



AUSTRALIA'S
INTERNATIONAL
BUSINESS
SURVEY 2016

AUSTRALIA'S INTERNATIONAL BUSINESS SURVEY:

2016 REPORT



ABOUT THIS REPORT

Australia's International Business Survey 2016 is the latest in a series of annual surveys which commenced in 2014. The findings of this report are distinctive and significant because they provide key insights into issues relating to the current markets and future plans of the Australian international business community from a managerial and corporate perspective. The report is based on a survey conducted in late 2015 and early 2016 which resulted in the collection of fully completed and validated responses from 913 internationally active Australian businesses.

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Acknowledgements

The Export Council of Australia and survey partners would like to thank the many export companies that took part in the survey and made it a success.

Disclaimer

The information presented in this report is based on information received from a survey which was conducted in late 2015 and early 2016.

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EXECUTIVE SUMMARY

This report provides the results of Australia's International Business Survey 2016. This latest report follows our surveys of Australia's international businesses published in 2015 and 2014. The findings of this report are distinctive and significant because they provide key insights into issues relating to the current markets and future plans of the Australian international business community from a managerial and corporate perspective.

Australia's internationally active businesses

The majority of international revenue earned by Australia's internationally active businesses is derived from the sale of goods at 51%. However, the international revenue from services is also significant at 40% with intellectual property comprising a further 9%. Respondents are involved in a wide range of international business activities with the largest percentage (36%) involved in both export and import. The export of final goods and services directly from Australia is still the most important mode of servicing international markets. However, the Importing of materials, parts, components for subsequent export is also very important. The use of foreign sales branch or subsidiary is also a very popular mode of operation. Investing in a new overseas operation has been a significant activity for the majority of companies making outward investments with the most important countries being China, the USA and the U.K.

Current overseas markets

The USA was the most commonly reported top overseas market (18%). Three of the top four countries are English-speaking; China, at number 2 (12%), is the exception. Collectively, almost 50% of respondents reported that one of these four countries was their first overseas market. Geographical and/or linguistic closeness appear to be important factors when deciding on the first market for international operations. The top ten countries were either English speaking (e.g., the USA, UK), located in the Asian region (e.g., China, Japan), or both (e.g. New Zealand, Singapore). The most commonly nominated factor to be taken account of when targeting their first foreign market was "understanding market compliance and risk", nominated by 78% of respondents as being moderately or very important. General information or education on the following topics was also identified as being at least moderately important: local customs and border procedures, local business taxes and information, international pricing, IP and trademark protection, local economic and political conditions and local agents or other contacts. For each of the top markets, exporting directly from Australia is favoured by 50% or more of respondents. The use of agents and distributors offshore is the next most popular option, although it is a long way behind the direct exporting mode. Regarding the ease of doing business, of the most popular top markets for survey respondents, China, India and Indonesia are regarded as the most difficult. Unsurprisingly, New Zealand is regarded as the market whose ease of doing business is greatest. The ease of doing business in Singapore, the UK and the USA was also regarded as the same or better than in Australia by a majority of respondents for whom it was a top

destination. The two leading factors rated as very important by respondents are a reputation for dependability and reliability (84%) and a reputation for honesty and trustworthiness (83%). Also very important but less so are a reputation for innovation and adaptability (68%), reputation for value for money (67%), strong company or product brand (64%), and a competitive exchange rate (62%).

E-Commerce

The use of e-commerce – either from one’s own or a third party website – is not yet a common form of market servicing. The top three markets that are served through e-commerce are Singapore, the UK and the US. 31% of respondents who reported using e-commerce, stated that the primary benefit was access to new or niche groups of consumers. For other respondents, the primary benefit was easier payments (23%), control over product or service and brand (22%) or easier distribution and logistics (20%), with a small number reporting that the primary benefit was fewer costs, taxes and regulations. The reasons given for not using e-commerce were that it was not suited to the companies’ clients, and/or to the companies’ products and services. Both reasons were cited as very important by around 36% of respondents from companies that do not use e-commerce.

Logistics and connectivity

In respect of Australia’s performance in the areas of logistics and connectivity infrastructure, more respondents rated Australia’s performance as ‘very good’ or ‘good’ than rated it as ‘satisfactory’ or ‘poor’ in the following categories: ability to track and trace consignments, domestic transport infrastructure, and Port and airport infrastructure. More or less as many respondents rated Australia’s performance as ‘very good’ or ‘good’ as rated it as ‘satisfactory’ or ‘poor’ in the following categories: Communications and IT infrastructure (with 17% rating Australia’s Communications and IT infrastructure as Poor), and Australian border clearance processes (with 9% rating Australian border clearance processes as Poor).

Global value chains

A minority of respondents (29%) reported that their products or services form part of a global production network. Of those respondents not participating in a global production network, 23% attributed non-participation to lack of knowledge or lack of comparative advantage. 72% of non-participants reported that the nature of their products/services did not lend itself to participation in a global production network.

Foreign government tenders

Around 18% of all respondents to the survey reported having bid for a foreign government tender in the past two years. 16 respondents reported having bid for a Chinese government tender in the past two years, or that their most important market for government tenders was China. Although this is higher in absolute terms than any other country, in percentage terms it is lower than the number of respondents that reported that China was their most important market overall. Other countries in the 10 most important markets overall that also feature in the most important markets for government tenders are India, the USA, Indonesia and Malaysia.

Market development activities

Respondents reported that the most important channels for understanding and operating in their most important market were foreign business or industry networks (42% very important), local business partners (34% very important) and overseas employees with cross cultural or language skills (31% very important).

Finance

The most important source of debt funding for financing domestic operations that service overseas markets was business credit cards, followed by overdrafts and trade finance from domestic banks. Respondents who reported they were unsuccessful in obtaining financing indicated a variety of reasons for this outcome. The most common reason was the lender declining the application due to insufficient security. Other reasons nominated by more than 10% of respondents included the lender declining the application due to insufficient cash flow or for some other reason; or the applicant deciding not to proceed because the financing costs would be too high. The 76% of respondents whose companies had not sought additional finance for international business opportunities in the past three years were asked why additional finance had not been sought. The overwhelming reason, selected by 70% of these respondents, was that debt finance was not required. This was a long way ahead of the other reasons that were specified: past experience led them to believe they would not be successful in obtaining finance, and the company's balance sheet was not in a position to accommodate debt. As well as not having sought additional debt finance, the majority of respondents reported that their companies were not using banking or insurance products to reduce the payment risks for export transactions. Only 20% of respondents reported that their companies were using such products. Respondents were asked about the currencies they were using for their export transactions. Thirty-nine per cent of respondents reported that their companies required payment in Australian dollars, 29 per cent were using other currencies, and 32 per cent were using both Australian and other currencies. A small percentage of respondents reported that their companies were currently using Chinese RMB as a trade currency. However, 19 per cent reported they were planning on using Chinese RMB as a trade currency within the next 3 years.

New markets and outlook

Respondents were more optimistic than pessimistic overall with 67% indicating that the future outlook for their international operations was better or much better for 2016 compared to 2015. More than three-quarters of respondents reported that their company was planning to do business in additional foreign markets in the next two years. Of those reporting expansion plans, the majority were aiming to expand to 2 to 3 additional countries. For those respondents reporting plans to do business in additional countries within the next 2 years, China was nominated as the new market that they expected would become most important in terms of additional revenue (15%), followed by the USA (12%) and India (7%). Respondents reported multiple risks faced by their international operations over the next 3-5 years. Two risks were nominated as very /moderately important by a large majority of respondents: high domestic costs in Australia (86%) and the potential for adverse exchange movements (90%). Increased competition was a highly rated factor, as well as increased economic and financial risk (81% rated it as moderately important or very important) or political risk in foreign markets (69% rated it as moderately important or very important). At the same time as reporting plans to expand to additional markets, respondents were also concerned about slower growth in international demand.

INTRODUCTION

This report provides the results of Australia's International Business Survey 2016. This latest report follows our surveys of Australia's international businesses published in 2015 and 2014. The findings of this report are distinctive and significant because they provide key insights into issues relating to the current markets and future plans of the Australian international business community from a managerial and corporate perspective. Australia's trade linkages have been traditionally measured and understood in aggregate value terms. Export statistics, for example, reflect and are highly determined by the overall export performance of key sectors such as mining and energy. As Australia shifts its focus from sectors related to the mining boom it becomes even more important to highlight the development of the non-mining sectors in the wider context of Australia's international business activities.

The report is based on a questionnaire survey conducted during late 2015 and early 2016 which resulted in the collection of 913 fully completed and validated responses from companies currently involved in international business. The companies surveyed cover 19 industry sectors (and 93 sub-sectors), operating in more than 100 markets in all regions of the world. Thirty-three per cent of companies were from the manufacturing sector, representing the single largest group of respondents. Around half of the companies were engaged in a wide variety of service-oriented businesses, with 13 per cent representing professional, scientific and technical services. The survey respondents are mainly SMEs with revenues up to \$20 million. They were also highly experienced businesses. Forty-six per cent of respondents have been operating for more than 20 years, while only 4 per cent have been operating for less than 3 years. In addition to being highly experienced businesses, the companies that participated in the survey were also very experienced in managing activities designed to earn revenue from overseas. Sixty-three per cent of respondents report having first earned international revenue more than 10 years ago.

The report consists of nine major sections:

1. The diversity of operations conducted by Australia's internationally active businesses is detailed.
2. The main international markets, and key drivers as well as barriers to business are analysed.
3. The extent to which companies are engaged in e-commerce is identified.
4. Key aspects of logistics and connectivity are explored.
5. Global value chain relationships are examined.
6. The importance of bidding for government tenders is identified.
7. An analysis of market development activities is provided.
8. The main issues relating to access to finance are explored.
9. The future business outlook and new international market opportunities are highlighted.

Further detailed information including country and industry profiles is provided in the Appendices as follows:

- Appendix A - the profile of company respondents across a range of dimensions.
- Appendix B - country profiles for eight major markets i.e. China, India, Indonesia, Japan, New Zealand, Singapore, United Kingdom, and United States.

- Appendix C - more detailed industry/sector analysis in respect of selected industries i.e. agricultural, forestry and fishing; education and training; ICT; manufacturing; processed food and beverages; professional, scientific and technical services; together with agricultural equipment, and mining equipment, technology and services (based on customers)
- Appendix D – State profiles for New South Wales, Queensland, South Australia, Tasmania, Victoria, and Western Australia
- Appendix E - the survey methodology.

1. AUSTRALIA’S INTERNATIONALLY ACTIVE BUSINESSES

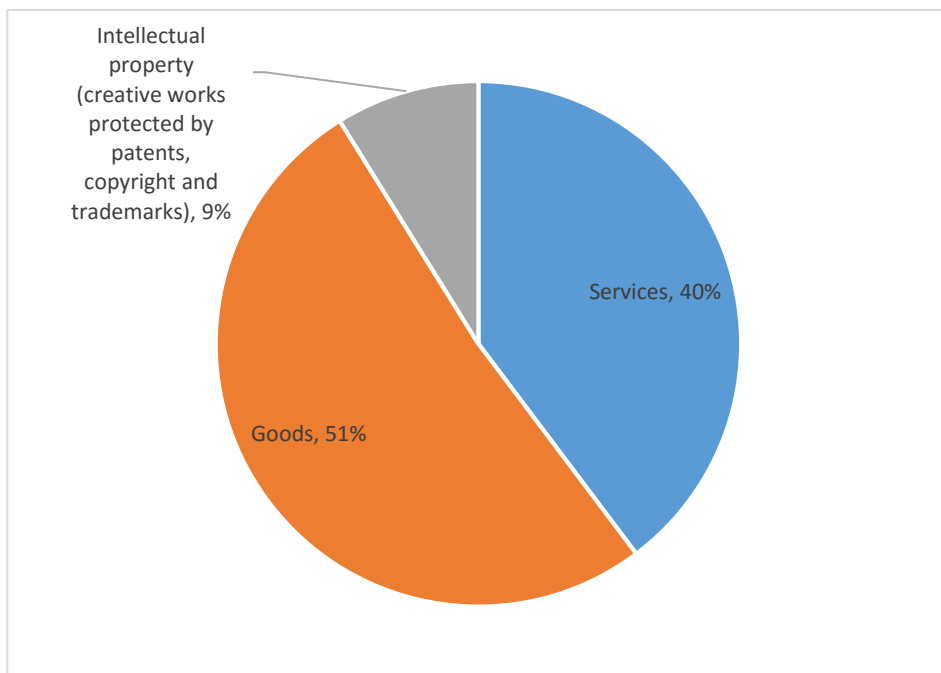
In this section the focus on the nature and significance of the range of international operations conducted by respondents. Additional demographic information about the survey participants is provided in Appendix A which includes an analysis by type of main business (by ANZSIC code), by main buyer industry/sector, by number of employees, by total revenue, by age of company and year international revenues were first earned, by total international revenue, by percentage of international revenue, by location of head office and by ownership type.

1.1 Analysis of revenue from international activities

As can be seen from Figure 1-1 the majority of international revenue is derived from the sale of goods at 51%. However, the international revenue from services is also significant at 40% with intellectual property comprising a further 9%.

Figure 1-1 Analysis of international revenue

Survey question: What proportion of your international revenue is comprised of the following: (enter total to 100%)

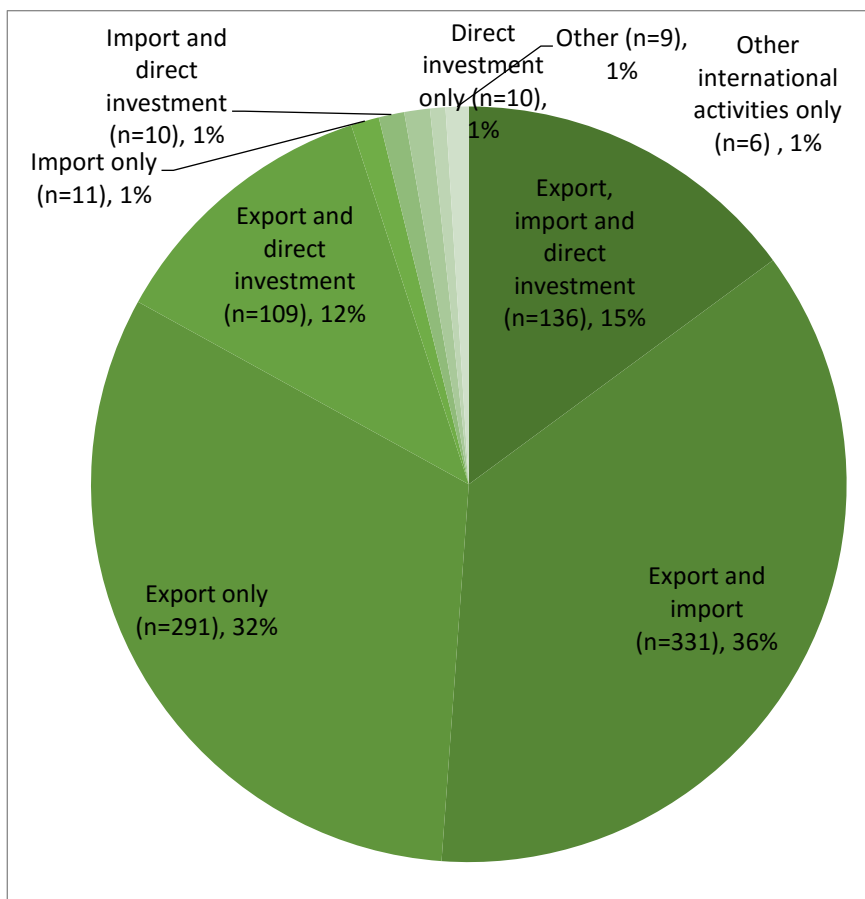


Number of respondents = 913

1.2 The diversity of international business activities

As shown in Figure 1-2, respondents are involved in a wide range of international business activities with the largest percentage (36%) involved in export and import. The next largest at 32% were export only and then a much smaller percentage (15%) engaged in export, import and direct investment (both inward and outward).

Figure 1-2 The diversity of international business activities



Number of respondents = 913

Note: direct investment includes receiving inward investment or making outward investment

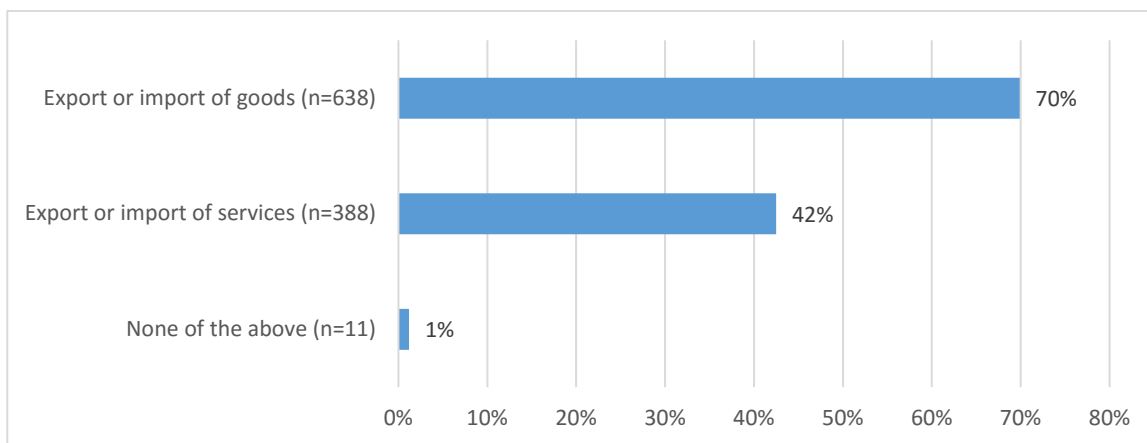
1.3 Exporting and Importing activities

As can be seen from Figure 1-3, a total of 70% of respondents are involved in the export or import of goods while 42% are involved in the export or import of services. Overall, 96% of the respondents were involved in exporting of some kind (Figure 1-4). The vast majority of exporters of goods (74%) rank exporting directly from Australia as very important as shown in Figure 1-5. Much smaller percentages of exporters view engagement in goods exporting via other modes as very important such as exporting indirectly through an overseas sales branch, subsidiary or joint venture (22%), related to a supply contract with overseas multinationals (20%), exporting intermediate goods into further production processes directly from Australia (17%), and exporting indirectly via export agents (15%).

As regards services exporting, a similarly large percentage of exporters (69%) rank exporting services directly from Australia as very important as shown in Figure 1-6. Again, smaller percentages of exporters view other modes as very important such as engagement in exporting services indirectly through an overseas sales branch, subsidiary or joint venture (32%), related to a supply contract with overseas multinationals (29%), exporting intermediate services into further production processes directly from Australia (16%), and exporting services indirectly via export agents (11%).

Figure 1-3 Involvement in exporting and importing

Survey question: Over the past year, has your company been involved in any of the following international activities? Select options that apply.

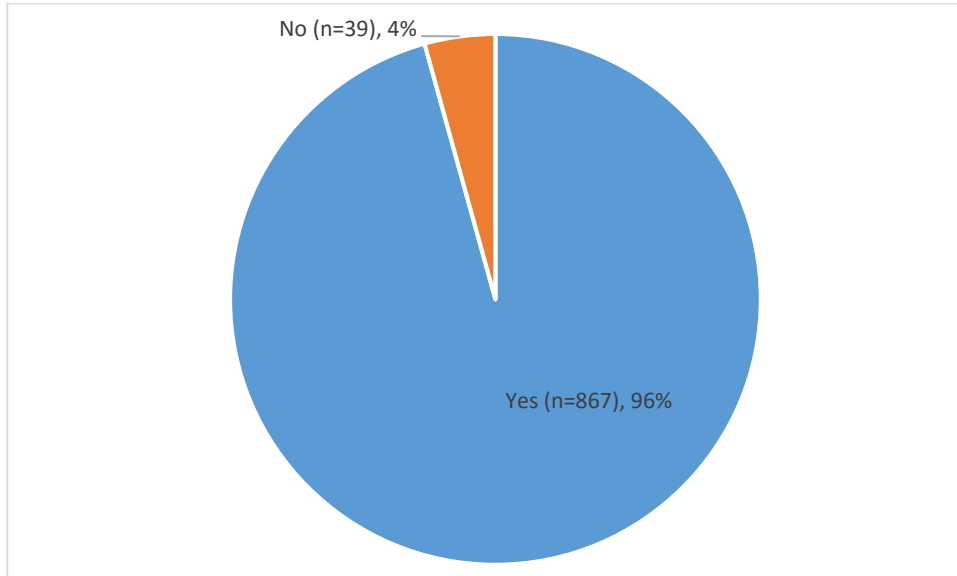


Number of respondents = 913

Note: Multiple answers permitted

Figure 1-4 Involvement in Exporting

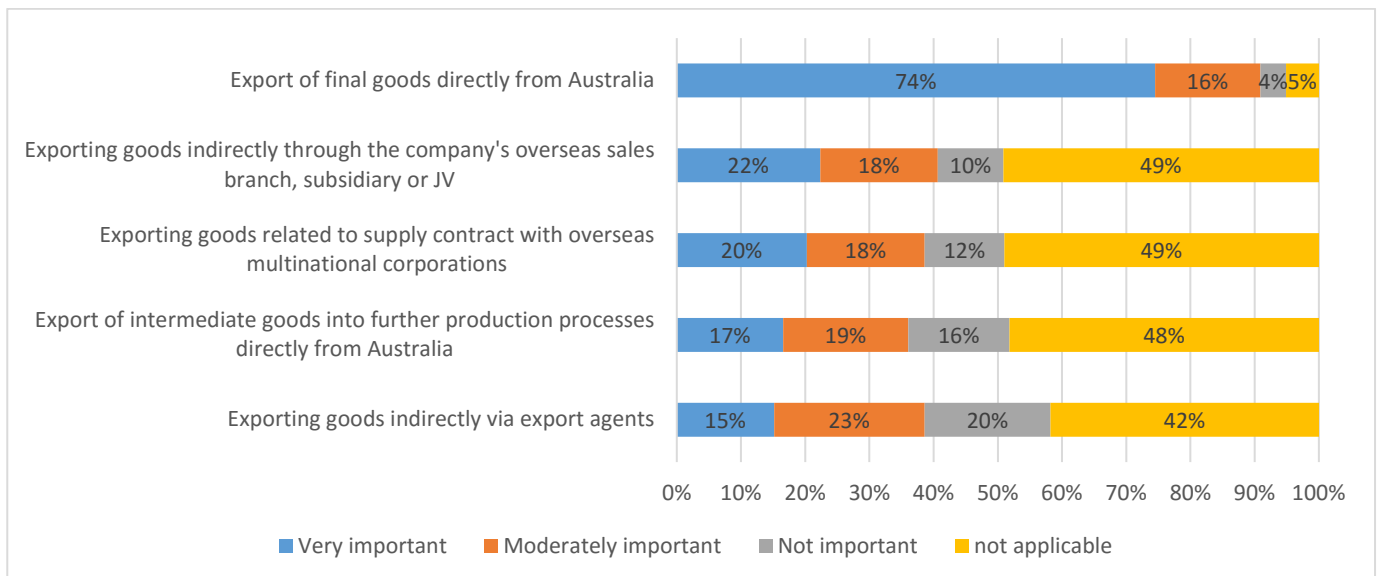
Survey question: Over the past year, has your company been involved in EXPORTING?



Number of respondents = 906

Figure 1-5 Importance of various goods exporting activities

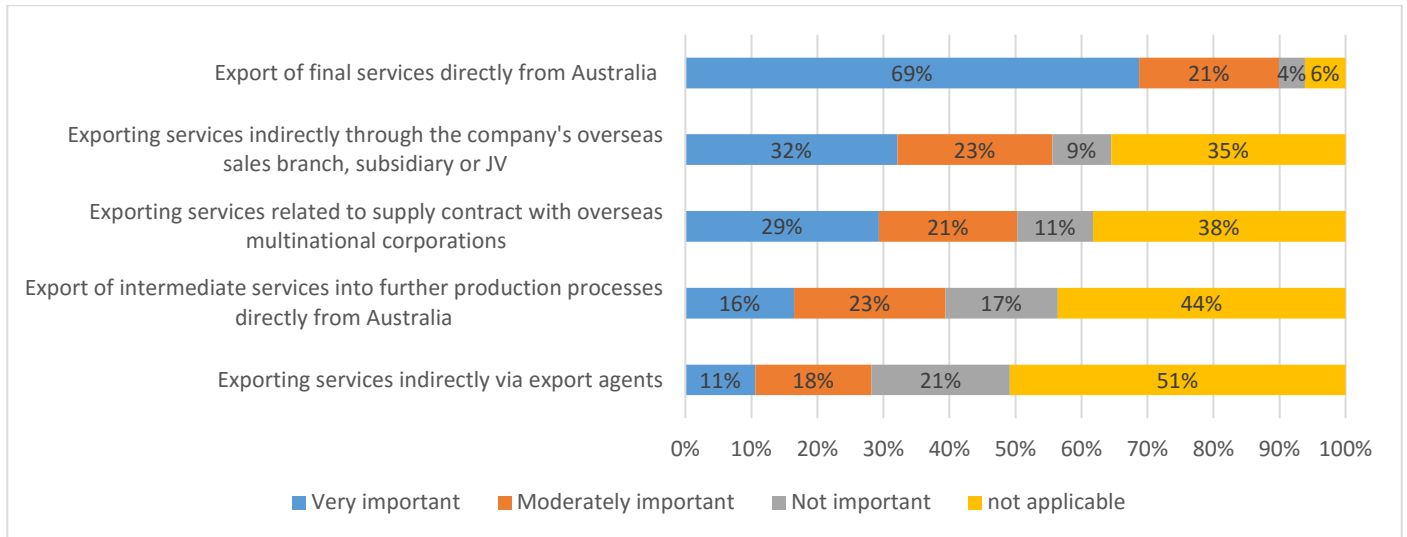
Survey question: Please rank the importance of the following goods exporting activities to your business in generating overseas revenue:



Number of respondents = 627

Figure 1-6 Importance of various services exporting activities

Survey question: Please rank the importance of the following services exporting activities to your business in generating overseas revenue:



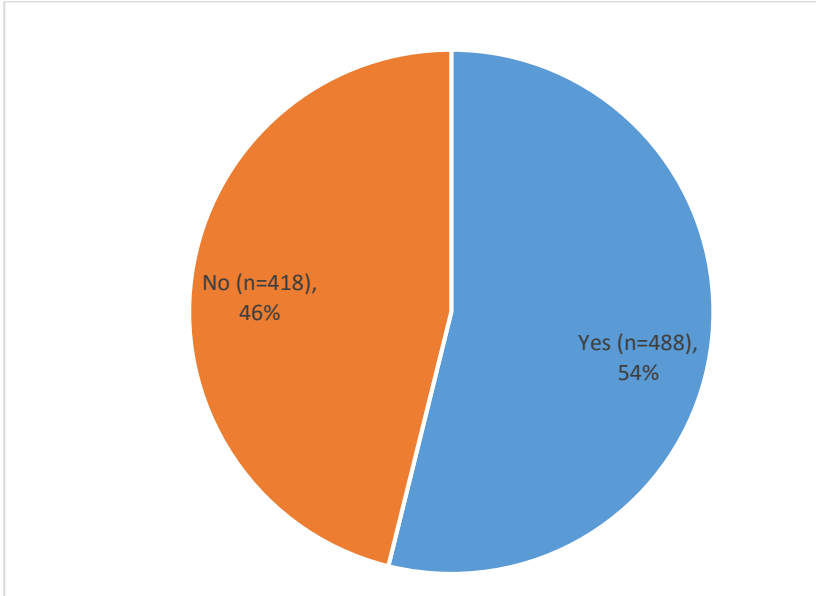
Number of respondents = 358

Regarding importing, an overall 54% of respondents have been involved in importing of some kind (Figure 1-7). The majority of goods importers as shown in Figure 1-8 rank both the importing of materials, parts or components into product for subsequent export and the importing of intermediate or final goods for consumption in Australia as very important at 58% and 52% respectively. The survey also shows that 20% of importers rank the importing of final goods for re-export as very important.

As regards the importing of services, Figure 1-9 shows that the importing of services or intellectual property as input into products for subsequent export is ranked as very important by 31% of importers while the importing of services for consumption in Australia is ranked as very important by 27%.

Figure 1-7 Involvement in Importing

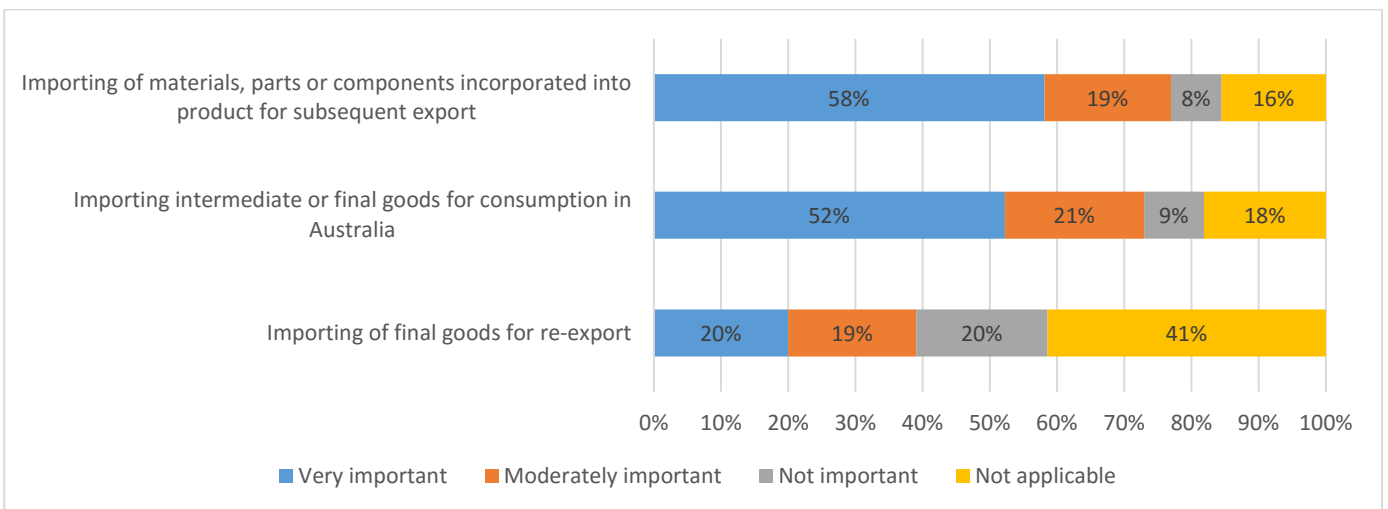
Survey question: Over the past year, has your company been involved in IMPORTING?



Number of respondents = 906

Figure 1-8 Importance of various goods importing activities

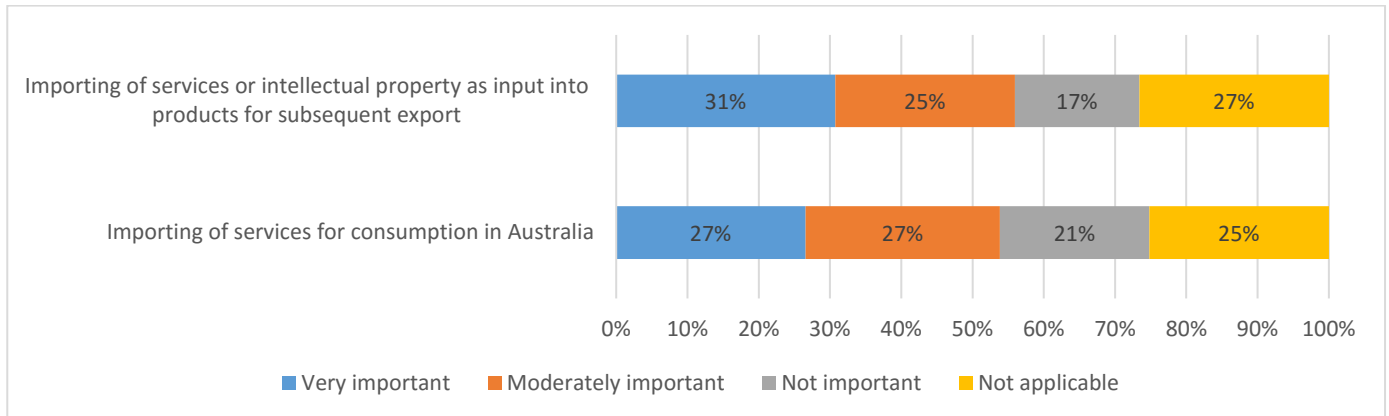
Survey question: Please rank the importance of the following goods importing activities to your business in generating overseas revenue:



Number of respondents = 425

Figure 1-9 Importance of various services importing activities

Survey question: Please rank the importance of the following importing activities to your business in generating overseas revenue:



Number of respondents = 143

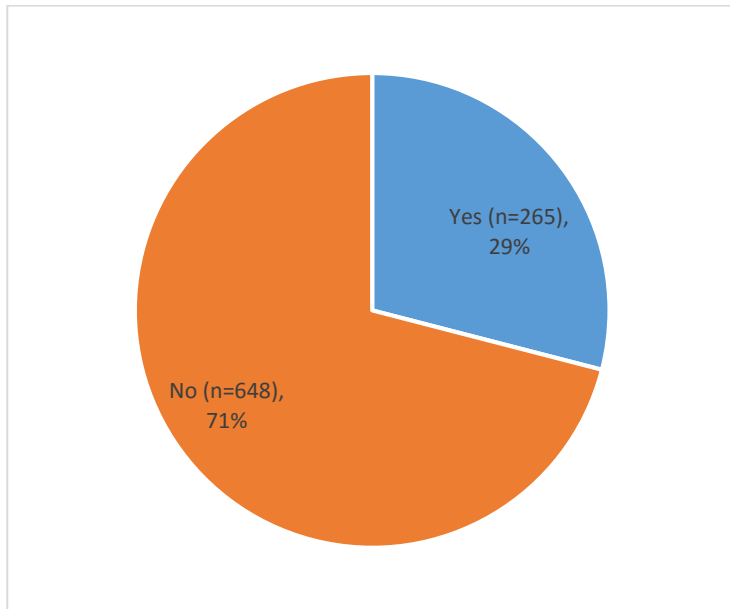
1-4 Inward and Outward Investment

Regarding involvement in inward and outward investment, a total of 29% of respondents indicated their involvement in investment (Figure 1-10) and its importance in generating international revenues (Figure 1-11). Investing in a new overseas operation such as a sales branch, subsidiary or manufacturing facility was rated as very important by 52% of respondents with receiving capital from an overseas investor or investing in an existing business overseas i.e. via a merger or acquisition, rated as very important by 26% and 21% of respondents respectively.

In respect of investment in a new overseas operation (Figure 1-12), 76% of respondents hold a majority stake. Whereas in the case of investment in an existing operation (Figure 1-13), 65% of respondents hold a majority stake. As regards the top markets for outward investment (Figure 1-14), a large number of countries are involved with China, the United States and the United Kingdom ranked as the leading countries by 13%, 12% and 11% of respondents respectively. Key motives for this outward investment (Figure 1-15) include most importantly the motive to better access the target market (44% rated this as very important) along with building brands, accessing the global market and lowering production costs. As regards the top markets for inward investment (Figure 1-16), respondents ranked China, the United States, Singapore and the United Kingdom as the leading countries. Key motives for this inward investment (Figure 1-17) include most importantly access particular skills/technology and to make financial returns with 28% and 26% rating this as very important respectively.

Figure 1- 10 Involvement in inward and outward investment

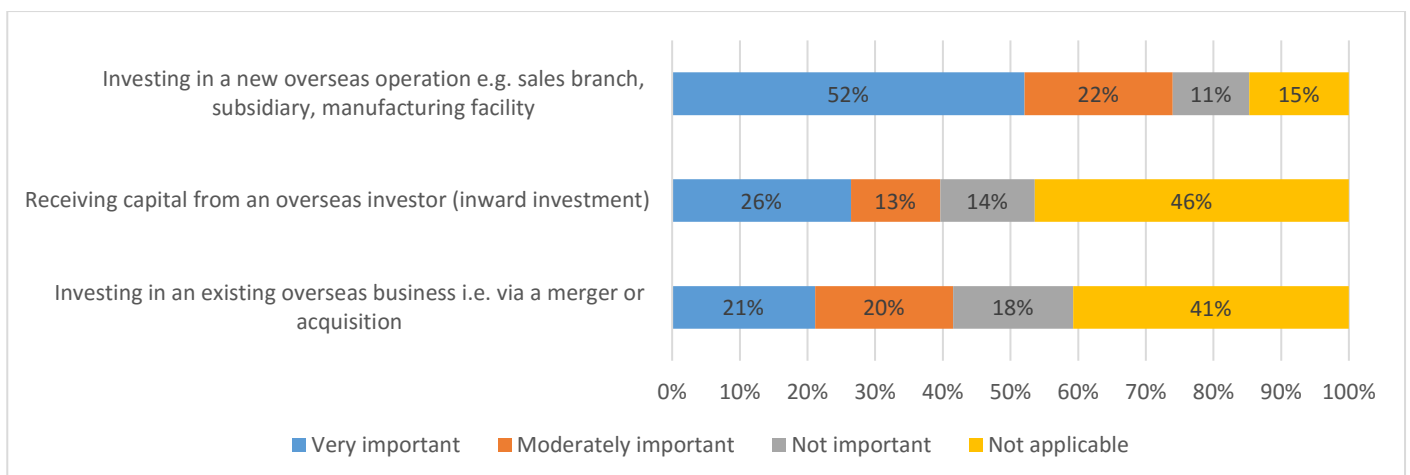
Survey question: Over the past year, has your company been involved in receiving inward investment or making outward investment?



Number of respondents = 913

Figure 1-11 Importance of investment activities in generating overseas revenue

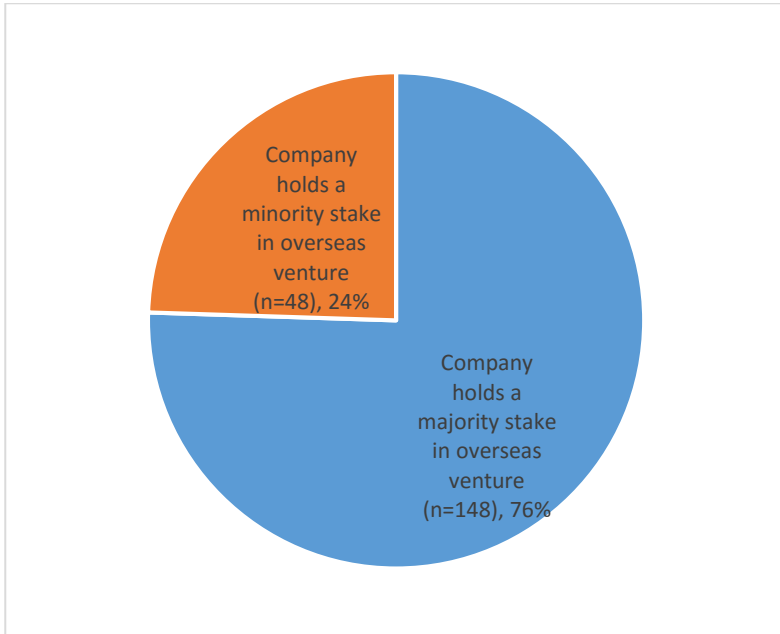
Survey question: Please rank the importance of the following activities to your business in generating overseas revenue:



Number of respondents = 265

Figure 1-12 Investment in new overseas operation

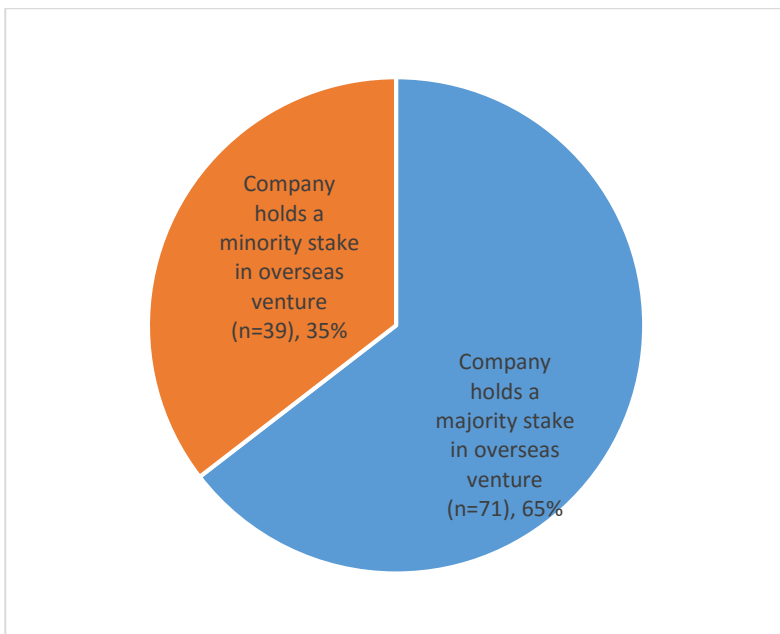
Survey question: For your investment in the NEW overseas operation?



Number of respondents = 196

Figure 1-13 Investment in existing overseas operation

Survey question: For your investment in the EXISTING overseas operation?



Number of respondents = 110

Figure 1-14 Top markets for outward investment

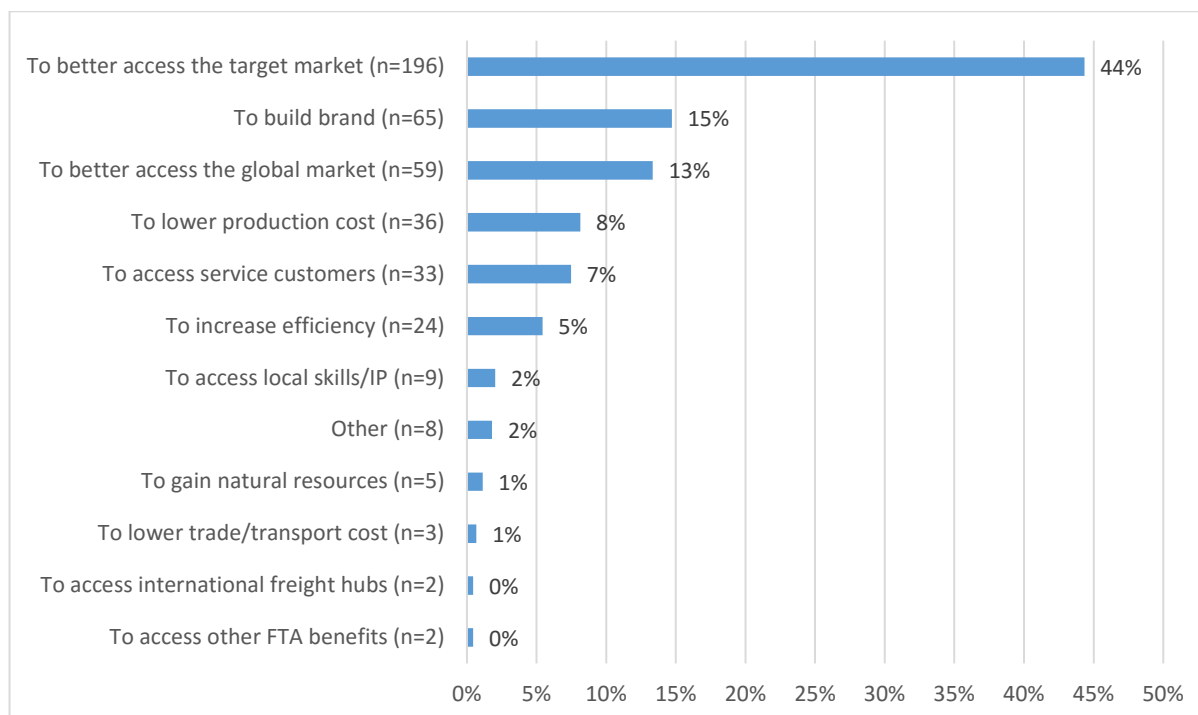
Survey question: In which market(s) did you make direct investment over the last 3 years? Please rank the top 3 markets by capital flow.

Markets	No of responses	%
China	59	13%
United States	52	12%
United Kingdom	47	11%
Singapore	22	5%
India	20	5%
United Arab Emirates	20	5%
Malaysia	19	4%
New Zealand	18	4%
Canada	15	3%
Indonesia	15	3%

Number of responses =443

Figure 1-15 Motives for outward investment

Survey question: What are the most important motives of the investment?



Number of responses =442

Figure 1-16 Top markets for inward investment

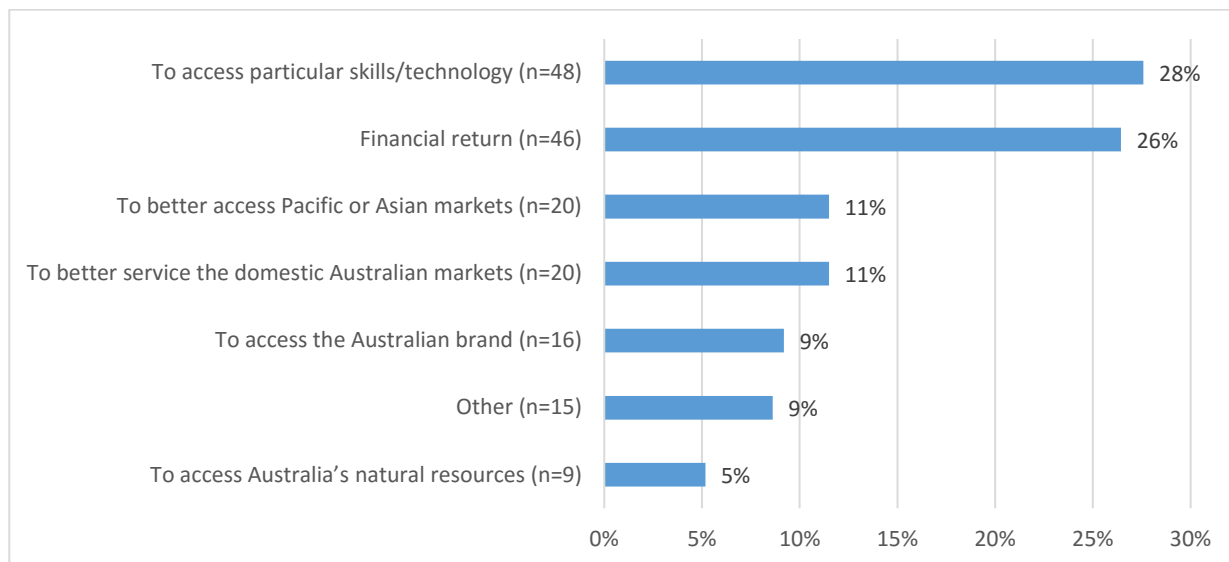
Survey question: From which market(s) did you receive investment over the last 3 years? Please rank the top 3 markets by capital flow.

Markets	No of responses	%
China	36	21%
United States	29	17%
Singapore	12	7%
United Kingdom	12	7%
Malaysia	9	5%
New Zealand	8	5%
United Arab Emirates	7	4%
Germany	5	3%
Indonesia	5	3%
India	4	2%

Number of responses =174

Figure 1-17 Motives for inward investment

Survey question: What are the most important motives of the investment?



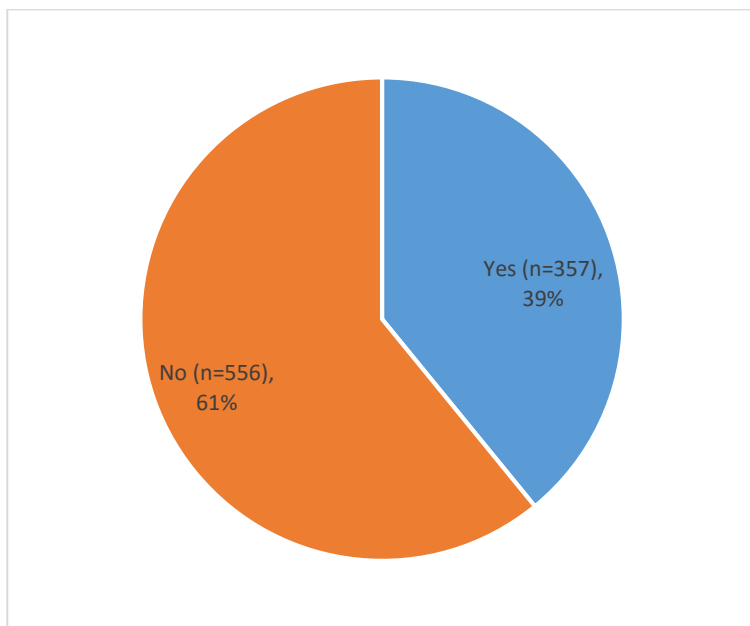
Number of responses =174

1-5 Involvement in other International business activities

A minority of respondents (39%) were also involved in a variety of other international business activities (Figure 1-18). As shown in Figure 1-19 these activities include R&D activities overseas rated as very important by 35% of the respondents involved, purchasing or licencing of intellectual property rated as very important by 22%, employing temporary skilled labour from overseas rated as very important by 17%, and manufacturing of products or parts of products overseas through licencing rated as very important by 14%.

Figure 1-18 Other international business activities such as R&D and so on

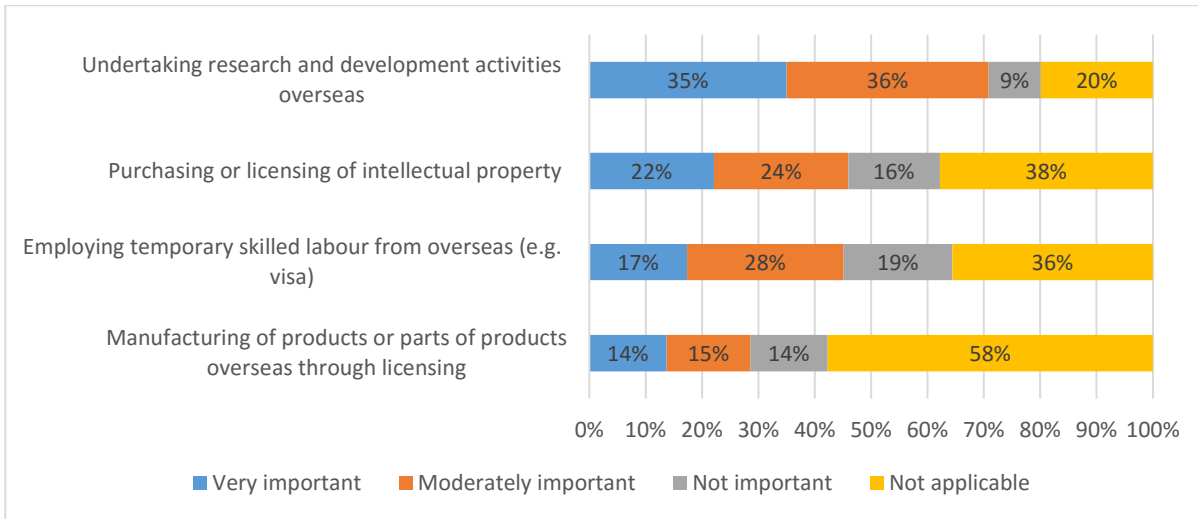
Survey question: Over the past year, has your company been involved in any other international activities including research and development, employing temporary staff from overseas in Australia, etc.?



Number of respondents = 913

Figure 1-19 Importance of other activities in generating international revenue

Survey question: Please rank the importance of the following activities to your business in generating overseas revenue:



Number of respondents = 357

2 CURRENT OVERSEAS MARKETS

2.1 Major overseas markets

Respondents were initially asked from which market they earned their first international revenue (see Figure 2-1). The USA was the most commonly reported first overseas market (18%). Three of the top four countries are English-speaking; China, at number 2 (12%), is the exception. Collectively, almost 50% of respondents reported that one of these four countries was their first overseas market.

Geographical and/or linguistic closeness appear to be important factors when deciding on the first market. The top ten countries were either English speaking (e.g., the USA, UK), located in the Asian region (e.g., China, Japan), or both (e.g. New Zealand, Singapore).

Figure 2-1 First overseas market

Survey question: Which was the first overseas market your business earned international revenue from (if more than one, list the most important)?

<i>Country</i>	<i>Number of responses</i>	<i>%</i>
United States	167	18%
China	107	12%
New Zealand	98	11%
United Kingdom	76	8%
Japan	61	7%
Singapore	58	6%
Malaysia	40	4%
Indonesia	31	3%
India	29	3%
Papua New Guinea	27	3%

Respondents were asked to nominate their top market in terms of international revenue (see Figure 2-2). The most commonly selected market was China (17%), narrowly followed by the USA (16%). New Zealand and the UK were third and fourth respectively.

Figure 2-2 Top ONE country

Survey question: Please list the top TWO countries from which you have earned international revenue in the past year, listing the highest earning one first. Please also provide information on how you service this market(s), how easy it is to do business there, and how many years you have been doing business in/with this country.

<i>Country</i>	<i>Number of responses</i>	<i>%</i>
China (n=155)	155	17%
United States (n=146)	146	16%
New Zealand (n=73)	73	8%
United Kingdom (n=68)	68	7%
Japan (n=38)	38	4%
Singapore (n=38)	38	4%
Hong Kong, SAR of China (n=31)	31	3%
Indonesia (n=26)	26	3%
Malaysia (n=26)	26	3%
India (n=21)	21	2%

Number of respondents = 913

Figure 2-3 Top TWO country

<i>Country</i>	<i>Number of responses</i>	<i>%</i>
United Kingdom (n=73)	73	9%
United States (n=67)	67	9%
China (n=57)	57	7%
Singapore (n=43)	43	6%
New Zealand (n=34)	34	4%
Hong Kong, SAR of China (n=32)	32	4%
Indonesia (n=30)	30	4%
United Arab Emirates (n=28)	28	4%
Japan (n=26)	26	3%
Malaysia (n=24)	24	3%

Number of respondents = 778

The list of markets most commonly nominated as being the most important country is similar to the list of markets nominated as second most important (Figure 2-3), but there are some differences. For example, China and the US are nominated as the most important country almost twice as often as they are nominated as being the second most important country. The UK, by contrast, is nominated as being the second most important country more often than it is nominated as being the most important country.

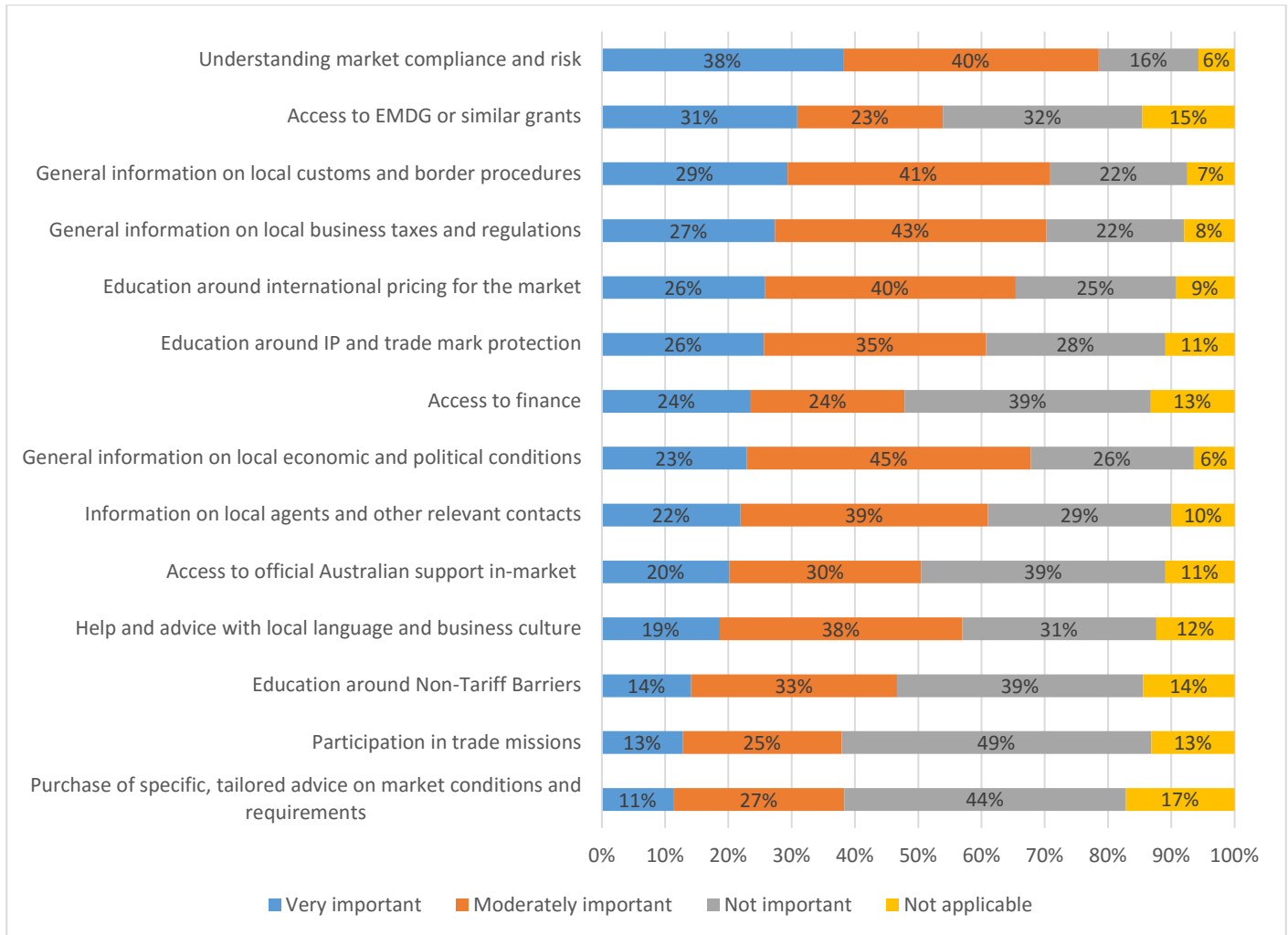
2.2 Key factors influencing choice of markets

As a reminder of the complexity of international business, when asked which factors were important when first targeting their most important market (see Figure 2-4) , there were 11 different factors that a majority of respondents nominated as being at least moderately important. The most commonly nominated factor was “understanding market compliance and risk”, nominated by 78% of respondents as being moderately or very important. General information or education on the following topics was also identified as being at least moderately important: local customs and border procedures, local business taxes and information, international pricing, IP and trademark protection, local economic and political conditions and local agents or other contacts.

More so than other factors in the top ten, finance-related issues were polarising. “Access to EMDG or similar grants” was nominated as very important by 31% of respondents, and 54% as at least moderately important, yet it was also rated as not important or not applicable by 47% of companies. A similar profile of responses is evident in the cases of access to finance and access to official Australian support.

Figure 2-4 Key factors influencing choice of target market

Survey question: When you targeted your most important current market, how important were the following:



Number of respondents = 913

2.3 Main mode of servicing international markets

Respondents were asked which is their main form of servicing their top two international markets. The results for the most popular markets are shown in Figure 2-5. For each of these markets, exporting directly from Australia is favoured by 50% or more of respondents. Rates of direct exporting varied from 50% in the case of Singapore to 71% in the case of New Zealand.

The use of agents and distributors offshore is the next most popular option, ranging between 15-37%, although it is a long way behind the direct exporting mode. Use of agents or distributors based in Australia is even less common, with rates below 10% in all the eight most popular markets.

Rates of foreign direct investment (foreign sales branch, subsidiary or joint venture) vary from between 2% for Japan and 22% for the UK. Indonesia, Singapore, the USA and China were the other markets for which rates of FDI were above 10%.

Use of e-commerce – either from one’s own or a third party website – is not a common form of market servicing. The top three markets that are served through e-commerce were Singapore (5%), the UK (7%) and the US (8%).

Figure 2-5 Main mode of service (Top country 1 and Top country 2)

	<i>Indonesia</i>	<i>India</i>	<i>Japan</i>	<i>Singapore</i>	<i>New Zealand</i>	<i>United Kingdom</i>	<i>United States</i>	<i>China</i>
Directly from Australia	64%	70%	60%	50%	71%	51%	52%	57%
Through an agent or distributor overseas	17%	19%	37%	22%	16%	15%	18%	22%
Through an agent or distributor in Australia	8%	3%	2%	5%	2%	1%	2%	5%
Licensing and franchising	0%	0%	0%	3%	0%	3%	4%	2%
Foreign sales branch or subsidiary	9%	0%	0%	13%	7%	21%	15%	8%
Joint venture	2%	8%	2%	1%	1%	1%	3%	5%
Online sales from third party website	0%	0%	0%	1%	0%	3%	2%	0%
Online sales from own website	0%	0%	0%	4%	3%	4%	6%	2%

Note: the sample consists of companies that identify the above countries as either their top 1 or top 2 country from which they have earned international revenue in the past year.

2.4 Ease of doing business overseas

Regarding the ease of doing business (see Figure 2-6), of the most popular top markets for survey respondents, China, India and Indonesia are regarded as the most difficult. Of the respondents who nominated it as one of their top two markets, 78% rated China as more difficult or much more difficult a

market in which to do business than Australia, 76% regarded Indonesia as more difficult or much more difficult, and 70% regarded India as being more difficult or much more difficult than Australia.

Unsurprisingly, New Zealand is regarded as the market whose ease of doing business is greatest, with 90% of respondents for whom it was a top destination rating the ease of doing business as being the same or easier than in Australia. The ease of doing business in Singapore, the UK and the US was also regarded as the same or better than in Australia by a majority of respondents for whom it was a top destination. However, it should be noted that more than a quarter of respondents found these markets to be more or much more difficult than Australia: 25% in the case of Singapore, 27% the UK and 31% the US.

Japan is the country in which experiences appear to be the most mixed. While 49% of respondents for whom this is a major market regard it as a more or much more difficult business environment than Australia, 36% rate the ease of doing business as the same as in Australia and 14% as easier or much easier.

Figure 2-6 Ease of doing business vs. Australia (Top country 1 and Top country 2)

	<i>China</i>	<i>United States</i>	<i>United Kingdom</i>	<i>New Zealand</i>	<i>Singapore</i>	<i>Japan</i>	<i>India</i>	<i>Indonesia</i>
Much more difficult	28%	4%	4%	0%	0%	8%	39%	25%
More difficult	50%	27%	23%	11%	25%	41%	31%	51%
Same	13%	52%	57%	71%	50%	36%	17%	19%
Easier	7%	9%	11%	15%	17%	11%	6%	0%
Much easier	3%	9%	5%	4%	8%	3%	8%	6%

Note: the sample consists of companies that identify the above countries as either their top 1 or top 2 country from which they have earned international revenue in the past year.

The two most important markets for respondents are ones in which they have been operating for some time. As Figure 2-7 shows, companies had on average been operating in their top markets for between 8 years (India) and 15 years (Indonesia).

Figure 2-7 Years doing business with country:

	<i>China</i>	<i>United States</i>	<i>United Kingdom</i>	<i>New Zealand</i>	<i>Singapore</i>	<i>Japan</i>	<i>India</i>	<i>Indonesia</i>
Average	8.74	11.15	9.35	9.69	9.90	15.13	8.41	12.69

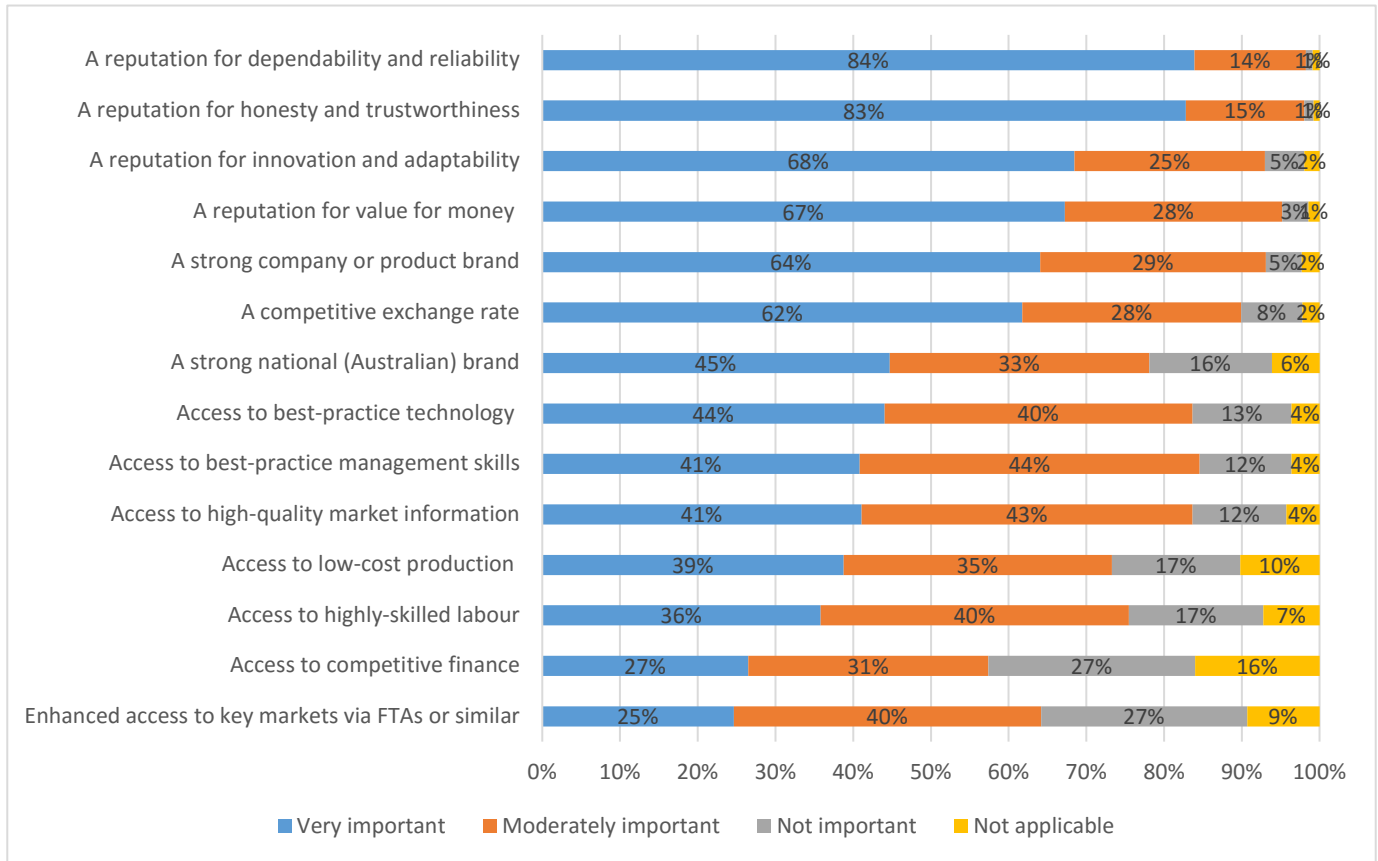
Note: the sample consists of companies that identify the above countries as either their top 1 or top 2 country from which they have earned international revenue in the past year.

2.5 Factors ensuring success in top markets

Regarding factors that will ensure market success (Figure 2-8), the two leading factors rated as very important by respondents are a reputation for dependability and reliability (84%) and a reputation for honesty and trustworthiness (83%). Also very important but less so are a reputation for innovation and adaptability (68%), reputation for value for money (67%), strong company or product brand (64%), and a competitive exchange rate (62%).

Figure 2-8 Factors ensuring success in top markets

Survey question: How important are the following to ensuring success in your top two international markets?



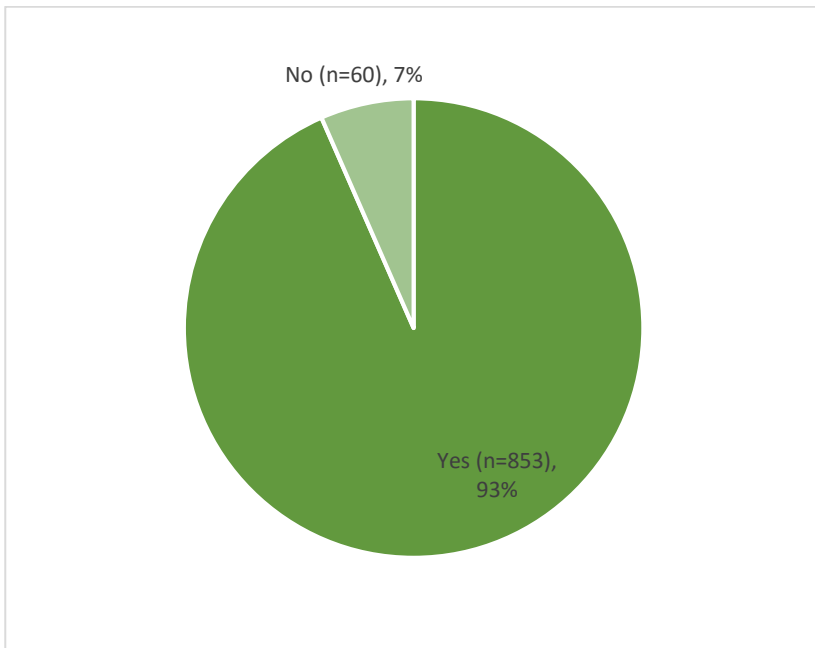
Number of respondents = 913

3 E-COMMERCE

Regarding e-commerce, 93% of respondents reported that their companies have a website (Figure 3-1), and 47% that they use e-commerce (Figure 3-2).

Figure 3-1 Company website

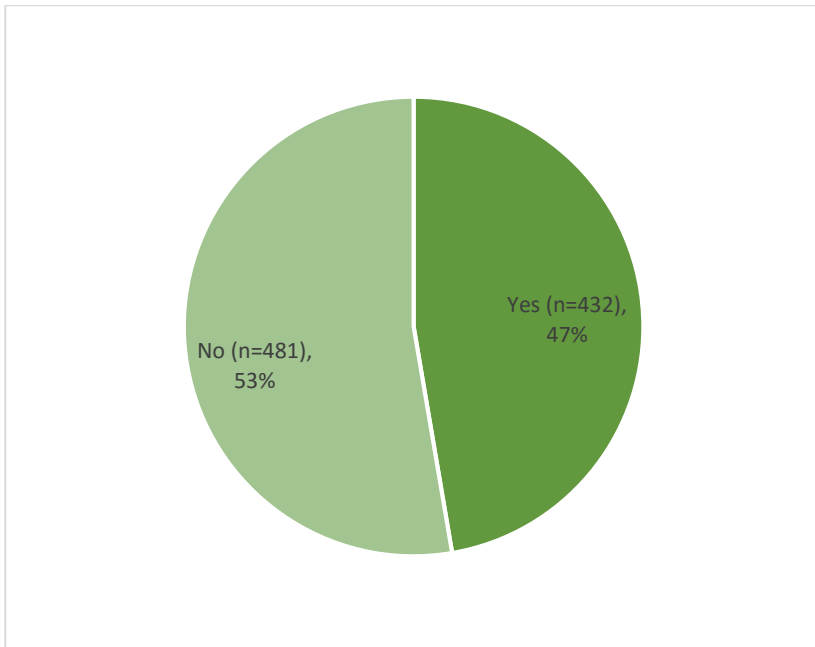
Survey question: Do you have a company website?



Number of respondents = 913

Figure 3-2 Use of e-commerce

Survey question: E-commerce, or electronic commerce, refers to transactions completed online, often via a website or a mobile app. Does your company use e-commerce?

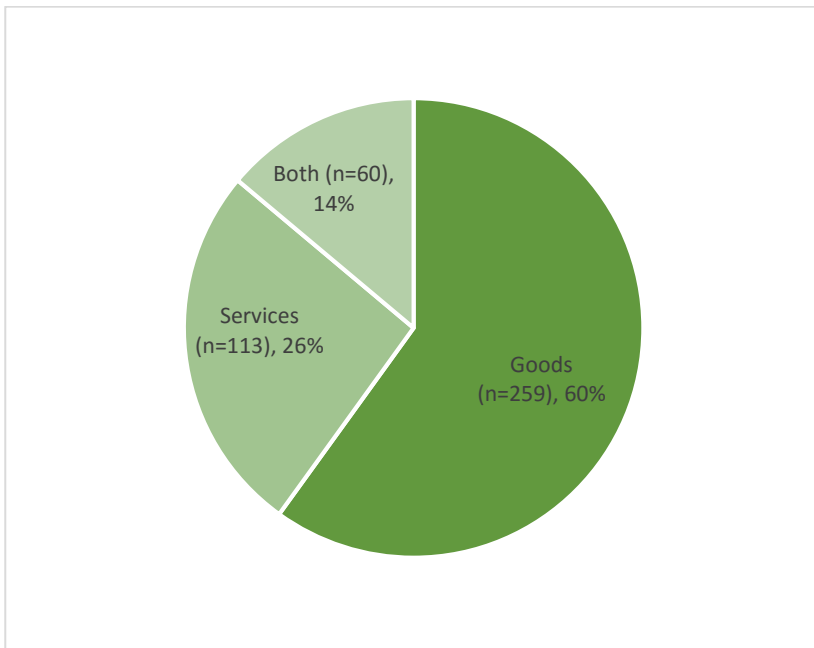


Number of respondents = 913

E-commerce was used to sell goods about twice as often as it is used to sell services (see Figure 3-3). For companies that use e-commerce to make sales, 60% use it to sell goods, 26% use it to sell services, and 14% use it to sell both goods and services.

Figure 3-3 Use of e-commerce to sell

Survey question: Does your company use e-commerce to sell?



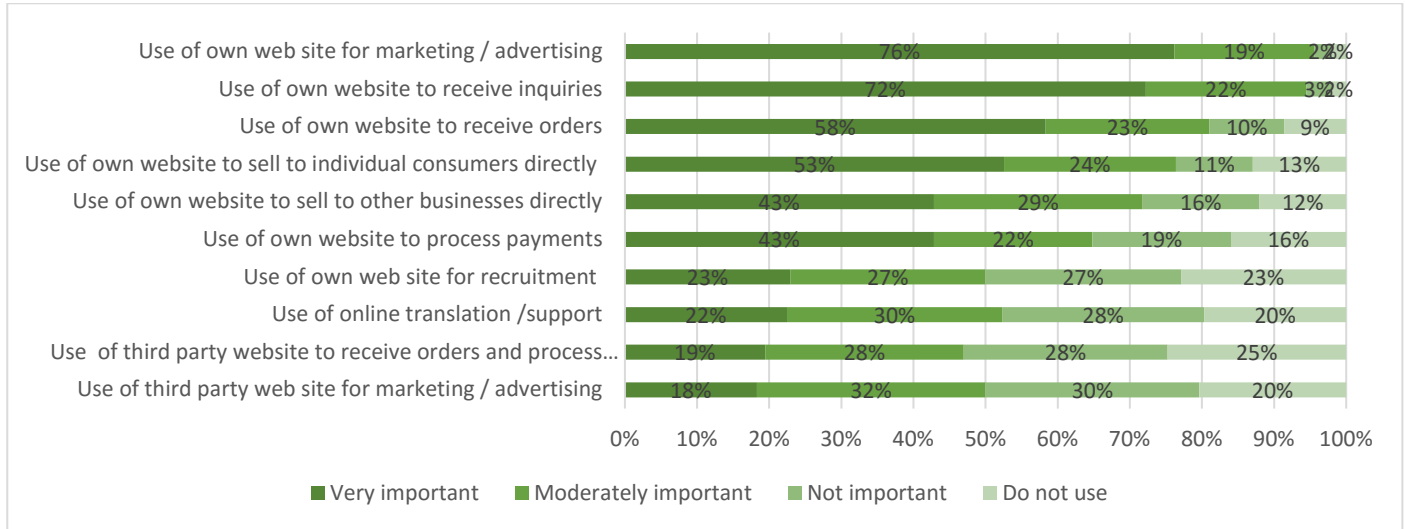
Number of respondents = 432

Corporate websites are more often considered important for the earlier stages of a transaction (marketing, advertising, handing inquiries) than for later stages of a transaction (receiving orders, making sales, processing payments) – see Figure 3-4.

Around 80 % of respondents that reported their companies use e-commerce also reported using third party websites for orders, for processing payments, and for marketing and advertising. Around 20% of respondents described these activities as being very important.

Figure 3-4 Use of e-commerce in business

Survey question: How important are the following in your business approach to e-commerce?

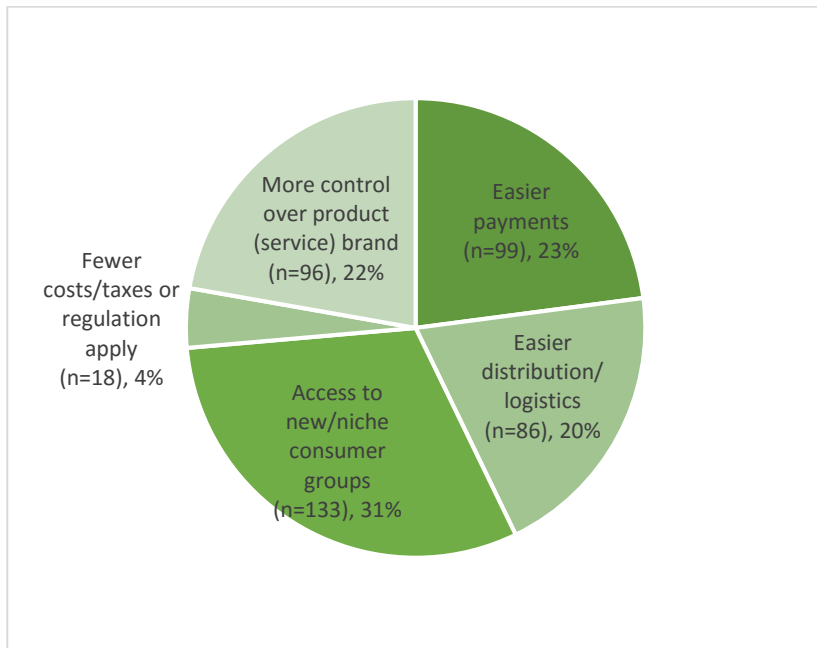


Number of respondents = 432

As shown in Figure 3-5, 31% of respondents who reported using e-commerce, stated that the primary benefit was access to new or niche groups of consumers. For other respondents, the primary benefit was easier payments (23%), control over product or service and brand (22%) or easier distribution and logistics (20%), with a small number reporting that the primary benefit was fewer costs, taxes and regulations (4%).

Figure 3-5 Benefits of e-commerce

Survey question: What do you consider to be the primary benefit of using e-commerce?



Number of respondents = 432

The reasons given for not using e-commerce (Figure 3-6) were that it was not suited to the companies' clients, and/or to the companies' products and services. Both reasons were cited as very important by around 36% of respondents from companies that do not use e-commerce, and both reasons were cited as non-applicable by only around 19% of respondents whose companies do not use e-commerce.

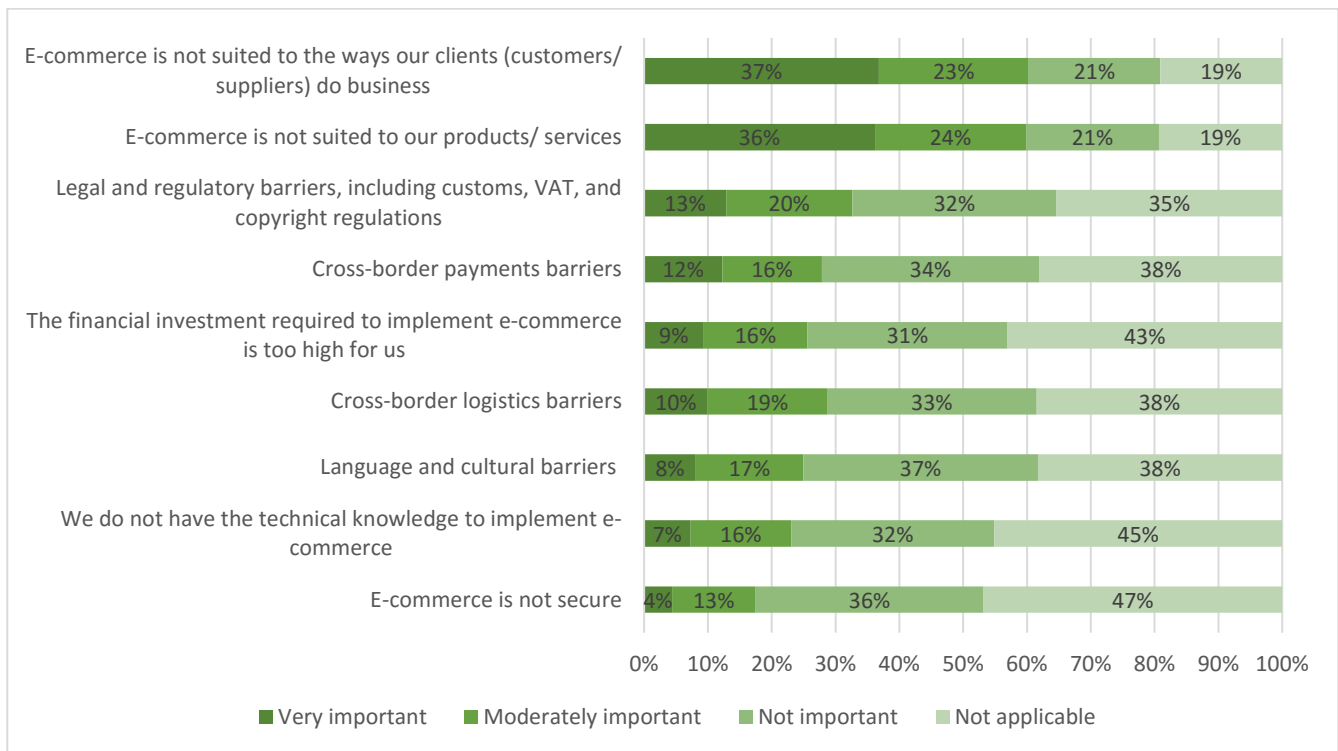
Other barriers, including legal and regulatory, cross border payment, logistics and language and cultural barriers, were seen as very important by between 8% and 13% of respondents whose companies do not use e-commerce, and were reported to be not applicable by 35% to 38% of these respondents.

The financial investment and technical knowledge required were reported to be important reasons not to use e-commerce by 10% and 7% of respondents whose companies do not use e-commerce, and were rated as not applicable by around 46% of respondents.

Only 4% of respondents that do not use e-commerce thought it very important that e-commerce is not secure. 46% of companies that do not use e-commerce thought that this was not applicable.

Figure 3-6 Reasons for not using e-commerce

Survey question: What are the reasons why your company is not using e-commerce?



Number of respondents = 481

Reasons for not using e-commerce: Comments

Theme	Selected comments
Not familiar with e-commerce	<ul style="list-style-type: none"> Not really familiar with this area. We are only a family business and do not have the understanding of what options are available.
Don't believe in e-commerce	<ul style="list-style-type: none"> E-commerce is highly fragmented. High potential but fraught with issues. Too many selling e-commerce with little tangible benefit.
Products/ services not suited to e-commerce	<ul style="list-style-type: none"> E-commerce does not relate to our business activities. Our products require a technical sales pitch - cannot be sold by e-commerce. No-one normally buys a \$100k+ IT system through a credit card transaction on someone's web site. We operate in a very restricted niche market we have service reps looking after all customers on site.

	<ul style="list-style-type: none"> • We do not want to upset our wholesaler partners by selling direct.
Too expensive and time consuming to implement	<ul style="list-style-type: none"> • Cost to do is very high unlike overseas competitors pay very little money e.g. Australia basic e-commerce is \$35K to \$50K and China \$5K USA is \$10K. • We will implement one but it requires us to redo our entire website which is a much bigger time and cost issue.
E-commerce undertaken by third party	<ul style="list-style-type: none"> • Our e-commerce is done by a third party based internationally, with 10 offices around the world who market worldwide. Australia's poor internet speeds etc. are a major disadvantage operating from this country.
Products/services promoted by other means	<ul style="list-style-type: none"> • We have built our business overseas and in Australia via word of mouth. • We intend to license to overseas manufacturers by negotiating royalty agreements. Better margins with direct sales.

4 LOGISTICS AND CONNECTIVITY

In respect of Australia's performance in the areas of logistics and connectivity infrastructure (see Figure 4-1), more respondents rated Australia's performance as 'very good' or 'good' than rated it as 'satisfactory' or 'poor' in the following categories: Ability to track and trace consignments (51% vs 31%), Domestic transport infrastructure (46% vs 37%), and Port and airport infrastructure (44% vs 38%).

