

Trading factors



Australia and Japan are already established trading partners with China. The following figures show total imports and exports for Japan and Australia. Trade Data provided by Central Intelligence Agency " The World Fact Book" Tariff rates should also be taken into consider when choosing between Australia and Japan. At present time Australia's tariff rates are approximately 4. 3% and Japan's are more than 6%. Australia offers lower tariff rates which help to make it a better choice from an economic perspective.

Low tariffs will help increase the profits that we can obtain or create a larger discount we can provide to our future customers. Australia's tariff rate is on a downward trend in comparison to earlier years when it averaged over 5. 5% (United States Trade Representative). This downward trend creates the possibility that tariffs may continue to decline in Australia. When comparing Australia and Japan the two countries appear to be very similar, based on potential customer base and the ease of trade. There was one factor that really stood out when deciding between the two countries and that was the ease of establishing a business in Australia compared to Japan. " The Japanese bureaucracy is infamous for making business life complicated. It is said that there are more than 10, 000 regulations in 20 categories" (HTM).

Conclusion and Recommendation The fundamental aspect to success in expanding overseas is to carefully assess foreign markets and select the one that best fits into our company's strategy. Based on the research and information presented it should be evident why C&C Industries should select Australia as the country to expand our business. I think it's important to add

that Australia and China are currently working towards a free trade agreement.

As of June 2007, the two countries had just concluded their 8th round of negotiations (Department of Foreign Affairs and Trade). Though the negotiations have pned over two years, it's thought to believe that there will be a signing of the agreement within the next year. Currently the next rounds of negotiations are set to take place in October 2007. When the agreement is signed it would be very beneficial to our company to already have an established business setup and operating in Australia.

By taking all of the factors I have discussed into consideration, I believe the facts speak for themselves. Japan is definitely a good place to expand our business to, but right now there is too much competition in that country and we need to choose a location where the market place isn't over saturated. Choosing Australia will allow us to do just that, with less risk and the same amount of potential reward.

Works Cited

Agence France Presse. " Australia's economy set for strong growth: survey".
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