Message of the Trade Commissioner

I am pleased to take this opportunity to let you know about current trading activities between the Philippines and Australia and what steps are currently being done to further our mutual efforts to develop reciprocal trade.

Next week, a Tasmanian government trade mission will visit Manila to explore the possibilities for joint venture projects in the fields of agriculture, dairying and cattle raising — they will be here for three days.

From December 2nd to 5th, the Chemical Industries Trade Mission, about which I have already announced the details, will be in Manila.

Detailed plans for these two missions are now well advanced. However, businessmen wishing to meet with members of either of these 2 missions may still do so if they will contact the Trade Commission without further delay.

It is most heartening to give special mention to the Philippine Trade Mission, which is being sponsored and organized by the Chamber of Commerce of the Philippines and which will visit Australia from the 30th of November until the 14th of December. It is to be hoped that this will be the forerunner of many more selling missions from the Philippines, not only to Australia, but to other countries with whom you trade.

In the new year, the Trade Commission will be moving to its new location in the China Bank Building in Makati. The new offices and facilities will enable us further to cope with the increasing demands in the commercial and economic fields. The new location will also make possible the installation of a permanent display area for the Australian products which are currently available in the Philippines.

I hope that this special supplement of the **Philippines Herald** will help lead to a closer understanding of the efforts Australia is making towards the economic, industrial and agricultural development of the Philippines, and Australia's continued confidence in the future of your great nation. — **F. W. GLUTH**, Australian Government Trade Commissioner.

F. W. GLUTH

Australia sums up present progress: "Australia is on the move; big things are happening both in raw materials and in industrialization."

Although agriculture appears to have been relegated to third place in this push towards creating an urbanized industrial society, this is illusory. Agriculture has been, and will continue to play a very important part in the economy. In fact, the sale of Australia's farm products overseas financed the country's rapid industrialization in the Sixties This sector still provides just under 60 percent of the country's foreign exchange and this reliance on the output of the Australian farmer will continue in the Seventies.

Last year rural production contributed 9 percent to the G.N.P. with a gross value of around $A4,000 million, nearly half of which was exported.

Even with the vagaries of world prices for primary produce, more often down than up, and varying seasonal conditions including droughts and bushfires, Australian farmers increased their volume of rural output by 45 per cent in the Sixties. Paradoxically, workers have been gradually drifting away from the farms to the cities until today only eight percent of the workforce is on the land, compared with 11 percent at the beginning of the Sixties

Increased mechanization has been the farmers' answer to this shrinking labour force. The use of Australian cultivators, seeding and planting machinery has increased rapidly. In 10 years the number of tractors on rural holdings rose from 225,000 to 325,000. More than 90 percent of wheat is now handled by bulk methods.

This drift of the land is expected to continue in the Seventies which will see the machine together with agricultural science increasing output as well as opening up new lands for pastoral and agricultural development.

But what will all this mean to the average Australian in the Seventies?

According to one of Australia's leading banks, in a projection into the future based on current trends, Australians will become even more motorized than they are now. From the one car for every three persons in the country now, the "two-car" family will become more commonplace in the Seventies. With it will come the "two-house" family — the family residence close to work and school for the weekdays, and the cottage by the sea, in the country or in the mountains for the weekend and holidays.

In the consumer field, it was refrigerators, transistor radios and television sets in the Sixties. In the Seventies there is likely to be a wider acceptance of food freezers and air conditioners. But the main impact (in terms of spending) will be the introduction of colour television to Australia in the Seventies.

One interesting aspect of the bank's projection for the Seventies is the changing buying habits of Australians. Spending on durable goods, such as cars, furniture, electrical goods, hardware etc., is expected to rise from an average growth rate of 5.4 percent a year during the Sixties to 9.2 percent in the Seventies. On the other hand spending on non-durables, such as food and clothing is expected to continue its downward path. Although actual spending grew slowly in the Sixties it has not been keeping pace with the G.N.P. and only comprised 24 per cent last year. It is expected to drop to less than 30 percent of the G.N.P. by the end of the Seventies.

Overall the Australian economy in the Sixties took time to get moving because of the 1961 recession and then expansion was curtailed in the mid-sixties by drought. However, in money terms the country's G.N.P. rose at an average yearly rate of eight percent. The increase could be as high as 9.5 per cent this decade. Prices will probably account for up to 3.5 percent of this increase, resulting in an average annual real rate of growth of around six percent, compared with 4.9 percent in the Sixties.

By international standards the Australian economy appears to be in a state of rude health. True, there are signs of strain now emerging, but when one considers all factors these stresses are of a transitory nature — mere twinges in the joints of a growing youth who is rapidly approaching adulthood.

An $A11 million olefines plant operated at Botany (Sydney) by ICIANZ Ltd. In the year 1969-70 the Australian chemical industry exported products worth more than $A136 million.

A 16-member Chemical Industries Trade Mission from Australia now touring South East Asia, will reach Manila on December 2.

Organized by the Australian Department of Trade and Industry, with the support of the Australian Chemical Industry Council and the National Council of Chemical and Pharmaceutical Industries, the mission comprises representatives of companies making and exporting a vast range of industrial and other chemicals.

Headed by Mr. W. S. Duffield, the mission follows previous ventures in 1965 and 1967. Mr. Duffield was also the leader of the 1967 mission.

Other stops on the South East Asian tour are Djakarta, Singapore, Taipei, Seoul, Tokyo, and Hongkong.