Roughly as many respondents rated Australia's performance as 'very good' or 'good' as rated it as 'satisfactory' or 'poor' in the following categories: Communications and IT infrastructure (49% vs 46%, with 17% rating Australia's Communications and IT infrastructure as Poor), and Australian border clearance processes (42% vs 40%, with 9% rating Australian border clearance processes as Poor).

Fewer respondents rated Australia's performance as 'very good' or 'good' than rated it as 'satisfactory' or 'poor' in the following categories: Cost and availability of shipping containers (27% vs 36%), Cost and timeliness of air cargo (26% vs 49%), and cost and timeliness of international shipping (25% vs 54%).

Figure 4-1 Australia's performance in logistics and connectivity infrastructure

Survey question: How do you rank Australia's performance in the following?

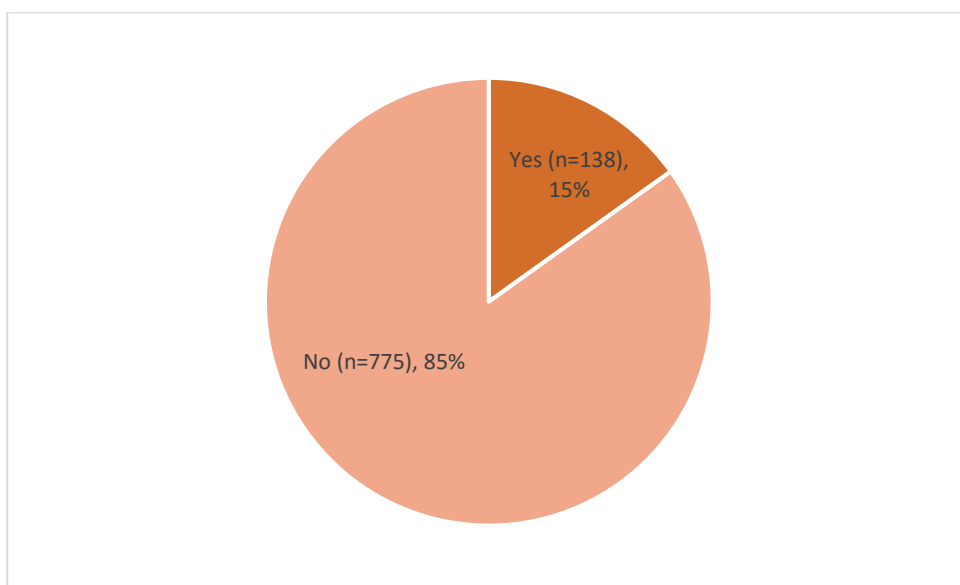


Number of respondents = 913

As regards regulation, 85% of respondents said that they were not aware of areas of regulation where the efforts by federal, state and local government duplicate the other or work in opposite directions (see Figure 4-2). On the other hand, 15% of respondents indicated an awareness of duplication of government regulation.

Figure 4-2 Government regulation duplication

Survey question: Are you aware of any areas of regulation where the efforts by different levels of government duplicate each other or work in opposite directions?



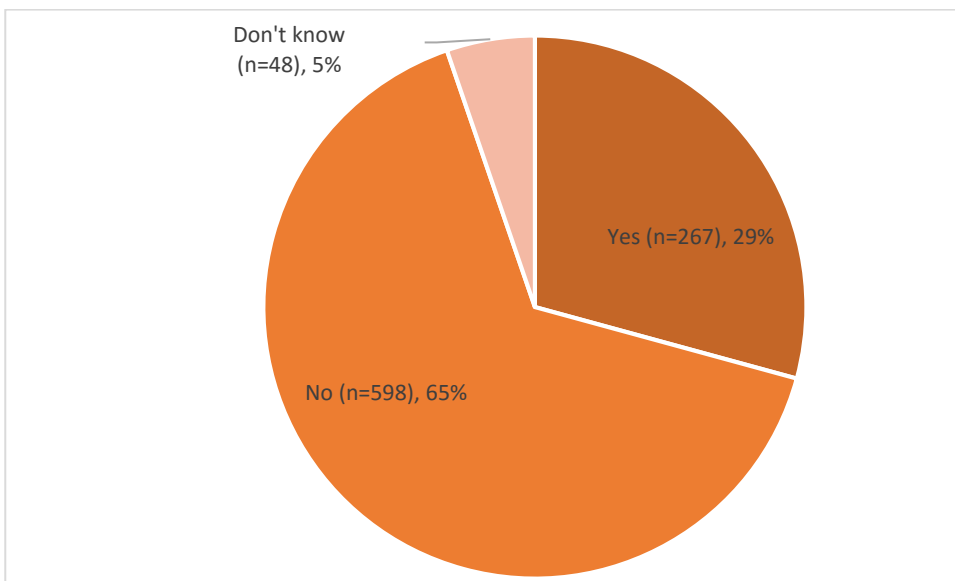
Number of respondents = 913

5 GLOBAL VALUE CHAINS

As shown in Figure 5-1, 29% of respondents reported that their products or services form part of a global production network. Of those respondents not participating in a global production network, 23% attributed non-participation to lack of knowledge or lack of comparative advantage (Figure 5-2). 72% of non-participants reported that the nature of their products/services did not lend itself to participation in a global production network. Five per cent cited other reasons.

Figure 5-1 Products/services as part of a global network

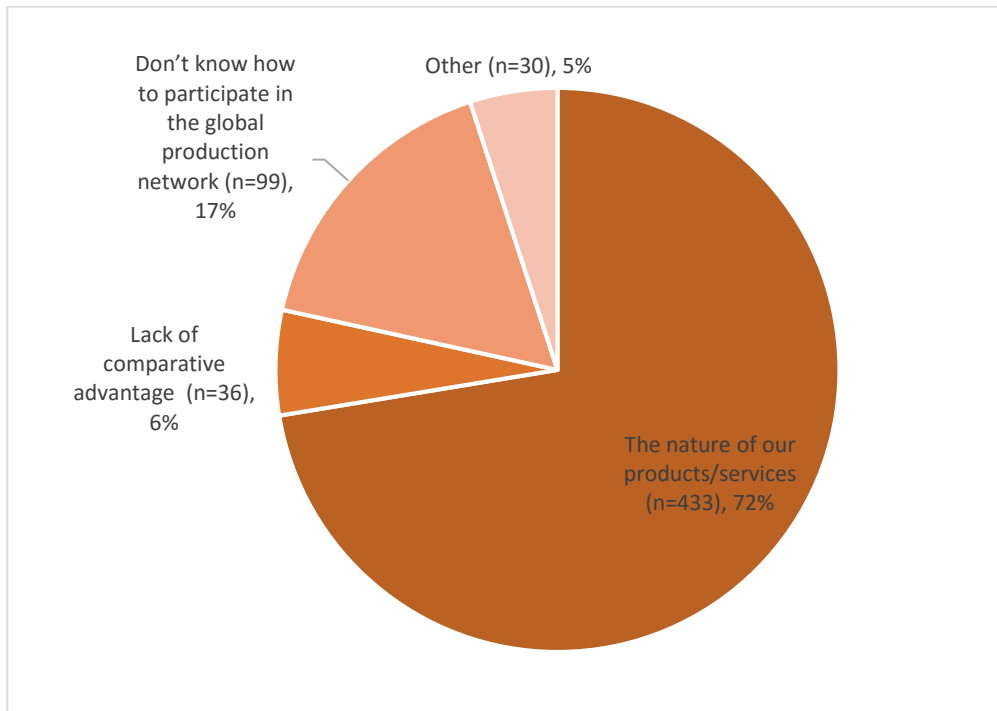
Survey question: A global production network is one in which multiple firms across different countries are involved in delivering a final product or service to a consumer. Firms across this global network are involved in different activities and this may include design, production, marketing, distribution and/or support to the final consumer. Are your products or services part of a global production network?



Number of respondents = 913

Figure 5-2 Reasons for not participating in a global production network

Survey question: What are the reasons not to participate in a global production network?

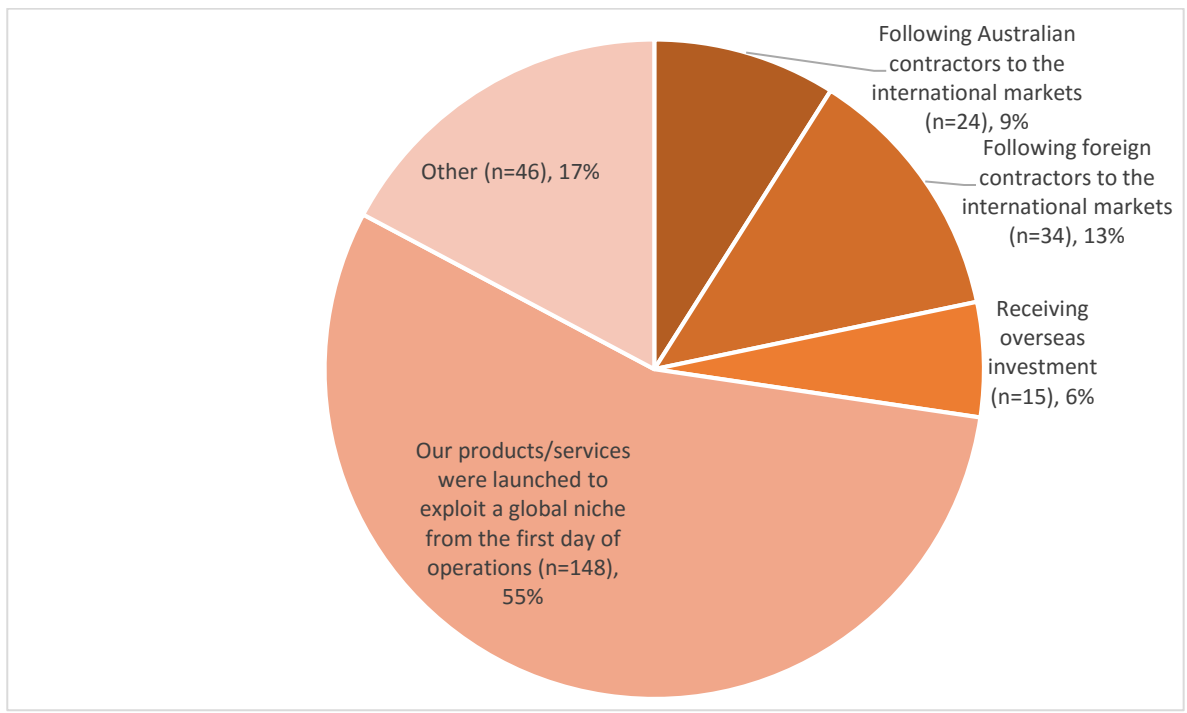


Number of respondents = 598

Of those respondents participating in a global production network (Figure 5-3), 55% reported that their products/services were always intended to “exploit a global niche”. 22% reported that they followed either Australian contractors or foreign contractors or that it was because they received overseas investment (6%). 17% cited other reasons. Respondents who reported that their companies participated in a global production network were distributed between being suppliers to a lead firm (38%), being the lead firm (31%) and being a vertically integrated firm with global production activities (30%) - see Figure 5-4.

Figure 5-3 Reasons for participating in a global production network

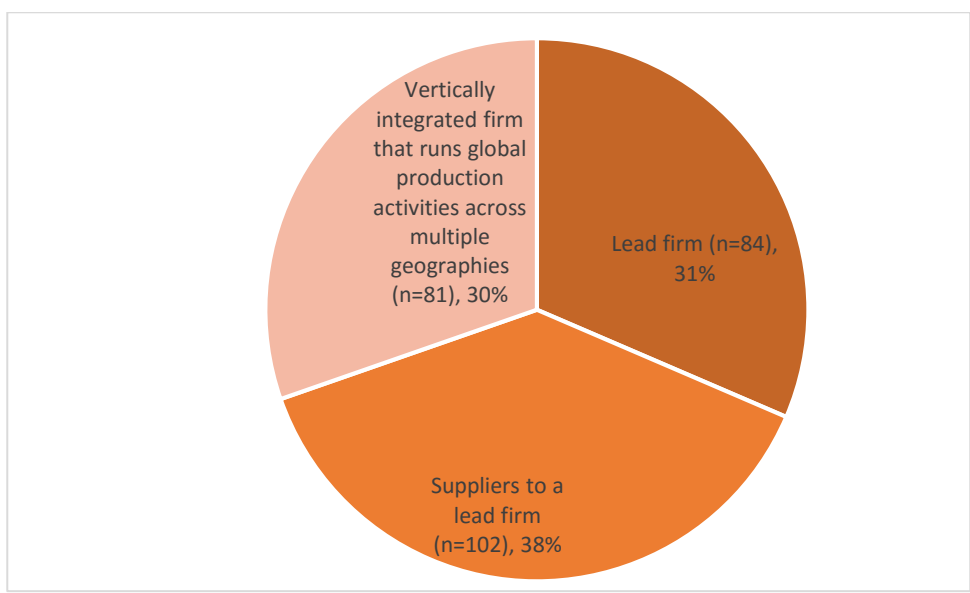
Survey question: What is your main reason for participating in a global production network?



Number of respondents = 267

Figure 5-4 Company's role in global production network

Survey question: What is your company's role in a global production network?



Number of respondents = 267

6 FOREIGN GOVERNMENT TENDERS

Around 18% of all respondents to the survey reported having bid for a foreign government tender in the past two years (Figure 6-1).

16 respondents reported having bid for a Chinese government tender in the past two years, or that their most important market for government tenders was China. Although this is higher in absolute terms than any other country, in percentage terms it is lower than the number of respondents that reported that China was their most important market overall (see Figure 6-2)

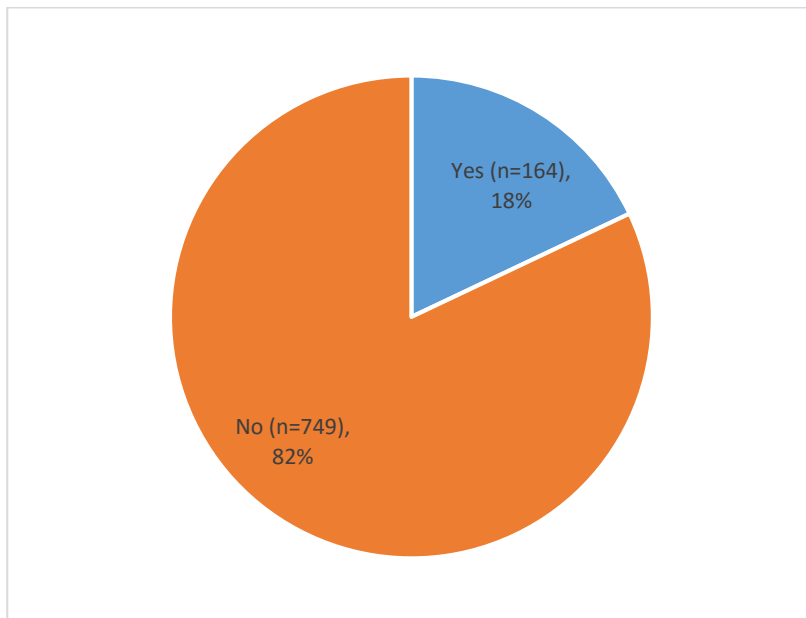
Other countries in the 10 most important markets overall that also feature in the 12 most important markets for government tenders are India, the United States, Indonesia and Malaysia.

Countries in the 10 most important markets overall that did not feature in the 12 most important markets for government tenders are New Zealand, Japan and Hong Kong.

Countries in the 12 most important markets for government tenders that did not feature in the 12 most important markets overall are Canada, Saudi Arabia, South Africa, Sri Lanka and the United Arab Emirates.

Figure 6-1 Company bids for foreign government tenders

Survey question: Did your company bid for a foreign government tender in the past two years?



Number of respondents = 913

Figure 6-2 Markets for foreign government tenders

Survey question: In which market did you bid for the foreign government tender? (If more than one market select the most important)

<i>Country</i>	<i>No of responses</i>	<i>%</i>
China	16	10%
India	12	7%
United States	11	7%
Indonesia	10	6%
Malaysia	8	5%
Singapore	6	4%
Canada	5	3%
Saudi Arabia	5	3%
South Africa	5	3%
Sri Lanka	5	3%
United Arab Emirates	5	3%
United Kingdom	5	3%

Number of respondents = 164

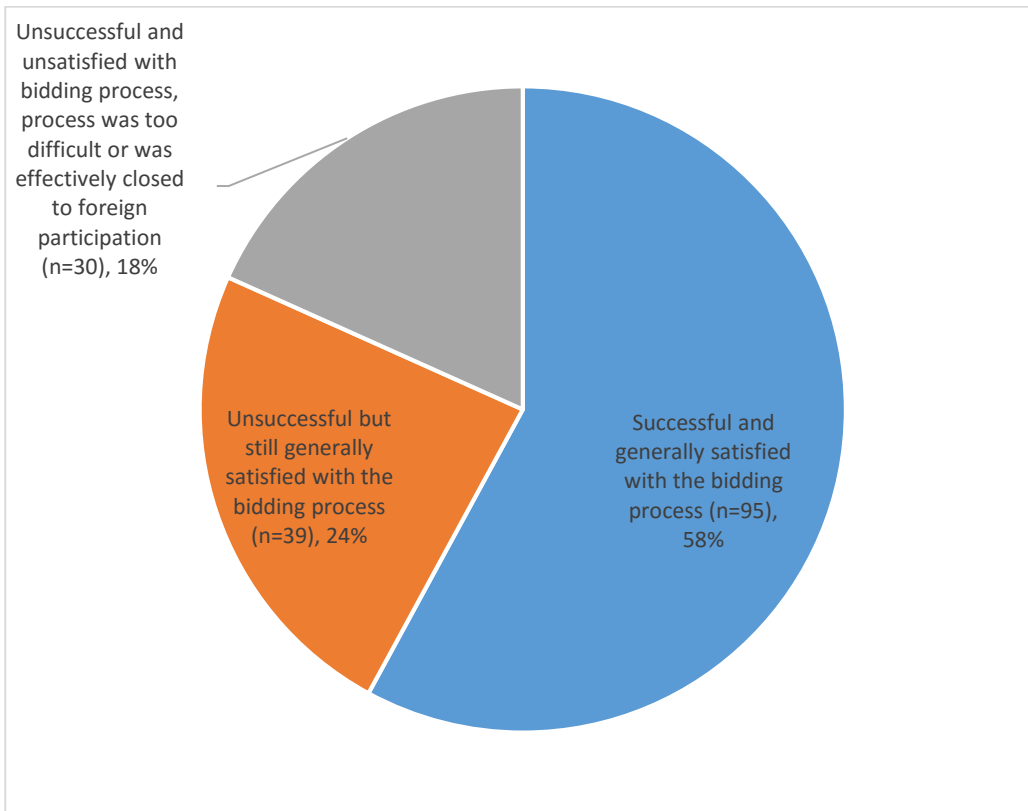
58% of respondents whose companies had bid for a foreign government tender in the past two years said that they considered themselves to have been successful (see Figure 6-3). However, a relatively high percentage (42%) had been unsuccessful.

82% of respondents whose companies had bid for a foreign government tender in the past two years reported being generally satisfied with the bidding process, whether or not they had been successful.

18% of respondents whose companies had bid for a foreign government tender in the past two years that they were dissatisfied with the bidding process.

Figure 6-3 Successful bids for government tenders

Survey question: How successful has your company been in bidding for foreign government tenders?



Number of respondents = 164

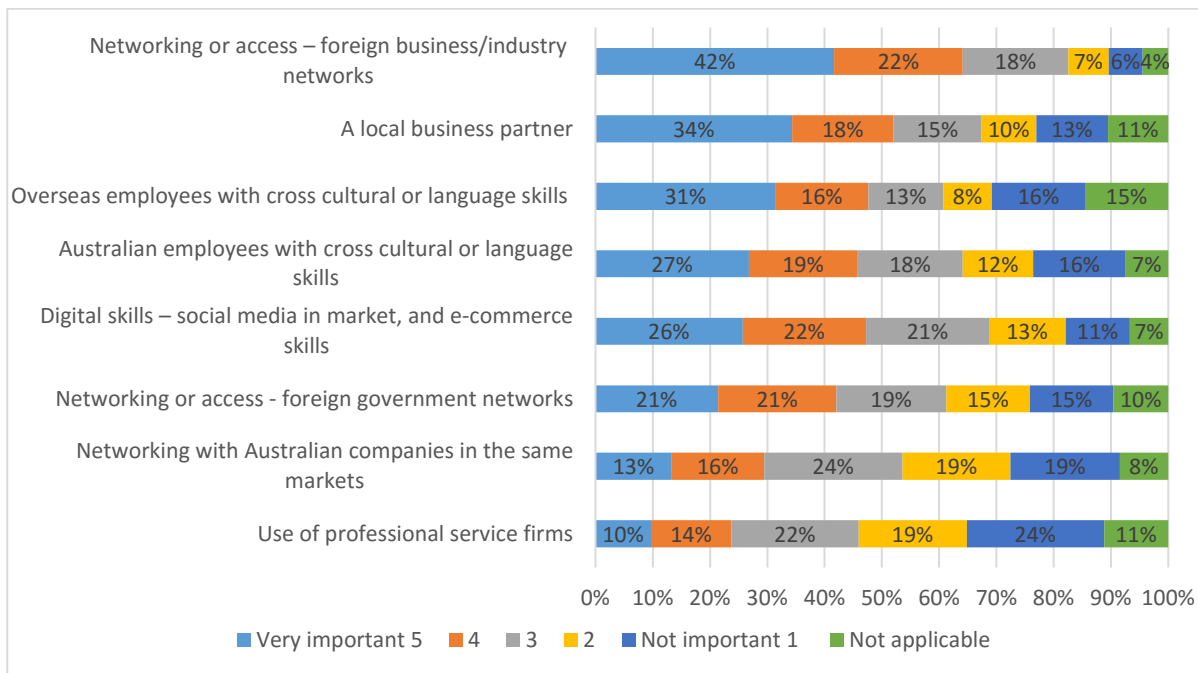
7 MARKET DEVELOPMENT ACTIVITIES

As shown in Figure 7-1, respondents reported that the most important channels for understanding and operating in their most important market were foreign business or industry networks (42% very important), local business partner (34% very important) and Overseas employees with cross cultural or language skills (31% very important).

Respondents reported that the least important channels for understanding and operating in their most important market were professional service firms (10% very important), and networking with Australian companies (13% very important).

Figure 7-1 Key factors for understanding and operating in most important markets

Survey question: How important are the following for understanding and operating in the business culture of your most important market (on a scale of 1-5, multiple choice):



Numbers of respondents vary across each answer. For use of professional service firms, number of respondents = 910; For Australian employees with cross cultural or language skills, number of respondents = 911; For Overseas employees with cross cultural or language skills, number of respondents = 909; For Networking or access – foreign business/industry networks, number of respondents = 912; For Networking or access - foreign government networks, number of respondents = 911; For Networking with Australian companies in the same markets, number of respondents = 910; For Digital skills – social media in market, and e-commerce skills, number of respondents = 910; For A local business partner, number of respondents = 911.

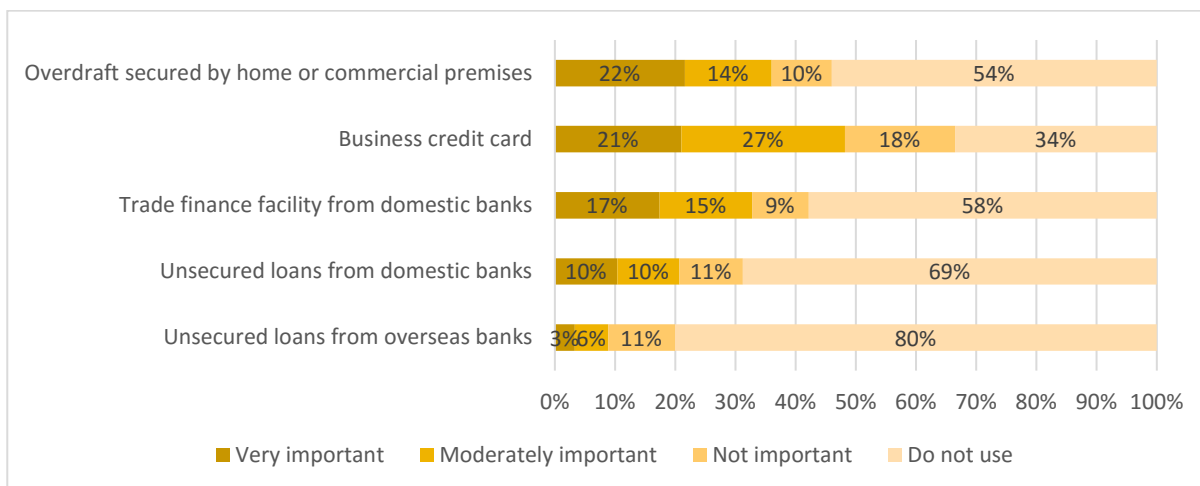
8 FINANCE

As shown in Figure 8.1, the most important source of debt funding for financing domestic operations that service overseas markets was business credit cards (48% at least moderately important, and only 34% do not use), followed by overdrafts (26% at least moderately important) and trade finance from domestic banks (32% at least moderately important).

The reported least important source was unsecured loans, whether from domestic banks (20% at least moderately important) or overseas banks (9% at least moderately important).

Figure 8-1 Use of debt financing to service overseas markets

Survey question: Does your company use debt funding to finance its domestic operations that service its overseas markets i.e. export sales (if applicable)? Select all that apply and rate their importance.

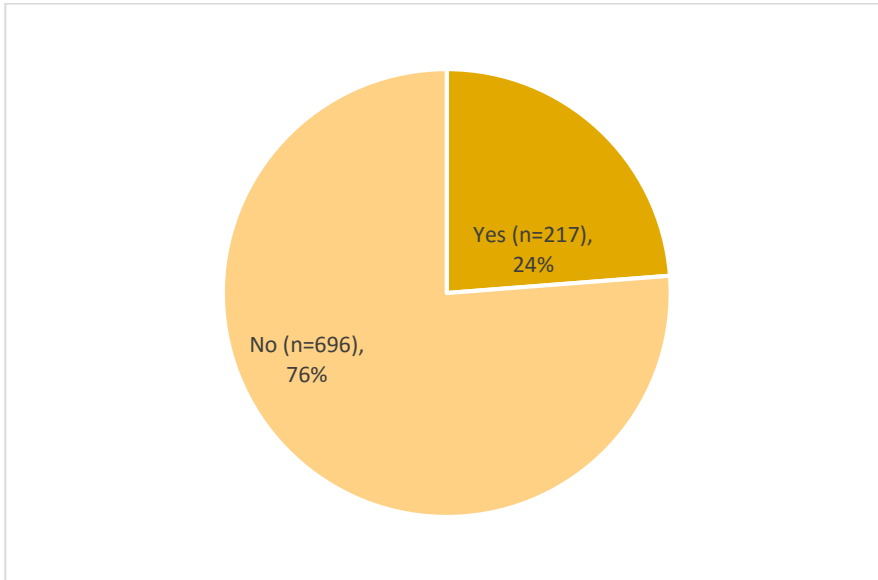


Number of respondents = 913

24% of respondents reported that they had applied for additional finance in the past three years in order to facilitate international business opportunities. As Figure 8-2 shows, 68% of this group reported that their application was successful.

Figure 8-2 Applications for additional finance for international business opportunities

Survey question: Did your company apply for additional finance for international business opportunities in the last three years?

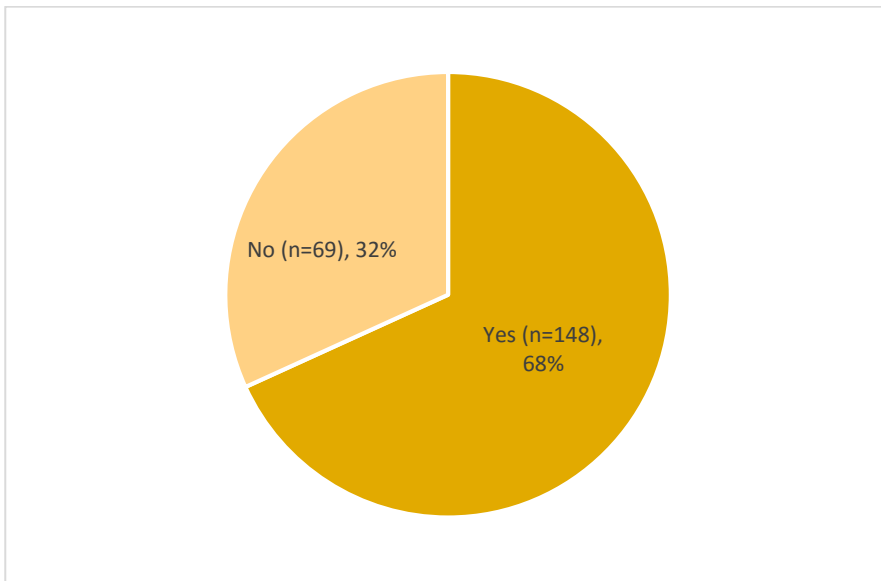


Number of respondents = 913

Of those respondents who reported their companies had applied for additional finance, 68 per cent were successful in obtaining it (Figure 8-3). The additional finance was used to purchase goods or services (52%), fund operations (36%) or purchase premises (3%) – Figure 8-4.

Figure 8-3 Success in obtaining additional finance

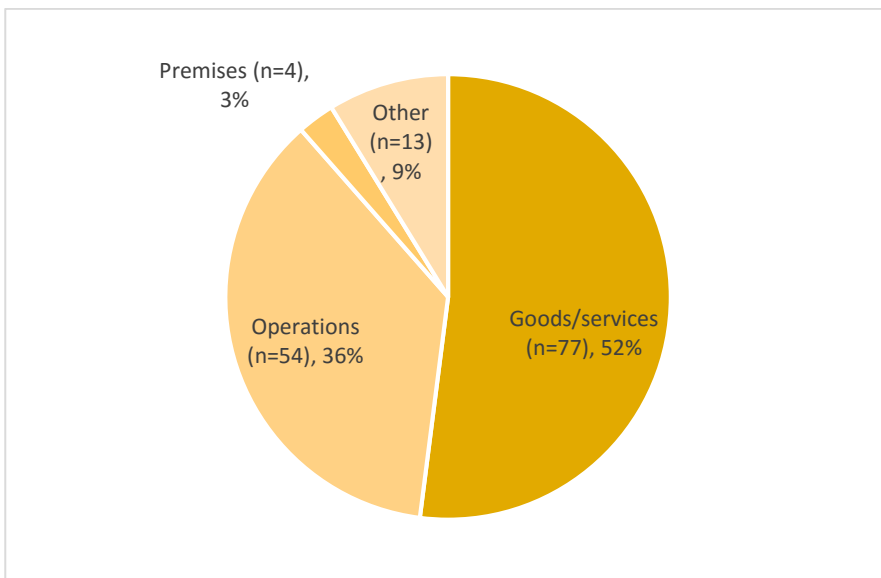
Survey question: Was your company successful in obtaining additional finance?



Number of respondents = 217

Figure 8-4 Use of additional finance

Survey question: What was the finance mostly used to purchase/fund?

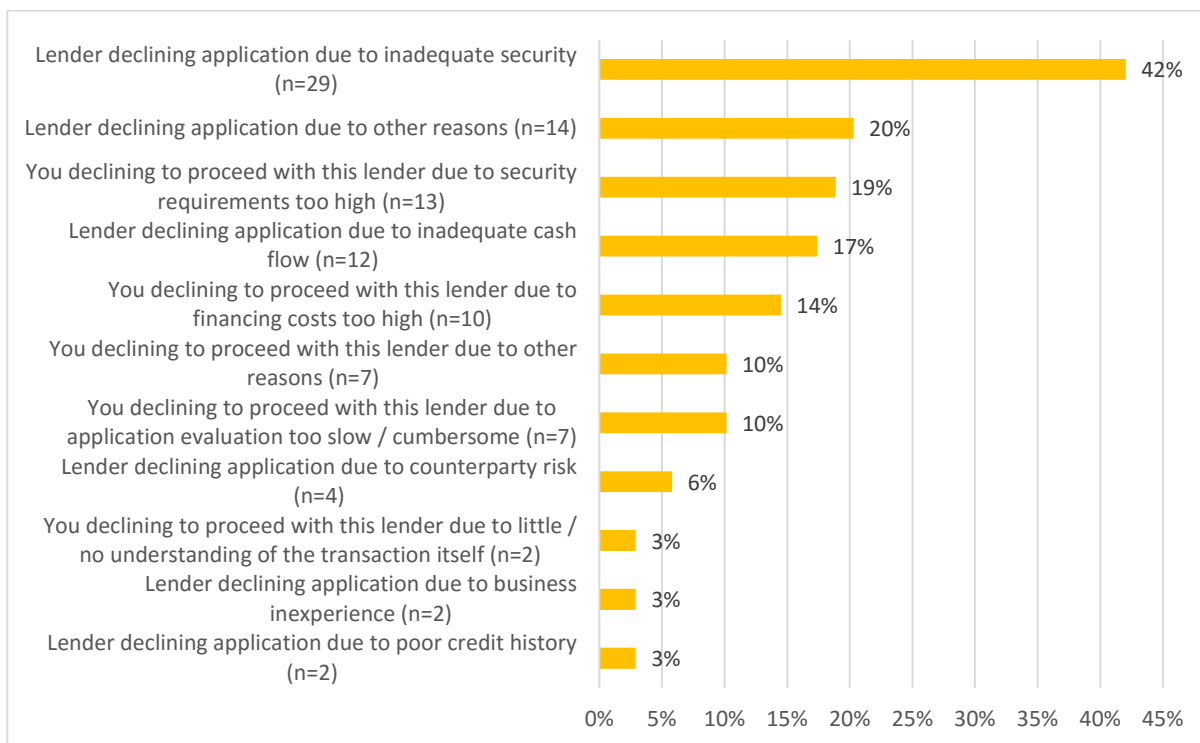


Number of respondents = 148

Respondents who reported they were unsuccessful in obtaining financing (Figure 8-5) selected a variety of reasons for this outcome. The most common reason was the lender declining the application due to insufficient security (42%). Other reasons nominated by more than 10% of respondents included the lender declining the application due to insufficient cash flow (17%) or for some other reason (20%); or the applicant deciding not to proceed because the financing costs would be too high.

Figure 8-5 Reasons for being unsuccessful in obtaining additional finance

Survey question: If not, what were the reasons for being unsuccessful?



Number of respondents = 69

Note: Multiple answers permitted

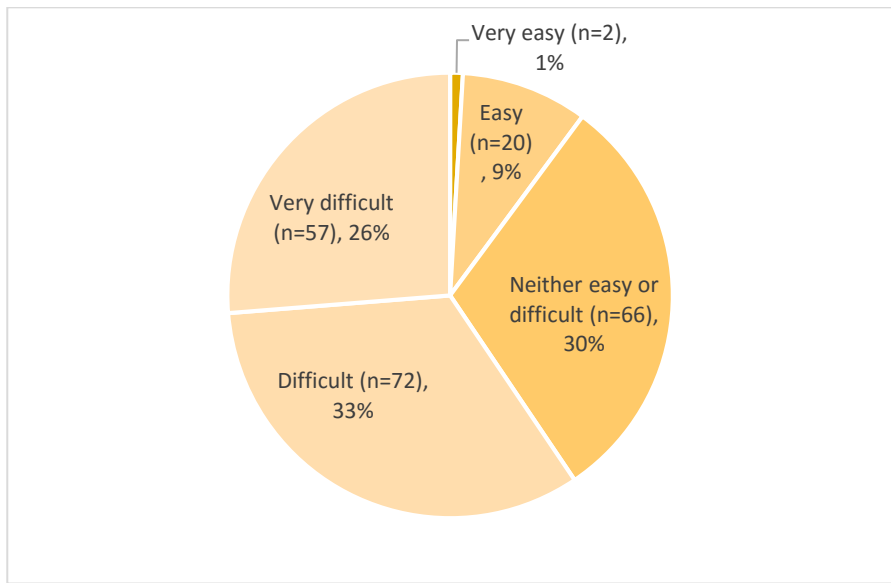
Not successful in obtaining additional finance: Comments

Selected comments
<ul style="list-style-type: none">• Banks are massively risk averse, particularly when it comes to young high growth businesses.• Lender required home as security.• For new small businesses the only lending option is to have a loan secured against your property. If you don't have a property but are asset rich in other ways, it's still not possible to get affordable lending. Ads about lending to small business are very misleading.• Domestic banks do not lend to Australian SMEs for overseas contracts.• Amount was too small.

Those respondents whose companies had applied for additional debt finance in the past three years were asked to compare the experience to financing domestic opportunities. Only 10% rated the ease of securing finance for international opportunities as easy or very easy, while 56% rated it as difficult or very difficult (Figure 8-6).

Figure 8-6 Ease of sourcing additional debt finance for international business opportunities

Survey question: How would you rate the ease of sourcing additional debt finance for international business opportunities compared to finance for domestic business opportunities?



Number of respondents = 217

Ease of sourcing additional debt finance for international business opportunities compared to finance for domestic business opportunities: Comments

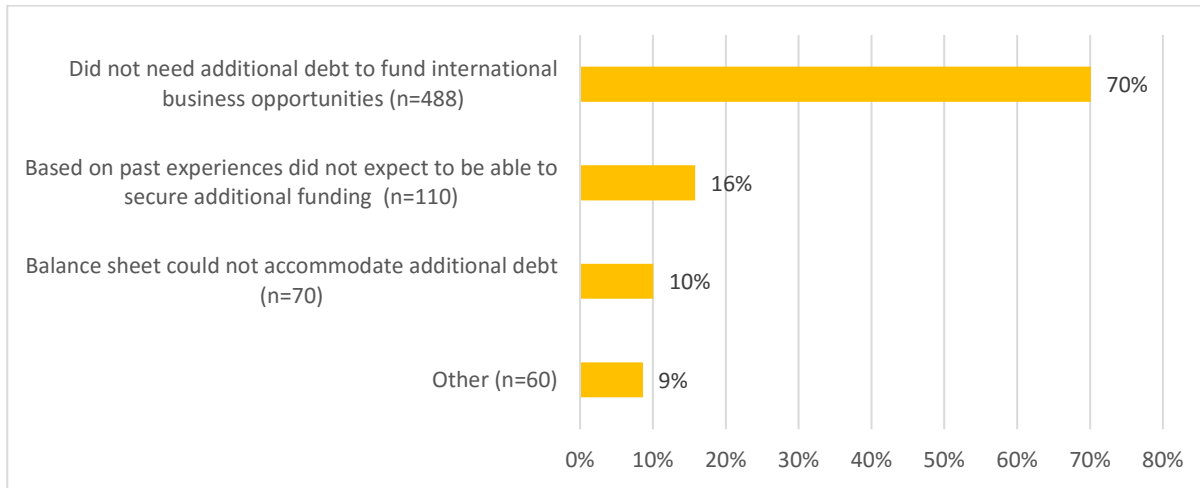
Theme	Selected comments
<p>Difficult: debt only secured with assets/ counter guarantees</p>	<ul style="list-style-type: none"> • Business finance can mostly only be secured using residential homes as security. This makes it very limited if you want to try to protect some of your assets and not risk your entire life on your business venture. • Banks want bricks and mortar security, which we don't have. Debtor finance facility only and fixed term deposit to secure credit cards. • A solid contract from a blue-chip multi-national that involved milestone payments was not sufficient security for any bank to extend a loan without Director's guarantees. • Additional debt for overseas business is secured by Australian assets and repayment capability. • Almost used all available security.
<p>Difficult: banks not interested / not supportive</p>	<ul style="list-style-type: none"> • Banks are not interested. • Local banks are just way too risk averse. • Australian banks and regulation limit international opportunities. • The banks are hopeless - they don't recognise value in IP and don't support international investment. • Difficult to obtain funding from Australia that will be domiciled in a foreign country even via a wholly owned foreign corporation. • Australian banks simply do not lend to SMEs trying to do business overseas. • The big four banks in Australia do not help SME's with their high interest charges and overbearing security requirements. I have had experience with banks overseas and found them much more accommodating. • Australian banks rate the value of overseas debtors as zero, and their attitude towards risk is extremely unhelpful. Yes, they must be prudent, but requiring 100% cash backing for all bonds is a major impediment to our ability to accept contracts. • Banks only support based on debt asset ratio. They like to play the big end of the market. They do not see the small to medium size manufacturer with history to

	<p>loan risk money or secure on machinery and stock anymore.</p> <ul style="list-style-type: none"> • Australian banks must have more flexibility and understanding of the trading terms when dealing with overseas suppliers and customers. • Banks do not support the wine industry sufficiently. • As a fashion design house our investments have intangible forecasts dependent on foreign markets and response. Although we are a long term business, finding financial support for long term intangible outcomes is difficult. Past results do not count to any financial institution when seeking finance. •
<p>Difficult: Poor VC climate</p>	<ul style="list-style-type: none"> • No innovation and/or development funds in Australia, it is a wasteland. VC's are drivel, no incentives, nothing. • We are very restrained by the poor climate for venture capital in Australia and the narrow industries in which it does operate. • Very costly and we need an investor that understands our niche industry. • Additional funding would assist our company in quicker development of overseas markets and customers. •
<p>Relatively easy: general / other sources</p>	<ul style="list-style-type: none"> • Linkage to a global multinational made things easy. • You have to let financiers know that you have contracts in place at the same time that you have to let potential clients know that you have the necessary financial backing in place. • Debt finance was obtained from a private investor with relatively high terms. • It was easier to obtain funding from overseas banks at lower interest rate. This involved tie-up with local partners which means sacrificing equity.

The 76% of respondents whose companies had not sought additional finance for international business opportunities in the past three years were asked why additional finance had not been sought. The overwhelming reason, selected by 70% of these respondents, was that debt finance was not required (Figure 8-7). This was a long way ahead of the other reasons that were specified: past experience led them to believe they would not be successful in obtaining finance (17%), and the company's balance sheet was not in a position to accommodate debt (10%).

Figure 8-7 Reasons for not seeking additional finance

Survey question: What are the reasons for not seeking additional finance for international business opportunities in the last three years? Select options that apply.



Number of respondents = 696

Note: Multiple answers permitted

Challenges with current financing arrangements: Comments

Theme	Selected comments
No challenges	<ul style="list-style-type: none"> We are cash rich and cash flow positive with growth. All self-funded and must source local work in Australia to support international growth in phases slowing down our potential progress and affecting the speed at which a return is seen. None - business has an overdraft but often does not need to use.
No challenges: adequate funding/self funded	<ul style="list-style-type: none"> Financial arrangements are made through credit terms. Self funded so no real challenges. We have no debt and will not operate if not profitable. We carry no debt and hence work on a cash basis. We have a very strong 55 year relationship with our bank, so there are few issues.
Challenges: self funding	<ul style="list-style-type: none"> We are 100% owner funded. This means our owner funds and home are tied up and at risk. Currently we are operating with our own limited funds.

	<ul style="list-style-type: none"> • We have self-financed all of our exporting endeavours so we are constantly paying over-drafts. • We only use our own retained funds and this severely limits our ability to expand.
Challenges: Managing cash flow	<ul style="list-style-type: none"> • We are expanding rapidly so find keeping cash flow positive a great challenge. • Funding out of cash flow or cash reserves can be problematic if the conversion time between business development and securing work is extended. • Periods of cash flow drought that constrain growth rate. • Balancing cost of raw material imports and cash flow from exports.
Challenges: Payments vs Receipts – customer payment cycles	<ul style="list-style-type: none"> • Managing cash flow to ensure trade advances can be paid back on maturity. • Getting customers to pay on time so that we do not have to borrow. • Main challenge is lengthy payment terms required by offshore customers vs tight terms required by our suppliers. • Limited to trading only with overseas customers who are willing to pay a deposit upfront and the balance on shipment well before the goods arrive at the destination. Hence difficult to compete with sellers from other parts of the world. • Seeking payment in advance is not a 'normal' part of the TV production industry, trust in the Asian market is paramount and being seen as not being 'capable, willing or able' to provide the service without advance payments weakens the sell. • Slow payments by large international companies. We get paid but it can be 120 days
Challenges: Cash vs Business Expansion	<ul style="list-style-type: none"> • We cannot capitalise on export opportunities (e.g. trade missions, Austrade Australia lounges @ conferences etc), because we haven't got the funds at the moment. • Cost of product development to stay at the front of market requirements. • Not enough working capital to address immediate to short-term opportunities. Fully reliant on additional equity from shareholders. • To grow in the markets which we have targeted we will need significant funding as the volume opportunity is very large.

	<ul style="list-style-type: none"> • It is difficult to grow bigger due to cash flow. It is a chicken and egg problem. Either you have a big capital to expand business or do not consider expanding. • Insufficient funds to develop markets quickly and to produce enough stock on hand. • We are currently paying off debt so expansion is difficult.
<p>Challenges: Fluctuating exchange rate for the A\$</p>	<ul style="list-style-type: none"> • Fluctuations in the value of the AUD, increasing the price of imported components. • Exchange fluctuations and unpredictability of government policies. • Falling Australian dollar making overseas activities more expensive although partly offset by increased revenue since we tie our exports to the US\$. • Exchange rate risk - revenues are in RMB. Changing to AUD requires this RMB -> USD -> AUD (double hit) when borrowings are in AUD. • When costing our jobs it is difficult to understand what the FX transaction fees might do to the price we can offer clients.
<p>Challenges: Lack of interest/understanding from Australian banks</p>	<ul style="list-style-type: none"> • As a SME funding is always difficult to find. The banks put you through all the hoops. • Australian Banks won't put any value on company IP - they require personal assets as well. • Local banks unable to find advanced e-commerce business due to internal policies not being structured for this type of business despite strong cash flow and demonstrated success. • We are in "no mans land" between a vertically integrated farming business and a small corporate business. Banks value us conservatively which restricts business growth. • Financier understanding the challenges of our markets and the working capital cycle. • Conservatism and inflexibility of the major banks. We have survived the GFC with an unsecured loan from one of our overseas partners. • Lack of bank understanding of export markets. Overall their staff are poorly trained and lack knowledge. • The ultra conservative attitude of financiers in Australia. We have worked in/with China for 25 years and despite rhetoric otherwise in financial market in Australia, there is a deep seated suspicion and ill-informed attitude and knowledge of doing business in China.

	<ul style="list-style-type: none"> • Start-up businesses receive absolutely no support from financial institutions in Australia.
Other challenges: cost of borrowing; fees, interest rates	<ul style="list-style-type: none"> • Lack of competition by Australian Banks. • High cost of transferring funds between exchange rates. • Fees, service and margin (mark-up) on foreign exchange charged by banks. • Accessing sufficient working capital. High costs of fees and charges for facilities and transactions. • Interest rates are too high for business, should be equal to home interest rates. Bank will only supply against personal security, not against the assets owned within the business or the business value itself. Way too much paperwork.
Other challenges: difficult access/secure to funds/ lack of collateral	<ul style="list-style-type: none"> • Cannot secure loan against foreign collaterals. • Getting low cost financing to support growth without assets in the business. • Lack of finance stops us take advantage of export growth opportunities. • Early stage financing not easy to secure in Australia for overseas operations. • Scarcity of funding and lack of risk capital. • Relatively easy to source overseas, hopeless in Australia. We are moving out of Australia all together. • Have the business to pursue, but can't get the finance to meet the opportunities and demands. • Obtaining foreign denominated and domiciled debt. For example impossible to obtain USD borrowings domiciled in our US wholly owned subsidiary from and Australian bank. Lending is isolated to our Australian entity which we then on-lend to the overseas entity. • Obtaining bank funding as we currently work with EFIC. • Bonding from EFIC, and if we do not receive this we will not be able to secure future contracts. EFIC is and continues to be not helping exporting companies.
Other challenges: compliance and paperwork	<ul style="list-style-type: none"> • Too much paperwork, too many people in the chain and too short term. • Cumbersome to arrange unsecured loans. • Inconsistent bank lending policies and difficulty renewing/rolling over facilities due to changing lending

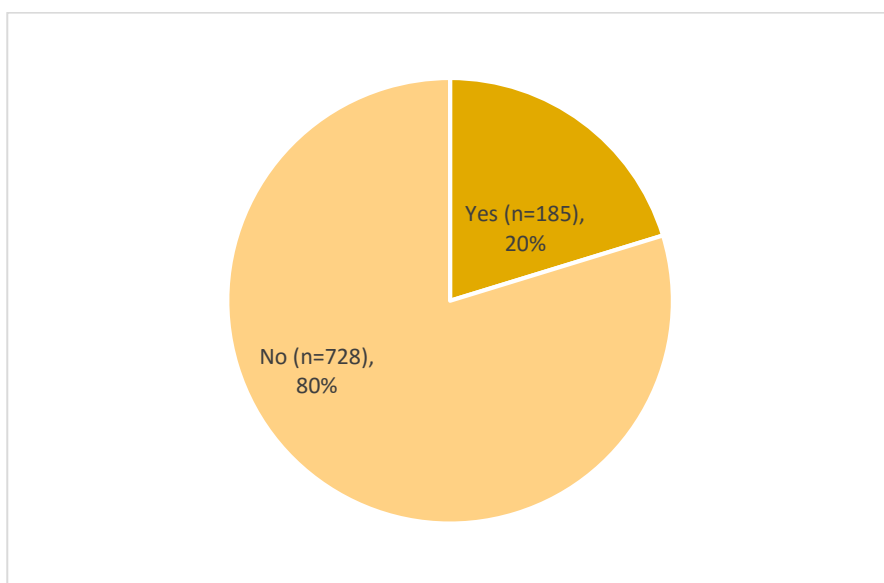
	<p>policies of financiers due to market conditions that we are not necessarily affected by.</p> <ul style="list-style-type: none"> • Double administration to submit returns in each jurisdiction - even though double taxation agreements are in place, the tax returns still need to be submitted in each country to demonstrate probity.
<p>Challenges: dynamic external business environment</p>	<ul style="list-style-type: none"> • Fluctuating business environment and volumes. • Funding excess product due to variability of supply (seasonal variability of agricultural production) miss-matching demand. • Tight economic conditions in Australia restricting profits here to service debts for overseas expansion. • Changing business models in the software industry where customers have an emerging preference for subscription licensing rather than term licenses. • The main obstacles in this industry are not with finance but with environmental change - loss of habitat and resource destruction due to climate change. • With the current low commodity prices our cash flow varies significantly making planning difficult.
<p>Challenges: due to resources industry downturn</p>	<ul style="list-style-type: none"> • Slow down in resource industry creating tighter monetary policies. • The downturn in mining means we are watching costs and debt, so we can't access markets as quickly or in as large a way as we have done in the past or want to do now. So it will reduce and delay export revenue.
<p>Challenges: increasing competition and costs</p>	<ul style="list-style-type: none"> • Costs increase (wages, goods contractors) and the price of our goods cannot keep pace as there is too much competition. • Maintaining profitability (while facing competition in our Australian market, from direct copies of our products from China and India that are now being sold in local outlets for a cheaper price). • As with any business "start up" difficult with high labour costs, cash flow issues, finance issues etc until established presence in the market place.

<p>Challenges: Firm size/location limitation, production capacity</p>	<ul style="list-style-type: none"> • Being a start up, it is very difficult to secure financing to grow the business and purchase products to increase the size of the operations. • Government loan arrangements increases our exposure and therefore our level of risk. We therefore only export our services to projects that have low risk and do not require significant funding. • For a start-up with a brand new product, most investment is taken up with establishing a BRAND AWARENESS. Thus the challenge is to find investors who are prepared to wait for any ROI. • To generate enough funds in house to support our offshore objectives. • Insufficient funds to "jump the void" in order to setup overseas offices. • Limited growth due to self funding model as am risk averse in current economic climate. • Servicing a major expansion would be difficult, as we would have to do it all offshore. • Our terms of trade are safe but prohibit rapid expansion due to limited clients under these terms of trade. • Building a secure revenue base (fairly new business) from a basis of very low capital and difficulty of accessing capital. Currently the revenue base is supplemented from revenue earned from non-core business contracts.
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As well as not having sought additional debt finance, the majority of respondents reported that their companies were not using banking or insurance products to reduce the payment risks for export transactions. 20% of respondents reported that their companies were using such products (Figure 8-8). Specifically, 48% were using irrevocable documentary letters of credit, 45% credit insurance, 33% confirmed letters of credit, 19% documentary collection and 3% bonds (Figure 8-9).

Figure 8-8 Use of banking/insurance products to mitigate export payment risks

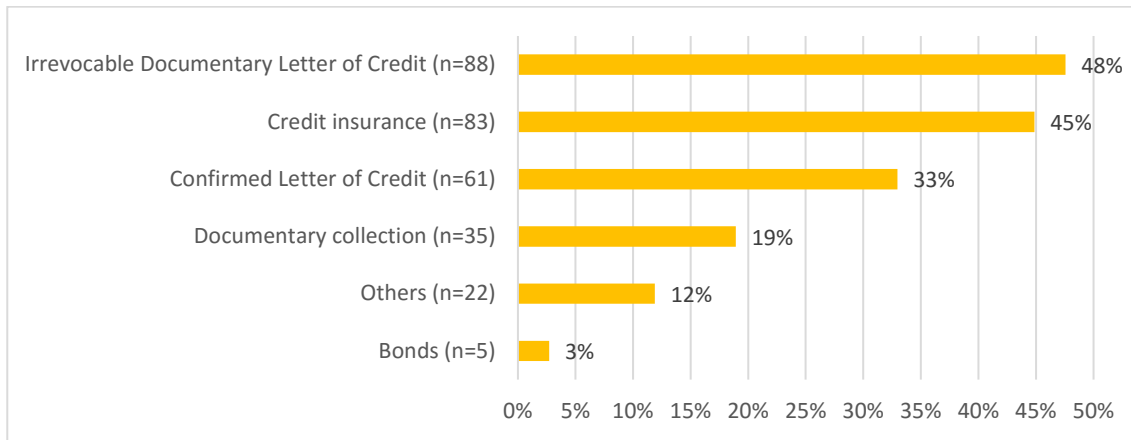
Survey question: Are you using banking/insurance products to mitigate the payment risk for your exports?



Number of respondents = 913

Figure 8-9 Use of export payment risk mitigation options

Survey question: If yes, select options that apply:



Number of respondents = 185

Note: Multiple answers permitted

Managing non-payment risk for exports: Comments

Theme	Selected comments
Based on contractual terms and conditions	<ul style="list-style-type: none"> • Selecting appropriate supply contract T&C • Contractually securing payment of 90% before deliverables are complete. • The services are not performed unless the contract is signed and accepted by both parties. Our major international customer is a reputable multinational so there is no real risk of non-payment. • 50% deposit and 25% before shipment. Balance upon arrival at destination. That is a huge risk we small business have to take. • Typically by terms of payment, either Irrevocable Letter of Credit or percentage paid up front to cover manufacturing costs. • When possible we insist on 50% upon placing an order balance, prior to goods leaving our store. By applying this method, it's much harder to secure sales. • Contracts to stipulate payment terms, Letter of Credit where required.

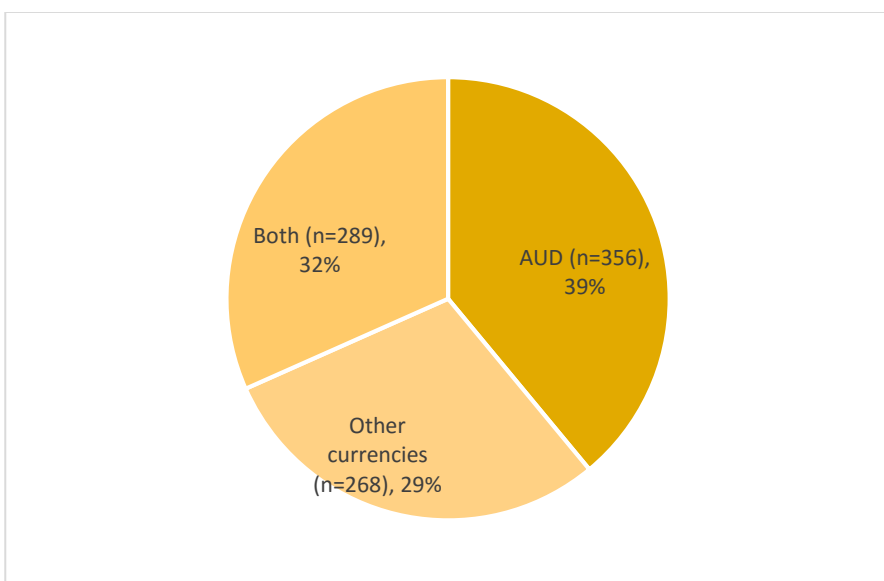
Using third party security	<ul style="list-style-type: none"> • Through trustworthy overseas agents and wholesalers. • Sell locally to export local affiliate alleviating the issue • Long term buyers on open account is covered by insurance. New buyers with letter of credit • We have strong overseas partner to cover most risk. • We currently operate via distributor so the risk is theirs. • Debt collection agencies, prepayment of goods prior to delivery and halt in sending spare parts if full payment of outstanding invoices occurs. • We use a secure reliable business contact developed over the last 10 years where funds are paid to us once they have been secured from our customer overseas.
Prepayment	<ul style="list-style-type: none"> • Mostly upfront payment and doing terms with only trustworthy partners • Instant payment on purchase from customers. Work with internationally known clients. • Customers pay up front before goods are shipped. • Ensuring all exports are prepaid, until a satisfactory level of trust has been built with customers • We are a low risk company in regards to non payments as services are paid always in advance. • My clients require payment before delivery until a business relationship exists • Our business is payment upfront or our long term customers have a 30day account. If on account and payment not received no new orders go out until the debt is cleared. • All overseas orders are covered by either prepayment prior to shipment or irrevocable bank Letter of Credit. • All payments are requested up front and held in a trust account until services are delivered. We will not work any other way • We demand 100% payment prior to shipment or a bankers letter of credit. • Request upfront payment prior to shipping for new customer or customers with bad credit history, hold shipments of current orders for late payment for established customers.
Client screening	<ul style="list-style-type: none"> • Thoroughly review customers before sending goods and tight debtor control. • Personal relationships & trusting of Buyers- ensure good buyers before shipment. • Non payment risk are minimal as we deal only with well established companies. • Long established relationships with clients, new clients are not offered credit until a relationship is established.

	<ul style="list-style-type: none"> • Dealing with reputable customers and negotiating smart contracts. • We assess credit terms on a company by company basis. New companies, particularly in higher risk countries, prepay.
Take the risk and trust	<ul style="list-style-type: none"> • Relies on honesty of clients. • This is the major problem our company faces currently. • Badly, have suffered bad debts of USD 210,000 since 2010. • Trust and enough funds to "self insure". • Providing against bad debt in the normal manner. • We operate in a relationship based market, rigid structured procedures do not work well here. We work on trust but that is NOT a guarantee for payment. We have swallowed LARGE non payments and suffered through EXTREME (up to 3 years) outside of trading terms. • Being Selective with Clients and build partnerships. •
Take the legal route	<ul style="list-style-type: none"> • Sue locally • Debt collection through Courts or Arbitration.
Size and origin of client matters	<ul style="list-style-type: none"> • Deal only with large multinational firms with good trading history • We deal with major global corporations where the risk of non-payment is low. We do not have a formal strategy for the risk of non-payment. • Distribute mostly through very large multinational pharmaceutical companies where there would be a significant reputational and territorial rights loss if they failed to pay under the terms of our agreements. No bad debts for past 20+ years.
Regular internal monitoring and communications with clients	<ul style="list-style-type: none"> • A strong control over credit given to potential overseas customers. A focus on monitoring and controlling the risk. • Our shared services division follows up all payments regularly. • We limit the amount of shipments to any one customer to reduce risk / exposure. • By having Australian staff on the ground escalating payment problems via political channels. • Follow up emails and calls on a regular basis • We remove our services until payments are correct. We suspend the delivery of services and maintenance when payment becomes overdue. • Personal relationships with customers and word of mouth. • With some difficulty - continual follow-up / persistence.

Respondents were asked about the currencies they were using for their export transactions (Figure 8-10). Thirty-nine per cent of respondents reported that their companies required payment in Australian dollars, 29 per cent were using other currencies, and 32 per cent were using both Australian and other currencies.

Figure 8-10 Use of currencies for payment

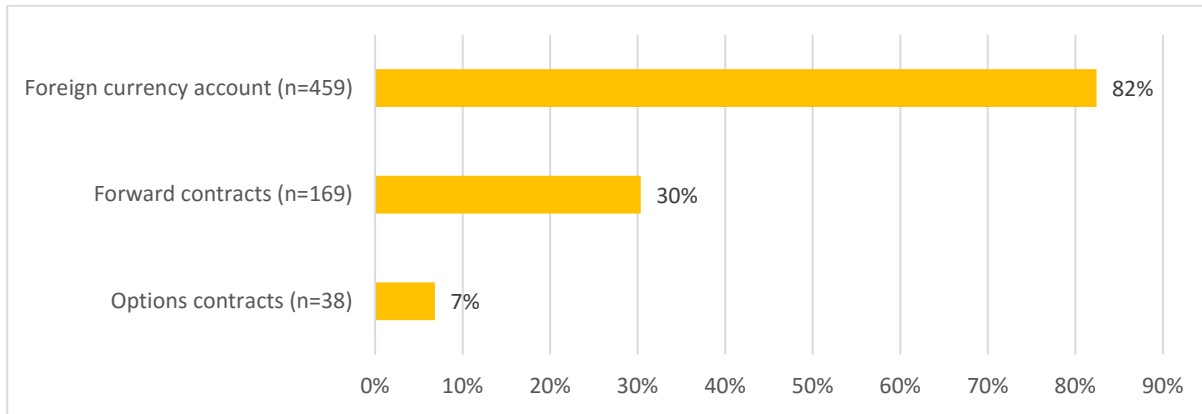
Survey question: Are you requiring payment in AUD or other currencies?



Number of respondents = 913

Figure 8-11 Use of products to manage foreign exchange risk

Survey question: If other currencies, do you use any of these products to manage the foreign exchange risk? Select all that apply.



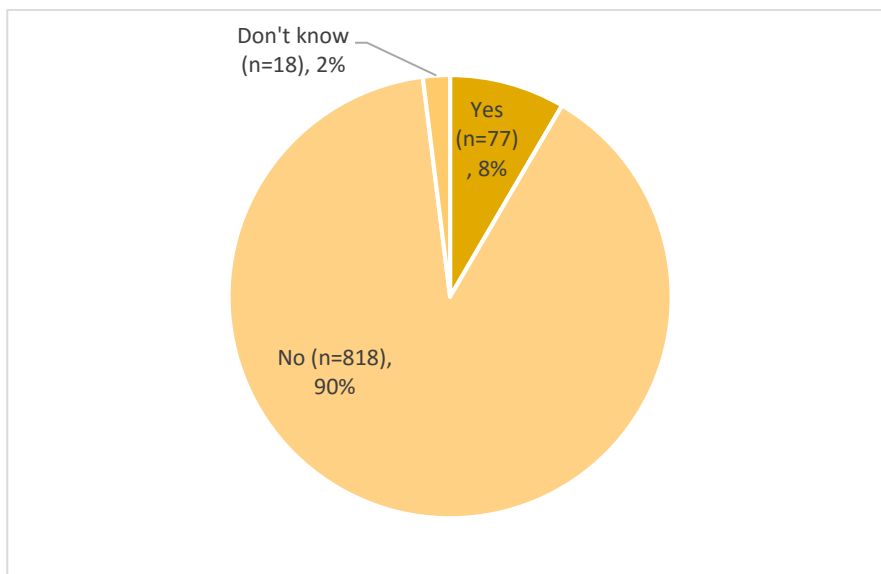
Number of respondents = 557

Note: Multiple answers permitted

Eight per cent of respondents reported that their companies were currently using Chinese RMB as a trade currency (Figure 8-12). 19 per cent reported they were planning on using Chinese RMB as a trade currency within the next 3 years (Figure 8-13).

Figure 8- 12 Current use of Chinese RMB

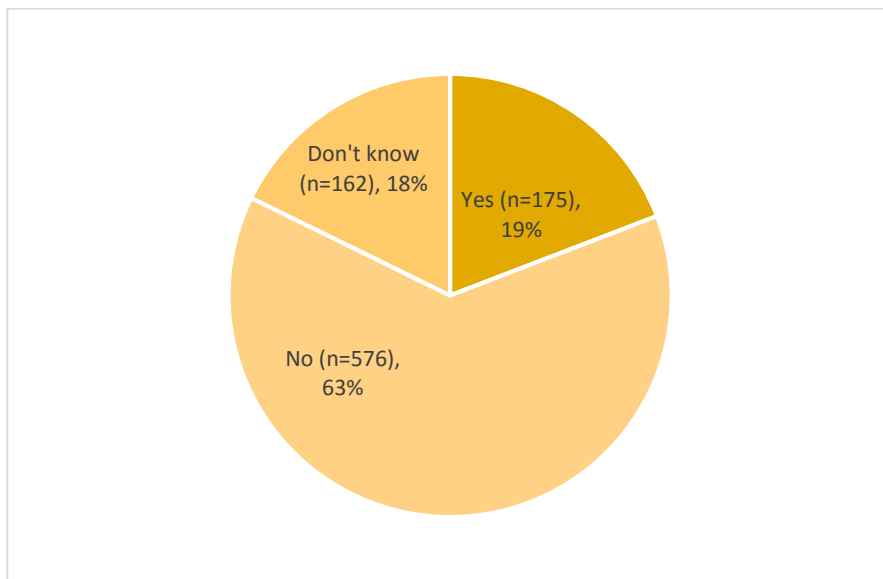
Survey question: Are you currently using Chinese RMB as a trade currency?



Number of respondents = 913

Figure 8-13 Future use of Chinese RMB

Survey question: Are you planning to use Chinese RMB as a trade currency in the next 3 years?



Number of respondents = 913

Other financial support required when servicing overseas markets: Comments

Theme	Selected comments
Government assistance - grant/ loan/ tax credits	<ul style="list-style-type: none"> • A government grant, which is great for pursuing overseas markets. • More funding for market development work. EMDG does not work for small business. EMDG is more aimed at the medium to large business with more significant S&M budget. We wouldn't spend the entire threshold for overseas marketing and promotion on any given year. • EMDG and similar programmes allow us to participate in trade missions and R&D opportunities that are conventionally a cash cost to our business. Having a financial offset like this allows us to expand into more areas, more quickly, whilst keeping our customer support levels high. • Assistance partly with export expenses by corporate tax credits would be ideal for us to grow our business further. Also for assistance to seek and grow new markets. • Business grants to attend Trade Missions as part of delegation. Economical and effective. • We utilise co-investment schemes from the Commonwealth Government relating to R&D activities, particularly industry linkage grant programs.
Access to more finance / overdraft facilities	<ul style="list-style-type: none"> • A line of credit to be able to place large import orders to fulfil larger retail orders would be beneficial, but currently no such support in place. • Ability to access non-secured loans. • Access to more finance would allow aggressive expansion • Greater access to short term overdrafts. • Pragmatic credit card limits and a line of credit. • Easier access to funding - impossible to get in Australia except by backing it with bricks and mortar.
Abolition of financial fees for international transfers	<ul style="list-style-type: none"> • Abolition of transaction fees for international financial transfers for small businesses would help • Less bank fees for payment transfer from overseas. • We would welcome a way of circumventing the high rates banks charge for international transactions.

<p>More supportive banks for overseas ventures</p>	<ul style="list-style-type: none"> • Australian banks that can think beyond Australia borders. Just having an overseas branch doesn't qualify the bank for international business status. Result. We have to operate accounts in multiple countries. The ripoff in exchange conversion spread rates kills Australian based export business. • Bank guarantees, foreign currency accounts. • International FX facilities that makes deal flows and cash transfers simple and easy to transact. • Line of credit from a lender that understands our core market. • Online wire transfer capabilities to bring funds back to Australian dollars in AUD. • Access to different currencies in country. Availability of means to transfer funds between countries.
<p>Financial and market advice</p>	<ul style="list-style-type: none"> • Good financial advice and accountancy backup to deal with the different taxation regimes. • Tax, funds transfer regulations, banking support, financial compliance advice. • Good government advice from a government organisation that knows the local markets WELL and is interested in helping would make a big difference.
<p>No support, self funding</p>	<ul style="list-style-type: none"> • We finance all costs out of cash flow and reserves. • We go slow and fund our own requirements. • We increased our shareholding to get extra equity. • We have learnt to become self-sufficient as the only option and solution. • None, other than allowing longer to pay our account and accepting the exchange risk ourselves.

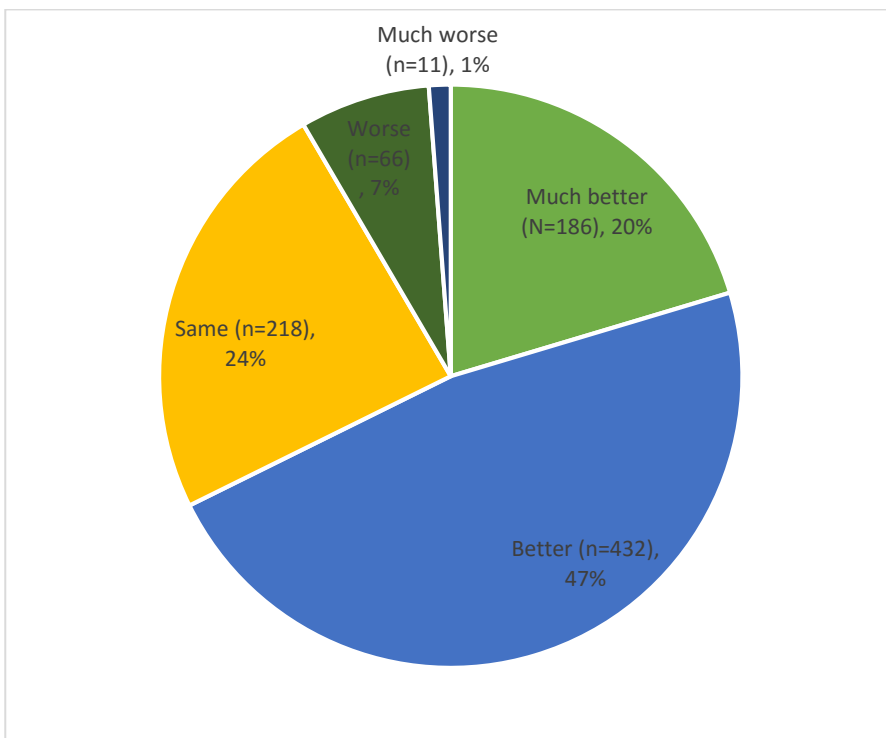
9 NEW MARKETS AND OUTLOOK

9.1 Future outlook for international operations

Respondents were more optimistic than pessimistic overall with 67% indicating that the future outlook for their international operations was better or much better for 2016 compared to 2015 (Figure 9-1).

Figure 9-1 Future outlook for international operations

Survey question: What is the overall outlook for your company's international operations in 2016 compared to 2015?



Number of respondents = 913

Future outlook: Comments

Theme	Selected comments
Positive – more competitive due to lower A\$	<ul style="list-style-type: none"> • Lower AUD helps exports but also drives up demand for domestic sales vs more expensive imports. • The devaluation of the Australian Dollar has increased my company’s competitiveness. • The lower dollar will make us more competitive compared to our other southern hemisphere competitors such as South Africa, Chile, Peru, Argentina and Brazil. All have much lower labour costs than Australia. • As we sell mostly in US\$ the decrease in value of A\$ will mean more A\$ reach the bottom line. • European and USA markets appear to be very buoyant. Exchange rate benefits being realized.
Positive - general	<ul style="list-style-type: none"> • GCCC/Austrade & TIQ have been instrumental in helping our growth. Fortunately, they seem to have really good staff on board at the moment. • Our pipeline of work is on the rise so we expect business between 2016 - 2020 to be much improved. This is somewhat dependent on a more stable annual % growth rises in both Asia and Europe. • The level of interest in our services has doubled in the last 12 months - through us distributing a newsletter and word of mouth. • With the CHAFTA being secured and the favourable AUD rate we expect our volume to grow exponentially. We believe our business outlook is solid to good. • Entered the U.S. market late 2014. A U.S. sustainability award has given customers confidence in our product and sales have increased. • We are cautiously optimistic, we have learned a tremendous amount from the past year.
Positive – expansion and growth anticipated	<ul style="list-style-type: none"> • Continued growth and engagement of new agents in new overseas markets. Closer cooperation in our relationship with USA distributor.

	<ul style="list-style-type: none"> • Currently gaining registration for all company food products into Indonesia. This will be our first effort to directly export to another country using only a local Indonesian distributor, not an Australian distributor. • Expansion of regional offering for our information services should broaden our market potential significantly. • Expecting to see continued growth in revenue as the business becomes more known and the brand / experience leads to repeat customers. <ul style="list-style-type: none"> • Have increased our focus on expanding international markets ... therefore better outlook. • Our international operations are expected to provide much better opportunities than the Australian arm of our business. • We are launching a new product with a lot of international interest and this will help grow exports significantly over the next 12-24 months. • We are planning on entering new markets and have been building capacity to allow for that growth. • We are really just commencing international activity after 2 years of negotiation. • We have recently signed on 7 very large international clients and our agreements will be commencing in 2016 with more to follow. • The relaxing of the 1 child policy in China means more demand for our infant formula and dairy products. • We are opening a manufacturing facility in Taiwan for the domestic and potentially export markets.
<p>Negative outlook – declining market conditions and uncertainties</p>	<ul style="list-style-type: none"> • It is one of those years in which markets have shifted, so we are having a difficult year. • Overseas economies may retract somewhat in the coming year. It is already happening especially in China. • We anticipate more Chinese and Indian copies of our products coming in to the Australian market. • With China's slowing growth and poor resource prices, our international market will remain steady or may slow somewhat. • Indonesia has just decided not to issue import permits for mandarins next season, so we have lost our major market that takes 40% of our product. • Revenue will be lower as a result of political and economic uncertainty overseas.

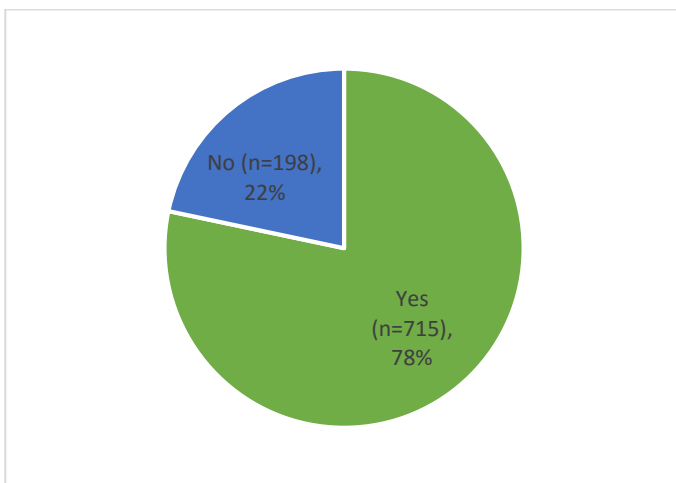
	<ul style="list-style-type: none"> • International competition and erosion of manufacturing base in Australia. Loss of automotive industry will force many companies to close in 2016 & 2017
Negative – lack of government support	<ul style="list-style-type: none"> • Lack of Australian Government support/funding compared to other countries has made trading abroad very difficult. Our company needs less "media spin" and more tangible support from Government.

9.2 Plans for business in additional markets

More than three-quarters of respondents (78%) reported that their company was planning to do business in additional foreign markets in the next two years (Figure 9-2). Of those reporting expansion plans, the majority were aiming to expand to 2 to 3 additional countries: 35% nominated 2 additional countries, and 22% nominated 3 additional countries (Figure 9-3).

Figure 9-2 Plans to do business in additional countries

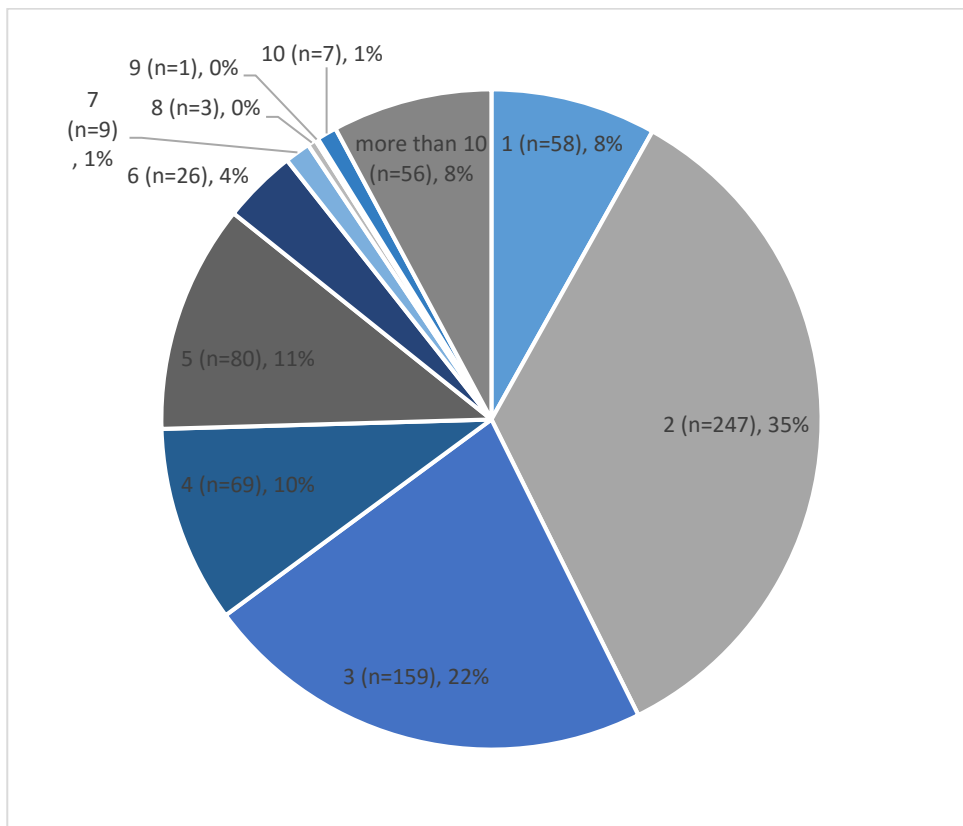
Survey question: Is your company planning to do business in additional countries in the next 2 years?



Number of respondents = 913

Figure 9-3 Number of additional countries planned for new business

Survey question: If yes, how many countries?



Number of respondents = 715

As shown in Figure 9-4, for those respondents reporting plans to do business in additional countries within the next 2 years, China was nominated as the new market that they expected would become most important in terms of additional revenue (15%), followed by the USA (12%) and India (7%). Other markets were nominated by 5% or less of respondents.

When asked which countries they expected would be the most important for their sector during the same period (Figure 9-5), the same countries in the same order were the top three new markets: China (28%), the USA (15%) and India (8%).

Figure 9-4 Most important new country for your company

Survey question: For your company, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

<i>Country</i>	<i>Number of responses</i>	<i>%</i>
China (n=106)	106	15%
United States (n=87)	87	12%
India (n=51)	51	7%
United Kingdom (n=37)	37	5%
Indonesia (n=34)	34	5%
South Korea (n=24)	24	3%
Singapore (n=23)	23	3%
Japan (n=21)	21	3%
Brazil (n=19)	19	3%
United Arab Emirates (n=217)	19	3%

Number of respondents = 715

Figure 9-5 Most important new country for your sector

Survey question: For your sector, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

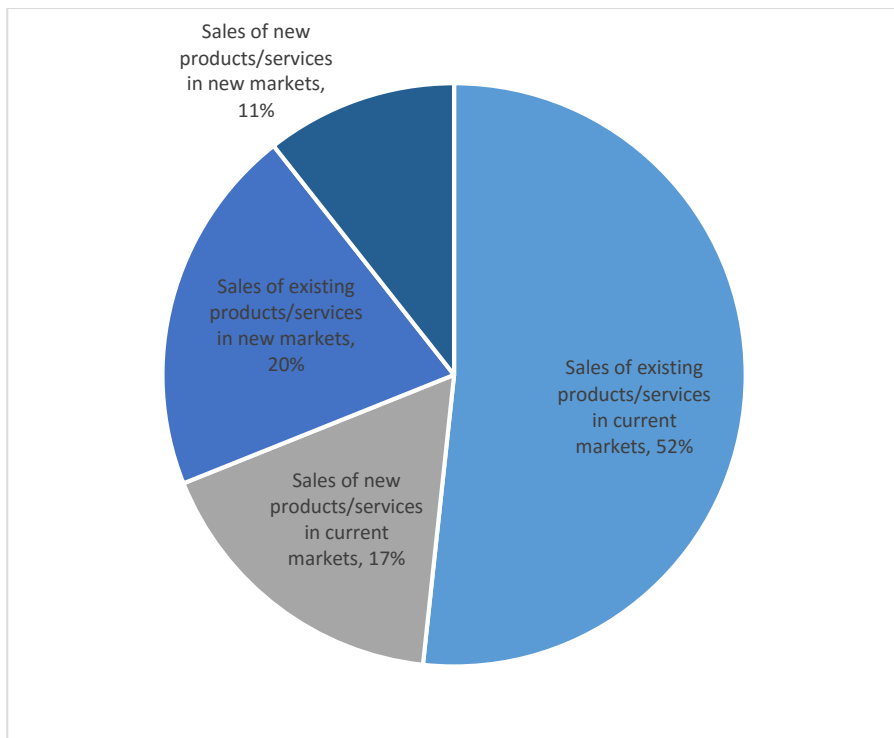
<i>Country</i>	<i>Number of responses</i>	<i>%</i>
China (n=252)	252	28%
United States (n=139)	139	15%
India (n=69)	69	8%
United Kingdom (n=46)	46	5%
Indonesia (n=42)	42	5%
Japan (n=22)	22	2%
New Zealand (n=21)	21	2%
Singapore (n=21)	21	2%
Brazil (n=19)	19	2%
United Arab Emirates (n=19)	19	2%

Number of respondents =913

As shown in Figure 9-6, respondents expected future revenues to come, almost equally, from existing products in existing markets (52%) and from new products and/or new markets (48%).

