

ACCI Welcomes Export Market Development Grant Support



Mr. Bryan Clark

The Australian Chamber of Commerce and Industry, Australia's largest industry representative group, has welcomed the Australian government's decision to continue the Export Market Development Grants (EMDG) Scheme. .

The EMDG Scheme provides a support mechanism which reduces the costs of Australian exporters doing business overseas and seeking new markets for Australian products and services. ACCI is also pleased to

see the initial payments increased to \$50,000.

The Manager of Trade and International Affairs at ACCI, Bryan Clark said, "notwithstanding our strong support for the overall scheme, there are issues with its management and the volatility in the payment levels which are making some businesses nervous and frustrated."

"The 2009-10 payments, which are only just being made by the Government, have left exporters, particularly SME's out of pocket," he said.

"The Part B payment of the Export Market Development Grant (EMDG) is only 56.7¢ in the dollar—a figure that underlines the fact that demand for grants exceeds funds the Government has made available.

"Encouraging SME's to open more export markets requires grants that are approaching a dollar for dollar rebate."

"Given the fiscal and budgetary situation it is understandable but

disappointing we didn't see more funds for these grants in the last budget. The grant pool has now been frozen at \$150 million for two years."

"Exporters are struggling with exchanges rates, increased logistics costs due to fuel prices, the threat of a carbon tax and uncertain global sentiment," Bryan Clark said.

"This grants scheme is a good scheme to encourage exports, but it needs to be adjusted to reduce uncertainty and volatility."

"How much of a rebate a business can expect keeps changing. It is too much like a lottery. And with no reasonable expectation of getting close to what they've applied for, many simply won't bother to apply.

If we want to encourage SME's to open more export markets we have to stabilise this program, and ensure that the grants provide something close to a dollar-for-dollar rebate," Bryan Clark said.

