

**HIGHLIGHTS
REPORT**

AIBS 2016



AUSTRALIA'S
INTERNATIONAL
BUSINESS
SURVEY 2016

AIBS 2016: DETAILED INSIGHTS INTO AUSTRALIA'S INTERNATIONAL BUSINESS ENGAGEMENT

Australia's International Business Survey (AIBS) is an important source of insight into the activities and opinions of Australia's internationally active businesses (IBs).

Supported by Austrade, Efic and the Export Council of Australia (ECA), and conducted by the University of Sydney, AIBS 2016 is the third survey in the AIBS series and builds upon the work of its two predecessors to help inform our understanding of Australia's international business engagement at the firm level.

While much analysis of Australia's international economic performance takes place at the macro level and focuses on aggregates such as total exports and the trade balance, AIBS provides a window into how individual Australian businesses are adapting to the changing global economy and our place in it.

AIBS 2016 is based on online survey work conducted during late 2015 and early 2016 and captures the responses of 913 Australian companies drawn from 19 industry sectors (and 93 sub-sectors) operating across more than 100 international markets. Thirty-three per cent of respondents are from the manufacturing sector, which once again is the single largest source of survey participants, while around half of respondents are drawn from a range of services industries.

AIBS 2016 does a particularly good job of capturing the views of internationally experienced small and medium-sized enterprises (SMEs). About 90 per cent of survey respondents have fewer than 200 employees while 63 per cent have been earning international revenues for a decade or longer.

More comprehensive background on this year's survey participants is available towards the end of this Highlights Report as well as from the main survey report, which has been compiled by the University of Sydney. The full report also provides detailed information on selected markets and sectors, including country profiles for eight major markets – China, India, Indonesia, Japan, New Zealand, Singapore, the United Kingdom (UK) and the United States (US) – as well as eight industry and sector profiles: agriculture, forestry and fishing; education and training; information communications and technology; manufacturing; processed food and beverages; professional, scientific and technical services; together with agricultural equipment and mining equipment, technology and services – where the last two are classified by the relevant buyers. Profile reports for six states are also available.

SUMMARY

This Highlights Report provides an overview of some of the key findings from Australia's International Business Survey 2016 (AIBS 2016).

- AIBS is one of Australia's largest and most in-depth surveys of internationally active businesses (IBs). AIBS 2016 is the latest survey in the series and introduces several new questions.
- AIBS 2016 reports on the views of 913 Australian IBs drawn from 19 industry sectors (and 93 sub-sectors) operating across more than 100 international markets.
- While the survey captures the views of a broad selection of business sizes and types, the 'typical' AIBS respondent is from a small to medium-sized enterprise (SME) with substantial international business experience.
- Survey participants are involved in a wide range of cross-border commercial activities including exporting, importing, outward and inward investment, undertaking international research and development activities, and participating in foreign government tenders.
- A significant minority (29 per cent) of respondents also participate in global value chains (GVCs). These are split fairly evenly between businesses that act as suppliers to a lead firm in a GVC, those that were themselves the lead firm, and those that described themselves as a vertically integrated firm running production activities across multiple geographies.
- The most popular *initial* overseas markets for AIBS 2016 participants were, in descending order, the US, China, New Zealand and the UK.
- When asked to identify those factors that helped them target what is currently their most important overseas market, respondents emphasised the need to understand market compliance and risk; the role played by export market development grants (EMDG) and similar support; and access to general information on local customs, border procedures, business taxes and regulations.
- According to AIBS 2016 participants, the most important factor for ensuring success in international business is building a reputation for dependability, reliability, honesty and trustworthiness.
- Ninety-three per cent of respondents have a company website although only 47 per cent currently make use of e-commerce.
- Lack of adequate security was a main factor in 58 per cent of IBs' unsuccessful funding attempts. Overall, at 42 per cent, the single most common reason for failed funding attempts was the lender declining the application due to inadequate security. By contrast, in cases where the lender declined the application, poor credit history and business inexperience were relatively minor factors.
- Australian IB's are optimistic about the future, with 78 per cent planning to do business in additional overseas markets over the next two years. The top new target markets for businesses are China, US, India, UK and Indonesia.
- The two risks to international operations that are most front-of-mind for respondents were high domestic costs in Australia and the possibility of adverse exchange rate movements. Respondents also said they were concerned about increased international competition and the threat of economic or financial crisis in key markets, but were relatively sanguine about the threats posed by protectionism, criminal or terrorist acts, and cybercrime.