Figure 9-6 New/existing products/services into new /existing markets as drivers of international revenues

Survey question: What do you think will drive your future international revenues for your business over the next three to five years? (Answer in percentage share terms, enter total to 100%)



Number of respondents = 913

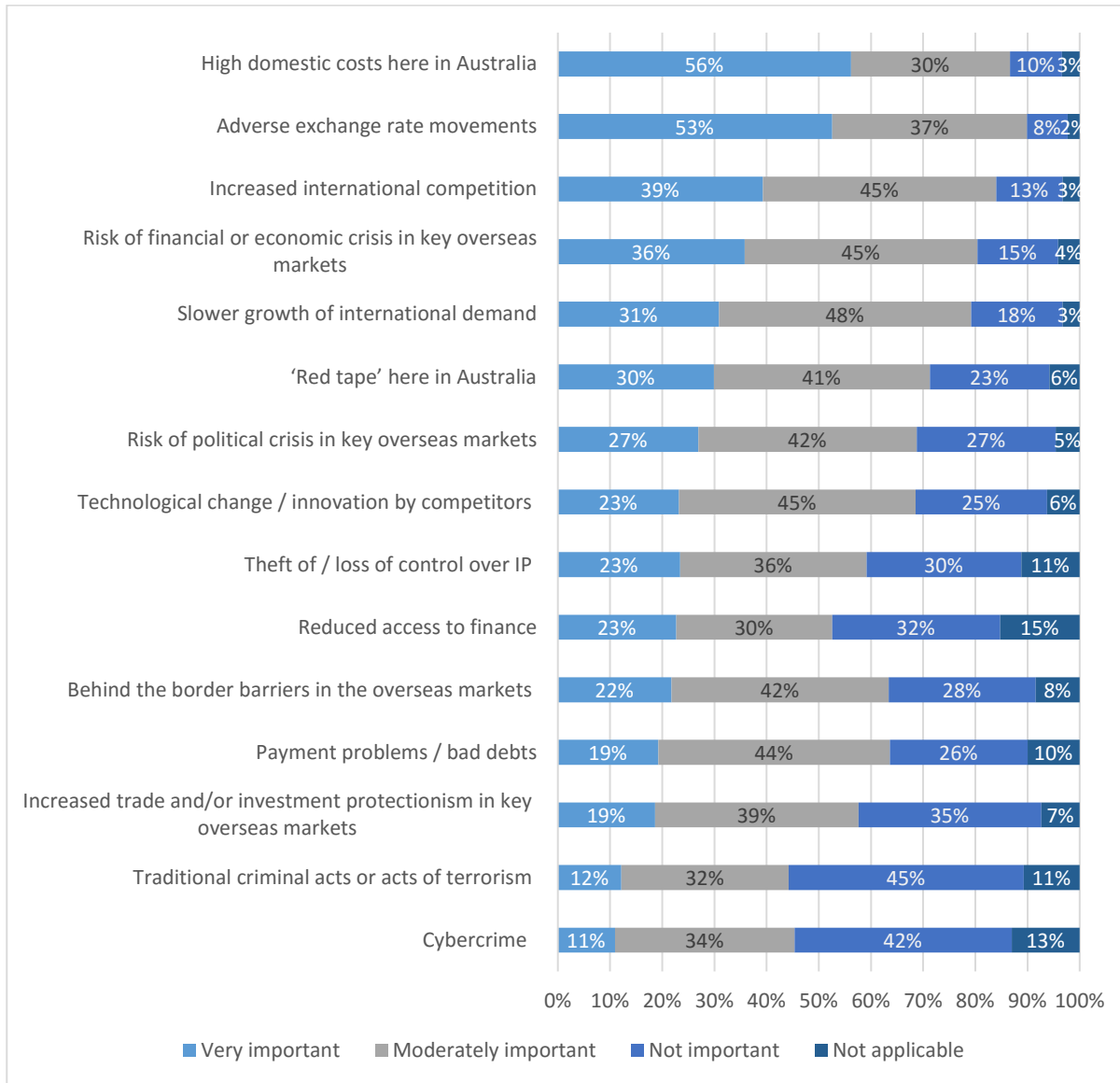
		Markets	
		Existing	New
Products	Existing	52%	17%
	New	20%	11%

9.3 Key risks for international operations

Respondents reported multiple risks faced by their international operations over the next 3-5 years (Figure 9-7). Two risks were nominated as moderately important or very important by a large majority of respondents: high domestic costs in Australia (86%) and the potential for adverse exchange movements (90%). Increased competition was a highly rated factor, as well as increased economic and financial risk (81% rated it as moderately important or very important) or political risk in foreign markets (69% rated it as moderately important or very important). At the same time as reporting plans to expand to additional markets, they were also concerned about slower growth in international demand (79% rated it as moderately important or very important).

Figure 9-7 Key risks facing international operations over next 3 years

Survey question: What do you see as the key risks facing your international operations over the next three to five years? Please indicate the importance of following risks:

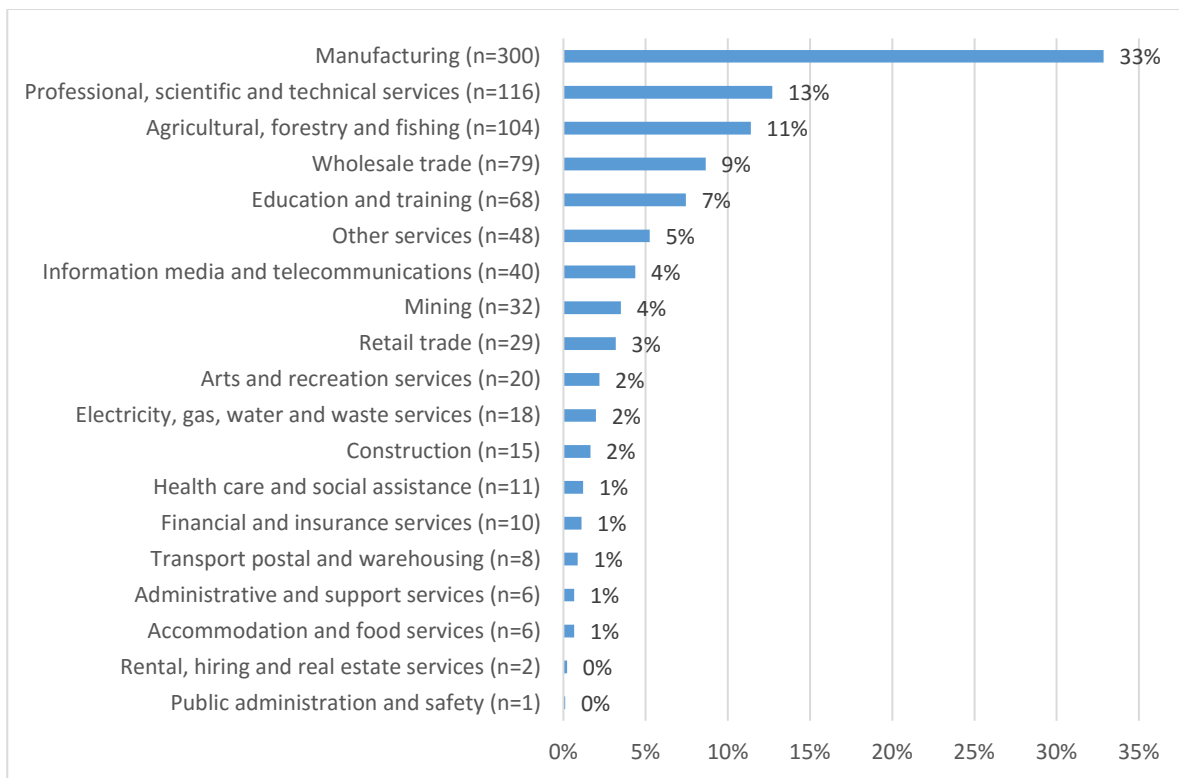


Number of respondents = 913

APPENDIX A: Respondent Profile

A total of 913 internationally active businesses responded to the 2016 survey. They were invited to classify their businesses according to the Australian and New Zealand Standard Industrial Classification (ANZSIC) scheme published by the Australian Bureau of Statistics. As shown in Figure A-1, 33 per cent of companies classified themselves as belonging to the manufacturing industry, representing the single largest group of respondents. Among the service-oriented sectors, the professional, scientific and technical services industry had the most number of respondents, comprising around 13 per cent of total survey respondents.

Figure A-1 Number of international businesses per industry
Survey question: What is the main business of your company?

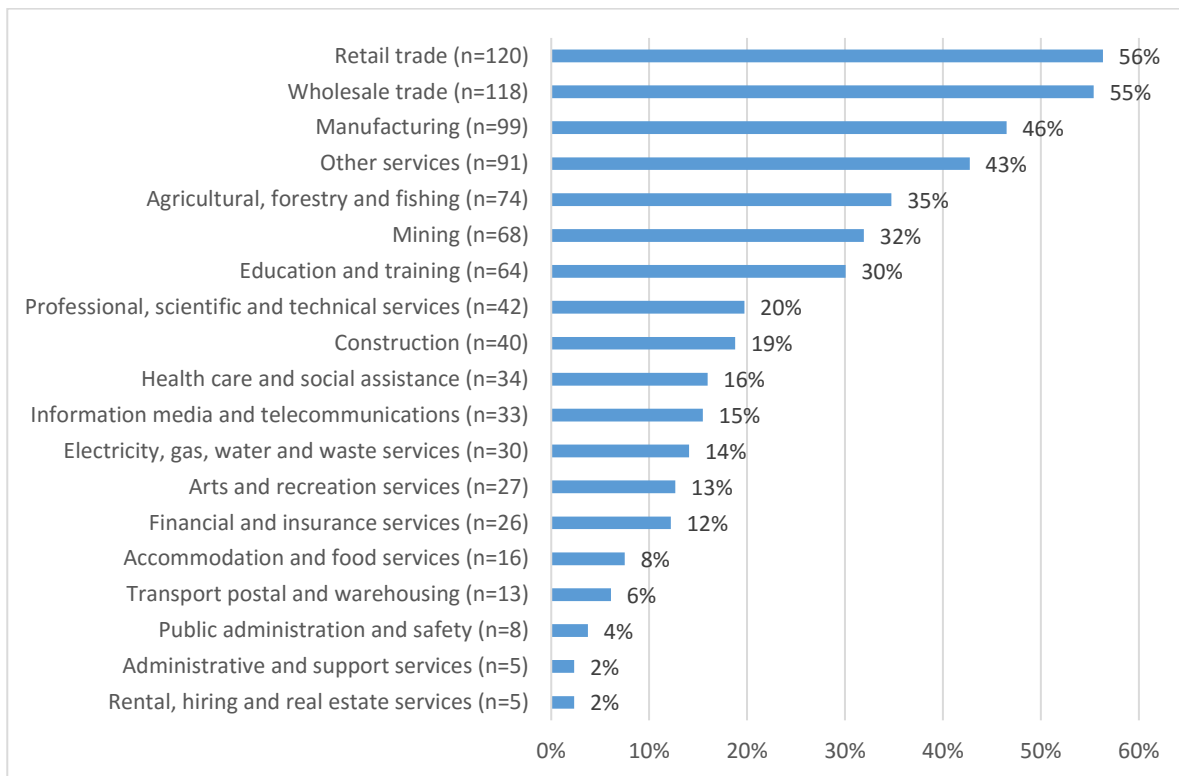


Number of respondents = 913

Respondents sell their products and services to other businesses operating in a variety of sectors (Figure A-2). The top business customers identified are companies engaged in retail trade (56 per cent), companies engaged in wholesale trade (55 per cent), and manufacturing companies (46 per cent).

Figure A-2 Number of buyers per industry

Survey question: If your company sells to other businesses, in which industry do most of your buyers operate?

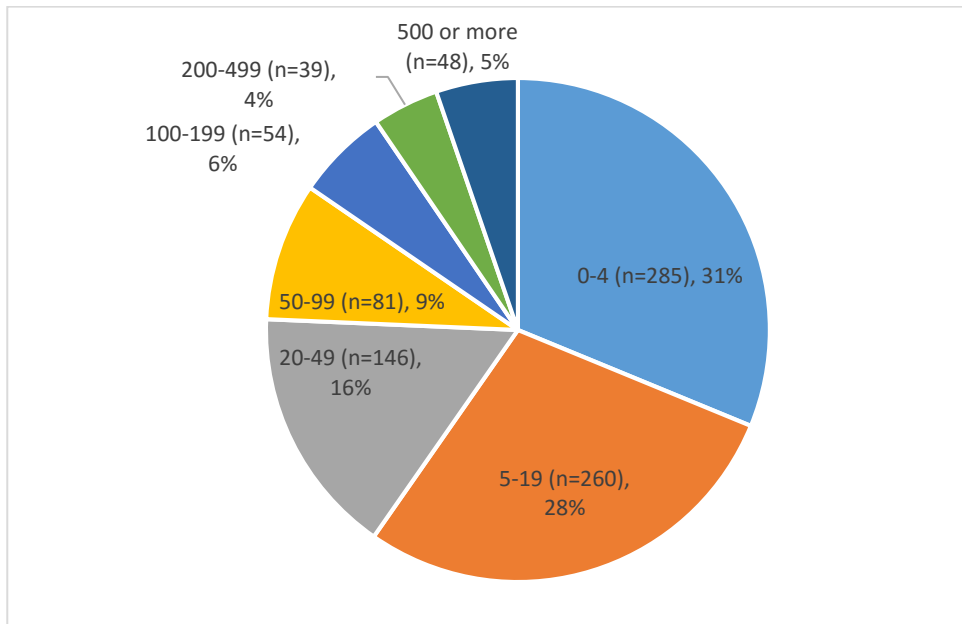


Number of respondents = 913

As Figure A-3 shows, most of the respondents (31 per cent) reported having less than 5 employees in Australia, with close to 60 per cent of all respondents having less than 20 employees. Only around 15 per cent of respondents have 100 or more employees, indicating that as in previous surveys, the 2016 survey captured mainly small- to medium-sized enterprises (SMEs).

Figure A-3 Number of employees

Survey question: How many employees does your company have in Australia?

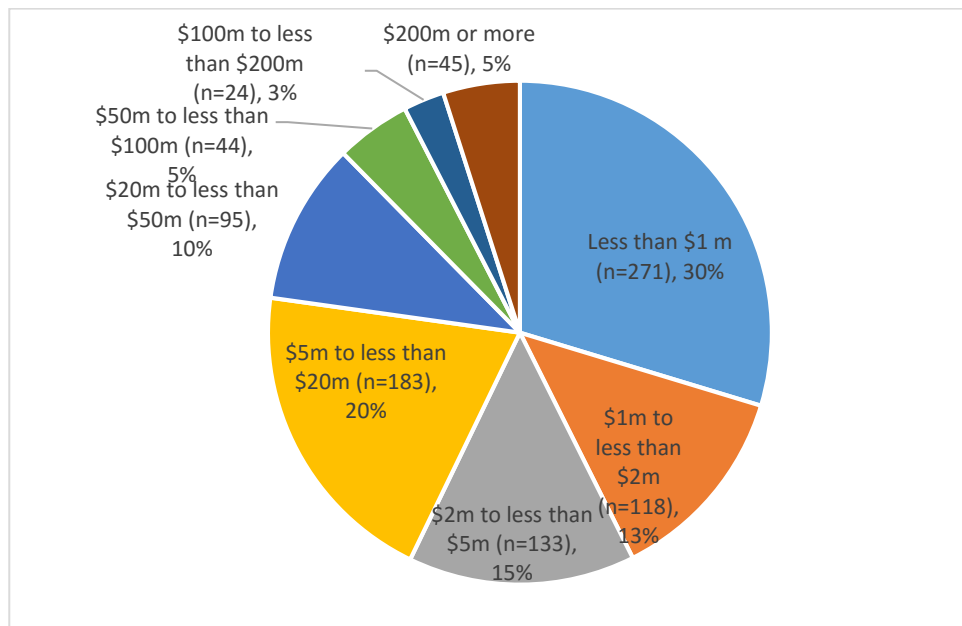


Number of respondents = 913

Thirty per cent of respondents earned less than \$1 million in revenues in the last financial year i.e. 2014 – 2015, as shown in Figure A-4. Close to half of the respondents earned between \$1 million and \$20 million, with only 5 per cent of respondents reporting earnings of \$200 million or more. This further confirms that the survey respondents were mainly SMEs.

Figure A-4 Total revenue (financial year 2014 – 2015)

Survey question: What was your company’s total revenue last financial year?

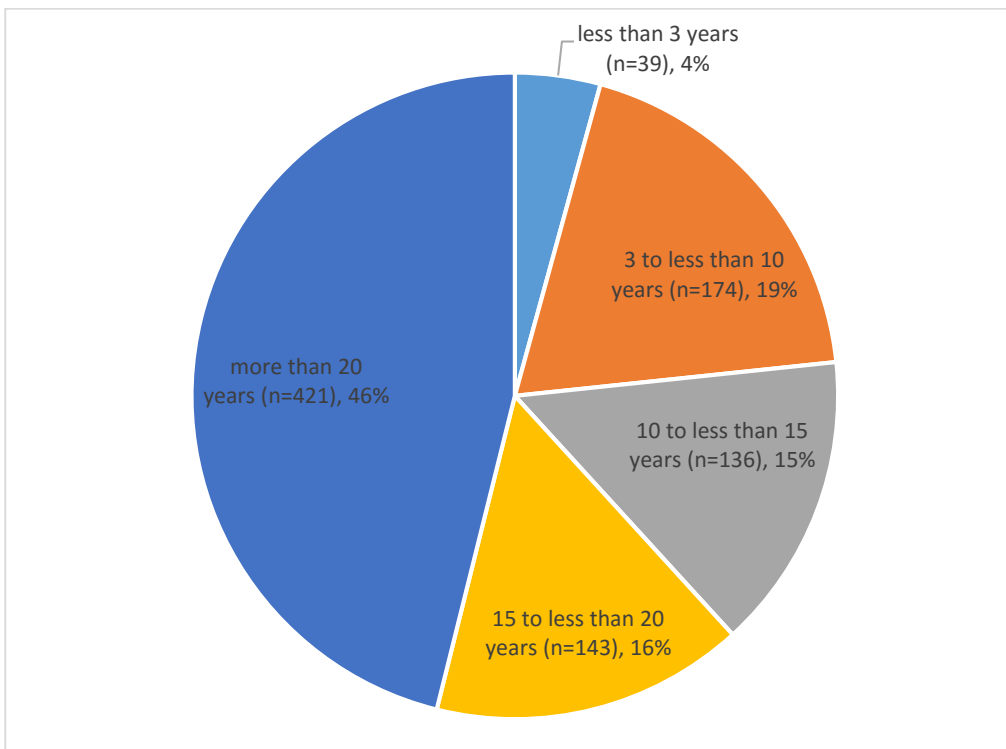


Number of respondents = 913

While the companies that participated in the survey were small- to medium-sized, they were highly experienced businesses as shown in Figure A-5. Around 46 per cent of respondents had been operating for more than 20 years, while only 4 per cent had been operating for less than 3 years.

Figure A-5 Company age

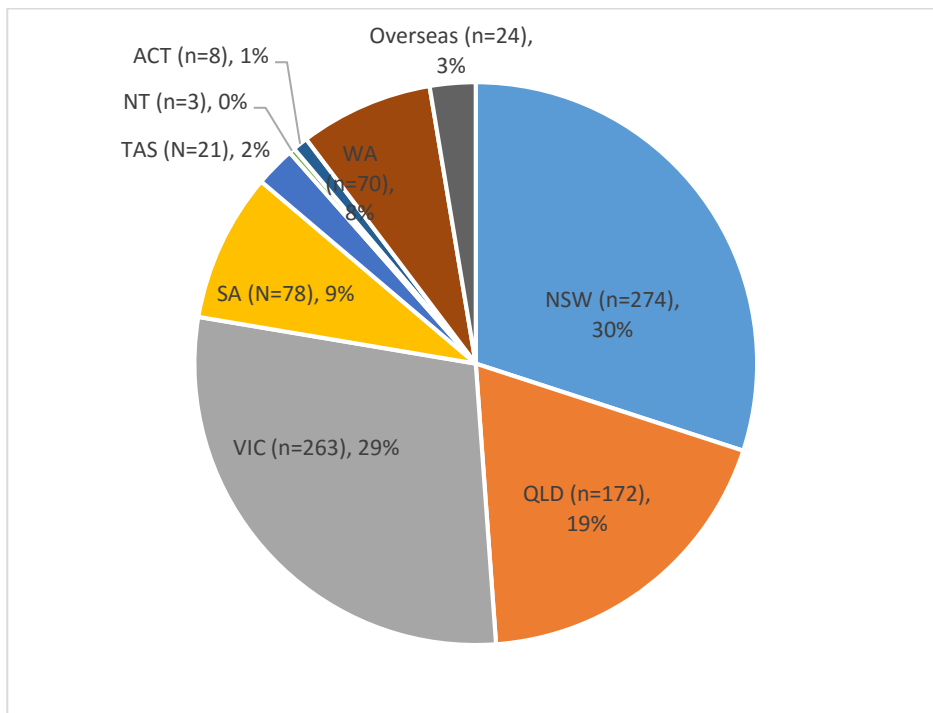
Survey question: In what year did your company start operating?



Number of respondents = 913

Close to 80 per cent of respondents were businesses from the 3 largest states of the country (Figure A-6). Thirty per cent of companies surveyed operated out of New South Wales, 29 per cent operated out of Victoria, and 19 per cent operated out of Queensland. Around 20 per cent of respondents operated out of the remaining states and territories, and 3 per cent of the respondents were headquartered overseas. There is insufficient data from the survey to determine if the companies headquartered overseas are partly or wholly Australian-owned.

Figure A-6 Location of respondents' headquarters
Survey question: Where is your company's head office?

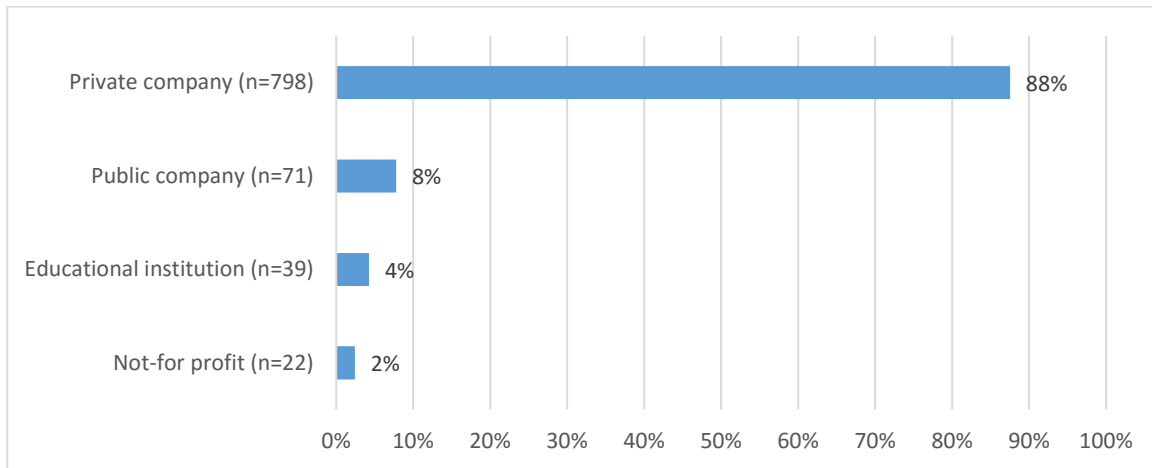


Number of respondents = 913

Close to 90 per cent of companies surveyed were private companies (Figure A-7), while less than 10 per cent of respondents indicated that they were publicly-owned. Around 4 per cent of those who participated in the survey classified themselves as educational institutions, and around 2 per cent indicated that they were not-for-profit organisations.

Figure A-7 Ownership type

Survey question: What is the ownership type of your company? Select all options that apply.

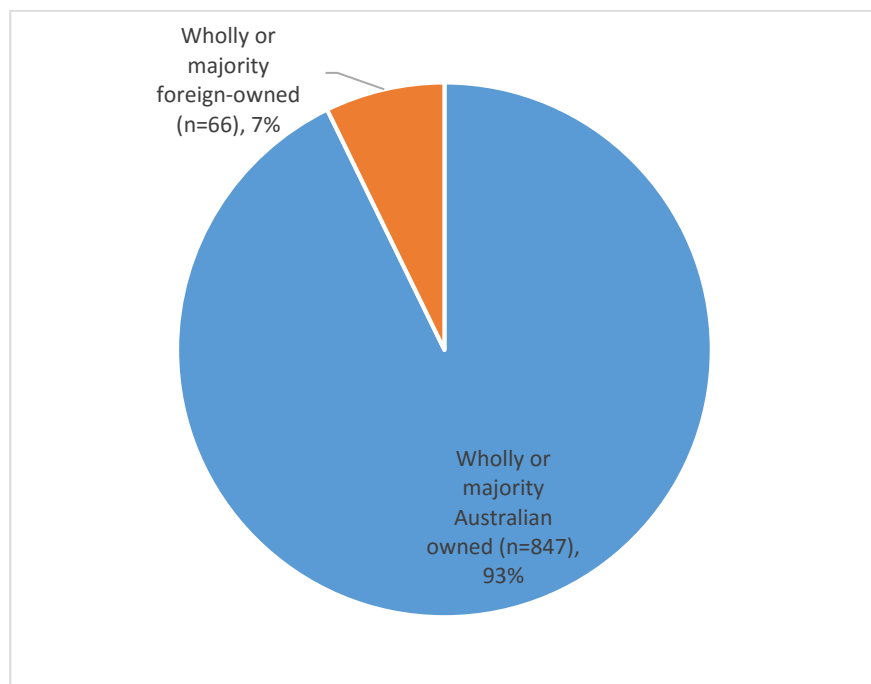


Number of respondents = 913
Note: Multiple answers permitted

More than 90 per cent of respondents were wholly or majority Australian-owned companies, with only around 7 per cent of companies reporting being wholly or majority foreign-owned.

Figure A-8 Ownership share

Survey question: Is your company:

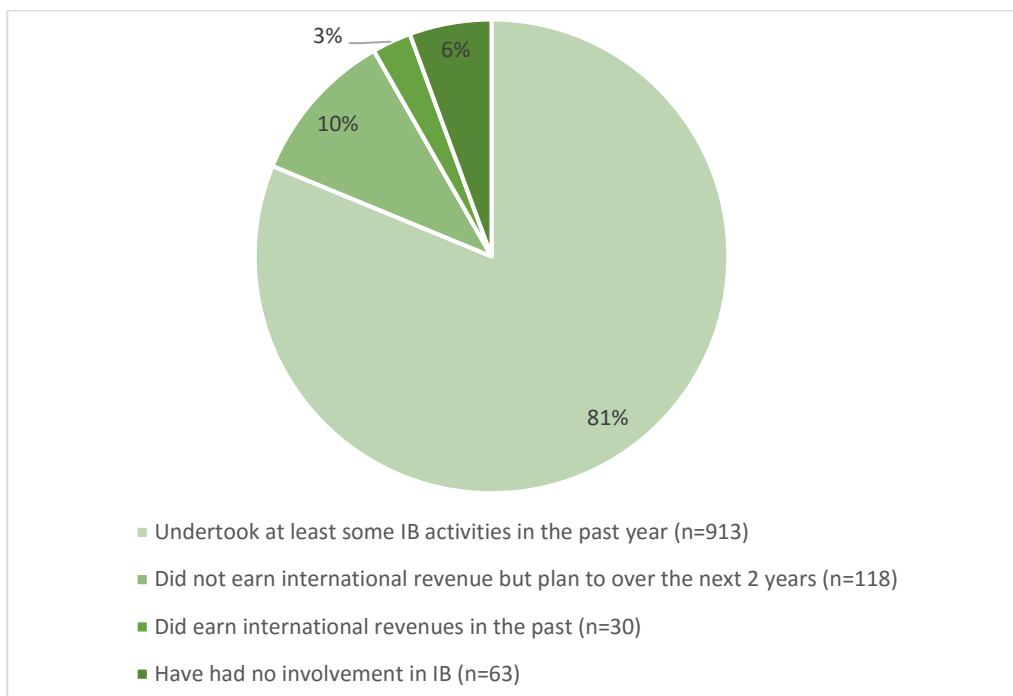


Number of respondents = 913

In addition to being highly experienced businesses, the companies that participated in the survey were also experienced in managing business operations overseas. As shown in Figure A-9, more than 80 per cent of the total number of companies surveyed reported undertaking some international business activities in the past year. Only 6 per cent have not had any previous international business involvement, and while 10 per cent of respondents did not earn any international revenue in the past year, they do have intentions of engaging in international business activity in the next 2 years.

Figure A-9 International activities

Survey question: Does your company undertake international business activities (such as export of goods and services including online sales to overseas customers, manufacturing and sales overseas, sales to overseas visitors for tourism and education services, importing, and any other activity that generates international revenue)?

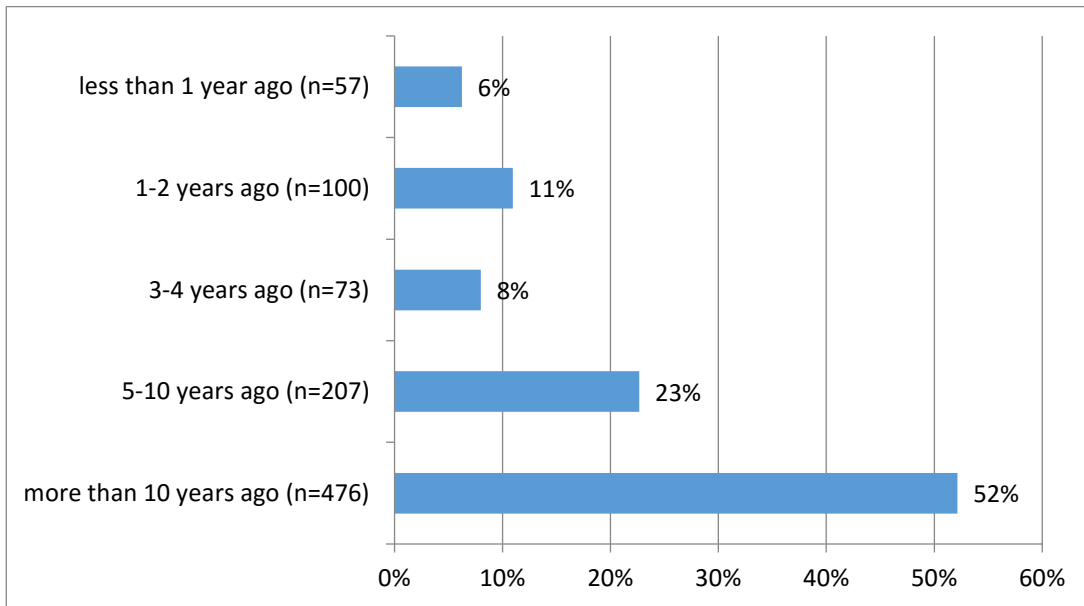


Number of respondents = 1,124

The survey results show that more than 20 per cent of companies that participated started earning international revenues more than 5 years ago, with only 6 per cent of respondents indicating that they started earning international revenue just last year. These results further confirm that participating companies are experienced international business operators.

Figure A-10 International experience

Survey question: What year did your company start earning international revenue?

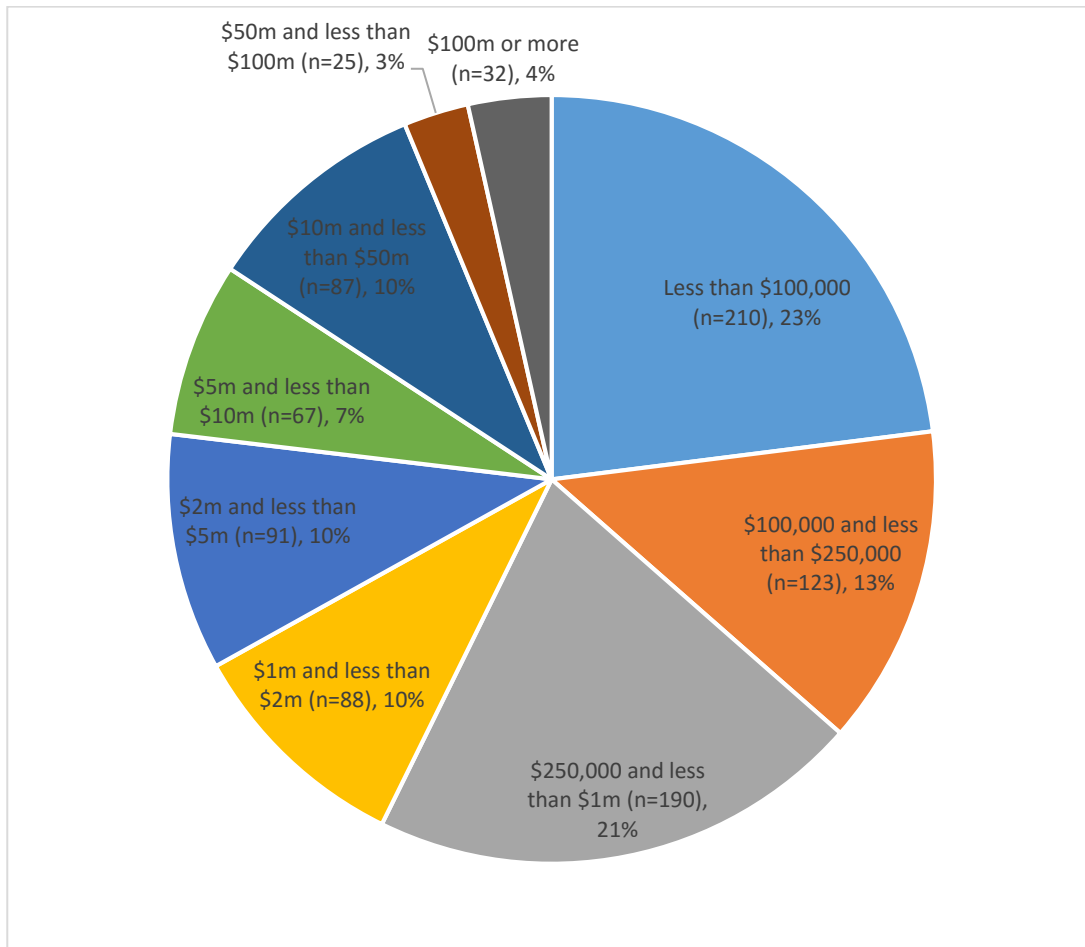


Number of respondents = 913

Close to 60 per cent of respondents reported that overseas revenues contributed up to \$1 million dollars to total company revenue in the last financial year. Twenty-three per cent of companies reported that overseas revenue contributed less than \$100,000, while only 4 per cent of respondents reported an overseas revenue contribution of more than \$100 million to total company revenue.

Figure A-11 Total overseas revenue in dollars

Survey question: How large was your total overseas revenue last financial year in Australian dollars?

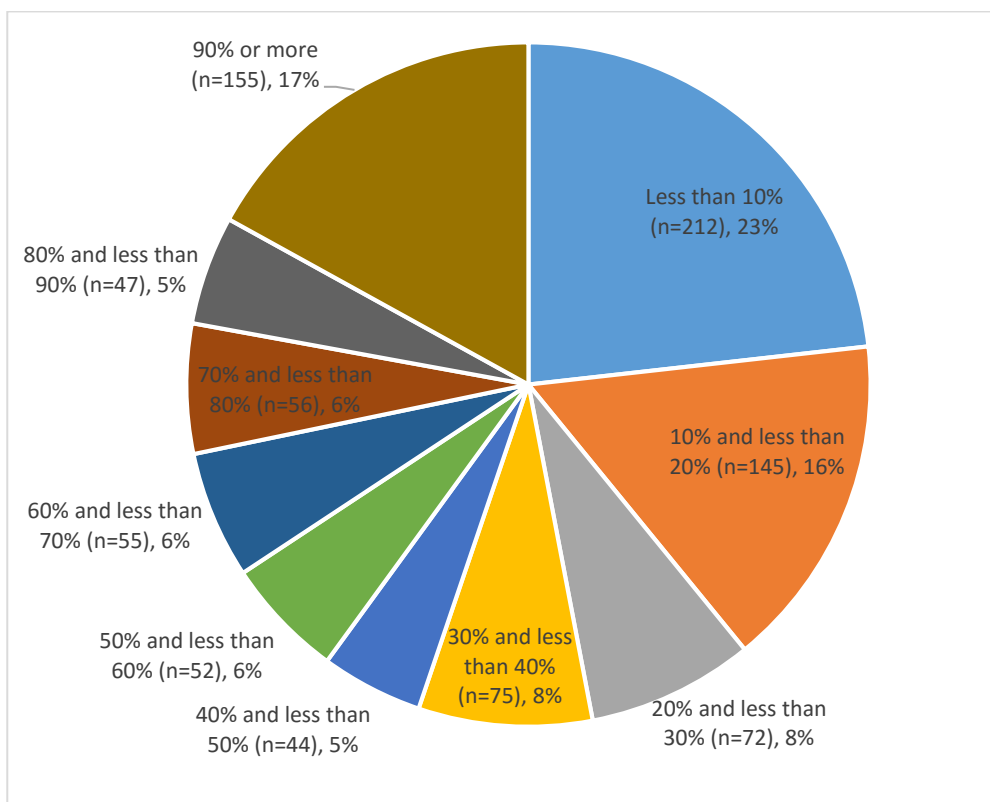


Number of respondents = 913

The dollar value of international revenues needs to be seen in light of the total revenue earned by respondents in the last financial year, especially in light of the fact that the companies that participated in the survey were mainly SMEs. Close to 25 per cent of respondents reported that their overseas revenue accounted for less than 10 per cent of their company’s total revenue in the last financial year (Figure A-12). It is noteworthy to point out that around close to 20 per cent of respondents relied on international markets for 90 per cent or more of their total company revenue in the last financial year.

Figure A-12 Percentage of revenues earned outside Australia

Survey question: What percentage of your company’s revenues was earned from overseas in the last 12 months?

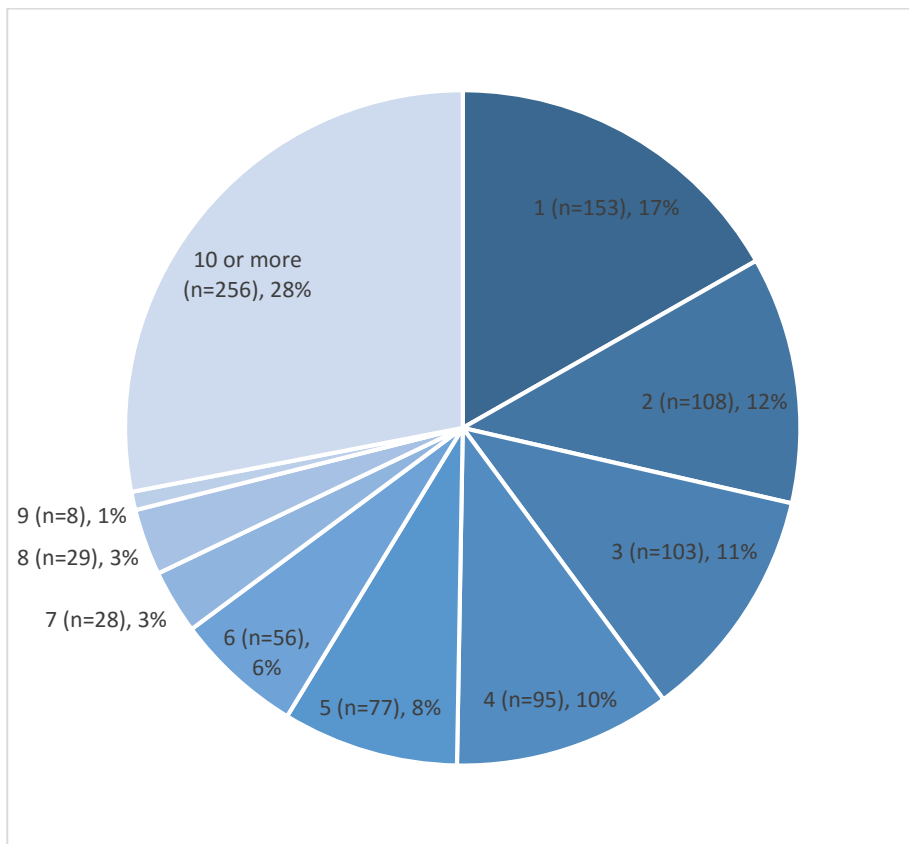


Number of respondents = 913

The contribution of international revenue to total company revenues likewise needs to be viewed in light of the number of international markets that respondents do business in or with. Around 40 per cent of respondents reported earning international revenues from 3 countries or less. It is interesting to note that close to 30 per cent of respondents earned revenue from 10 or more countries outside Australia in the last financial year.

Figure A-13 Number of international markets

Survey question: How many countries has your company earned overseas revenue from in the last 12 months?



Number of respondents = 913

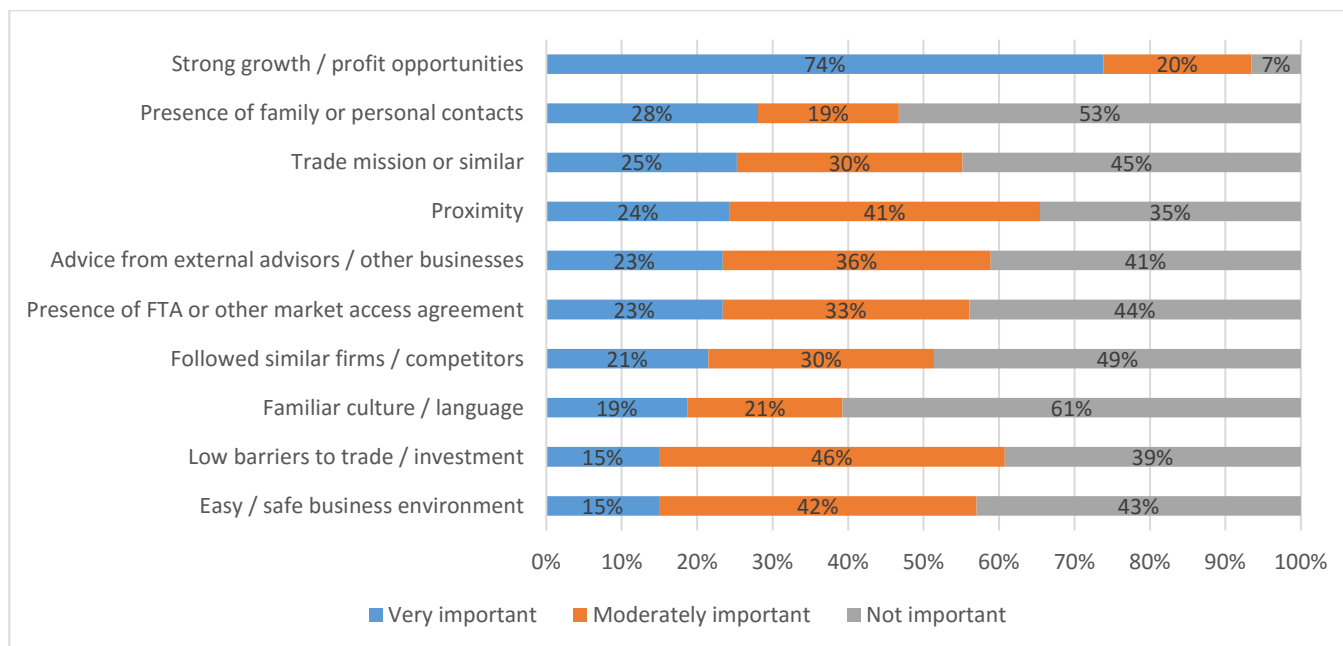
APPENDIX B: COUNTRY PROFILES

CHINA

A total of 107 companies (representing around 12 per cent of survey respondents) nominated China as their first most important overseas market. As reflected in Figure B-1, strong growth/ profit opportunities were cited as the most important reason by 74 per cent for targeting the market, followed by the presence of family or personal contacts (cited by 28 per cent of companies).

Figure B-1 Key reasons for targeting China as the first overseas market

Survey question: Why was this market your first target?

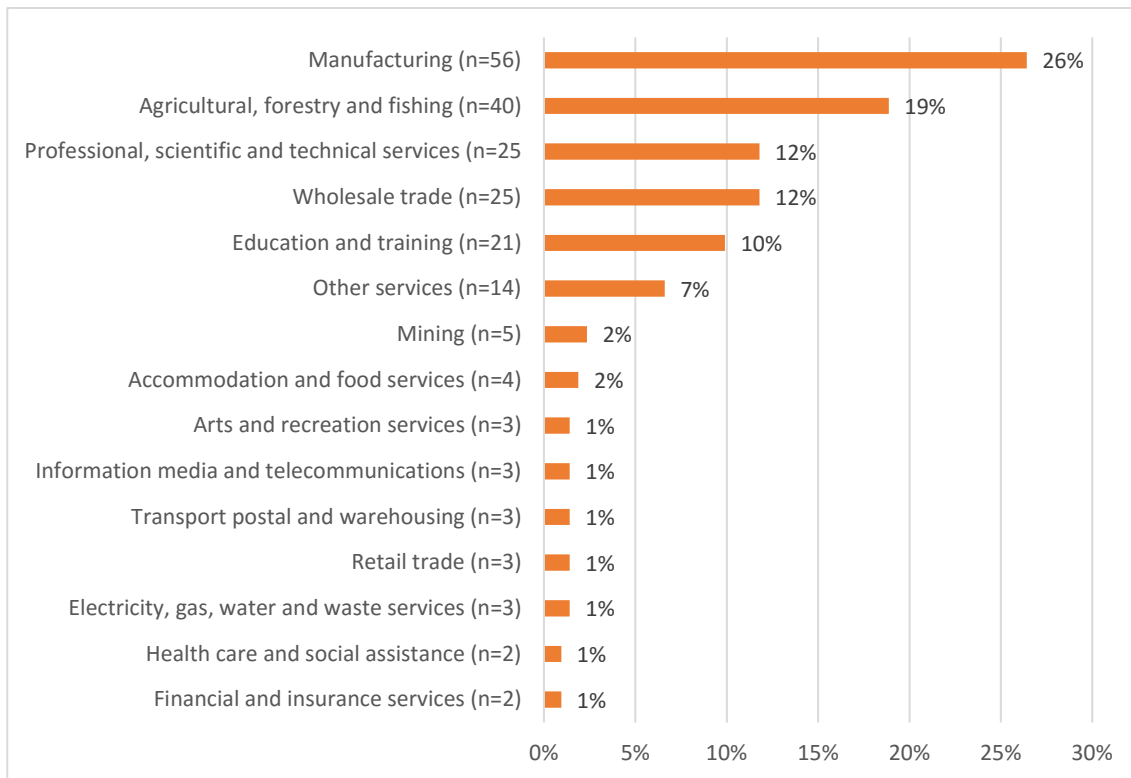


Number of respondents = 107

Among the companies that identified China as their most important overseas market, 26 per cent were from the manufacturing sector, and 19 per cent were agricultural, forestry and fishing companies (Figure B-2). Among the service-oriented industries, professional, scientific and technical services (12 per cent of companies) was the top sector that considered China to be its most important market.

Figure B-2 Main businesses - China

Survey question: What is the main business of your company?



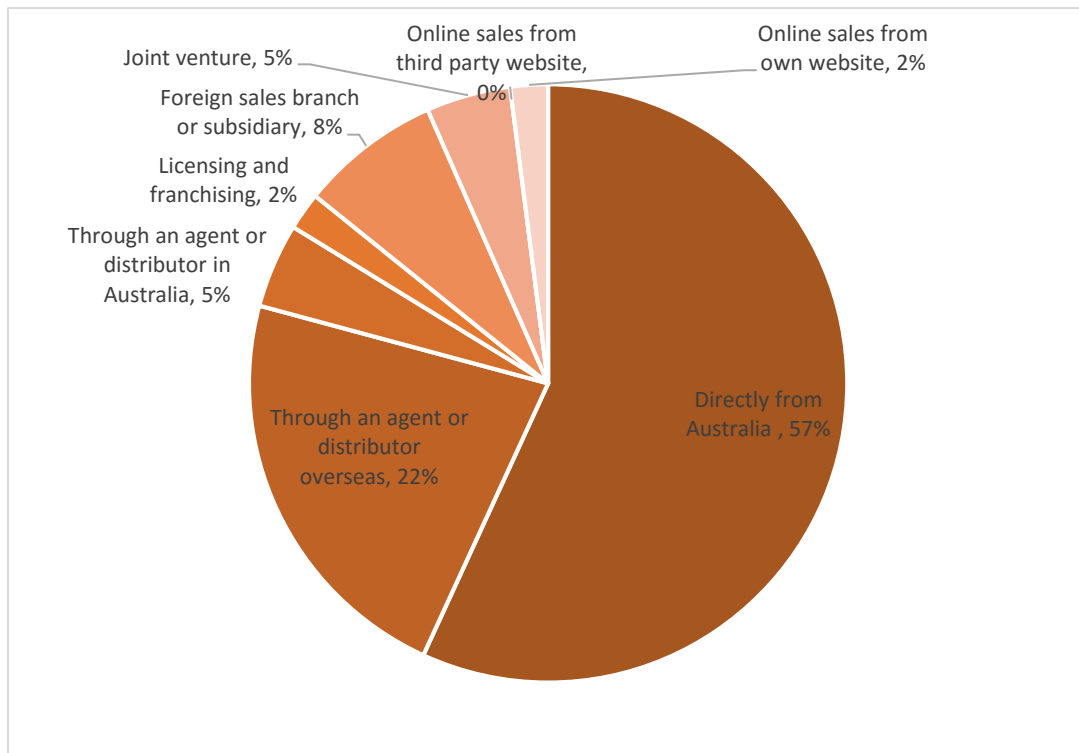
Number of responses = 212

Note: the sample consists of companies that identify China as either top 1 or top 2 country from which they have earned international revenue in the past year.

Companies are most likely to service the China market directly from Australia, with 57 per cent of respondents indicating this as their preferred servicing mode (Figure B-3). A smaller percentage of companies (22 per cent) prefer servicing the market through an agent or distributor based in China.

Figure B-3 Main mode of servicing exports to China

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



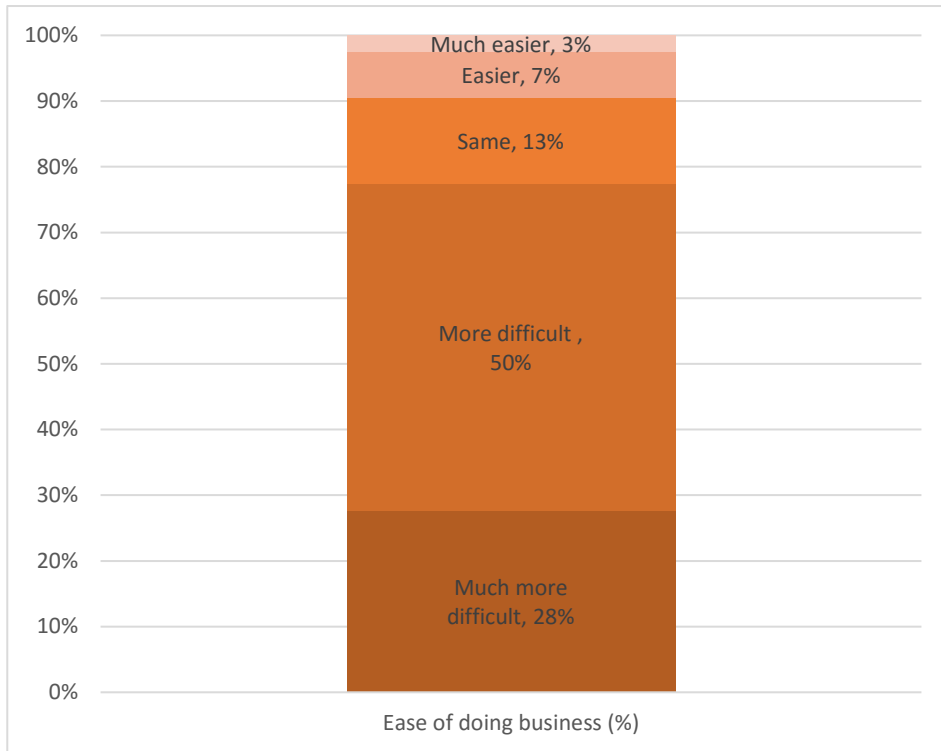
Number of responses = 197

Note: the sample consists of companies that identify China as either top 1 or top 2 country from which they have earned international revenue in the past year.

Among the companies that identified China as their most important overseas market, close to 80 per cent perceive that it is more difficult or much more difficult to business in the country as compared doing business in Australia (Figure B-4).

Figure B-4 Ease of doing business in China

Survey question: What is the ease of doing business for the top two countries from which you have earned international revenue in the past year?



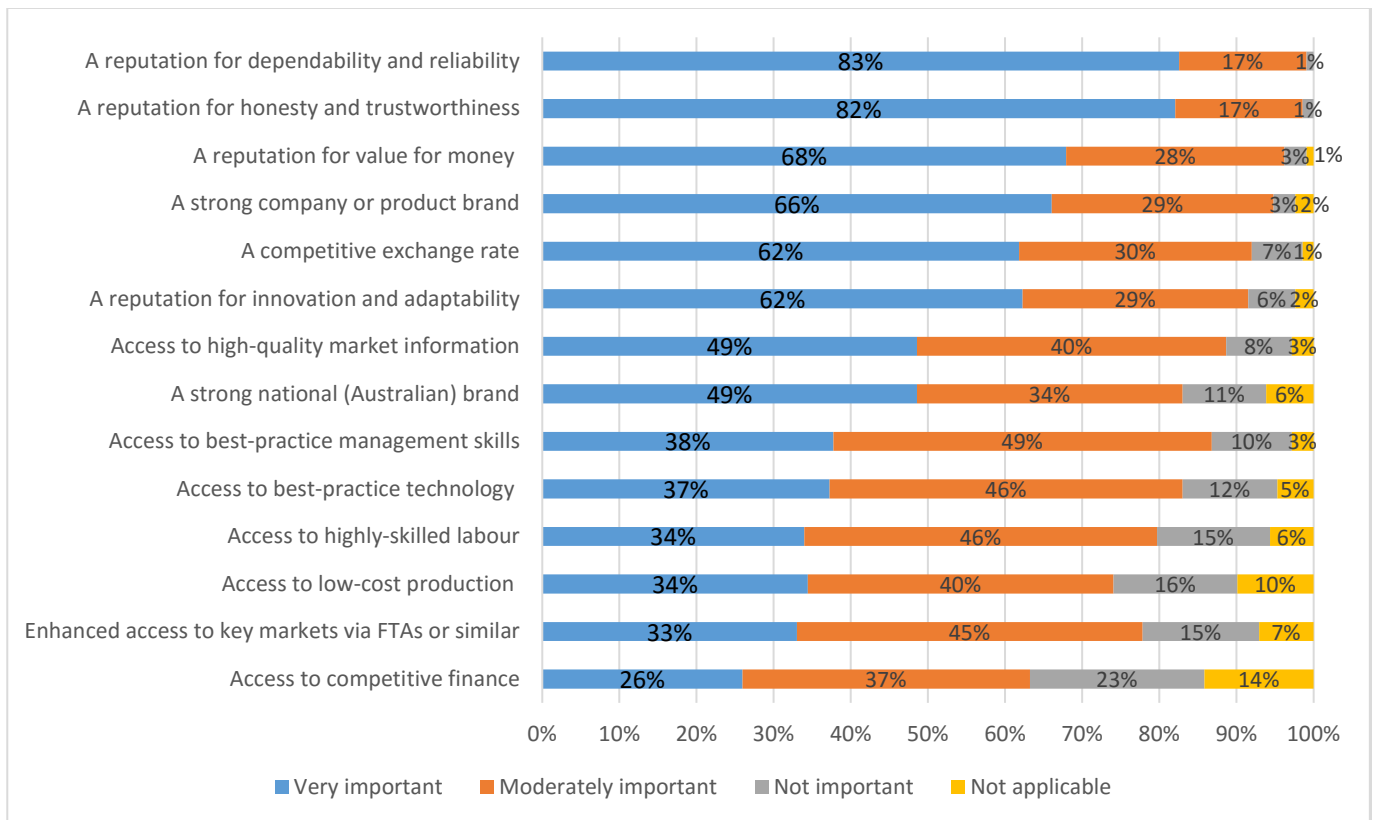
Number of responses = 199

Note: the sample consists of companies that identify China as either top 1 or top 2 country from which they have earned international revenue in the past year.

A reputation for dependability and reliability was cited by 83 per cent of respondents as the most important factor for ensuring market success in China (Figure B-5). Other important key market success factors identified were a reputation for honesty and trustworthiness (cited by 82 per cent of companies) and a reputation for value for money (cited by 68 per cent of companies).

Figure B-5 Key factors in ensuring success in your top two international markets – China

Survey question: How important are the following to ensuring success in your top two international markets?



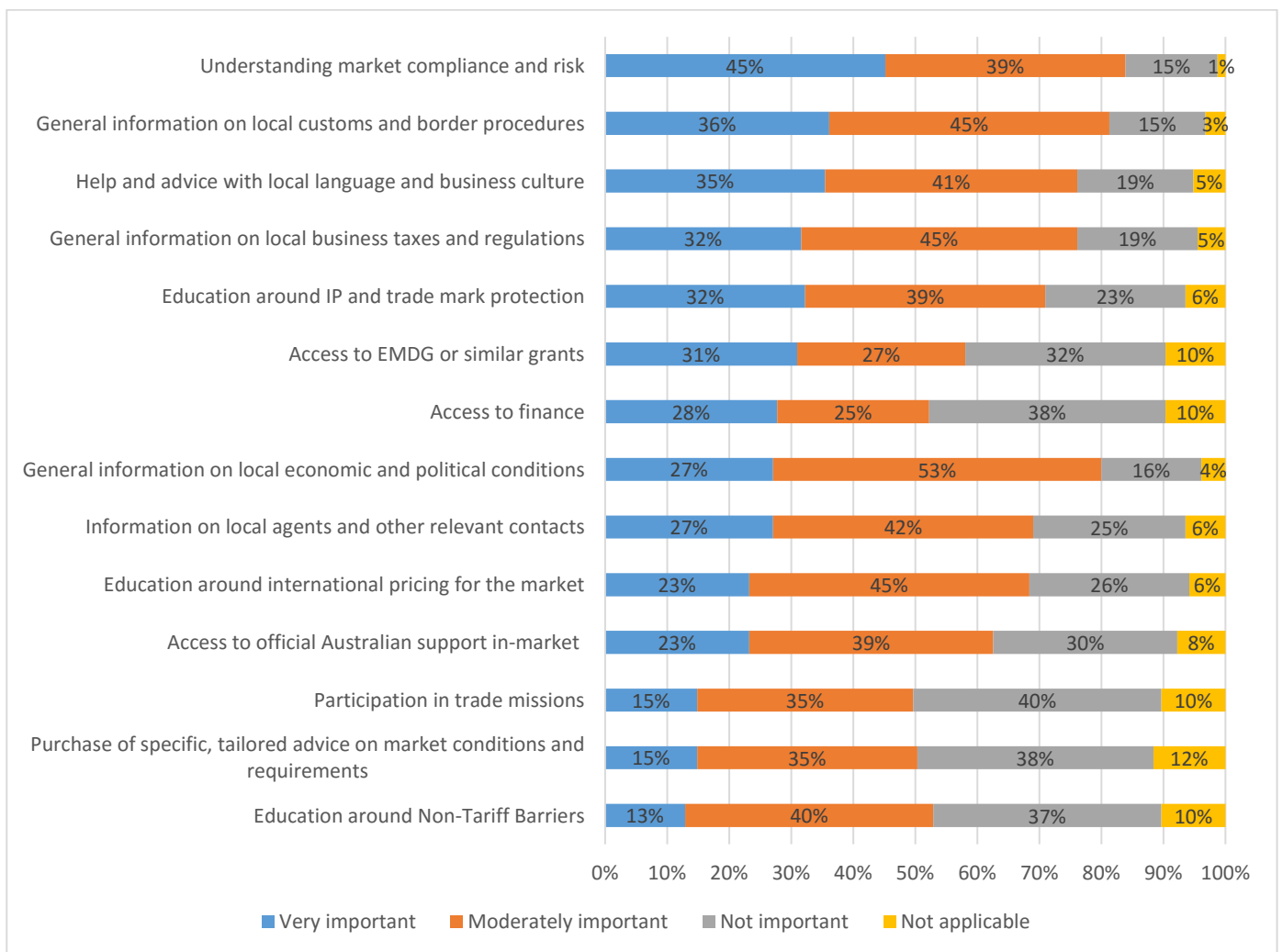
Number of responses = 212

Note: the sample consists of companies that identify China as either top 1 or top 2 country from which they have earned international revenue in the past year.

Understanding market compliance and risk was cited by 45 per cent of respondents as the most important factor they considered when they targeted China as their top overseas market (Figure B-6). Other important factors for consideration were general information on local customs and border procedures (cited by 36 per cent of companies) and help and advice with local language and business culture (cited by 35 per cent of companies).

Figure B-6 Key factors in targeting your most important current market – China

Survey question: When you targeted your most important current market, how important were the following:



Number of responses = 155

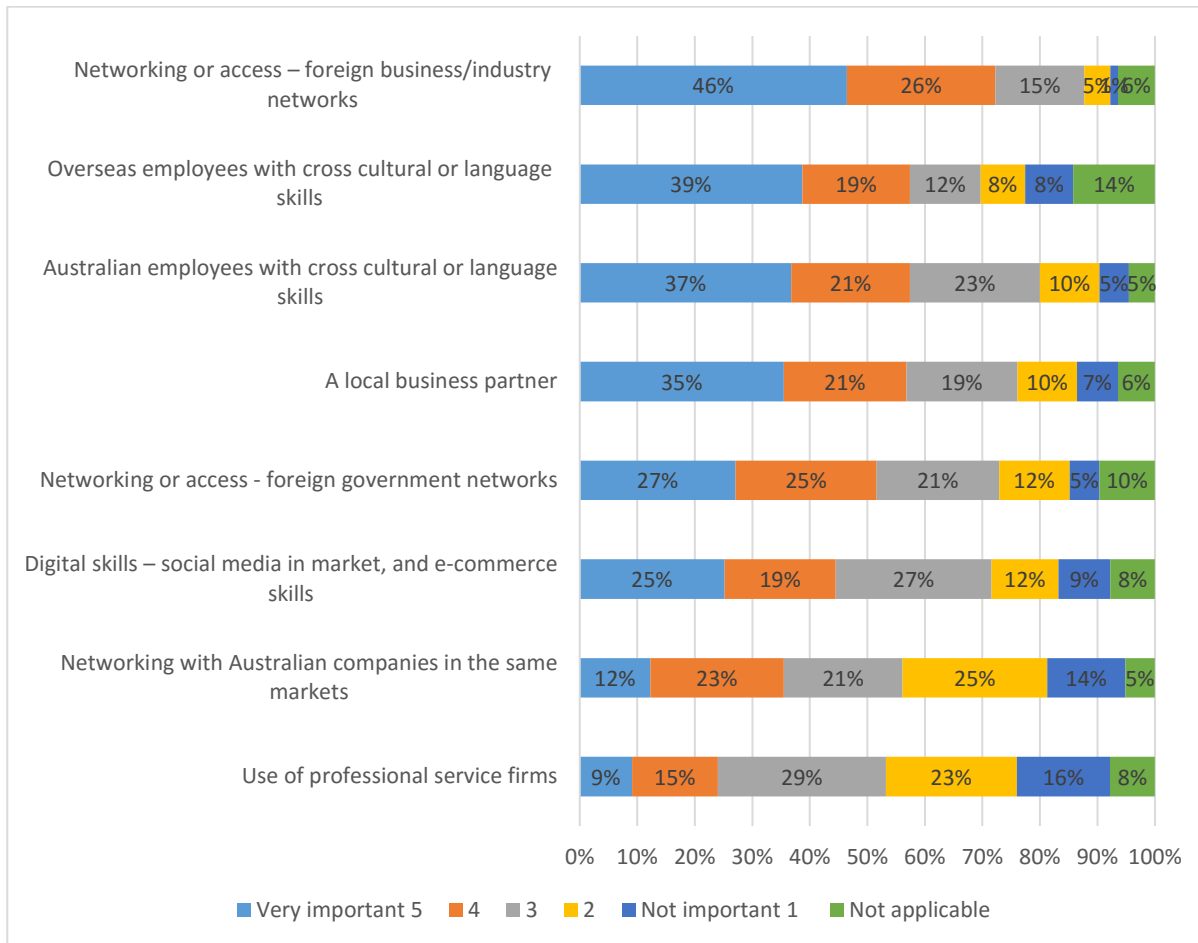
Note: the sample consists of companies that identify China as top 1 country from which they have earned international revenue in the past year.

Around 46 per cent of respondents identified networking and gaining access to foreign business/industry networks as the most important way to effectively understand and operate successfully within the business culture of China (Figure B-7). Other important approaches identified were hiring foreign

employees overseas who have cross cultural or language skills (identified by 39 per cent of companies), and hiring Australian employees who have cross cultural or language skills (identified by 37 per cent of companies).

Figure B-7 Key factors in understanding and operating in the business culture – China

Survey question: How important are the following for understanding and operating in the business culture of your most important market (on a scale of 1-5, multiple choice):



For Use of professional service firms, number of responses = 154; for all the other answers, number of responses = 155.

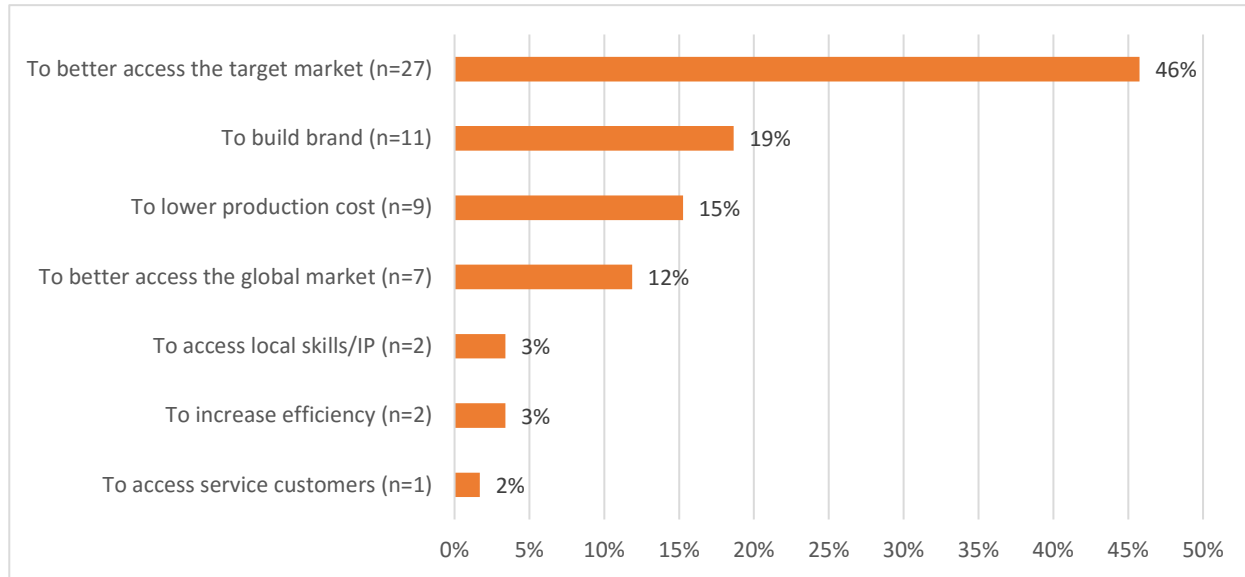
Note: the sample consists of companies that identify China as top 1 country from which they have earned international revenue in the past year.

The survey found that more than 70 per cent of respondents have opted to make a direct investment overseas. Among those who have made an investment in China, 46 per cent indicate that their main

motivation for doing so was to better access the target market (Figure B-8). Other reasons were to build their brand (19 per cent of companies) and to lower production costs (15 per cent of companies).

Figure B-8 Key motives in making direct investment in China

Survey question: Most important motives of the investment



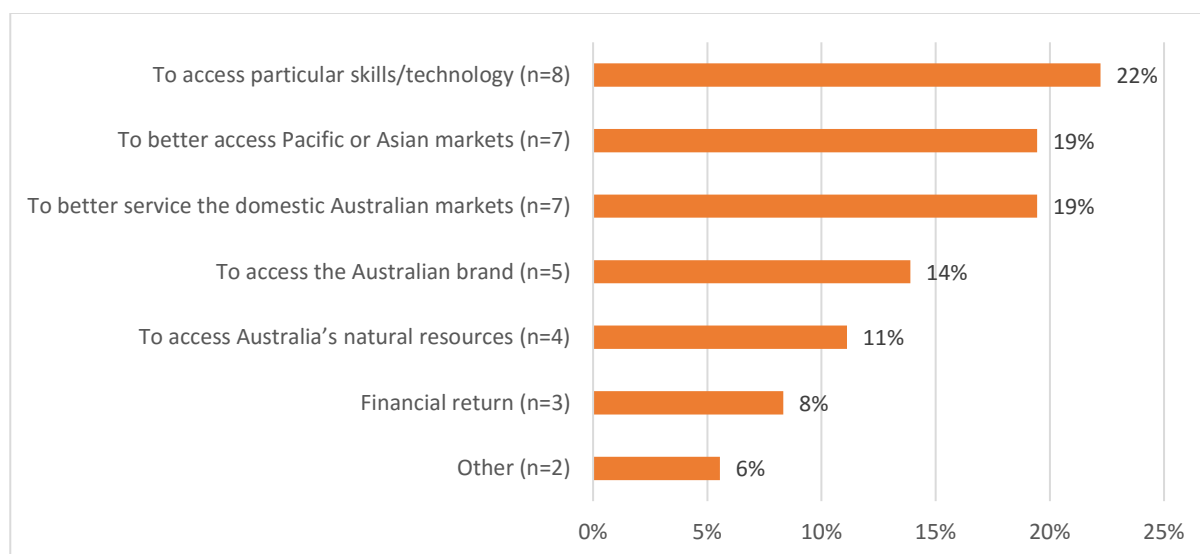
Number of responses =59

Note: the sample consists of companies that identify China as either top 1 or top 2 or top 3 market in which they have made direct investment over the last 3 years.

The survey also found that close to 30 per cent of respondents have received capital from overseas investors. Among those who have received an investment from investors from China, 22 per cent indicate that the main motivation for the overseas investor was to access particular skills/ technology (Figure B-9). Other reasons were to better access Pacific or Asian markets (19 per cent of companies) and to better service the Australian market (19 per cent of companies).

Figure B-9 Key reasons for receiving investment from China

Survey question: Most important motives of the investors



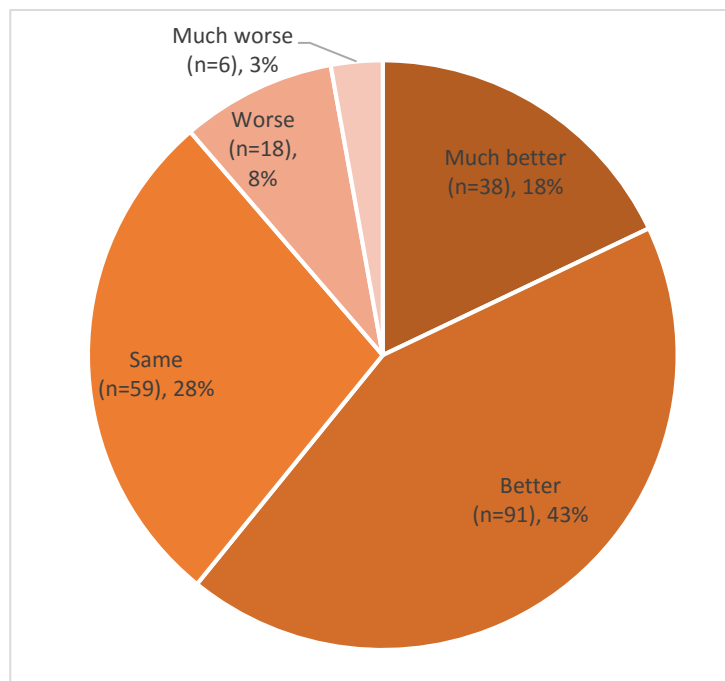
Number of responses =36

Note: the sample consists of companies that identify China as either top 1 or top 2 or top 3 market in which they have received investment over the last 3 years.

As shown in Figure B-10, respondents have a positive outlook on their business operations in China, with 43 per cent indicating that they expect their business to do better and 18 per cent expecting their business to do much better than last year.

Figure B-10 Overall outlook – China

Survey question: What is the overall outlook for your company’s international operations in 2016 compared to 2015?



Number of responses = 212

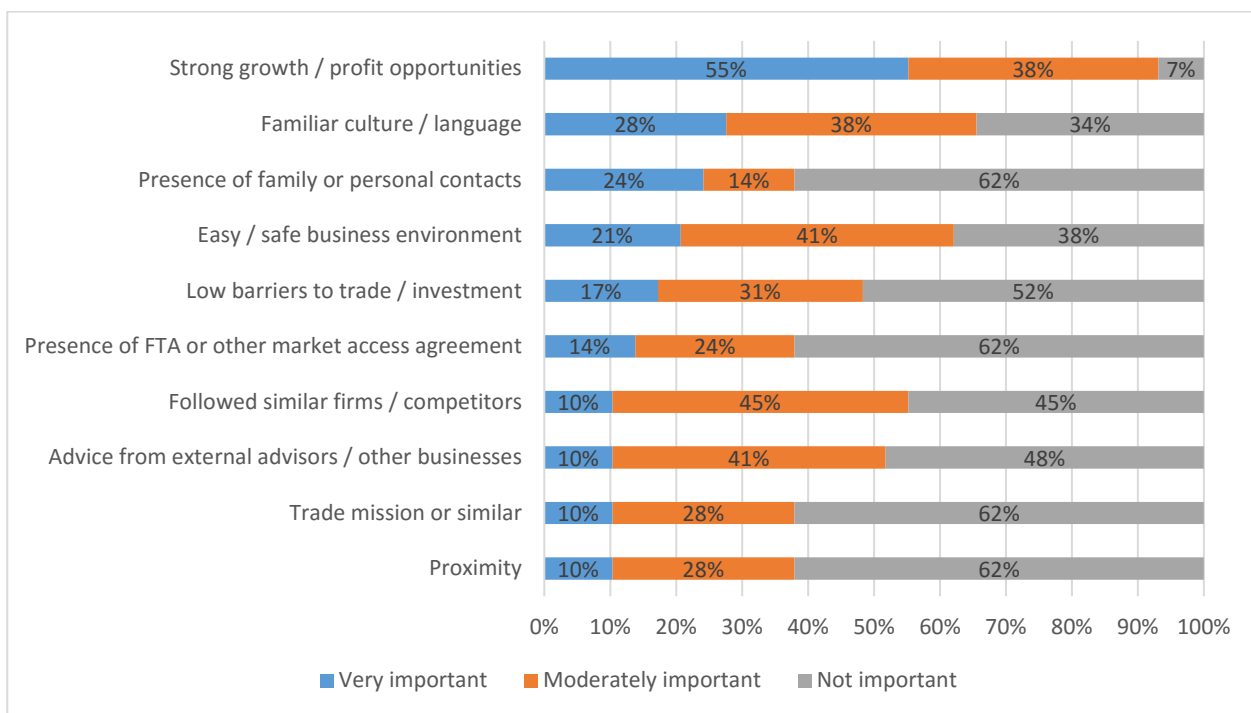
Note: the sample consists of companies that identify China as either top 1 or top 2 country from which they have earned international revenue in the past year.

INDIA

A total of 29 companies (representing around 3 per cent of survey respondents) nominated India as their first most important overseas market. As reflected in Figure B-11, strong growth/ profit opportunities were cited as the most important reason by 55 per cent for targeting the market, followed by the familiar culture/ language of the country (cited by 28 per cent of companies).

Figure B-11 Key reasons for targeting India as the first overseas market

Survey question: Why was this market your first target?

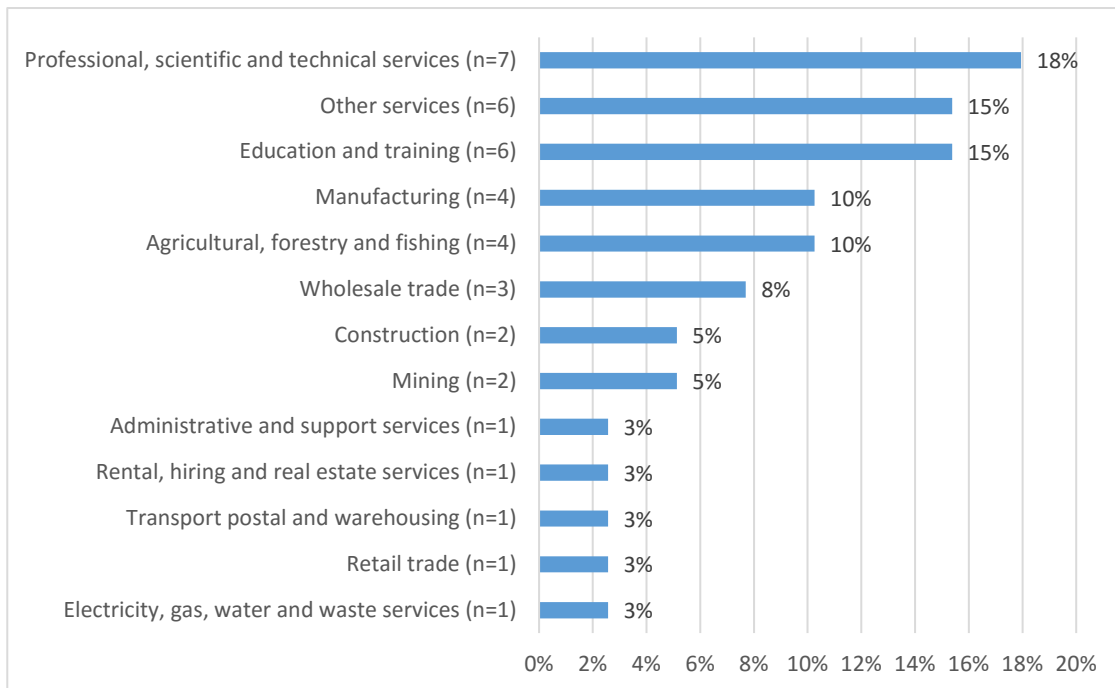


Number of respondents = 29

Among the companies that identified India as their most important overseas market, 18 per cent were from the professional, scientific and technical services sector, and 15 per cent were other services companies (Figure B-12). Among the non service-oriented industries, manufacturing (10 per cent of companies) was the top sector that considered India to be its most important market.

Figure B-12 Main businesses - India

Survey question: What is the main business of your company?



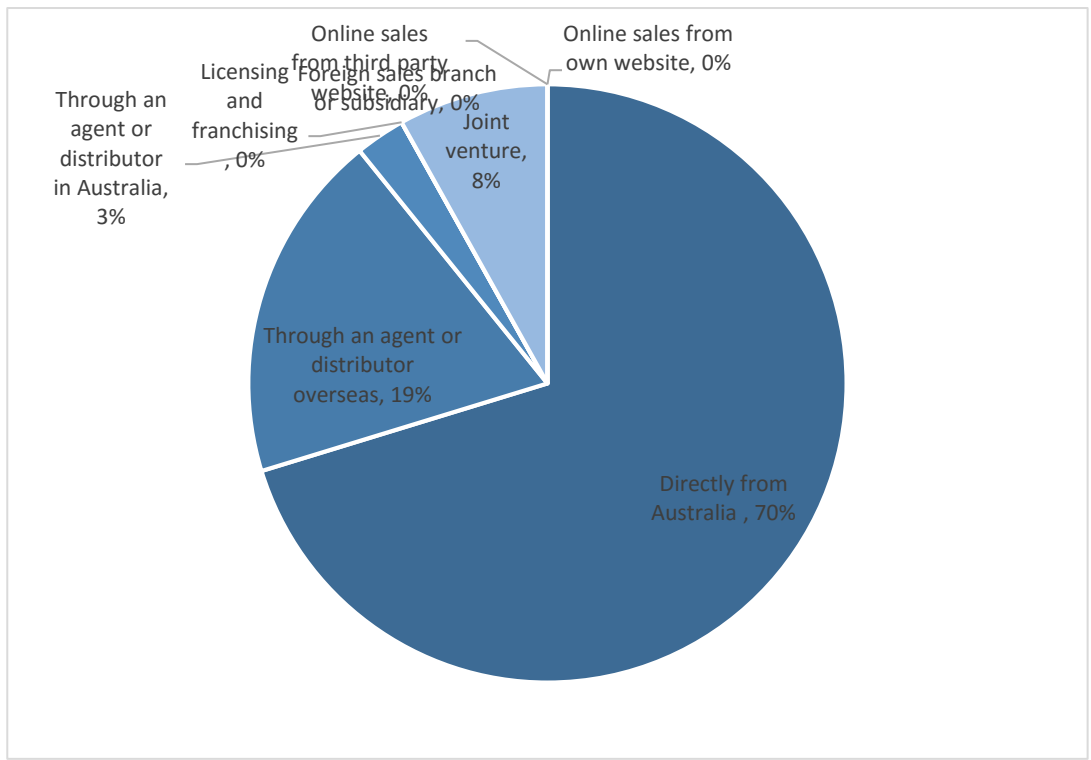
Number of responses = 39

Note: the sample consists of companies that identify India as either top 1 or top 2 country from which they have earned international revenue in the past year.

Companies are most likely to service the India market directly from Australia, with 70 per cent of respondents indicating this as their preferred servicing mode (Figure B-13). A smaller percentage of companies (19 per cent) prefer servicing the market through an agent or distributor based in India.

Figure B-13 Main mode of servicing exports to India

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



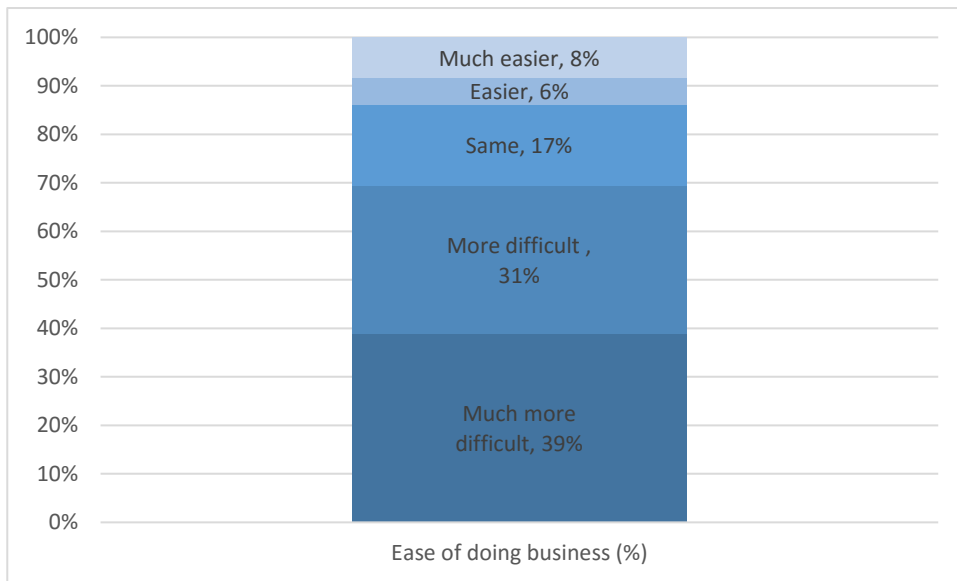
Number of responses = 37

Note: the sample consists of companies that identify India as either top 1 or top 2 country from which they have earned international revenue in the past year.

Among the companies that identified India as their most important overseas market, around 70 per cent perceive that it is more difficult or much more difficult to business in the country as compared doing business in Australia (Figure B-14).

Figure B-14 Ease of doing business in India

Survey question: What is the ease of doing business for the top two countries from which you have earned international revenue in the past year?

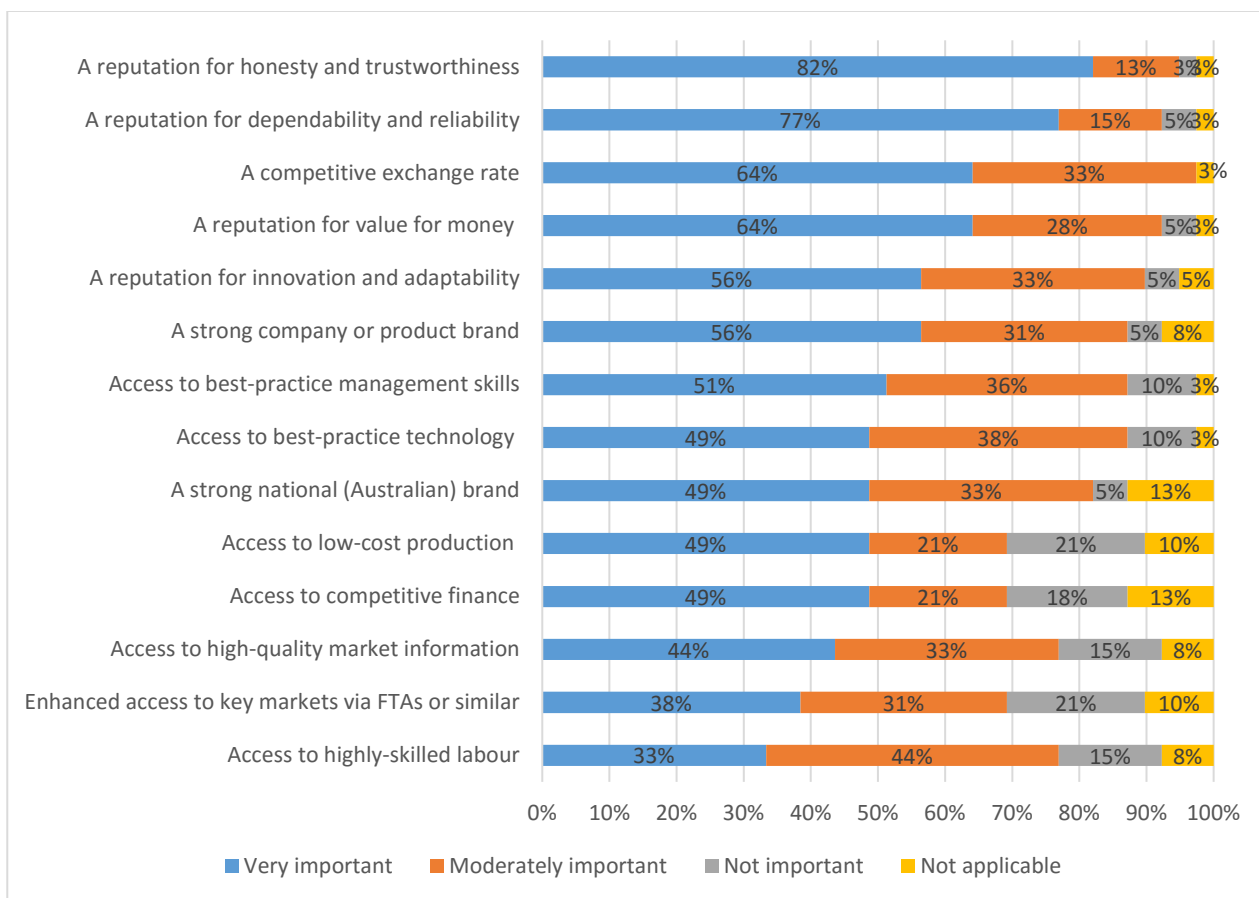


Number of responses = 36

Note: the sample consists of companies that identify India as either top 1 or top 2 country from which they have earned international revenue in the past year.

