



4 January 2012

Ms Carole Gardner
Productivity Commission
Export Credit Arrangements
LB2 Collins Street East
Melbourne VIC 8003
By email: exportcredit@pc.gov.au

20 Queens Road
MELBOURNE VIC 3004
PO Box 7622
Melbourne VIC 8004
Australia

ABN 76 369 958 788

Tel: 013 9867 0111
Fax: 0312 9867 0199
www.aigroup.com.au

Australia's Export Credit Arrangements

Dear Ms Gardner

The Australian Industry Group (Ai Group) welcomes the opportunity to provide comment on the Productivity Commission's inquiry into Australia's Export Credit Arrangements.

Ai Group is a peak industry association in Australia which along with its affiliates represents the interests of more than 60,000 businesses in an expanding range of sectors including: manufacturing; engineering; construction; automotive; food; transport; information technology; telecommunications; call centres; labour hire; printing; defence; mining equipment and supplies; airlines; and other industries. The businesses we represent employ more than 1 million employees. We are an organisation committed to helping Australian industry, with a focus on building competitive and sustainable industries through global integration, skills development, productive and flexible workplace relations, infrastructure development and innovation.

Ai Group is of the view that EFIC provides an important and valuable suite of products and services that assist Australian businesses in their overseas activities. We support the continuation of EFIC's work and acknowledge the significant role Export Credit Agencies (ECAs) play in facilitating international trade and investment.

EFIC's current structure, as a statutory public corporation is appropriate. However, EFIC needs to be flexible enough in the current global economic environment to provide enhanced support to Small and Medium-sized Enterprises (SMEs), as well as larger businesses, in both established and key emerging markets.

Ai Group maintains that while EFIC's role should be to operate in the 'market gap' on the basis of commercial viability, EFIC needs to continue to respond to the challenging global economic environment. We support the current flexibility in the definition of 'market gap' to facilitate Australian business operations in volatile economic environments.

Ai Group support the work of EFIC and encourage the development of its products and services by its technical experts, in a flexible way, to ensure the needs of all of Australia's exporting business community, which do not currently receive other forms of credit support, are met.

The key to EFIC's ongoing success is that it remains alert to supporting new opportunities being pursued by Australian businesses in a rapidly changing economic and trading landscape.

Thank you for considering our views.

Yours sincerely

INNES WILLOX

Director – International and Government Relations