THE BREADTH OF INTERNATIONAL BUSINESS ENGAGEMENT: EXPORTING, IMPORTING AND INVESTING

Consistent with the picture painted by previous surveys in this series, AIBS 2016 again found that Australia’s IBs had been involved in a diverse range of cross-border commercial activities over the previous year, including trade, investment and international collaboration on research.

Trade was the most important of these, with 96 per cent of survey participants involved in exporting and 54 per cent in importing.

Survey participants reported earning international revenues from a combination of the sale of goods (51 per cent), services (40 per cent) and intellectual property (9 per cent).

FIGURE 1. DIVERSITY OF INTERNATIONAL BUSINESS ACTIVITIES



- Export, Import, Investment and Other activities **9%**
- Export, Import and Other activities **12%**
- Export, Import and Investment **6%**
- Export, Investment and Other activities **6%**
- Export and Import **24%**
- Export and Other activities **10%**
- Export and Investment **6%**
- Export only **22%**
- Not exporting but undertaking Import, Investment or Other activities **5%**

For participants involved in exporting, the export of final goods and services from Australia remained the most important mode of trade, cited as very important by 74 per cent of goods exporters and 69 per cent of exporters of services. That said, however, our results also confirmed that overseas sales branches, subsidiaries and joint ventures are an important sales channel for businesses, with this route cited as very important by more than one fifth of goods exporters and by almost one third of services exporters.¹

Turning from exports to imports, and AIBS 2016 again supports the important message from our previous surveys that, for many businesses, there is a close link between exporting and importing. This year, 58 per cent of goods importers reported that the import of materials, parts and components that would be incorporated into a product for subsequent export was very important in generating overseas revenue. Likewise, 31 per cent of importers of services said the import of services or intellectual property (IP) to serve as inputs into future exports was very important.

While trade was the most common cross-border activity for survey participants, 29 per cent of AIBS 2016 respondents said their business had been involved in either receiving inward or making outward investments. Of this group, more than half said that investing in a new overseas operation had been very important in generating overseas revenue while just over a quarter said the same about receiving inward investment.

This year, for the first time in the AIBS series, we asked respondents to provide us with more details about their investment transactions. According to AIBS 2016, the most popular destinations for outward investment by respondents over the past three years were China, the US and the UK, and by far the most cited motive for this investment was to access the market in question.

In the case of inward investment, survey participants said the most common sources of capital inflow over the past three years were China and the US with Singapore and the UK some distance behind in joint third place. The two leading motives for these capital injections into Australian businesses were to access particular skills and/or technology available in Australia, closely followed by the anticipation of a good financial return on the deployed capital.

1. In AIBS 2016 for most ranking questions, respondents were asked to choose between ‘very important’, ‘moderately important’, ‘not important’ and ‘not applicable’. In general, answers were then ranked in descending order on the share of respondents answering ‘very important’ in each case.