A reputation for honesty and trustworthiness was cited by 82 per cent of respondents as the most important factor for ensuring market success in India (Figure B-15). Other important key market success factors identified were a reputation for dependability and reliability (cited by 77 per cent of companies) and a competitive exchange rate (cited by 64 per cent of companies).

Figure B-15 Key factors in ensuring success in your top two international markets – India
 Survey question: How important are the following to ensuring success in your top two international markets?



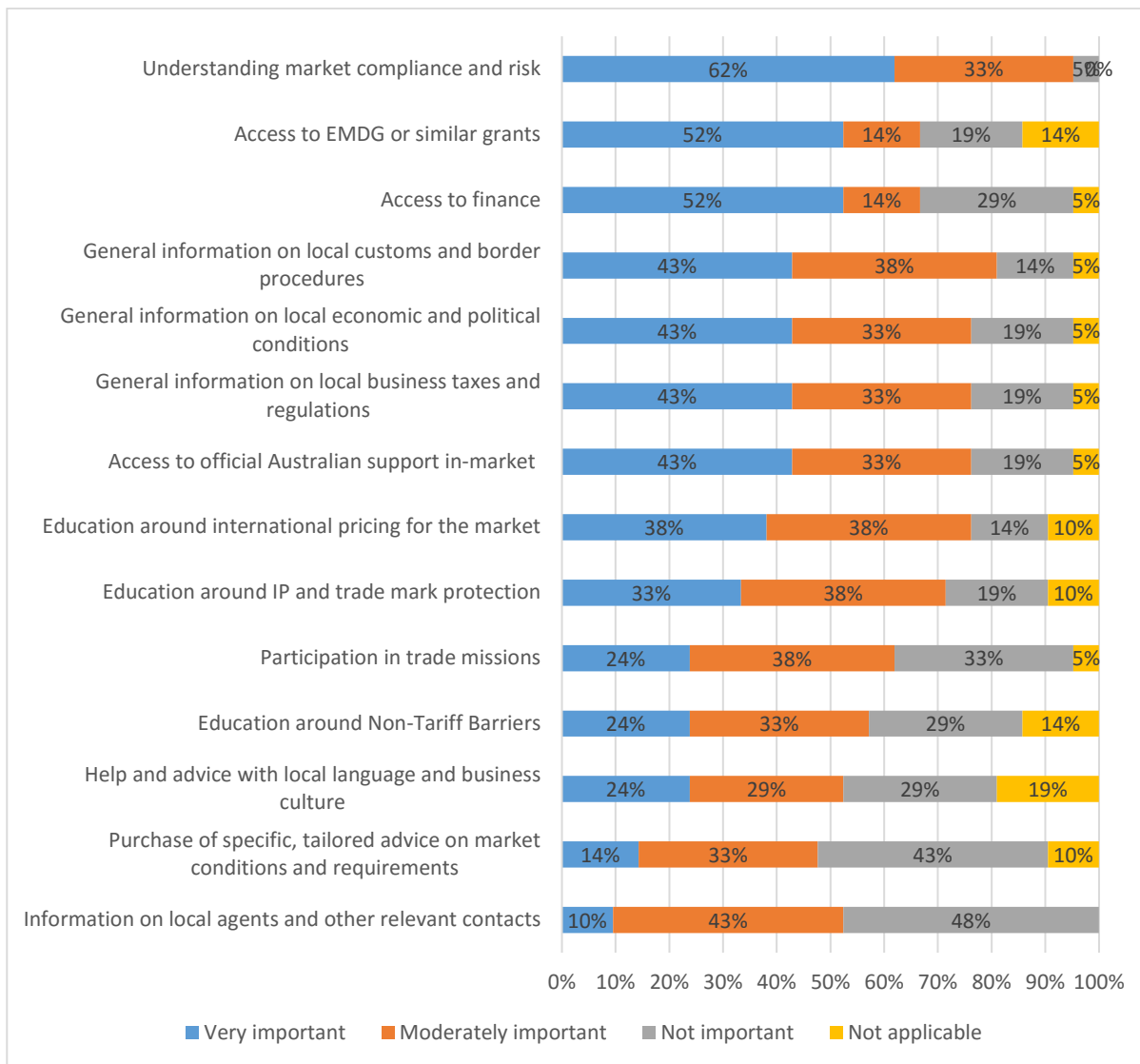
Number of responses = 39

Note: the sample consists of companies that identify India as either top 1 or top 2 country from which they have earned international revenue in the past year.

Understanding market compliance and risk was cited by 62 per cent of respondents as the most important factor they considered when they targeted India as their top overseas market (Figure B-16). Other important factors for consideration were access to EMDG or similar grants (cited by 52% of companies) and access to finance (cited by 52 per cent of companies).

Figure B-16 Key factors in targeting your most important current market – India

Survey question: When you targeted your most important current market, how important were the following:



Number of respondents = 21

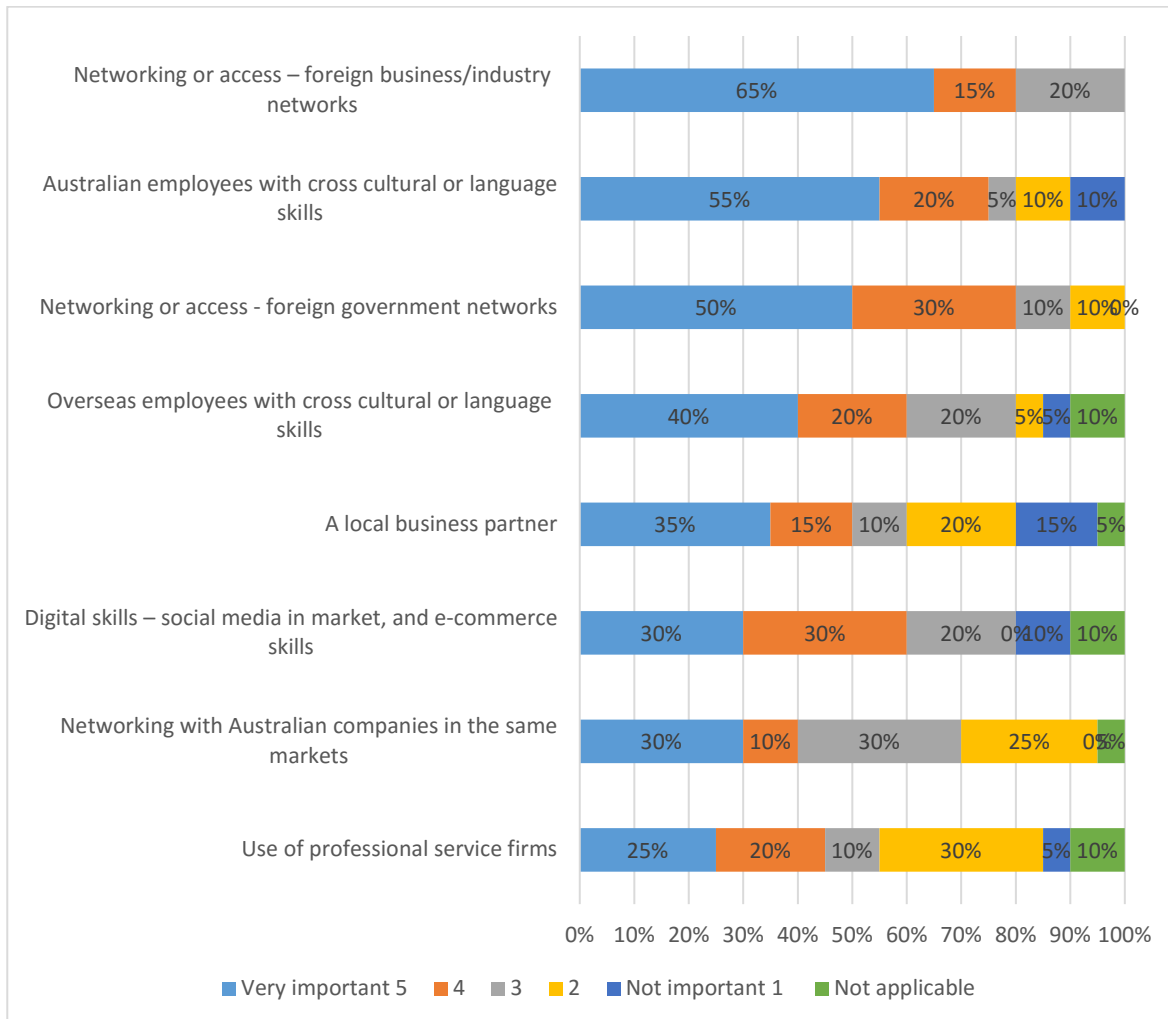
Note: the sample consists of companies that identify India as top 1 country from which they have earned international revenue in the past year.

Around 65 per cent of respondents identified networking and gaining access to foreign business/industry networks as the most important way to effectively understand and operate successfully within the

business culture of India (Figure B-17). Other important approaches identified were hiring Australian employees who have cross cultural or language skills (identified by 55 per cent of companies), and networking and gaining access to foreign government networks (identified by 50 per cent of companies).

Figure B-17 Key factors in understanding and operating in the business culture – India

Survey question: How important are the following for understanding and operating in the business culture of your most important market (on a scale of 1-5, multiple choice):



Number of respondents = 20

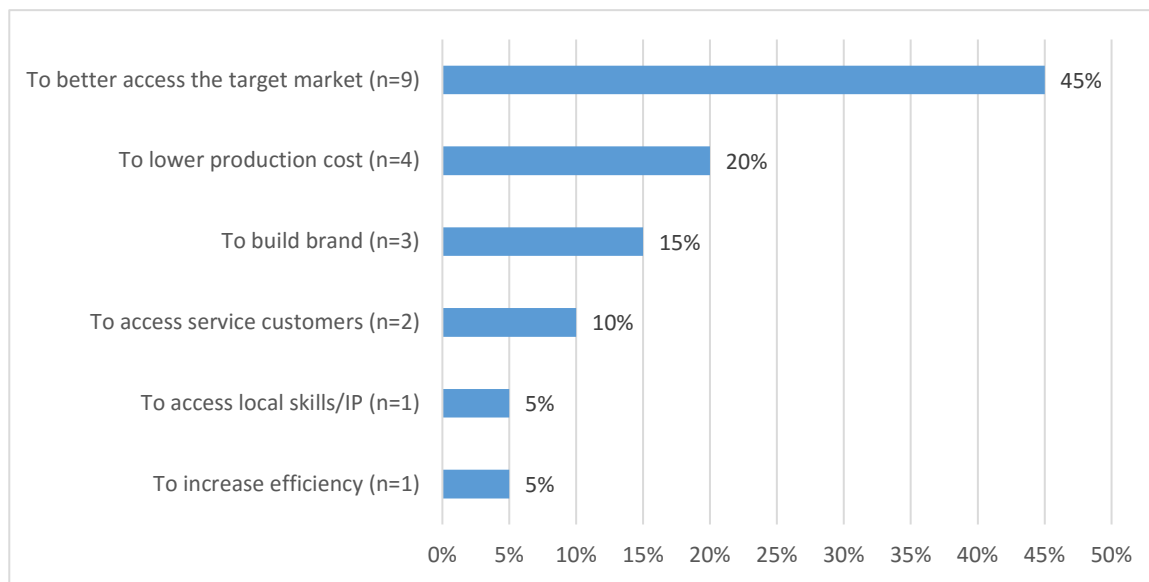
Note: the sample consists of companies that identify India as top 1 country from which they have earned international revenue in the past year.

The survey found that more than 70 per cent of respondents have opted to make a direct investment overseas. Among those who have made an investment in India, 45 per cent indicate that their main

motivation for doing so was to better access the target market (Figure B-18). Other reasons were to lower production costs (20 per cent of companies) and to build their brand (15 per cent of companies).

Figure B-18 Key motives in making direct investment in India

Survey question: Most important motives of the investment



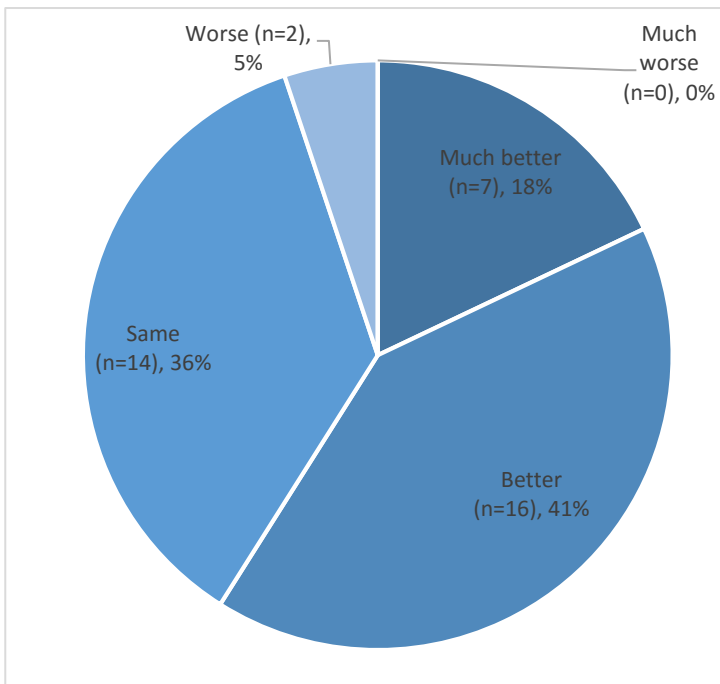
Number of responses =20

Note: the sample consists of companies that identify India as either top 1 or top 2 or top 3 market in which they have made direct investment over the last 3 years.

As shown in Figure B-19, respondents have a positive outlook on their business operations in India, with 41 per cent indicating that they expect their business to do better and 18 per cent expecting their business to do much better than last year.

Figure B-19 Overall outlook – India

Survey question: What is the overall outlook for your company’s international operations in 2016 compared to 2015?



Number of responses = 39

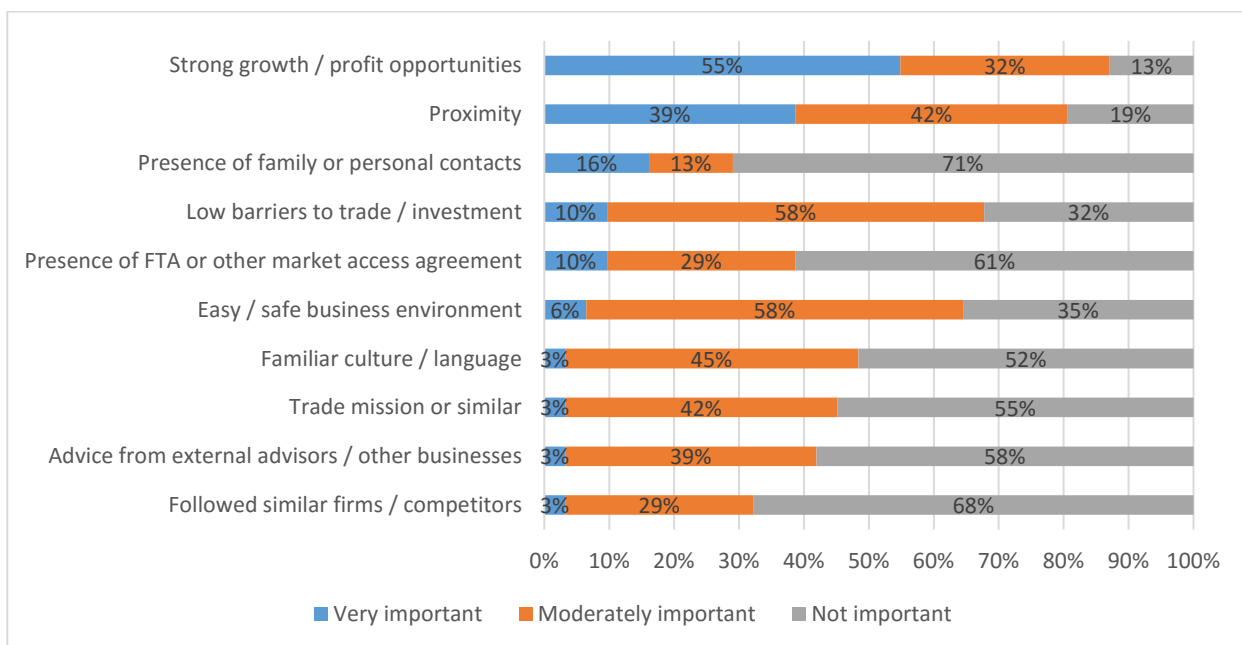
Note: the sample consists of companies that identify India as either top 1 or top 2 country from which they have earned international revenue in the past year.

INDONESIA

A total of 31 companies (representing around 3 per cent of survey respondents) nominated Indonesia as their first most important overseas market. As reflected in Figure B-20, strong growth/ profit opportunities were cited as the most important reason by 55 per cent for targeting the market, followed by the proximity of the country (cited by 39 per cent of companies).

Figure B-20 Key reasons for targeting Indonesia as the first overseas market

Survey question: Why was this market your first target?

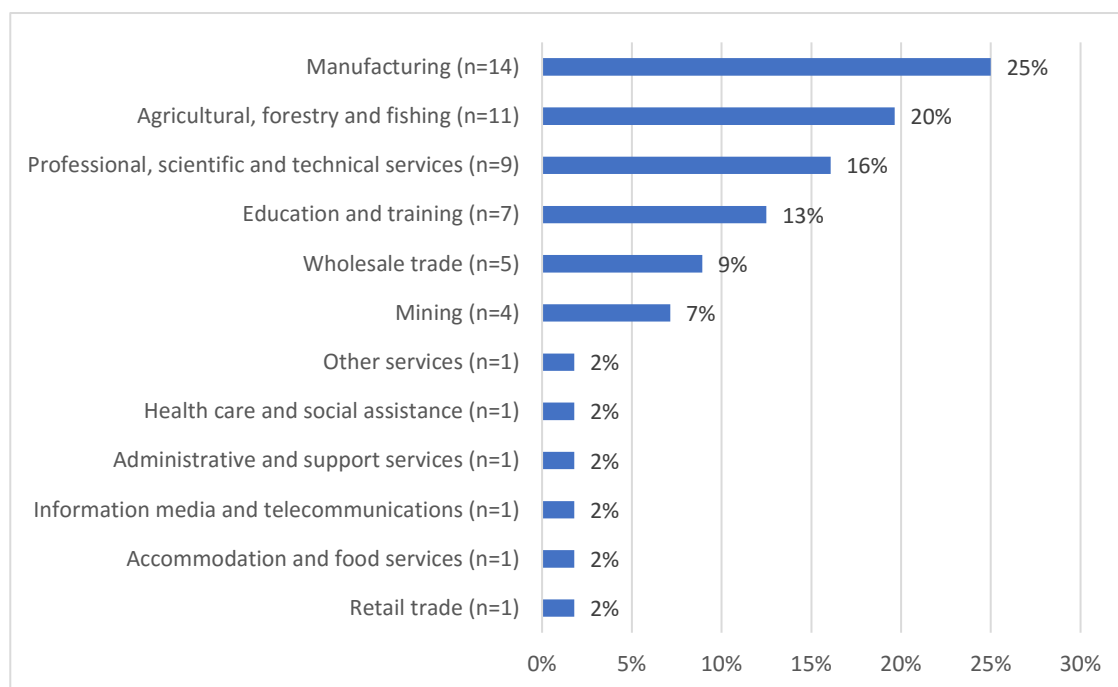


Number of respondents = 31

Among the companies that identified Indonesia as their most important overseas market, 25 per cent were from the manufacturing sector, and 20 per cent were agricultural, forestry and fishing companies (Figure B-21). Among the service-oriented industries, professional, scientific and technical services (16 per cent of companies) was the top sector that considered Indonesia to be its most important market.

Figure B-21 Main businesses - Indonesia

Survey question: What is the main business of your company?

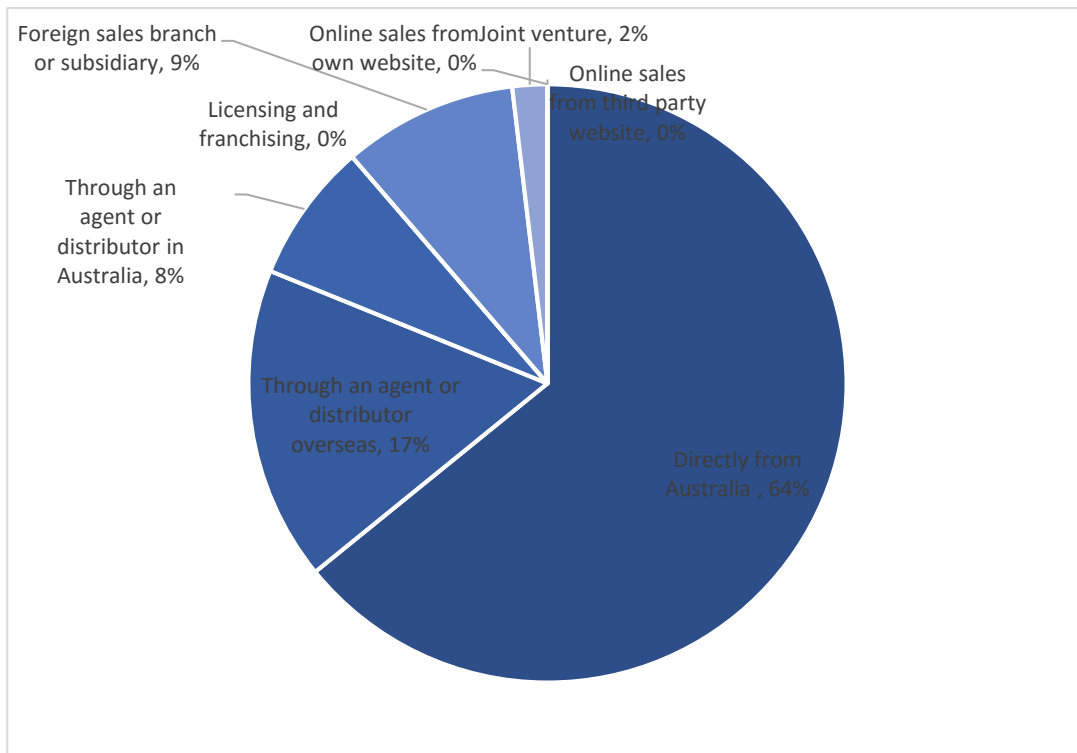


Number of respondents = 56

Companies are most likely to service the Indonesia market directly from Australia, with 64 per cent of respondents indicating this as their preferred servicing mode (Figure B-22). A smaller percentage of companies (17 per cent) prefer servicing the market through an agent or distributor based in Indonesia.

Figure B-22 Main mode of servicing exports to Indonesia

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



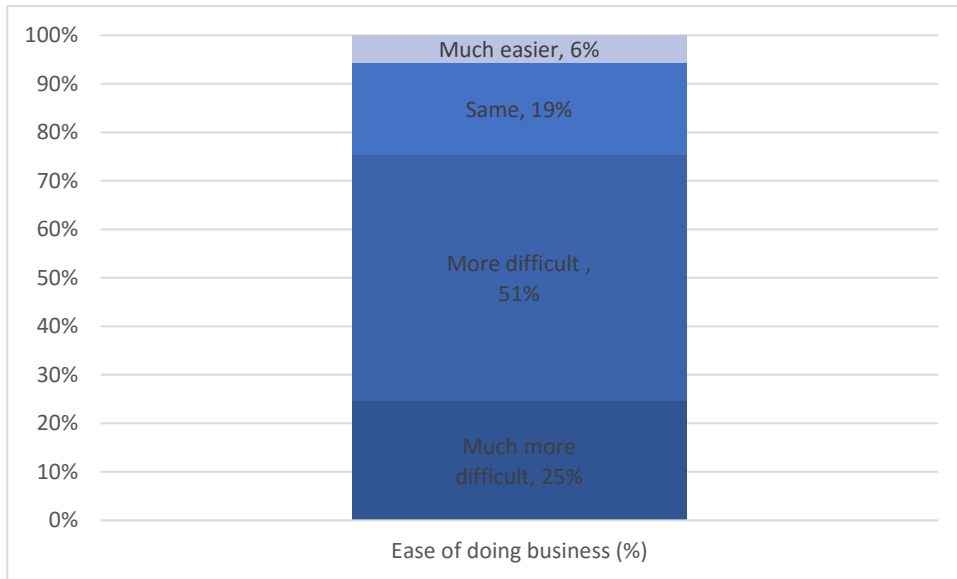
Number of responses = 53

Note: the sample consists of companies that identify Indonesia as either top 1 or top 2 country from which they have earned international revenue in the past year.

Among the companies that identified Indonesia as their most important overseas market, close to 80 per cent perceive that it is more difficult or much more difficult to business in the country as compared doing business in Australia (Figure B-23).

Figure B-23 Ease of doing business in Indonesia

Survey question: What is the ease of doing business for the top two countries from which you have earned international revenue in the past year?



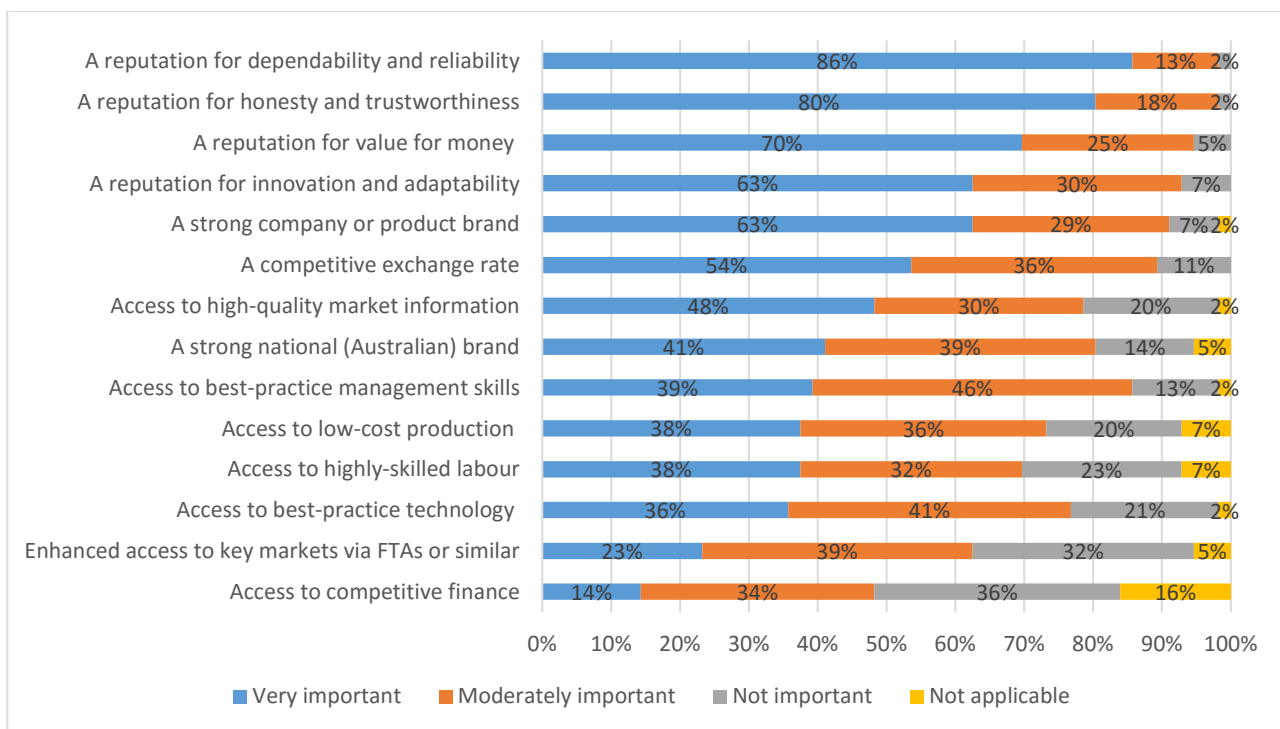
Number of responses = 53

Note: the sample consists of companies that identify Indonesia as either top 1 or top 2 country from which they have earned international revenue in the past year.

A reputation for dependability and reliability was cited by 86 per cent of respondents as the most important factor for ensuring market success in Indonesia (Figure B-24). Other important key market success factors identified were a reputation for honesty and trustworthiness (cited by 80 per cent of companies) and a reputation for value for money (cited by 70 per cent of companies).

Figure B-24 Key factors in ensuring success in your top two international markets – Indonesia

Survey question: How important are the following to ensuring success in your top two international markets?



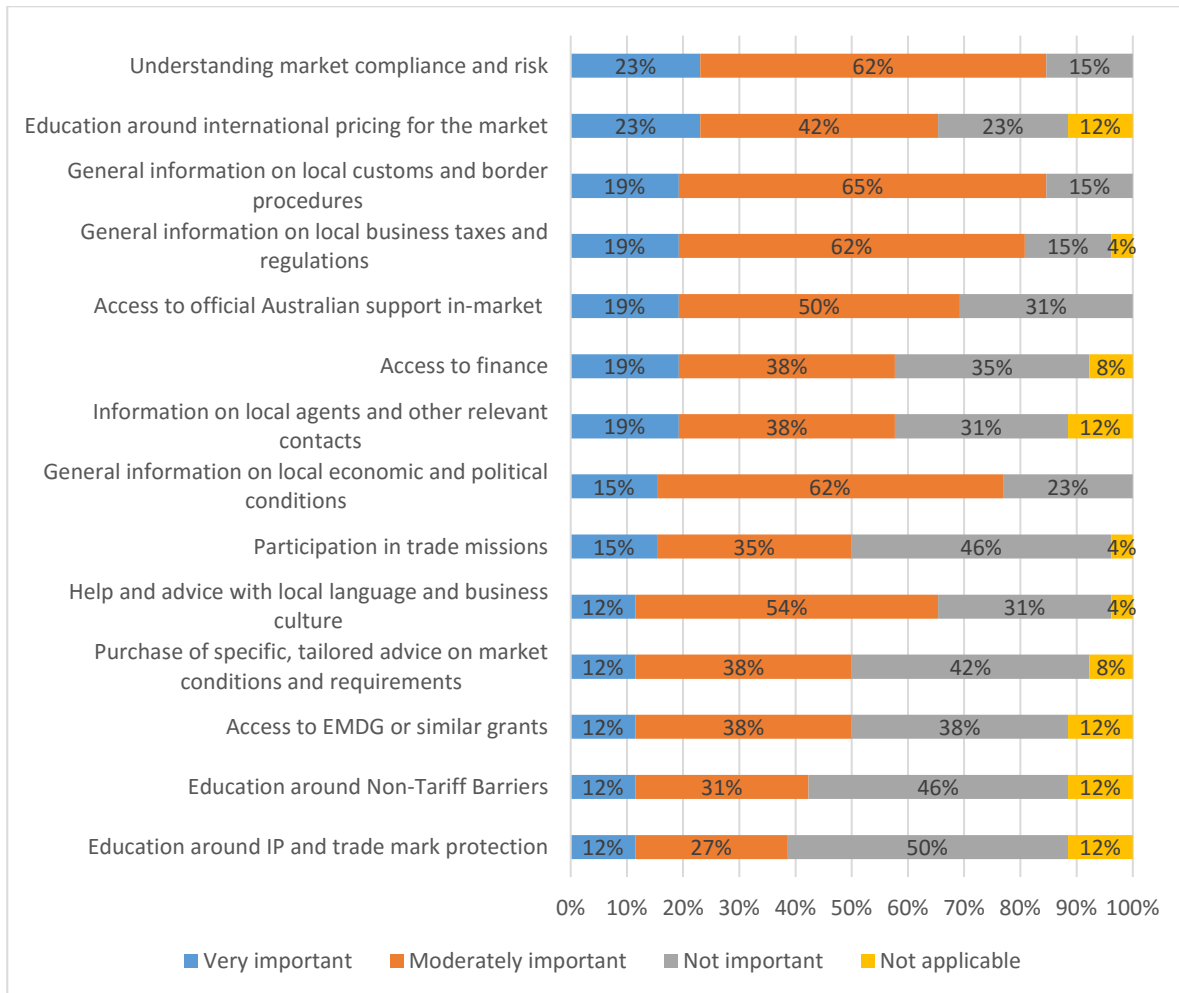
Number of responses = 56

Note: the sample consists of companies that identify Indonesia as either top 1 or top 2 country from which they have earned international revenue in the past year.

Understanding market compliance and risk and education around international pricing for the market were cited by 23 per cent of respondents as the most important factors they considered when they targeted Indonesia as their top overseas market (Figure B-25).

Figure B-25 Key factors in targeting your most important current market – Indonesia

Survey question: When you targeted your most important current market, how important were the following:



Number of responses = 26

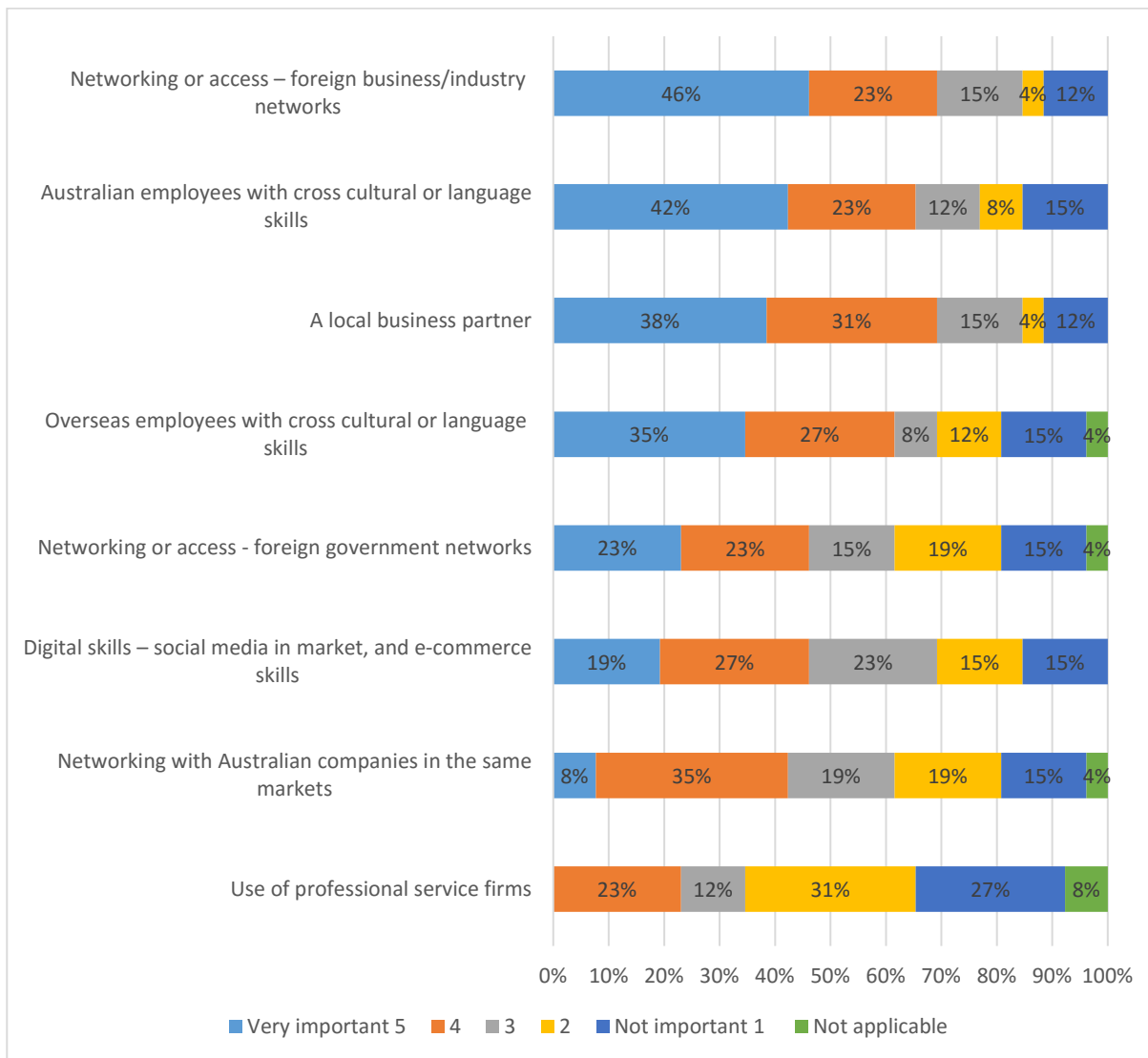
Note: the sample consists of companies that identify Indonesia as top 1 country from which they have earned international revenue in the past year.

Around 46 per cent of respondents identified networking and gaining access to foreign business/industry networks as the most important way to effectively understand and operate successfully within the business culture of Indonesia (Figure B-26). Other important approaches identified were hiring Australian

employees who have cross cultural or language skills (identified by 42 per cent of companies), and having a local business partner (identified by 38 per cent of companies).

Figure B-26 Key factors in understanding and operating in the business culture – Indonesia

Survey question: How important are the following for understanding and operating in the business culture of your most important market (on a scale of 1-5, multiple choice):



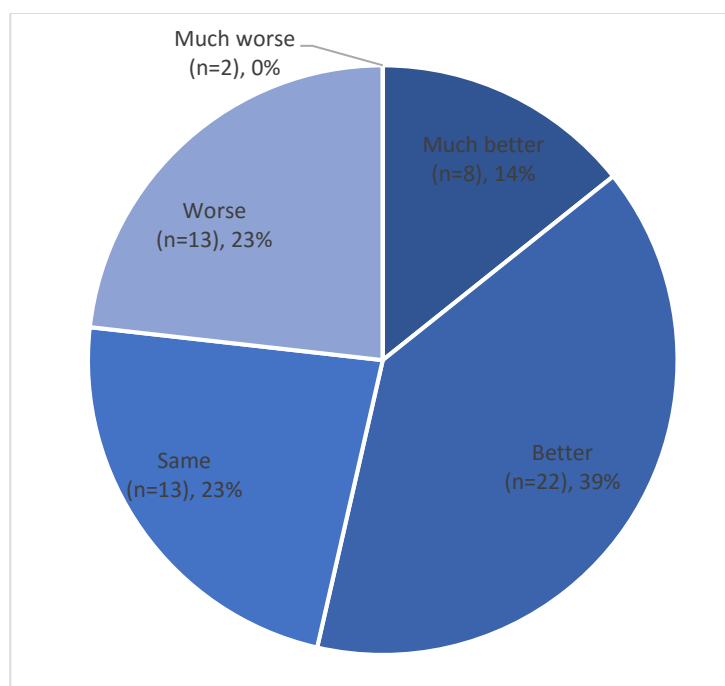
Number of responses = 26

Note: the sample consists of companies that identify Indonesia as top 1 country from which they have earned international revenue in the past year.

As shown in Figure B-27, respondents have a mixed outlook on their business operations in Indonesia, with 39 per cent indicating that they expect their business to do better and 14 per cent expecting their business to do much better than last year. However, 23 per cent expect their business to perform worse compared to last year.

Figure B-27 Overall outlook – Indonesia

Survey question: What is the overall outlook for your company’s international operations in 2016 compared to 2015?



Number of responses = 56

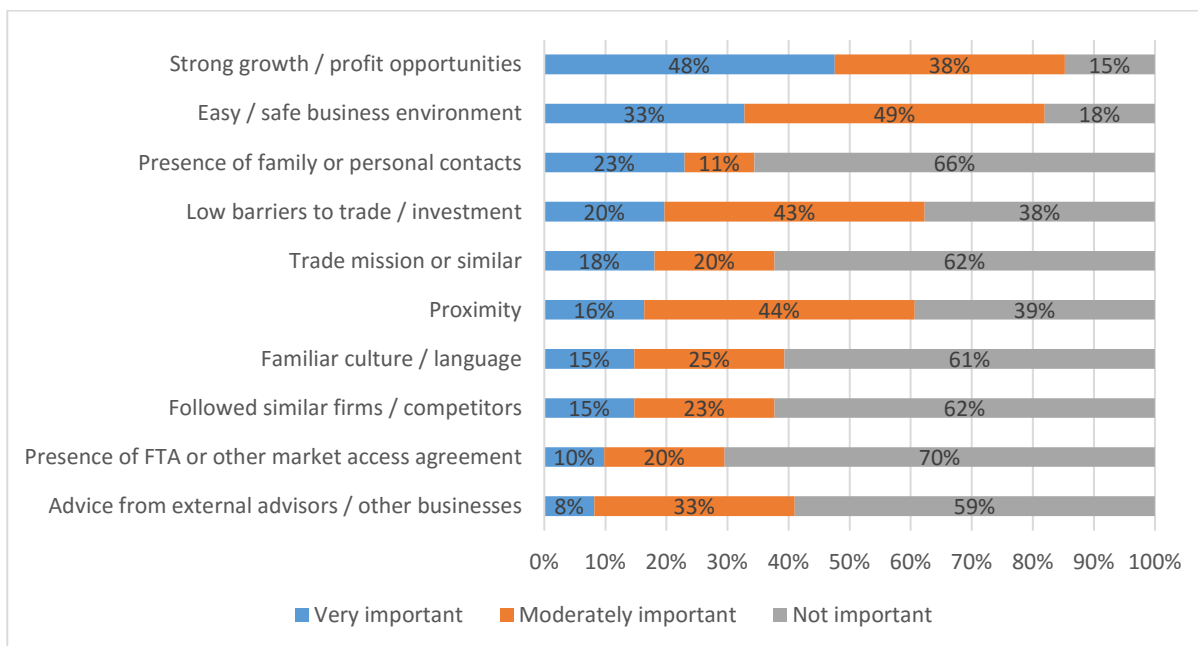
Note: the sample consists of companies that identify Indonesia as either top 1 or top 2 country from which they have earned international revenue in the past year.

JAPAN

A total of 61 companies (representing around 7 per cent of survey respondents) nominated Japan as their first most important overseas market. As reflected in Figure B-28, strong growth/ profit opportunities were cited as the most important reason by 48 per cent for targeting the market, followed by the perception of the country having an easy or safe business environment (cited by 33 per cent of companies).

Figure B-28 Key reasons for targeting Japan as the first overseas market

Survey question: Why was this market your first target?

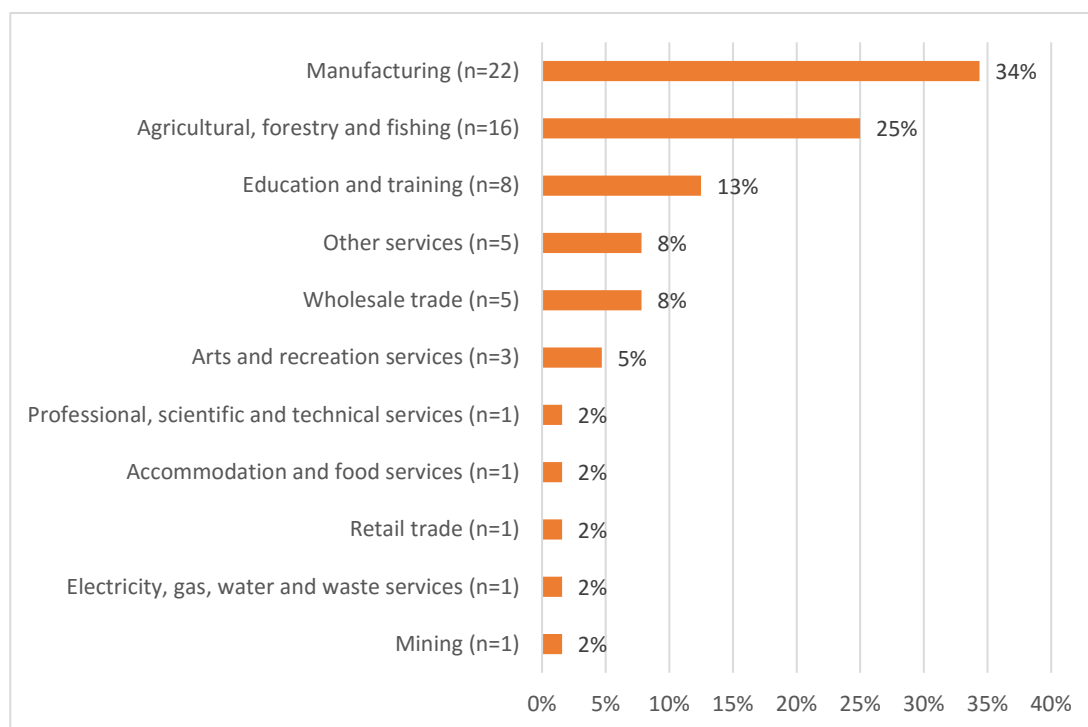


Number of respondents = 61

Among the companies that identified Japan as their most important overseas market, 34 per cent were from the manufacturing sector, and 25 per cent were agricultural, forestry and fishing companies (Figure B-29). Among the service-oriented industries, education and training (13 per cent of companies) was the top sector that considered Japan to be its most important market.

Figure B-29 Main businesses - Japan

Survey question: What is the main business of your company?



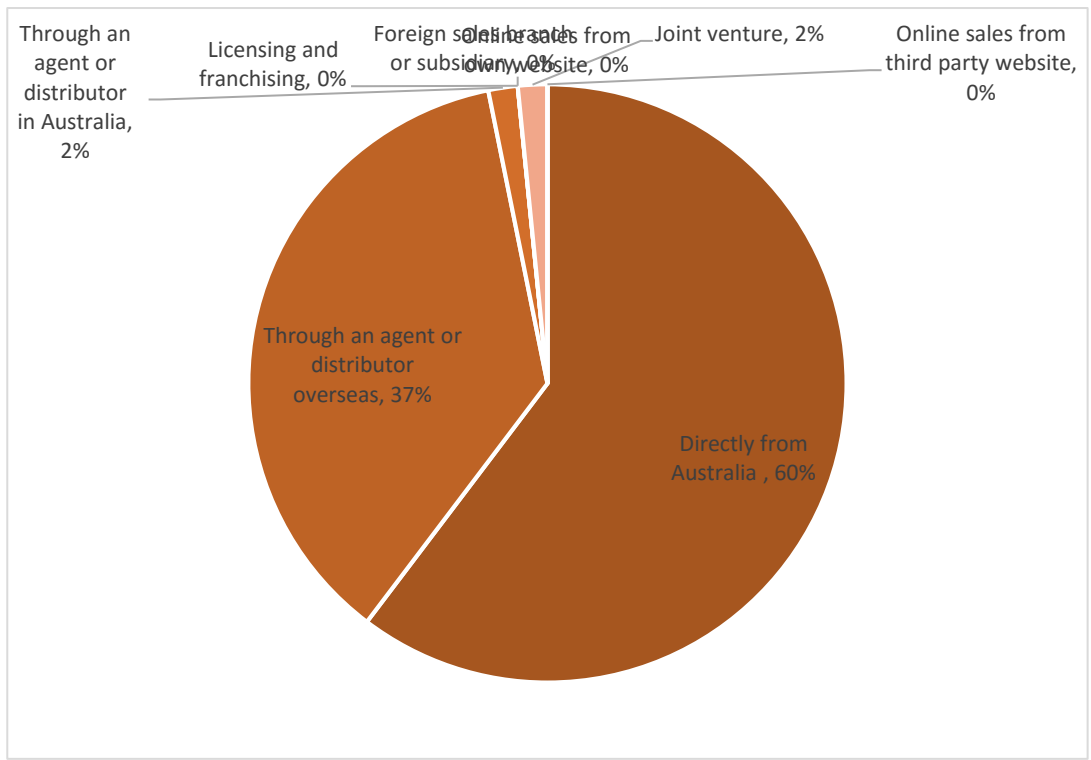
Number of responses = 64

Note: the sample consists of companies that identify Japan as either top 1 or top 2 country from which they have earned international revenue in the past year.

Companies are most likely to service the Japan market directly from Australia, with 60 per cent of respondents indicating this as their preferred servicing mode (Figure B-30). A smaller percentage of companies (37 per cent) prefer servicing the market through an agent or distributor based in Japan.

Figure B-30 Main mode of servicing exports to Japan

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



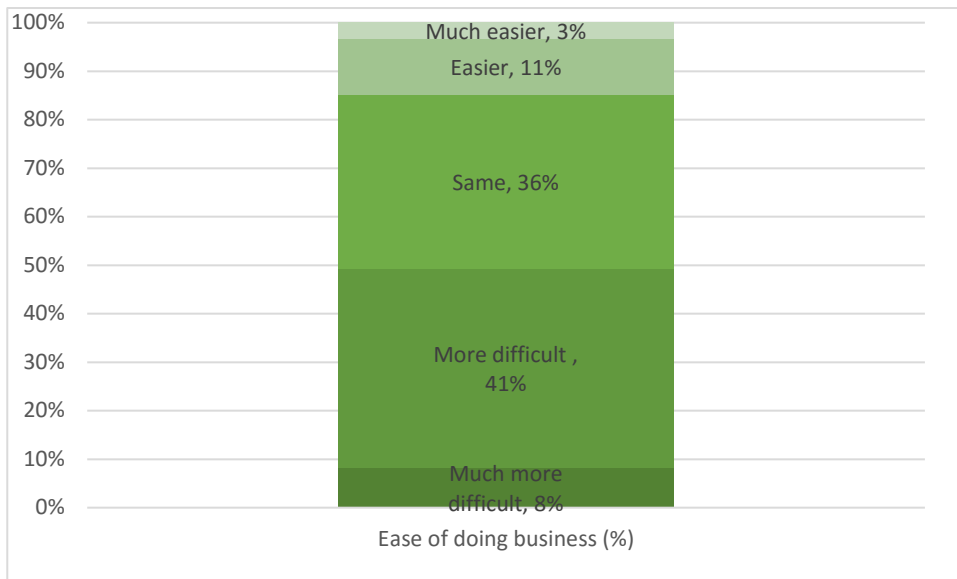
Number of responses = 63

Note: the sample consists of companies that identify Japan as either top 1 or top 2 country from which they have earned international revenue in the past year.

Among the companies that identified Japan as their most important overseas market, around 36 per cent perceive that doing business in the country is the same as doing business in Australia, although around 41 per cent perceive that it is more difficult to business in Japan (Figure B-31).

Figure B-31 Ease of doing business in Japan

Survey question: What is the ease of doing business for the top two countries from which you have earned international revenue in the past year?

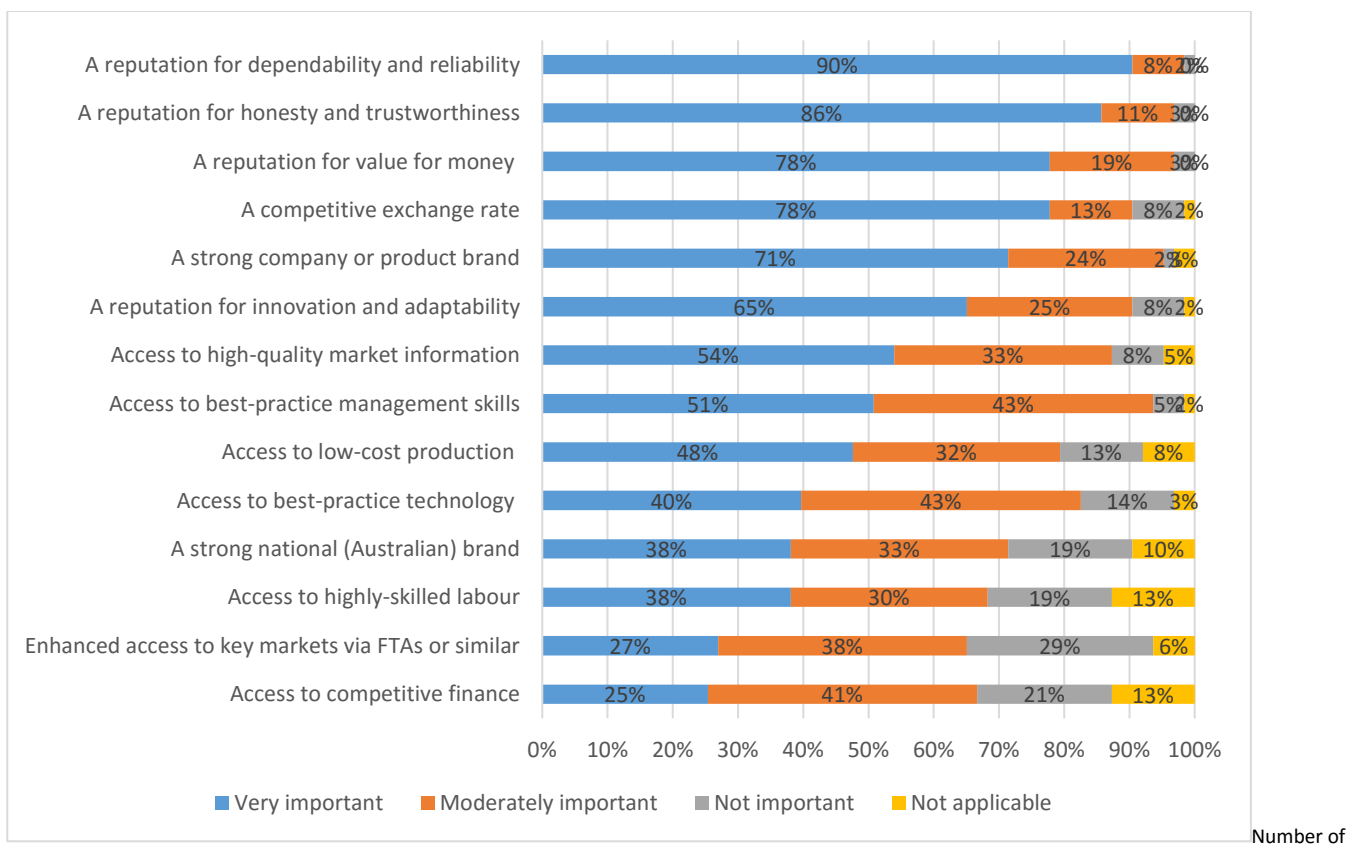


Number of responses = 61

Note: the sample consists of companies that identify Japan as either top 1 or top 2 country from which they have earned international revenue in the past year.

A reputation for dependability and reliability was cited by 90 per cent of respondents as the most important factor for ensuring market success in Japan (Figure B-32). Other important key market success factors identified were a reputation for honesty and trustworthiness (cited by 86 per cent of companies) and a reputation for value for money (cited by 78 per cent of companies).

Figure B-32 Key factors in ensuring success in your top two international markets – Japan
 Survey question: How important are the following to ensuring success in your top two international markets?



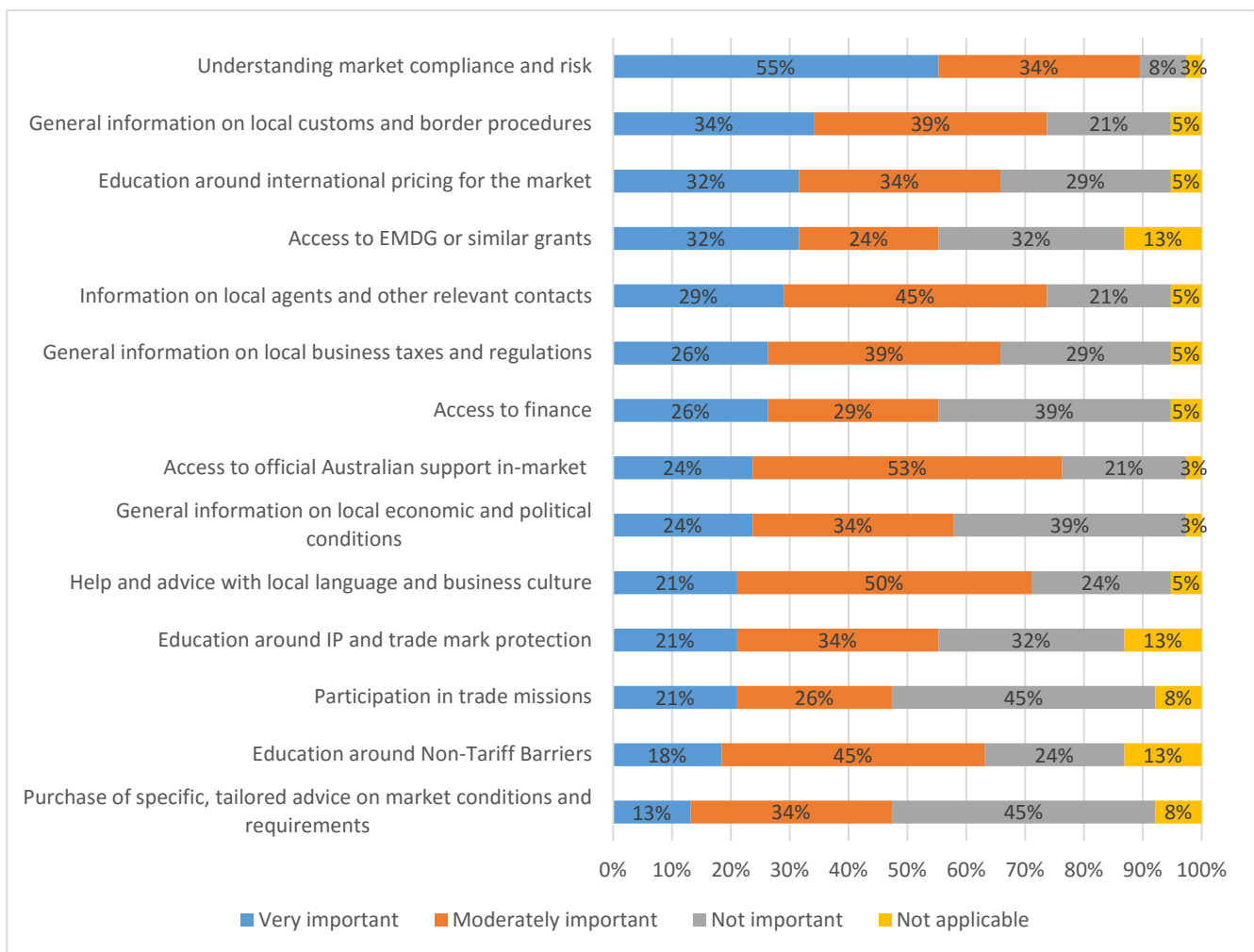
responses = 63

Note: the sample consists of companies that identify Japan as either top 1 or top 2 country from which they have earned international revenue in the past year.

Understanding market compliance and risk was cited by 55 per cent of respondents as the most important factor they considered when they targeted Japan as their top overseas market (Figure B-33). Other important factors for consideration were general information on local customs and border procedures (cited by 34 per cent of companies) and education around international pricing for the market (cited by 32 per cent of companies).

Figure B-33 Key factors in targeting your most important current market – Japan

Survey question: When you targeted your most important current market, how important were the following:



Number of responses = 38

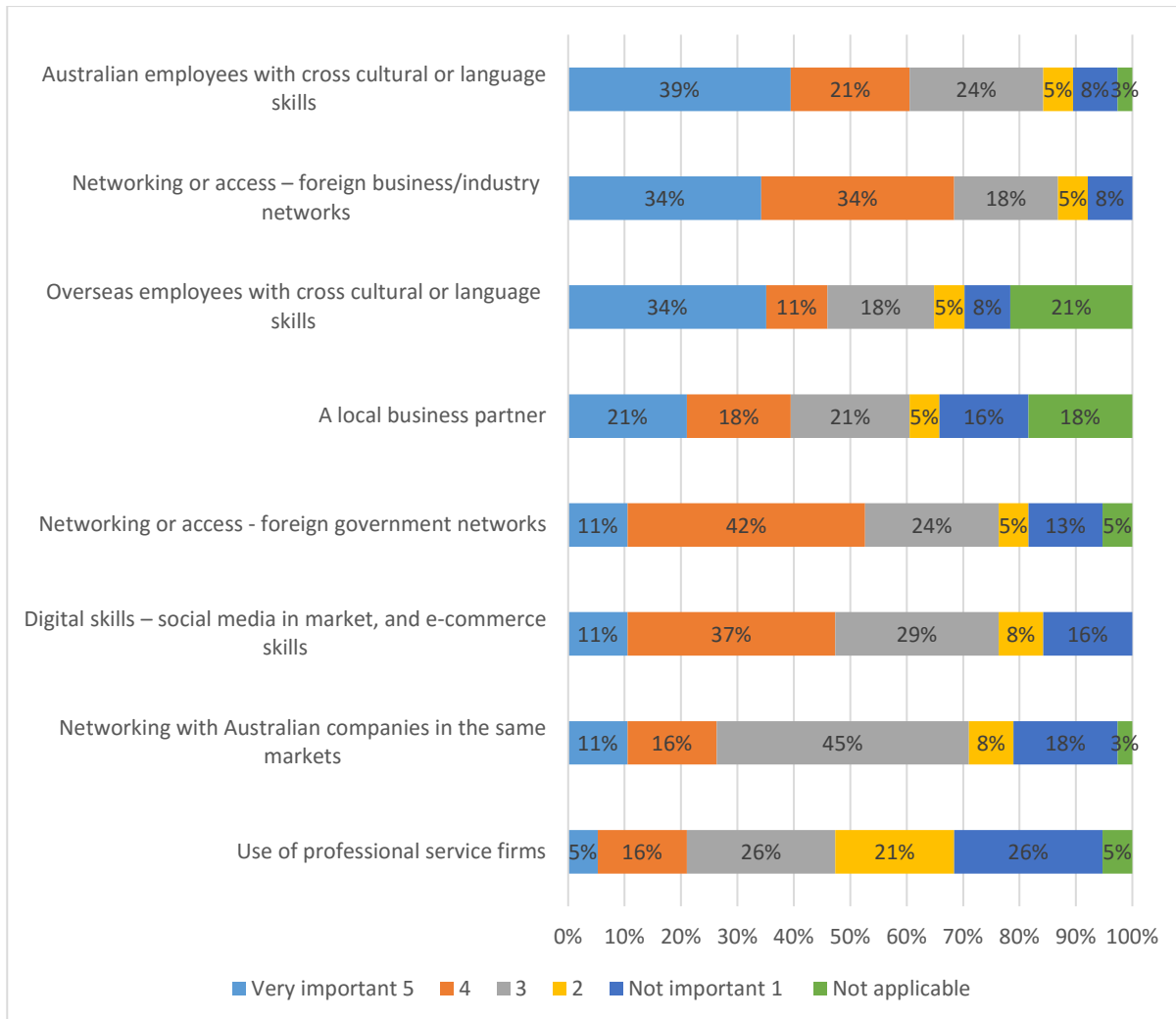
Note: the sample consists of companies that identify Japan as top 1 country from which they have earned international revenue in the past year.

Around 39 per cent of respondents identified hiring Australian employees who have cross cultural or language skills as the most important way to effectively understand and operate successfully within the business culture of Japan (Figure B-34). Other important approaches identified were networking and gaining access to foreign business/industry networks (identified by 34 per cent of companies) and hiring

foreign employees overseas who have cross cultural or language skills (identified by 34 per cent of companies).

Figure B-34 Key factors in understanding and operating in the business culture – Japan

Survey question: How important are the following for understanding and operating in the business culture of your most important market (on a scale of 1-5, multiple choice):



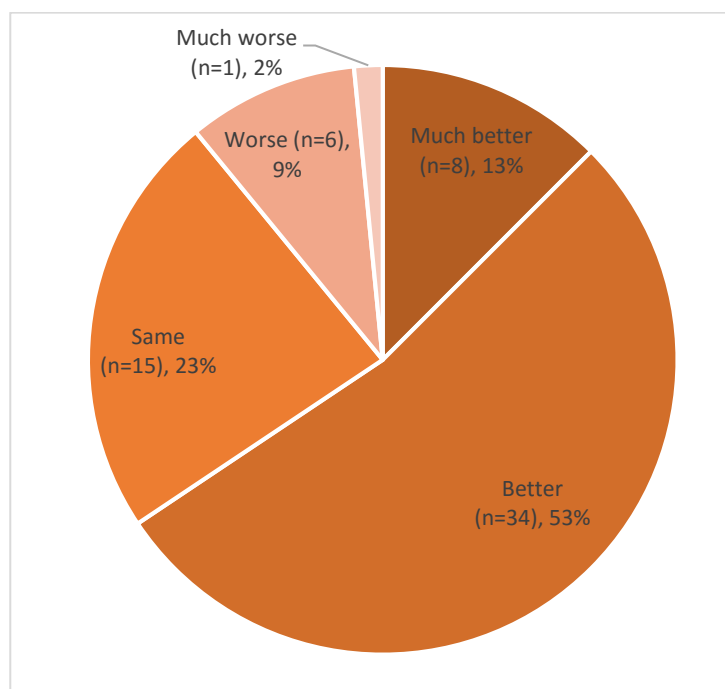
For Overseas employees with cross cultural or language skills, number of responses = 37; for all the other answers, number of responses = 38

Note: the sample consists of companies that identify Japan as top 1 country from which they have earned international revenue in the past year.

As shown in Figure B-35, respondents have a positive outlook on their business operations in Japan, with 53 per cent indicating that they expect their business to do better and 13 per cent expecting their business to do much better than last year.

Figure B-35 Overall outlook – Japan

Survey question: What is the overall outlook for your company’s international operations in 2016 compared to 2015?



Number of responses = 64

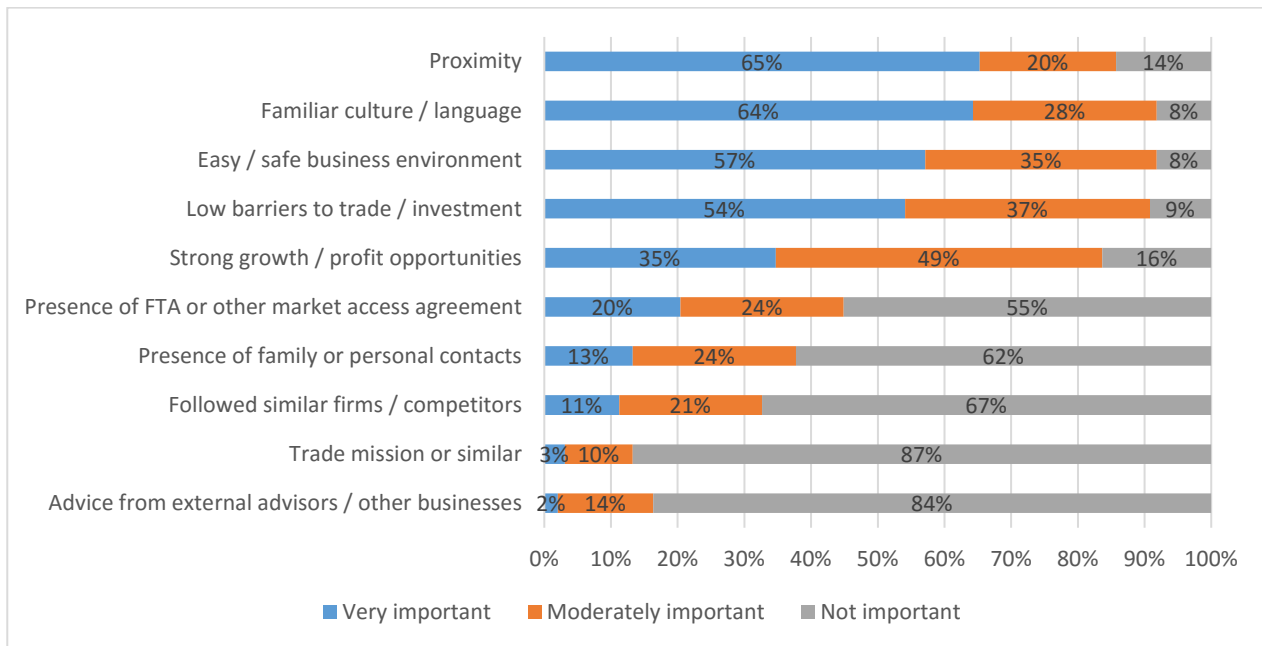
Note: the sample consists of companies that identify Japan as either top 1 or top 2 country from which they have earned international revenue in the past year.

NEW ZEALAND

A total of 98 companies (representing around 11 per cent of survey respondents) nominated New Zealand as their first most important overseas market. As reflected in Figure B-36, the proximity of the country was cited as the most important reason by 65 per cent for targeting the market, followed by the country having a familiar culture or language (cited by 64 per cent of companies).

Figure B-36 Key reasons for targeting New Zealand as the first overseas market

Survey question: Why was this market your first target?

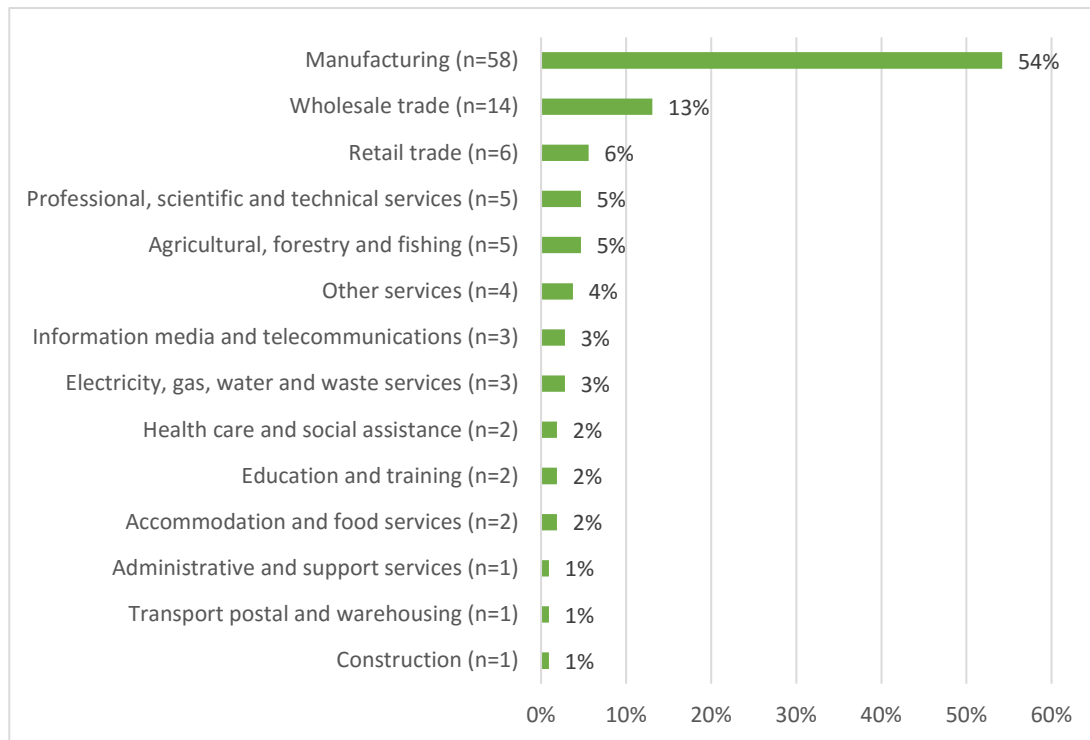


Number of respondents = 98

Among the companies that identified New Zealand as their most important overseas market, 54 per cent were from the manufacturing sector, and 13 per cent were wholesale trade companies (Figure B-37). Among the service-oriented industries, professional, scientific and technical services (5 per cent of companies) was the top sector that considered New Zealand to be its most important market.

Figure B-37 Main businesses – New Zealand

Survey question: What is the main business of your company?



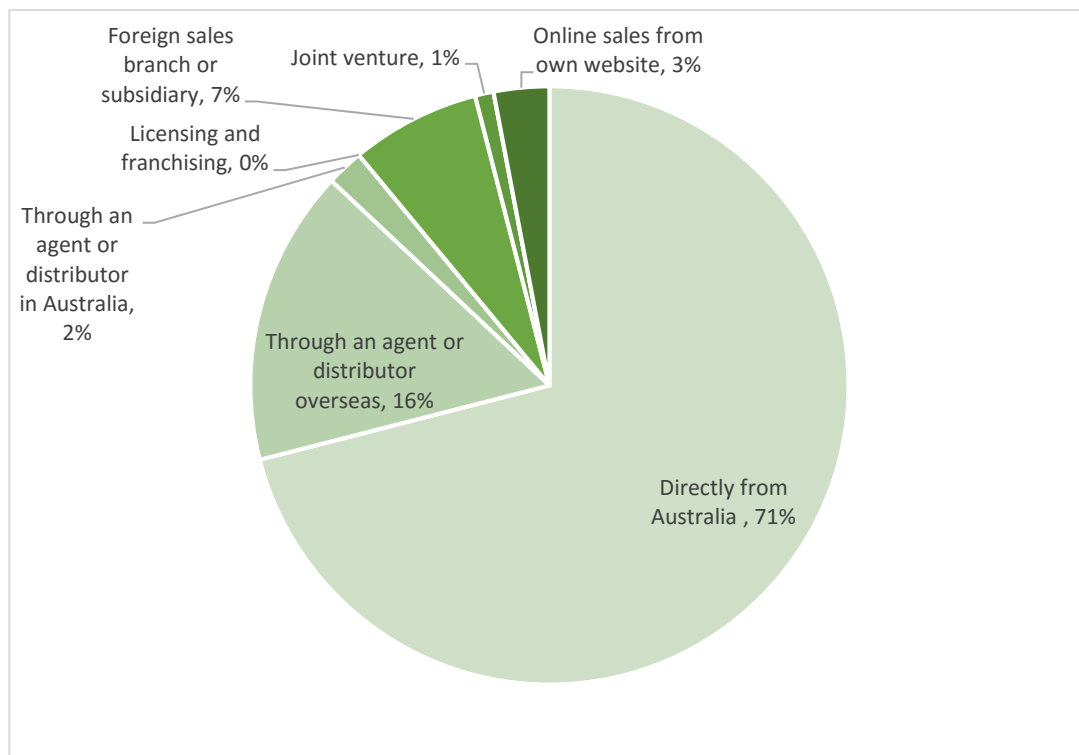
Number of responses = 107

Note: the sample consists of companies that identify New Zealand as either top 1 or top 2 country from which they have earned international revenue in the past year.

Companies are most likely to service the New Zealand market directly from Australia, with 71 per cent of respondents indicating this as their preferred servicing mode (Figure B-38). A smaller percentage of companies (16 per cent) prefer servicing the market through an agent or distributor based in New Zealand.

Figure B-38 Main mode of servicing exports to New Zealand

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



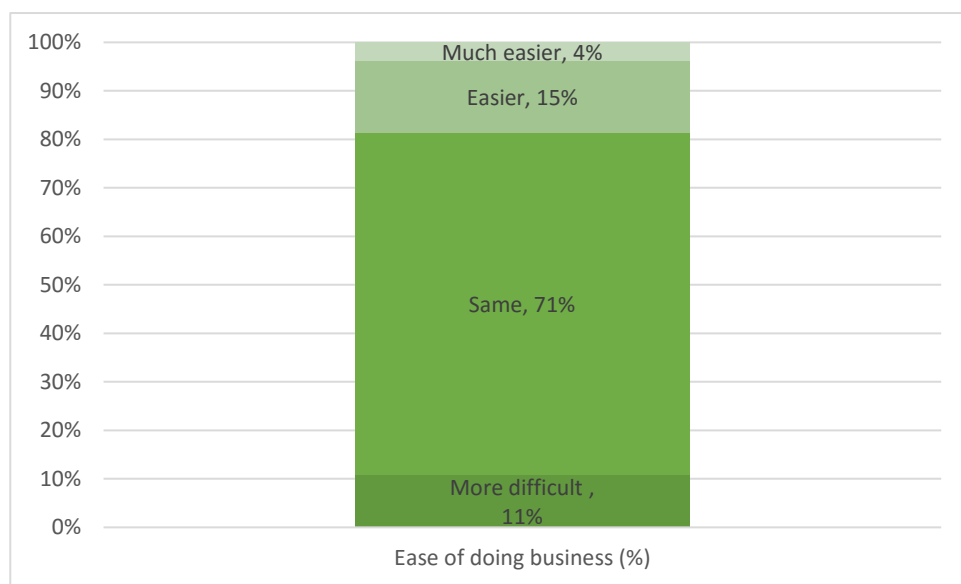
Number of responses = 100

Note: the sample consists of companies that identify New Zealand as either top 1 or top 2 country from which they have earned international revenue in the past year.

Among the companies that identified New Zealand as their most important overseas market, around 71 per cent perceive that doing business in the country is the same as doing business in Australia (Figure B-39).

Figure B-39 Ease of doing business in New Zealand

Survey question: What is the ease of doing business for the top two countries from which you have earned international revenue in the past year?



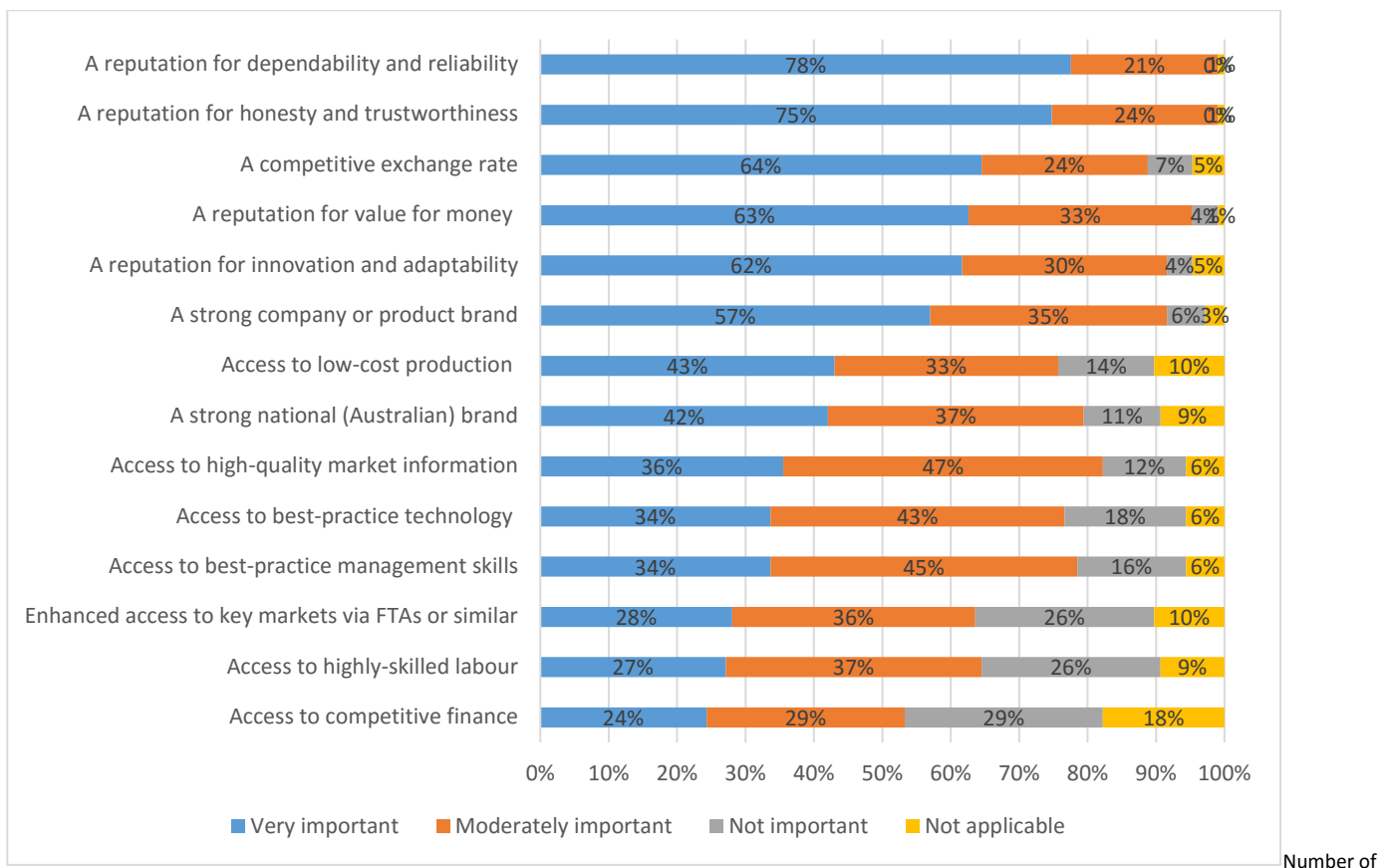
Number of responses = 102

Note: the sample consists of companies that identify New Zealand as either top 1 or top 2 country from which they have earned international revenue in the past year.

A reputation for dependability and reliability was cited by 78 per cent of respondents as the most important factor for ensuring market success in New Zealand (Figure B-40). Other important key market success factors identified were a reputation for honesty and trustworthiness (cited by 75 per cent of companies) and a competitive exchange rate (cited by 64 per cent of companies).

Figure B-40 Key factors in ensuring success in your top two international markets – New Zealand

Survey question: How important are the following to ensuring success in your top two international markets?



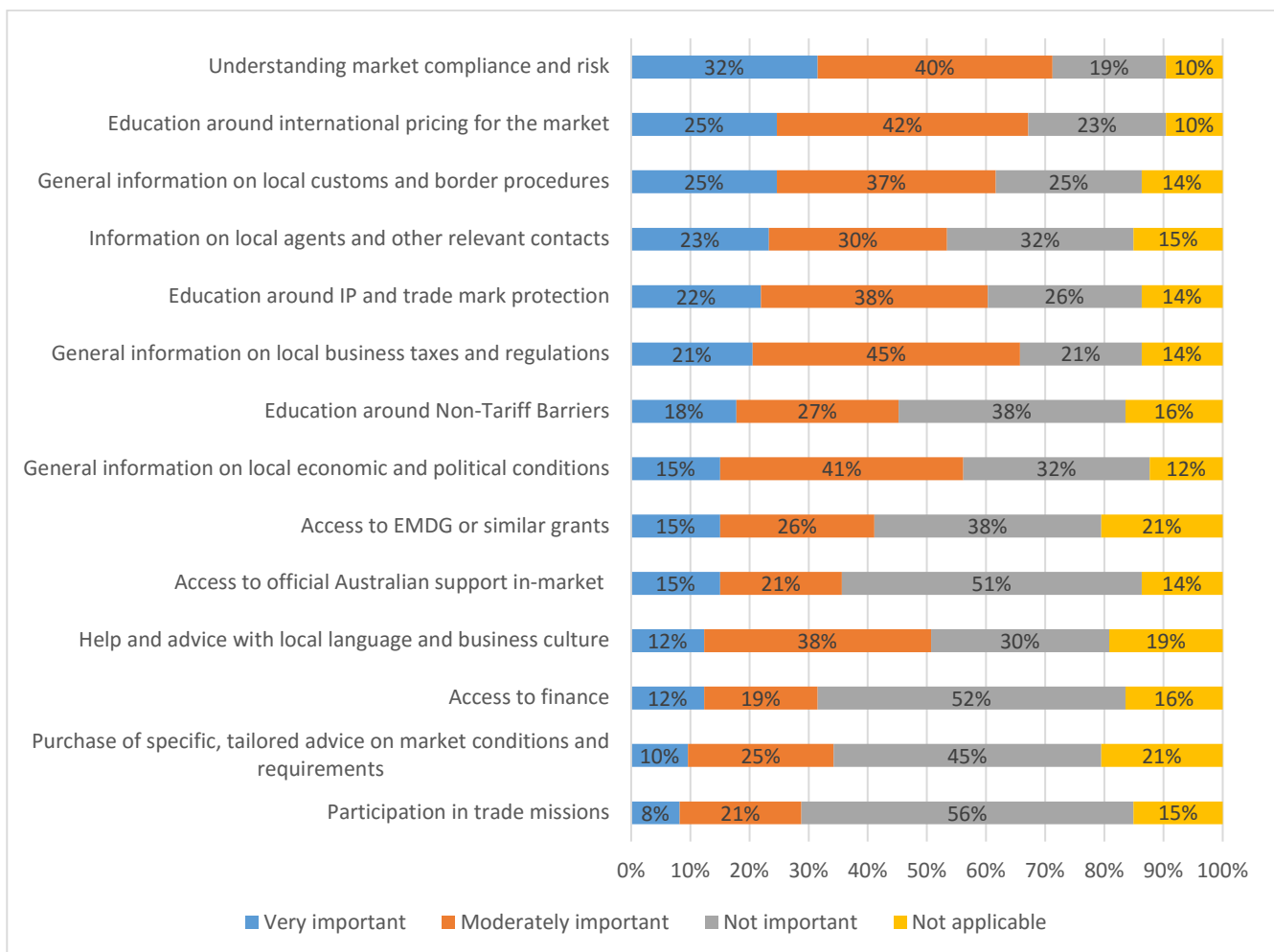
responses = 107

Note: the sample consists of companies that identify New Zealand as either top 1 or top 2 country from which they have earned international revenue in the past year.

