and views on actual issues.

2. 1. 2. 3 Encourage investment

By l’Agence Française pour les Investissements Internationaux (AFII) in Australia and Austrade in France, the countries will encourage the investment and business partnerships, including in the Pacific.

## 2. 2 THE COOPERATION IN THE PACIFIC AND INDIAN OCEANS

The two Governments reassert the importance of their cooperation in the Pacific and Indian Ocean regions, where they both have directs interests.

They want to increase their cooperation in the Pacific region about some issues. It concerns: the promotion of a sustainable development, the promotion of human rights and democratic governance, the economic development, the sustainable management of ocean resources and the preparation of action in the event of natural disasters.

They continue to counter illegal, unregulated and unreported fishing, and to promote responsible and sustainable management of fish stocks, including through cooperation on air and sea surveillance and through regional fisheries management organizations. It builds on the bilateral Treaty on Cooperation in the Maritime Areas adjacent to the French Southern and Antarctic Territories. It allows Australia and France to cooperate and apply their own fishing laws in their exclusive economic zones and territorial seas in the Southern Ocean.

They support the actions taken by the Indian Ocean Rim-Association for Regional Cooperation (IOR-ARC), of which France is an important partner and of which Australia will be Vice-Chair in 2012.

## CONCLUSION

Two centuries of French-Australian business show that, globally, their trade development was relatively slow. This is due to the big distance between the countries, the cultural differences and the recent development of the Australian economy. Moreover, the trade between France and Australia doesn’t have a big impact in their own economy. It means that the economy of one of these countries doesn’t depend on the other.

But the French know-how in infrastructures, the improvement of the Australian rate exchange and the favorable perspectives of growth of the Australian economy let imagine a pursuit of the progress of French exports. In general, there are lots of opportunities and it concerns all the sectors on the Australian market.

Regarding to their relationships, Australia and France share many common interests but important policy differences exist, notably in the area of agricultural trade liberalization. People-to-people links between Australia and France are growing, as science, research and cultural exchanges.

Finally, from a geographical point of view, Australia often plays the role of platform to access to the Asian markets for the European companies. And so, as the Asian market is growing, probably the trade between France and Australia will grow in the same way.