FIGURE 2. TOP MARKETS FOR OUTWARD INVESTMENT FROM AUSTRALIA

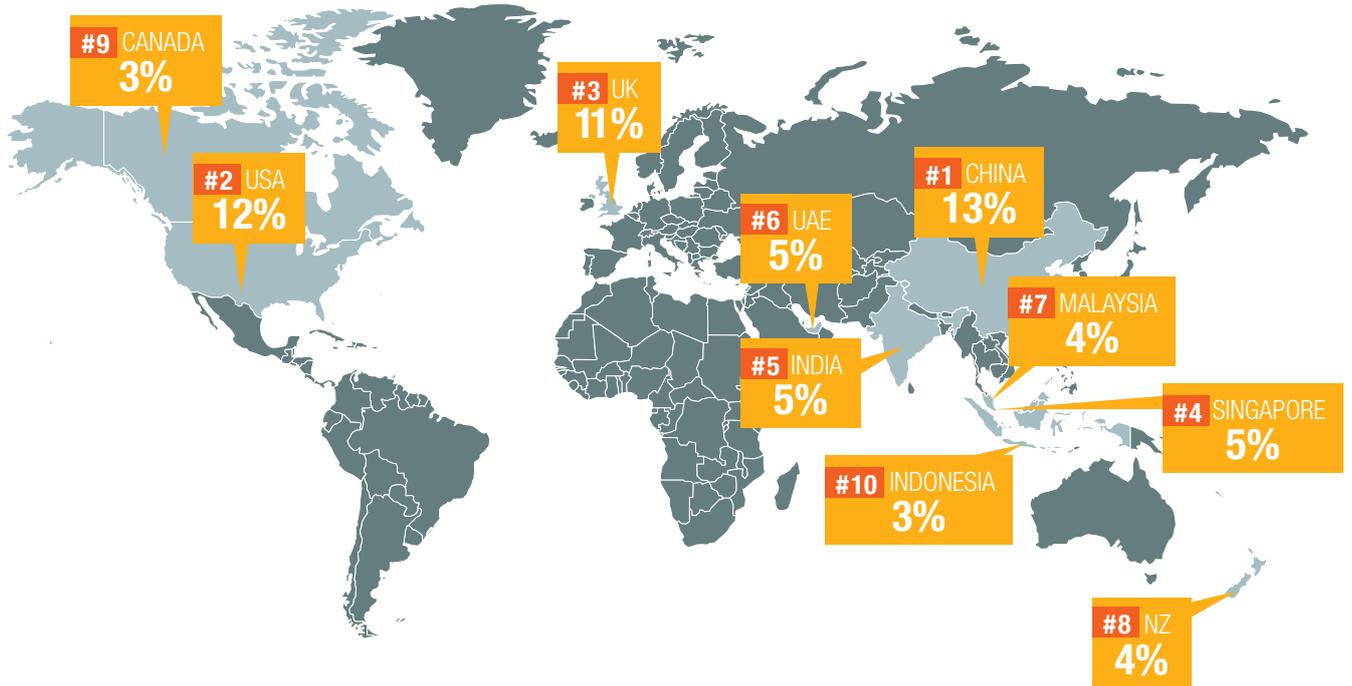


FIGURE 3. MOTIVES FOR OUTWARD INVESTMENT