Understanding market compliance and risk was cited by 32 per cent of respondents as the most important factor they considered when they targeted New Zealand as their top overseas market (Figure B-41). Other important factors for consideration were education around international pricing for the market (cited by 25 per cent of companies) and general information on local customs and border procedures (cited by 25 per cent of companies).

Figure B-41 Key factors in targeting your most important current market – New Zealand

Survey question: When you targeted your most important current market, how important were the following:



Number of responses = 73

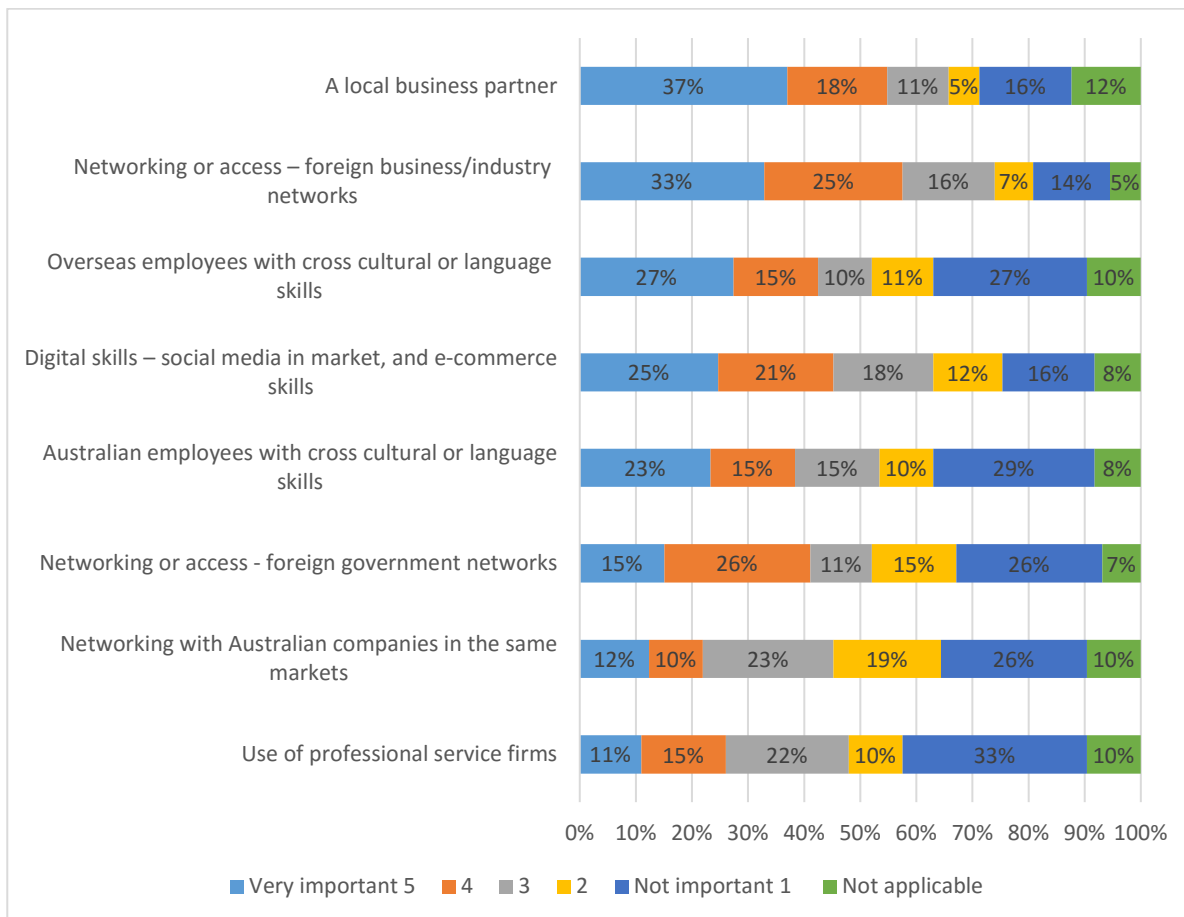
Note: the sample consists of companies that identify New Zealand as top 1 country from which they have earned international revenue in the past year.

Around 37 per cent of respondents identified a local business partner as the most important way to effectively understand and operate successfully within the business culture of New Zealand (Figure B-42). Other important approaches identified were networking and gaining access to foreign business/industry

networks (identified by 33 per cent of companies), and hiring foreign employees overseas who have cross cultural or language skills (identified by 27 per cent of companies).

Figure B-42 Key factors in understanding and operating in the business culture – New Zealand

Survey question: How important are the following for understanding and operating in the business culture of your most important market (on a scale of 1-5, multiple choice):



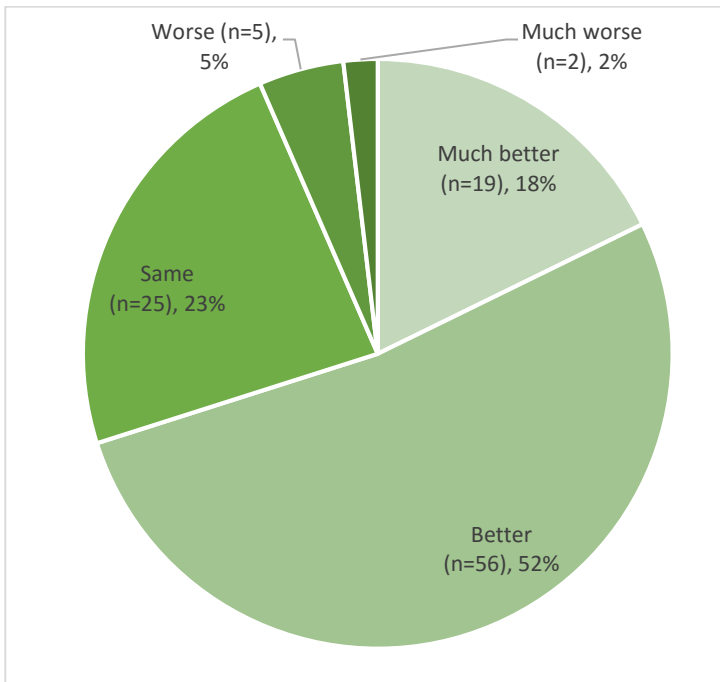
Number of responses = 73

Note: the sample consists of companies that identify New Zealand as top 1 country from which they have earned international revenue in the past year.

As shown in Figure B-43, respondents have a positive outlook on their business operations in New Zealand, with 52 per cent indicating that they expect their business to do better and 18 per cent expecting their business to do much better than last year.

Figure B-43 Overall outlook – New Zealand

Survey question: What is the overall outlook for your company's international operations in 2016 compared to 2015?



Number of responses = 107

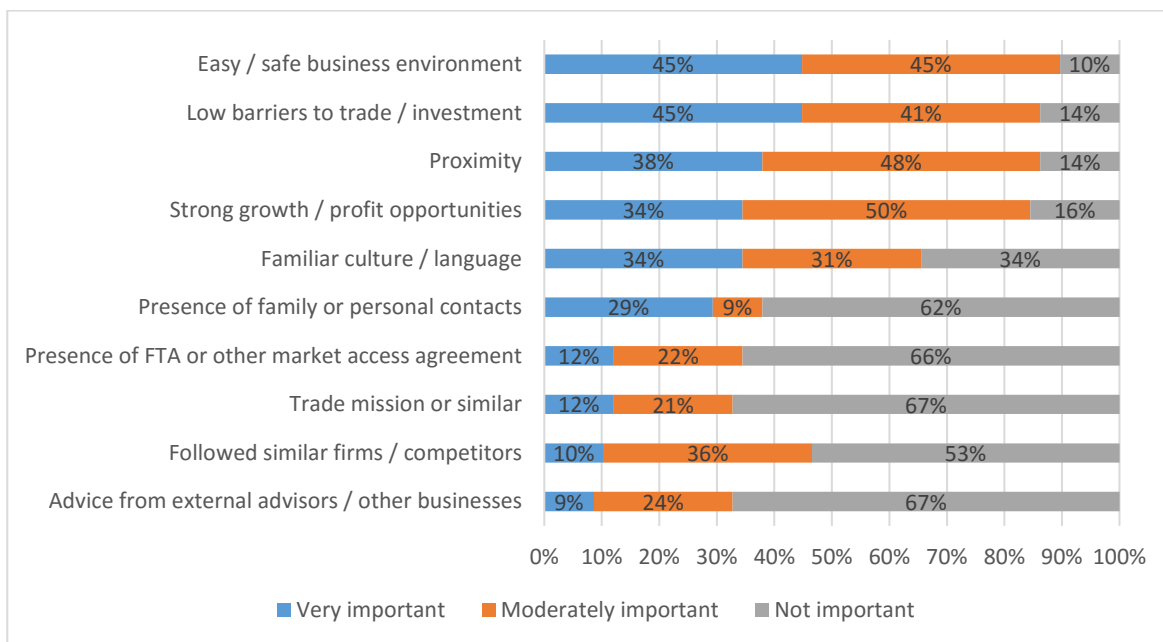
Note: the sample consists of companies that identify New Zealand as either top 1 or top 2 country from which they have earned international revenue in the past year.

SINGAPORE

A total of 58 companies (representing around 6 per cent of survey respondents) nominated Singapore as their first most important overseas market. As reflected in Figure B-44, the perception of the country having an easy or safe business environment was cited as the most important reason by 45 per cent for targeting the market, followed by the low barriers to trade and investment in the country (also cited by 45 per cent of companies).

Figure B-44 Key reasons for targeting Singapore as the first overseas market

Survey question: Why was this market your first target?

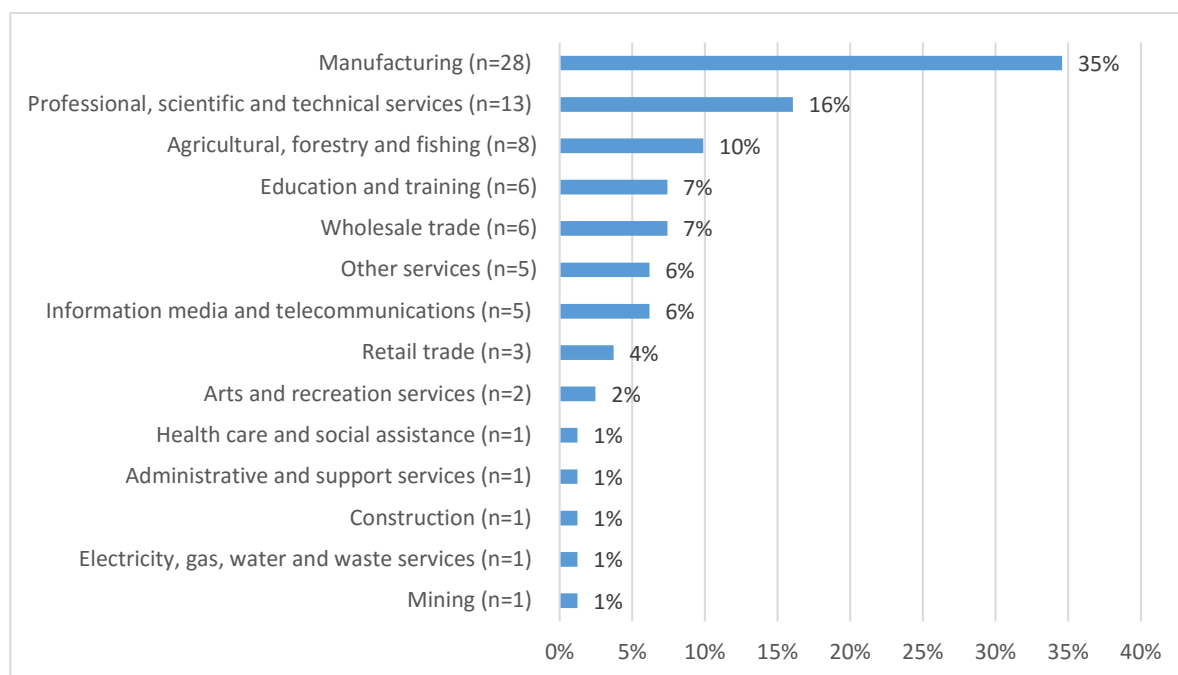


Number of respondents = 58

Among the companies that identified Singapore as their most important overseas market, 35 per cent were from the manufacturing sector, and 16 per cent were professional, scientific and technical services companies (Figure B-45). Another major industry, agricultural, forestry and fishing (10 per cent of companies) also considered Singapore to be its most important market.

Figure B-45 Main businesses - Singapore

Survey question: What is the main business of your company?



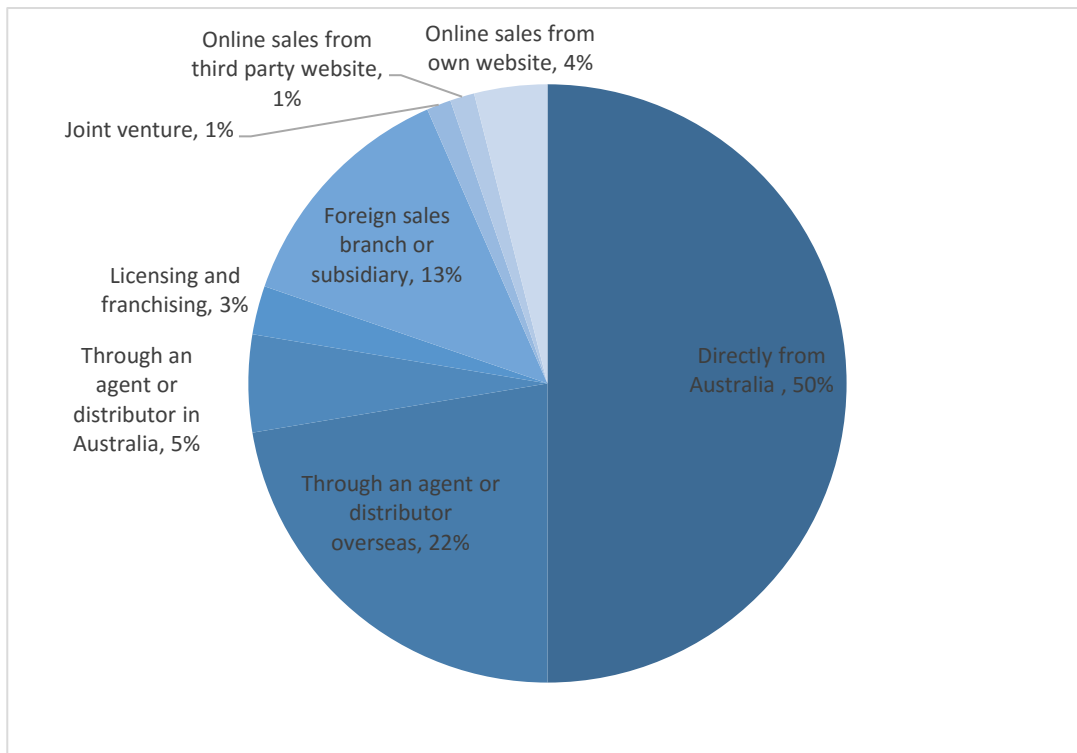
Number of responses = 81

Note: the sample consists of companies that identify Singapore as either top 1 or top 2 country from which they have earned international revenue in the past year.

Companies are most likely to service the Singapore market directly from Australia, with 50 per cent of respondents indicating this as their preferred servicing mode (Figure B-46). A smaller percentage of companies (22 per cent) prefer servicing the market through an agent or distributor based in Singapore.

Figure B-46 Main mode of servicing exports to Singapore

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



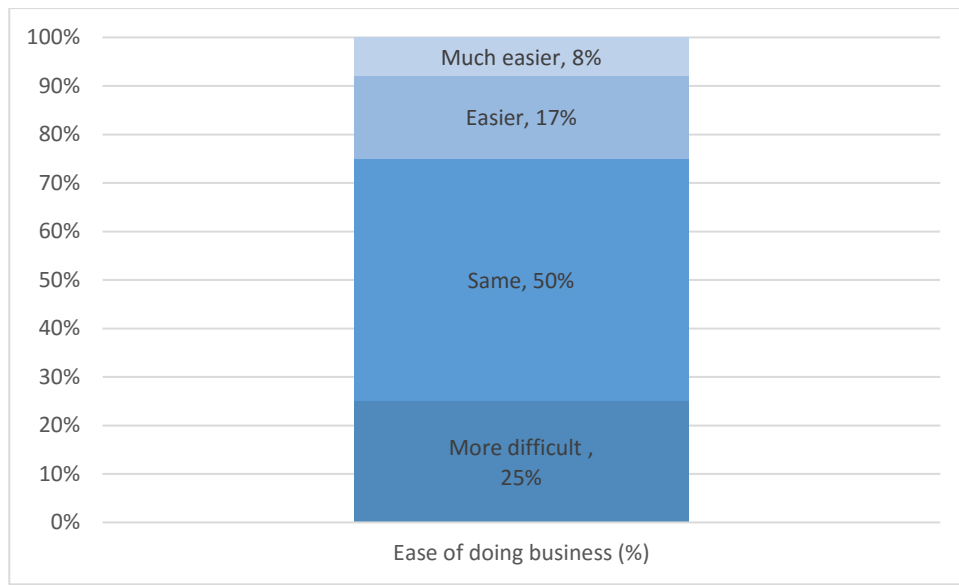
Number of responses = 76

Note: the sample consists of companies that identify Singapore as either top 1 or top 2 country from which they have earned international revenue in the past year.

Among the companies that identified Singapore as their most important overseas market, around 50 per cent perceive that doing business in the country is the same as doing business in Australia (Figure B-47).

Figure B-47 Ease of doing business in Singapore

Survey question: What is the ease of doing business for the top two countries from which you have earned international revenue in the past year?

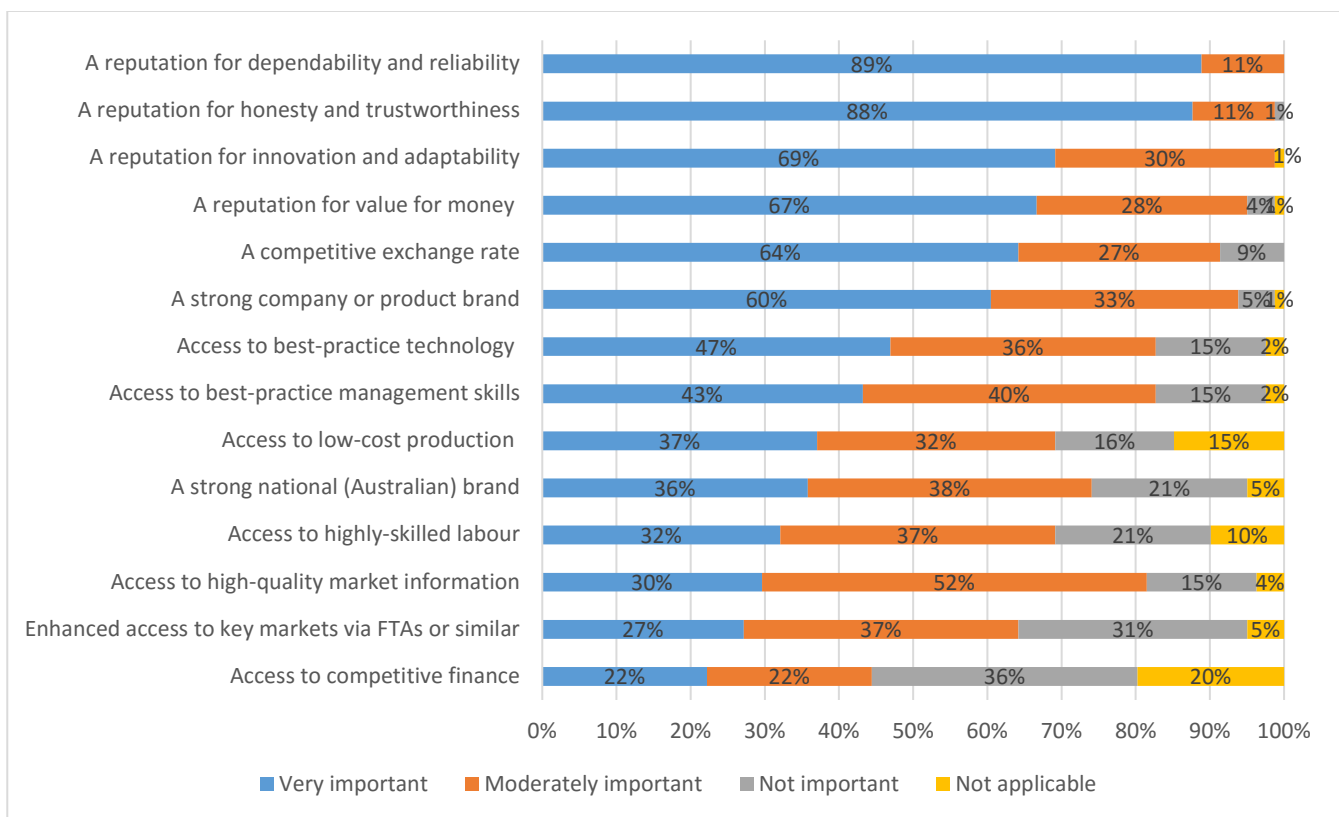


Number of responses = 76

Note: the sample consists of companies that identify Singapore as either top 1 or top 2 country from which they have earned international revenue in the past year.

A reputation for dependability and reliability was cited by 89 per cent of respondents as the most important factor for ensuring market success in Singapore (Figure B-48). Other important key market success factors identified were a reputation for honesty and trustworthiness (cited by 88 per cent of companies) and a reputation for innovation and adaptability (cited by 69 per cent of companies).

Figure B-48 Key factors in ensuring success in your top two international markets – Singapore
 Survey question: How important are the following to ensuring success in your top two international markets?



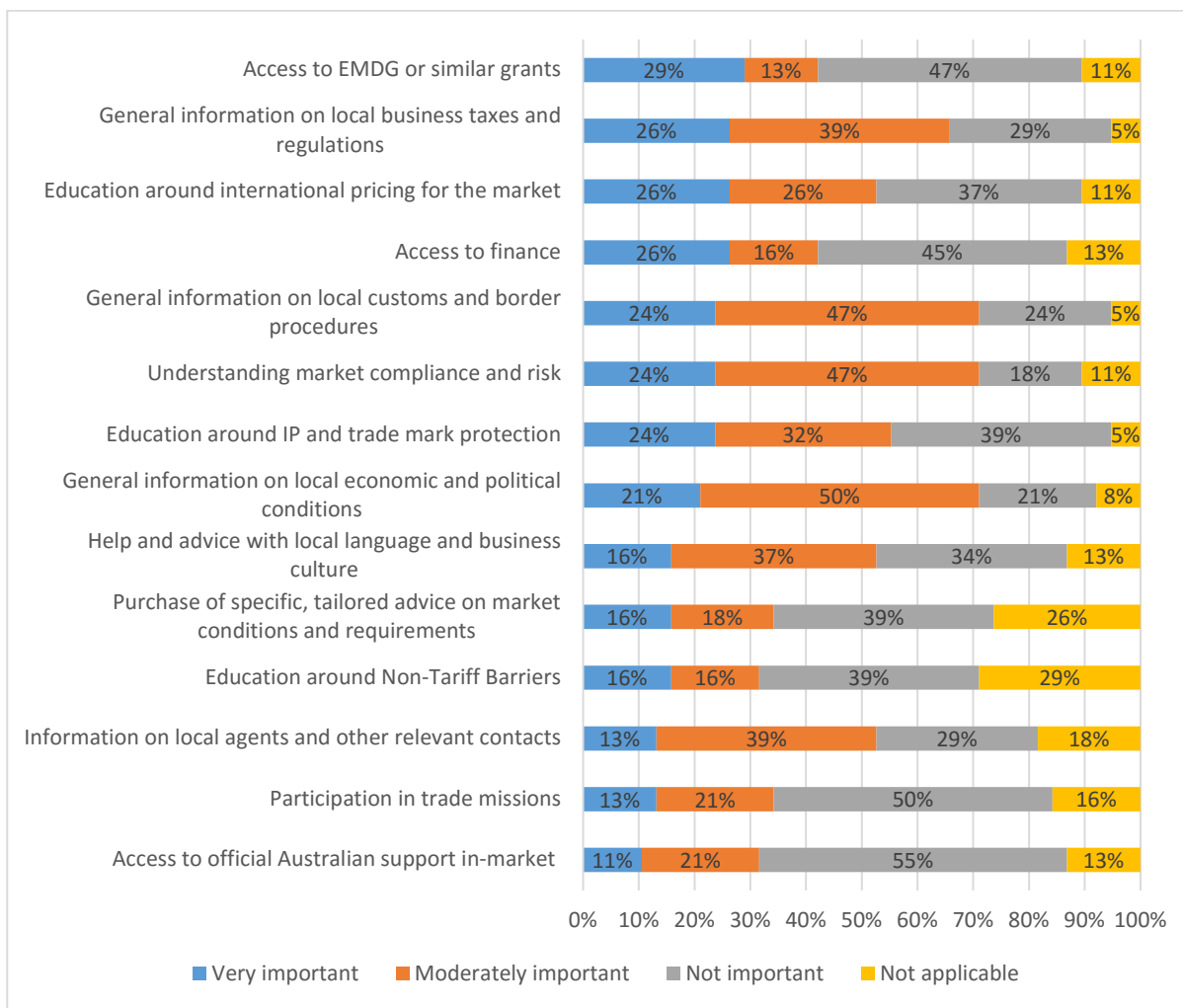
Number of responses = 81

Note: the sample consists of companies that identify Singapore as either top 1 or top 2 country from which they have earned international revenue in the past year.

Access to EMDG or similar grants was cited by 29 per cent of respondents as the most important factor they considered when they targeted Singapore as their top overseas market (Figure B-49). Other important factors for consideration were general information on local business taxes and regulations (cited by 26 per cent of companies), education around international pricing for the market (cited by 26 per cent of companies), and access to finance (also cited by 26 per cent of companies).

Figure B-49 Key factors in targeting your most important current market – Singapore

Survey question: When you targeted your most important current market, how important were the following:



Number of

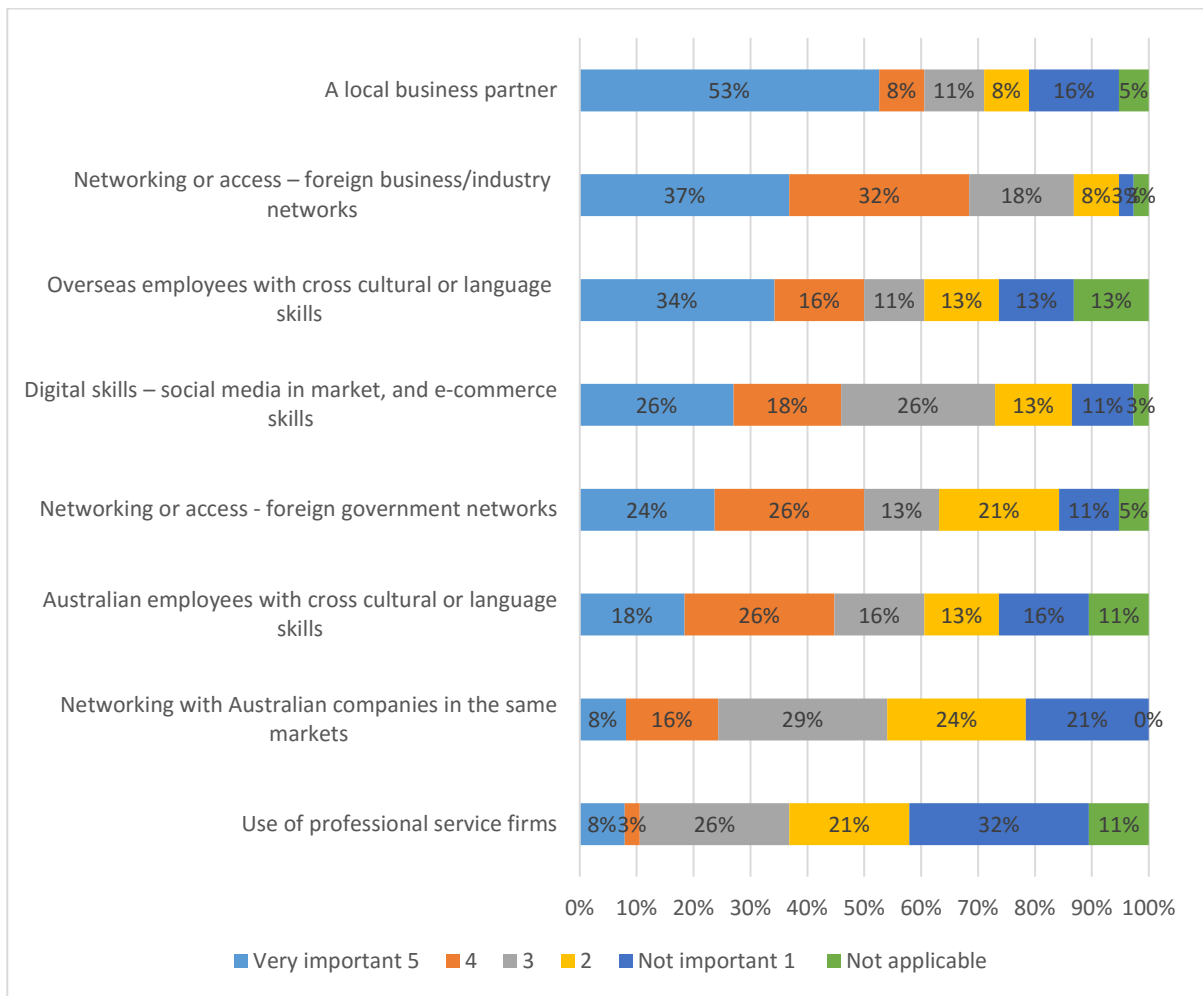
responses = 38

Note: the sample consists of companies that identify Singapore as top 1 country from which they have earned international revenue in the past year.

Around 53 per cent of respondents identified a local business partner as the most important way to effectively understand and operate successfully within the business culture of Singapore (Figure B-50). Other important approaches identified were networking and gaining access to foreign business/industry networks (identified by 37 per cent of companies), and hiring foreign employees overseas who have cross cultural or language skills (identified by 34 per cent of companies).

Figure B-50 Key factors in understanding and operating in the business culture – Singapore

Survey question: How important are the following for understanding and operating in the business culture of your most important market (on a scale of 1-5, multiple choice):



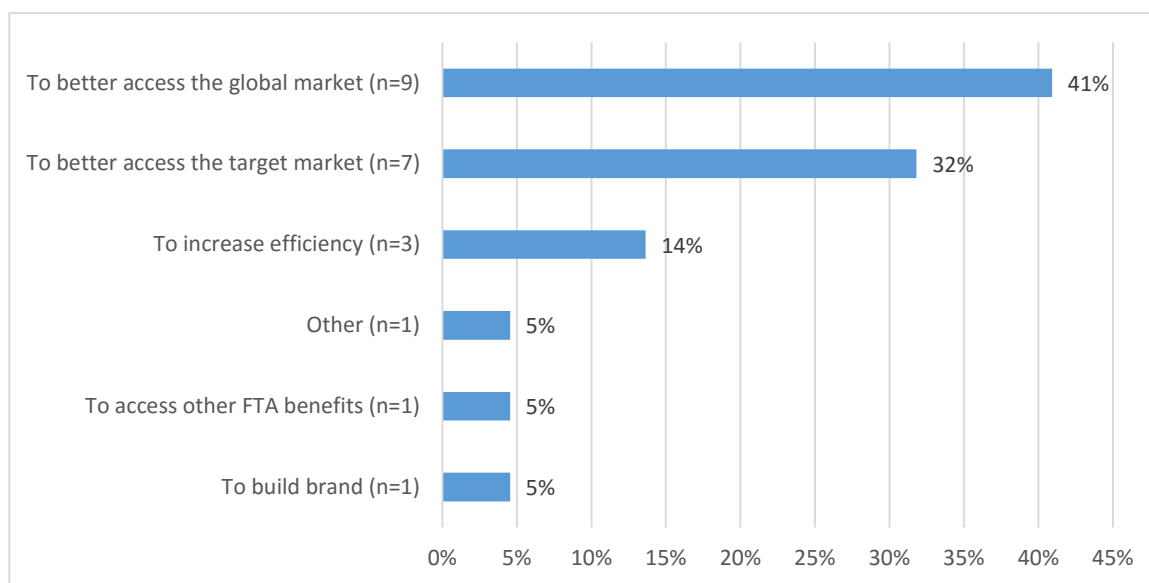
For Networking with Australian companies in the same markets and Digital skills – social media in market, number of responses = 37; for all the other answers, number of responses = 38.

Note: the sample consists of companies that identify Singapore as top 1 country from which they have earned international revenue in the past year.

The survey found that more than 70 per cent of respondents have opted to make a direct investment overseas. Among those who have made an investment in Singapore, 41 per cent indicate that their main motivation for doing so was to better access the global market (Figure B-51). Other reasons were to better access the target market (32 per cent of companies) and to increase efficiency (14 per cent of companies).

Figure B-51 Key motives in making direct investment in Singapore

Survey question: Most important motives of the investment



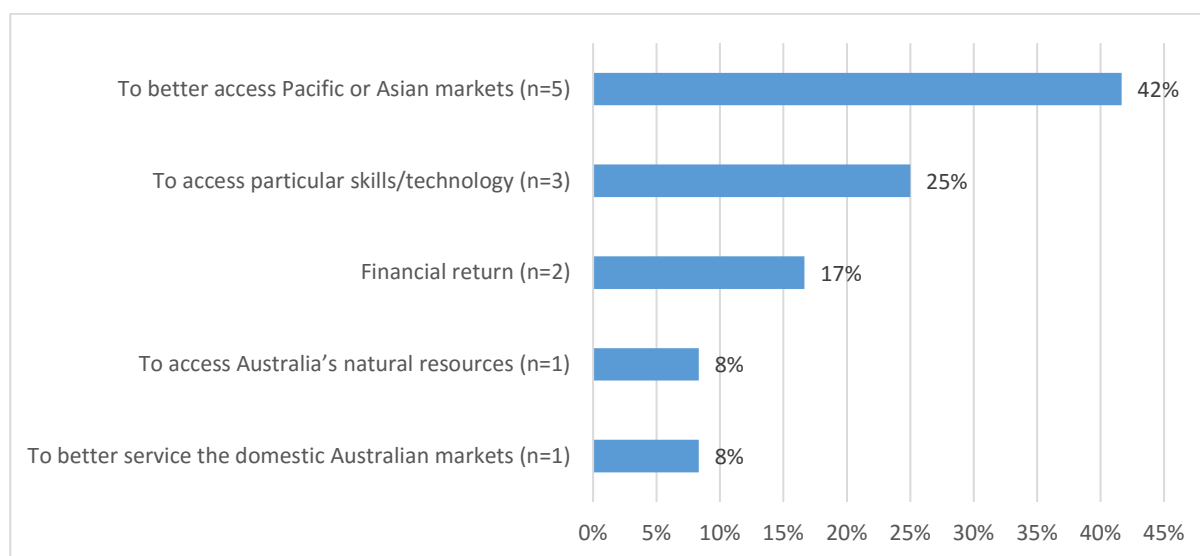
Number of responses =22

Note: the sample consists of companies that identify Singapore as either top 1 or top 2 or top 3 market in which they have made direct investment over the last 3 years.

The survey also found that close to 30 per cent of respondents have received capital from overseas investors. Among those who have received an investment from investors from Singapore, 42 per cent indicate that the main motivation for the overseas investor was to better access Pacific or Asian markets (Figure B-52). Other reasons were to access particular skills/ technology (25 per cent of companies) and to achieve financial returns (17 per cent of companies).

Figure B-52 Key reasons for receiving investment from Singapore

Survey question: Most important motives of the investors



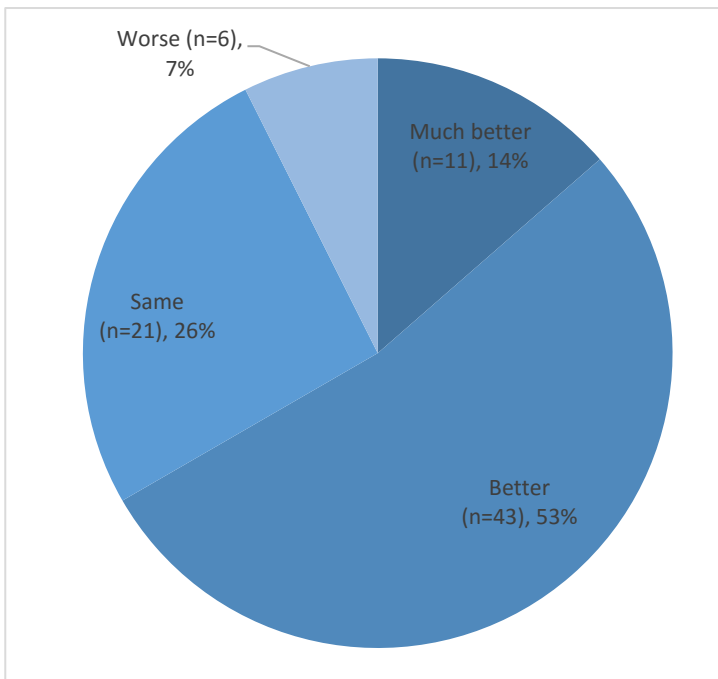
Number of responses =12

Note: the sample consists of companies that identify Singapore as either top 1 or top 2 or top 3 market in which they have received investment over the last 3 years.

As shown in Figure B-53, respondents have a positive outlook on their business operations in Singapore, with 53 per cent indicating that they expect their business to do better and 14 per cent expecting their business to do much better than last year.

Figure B-53 Overall outlook – Singapore

Survey question: What is the overall outlook for your company’s international operations in 2016 compared to 2015?



Number of responses = 81

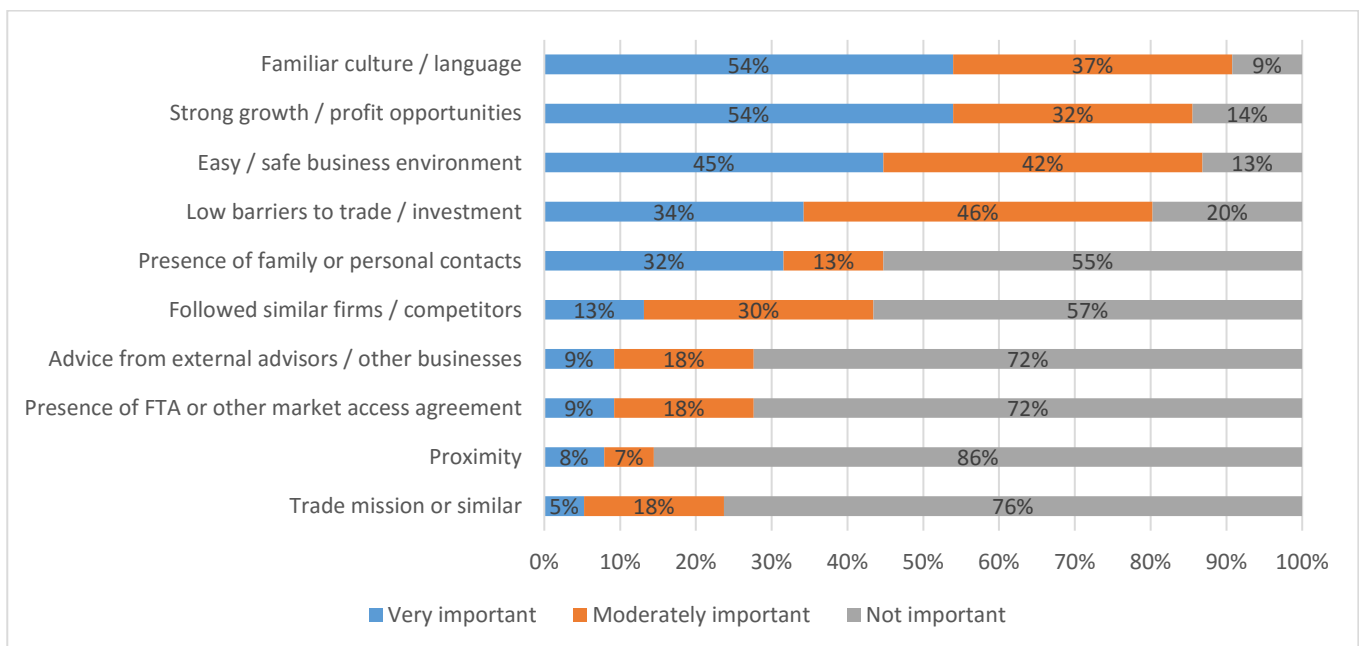
Note: the sample consists of companies that identify Singapore as either top 1 or top 2 country from which they have earned international revenue in the past year.

UNITED KINGDOM

A total of 76 companies (representing around 8 per cent of survey respondents) nominated the United Kingdom as their first most important overseas market. As reflected in Figure B-54, the perception of the country having a familiar culture or language was cited as the most important reason by 54 per cent for targeting the market, followed by the strong growth/ profit opportunities offered by the country (also cited by 54 per cent of companies).

Figure B-54 Key reasons for targeting the United Kingdom as the first overseas market

Survey question: Why was this market your first target?

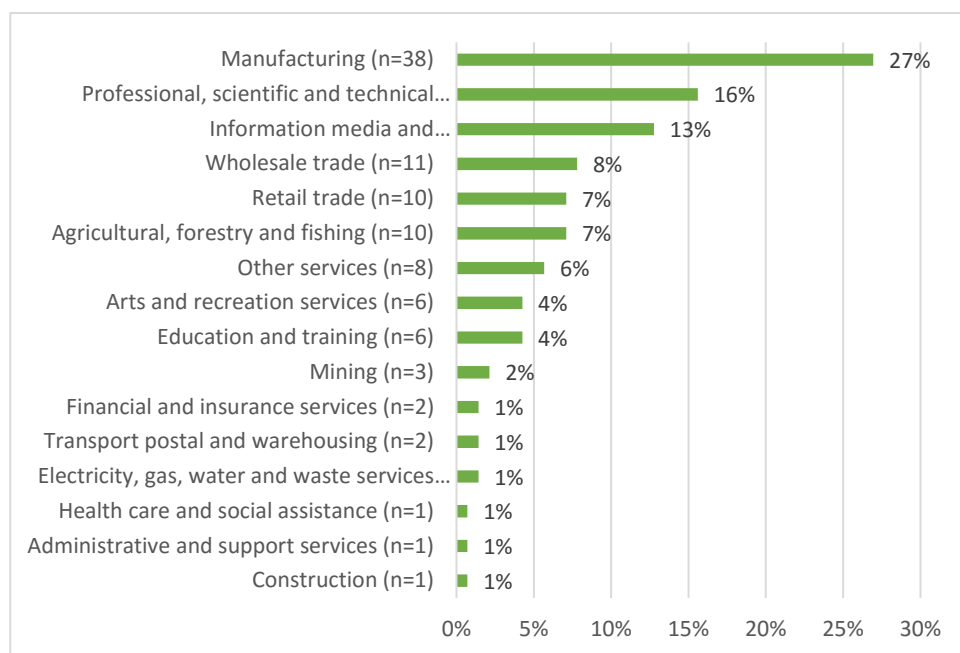


Number of respondents = 76

Among the companies that identified the United Kingdom as their most important overseas market, 27 per cent were from the manufacturing sector, and 16 per cent were professional, scientific and technical services companies (Figure B-55). Information, media and telecommunications (13 per cent of companies) was another top sector that considered the United Kingdom to be its most important market.

Figure B-55 Main businesses – United Kingdom

Survey question: What is the main business of your company?



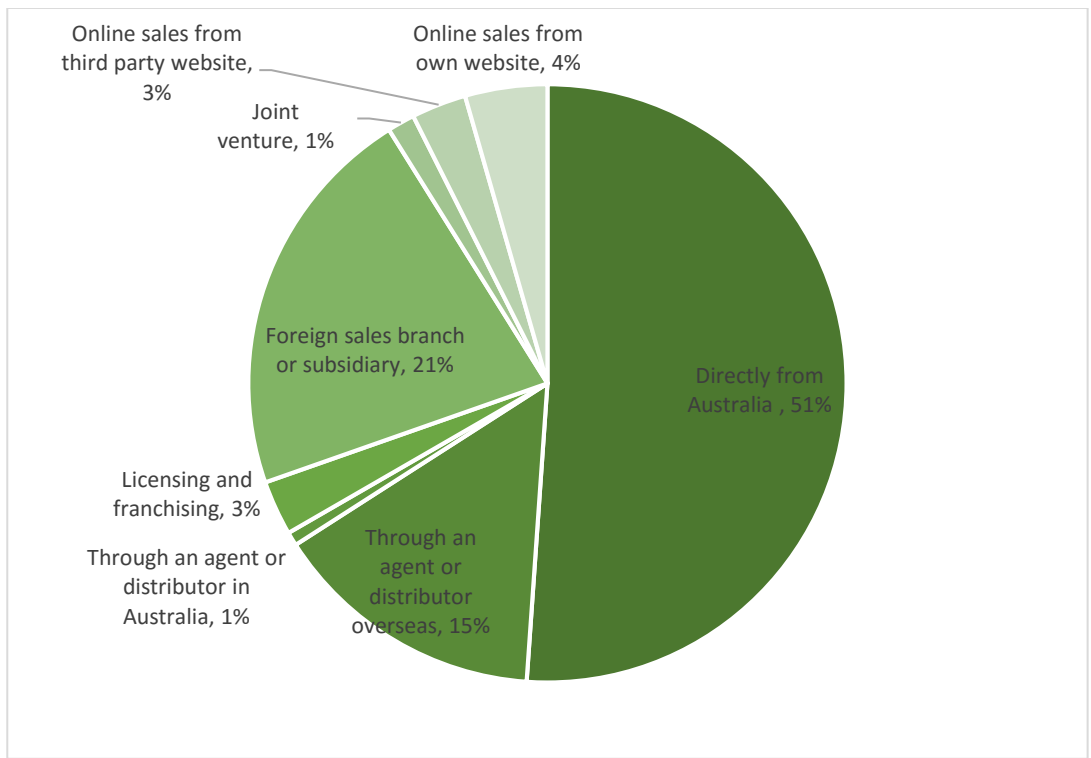
Number of responses = 141

Note: the sample consists of companies that identify UK as either top 1 or top 2 country from which they have earned international revenue in the past year.

Companies are most likely to service the United Kingdom market directly from Australia, with 51 per cent of respondents indicating this as their preferred servicing mode (Figure B-56). A smaller percentage of companies (21 per cent) prefer servicing the market by establishing a foreign sales branch or subsidiary in the United Kingdom.

Figure B-56 Main mode of servicing exports to the United Kingdom

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



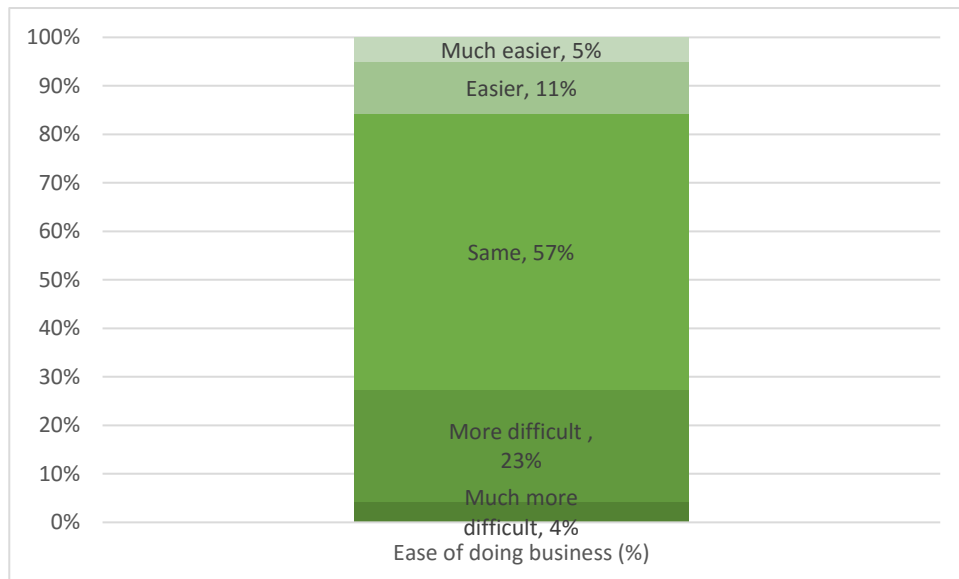
Number of responses = 135

Note: the sample consists of companies that identify United Kingdom as either top 1 or top 2 country from which they have earned international revenue in the past year.

Among the companies that identified the United Kingdom as their most important overseas market, close to 60 per cent perceive that doing business in the country is the same as doing business in Australia (Figure B-57).

Figure B-57 Ease of doing business in the United Kingdom

Survey question: What is the ease of doing business for the top two countries from which you have earned international revenue in the past year?



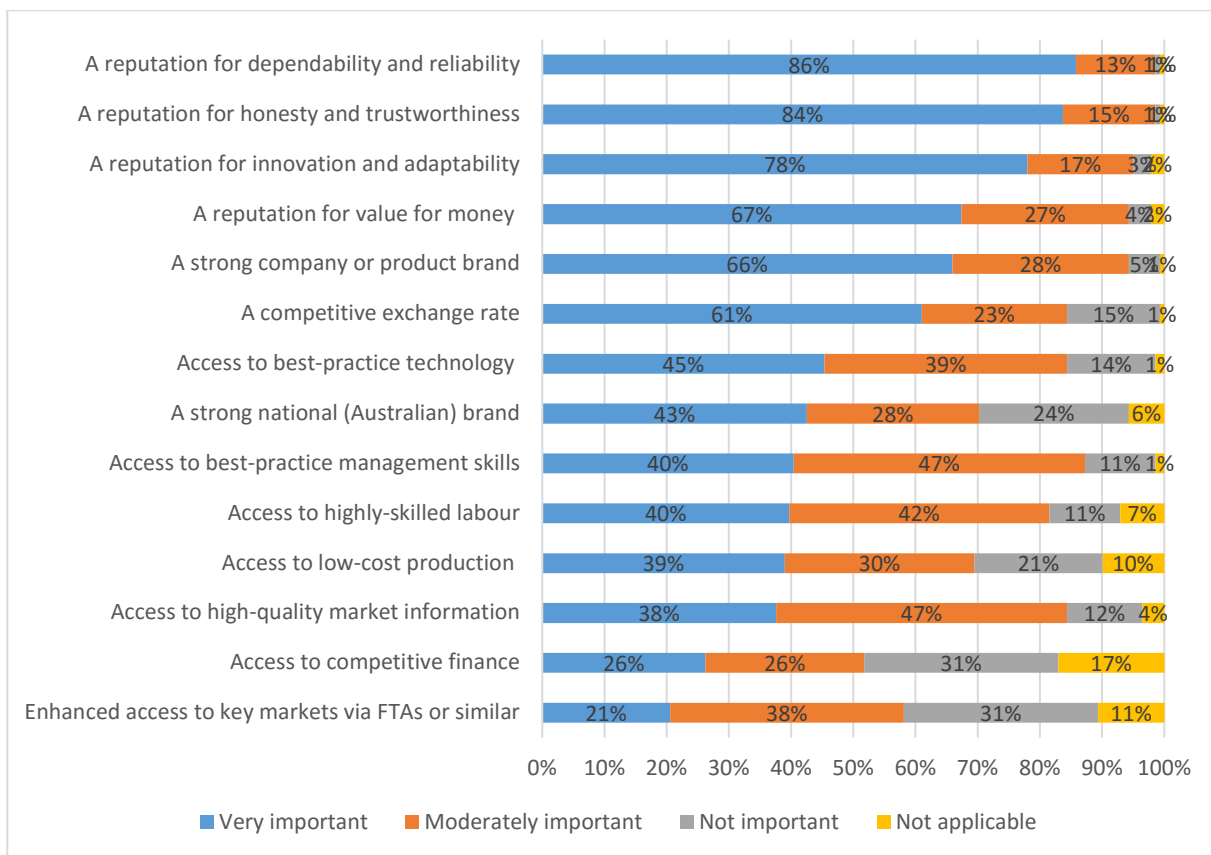
Number of responses = 139

Note: the sample consists of companies that identify UK as either top 1 or top 2 country from which they have earned international revenue in the past year.

A reputation for dependability and reliability was cited by 86 per cent of respondents as the most important factor for ensuring market success in United Kingdom (Figure B-58). Other important key market success factors identified were a reputation for honesty and trustworthiness (cited by 84 per cent of companies) and a reputation for innovation and adaptability (cited by 78 per cent of companies).

Figure B-58 Key factors in ensuring success in your top two international markets – United Kingdom

Survey question: How important are the following to ensuring success in your top two international markets?



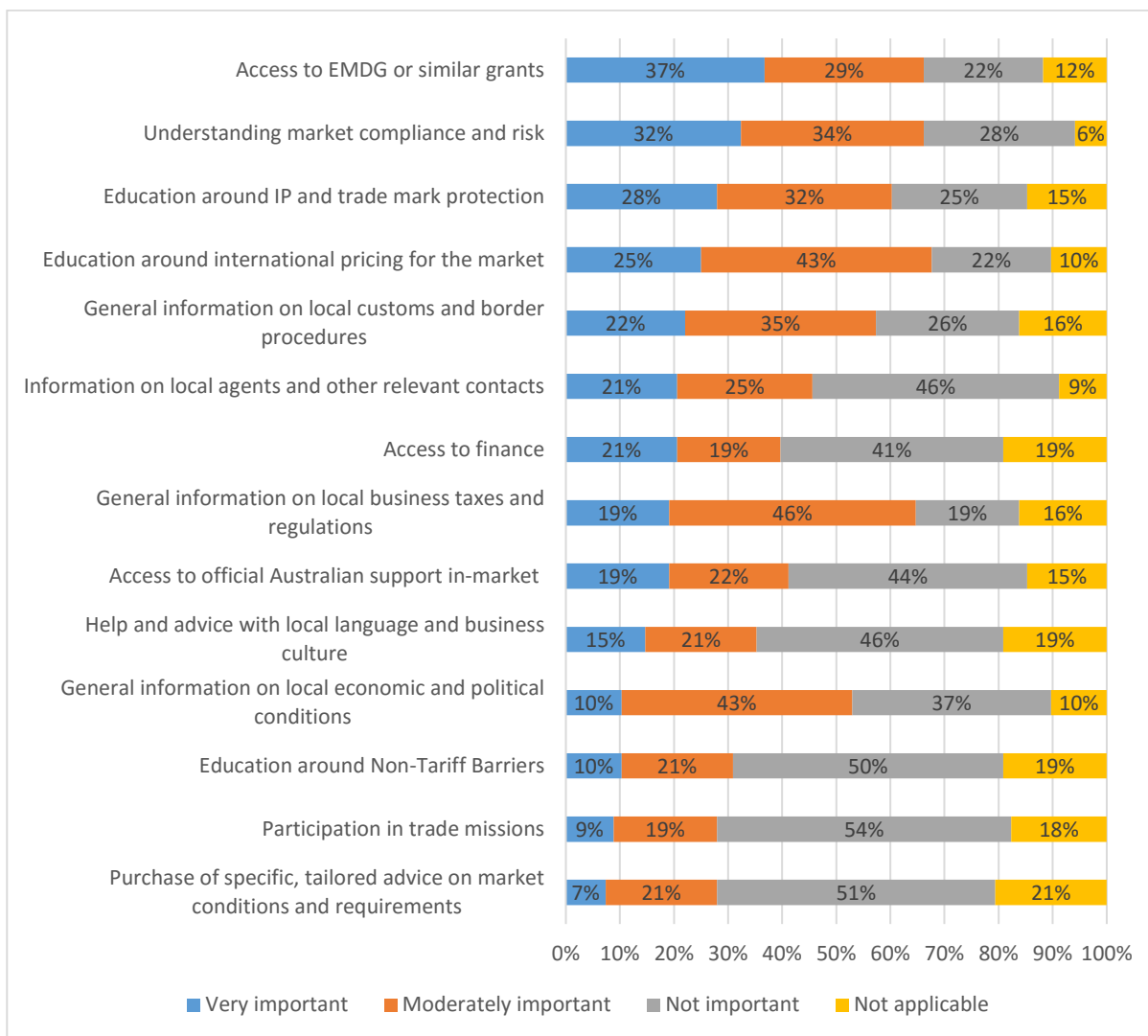
Number of responses = 141

Note: the sample consists of companies that identify United Kingdom as either top 1 or top 2 country from which they have earned international revenue in the past year.

Access to EMDG or similar grants was cited by 37 per cent of respondents as the most important factor they considered when they targeted the United Kingdom as their top overseas market (Figure B-59). Other important factors for consideration were understanding market compliance and risk (cited by 32 per cent of companies) and education around intellectual property and trade mark protection (cited by 28 per cent of companies).

Figure B-59 Key factors in targeting your most important current market – United Kingdom

Survey question: When you targeted your most important current market, how important were the following:



Number of responses = 68

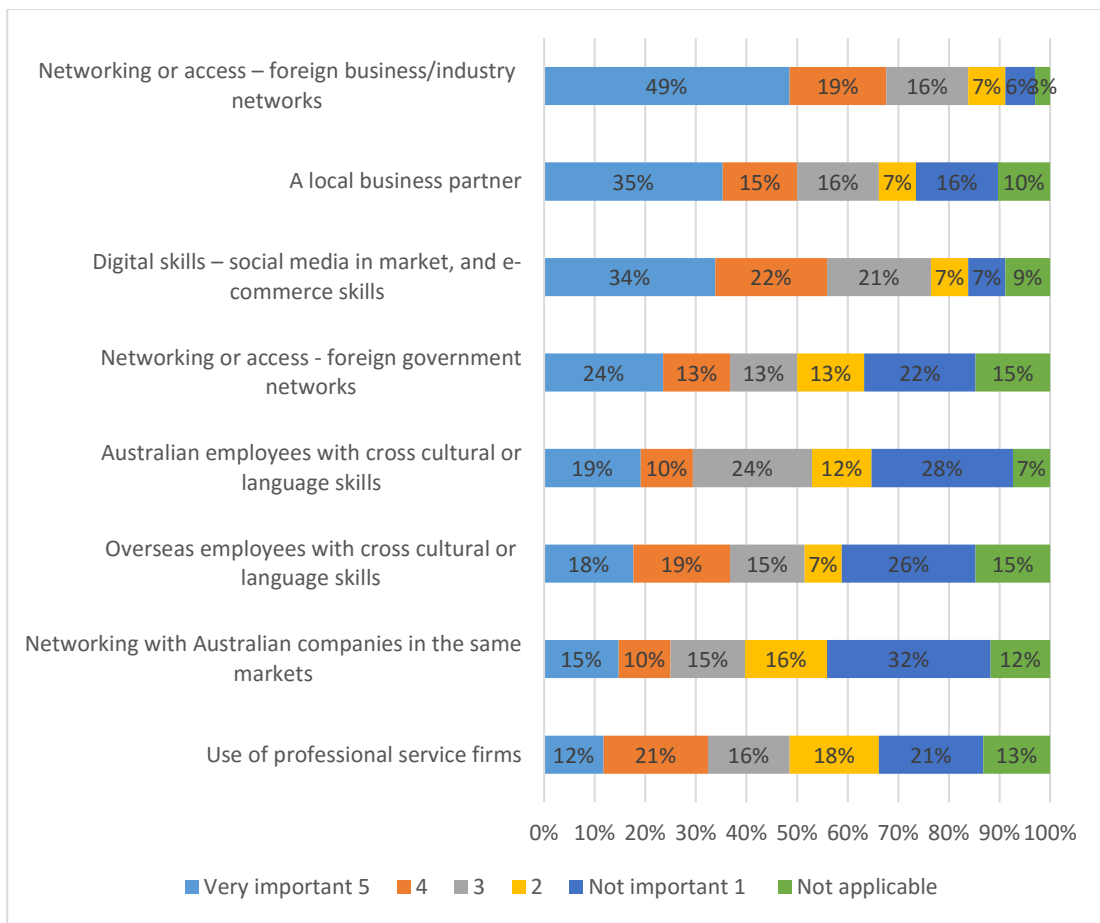
Note: the sample consists of companies that identify United Kingdom as top 1 country from which they have earned international revenue in the past year.

Around 49 per cent of respondents identified networking and gaining access to foreign business/industry networks as the most important way to effectively understand and operate successfully within the

business culture of the United Kingdom (Figure B-60). Other important approaches identified were a local business partner (identified by 35 per cent of companies), and digital skills -- which include social media and e-commerce skills -- identified by 34 per cent of companies.

Figure B-60 Key factors in understanding and operating in the business culture – United Kingdom

Survey question: How important are the following for understanding and operating in the business culture of your most important market (on a scale of 1-5, multiple choice):



Number of responses = 68

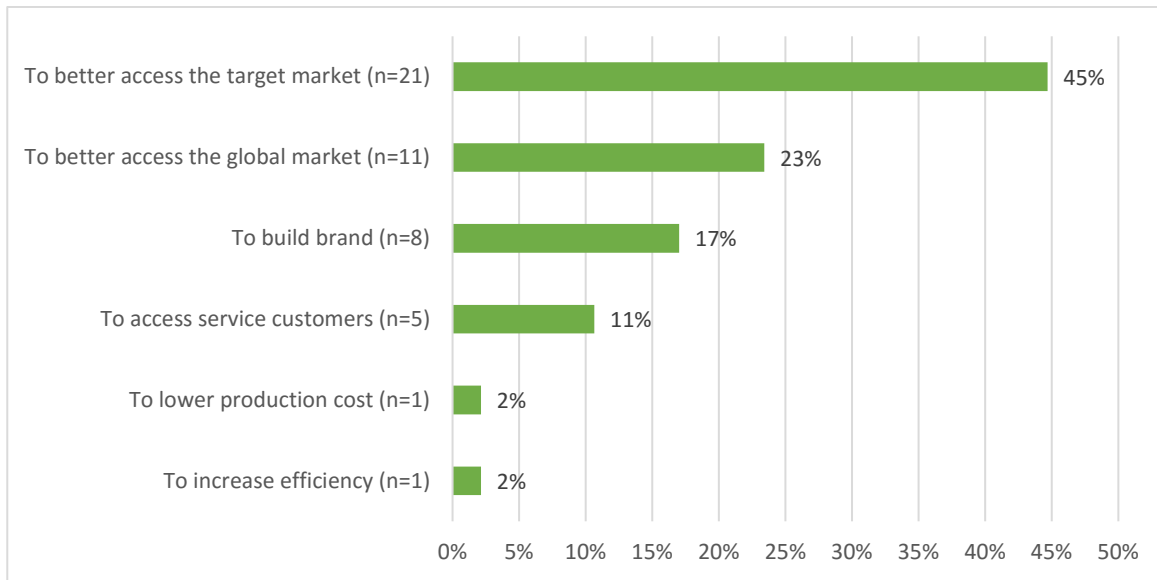
Note: the sample consists of companies that identify United Kingdom as top 1 country from which they have earned international revenue in the past year.

The survey found that more than 70 per cent of respondents have opted to make a direct investment overseas. Among those who have made an investment in the United Kingdom, 45 per cent indicate that their main motivation for doing so was to better access the target market (Figure B-61). Other reasons

were to better access the global market (23 per cent of companies) and to build their brand (17 per cent of companies).

Figure B-61 Key motives in making direct investment in the United Kingdom

Survey question: Most important motives of the investment



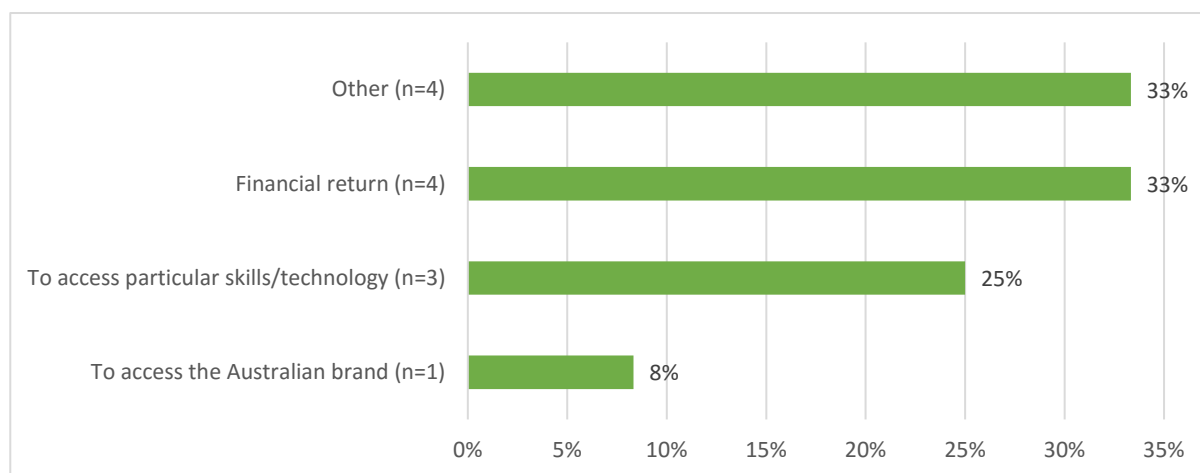
Number of responses =47

Note: the sample consists of companies that identify United Kingdom as either top 1 or top 2 or top 3 market in which they have made direct investment over the last 3 years.

The survey also found that close to 30 per cent of respondents have received capital from overseas investors. Among those who have received an investment from investors from the United Kingdom, 33 per cent indicate that the main motivation for the overseas investor was to achieve financial returns (Figure B-62). Another major reason was to access particular skills/ technology (25 per cent of companies).

Figure B-62 Key reasons for receiving investment from the United Kingdom

Survey question: Most important motives of the investors



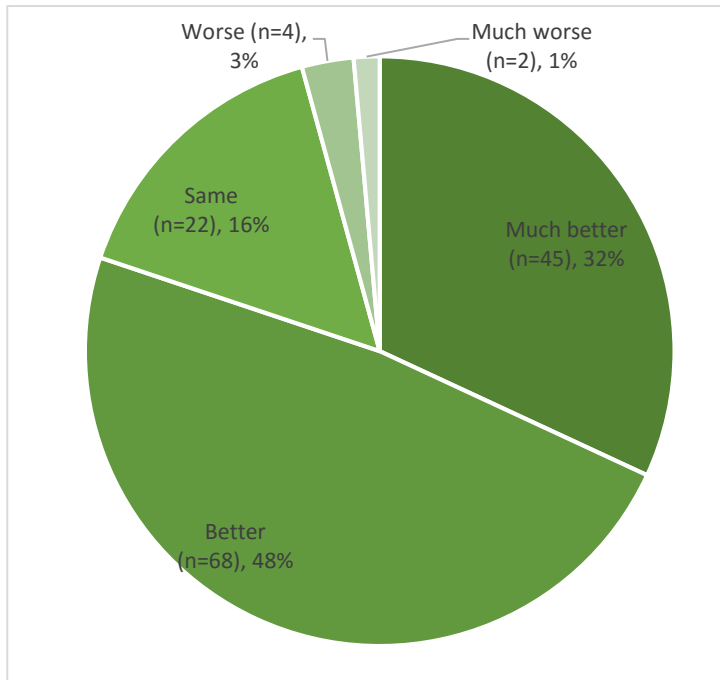
Number of responses =12

Note: the sample consists of companies that identify United Kingdom as either top 1 or top 2 or top 3 market in which they have received investment over the last 3 years.

As shown in Figure B-63, respondents have a positive outlook on their business operations in the United Kingdom, with 48 per cent indicating that they expect their business to do better and 32 per cent expecting their business to do much better than last year.

Figure B-63 Overall outlook – United Kingdom

Survey question: What is the overall outlook for your company’s international operations in 2016 compared to 2015?



Number of responses = 141

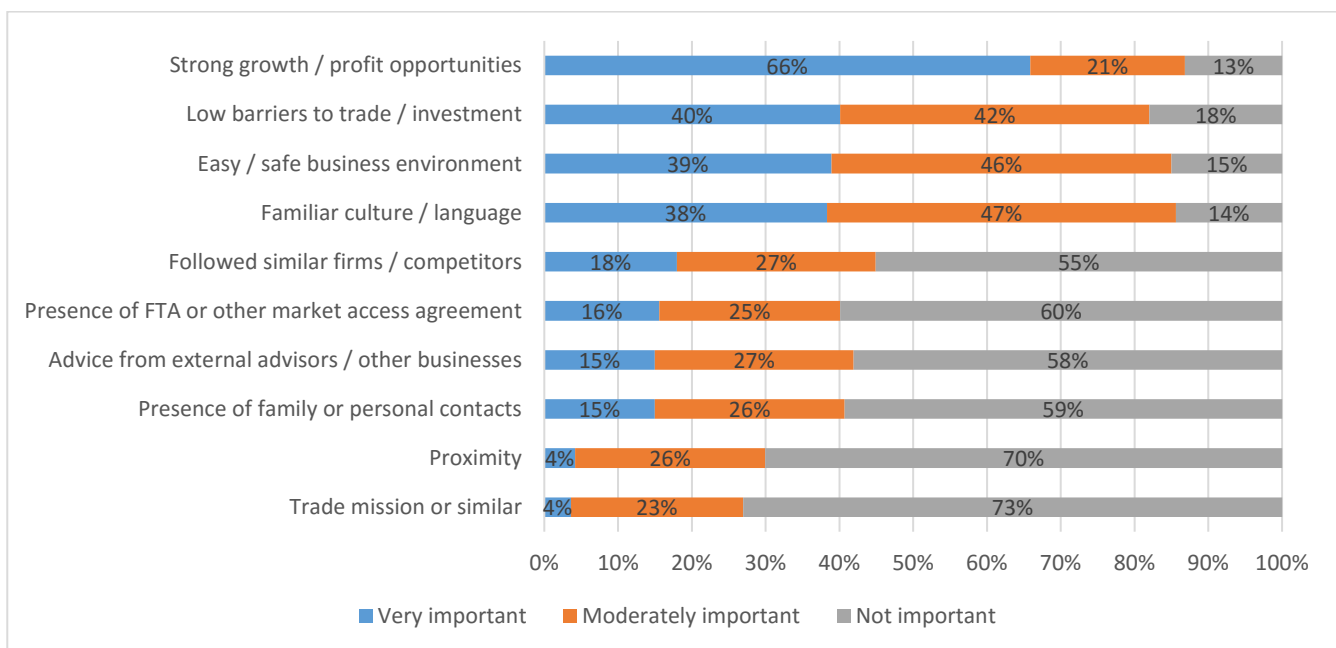
Note: the sample consists of companies that identify United Kingdom as either top 1 or top 2 country from which they have earned international revenue in the past year.

UNITED STATES

A total of 167 companies (representing around 18 per cent of survey respondents) nominated the United States as their first most important overseas market. As reflected in Figure B-64, strong growth/ profit opportunities were cited as the most important reason by 66 per cent for targeting the market, followed by the low barriers to trade and investment in the country (cited by 40 per cent of companies).

Figure B-64 Key reasons for targeting the United States as the first overseas market

Survey question: Why was this market your first target?

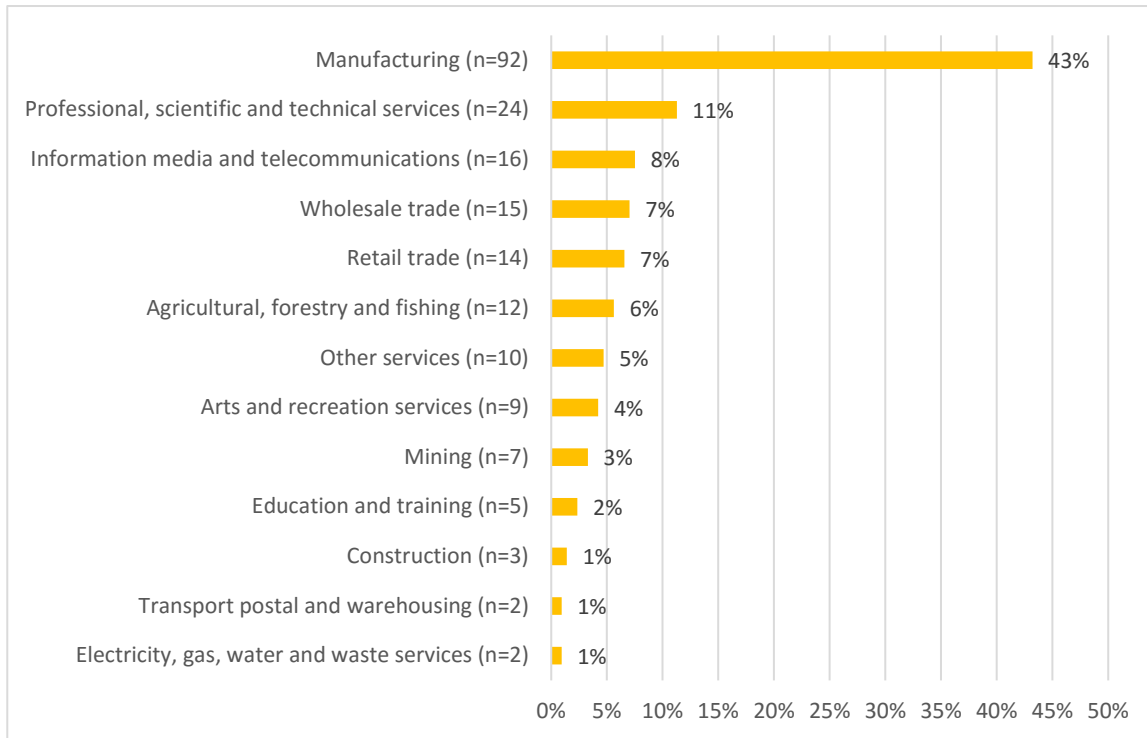


Number of respondents = 167

Among the companies that identified the United States as their most important overseas market, 43 per cent were from the manufacturing sector, and 11 per cent were professional, scientific and technical services companies (Figure B-65). Information, media and telecommunications, (8 per cent of companies) was another top sector that considered the United States to be its most important market.

Figure B-65 Main businesses – United States

Survey question: What is the main business of your company?



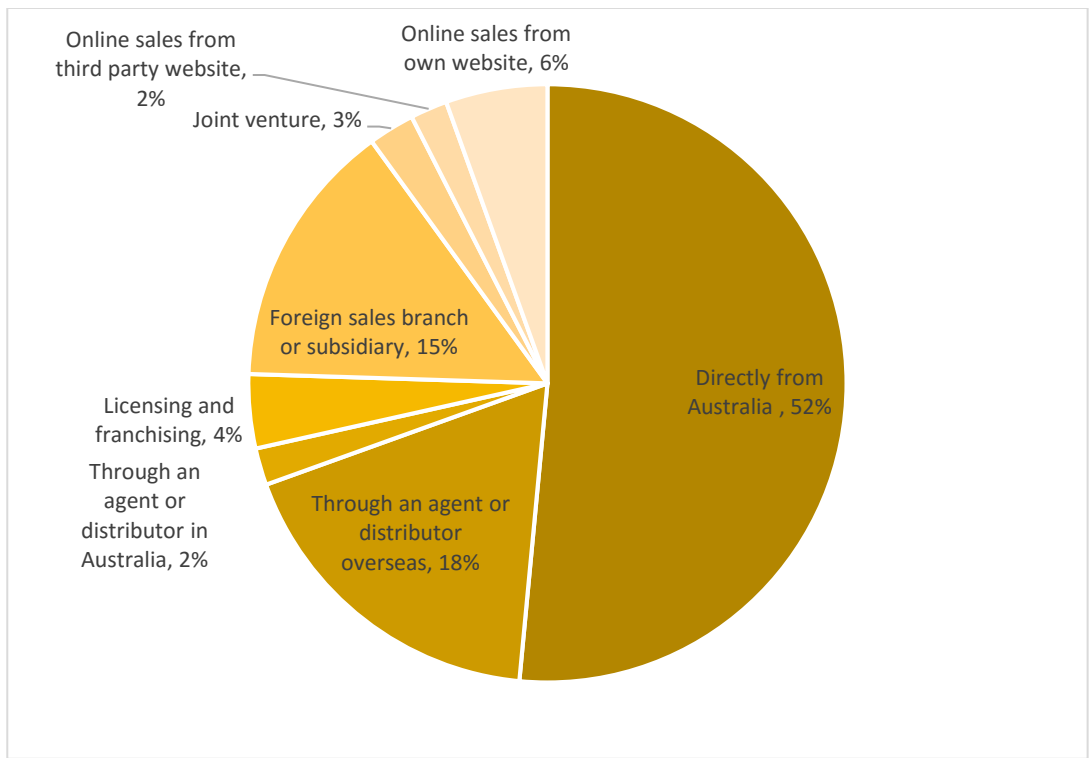
Number of responses = 213

Note: the sample consists of companies that identify U.S. as either top 1 or top 2 country from which they have earned international revenue in the past year.

Companies are most likely to service the United States market directly from Australia, with 52 per cent of respondents indicating this as their preferred servicing mode (Figure B-66). A smaller percentage of companies (18 per cent) prefer servicing the market through an agent or distributor based in the United States.

Figure B-66 Main mode of servicing exports to the United States

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



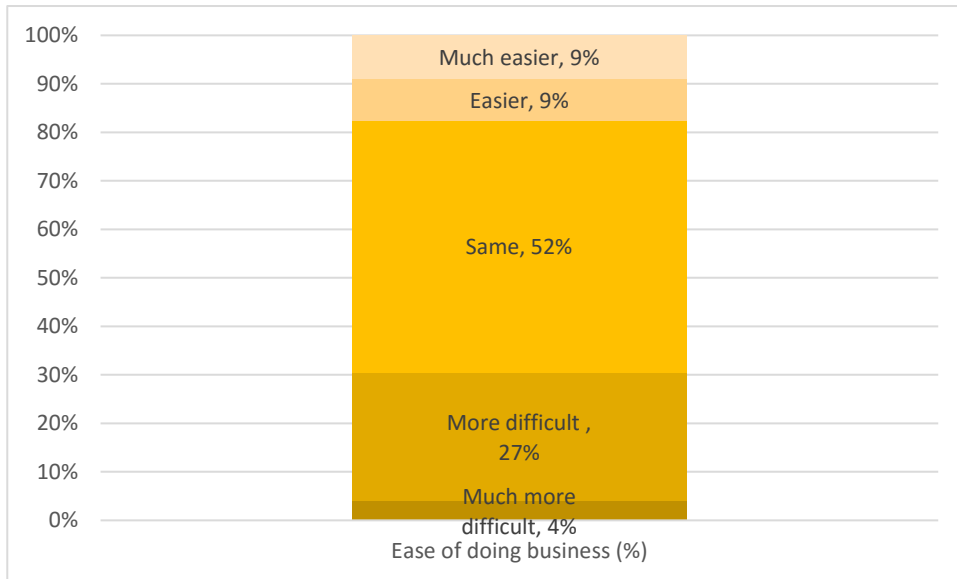
Number of responses = 200

Note: the sample consists of companies that identify U.S. as either top 1 or top 2 country from which they have earned international revenue in the past year.

Among the companies that identified the United States as their most important overseas market, around 52 per cent perceive that doing business in the country is the same as doing business in Australia (Figure B-67).

Figure B-67 Ease of doing business in the United States

Survey question: What is the ease of doing business for the top two countries from which you have earned international revenue in the past year?



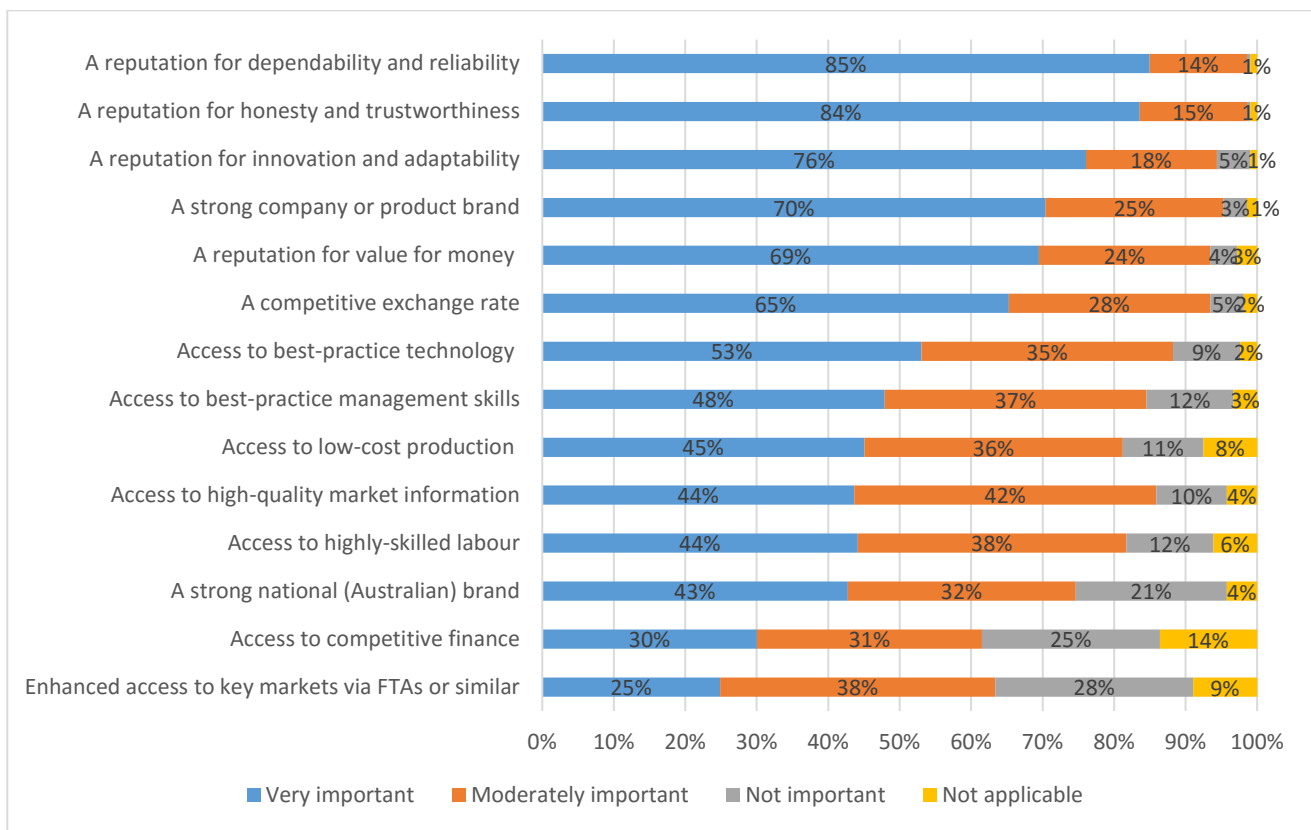
Number of responses = 200

Note: the sample consists of companies that identify U.S. as either top 1 or top 2 country from which they have earned international revenue in the past year.