The Australian chemical industry, which in 1969-70 registered exports worth $A136 million, plans to increase overseas outlets during the 1970s to help accommodate an expected doubling of production.

At present, a quarter of Australia's chemicals exports goes to Asia.

The industry employs more than 55,000 people and produces such diverse products as alkalis, acids, heavy organic chemicals, petrochemicals, explosives, pharmaceuticals, cosmetics, polymers, fibres, paints, plastics and fertilizers.

It exports organic and inorganic chemicals to 48 overseas countries including Britain, Fiji, France, Hongkong, India, Italy, Kenya,

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Australian Chemical Team Visit

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New Zealand, Philippines, Africa, Spain, Sweden and the U.S.A.

Export sales growth enables Australia to operate chemicals plants closer in size to overseas competitors.

Domestic sales of chemical products in Australia last year exceeded $A687 million. More than $A70 million of the $A109 million worth of raw materials used last year by companies who are members of the Australian Chemical Industry Council were of Australian origin.

With the use of discoveries in Australia of oil and natural gas, which provide feedstock for the production of petrochemicals, the percentage of Australian raw materials used will increase to more than 75 per cent.

The growing pattern of production has resulted in an inter-relationship being built between major Australian chemical producers such as the Altona petrochemical complex near Melbourne in Victoria, and the Shell Chemical-ICI-ANZ ventures in New South Wales.

Ethane from Bass Strait in southern-eastern Australia will be feedstock for a 100,000 tons a year extension to ethylene capacity at the Altona petrochemical complex.

Mr. John Gorton, the Australian Prime Minister, in September

WILLIAM DUFFIELD

this year opened a $A33 million oil and gas fractionation plant built by The Broken Propriety Co. Ltd. and Esso Exploration and Production Australia Inc. at Long Island Point, Westernport Bay, in the southern State of Victoria.

The plant, about 45 miles from Melbourne, separates and stores natural gas liquids transported by a 118-mile (190-kilometer) buried 10-inch (25.4-centimetre) pipeline from its $A47 million treatment plant at Longford, in Gippsland.

Crude oil and natural gas produced from the offshore fields in the Gippsland basin is transported to the Longford plant by a pipeline network of submarine and onshore pipelines.

Adjacent to the new plant at Long Island Point are storage facilities for crude oil transported by a 28-inch (71.1 centimetre) pipeline from Gippsland.

The Long Island Point plant is designed to produce initially a total of 17,000 barrels a day of propane and butane, as well as 6,000 barrels a day of ethane, with planned expansion to 4,000 barrels a day of raw product feed.

Chemical plants, producing new locally made products and saving millions in dollars in foreign exchange, enter the manufacturing fields every year.

Pointing to the growing strength of the chemical industry in Australia, a large number of plant extensions and new projects were either started or completed last year.

These expansions have enabled new or expanded production of cumene phenol, formaldehyde and UF syrup, water-extended polyester, polypropylene, BR latex and epoxy, high density PE, vinyl acetate monomer, isocyanates and polyols, polystyrene, polyolefines, ethylene, vinyl chloride monomer and fibre glass.

New plant under construction at the end of 1969 was valued at $A22 million — more than double that under construction a year previously. Projects underway this year include:

* A polypropylene plant at Clyde, Sydney, built by Shell Chemical (Aust.) Pty. Ltd., which is scheduled to come on stream late in 1970.
* A new plant, also scheduled for completion late this year, to increase the facilities for production of vinyl acetate monomer and acetaldehyde, built by CSR Chemicals Pty. Ltd. at Rhodes, Sydney, at a cost of $A6 million.
* Australian Fibre Glass Pty. Ltd. have completed a three-stage expansion of facilities costing $A4 million.
* A $A12 million plant will be erected for Bayer Leverkusen Ltd., at Kooranang Island, Newcastle, NSW, to manufacture isocyanates, particularly TDI and MDI, as raw materials for polyurethane rigid and semi-rigid foams.
* A new plant is planned and will be completed during 1971 for the manufacture of propylene glycol by Dow Chemical Australia Ltd., as base material for the production of PPG and the Voronal range of polynols for the urethane market. Dow also was expanding its production facilities for styrene monomer this year.
* Primal Chemicals Pty. Ltd. has built a new plant adjacent to the existing plant at Point Henry, Geelong, Victoria, to produce base materials for the expansion of the manufacturing range.
* Monsanto Australia Ltd. completed this year new polystyrene facilities at West Footscray, Victoria.
* The expansion of the Hoechst Chemical Australia Ltd., high density polyolefines plant at Altona, Victoria, from 12,000 to 18,000 tons was completed in the middle of last year and is now in full production. A further expansion is now in an advanced state of planning, and products from these facilities should be on the market by the end of 1971.
* To meet the continually expanding market for PVC, a further extension of the ICIANZ Ltd. vinyl chloride monomer plant has been made at Botany, NSW.

The Australian chemical industry spent close to $A4.5 million on research and development in 1969, a 19 per cent increase on the previous year.

Recent figures released by the Australian Chemical Industry Council indicated that exports of industrial chemicals and synthetic resins last year by Council members exceeded $A16 million. This represented an increase of some 27.2 per cent compared with exports in 1968.

Domestic sales of industrial chemicals and synthetic resins increasd by 12 per cent on the previous year, gaining a record $A271 million.