A reputation for dependability and reliability was cited by 85 per cent of respondents as the most important factor for ensuring market success in United States (Figure B-68). Other important key market success factors identified were a reputation for honesty and trustworthiness (cited by 84 per cent of companies) and a reputation for innovation and adaptability (cited by 76 per cent of companies).

Figure B-68 Key factors in ensuring success in your top two international markets – United States

Survey question: How important are the following to ensuring success in your top two international markets?



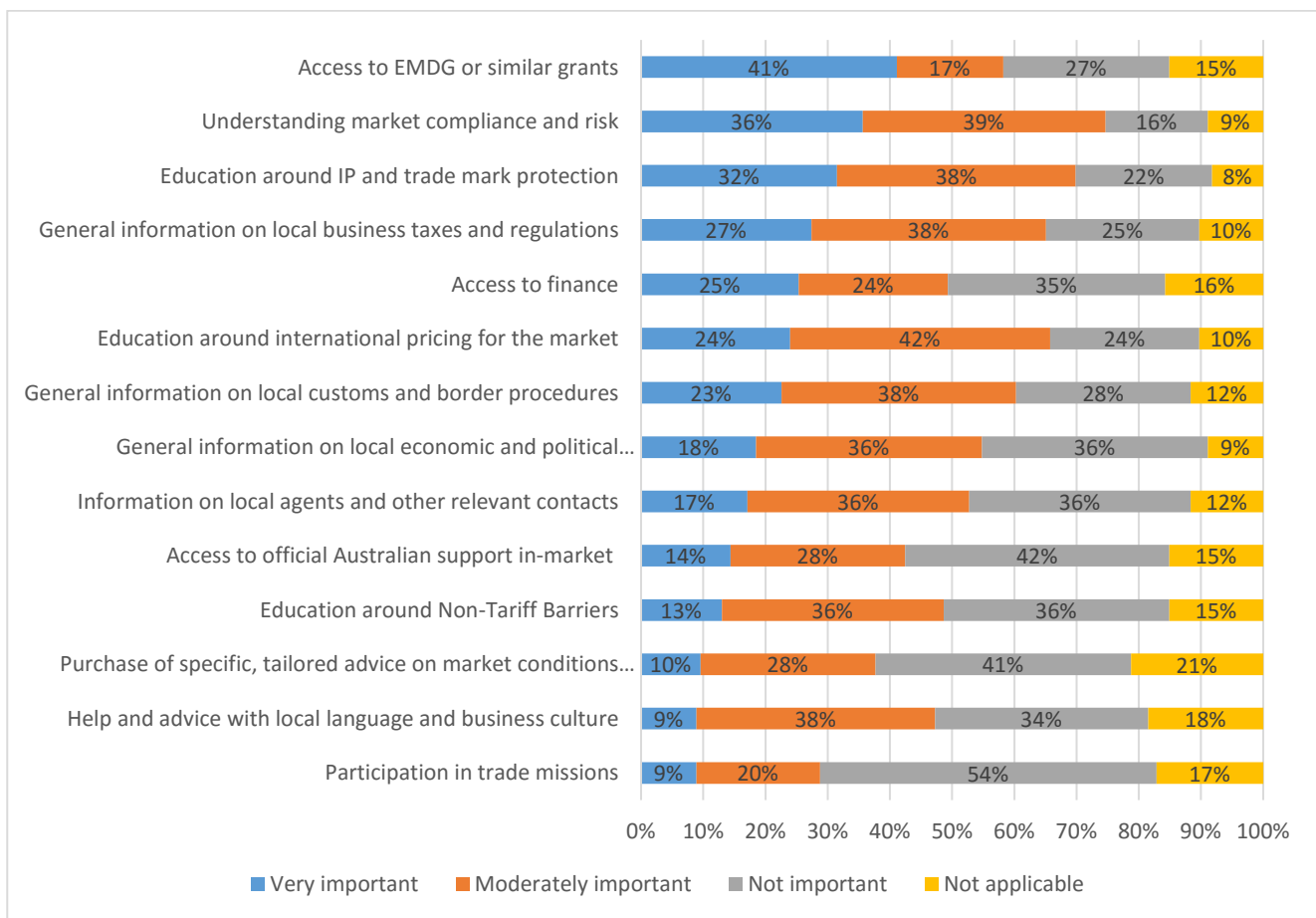
Number of responses = 213

Note: the sample consists of companies that identify U.S. as either top 1 or top 2 country from which they have earned international revenue in the past year.

Access to EMDG or similar grants was cited by 41 per cent of respondents as the most important factor they considered when they targeted the United States as their top overseas market (Figure B-69). Other important factors for consideration were understanding market compliance and risk (cited by 36 per cent of companies) and education around intellectual property and trademark protection (cited by 32 per cent of companies).

Figure B-69 Key factors in targeting your most important current market – United States

Survey question: When you targeted your most important current market, how important were the following:



Number of responses = 146

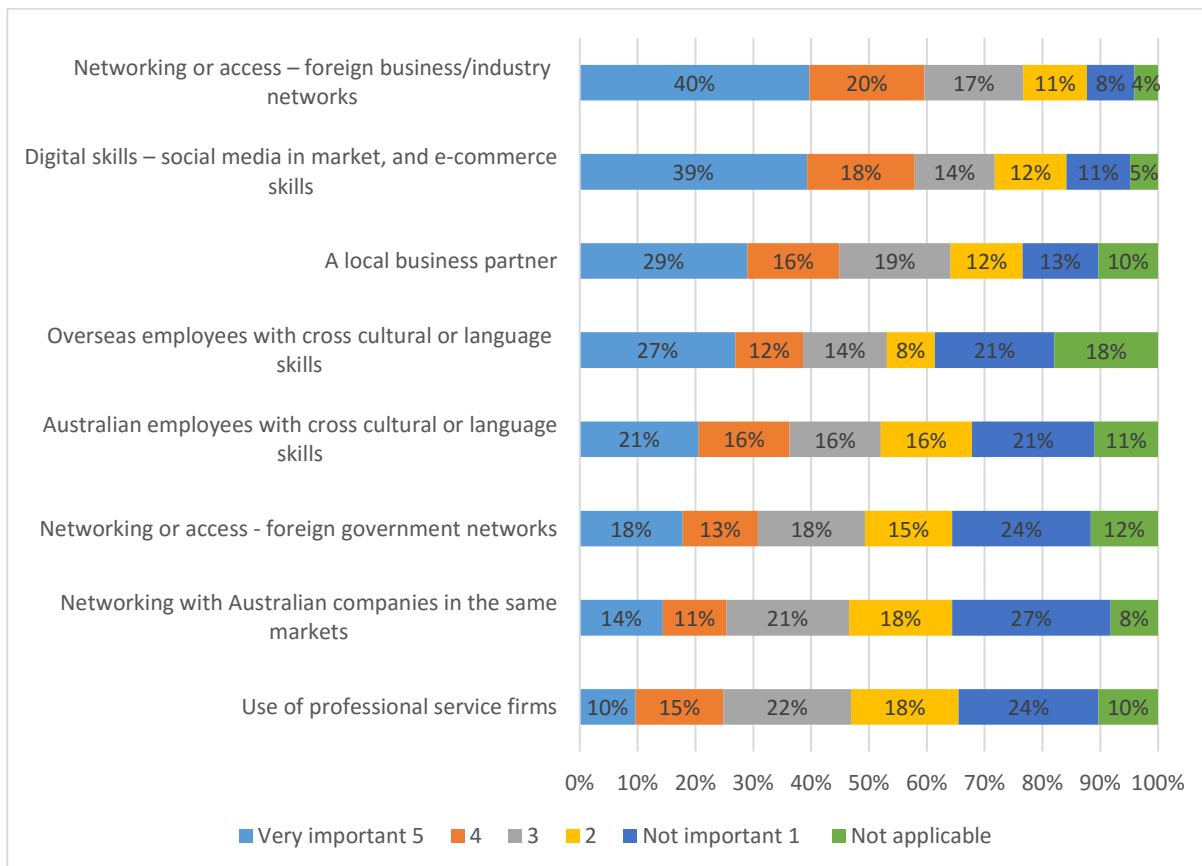
Note: the sample consists of companies that identify U.S. as top 1 country from which they have earned international revenue in the past year.

Around 40 per cent of respondents identified networking and gaining access to foreign business/industry networks as the most important way to effectively understand and operate successfully within the business culture of the United States (Figure B-70). Other important approaches identified were digital

skills – including social media and e-commerce skills -- identified by 39 per cent of companies, and a local business partner (identified by 29 per cent of companies).

Figure B-70 Key factors in understanding and operating in the business culture – United States

Survey question: How important are the following for understanding and operating in the business culture of your most important market (on a scale of 1-5, multiple choice):



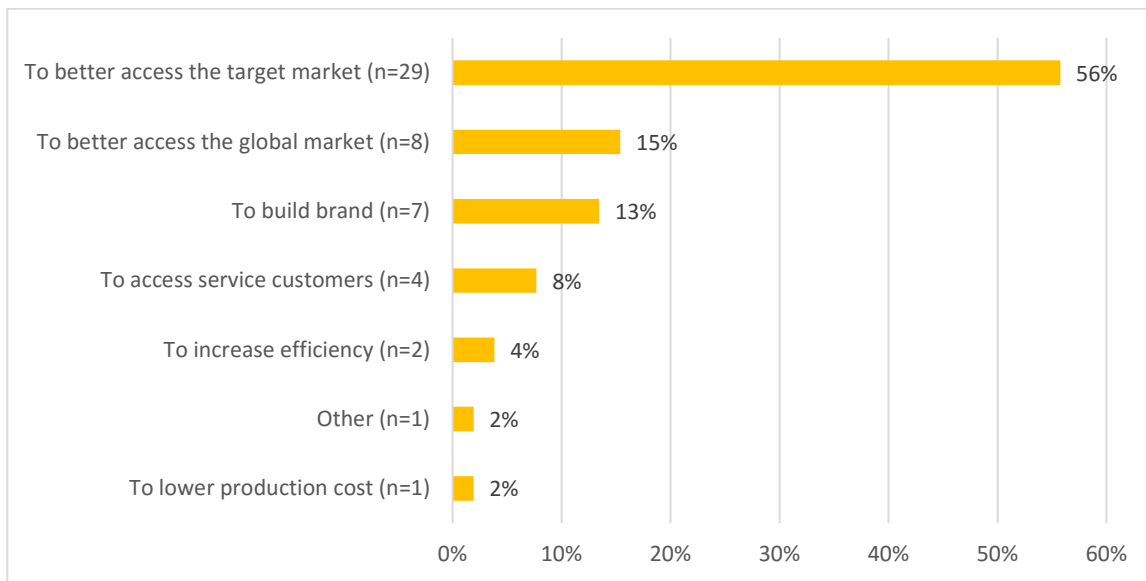
Number of responses = 146

Note: the sample consists of companies that identify U.S. as top 1 country from which they have earned international revenue in the past year.

The survey found that more than 70 per cent of respondents have opted to make a direct investment overseas. Among those who have made an investment in the United States, 56 per cent indicate that their main motivation for doing so was to better access the target market (Figure B-71). Other reasons were to better access the global market (15 per cent of companies) and to build their brand (13 per cent of companies).

Figure B-71 Key motives in making direct investment in the United States

Survey question: Most important motives of the investment



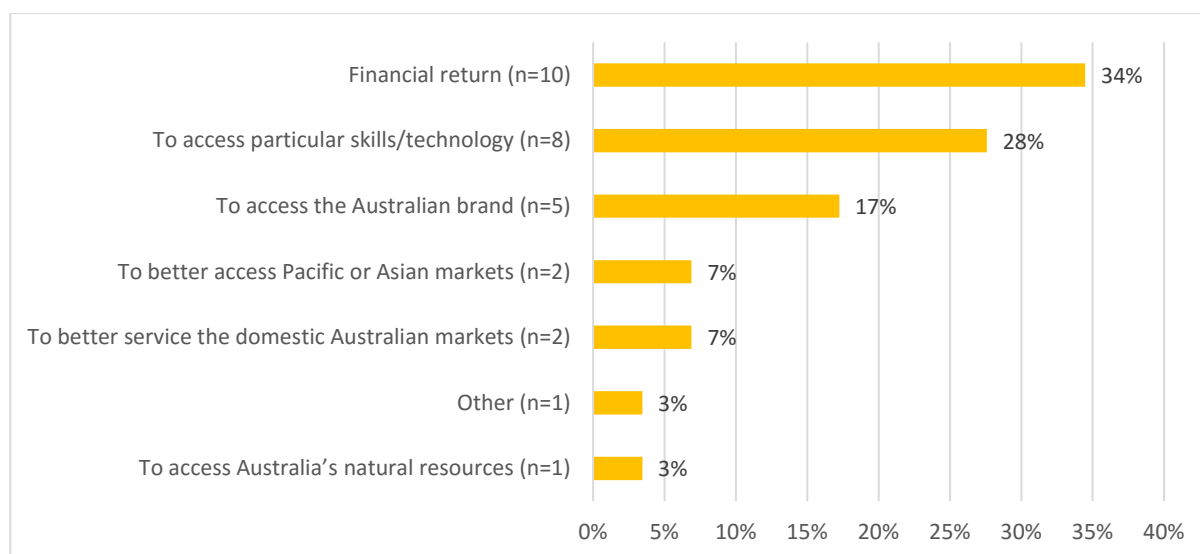
Number of responses =52

Note: the sample consists of companies that identify United States as either top 1 or top 2 or top 3 market in which they have made direct investment over the last 3 years.

The survey also found that close to 30 per cent of respondents have received capital from overseas investors. Among those who have received an investment from investors from the United States, 34 per cent indicate that the main motivation for the overseas investor was to achieve financial returns (Figure B-72). Other reasons were to access particular skills/ technology (28 per cent of companies) and to better access the Australian brand (17 per cent of companies).

Figure B-72 Key reasons for receiving investment from the United States

Survey question: Most important motives of the investors



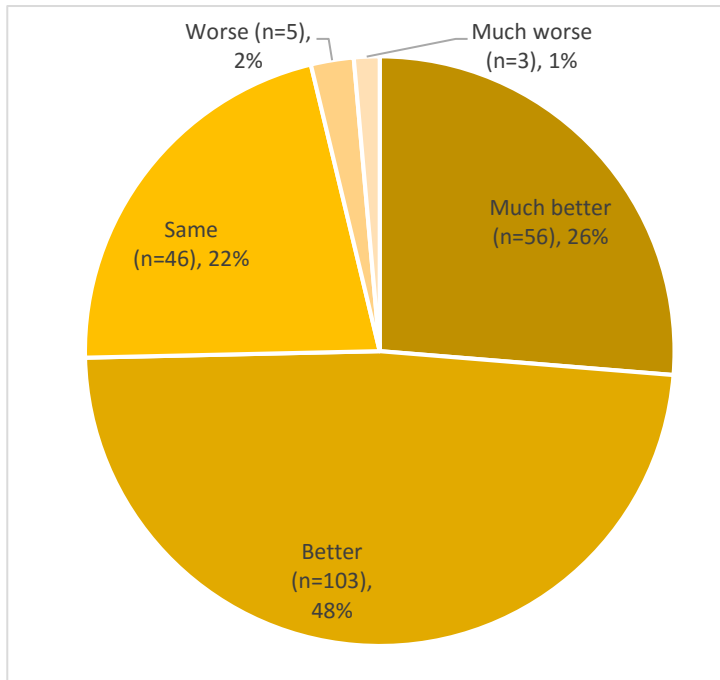
Number of responses =29

Note: the sample consists of companies that identify United States as either top 1 or top 2 or top 3 market in which they have received investment over the last 3 years.

As shown in Figure B-73, respondents have a positive outlook on their business operations in the United States, with 48 per cent indicating that they expect their business to do better and 26 per cent expecting their business to do much better than last year.

Figure B-73 Overall outlook – United States

Survey question: What is the overall outlook for your company’s international operations in 2016 compared to 2015?



Number of responses = 213

Note: the sample consists of companies that identify United States as either top 1 or top 2 country from which they have earned international revenue in the past year.

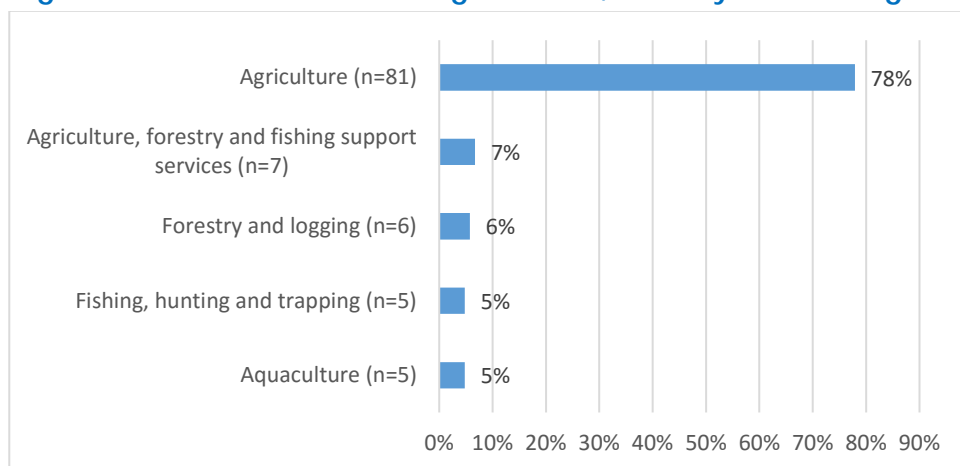
APPENDIX C: INDUSTRY PROFILES

A number of industry sectors were selected for more in-depth analysis. Based on primary business, these were agriculture, forestry, and fishing; processed food and beverage; manufacturing; education and training; information and communications technology (ICT); and professional, scientific and technical services. Based on primary customers, two other sectors included in the analysis were agricultural equipment, technology and services (AGRIETS); and mining equipment, technology and services (METS).

AGRICULTURE, FORESTRY, AND FISHING

A total of 104 agriculture, forestry, and fishing companies participated in the survey, representing around 11 per cent of all respondents. Among these companies, around 78 per cent were mainly involved in agriculture-related activities overseas in the past year, and 93 per cent were involved in the export and import of goods.

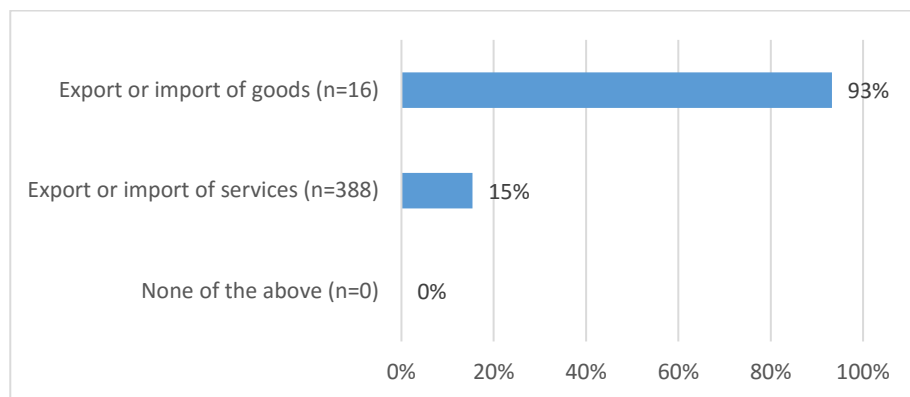
Figure C-1 Main subsector – Agricultural, forestry and fishing



Number of respondents = 104

Figure C-2 International activities – Agricultural, forestry and fishing

Survey question: Over the past year, has your company been involved in any of the following international activities? Select options that apply.



Number of respondents = 104

Note: Multiple answers permitted

China was identified as the top overseas market from which companies earned international revenue, obtaining around 21 per cent of responses (Table C-1). Other top markets were Japan (8 per cent of responses) and Hong Kong (7 per cent of responses).

Table C-1 Main overseas markets – Agricultural, forestry and fishing

Survey question: Top 10 countries from which companies have earned international revenue in the past year.

<i>Rank</i>	<i>Country</i>	<i>No. of responses</i>	<i>Share</i>
1	China	40	21%
2	Japan	16	8%
3	Hong Kong, SAR of China	13	7%
4	United States	12	6%
5	Indonesia	11	6%
6	United Kingdom	10	5%
7	Vietnam	9	5%
8	Singapore	8	4%
9	United Arab Emirates	6	3%
10	France	5	3%

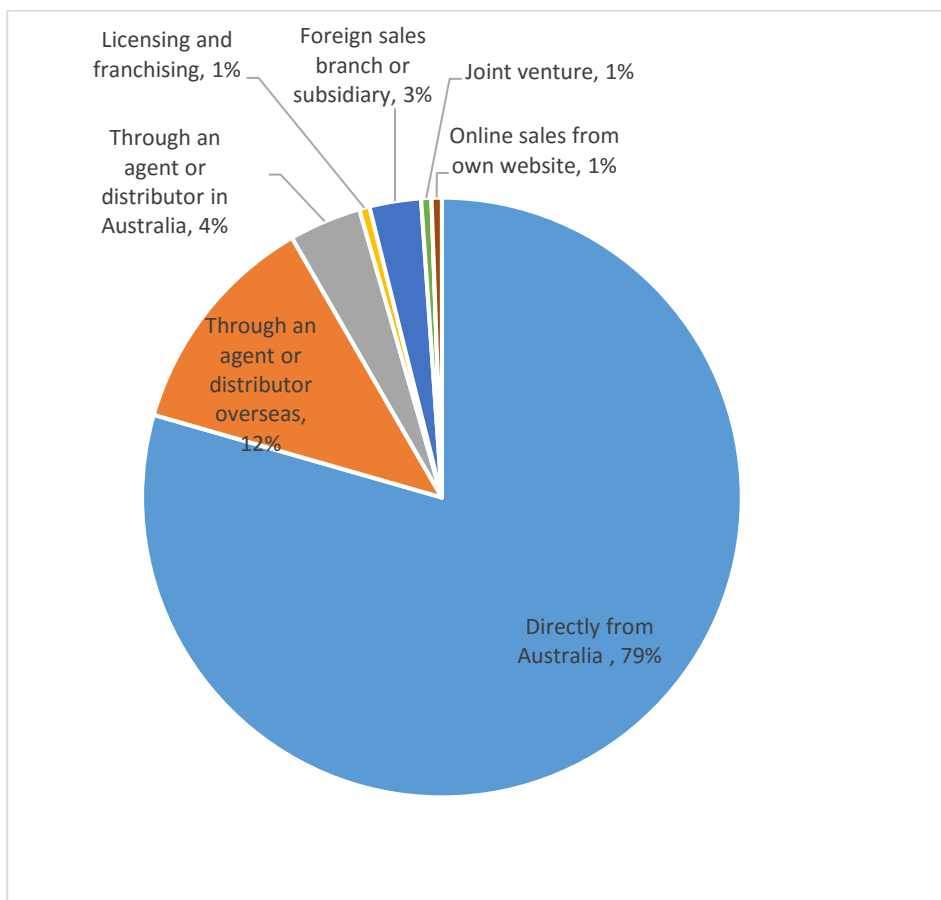
Number of responses = 192

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Companies in this sector are likely to service their major overseas markets directly from Australia, with 79 per cent of respondents indicating this as their preferred servicing mode (Figure C-3). A smaller percentage of companies (12 per cent) prefer servicing the market through an agent or distributor based overseas.

Figure C-3 Main mode of servicing – Agricultural, forestry and fishing

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



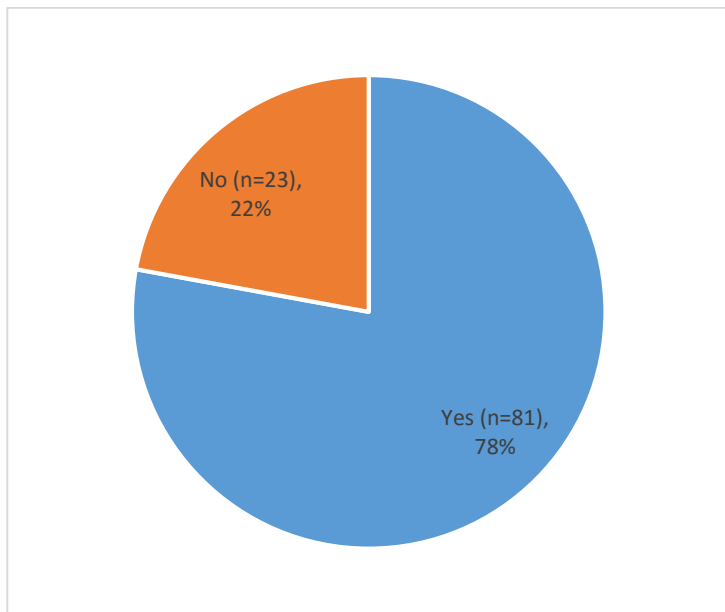
Number of responses = 180

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Seventy-eight per cent of respondents intend to expand to new international markets in the next 2 years, while 22 per cent have no immediate expansion plans (Figure C-4).

Figure C-4 Plans for doing business in additional countries – Agricultural, forestry and fishing

Survey question: Is your company planning to do business in additional countries in the next 2 years?



Number of respondents = 104

Among the companies that had plans to expand to new overseas, around 23 per cent expected China to be their most important market in terms of generating additional revenue (Table C-2). Nine per cent expected India to be the most important, while another 9 per cent expected South Korea to be their most important future market.

Table C-2 Most important new country – Agricultural, forestry and fishing

Survey question: For your company, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

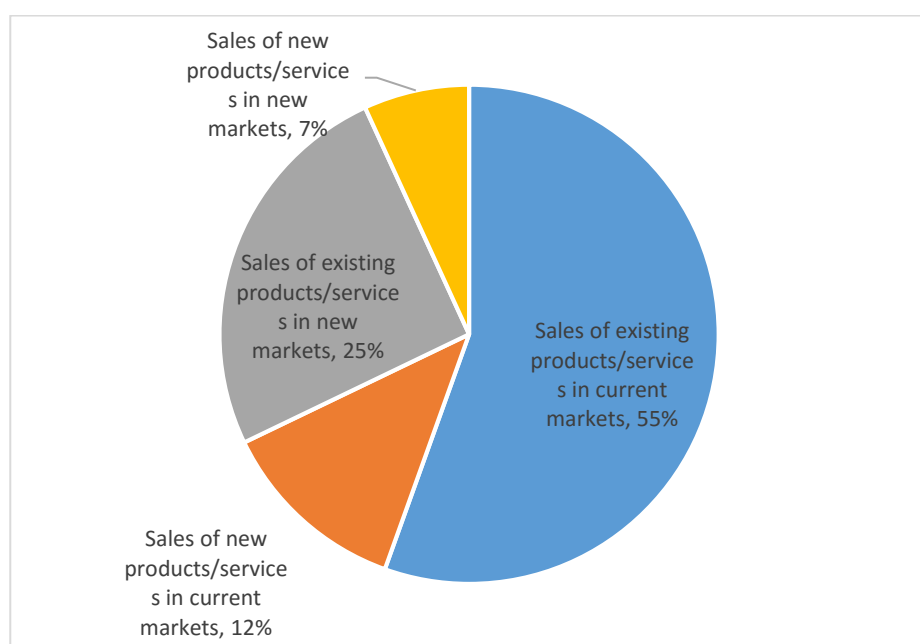
<i>Rank</i>	<i>Country</i>	<i>No. of responses</i>	<i>Share</i>
1	China	19	23%
2	India	7	9%
3	South Korea	7	9%
4	United States	5	6%
5	Indonesia	3	4%
6	Japan	3	4%
7	Singapore	3	4%
8	United Kingdom	3	4%
9	Brazil	2	2%
10	Hong Kong, SAR of China	2	2%

Number of respondents = 81

Around 55 per cent of respondents in this industry expect that their international revenue in the next 3 to 5 years will mainly be driven by sales of existing products or services in the markets in which they are currently operating. Around 25 per cent of respondents expect future international revenue to be driven by sales of existing products or services in new international markets, while 12 per cent expect revenue to be driven by sales of new products or services in current international markets.

Figure C-5 Drivers of future revenue – Agricultural, forestry and fishing

Survey question: What do you think will drive your future international revenues for your business over the next three to five years? (Answer in percentage share terms, enter total to 100%)

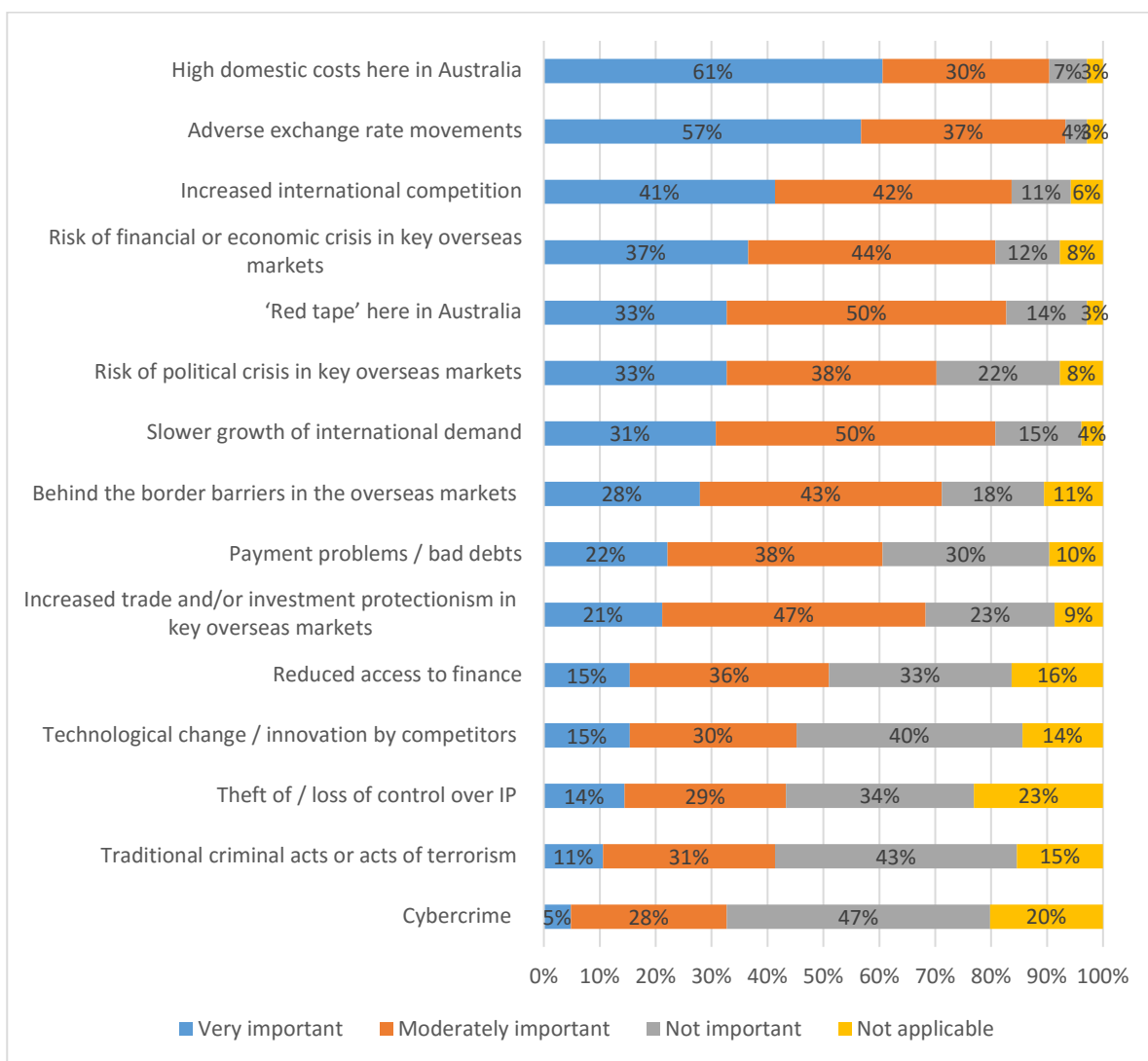


Number of respondents = 104

Companies in this industry expect high domestic costs in Australia to be the top risk that their international operations will face in the next 3 to 5 years (cited by 61 per cent of respondents). Other future risks identified were adverse exchange rate movements (57 per cent of respondents), and increased international competition (cited by 41 per cent of respondents).

Figure C-6 Key risks – Agricultural, forestry and fishing

Survey question: What do you see as the key risks facing your international operations over the next three to five years?

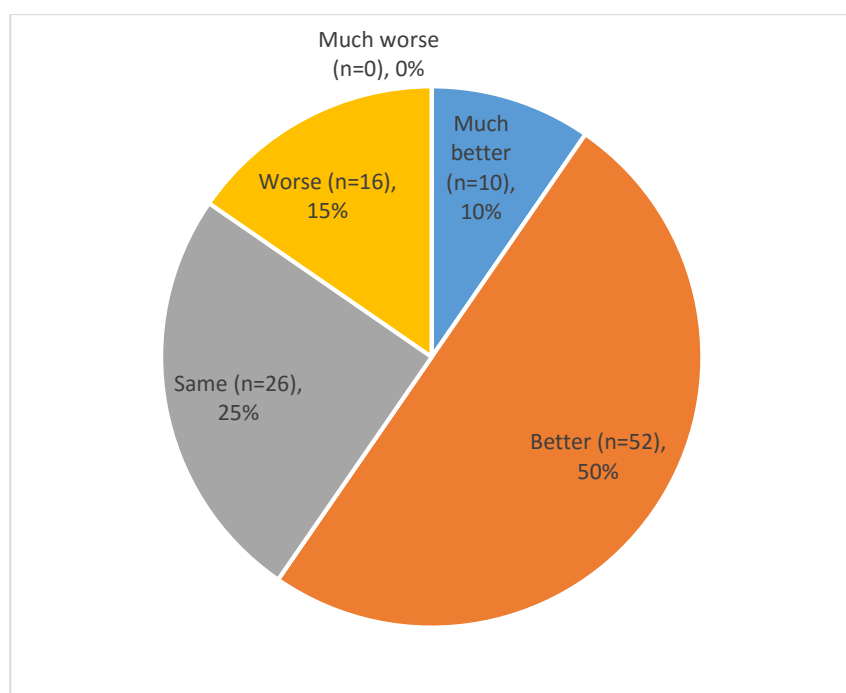


Number of respondents = 104

The outlook among companies in this sector is generally positive, with around 50 per cent of respondents expecting their international operations in 2016 to be better compared to 2015. Around 10 per cent of respondents expect their performance to be much better, while 25 per cent expect their performance to be around the same as last year.

Figure C-7 Outlook – Agricultural, forestry and fishing

Survey question: What is the overall outlook for your company’s international operations in 2016 compared to 2015?

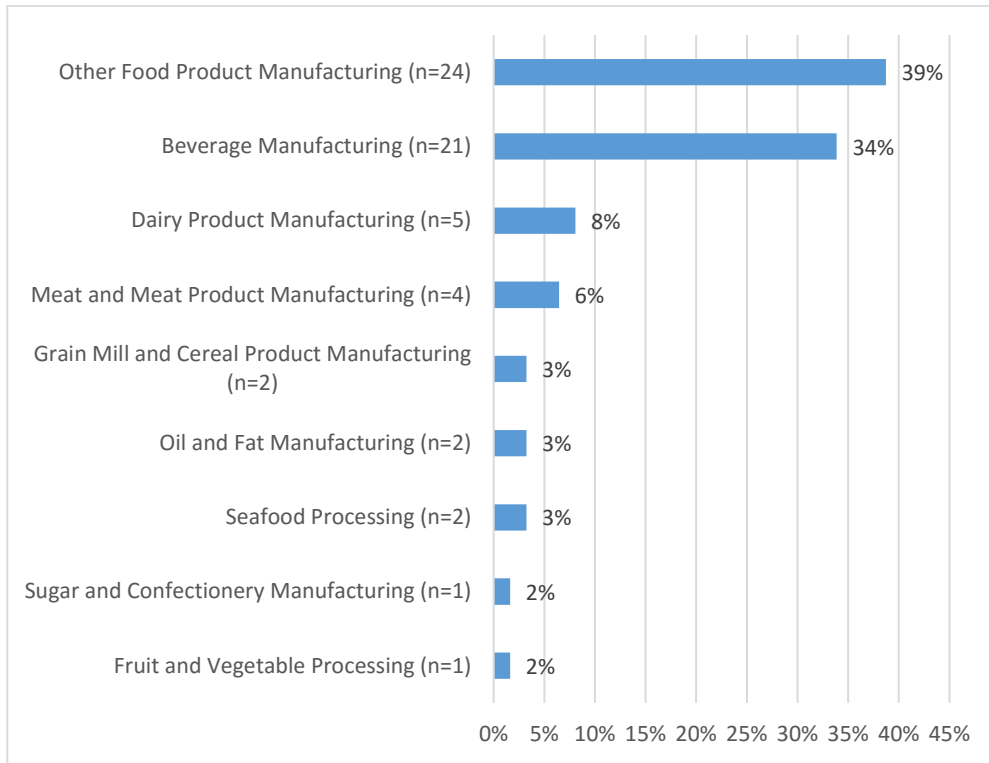


Number of respondents = 104

PROCESSED FOOD AND BEVERAGE

A total of 62 processed food and beverage companies participated in the survey, representing around 7 per cent of all respondents. Figure C-8 shows that among these companies, around 97 per cent were mainly involved in the export or import of goods in the past year.

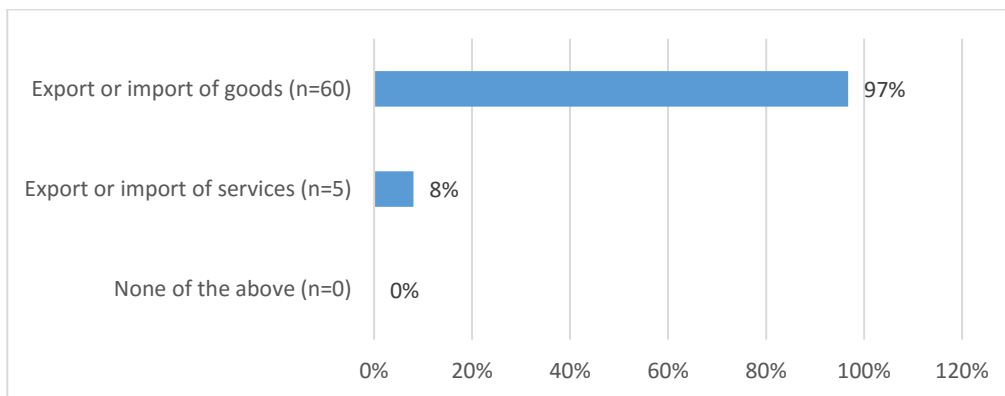
Figure C-8 Main subsector – Processed food and beverage



Number of respondents = 62

Figure C-9 International activities – Processed food and beverage

Survey question: Over the past year, has your company been involved in any of the following international activities? Select options that apply.



Number of respondents = 62

Note: Multiple answers permitted

China was identified as the top overseas market from which companies earned international revenue, obtaining around 20 per cent of responses (Table C-3). Other top markets were New Zealand (11 per cent of responses) and the United States (10 per cent of responses).

Table C-3 Main overseas markets – Processed food and beverage

Survey question: Top 10 countries from which companies have earned international revenue in the past year.

<i>Rank</i>	<i>Country</i>	<i>No. of responses</i>	<i>Share</i>
1	China	23	20%
2	New Zealand	13	11%
3	United States	12	10%
4	Hong Kong, SAR of China	8	7%
5	Japan	8	7%
6	United Kingdom	8	7%
7	Singapore	7	6%
8	Canada	5	4%
9	United Arab Emirates	4	3%
10	Malaysia	3	3%

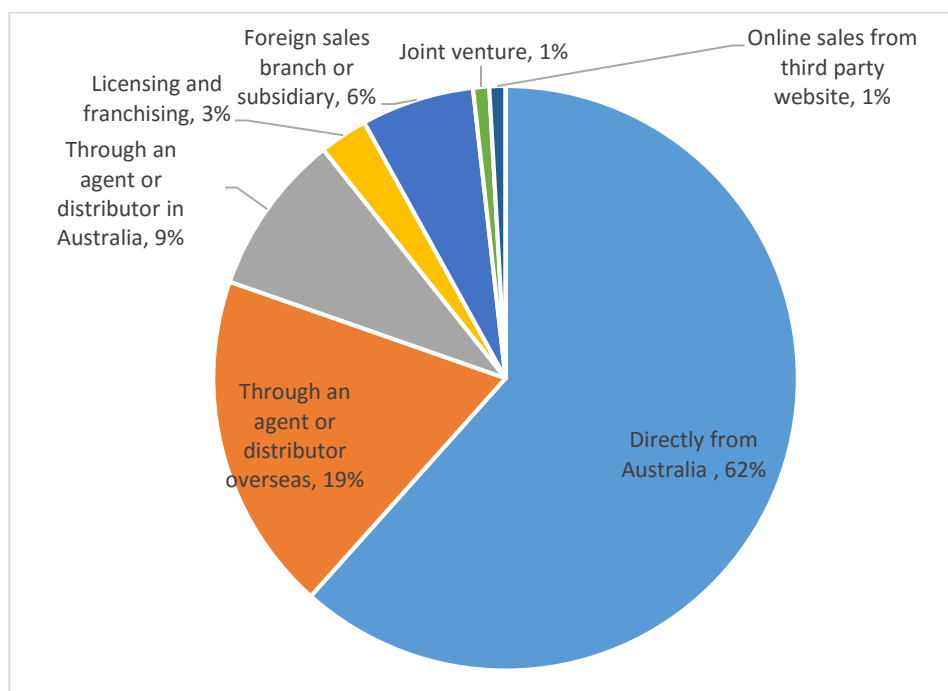
Number of responses = 117

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Companies in this sector are likely to service their major overseas markets directly from Australia, with 62 per cent of respondents indicating this as their preferred servicing mode (Figure C-10). A smaller percentage of companies (19 per cent) prefer servicing the market through an agent or distributor based overseas.

Figure C-10 Main mode of servicing – Processed food and beverage

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



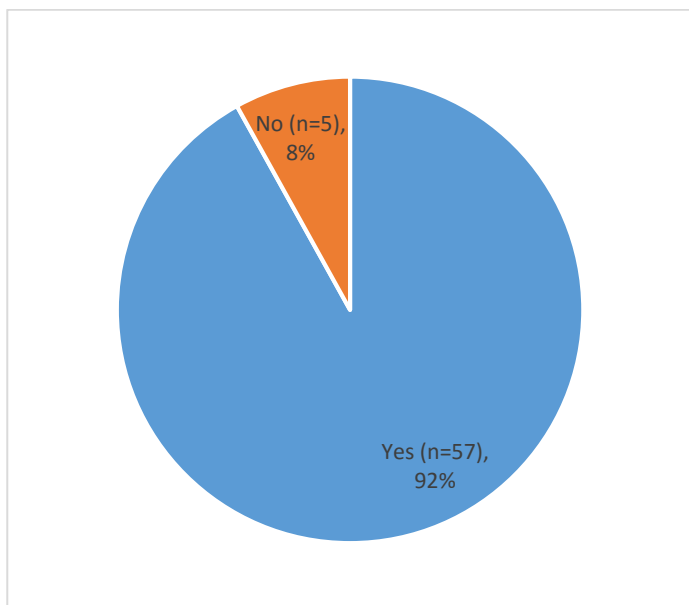
Number of responses = 112

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Ninety-two per cent of respondents intend to expand to new international markets in the next 2 years, while 8 per cent have no immediate expansion plans (Figure C-11).

Figure C-11 Plans for doing business in additional countries – Processed food and beverage

Survey question: Is your company planning to do business in additional countries in the next 2 years?



Number of respondents = 62

Among the companies that had plans to expand to new overseas, around 18 per cent expected China to be their most important market in terms of generating additional revenue (Table C-4). Sixteen per cent expected the United States to be the most important, while another 9 per cent expected Indonesia to be their most important future market.

Table C-4 Most important new country – Processed food and beverage

Survey question: For your company, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

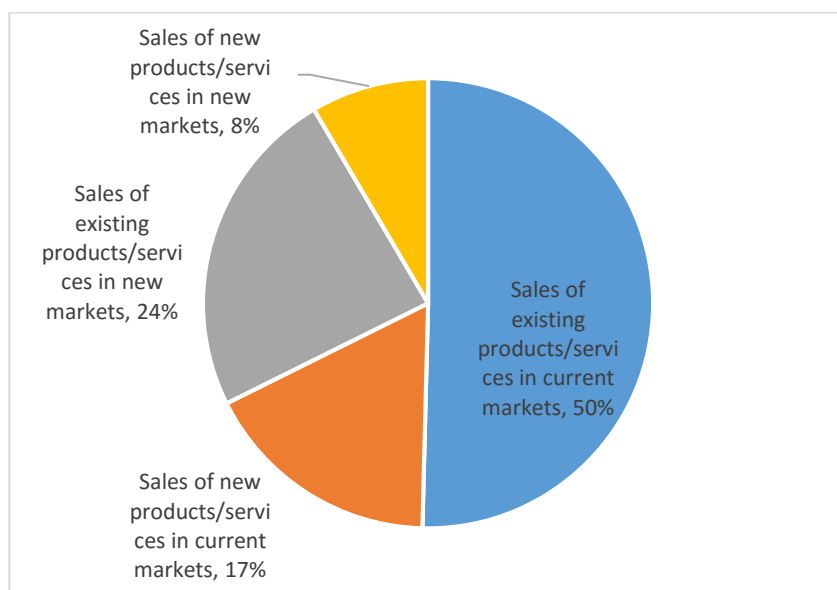
<i>Rank</i>	<i>Country</i>	<i>No. of responses</i>	<i>Share</i>
1	China	10	18%
2	United States	9	16%
3	Indonesia	5	9%
4	India	4	7%
5	Japan	4	7%
6	South Korea	4	7%
7	United Kingdom	4	7%
8	Uganda	3	5%
9	Singapore	2	4%
10	Taiwan, China	2	4%

Number of respondents = 57

Around 50 per cent of respondents in this industry expect that their international revenue in the next 3 to 5 years will mainly be driven by sales of existing products or services in the markets in which they are currently operating. Around 24 per cent of respondents expect future international revenue to be driven by sales of existing products or services in new international markets, while 17 per cent expect revenue to be driven by sales of new products or services in current international markets.

Figure C-12 Drivers of future revenue – Processed food and beverage

Survey question: What do you think will drive your future international revenues for your business over the next three to five years? (Answer in percentage share terms, enter total to 100%)

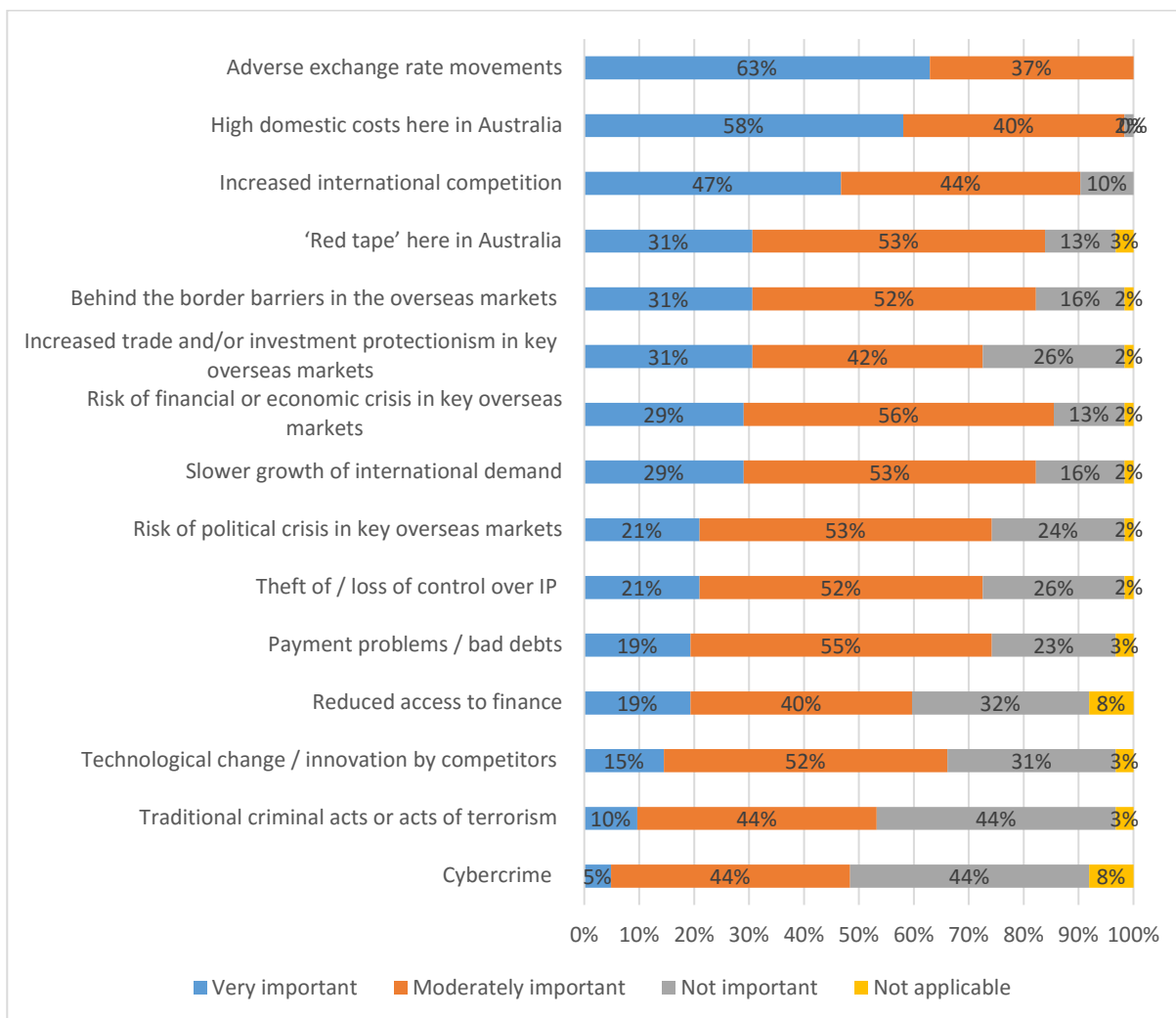


Number of respondents = 62

Companies in this industry expect adverse exchange rate movements to be the top risk that their international operations will face in the next 3 to 5 years (cited by 63 per cent of respondents). Other future risks identified were high domestic costs in Australia (58 per cent of respondents), and increased international competition (cited by 47 per cent of respondents).

Figure C-13 Key risks – Processed food and beverage

Survey question: What do you see as the key risks facing your international operations over the next three to five years?

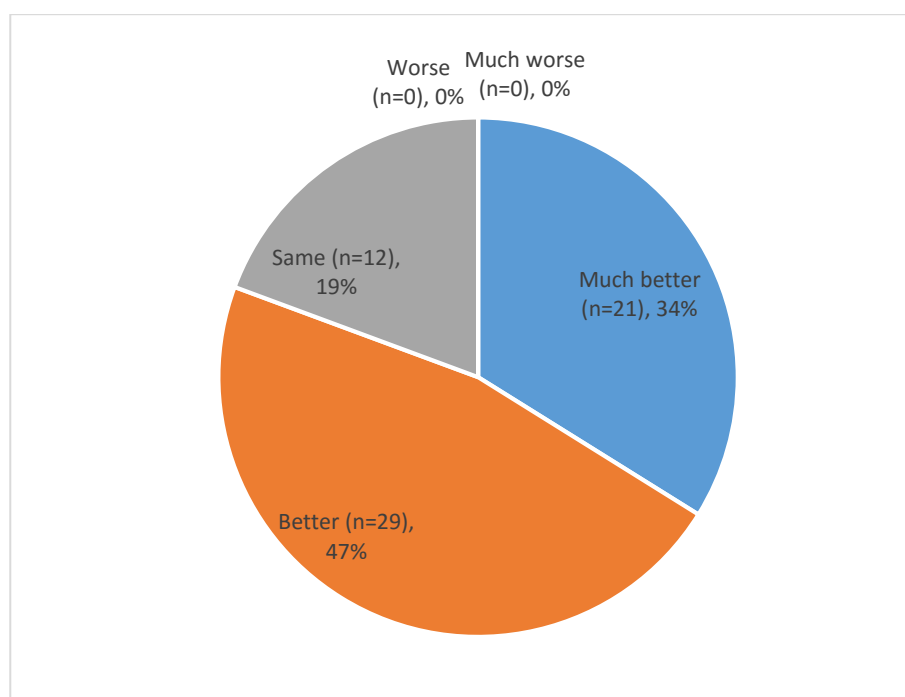


Number of respondents = 62

The outlook among companies in this sector is generally positive, with around 47 per cent of respondents expecting their international operations in 2016 to be better compared to 2015. Around 34 per cent of respondents expect their performance to be much better, while 19 per cent expect their performance to be around the same as last year.

Figure C-14 Outlook – Processed food and beverage

Survey question: What is the overall outlook for your company’s international operations in 2016 compared to 2015?

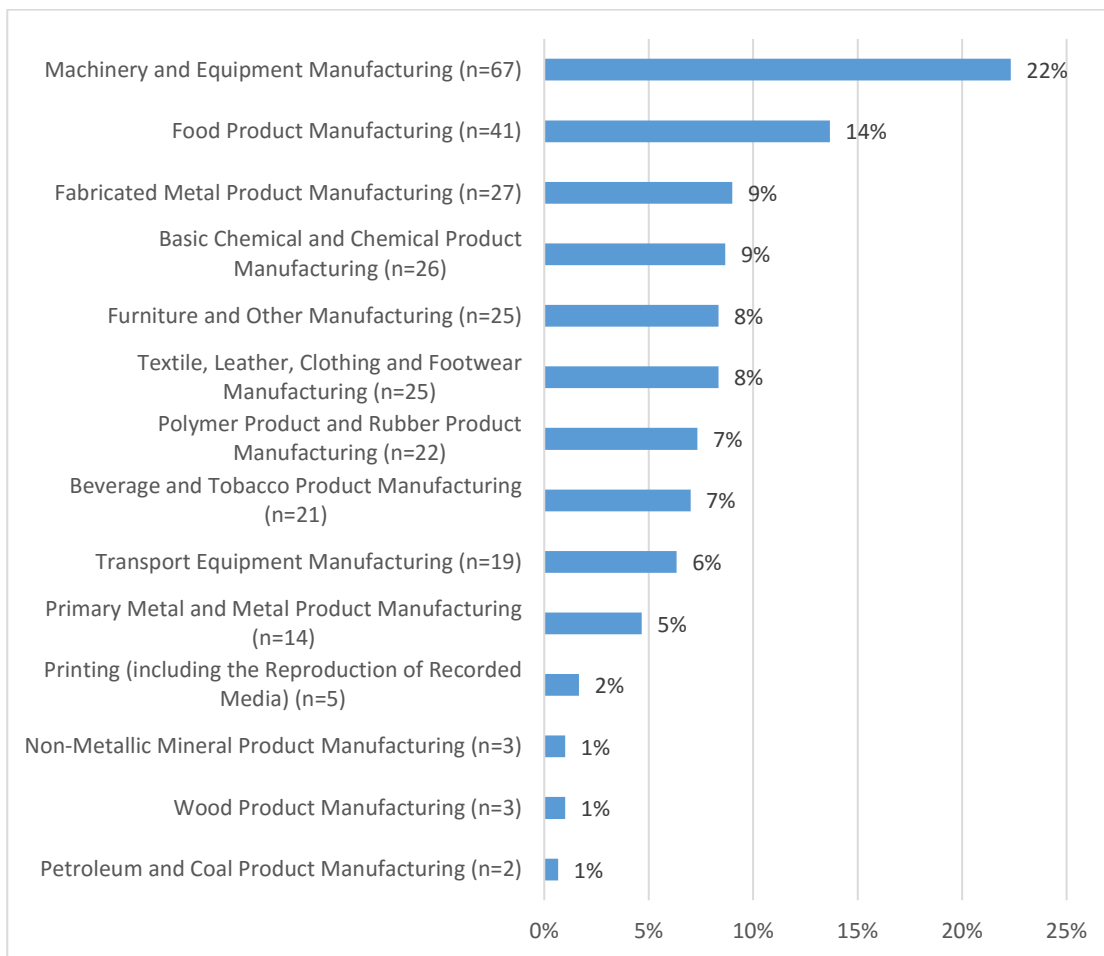


Number of respondents = 62

MANUFACTURING

A total of 300 agriculture, forestry, and fishing companies participated in the survey, representing around 33 per cent of all respondents. Figure C-15 shows that among these companies, almost all companies were mainly involved in the export or import of goods in the past year. There were some companies (14 per cent of respondents) that were involved in the export or import of services.

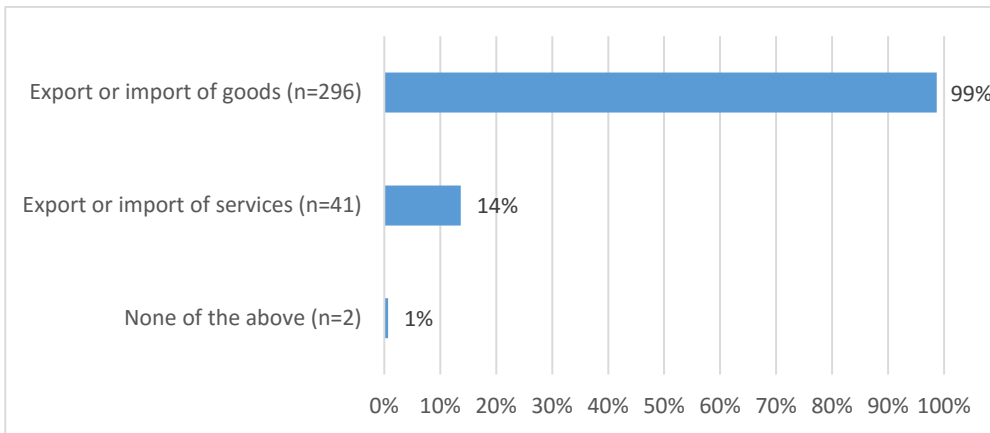
Figure C-15 Main subsector – Manufacturing



Number of respondents = 300

Figure C-16 International activities – Manufacturing

Survey question: Over the past year, has your company been involved in any of the following international activities? Select options that apply.



Number of respondents = 300

Note: Multiple answers permitted

The United States was identified as the top overseas market from which companies earned international revenue, obtaining around 16 per cent of responses (Table C-5). Other top markets were New Zealand (10 per cent of responses) and China (10 per cent of responses).

Table C-5 Main overseas markets – Manufacturing

Survey question: Top 10 countries from which companies have earned international revenue in the past year.

<i>Rank</i>	<i>Country</i>	<i>No. of responses</i>	<i>Share</i>
1	United States	92	16%
2	New Zealand	58	10%
3	China	56	10%
4	United Kingdom	38	7%
5	Singapore	28	5%
6	Japan	22	4%
7	United Arab Emirates	22	4%
8	Canada	19	3%
9	Hong Kong, SAR of China	17	3%
10	Malaysia	16	3%

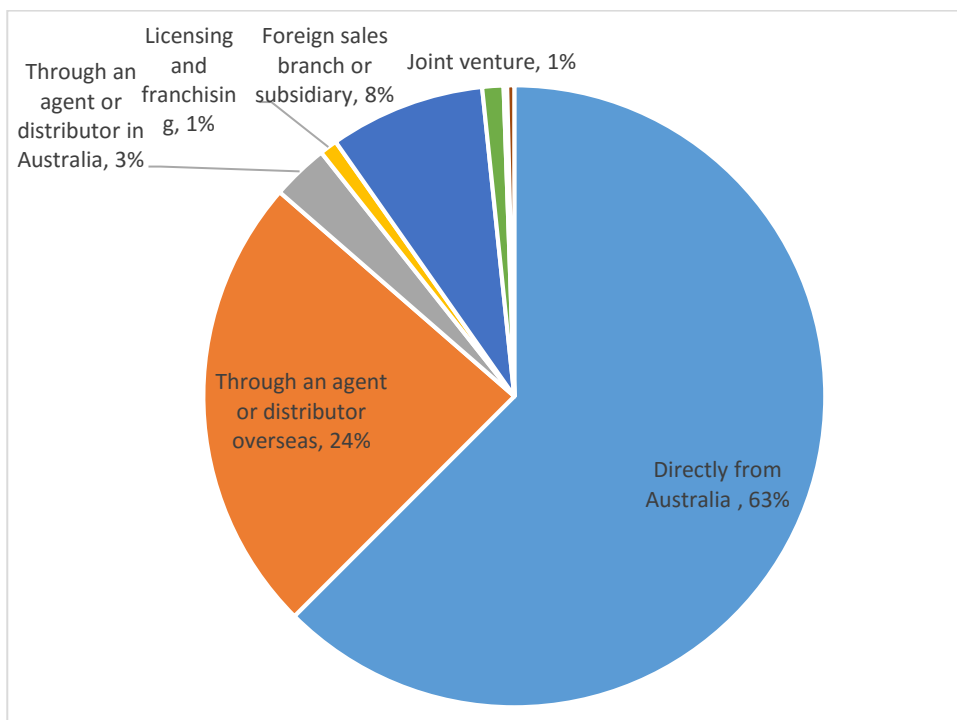
Number of responses = 574

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Companies in this sector are likely to service their major overseas markets directly from Australia, with 63 per cent of respondents indicating this as their preferred servicing mode (Figure C-17). A smaller percentage of companies (24 per cent) prefer servicing the market through an agent or distributor based overseas.

Figure C-17 Main mode of servicing – Manufacturing

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



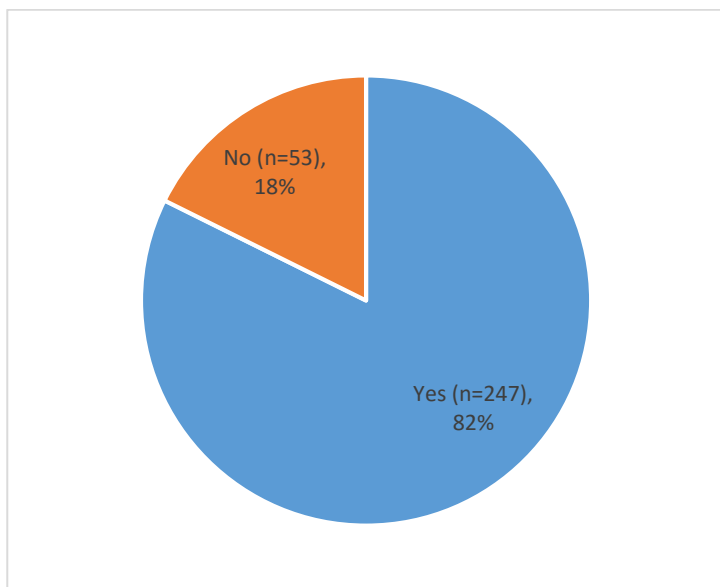
Number of responses = 544

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Eighty-two per cent of respondents intend to expand to new international markets in the next 2 years, while 18 per cent have no immediate expansion plans (Figure C-18).

Figure C-18 Plans for doing business in additional countries – Manufacturing

Survey question: Is your company planning to do business in additional countries in the next 2 years?



Number of respondents = 300

Among the companies that had plans to expand to new overseas, around 17 per cent expected the United States to be their most important market in terms of generating additional revenue (Table C-6). Twelve per cent expected China to be the most important, while another 6 per cent expected India to be their most important future market.

Table C-6 Most important new country – Manufacturing

Survey question: For your company, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

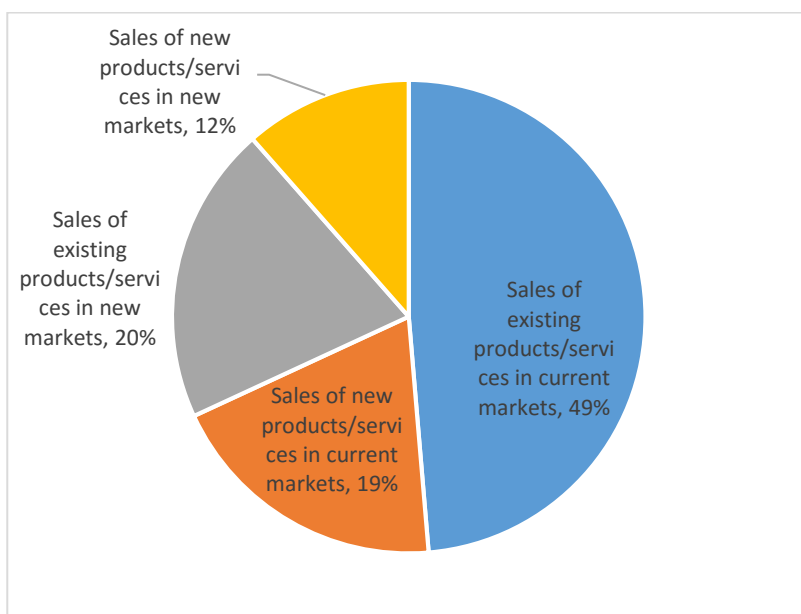
<i>Rank</i>	<i>Country</i>	<i>No. of responses</i>	<i>Share</i>
1	United States	41	17%
2	China	29	12%
3	India	16	6%
4	United Kingdom	14	6%
5	Japan	10	4%
6	Indonesia	9	4%
7	Brazil	8	3%
8	Germany	8	3%
9	South Africa	6	2%
10	South Korea	6	2%

Number of respondents = 247

Around 49 per cent of respondents in this industry expect that their international revenue in the next 3 to 5 years will mainly be driven by sales of existing products or services in the markets in which they are currently operating. Around 20 per cent of respondents expect future international revenue to be driven by sales of existing products or services in new international markets, while 19 per cent expect revenue to be driven by sales of new products or services in current international markets.

Figure C-19 Drivers of future revenue – Manufacturing

Survey question: What do you think will drive your future international revenues for your business over the next three to five years? (Answer in percentage share terms, enter total to 100%)

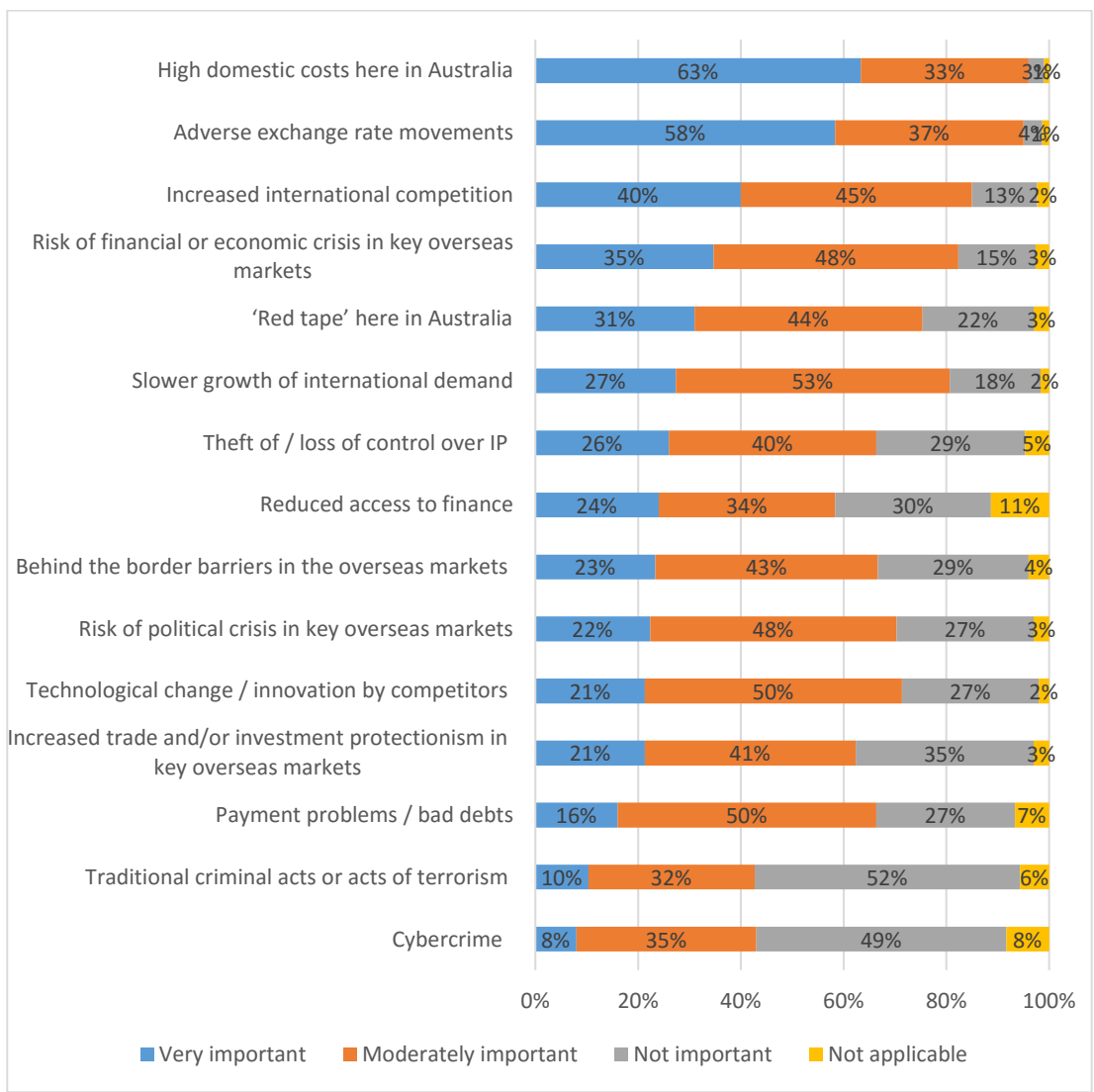


Number of respondents = 300

Companies in this industry expect high domestic costs in Australia to be the top risk that their international operations will face in the next 3 to 5 years (cited by 63 per cent of respondents). Other future risks identified were adverse exchange rate movements (58 per cent of respondents), and increased international competition (cited by 40 per cent of respondents).

Figure C-20 Key risks – Manufacturing

Survey question: What do you see as the key risks facing your international operations over the next three to five years?

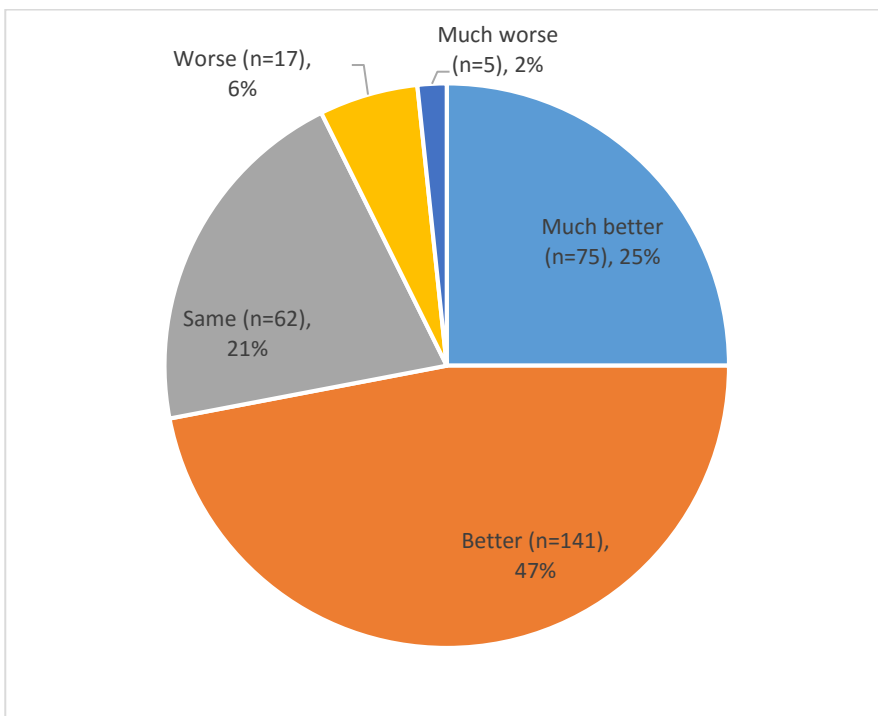


Number of respondents = 300

The outlook among companies in this sector is generally positive, with around 47 per cent of respondents expecting their international operations in 2016 to be better compared to 2015. Around 25 per cent of respondents expect their performance to be much better, while 21 per cent expect their performance to be around the same as last year.

Figure C-21 Outlook – Manufacturing

Survey question: What is the overall outlook for your company’s international operations in 2016 compared to 2015?

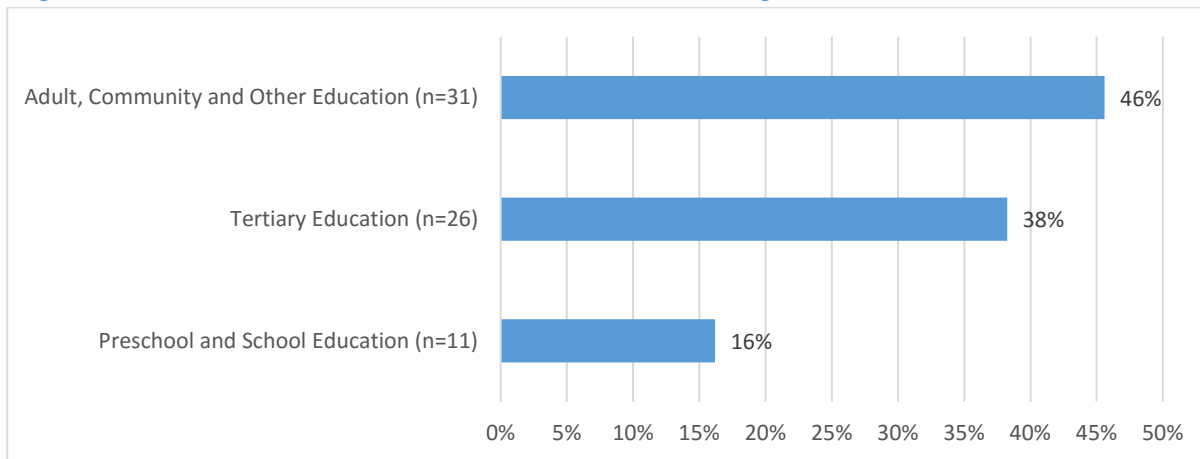


Number of respondents = 300

EDUCATION AND TRAINING

A total of 68 education and training companies participated in the survey, representing around 7 per cent of all respondents. Figure C-22 shows that all the companies were involved in the export or import of services in the past year. A small percentage of respondents (3 per cent) were involved in the export or import of goods last year.

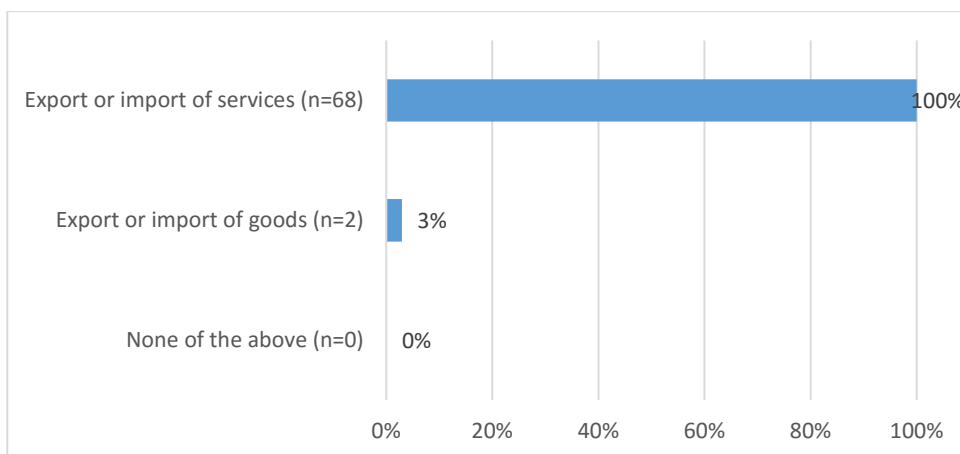
Figure C-22 Main subsector – Education and training



Number of respondents = 68

Figure C-23 International activities – Education and training

Survey question: Over the past year, has your company been involved in any of the following international activities? Select options that apply.



Number of respondents = 68

Note: Multiple answers permitted

China was identified as the top overseas market from which companies earned international revenue, obtaining around 16 per cent of responses (Table C-7). Other top markets were Hong Kong (6 per cent of responses) and Japan (6 per cent of responses).

Table C-7 Main overseas markets – Education and training

Survey question: Top 10 countries from which companies have earned international revenue in the past year.

<i>Rank</i>	<i>Country</i>	<i>No. of responses</i>	<i>Share</i>
1	China	21	16%
2	Hong Kong, SAR of China	8	6%
3	Japan	8	6%
4	Indonesia	7	5%
5	India	6	5%
6	Singapore	6	5%
7	United Kingdom	6	5%
8	United States	5	4%
9	Kuwait	4	3%
10	Thailand	4	3%

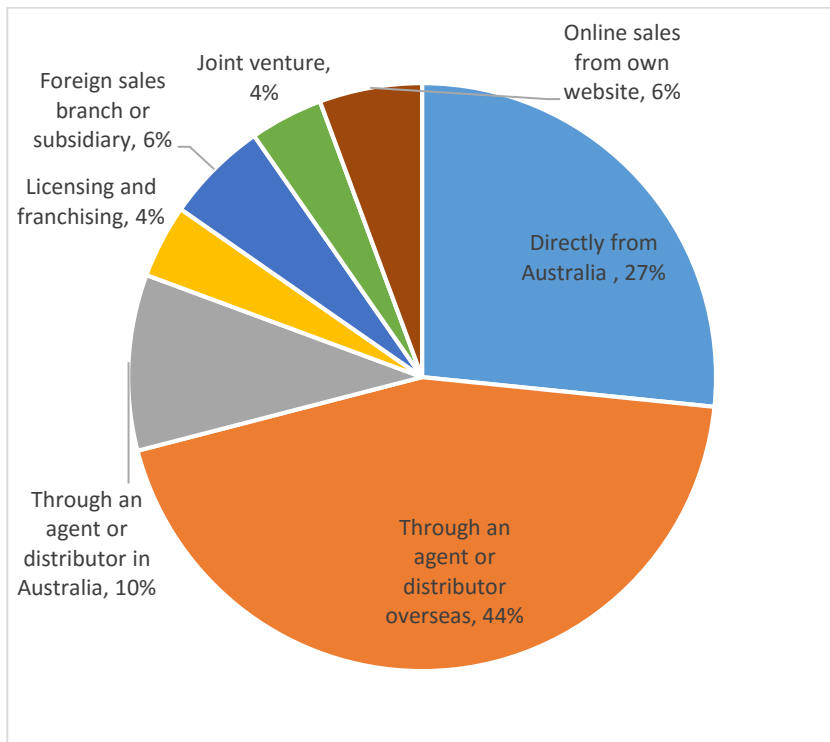
Number of responses = 128

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Companies in this sector are likely to service their major overseas markets through an agent or distributor based overseas, with 44 per cent of respondents indicating this as their preferred servicing mode (Figure C-24). A smaller percentage of companies (27 per cent) prefer servicing the market directly from Australia.

Figure C-24 Main mode of servicing – Education and training

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



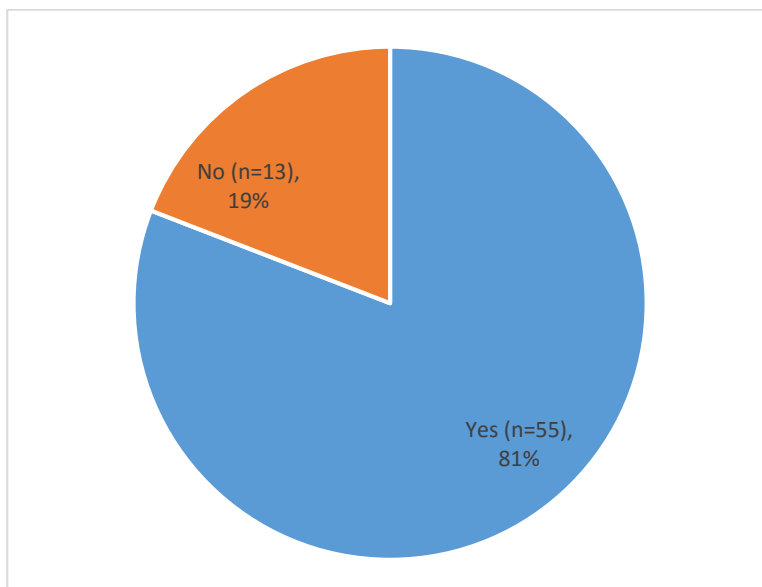
Number of responses = 124

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Eighty-one per cent of respondents intend to expand to new international markets in the next 2 years, while 19 per cent have no immediate expansion plans (Figure C-25).

Figure C-25 Plans for doing business in additional countries – Education and training

Survey question: Is your company planning to do business in additional countries in the next 2 years?



Number of respondents = 68

Among the companies that had plans to expand to new overseas, around 16 per cent expected China to be their most important market in terms of generating additional revenue (Table C-8). Sixteen per cent expected India to be the most important, while another 7 per cent expected Brazil to be their most important future market.

Table C-8 Most important new country – Education and training

Survey question: For your company, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

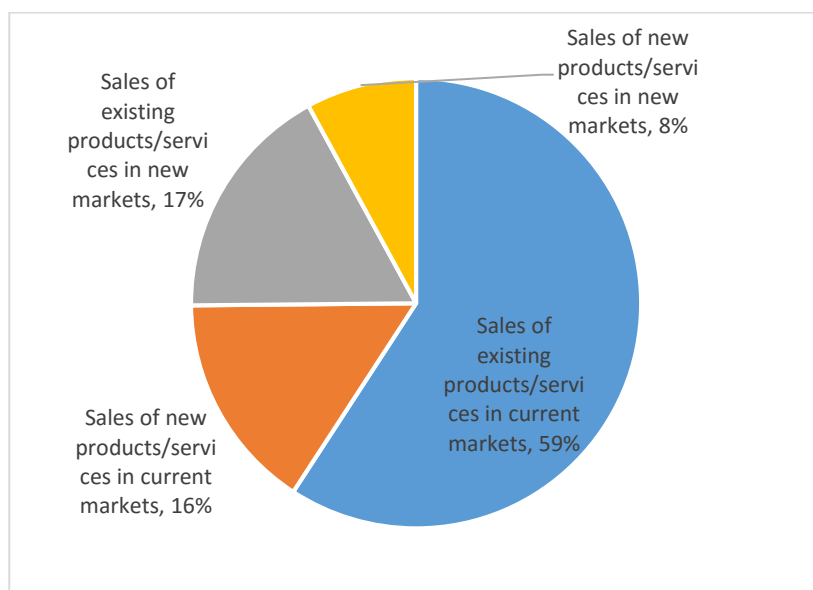
<i>Rank</i>	<i>Country</i>	<i>No. of responses</i>	<i>Share</i>
1	China	9	16%
2	India	9	16%
3	Brazil	4	7%
4	Indonesia	3	5%
5	Nigeria	3	5%
6	South Korea	3	5%
7	Colombia	2	4%
8	Mexico	2	4%
9	Singapore	2	4%
10	United Arab Emirates	2	4%

Number of respondents = 55

Around 59 per cent of respondents in this industry expect that their international revenue in the next 3 to 5 years will mainly be driven by sales of existing products or services in the markets in which they are currently operating. Around 17 per cent of respondents expect future international revenue to be driven by sales of existing products or services in new international markets, while 16 per cent expect revenue to be driven by sales of new products or services in current international markets.

Figure C-26 Drivers of future revenue – Education and training

Survey question: What do you think will drive your future international revenues for your business over the next three to five years? (Answer in percentage share terms, enter total to 100%)

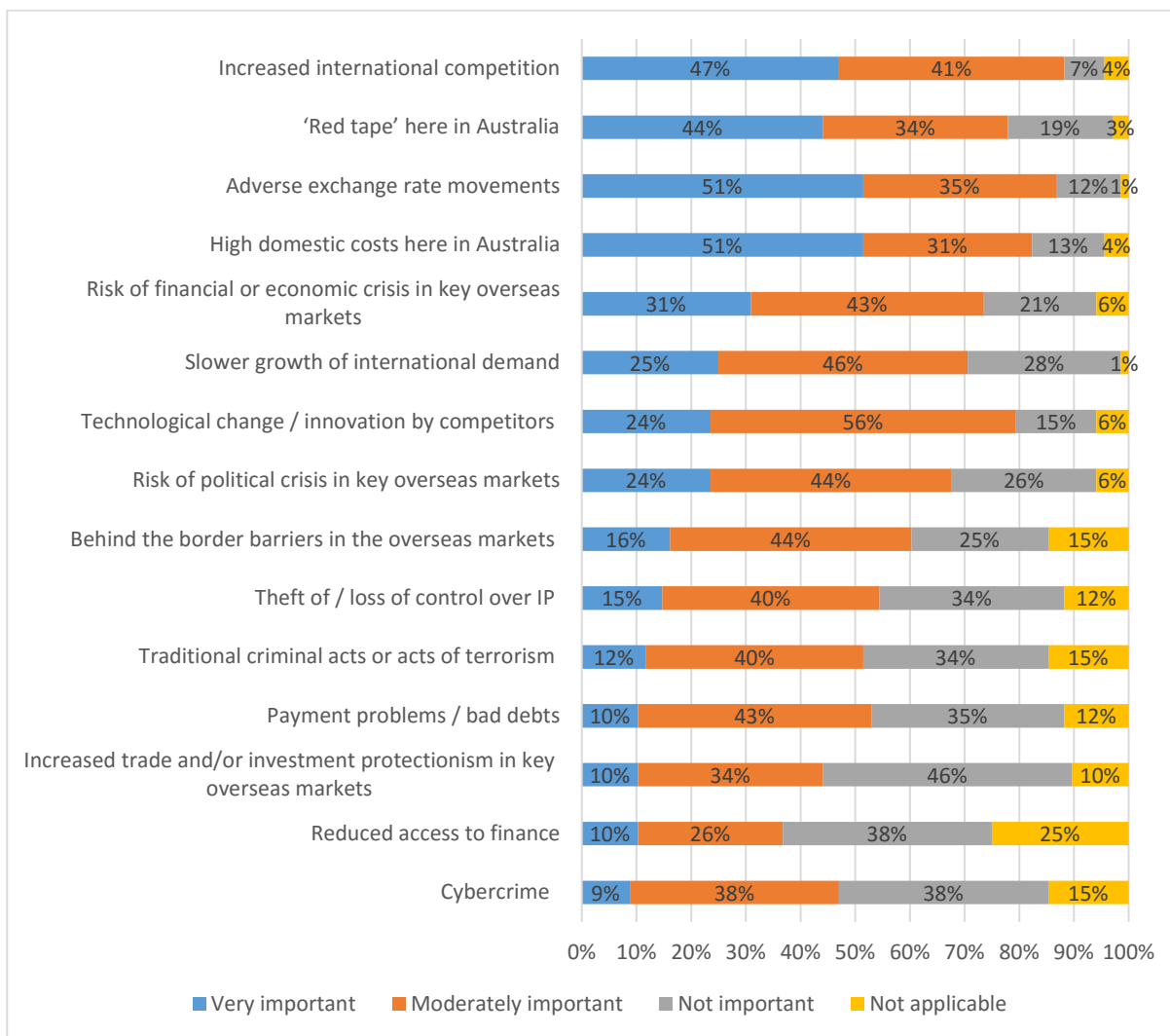


Number of respondents = 68

Companies in this industry expect increased international competition to be the top risk that their international operations will face in the next 3 to 5 years (cited by 47 per cent of respondents). Other future risks identified were bureaucracy or 'red tape' in Australia (44 per cent of respondents), and adverse exchange rate movements (cited by 51 per cent of respondents).

Figure C-27 Key risks – Education and training

Survey question: What do you see as the key risks facing your international operations over the next three to five years?

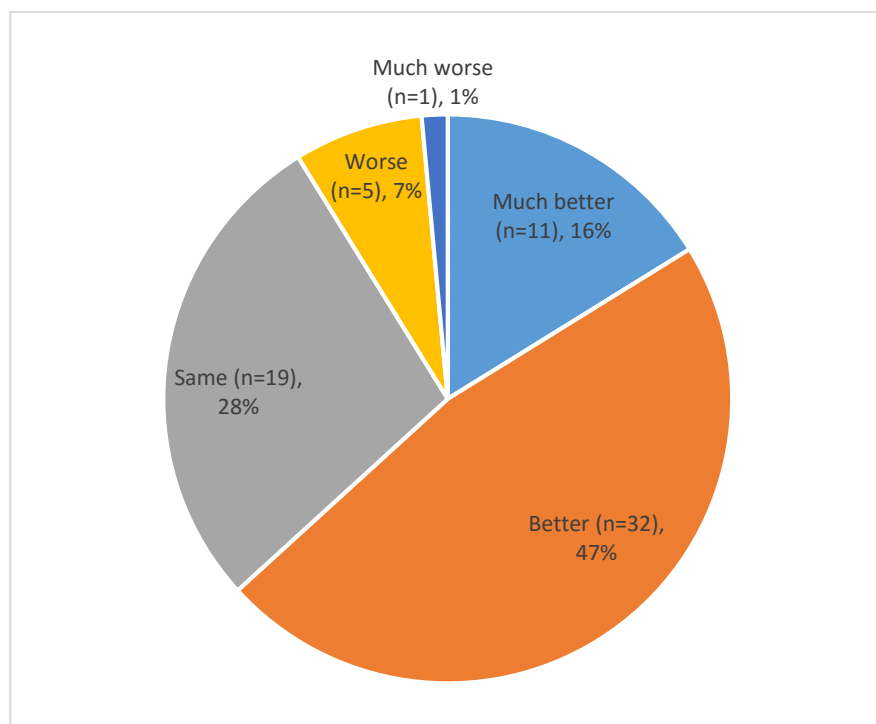


Number of respondents = 68

The outlook among companies in this sector is generally positive, with around 47 per cent of respondents expecting their international operations in 2016 to be better compared to 2015. Around 16 per cent of respondents expect their performance to be much better, while 28 per cent expect their performance to be around the same as last year.

Figure C-28 Outlook – Education and training

Survey question: What is the overall outlook for your company’s international operations in 2016 compared to 2015?

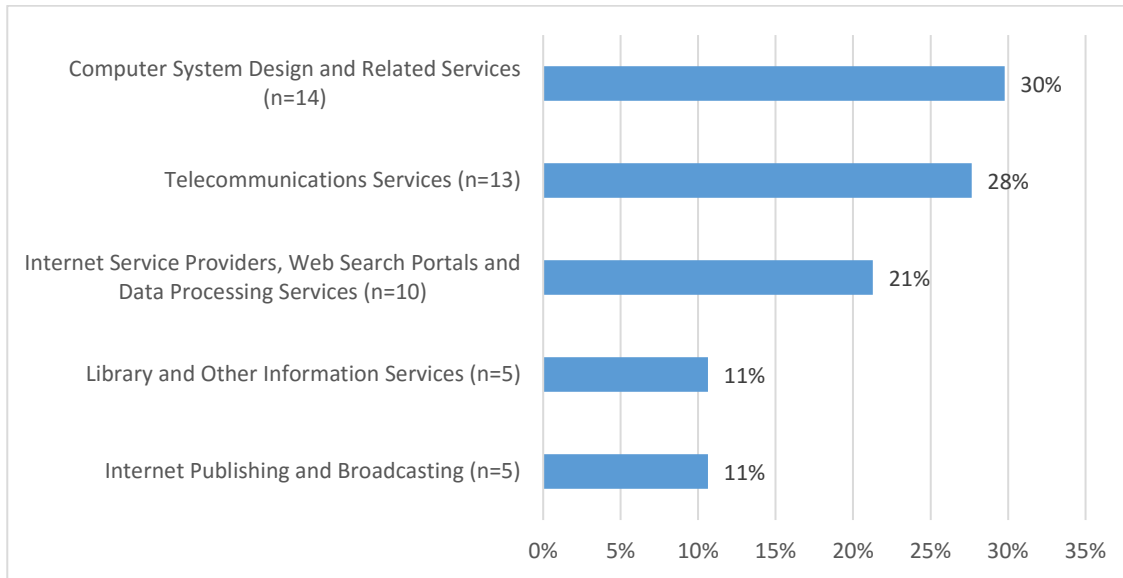


Number of respondents = 68

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

A total of 47 information and telecommunications technology (ICT) companies participated in the survey, representing around 5 per cent of all respondents. Figure C-29 shows that among these companies, around 77 per cent were mainly involved in the export or import of services in the past year. Around 53 per cent were involved in the export or import of goods.

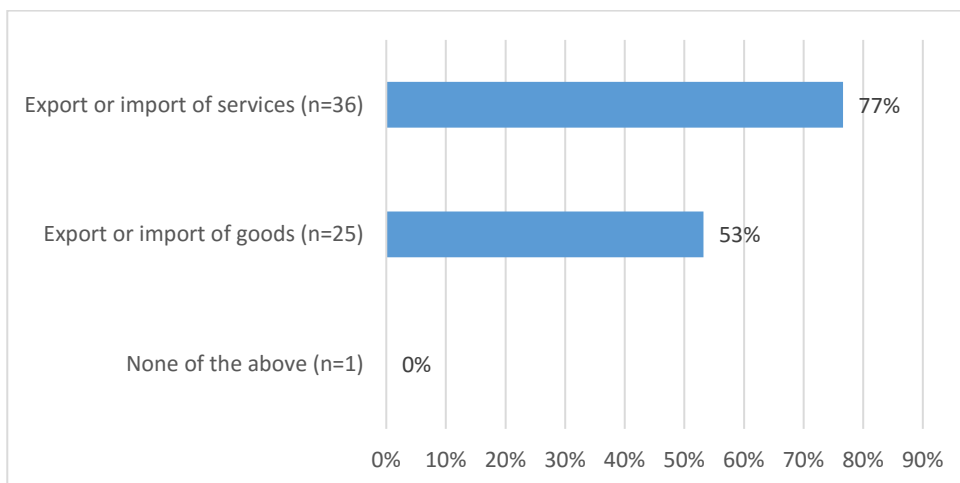
Figure C-29 Main subsector – ICT



Number of respondents = 47

Figure C-30 International activities – ICT

Survey question: Over the past year, has your company been involved in any of the following international activities? Select options that apply.



Number of respondents = 47

Note: Multiple answers permitted

The United States was identified as the top overseas market from which companies earned international revenue, obtaining around 23 per cent of responses (Table C-9). Other top markets were the United Kingdom (22 per cent of responses) and Singapore (6 per cent of responses).

Table C-9 Main overseas markets – ICT

Survey question: Top 10 countries from which companies have earned international revenue in the past year.

<i>Rank</i>	<i>Country</i>	<i>No. of responses</i>	<i>Share</i>
1	United States	21	23%
2	United Kingdom	20	22%
3	Singapore	5	6%
4	Canada	3	3%
5	China	3	3%
6	Germany	3	3%
7	Malaysia	3	3%
8	New Caledonia	3	3%
9	New Zealand	3	3%
10	Papua New Guinea	3	3%

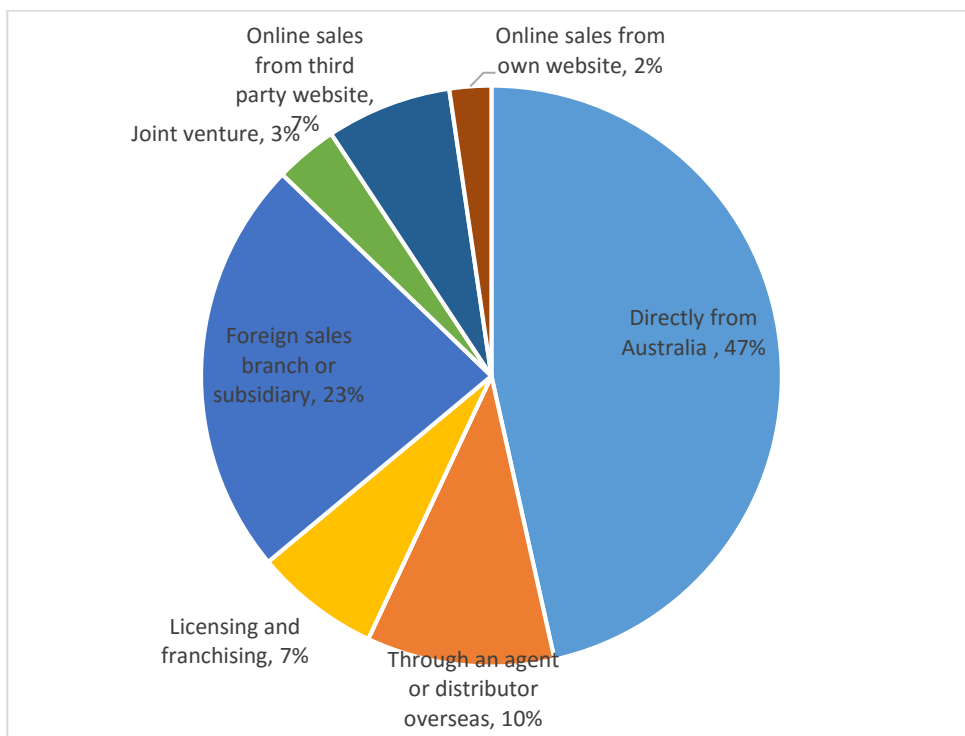
Number of responses = 90

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Companies in this sector are likely to service their major overseas markets directly from Australia, with 47 per cent of respondents indicating this as their preferred servicing mode (Figure C-31). A smaller percentage of companies (23 per cent) prefer servicing the market through a foreign sales branch or subsidiary.

Figure C-31 Main mode of servicing – ICT

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



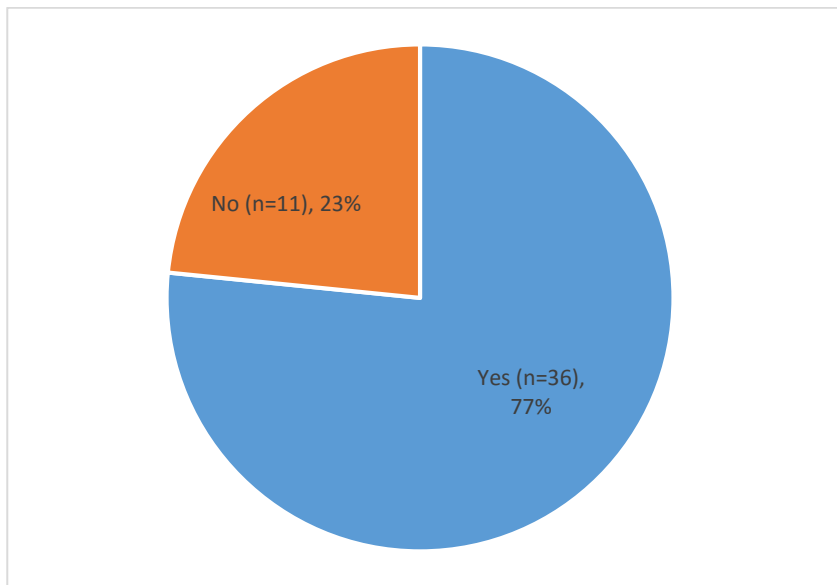
Number of responses = 86

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Seventy-seven per cent of respondents intend to expand to new international markets in the next 2 years, while 23 per cent have no immediate expansion plans (Figure C-32).

Figure C-32 Plans for doing business in additional countries – ICT

Survey question: Is your company planning to do business in additional countries in the next 2 years?



Number of respondents = 47

Among the companies that had plans to expand to new overseas, around 17 per cent expected the United Kingdom to be their most important market in terms of generating additional revenue (Table C-10). Fourteen per cent expected China to be the most important, while another 8 per cent expected New Zealand to be their most important future market.

Table C-10 Most important new country – ICT

Survey question: For your company, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

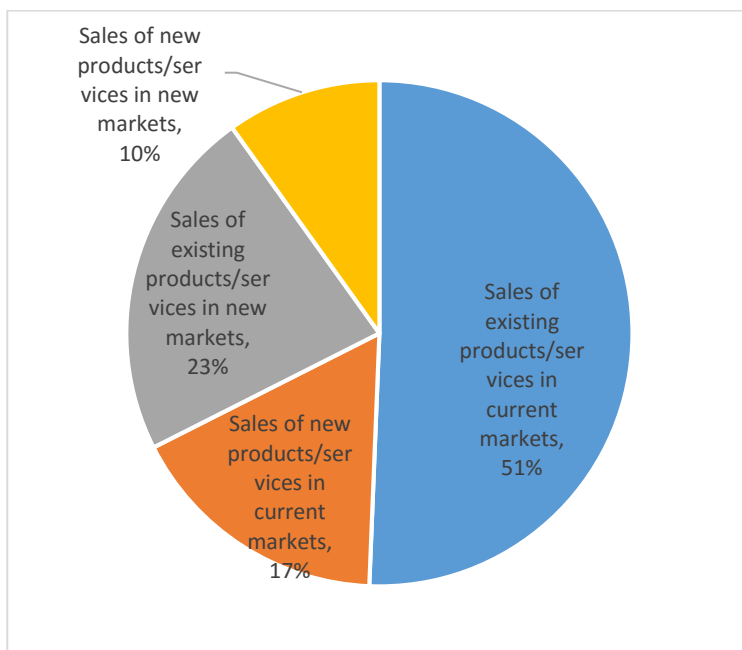
<i>Rank</i>	<i>Country</i>	<i>No. of responses</i>	<i>Share</i>
1	United Kingdom	6	17%
2	China	5	14%
3	New Zealand	3	8%
4	Singapore	3	8%
5	United States	3	8%
6	Germany	2	6%
7	Hong Kong, SAR of China	2	6%
8	Japan	2	6%
9	United Arab Emirates	2	6%
10	Afghanistan	1	3%

Number of respondents = 36

Around 51 per cent of respondents in this industry expect that their international revenue in the next 3 to 5 years will mainly be driven by sales of existing products or services in the markets in which they are currently operating. Around 23 per cent of respondents expect future international revenue to be driven by sales of existing products or services in new international markets, while 17 per cent expect revenue to be driven by sales of new products or services in current international markets.

Figure C-33 Drivers of future revenue – ICT

Survey question: What do you think will drive your future international revenues for your business over the next three to five years? (Answer in percentage share terms, enter total to 100%)

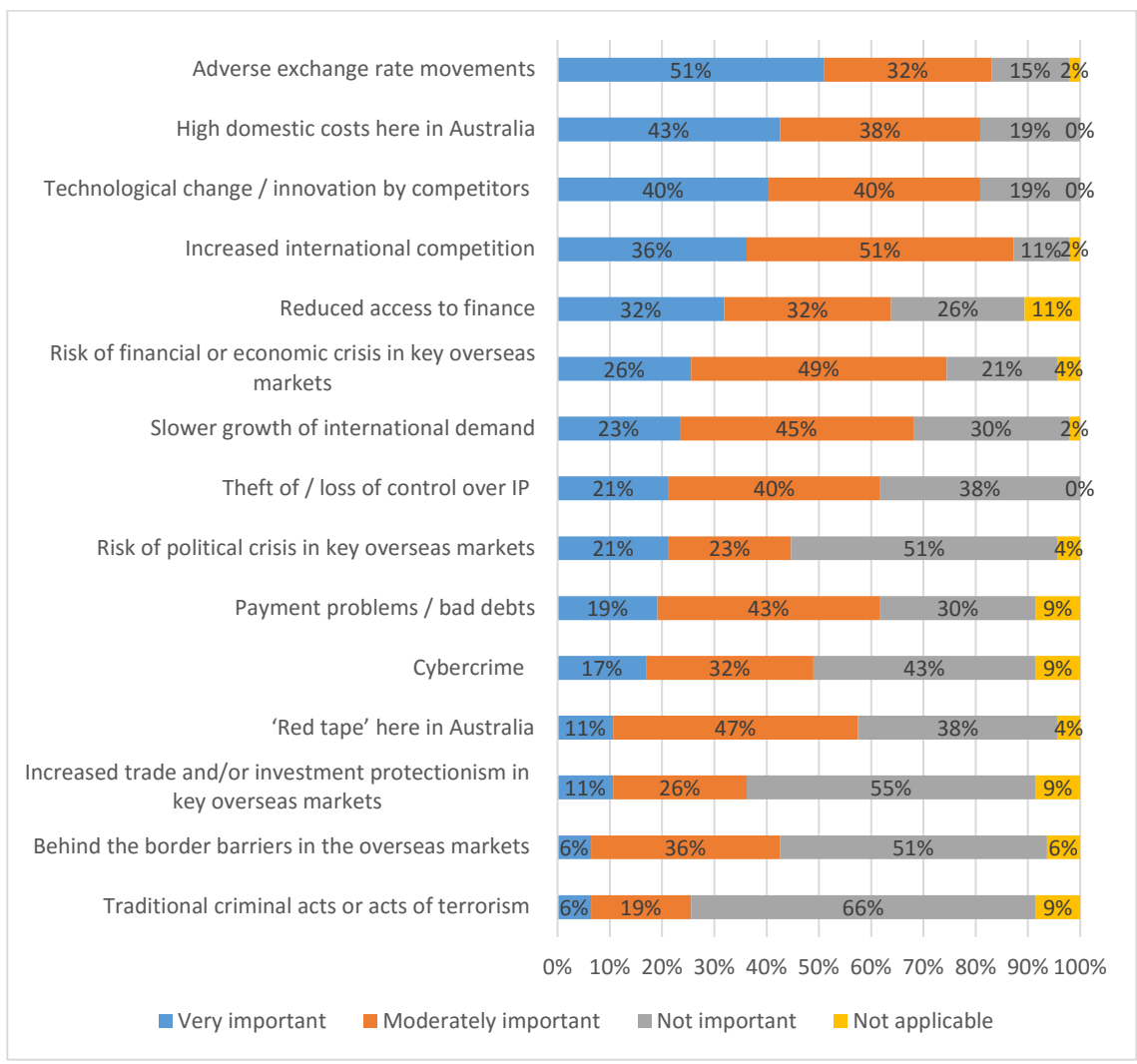


Number of respondents = 47

Companies in this industry expect adverse exchange rate movements to be the top risk that their international operations will face in the next 3 to 5 years (cited by 51 per cent of respondents). Other future risks identified were high domestic costs in Australia (43 per cent of respondents), and technological change and innovation by competitors (cited by 40 per cent of respondents).

Figure C-34 Key risks – ICT

Survey question: What do you see as the key risks facing your international operations over the next three to five years?

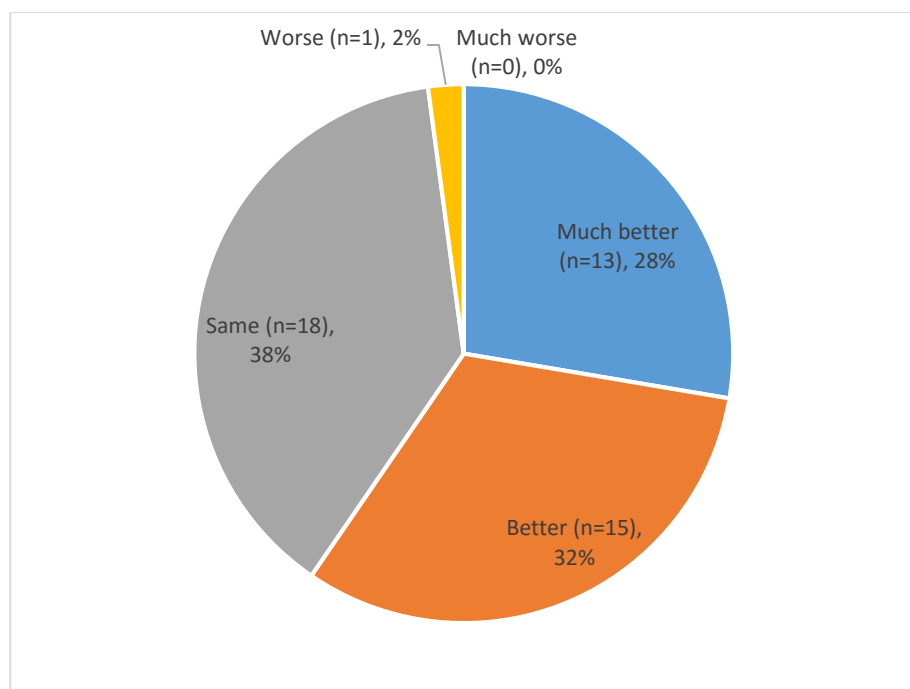


Number of respondents = 47

The outlook among companies in this sector is generally positive, with around 32 per cent of respondents expecting their international operations in 2016 to be better compared to 2015. Around 28 per cent of respondents expect their performance to be much better, while 38 per cent expect their performance to be around the same as last year.

Figure C-35 Outlook – ICT

Survey question: What is the overall outlook for your company’s international operations in 2016 compared to 2015?

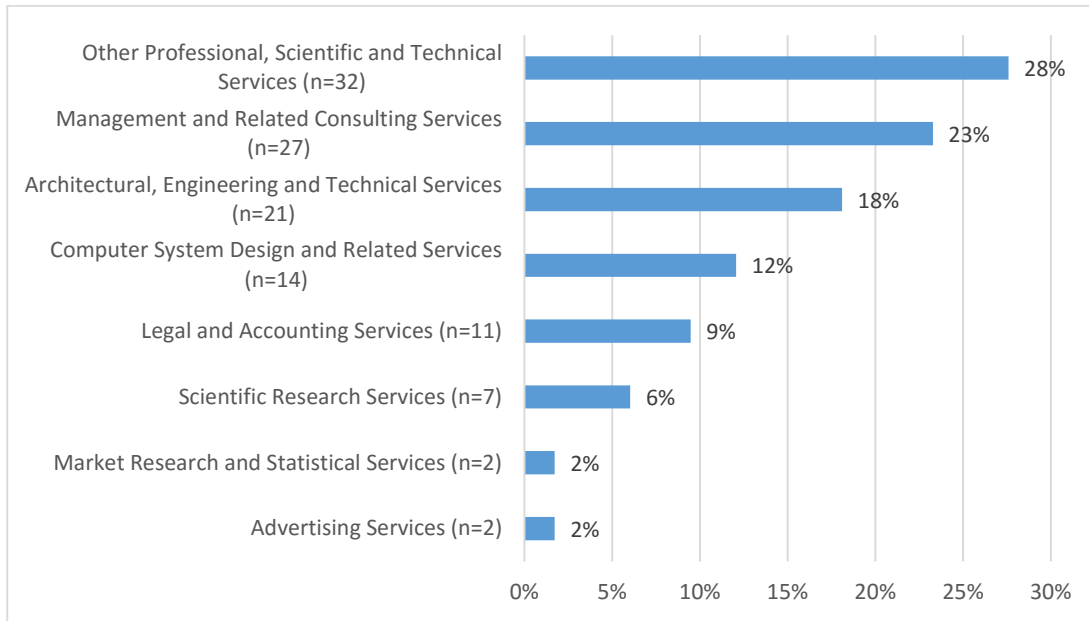


Number of respondents = 47

PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES

A total of 116 professional, scientific and technical services companies participated in the survey, representing around 13 per cent of all respondents. Figure C-36 shows that among these companies, around 85 per cent were mainly involved in the export or import of services in the past year. Around 30 per cent were involved in the export or import of goods.

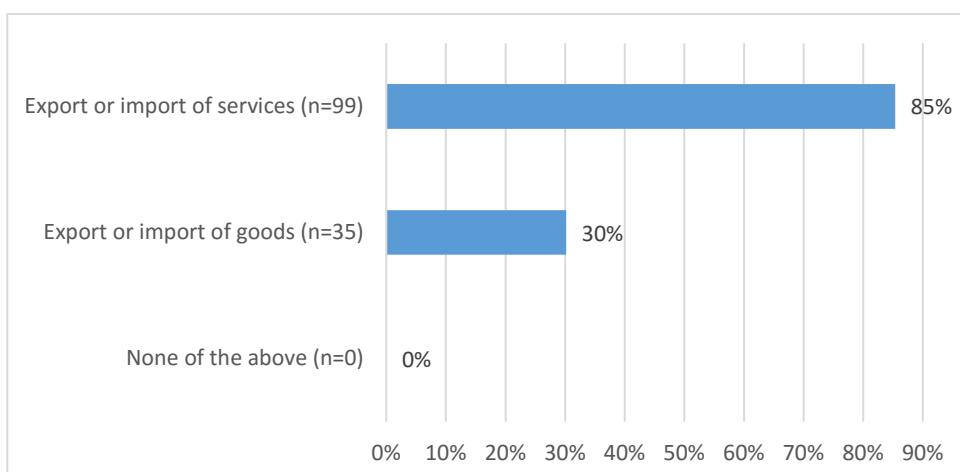
Figure C-36 Main subsector – Professional, scientific and technical services



Number of respondents = 116

Figure C-37 International activities – Professional, scientific and technical services

Survey question: Over the past year, has your company been involved in any of the following international activities? Select options that apply.



Number of respondents = 116

Note: Multiple answers permitted

China was identified as the top overseas market from which companies earned international revenue, obtaining around 12 per cent of responses (Table C-11). Other top markets were the United States (11 per cent of responses) and the United Kingdom (10 per cent of responses).

Table C-11 Main overseas markets – Professional, scientific and technical services

Survey question: Top 10 countries from which companies have earned international revenue in the past year.

<i>Rank</i>	<i>Country</i>	<i>No. of responses</i>	<i>Share</i>
1	China	25	12%
2	United States	24	11%
3	United Kingdom	22	10%
4	Singapore	13	6%
5	Indonesia	9	4%
6	Malaysia	8	4%
7	United Arab Emirates	8	4%
8	India	7	3%
9	Papua New Guinea	7	3%
10	Germany	6	3%

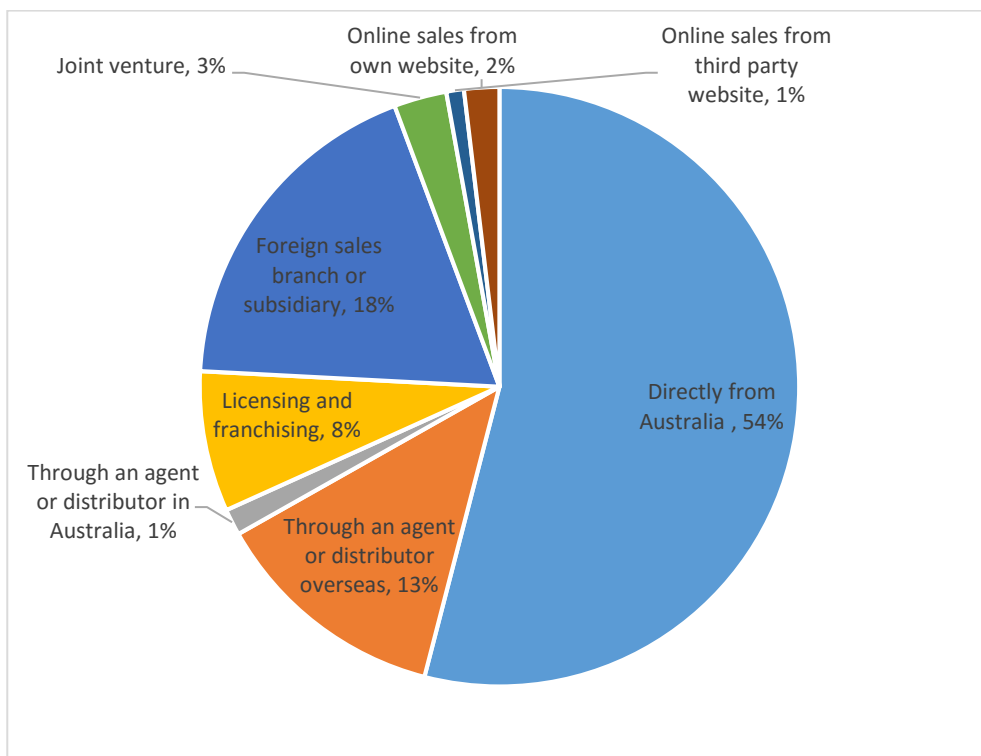
Number of responses = 216

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Companies in this sector are likely to service their major overseas markets directly from Australia, with 54 per cent of respondents indicating this as their preferred servicing mode (Figure C-31). A smaller percentage of companies (18 per cent) prefer servicing the market through a foreign sales branch or subsidiary.

Figure C-38 Main mode of servicing – Professional, scientific and technical services

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



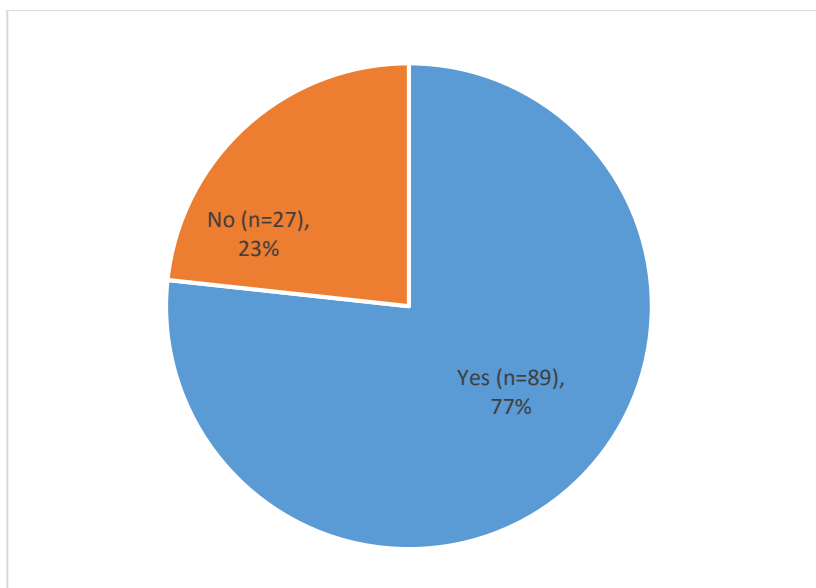
Number of responses = 211

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Seventy-seven per cent of respondents intend to expand to new international markets in the next 2 years, while 23 per cent have no immediate expansion plans (Figure C-32).

Figure C-39 Plans for doing business in additional countries – Professional, scientific and technical services

Survey question: Is your company planning to do business in additional countries in the next 2 years?



Number of respondents = 116

Among the companies that had plans to expand to new overseas, around 15 per cent expected the United States to be their most important market in terms of generating additional revenue (Table C-12). Eleven per cent expected China to be the most important, while another 8 per cent expected the United Kingdom to be their most important future market.

Table C-12 Most important new country – Professional, scientific and technical services

Survey question: For your company, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

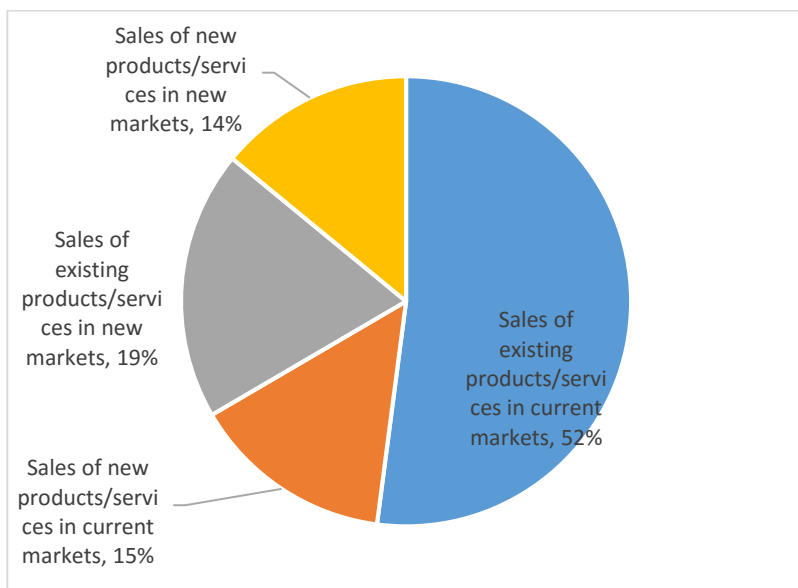
<i>Rank</i>	<i>Country</i>	<i>No. of responses</i>	<i>Share</i>
1	United States	13	15%
2	China	10	11%
3	United Kingdom	7	8%
4	Indonesia	6	7%
5	Canada	4	4%
6	India	4	4%
7	Singapore	4	4%
8	Hong Kong, SAR of China	3	3%
9	Malaysia	3	3%
10	New Zealand	3	3%

Number of respondents = 89

Around 52 per cent of respondents in this industry expect that their international revenue in the next 3 to 5 years will mainly be driven by sales of existing products or services in the markets in which they are currently operating. Around 19 per cent of respondents expect future international revenue to be driven by sales of existing products or services in new international markets, while 15 per cent expect revenue to be driven by sales of new products or services in current international markets.

Figure C-40 Drivers of future revenue – Professional, scientific and technical services

Survey question: What do you think will drive your future international revenues for your business over the next three to five years? (Answer in percentage share terms, enter total to 100%)

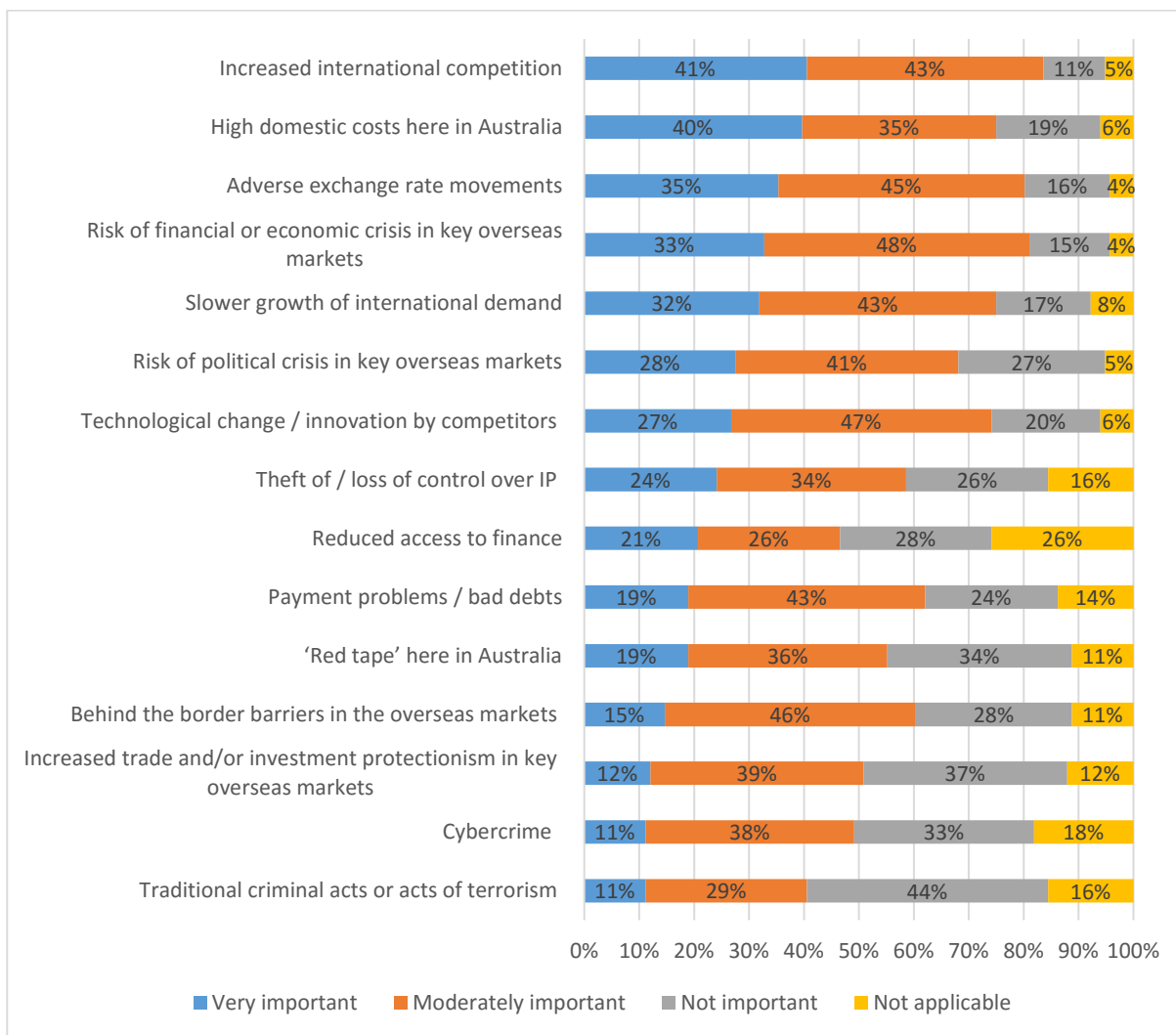


Number of respondents = 116

Companies in this industry expect increased international competition to be the top risk that their international operations will face in the next 3 to 5 years (cited by 41 per cent of respondents). Other future risks identified were high domestic costs in Australia (40 per cent of respondents), and adverse exchange rate movements (cited by 35 per cent of respondents).

Figure C-41 Key risks – Professional, scientific and technical services

Survey question: What do you see as the key risks facing your international operations over the next three to five years?

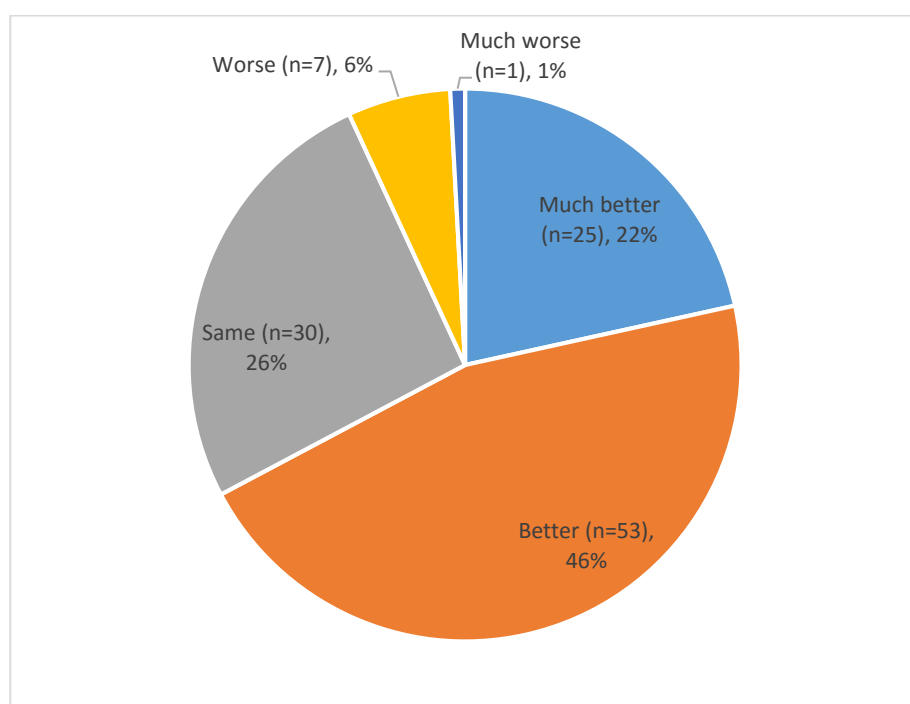


Number of respondents = 116

The outlook among companies in this sector is generally positive, with around 46 per cent of respondents expecting their international operations in 2016 to be better compared to 2015. Around 22 per cent of respondents expect their performance to be much better, while 26 per cent expect their performance to be around the same as last year.

Figure C-42 Outlook – Professional, scientific and technical services

Survey question: What is the overall outlook for your company's international operations in 2016 compared to 2015?



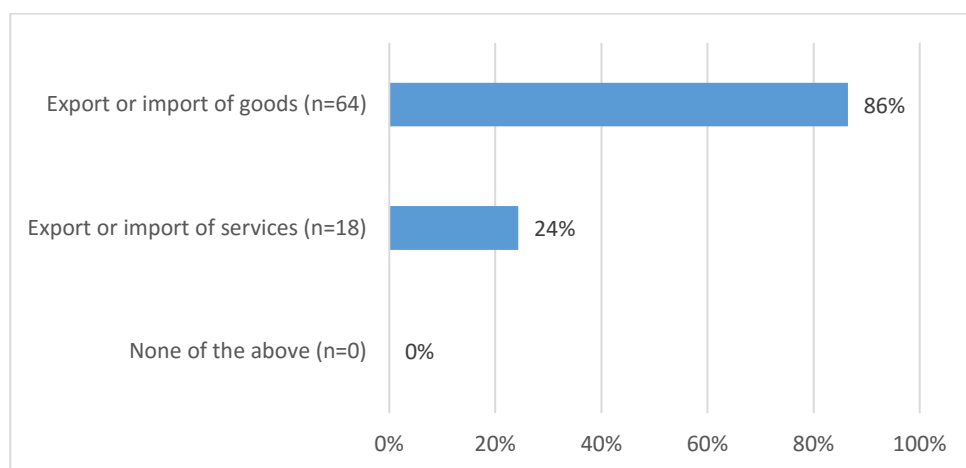
Number of respondents =

AGRICULTURAL EQUIPMENT, TECHNOLOGY AND SERVICES (AGRIETS)

A total of 74 agricultural equipment, technology and services companies participated in the survey, representing around 8 per cent of all respondents. Figure C-43 shows that among these companies, around 86 per cent were mainly involved in the export or import of goods in the past year. Around 24 per cent were involved in the export or import of services.

Figure C-43 International activities - AGRIETS

Survey question: Over the past year, has your company been involved in any of the following international activities? Select options that apply.



Number of respondents = 74

Note: Multiple answers permitted

China was identified as the top overseas market from which companies earned international revenue, obtaining around 18 per cent of responses (Table C-13). Other top markets were the United States (7 per cent of responses) and New Zealand (7 per cent of responses).

Table C-13 Main overseas markets - AGRIETS

Survey question: Top 10 countries from which companies have earned international revenue in the past year.

<i>Rank</i>	<i>Country</i>	<i>No. of responses</i>	<i>Share</i>
1	China	24	18%
2	United States	10	7%
3	New Zealand	9	7%
4	Indonesia	7	5%
5	Vietnam	6	4%
6	India	5	4%
7	Hong Kong, SAR of China	4	3%
8	Japan	4	3%
9	Malaysia	4	3%
10	Singapore	4	3%

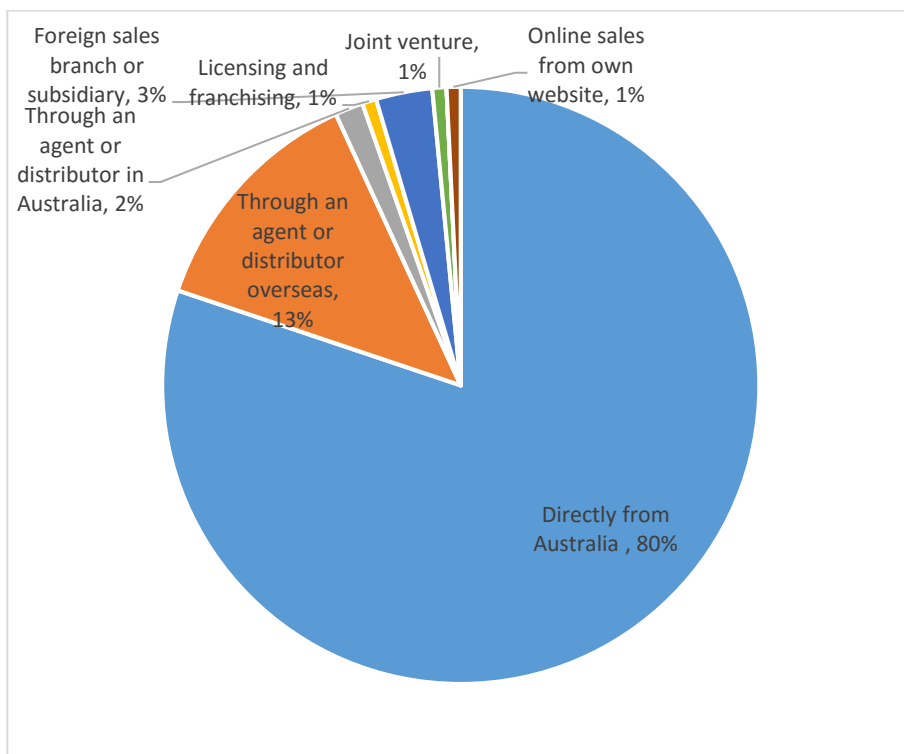
Number of responses = 136

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Companies in this sector are likely to service their major overseas markets directly from Australia, with 80 per cent of respondents indicating this as their preferred servicing mode (Figure C-44). A smaller percentage of companies (13 per cent) prefer servicing the market through an agent or distributor based overseas.

Figure C-44 Main mode of servicing - AGRIETS

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



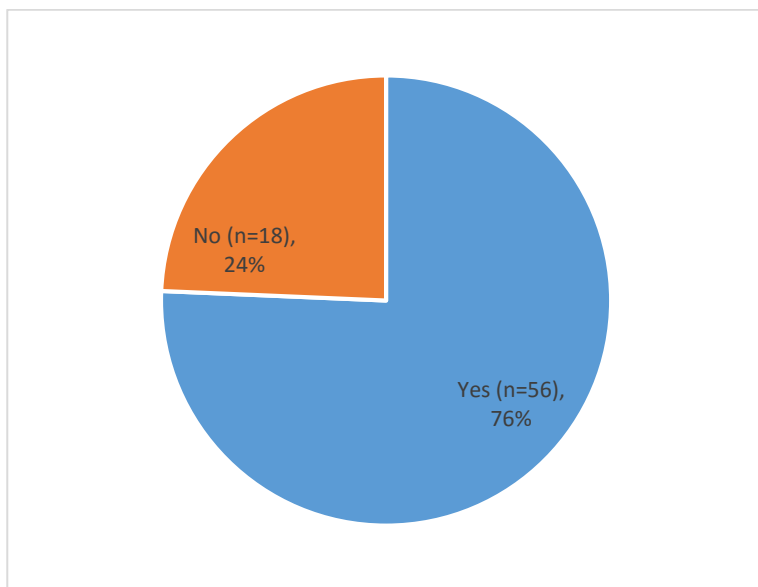
Number of responses = 131

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Seventy-six per cent of respondents intend to expand to new international markets in the next 2 years, while 24 per cent have no immediate expansion plans (Figure C-45).

Figure C-45 Plans for doing business in additional countries - AGRIETS

Survey question: Is your company planning to do business in additional countries in the next 2 years?



Number of respondents = 74

Among the companies that had plans to expand to new overseas, around 18 per cent expected China to be their most important market in terms of generating additional revenue (Table C-14). Nine per cent expected the United States to be the most important, while another 5 per cent expected Brazil to be their most important future market.

Table C-14 Most important new country - AGRIETS

Survey question: For your company, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

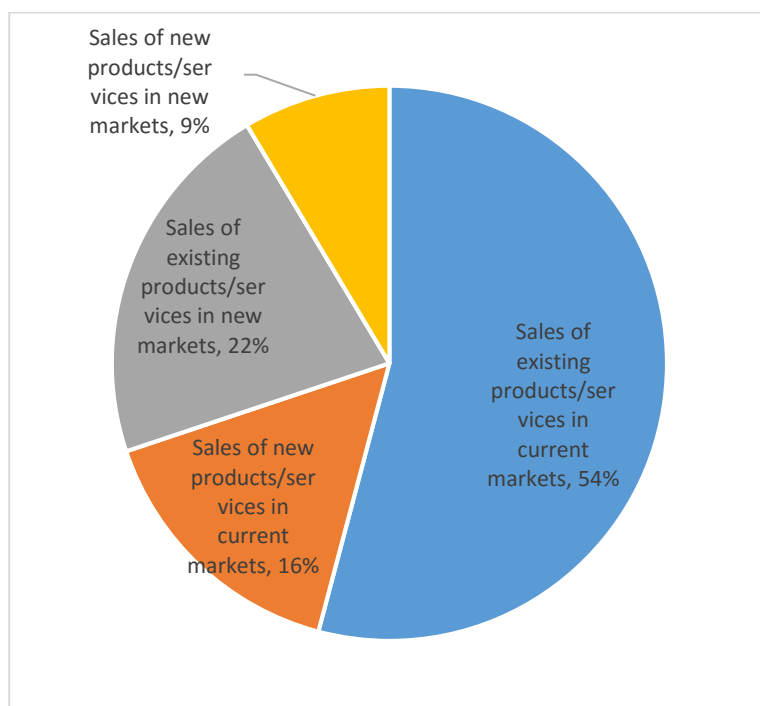
<i>Rank</i>	<i>Country</i>	<i>No. of responses</i>	<i>Share</i>
1	China	10	18%
2	United States	5	9%
3	Brazil	3	5%
4	India	3	5%
5	South Korea	3	5%
6	Indonesia	2	4%
7	Japan	2	4%
8	Jordan	2	4%
9	Mexico	2	4%
10	Vietnam	2	4%

Number of respondents = 56

Around 54 per cent of respondents in this industry expect that their international revenue in the next 3 to 5 years will mainly be driven by sales of existing products or services in the markets in which they are currently operating. Around 22 per cent of respondents expect future international revenue to be driven by sales of existing products or services in new international markets, while 16 per cent expect revenue to be driven by sales of new products or services in current international markets.

Figure C-46 Drivers of future revenue - AGRIETS

Survey question: What do you think will drive your future international revenues for your business over the next three to five years? (Answer in percentage share terms, enter total to 100%)

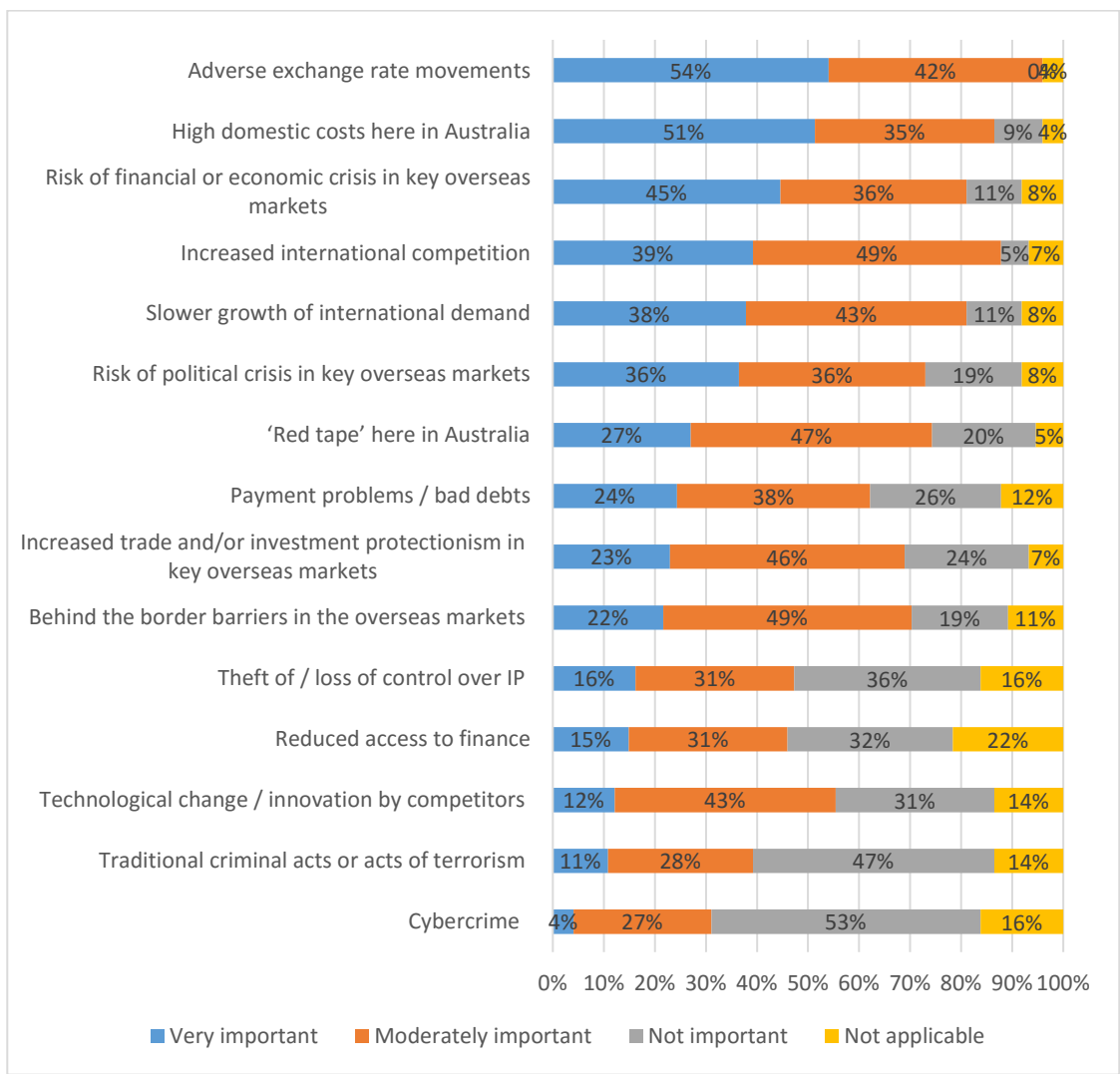


Number of respondents = 74

Companies in this industry expect adverse exchange rate movements to be the top risk that their international operations will face in the next 3 to 5 years (cited by 54 per cent of respondents). Other future risks identified were high domestic costs in Australia (51 per cent of respondents), and the risk of financial or economic crises in key overseas markets (cited by 45 per cent of respondents).

Figure C-47 Key risks - AGRIETS

Survey question: What do you see as the key risks facing your international operations over the next three to five years?

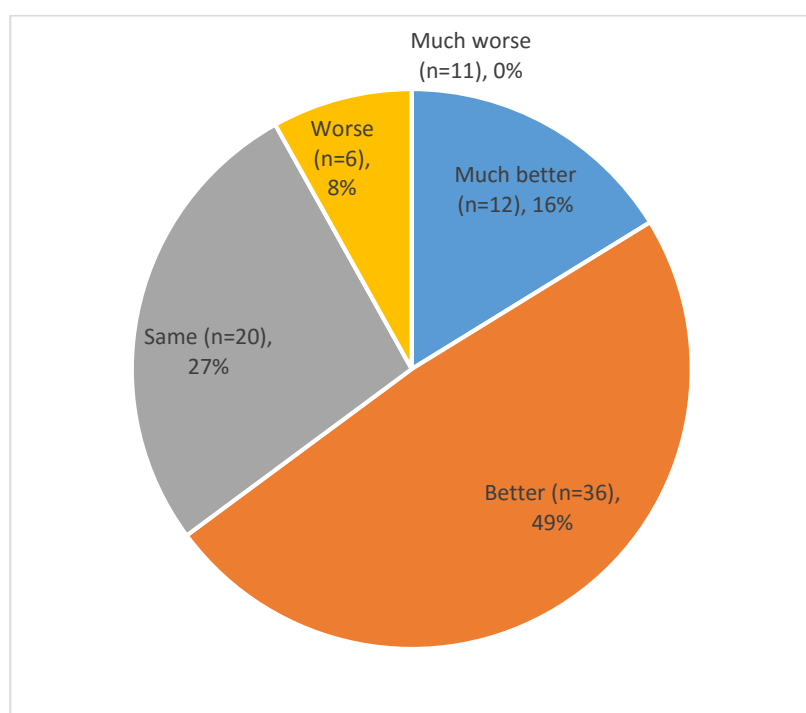


Number of respondents = 74

The outlook among companies in this sector is generally positive, with around 49 per cent of respondents expecting their international operations in 2016 to be better compared to 2015. Around 16 per cent of respondents expect their performance to be much better, while 27 per cent expect their performance to be around the same as last year.

Figure C-48 Outlook - AGRIETS

Survey question: What is the overall outlook for your company's international operations in 2016 compared to 2015?



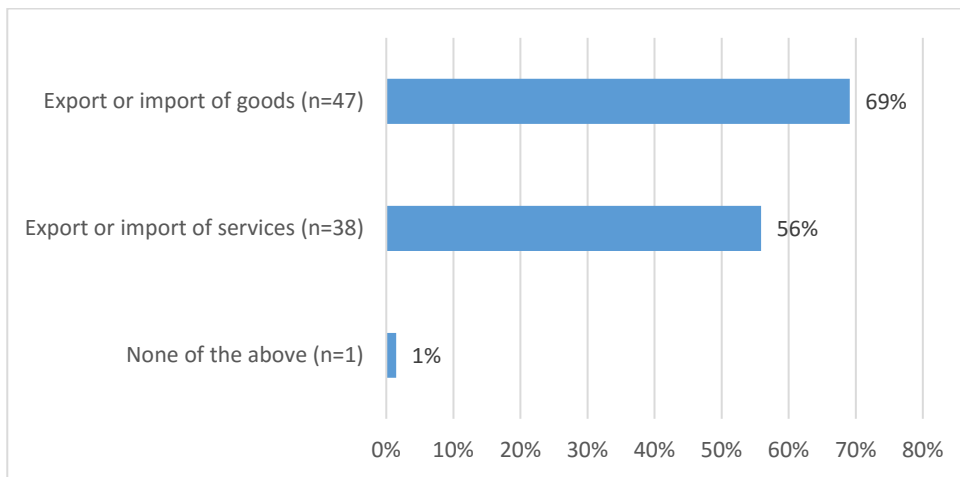
Number of respondents = 74

MINING EQUIPMENT, TECHNOLOGY AND SERVICES (METS)

A total of 68 mining equipment, technology and services companies participated in the survey, representing around 7 per cent of all respondents. Figure C-49 shows that among these companies, around 69 per cent were mainly involved in the export or import of goods in the past year. Around 56 per cent were involved in the export or import of services.

Figure C-49 International activities - METS

Survey question: Over the past year, has your company been involved in any of the following international activities? Select options that apply.



Number of respondents = 68

Note: Multiple answers permitted

The United States was identified as the top overseas market from which companies earned international revenue, obtaining around 13 per cent of responses (Table C-15). Other top markets were Indonesia (8 per cent of responses) and Chile (7 per cent of responses).

Table C-15 Main overseas markets - METS

Survey question: Top 10 countries from which companies have earned international revenue in the past year.

<i>Rank</i>	<i>Country</i>	<i>No. of responses</i>	<i>Share</i>
1	United States	16	13%
2	Indonesia	10	8%
3	Chile	9	7%
4	Papua New Guinea	8	6%
5	China	7	6%
6	Canada	6	5%
7	United Kingdom	6	5%
8	Congo, Democratic Republic of the	4	3%
9	Peru	4	3%
10	South Africa	4	3%

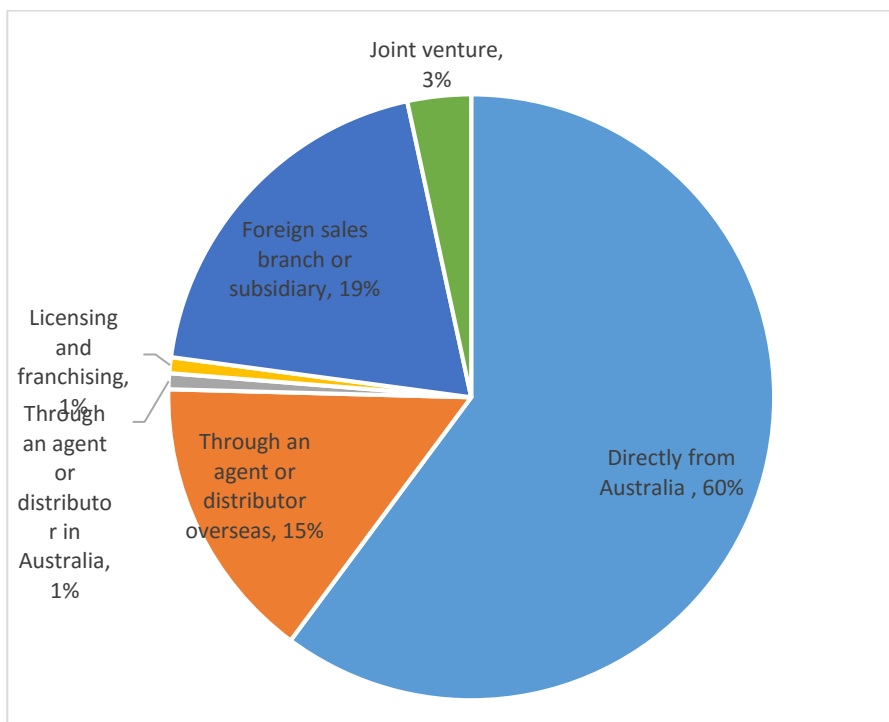
Number of responses = 125

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Companies in this sector are likely to service their major overseas markets directly from Australia, with 60 per cent of respondents indicating this as their preferred servicing mode (Figure C-50). A smaller percentage of companies (19 per cent) prefer servicing the market through a foreign sales branch or subsidiary.

Figure C-50 Main mode of servicing - METS

Survey question: What is the main mode of servicing for the top two countries from which you have earned international revenue in the past year?



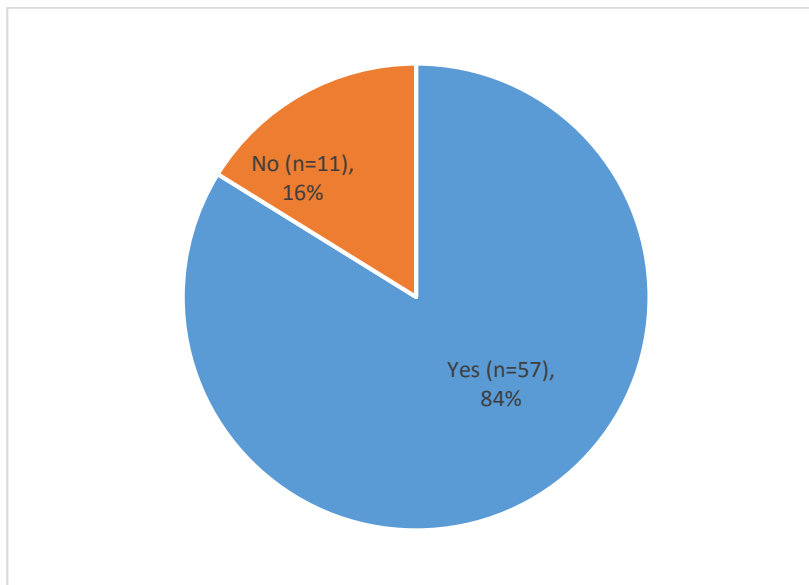
Number of responses = 118

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Eighty-four per cent of respondents intend to expand to new international markets in the next 2 years, while 16 per cent have no immediate expansion plans (Figure C-51).

Figure C-51 Plans for doing business in additional countries - METS

Survey question: Is your company planning to do business in additional countries in the next 2 years?



Number of respondents = 68

Among the companies that had plans to expand to new overseas, around 12 per cent expected India to be their most important market in terms of generating additional revenue (Table C-16). Nine per cent expected the United States to be the most important, while another 7 per cent expected Papua New Guinea to be their most important future market.

Table C-16 Most important new country - METS

Survey question: For your company, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

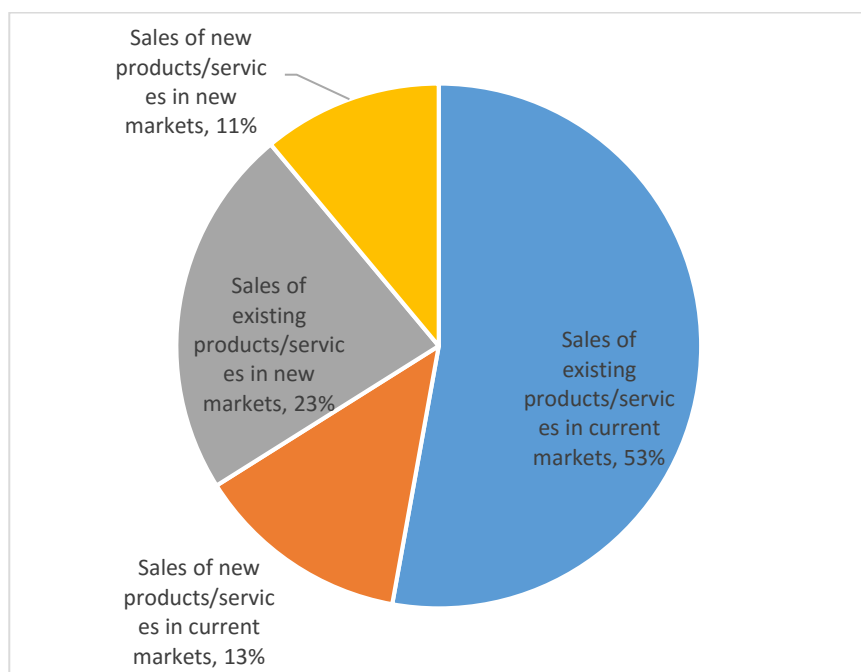
<i>Rank</i>	<i>Country</i>	<i>No. of responses</i>	<i>Share</i>
1	India	7	12%
2	United States	5	9%
3	Papua New Guinea	4	7%
4	Argentina	3	5%
5	Canada	3	5%
6	China	3	5%
7	Peru	3	5%
8	Singapore	3	5%
9	South Africa	3	5%
10	United Kingdom	3	5%

Number of respondents = 57

Around 53 per cent of respondents in this industry expect that their international revenue in the next 3 to 5 years will mainly be driven by sales of existing products or services in the markets in which they are currently operating. Around 23 per cent of respondents expect future international revenue to be driven by sales of existing products or services in new international markets, while 13 per cent expect revenue to be driven by sales of new products or services in current international markets.

Figure C-52 Drivers of future revenue - METS

Survey question: What do you think will drive your future international revenues for your business over the next three to five years? (Answer in percentage share terms, enter total to 100%)

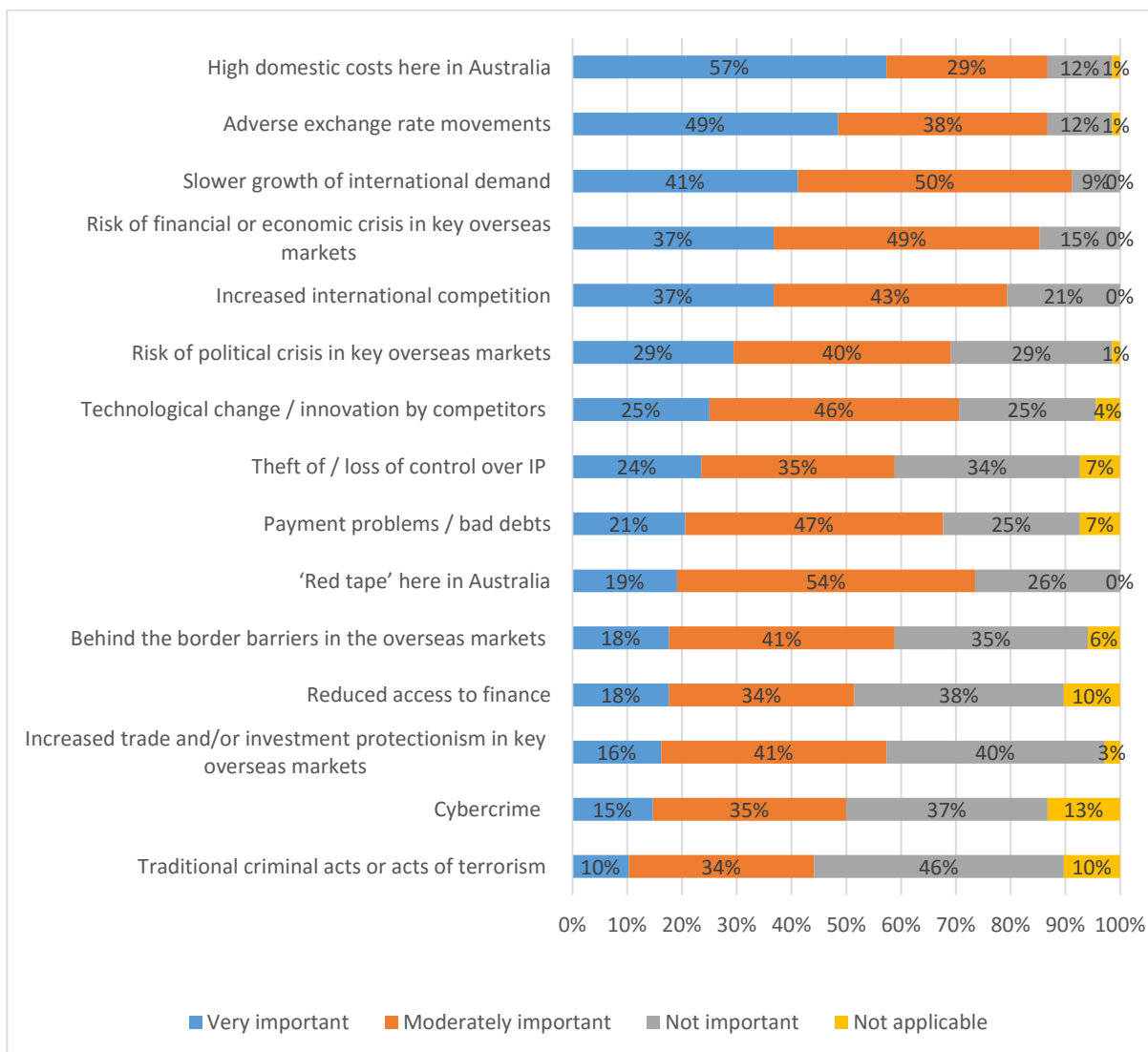


Number of respondents = 68

Companies in this industry expect high domestic costs in Australia to be the top risk that their international operations will face in the next 3 to 5 years (cited by 57 per cent of respondents). Other future risks identified were adverse exchange rate movements (49 per cent of respondents), and slower growth in international demand (cited by 41 per cent of respondents).

Figure C-53 Key risks - METS

Survey question: What do you see as the key risks facing your international operations over the next three to five years?

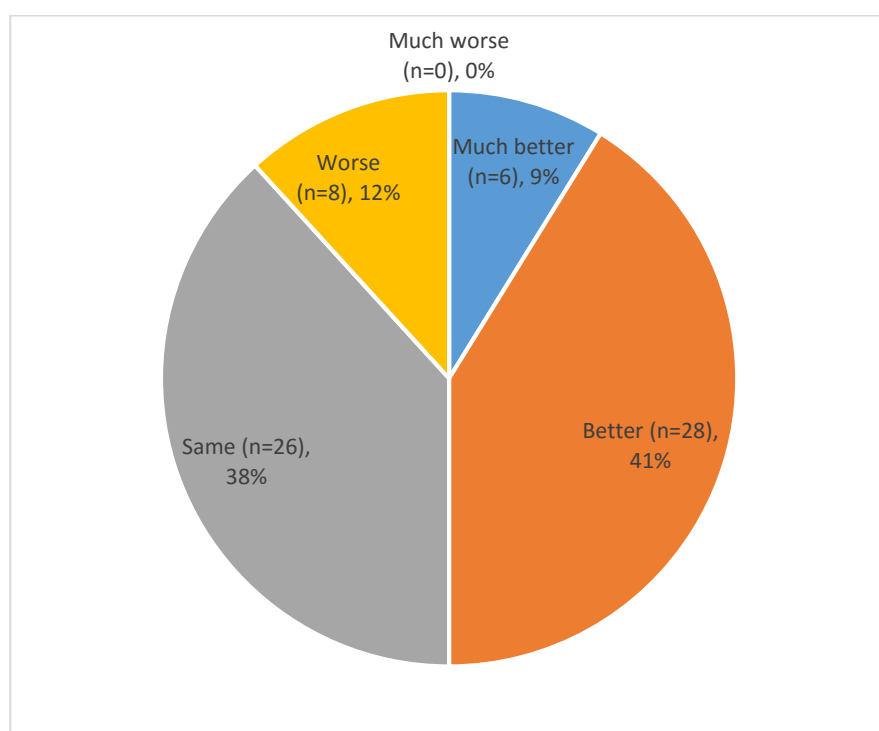


Number of respondents = 68

The outlook among companies in this sector is a bit mixed, with around 41 per cent of respondents expecting their international operations in 2016 to be better compared to 2015. Around 9 per cent of respondents expect their performance to be much better, while 38 per cent expect their performance to be around the same as last year.

Figure C-54 Outlook - METS

Survey question: What is the overall outlook for your company's international operations in 2016 compared to 2015?



Number of respondents = 68

APPENDIX D: STATE PROFILES

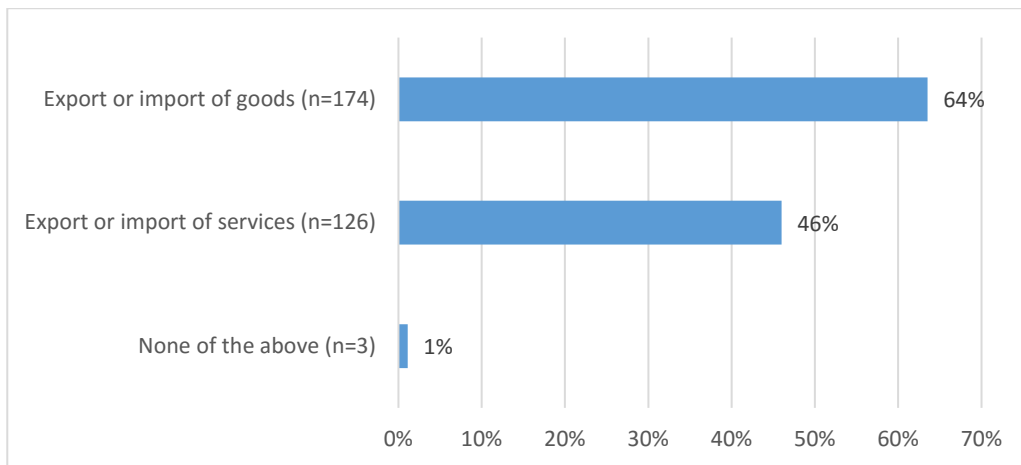
Survey respondents were classified according to the state or territory in which their company's headquarters were located. Responses to selected survey questions were then analysed in order to arrive at profiles for the 6 individual states. The Australian Capital Territory (ACT) and the Northern Territory (NT) were excluded from this analysis due to insufficient sample sizes.

NEW SOUTH WALES (NSW)

A total of 274 companies headquartered in New South Wales participated in the survey, representing around 30 per cent of all respondents. Among these companies, around 64 per cent were mainly involved in the export or import of goods in the past year, while 46 per cent were involved in the export or import of services.

Figure D-1 International activities - NSW

Survey question: Over the past year, has your company been involved in any of the following international activities? Select options that apply.

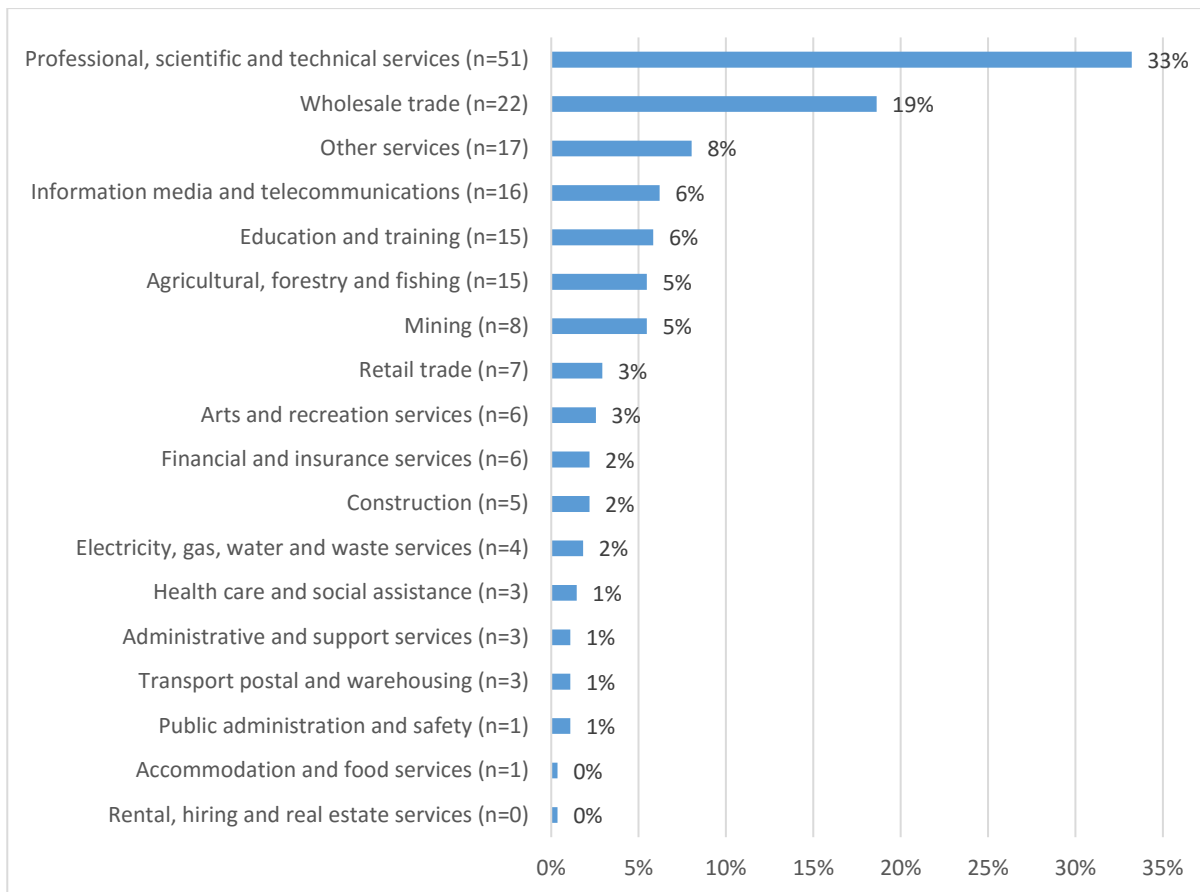


Number of respondents = 274

Among the New South Wales-based companies that participated in the survey, 33 per cent were from the professional, scientific and technical services sector, and 19 per cent were wholesale trade companies (Figure D-2).

Figure D-2 Main industry - NSW

Survey question: What is the main business of your company?



Number of respondents = 274

The United States was identified as the top overseas market from which companies based in this state earned international revenue in the past year, obtaining around 15 per cent of responses (Table D-1). Other top markets were China (12 per cent of responses) and the United Kingdom (9 per cent of responses).

Table D-1 Main overseas markets - NSW

Survey question: Top 10 countries from which companies have earned international revenue in the past year.

Rank	Country	No. of responses	Share
1	United States	75	15%
2	China	60	12%
3	United Kingdom	47	9%
4	New Zealand	32	6%
5	United Arab Emirates	20	4%
6	Singapore	19	4%
7	Malaysia	18	4%
8	Hong Kong, SAR of China	16	3%
9	Indonesia	16	3%
10	Japan	16	3%

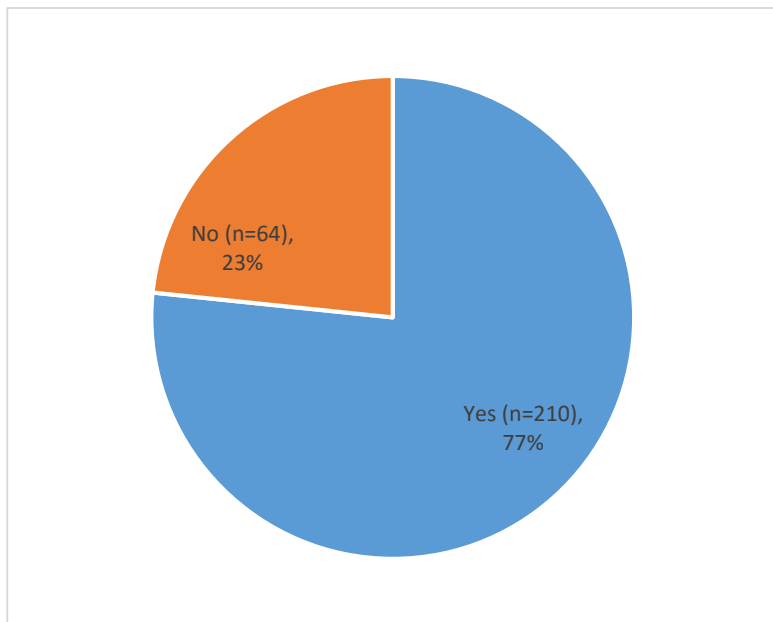
Number of responses = 503

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Seventy-seven per cent of respondents intend to expand to new international markets in the next 2 years, while 23 per cent have no immediate expansion plans (Figure D-3).

Figure D-3 Plans for doing business in additional countries - NSW

Survey question: Is your company planning to do business in additional countries in the next 2 years?



Number of respondents = 274

Among the companies that had plans to expand to new overseas, around 16 per cent expected the United States to be their most important market in terms of generating additional revenue (Table D-2). Fourteen per cent expected China to be the most important, while another 7 per cent expected India to be their most important future market.

Table D-2 Most important new country - NSW

Survey question: for your company, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

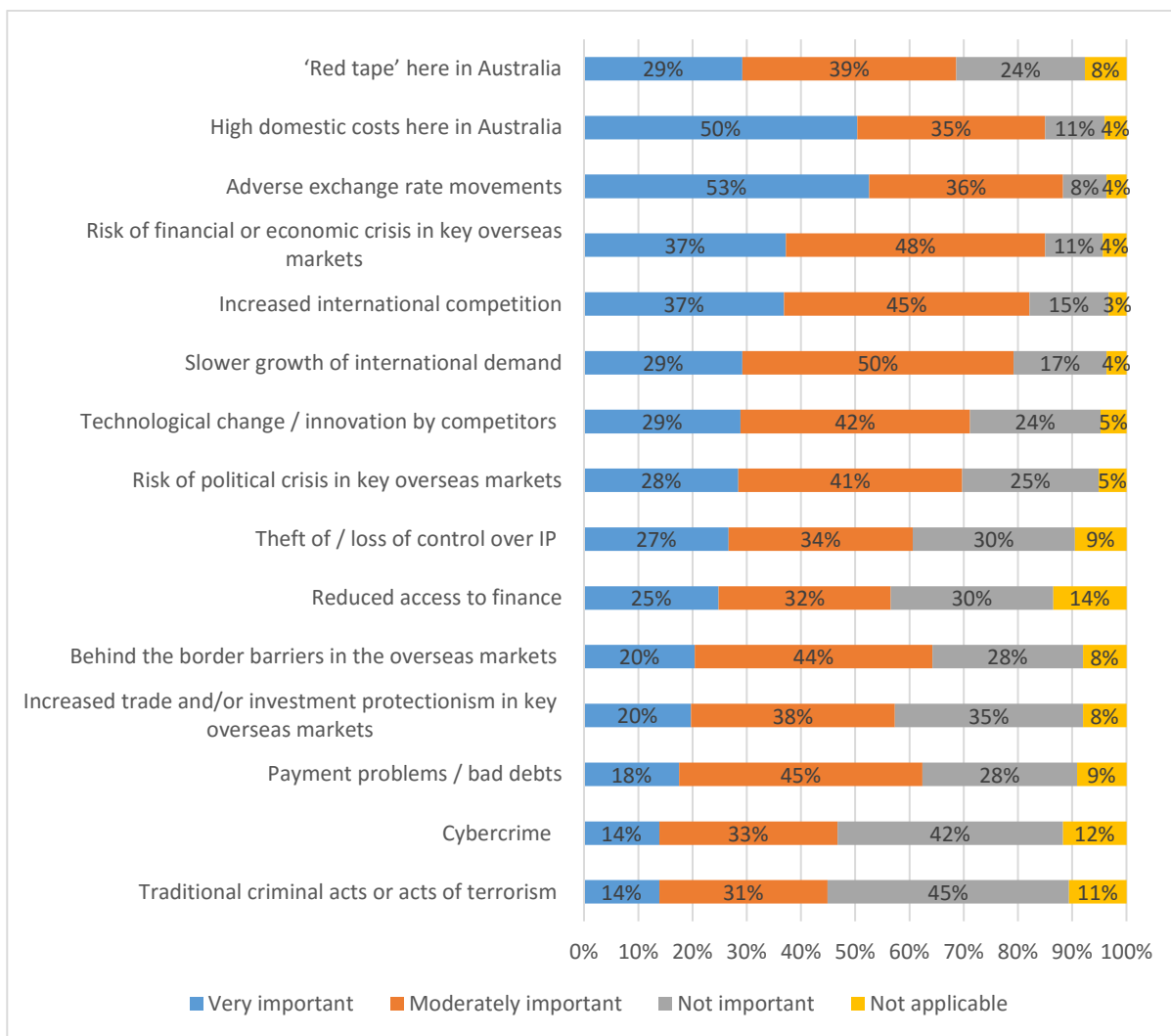
Rank	Country	No. of responses	Share
1	United States	34	16%
2	China	30	14%
3	India	15	7%
4	United Kingdom	12	6%
5	Brazil	8	4%
6	Indonesia	8	4%
7	Japan	7	3%
8	Singapore	7	3%
9	South Korea	7	3%
10	Vietnam	7	3%

Number of respondents = 210

Companies from this state expect adverse exchange rate movements to be the top risk that their international operations will face in the next 3 to 5 years (cited by 53 per cent of respondents). Other future risks identified were high domestic costs in Australia (50 per cent of respondents), and the risk of financial or economic crisis in key overseas markets (cited by 37 per cent of respondents). A further 37 per cent of respondents identified increased international competition as a key future risk.

Figure D-4 Key risks - NSW

Survey question: What do you see as the key risks facing your international operations over the next three to five years?

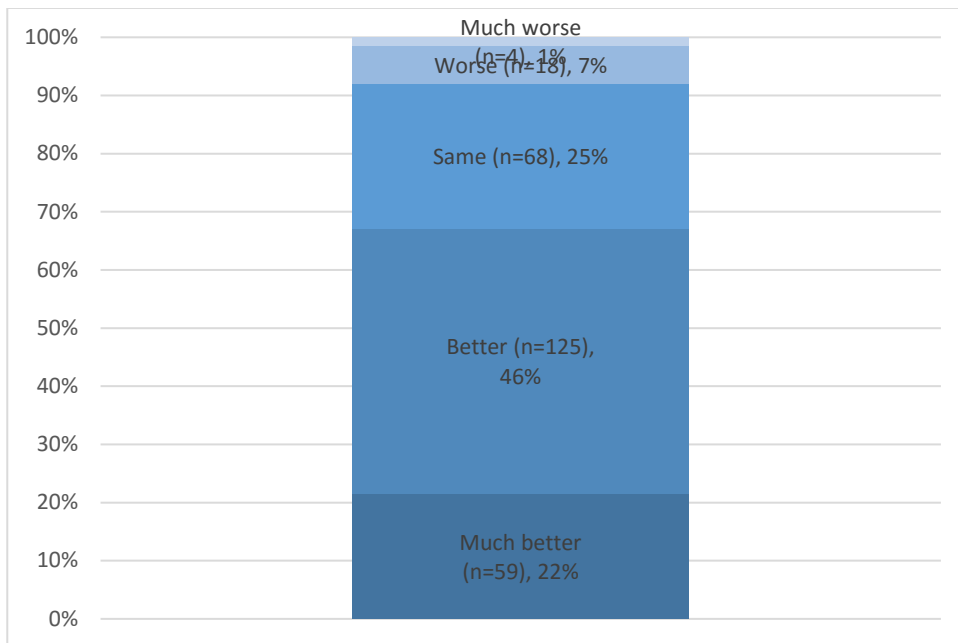


Number of respondents = 274

The outlook among companies in this state is generally positive, with around 46 per cent of respondents expecting their international operations in 2016 to be better compared to 2015. Around 22 per cent of respondents expect their performance to be much better, while 25 per cent expect their performance to be around the same as last year.

Figure D-5 Outlook - NSW

Survey question: What is the overall outlook for your company's international operations in 2016 compared to 2015?



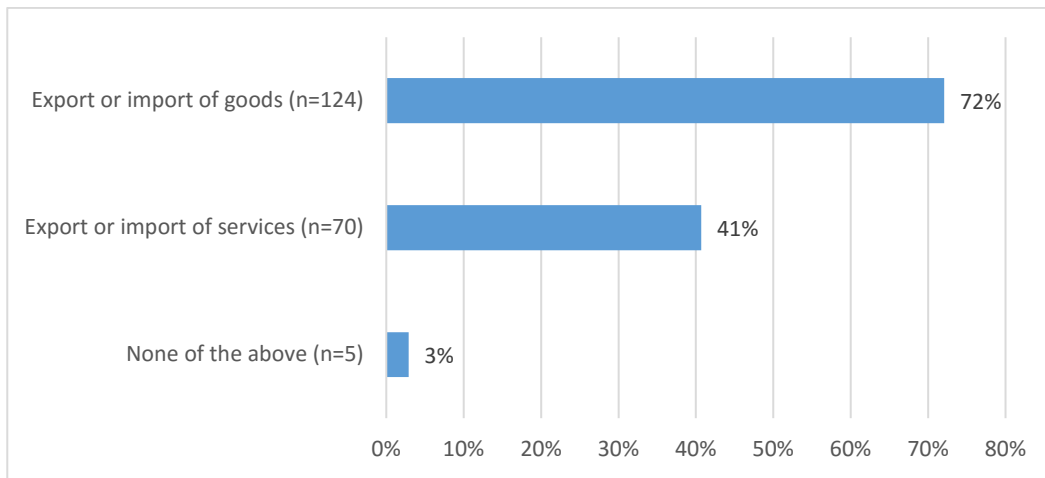
Number of respondents = 274

QUEENSLAND (QLD)

A total of 172 companies headquartered in Queensland participated in the survey, representing around 19 per cent of all respondents. Among these companies, around 72 per cent were mainly involved in the export or import of goods in the past year, while 41 per cent were involved in the export or import of services.

Figure D-6 International activities - QLD

Survey question: Over the past year, has your company been involved in any of the following international activities? Select options that apply.

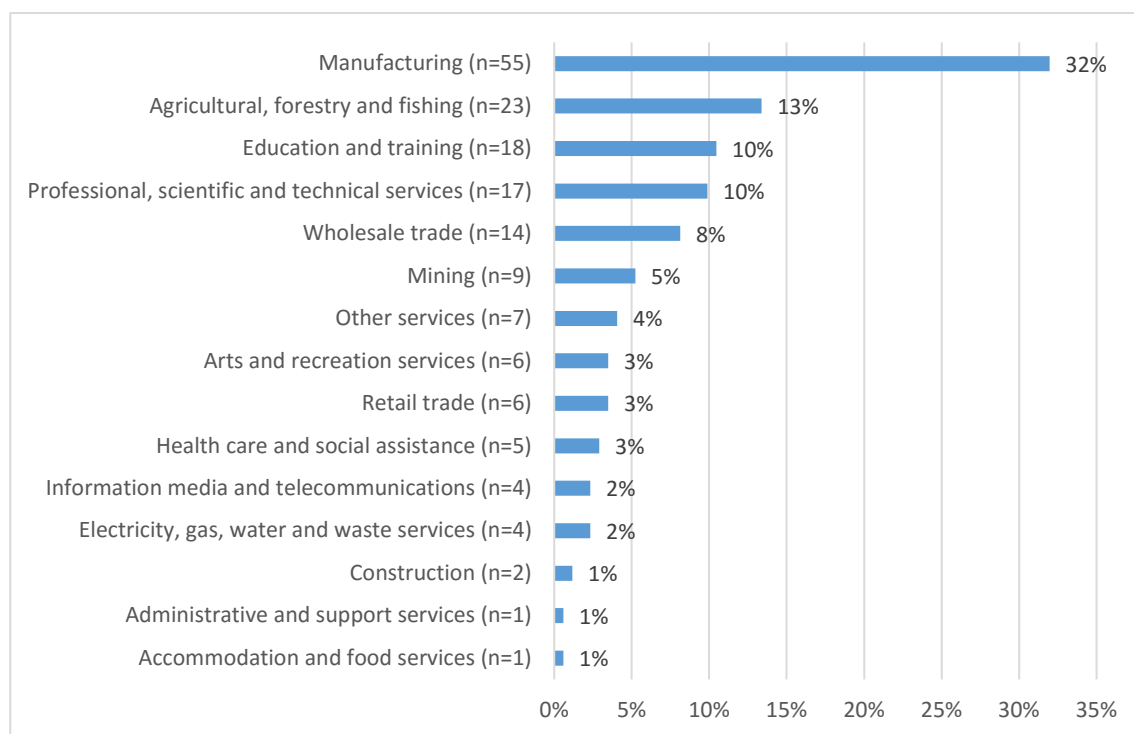


Number of respondents = 172

Among the Queensland-based companies that participated in the survey, 32 per cent were from the manufacturing sector, and 13 per cent were agricultural, forestry and fishing companies (Figure D-7). Among the service-oriented industries, education and training (10 per cent of companies) was the top sector that was represented in the state.

Figure D-7 Main industry - QLD

Survey question: What is the main business of your company?



Number of respondents = 172

The United States was identified as the top overseas market from which companies based in this state earned international revenue in the past year, obtaining around 13 per cent of responses (Table D-3). Other top markets were China (9 per cent of responses) and New Zealand (7 per cent of responses).

Table D-3 Main overseas markets - QLD

Survey question: Top 10 countries from which companies have earned international revenue in the past year.

Rank	Country	No. of responses	Share
1	United States	42	13%
2	China	30	9%
3	New Zealand	24	7%
4	United Kingdom	20	6%
5	Indonesia	17	5%
6	Papua New Guinea	17	5%
7	Japan	16	5%
8	Canada	10	3%
9	Singapore	10	3%
10	United Arab Emirates	10	3%

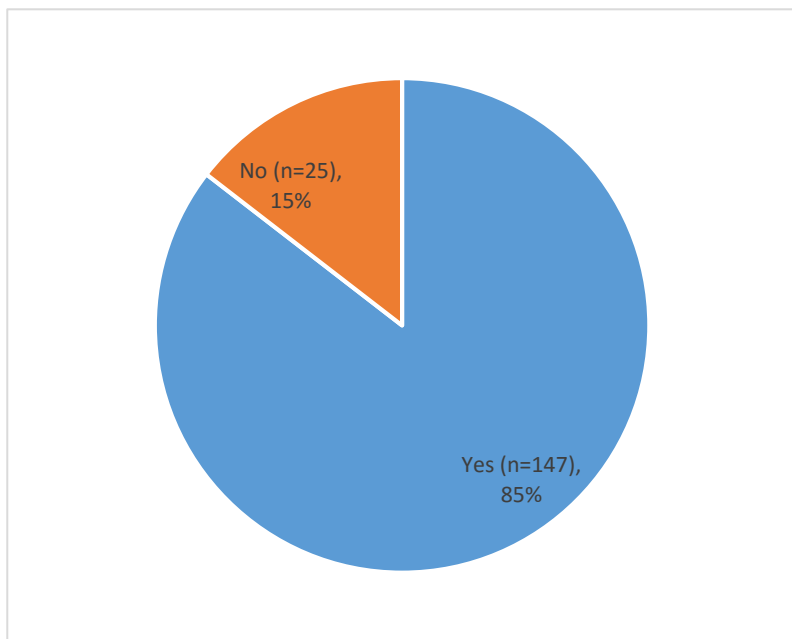
Number of responses = 322

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Eighty-five per cent of respondents intend to expand to new international markets in the next 2 years, while 15 per cent have no immediate expansion plans (Figure D-8).

Figure D-8 Plans for doing business in additional countries - QLD

Survey question: Is your company planning to do business in additional countries in the next 2 years?



Number of respondents = 172

Among the companies that had plans to expand to new overseas, around 16 per cent expected China to be their most important market in terms of generating additional revenue (Table D-4). Eight per cent expected India to be the most important, while another 7 per cent expected the United States to be their most important future market.

Table D-4 Most important new country - QLD

Survey question: for your company, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

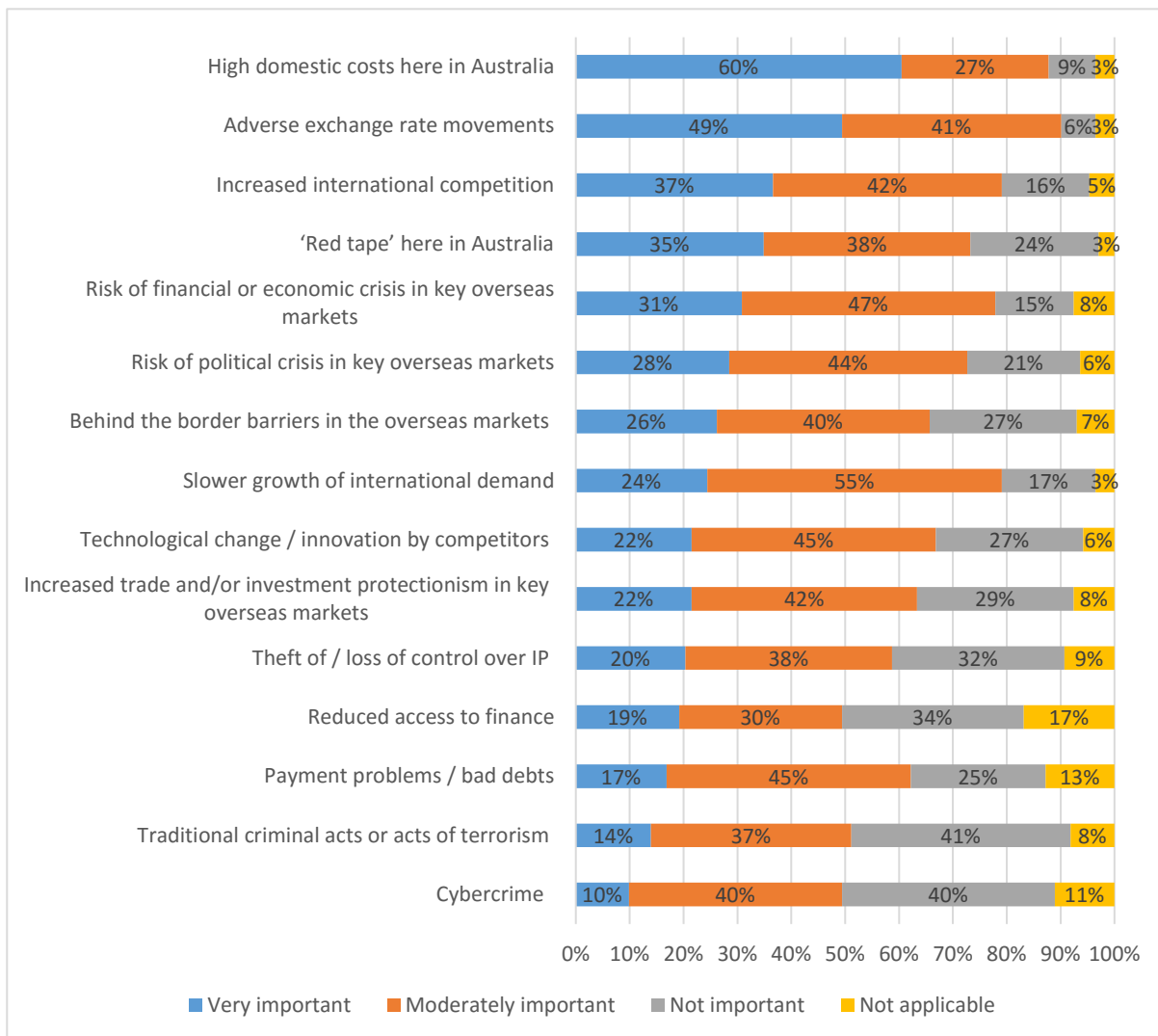
Rank	Country	No. of responses	Share
1	China	24	16%
2	India	12	8%
3	United States	11	7%
4	Indonesia	7	5%
5	Brazil	5	3%
6	Canada	5	3%
7	South Africa	5	3%
8	South Korea	5	3%
9	United Arab Emirates	5	3%
10	New Zealand	4	3%

Number of respondents = 147

Companies from this state expect high domestic costs in Australia to be the top risk that their international operations will face in the next 3 to 5 years (cited by 60 per cent of respondents). Other future risks identified were adverse exchange rate movements (49 per cent of respondents), and increased international competition (cited by 37 per cent of respondents).

Figure D-9 Key risks - QLD

Survey question: What do you see as the key risks facing your international operations over the next three to five years?

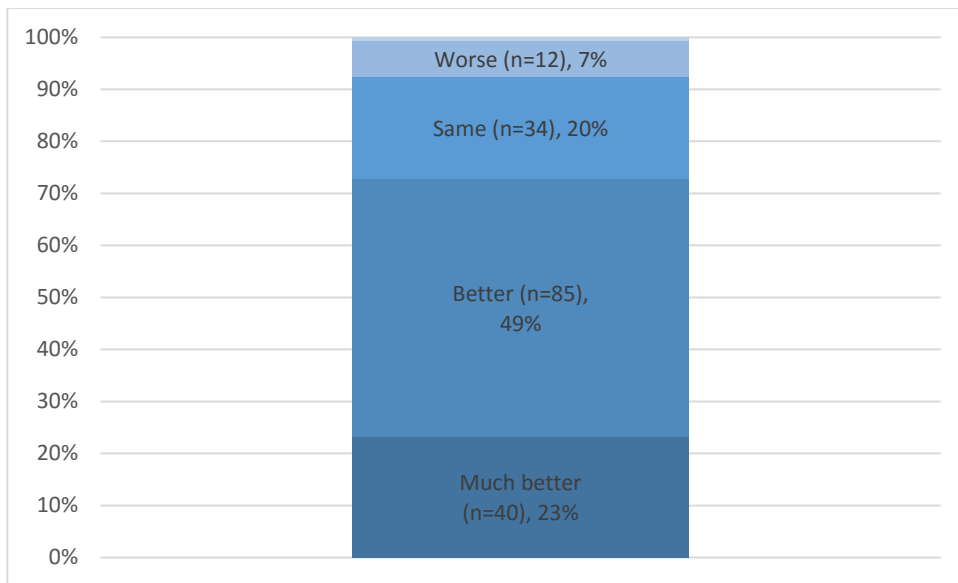


Number of respondents = 172

The outlook among companies in this state is generally positive, with around 49 per cent of respondents expecting their international operations in 2016 to be better compared to 2015. Around 23 per cent of respondents expect their performance to be much better, while 20 per cent expect their performance to be around the same as last year.

Figure D-10 Outlook - QLD

Survey question: What is the overall outlook for your company's international operations in 2016 compared to 2015?



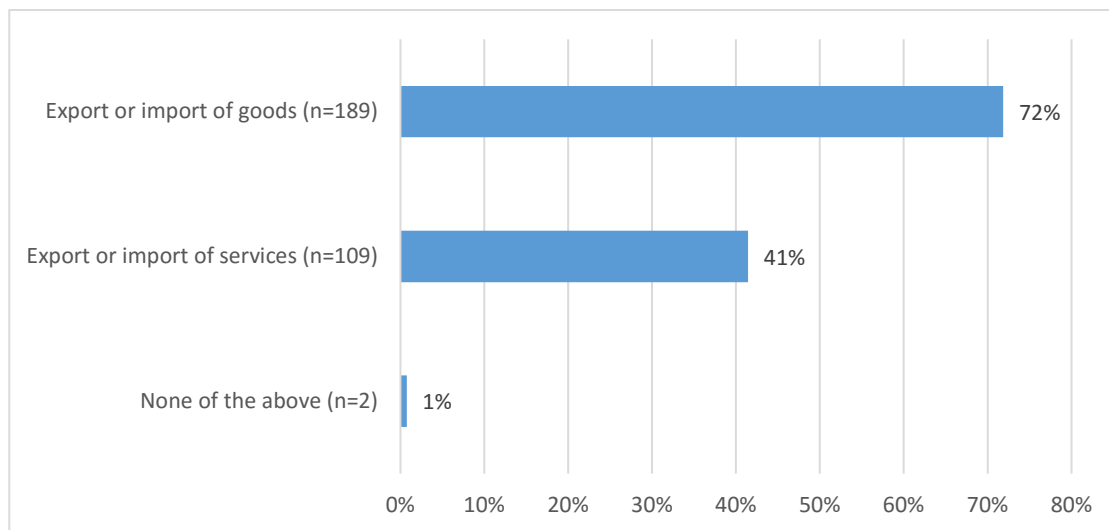
Number of respondents = 172

VICTORIA (VIC)

A total of 263 companies headquartered in Victoria participated in the survey, representing around 29 per cent of all respondents. Among these companies, around 72 per cent were mainly involved in the export or import of goods in the past year, while 41 per cent were involved in the export or import of services.

Figure D-11 International activities - VIC

Survey question: Over the past year, has your company been involved in any of the following international activities? Select options that apply.

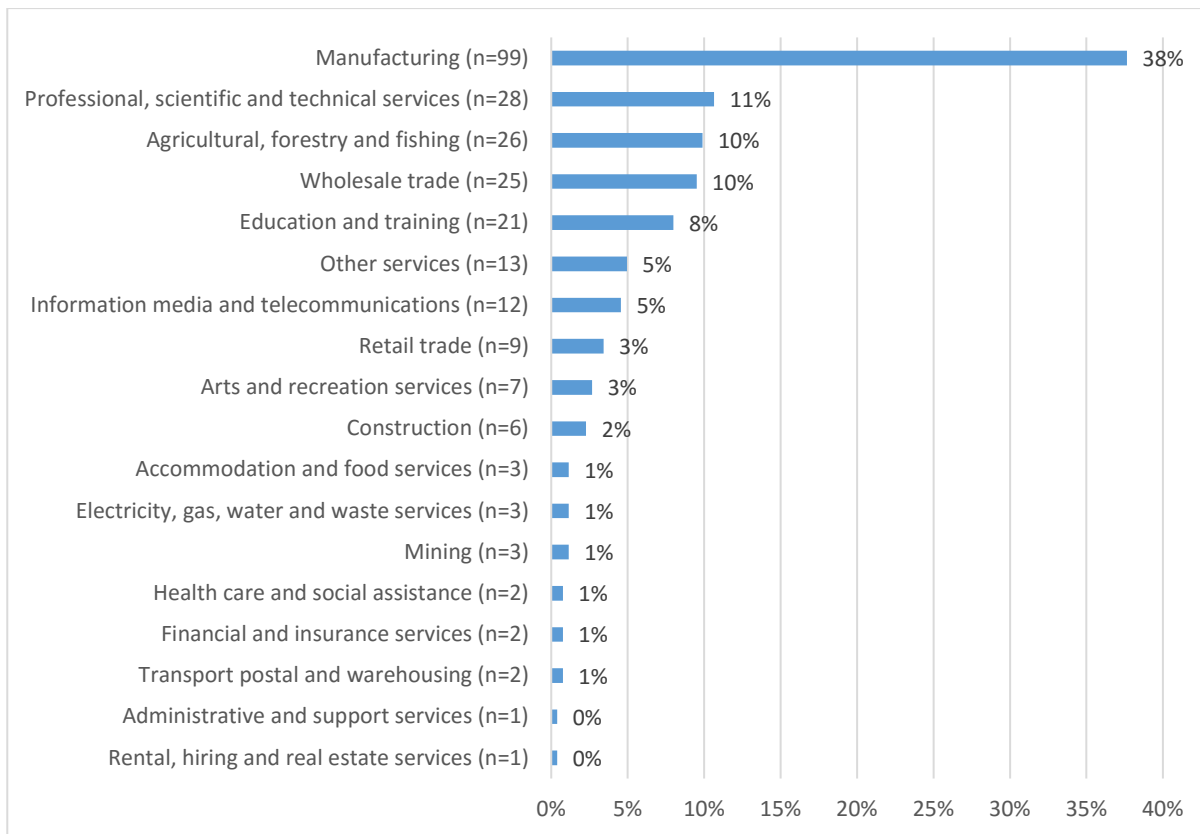


Number of respondents = 263

Among the Victoria-based companies that participated in the survey, 38 per cent were from the manufacturing sector, and 11 per cent were professional, scientific and technical services companies (Figure D-12).

Figure D-12 Main industry - VIC

Survey question: What is the main business of your company?



Number of respondents = 263

China was identified as the top overseas market from which companies based in this state earned international revenue in the past year, obtaining around 13 per cent of responses (Table D-5). Other top markets were the United States (12 per cent of responses) and the United Kingdom (9 per cent of responses).

Table D-5 Main overseas markets - VIC

Survey question: Top 10 countries from which companies have earned international revenue in the past year.

Rank	Country	No. of responses	Share
1	China	63	13%
2	United States	59	12%
3	United Kingdom	43	9%
4	New Zealand	33	7%
5	Singapore	29	6%
6	Hong Kong, SAR of China	19	4%
7	Japan	18	4%
8	Malaysia	17	3%
9	Indonesia	16	3%
10	Vietnam	13	3%

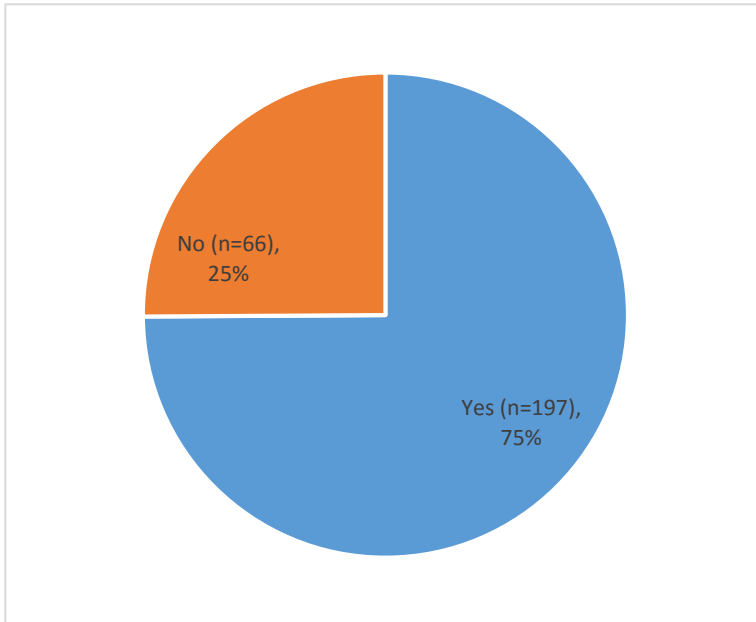
Number of responses = 488

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Seventy-five per cent of respondents intend to expand to new international markets in the next 2 years, while 25 per cent have no immediate expansion plans (Figure D-13).

Figure D-13 Plans for doing business in additional countries - VIC

Survey question: Is your company planning to do business in additional countries in the next 2 years?



Number of respondents = 263

Among the companies that had plans to expand to new overseas, around 16 per cent expected China to be their most important market in terms of generating additional revenue (Table D-6). Twelve per cent expected the United States to be the most important, while another 8 per cent expected India to be their most important future market.

Table D-6 Most important new country - VIC

Survey question: for your company, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

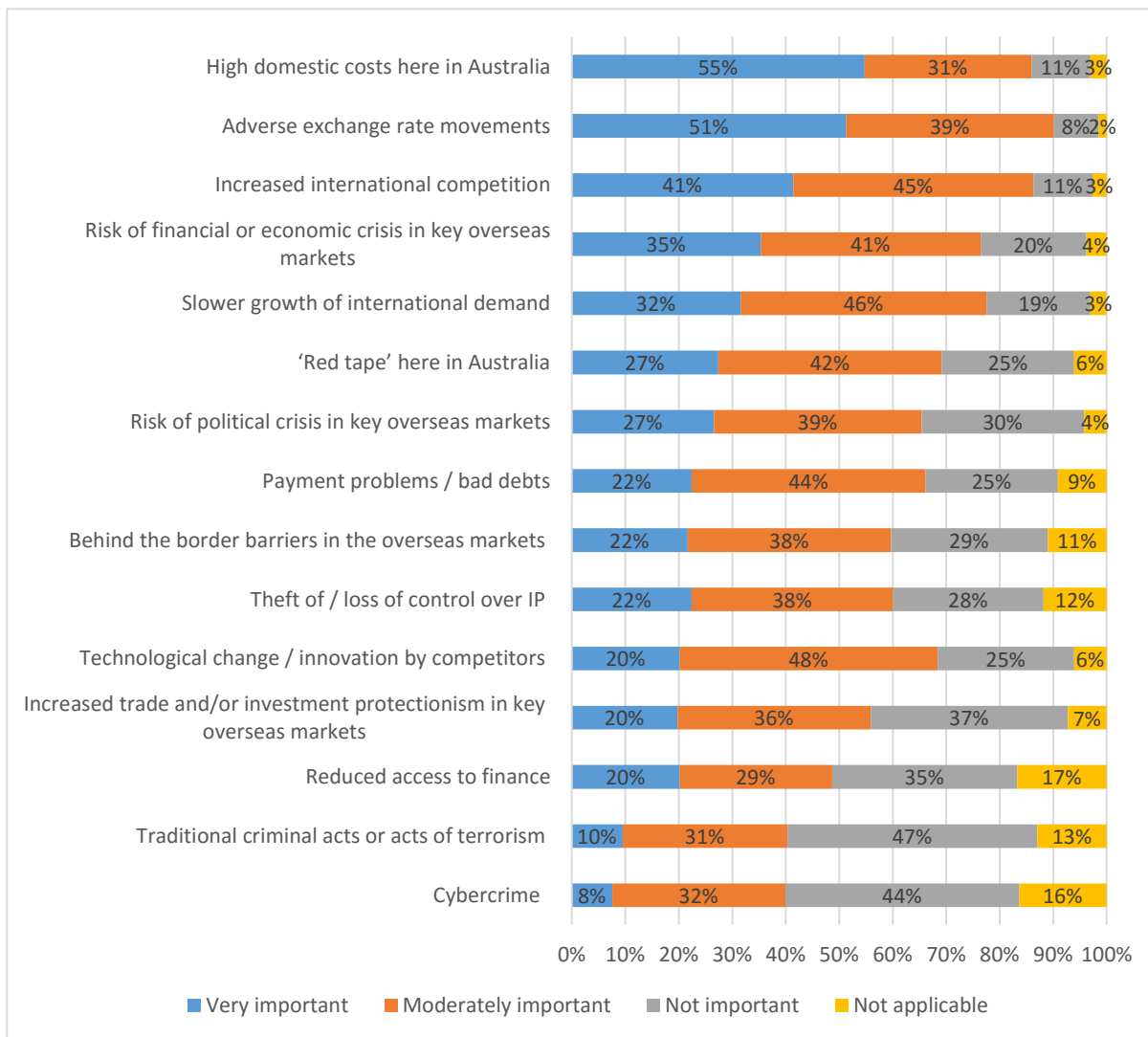
Rank	Country	No. of responses	Share
1	China	31	16%
2	United States	23	12%
3	India	15	8%
4	Indonesia	12	6%
5	United Kingdom	8	4%
6	South Korea	7	4%
7	Thailand	6	3%
8	Vietnam	6	3%
9	Canada	5	3%
10	Hong Kong, SAR of China	5	3%

Number of respondents = 197

Companies from this state expect high domestic costs in Australia to be the top risk that their international operations will face in the next 3 to 5 years (cited by 55 per cent of respondents). Other future risks identified were adverse exchange rate movements (51 per cent of respondents), and increased international competition (cited by 41 per cent of respondents).

Figure D-14 Key risks - VIC

Survey question: What do you see as the key risks facing your international operations over the next three to five years?

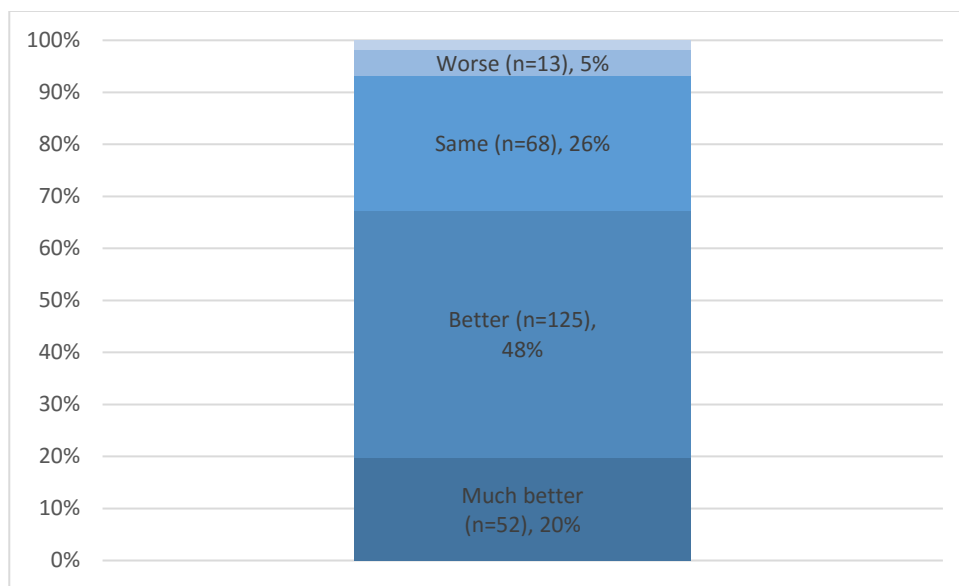


Number of respondents = 263

The outlook among companies in this state is generally positive, with around 48 per cent of respondents expecting their international operations in 2016 to be better compared to 2015. Around 20 per cent of respondents expect their performance to be much better, while 26 per cent expect their performance to be around the same as last year.

Figure D-15 Outlook - VIC

Survey question: What is the overall outlook for your company's international operations in 2016 compared to 2015?



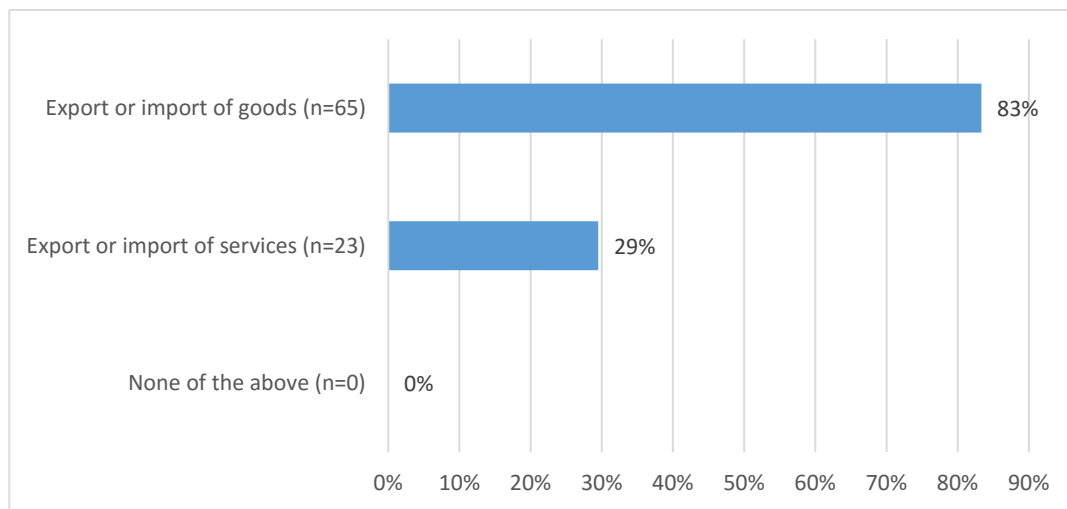
Number of respondents = 263

SOUTH AUSTRALIA (SA)

A total of 78 companies headquartered in South Australia participated in the survey, representing around 9 per cent of all respondents. Among these companies, around 83 per cent were mainly involved in the export or import of goods in the past year, while 29 per cent were involved in the export or import of services.

Figure D-16 International activities - SA

Survey question: Over the past year, has your company been involved in any of the following international activities? Select options that apply.

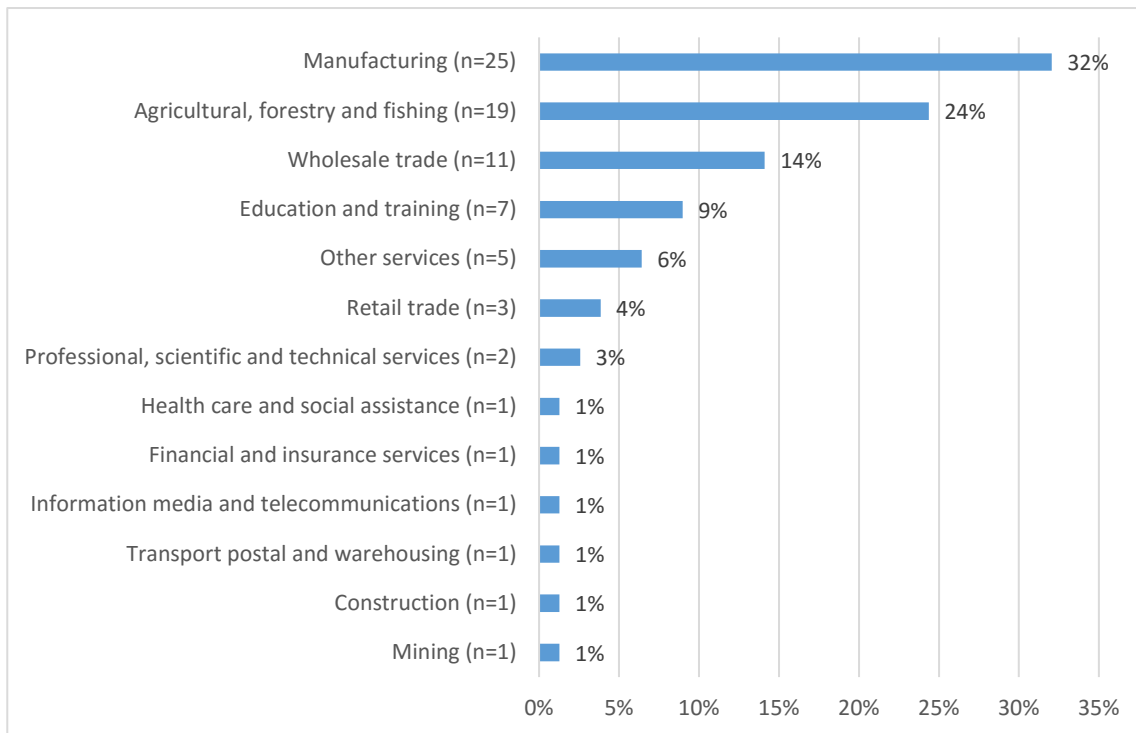


Number of respondents = 78

Among the South Australia-based companies that participated in the survey, 32 per cent were from the manufacturing sector, and 24 per cent were agricultural, forestry and fishing companies (Figure D-17). Among the service-oriented industries, education and training (9 per cent of companies) was the top sector that was represented in the state.

Figure D-17 Main industry - SA

Survey question: What is the main business of your company?



Number of respondents = 78

China was identified as the top overseas market from which companies based in this state earned international revenue in the past year, obtaining around 20 per cent of responses (Table D-7). Other top markets were the United Kingdom (8 per cent of responses) and the United States (7 per cent of responses).

Table D-7 Main overseas markets - SA

Survey question: Top 10 countries from which companies have earned international revenue in the past year.

Rank	Country	No. of responses	Share
1	China	29	20%
2	United Kingdom	12	8%
3	United States	10	7%
4	New Zealand	9	6%
5	Singapore	8	6%
6	Hong Kong, SAR of China	6	4%
7	Canada	5	4%
8	India	5	4%
9	Belgium	4	3%
10	Japan	4	3%

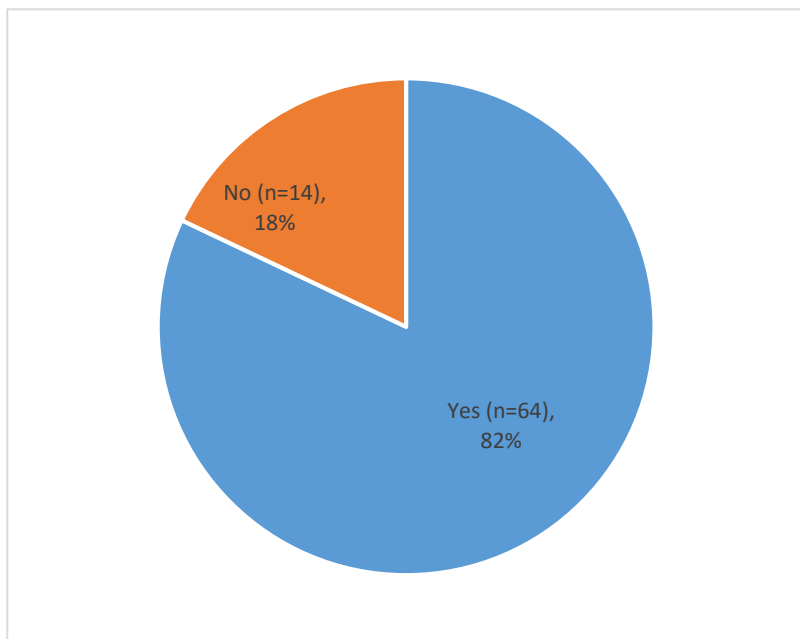
Number of responses = 142

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Eighty-two per cent of respondents intend to expand to new international markets in the next 2 years, while 18 per cent have no immediate expansion plans (Figure D-18).

Figure D-18 Plans for doing business in additional countries - SA

Survey question: Is your company planning to do business in additional countries in the next 2 years?



Number of respondents = 78

Among the companies that had plans to expand to new overseas, around 14 per cent expected China to be their most important market in terms of generating additional revenue (Table D-8). Eleven per cent expected the United States to be the most important, while another 8 per cent expected South Korea to be their most important future market.

Table D-8 Most important new country - SA

Survey question: for your company, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

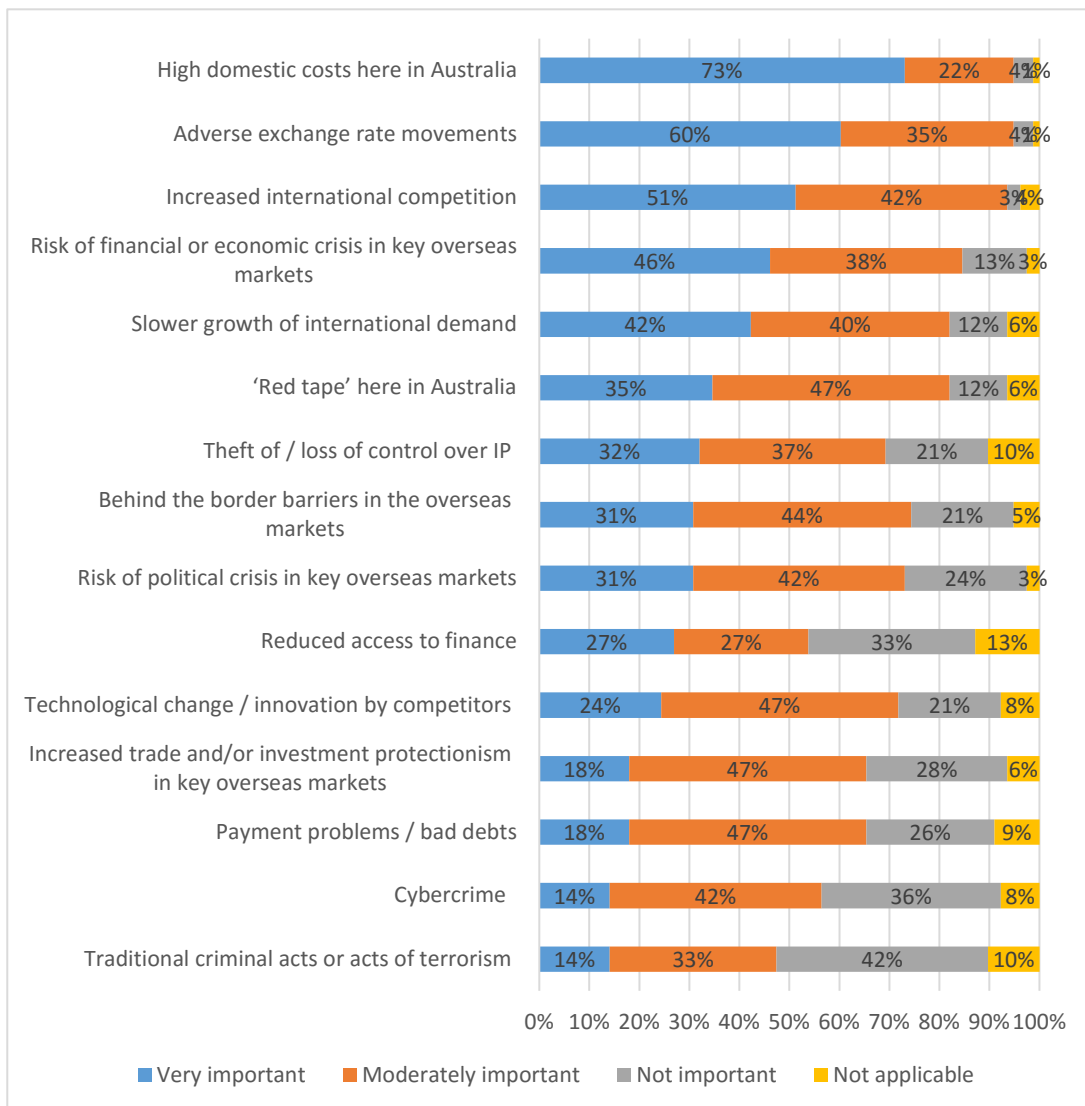
Rank	Country	No. of responses	Share
1	China	9	14%
2	United States	7	11%
3	South Korea	5	8%
4	United Kingdom	4	6%
5	Indonesia	3	5%
6	Iran	3	5%
7	Singapore	3	5%
8	Chile	2	3%
9	Germany	2	3%
10	India	2	3%

Number of respondents = 64

Companies from this state expect high domestic costs in Australia to be the top risk that their international operations will face in the next 3 to 5 years (cited by 73 per cent of respondents). Other future risks identified were adverse exchange rate movements (60 per cent of respondents), and increased international competition (cited by 51 per cent of respondents).

Figure D-19 Key risks - SA

Survey question: What do you see as the key risks facing your international operations over the next three to five years?

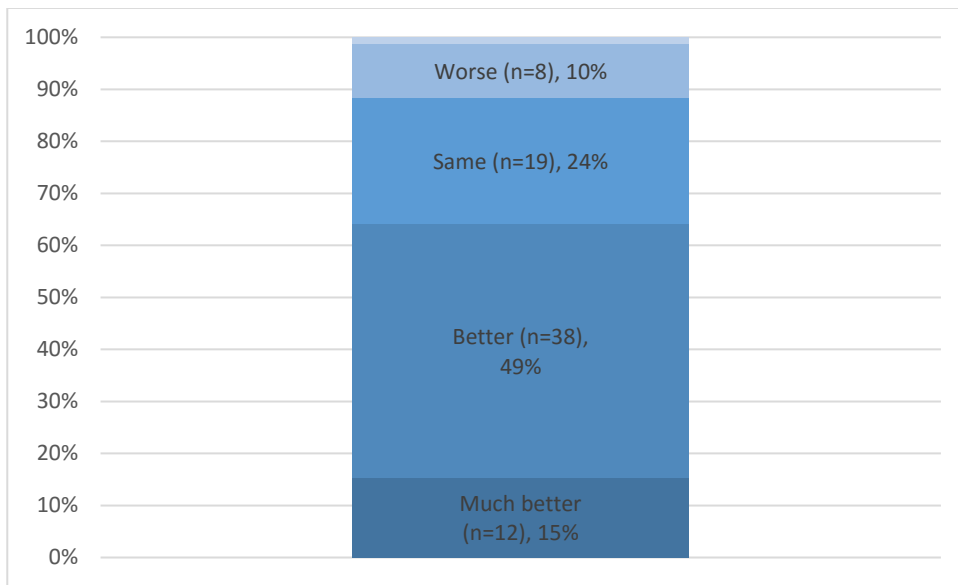


Number of respondents = 78

The outlook among companies in this state is generally positive, with around 49 per cent of respondents expecting their international operations in 2016 to be better compared to 2015. Around 15 per cent of respondents expect their performance to be much better, while 24 per cent expect their performance to be around the same as last year.

Figure D-20 Outlook - SA

Survey question: What is the overall outlook for your company's international operations in 2016 compared to 2015?



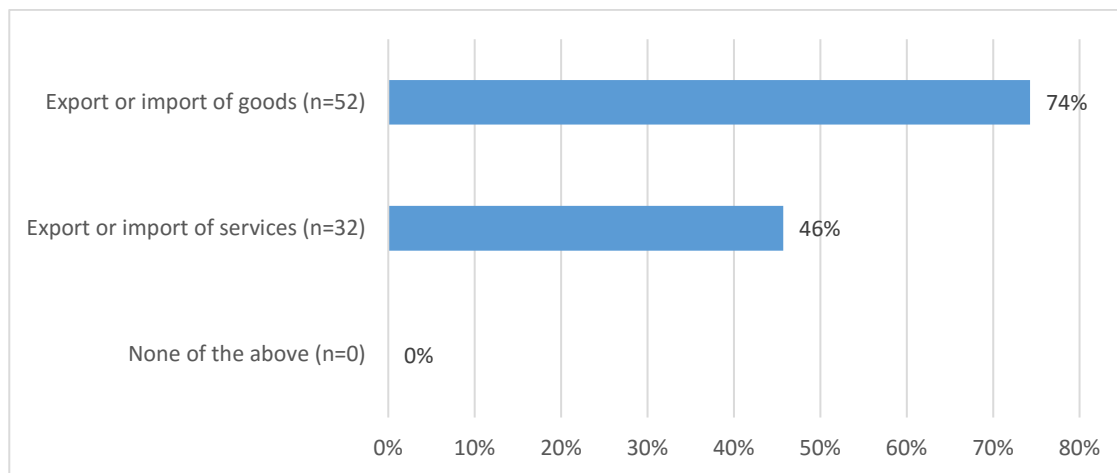
Number of respondents = 78

WESTERN AUSTRALIA (WA)

A total of 70 companies headquartered in Western Australia participated in the survey, representing around 8 per cent of all respondents. Among these companies, around 74 per cent were mainly involved in the export or import of goods in the past year, while 46 per cent were involved in the export or import of services.

Figure D-21 International activities - WA

Survey question: Over the past year, has your company been involved in any of the following international activities? Select options that apply.

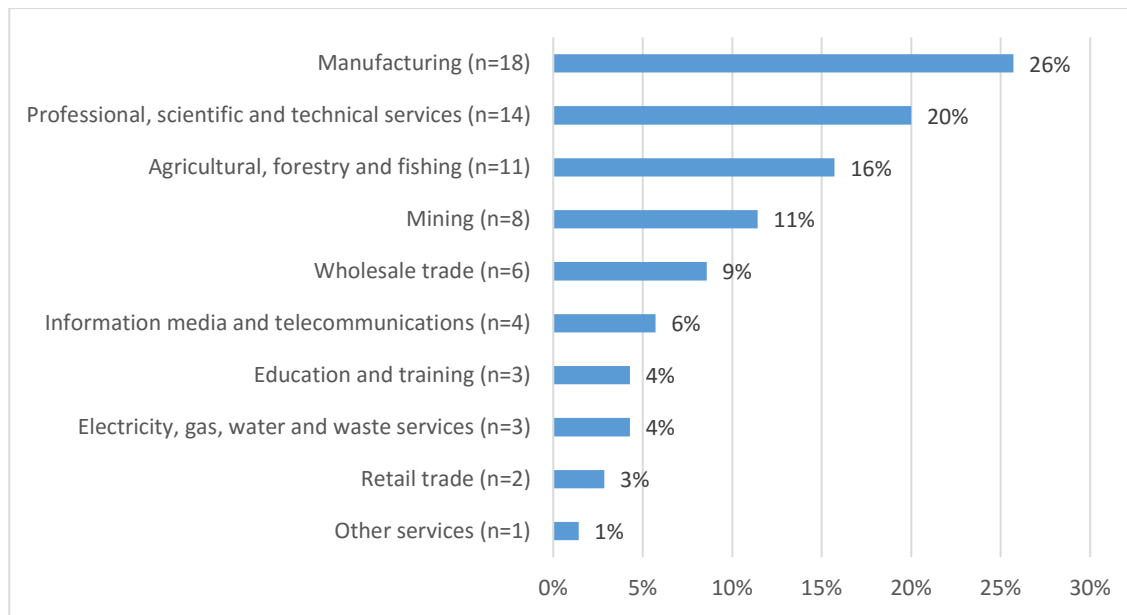


Number of respondents = 70

Among the Western Australia-based companies that participated in the survey, 26 per cent were from the manufacturing sector, and 20 per cent were professional, scientific and technical services companies (Figure D-22).

Figure D-22 Main industry - WA

Survey question: What is the main business of your company?



Number of respondents = 70

China was identified as the top overseas market from which companies based in this state earned international revenue in the past year, obtaining around 10 per cent of responses (Table D-9). Other top markets were the United States (10 per cent of responses) and the United Kingdom (9 per cent of responses).

Table D-9 Main overseas markets - WA

Survey question: Top 10 countries from which companies have earned international revenue in the past year.

Rank	Country	No. of responses	Share
1	China	13	10%
2	United States	13	10%
3	United Kingdom	12	9%
4	Singapore	10	8%
5	Hong Kong, SAR of China	7	5%
6	Canada	5	4%
7	Japan	5	4%
8	South Africa	5	4%
9	France	4	3%
10	Malaysia	4	3%

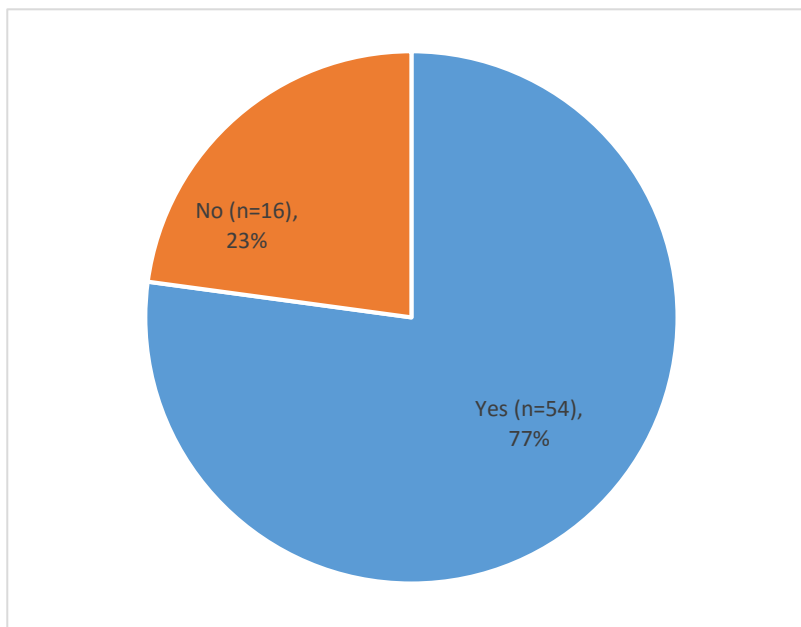
Number of responses = 131

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Seventy-seven per cent of respondents intend to expand to new international markets in the next 2 years, while 23 per cent have no immediate expansion plans (Figure D-23).

Figure D-23 Plans for doing business in additional countries - WA

Survey question: Is your company planning to do business in additional countries in the next 2 years?



Number of respondents = 70

Among the companies that had plans to expand to new overseas, around 13 per cent expected the United Kingdom to be their most important market in terms of generating additional revenue (Table D-10). Thirteen per cent expected the United States to be the most important, while another 11 per cent expected China to be their most important future market.

Table D-10 Most important new country - WA

Survey question: for your company, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

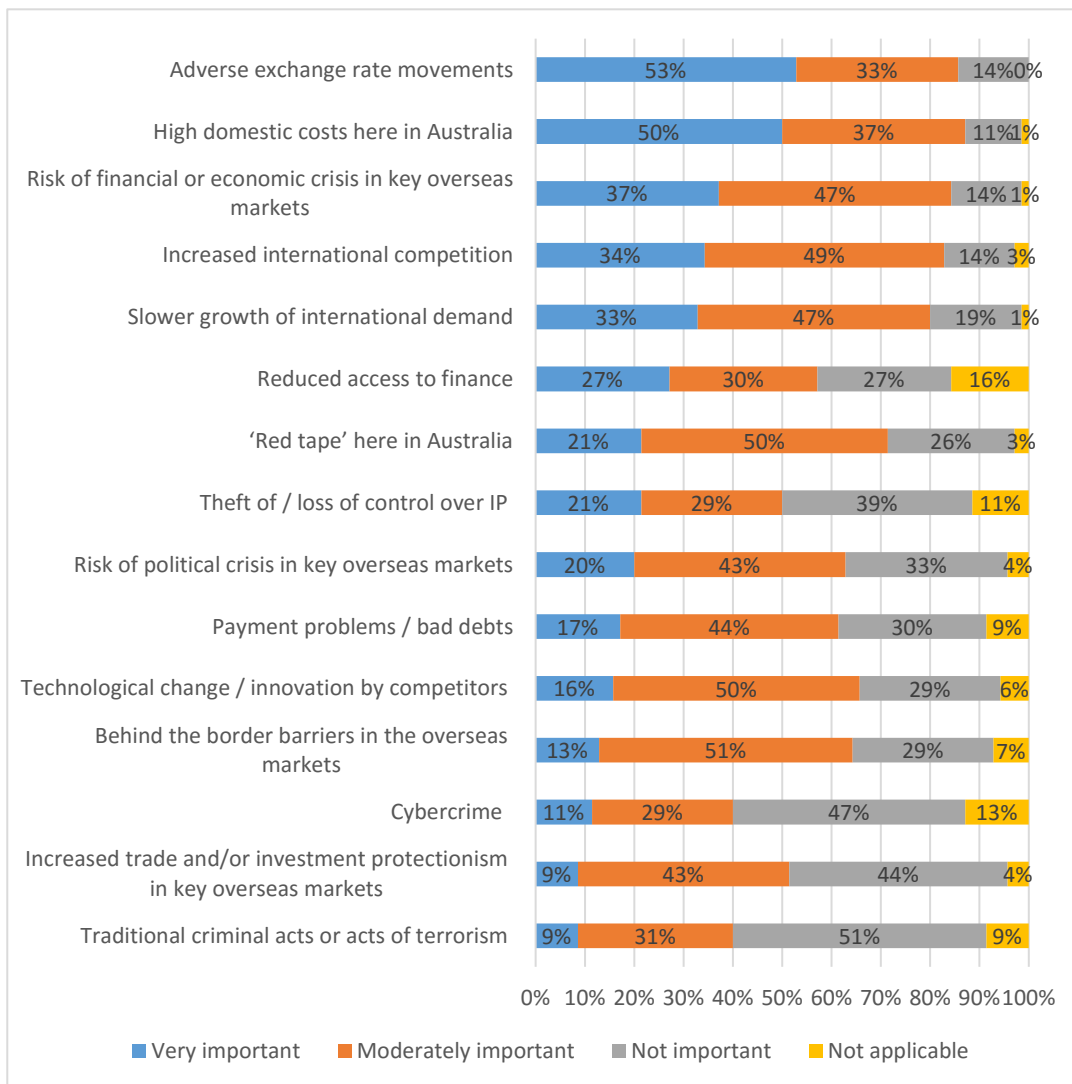
Rank	Country	No. of responses	Share
1	United Kingdom	7	13%
2	United States	7	13%
3	China	6	11%
4	Japan	3	6%
5	Brazil	2	4%
6	Chile	2	4%
7	India	2	4%
8	Nigeria	2	4%
9	Peru	2	4%
10	Singapore	2	4%

Number of respondents = 54

Companies from this state expect adverse exchange rate movements to be the top risk that their international operations will face in the next 3 to 5 years (cited by 53 per cent of respondents). Other future risks identified were high domestic costs in Australia (50 per cent of respondents), and the risk of financial or economic crisis in key overseas markets (cited by 37 per cent of respondents).

Figure D-24 Key risks - WA

Survey question: What do you see as the key risks facing your international operations over the next three to five years?

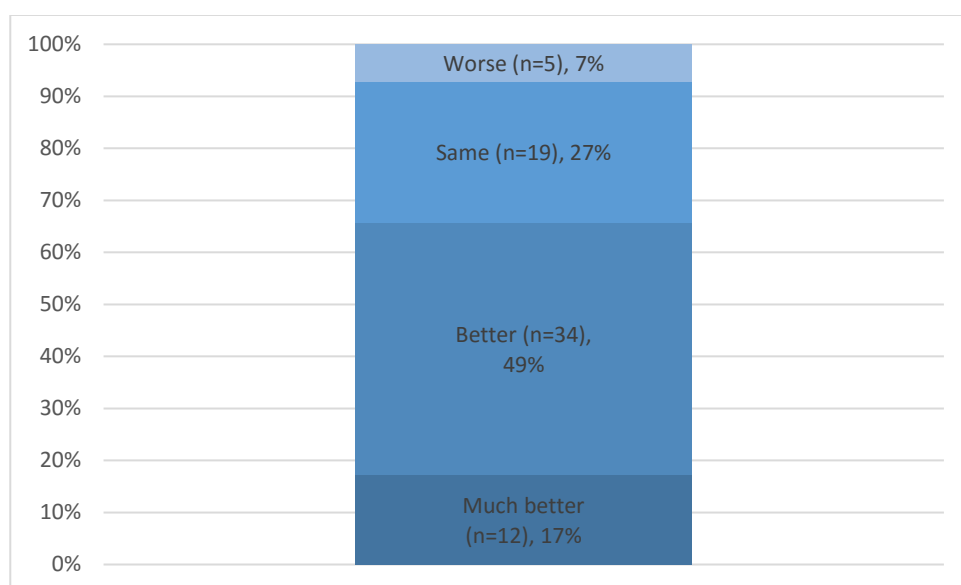


Number of respondents = 70

The outlook among companies in this state is generally positive, with around 49 per cent of respondents expecting their international operations in 2016 to be better compared to 2015. Around 17 per cent of respondents expect their performance to be much better, while 27 per cent expect their performance to be around the same as last year.

Figure D-25 Outlook - WA

Survey question: What is the overall outlook for your company's international operations in 2016 compared to 2015?



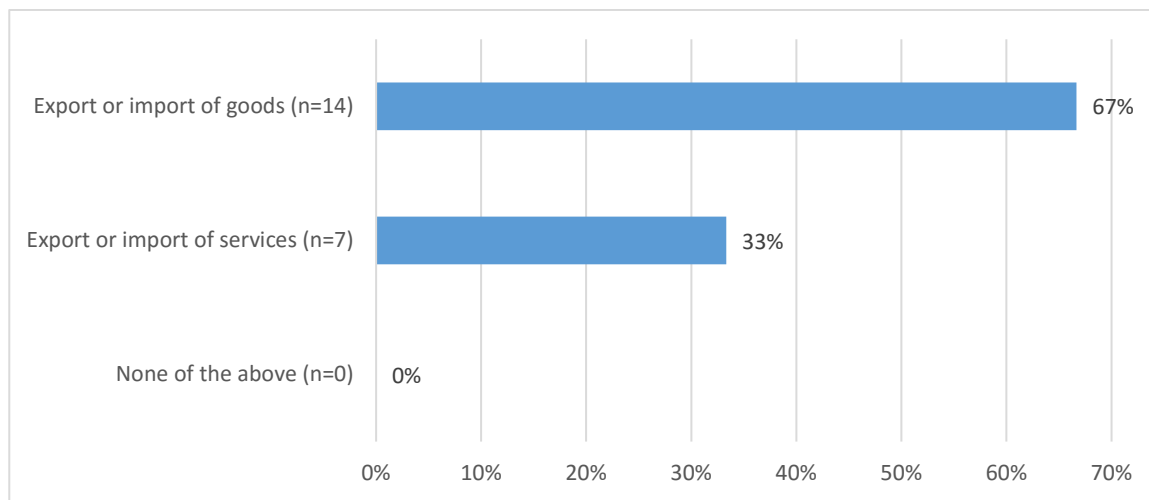
Number of respondents = 70

TASMANIA (TAS)

A total of 21 companies headquartered in Tasmania participated in the survey, representing around 2 per cent of all respondents. Among these companies, around 67 per cent were mainly involved in the export or import of goods in the past year, while 33 per cent were involved in the export or import of services.

Figure D-26 International activities - TAS

Survey question: Over the past year, has your company been involved in any of the following international activities? Select options that apply.

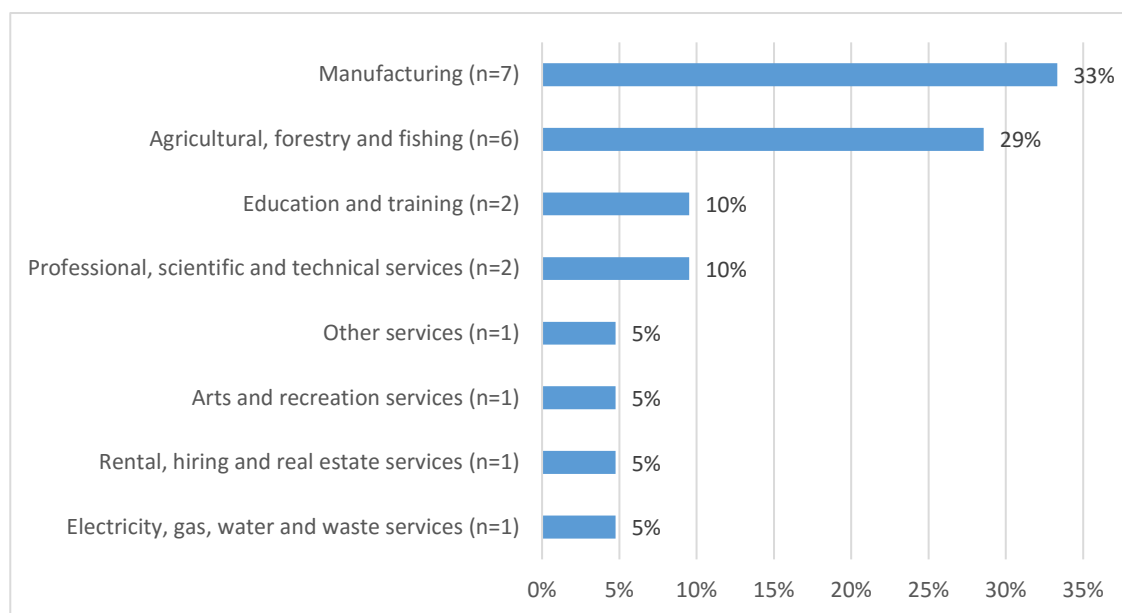


Number of respondents = 21

Among the Tasmania-based companies that participated in the survey, 33 per cent were from the manufacturing sector, and 29 per cent were agricultural, forestry and fishing companies (Figure D-27). Among the service-oriented industries, education and training (10 per cent of companies) was the top sector that was represented in the state.

Figure D-27 Main industry - TAS

Survey question: What is the main business of your company?



Number of respondents = 21

Hong Kong was identified as the top overseas market from which companies based in this state earned international revenue in the past year, obtaining around 16 per cent of responses (Table D-11). Other top markets were the United States (16 per cent of responses), China and New Zealand (each with 13 per cent of responses).

Table D-11 Main overseas markets - TAS

Survey question: Top 10 countries from which companies have earned international revenue in the past year.

Rank	Country	No. of responses	Share
1	Hong Kong, SAR of China	6	16%
2	United States	6	16%
3	China	5	13%
4	New Zealand	5	13%
5	Japan	3	8%
6	Indonesia	2	5%
7	New Caledonia	2	5%
8	United Kingdom	2	5%
9	Congo, Democratic Republic of the	1	3%
10	India	1	3%

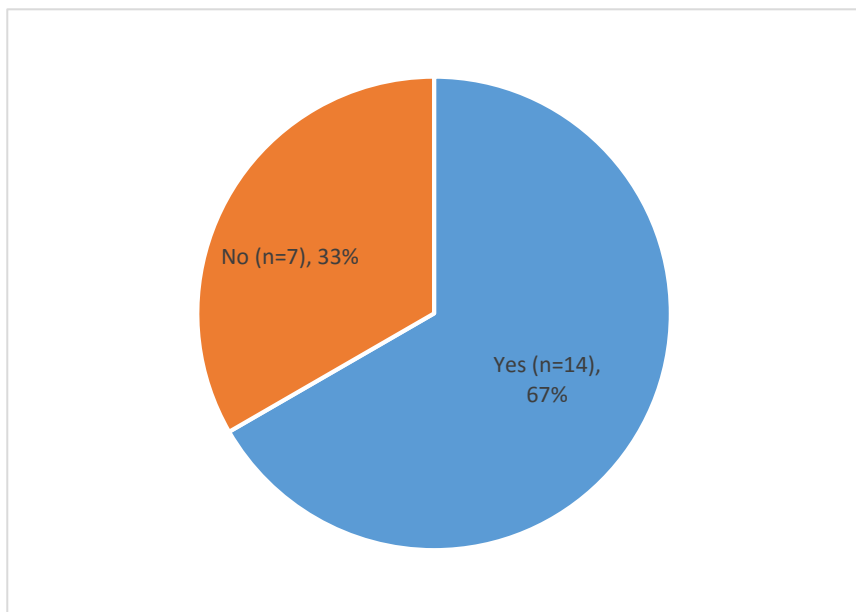
Number of responses = 38

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Sixty-seven per cent of respondents intend to expand to new international markets in the next 2 years, while 33 per cent have no immediate expansion plans (Figure D-28).

Figure D-28 Plans for doing business in additional countries - TAS

Survey question: Is your company planning to do business in additional countries in the next 2 years?



Number of respondents = 21

Among the companies that had plans to expand to new overseas, around 21 per cent expected the United States to be their most important market in terms of generating additional revenue (Table D-12). Canada, China and Japan each were identified by 14 per cent of respondents to be their most important future market.

Table D-12 Most important new country - TAS

Survey question: for your company, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

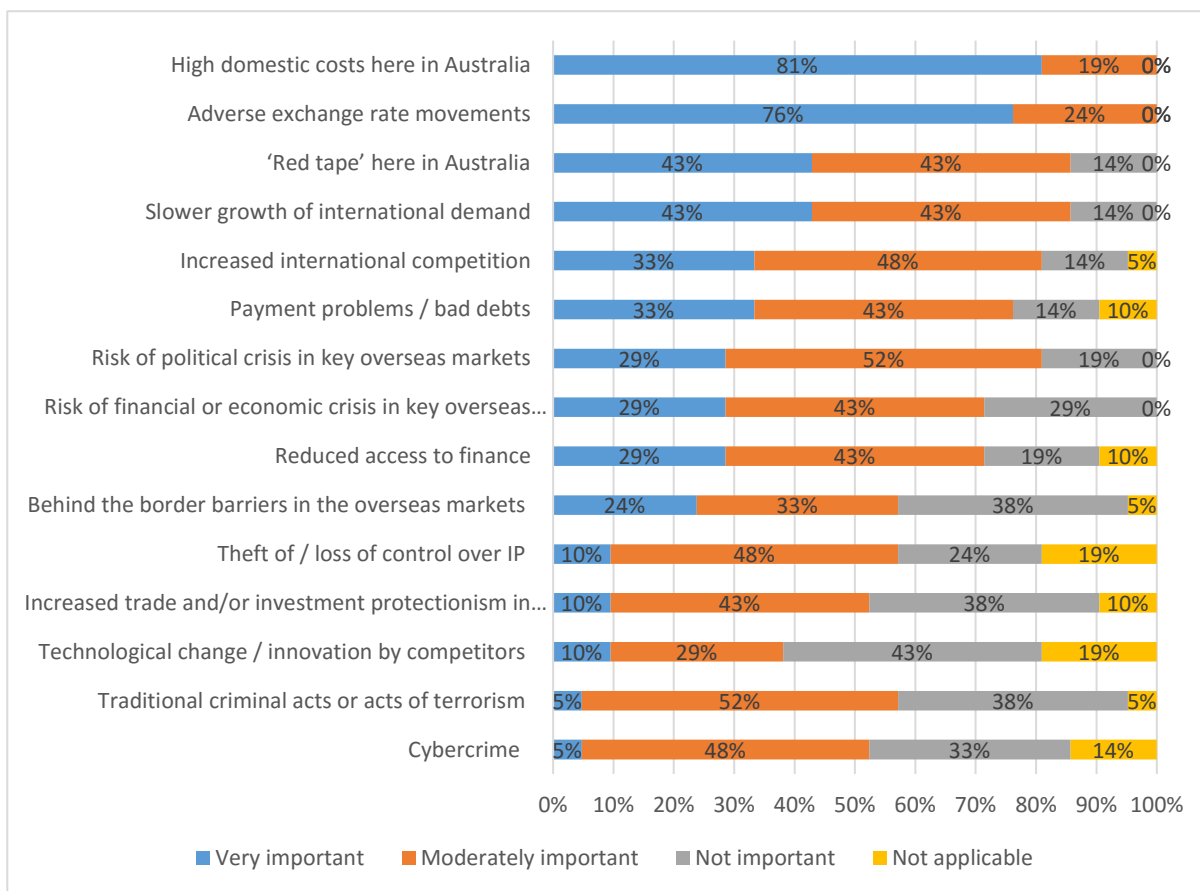
Rank	Country	No. of responses	Share
1	United States	3	21%
2	Canada	2	14%
3	China	2	14%
4	Japan	2	14%
5	Bangladesh	1	7%
6	Iran	1	7%
7	Papua New Guinea	1	7%
8	Taiwan, China	1	7%
9	United Kingdom	1	7%

Number of respondents = 14

Companies from this state expect high domestic costs in Australia to be the top risk that their international operations will face in the next 3 to 5 years (cited by 81 per cent of respondents). Other future risks identified were adverse exchange rate movements (76 per cent of respondents), and bureaucracy or red tape in Australia (cited by 43 per cent of respondents). A further 43 per cent of respondents identified slower growth of international demand as a key future risk.

Figure D-29 Key risks - TAS

Survey question: What do you see as the key risks facing your international operations over the next three to five years?

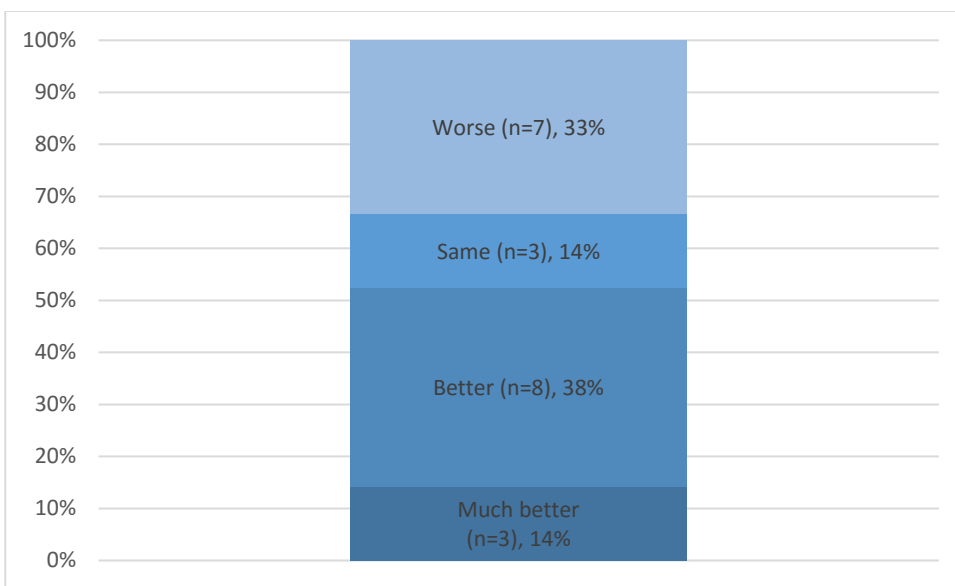


Number of respondents = 21

The outlook among companies in this state is mixed, with around 38 per cent of respondents expecting their international operations in 2016 to be better compared to 2015. Around 14 per cent of respondents expect their performance to be much better, while 33 per cent expect their performance to be worse than last year.

Figure D-30 Outlook - TAS

Survey question: What is the overall outlook for your company's international operations in 2016 compared to 2015?



Number of respondents = 21

APPENDIX E: SURVEY METHODOLOGY

The main objective of the 2016 survey, similar to those conducted in 2015 and 2014, was to investigate the international business activities of Australian businesses: to gain insights into the nature and significance of their international operations, their challenges, and their future expansion plans.

Survey questions from the 2015 survey were used as the basis for the 2016 survey subject to some additions and amendments from the major stakeholders in the survey consortium: the Export Council of Australia (ECA), Austrade, the Export Finance and Insurance Corporation (Efic), and the University of Sydney Business School. These inputs were aimed at aiding in the process of crafting questions to identify important characteristics of Australian international businesses.

The survey was further refined through an iterative piloting process that involved seeking feedback on the survey questions, their form, structure and length from prospective survey respondents. This piloting process was conducted through a combination of face-to-face meetings, document reviews and online tests.

The survey was conducted by researchers in the University of Sydney Business School. The project was approved by the University of Sydney Ethics Committee (USYD Project No. 2013/726).

The final version of the survey was created on an online survey platform licensed to the University of Sydney Business School. The survey site was built and managed by the University of Sydney Business School research team, and the link to the site was progressively sent via email to the databases of the various stakeholders in the survey consortium, industry associations, state agencies and other stakeholders. This was done to ensure the broadest possible reach for the survey given the lack of a pre-existing sampling frame, and to increase the probability of recruiting respondents from a wide variety of sectors.

The survey was open from 10 November 2015 to 29 March 2016. At the close of the survey, a total of 1,124 responses were collected including 913 fully completed and validated questionnaires from currently internationally active Australian businesses.

The fully completed survey responses were from Australian businesses currently and regularly active in international markets and are thus not necessarily representative of all Australian businesses with some international activities, especially occasional exporters.

As is the case with any analysis based on self-reports, the possibility of error cannot be excluded. For example, survey respondents may have interpreted questions incorrectly or may not have provided accurate answers.

AUSTRALIA'S INTERNATIONAL BUSINESS SURVEY PARTNERS

Export Council of Australia (ECA)

The Export Council of Australia (ECA) is the peak Industry body for the Australian export community. The ECA is the next exciting step in the evolution of the Australian Institute of Export (AIE) which, for over 50 years, has had the interests of Australian exporters at heart.

Owned by its members and steered by a Board and a Council of Industry specialists, the ECA is a not-for-profit organisation that has the development of Australia's resources via the promotion of Australian industry in international markets as its primary goal. The ECA represents all exporters: large, medium and small.

The ECA is the voice for Australia's exporters:

- Leading Trade Policy Research
- Developing International Trade Skills
- Breaking down Barriers to Trade
- Building Global Networks
- Amplifying Global Trade Success

Austrade

The Australian Trade and Investment Commission – Austrade – contributes to Australia's economic prosperity by helping Australian businesses, education institutions, tourism operators, governments and citizens as they:

- develop international markets
- win productive foreign direct investment
- promote international education
- strengthen Australia's tourism industry
- seek consular and passport services.

Austrade provides information and advice that can help you reduce the time, cost and risk of exporting. We also administer the Export Market Development Grant Scheme and offer a range of services to Australian exporters in growth and emerging markets.

Efic

When Efic helps you grow, it helps Australia grow.

Efic is committed to unlocking finance for export success.

Efic is a specialist financier that delivers simple and creative solutions for Australian companies – to enable them to win business, grow internationally and achieve export success.

As Australia's export finance agency, Efic operates on a commercial basis to provide financial solutions for:

- Small and medium enterprises (SMEs) that are exporters
- Australian companies in an export supply chain
- Australian companies looking to expand their business operations overseas to better service their clients
- Australian companies operating in emerging and frontier markets.

Through its loans, guarantees, bonds and insurance products, Efic has helped many Australian exporters and subcontractors take advantage of new contract opportunities that may otherwise have been out of reach.

The University of Sydney

The University of Sydney, founded in 1850, is one of Australia's leading research intensive universities. In the Business School, the International Business group carries out research in the areas of strategy, entrepreneurship and international business.

The members of the group teach into coursework programs at both undergraduate and post-graduate level, including the Master of International Business, Master of Management and Master of Business Administration. There is also an honours program and a significant number of PhD students.

The International Business group has an active research program, including research groups on entrepreneurship and innovation, emerging market firm strategies especially in China and India, and global governance and management. Research funding is sourced from the Australian Research Council and from industry partners such as Merck & Co. Inc., and KPMG.

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