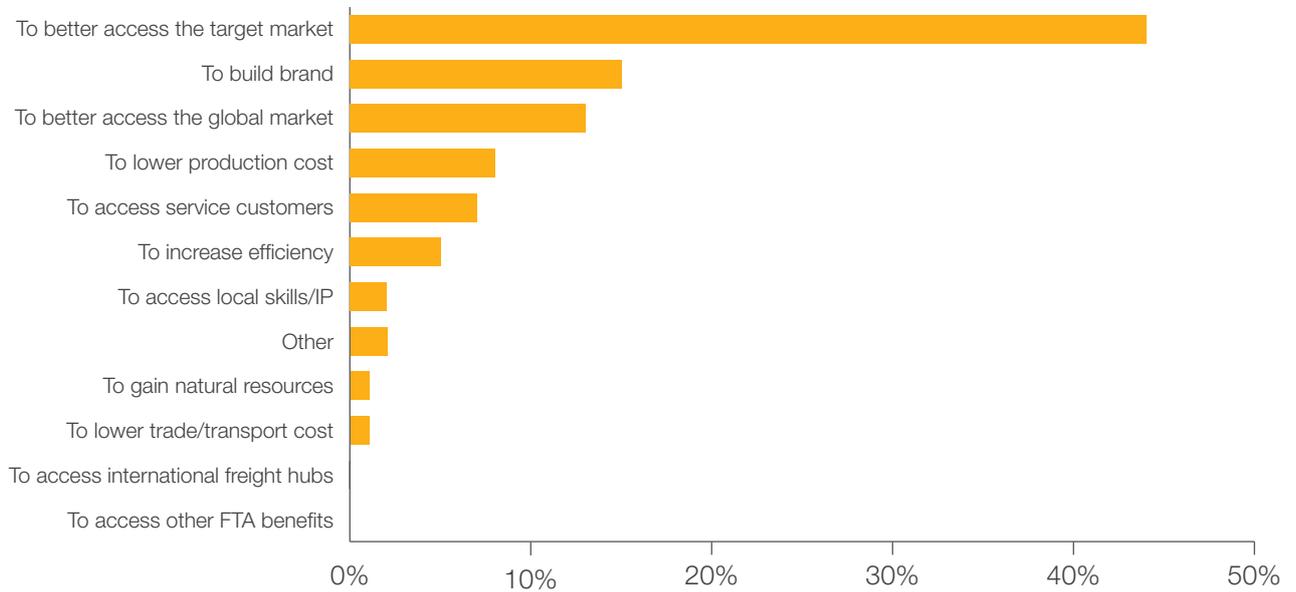


FIGURE 4. TOP MARKETS FOR INWARD INVESTMENT INTO AUSTRALIA

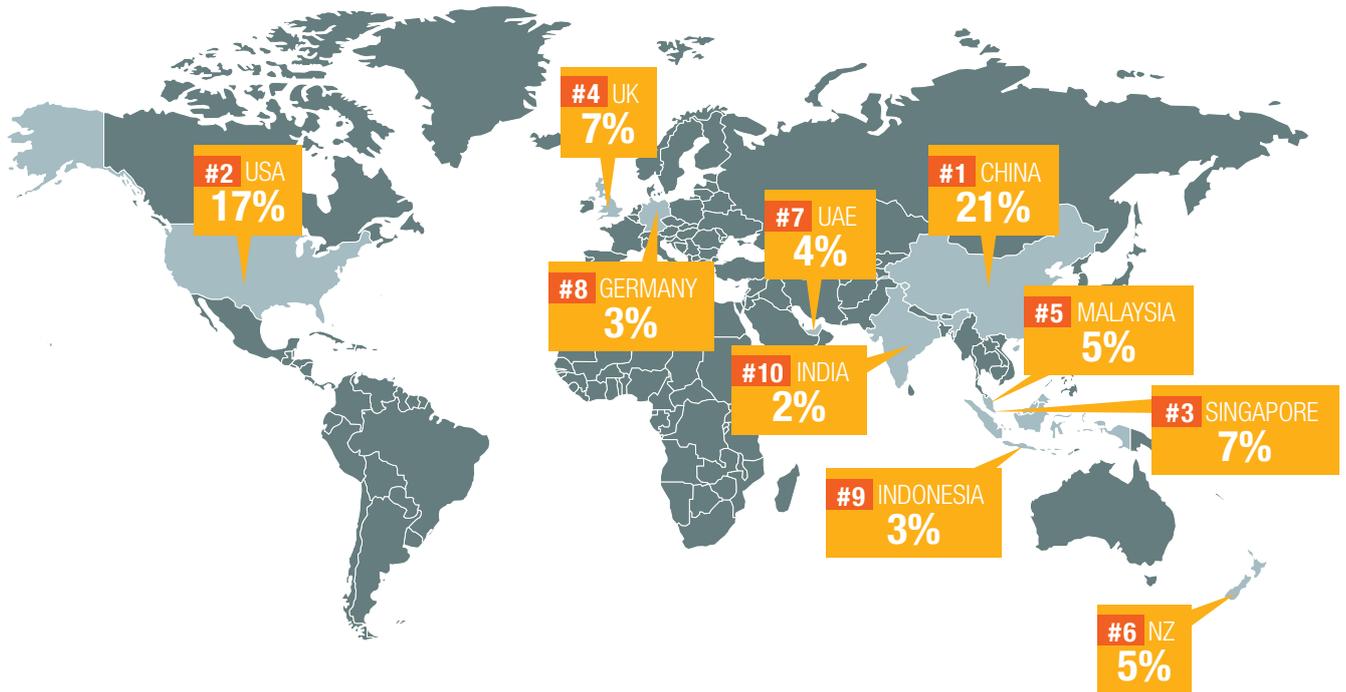
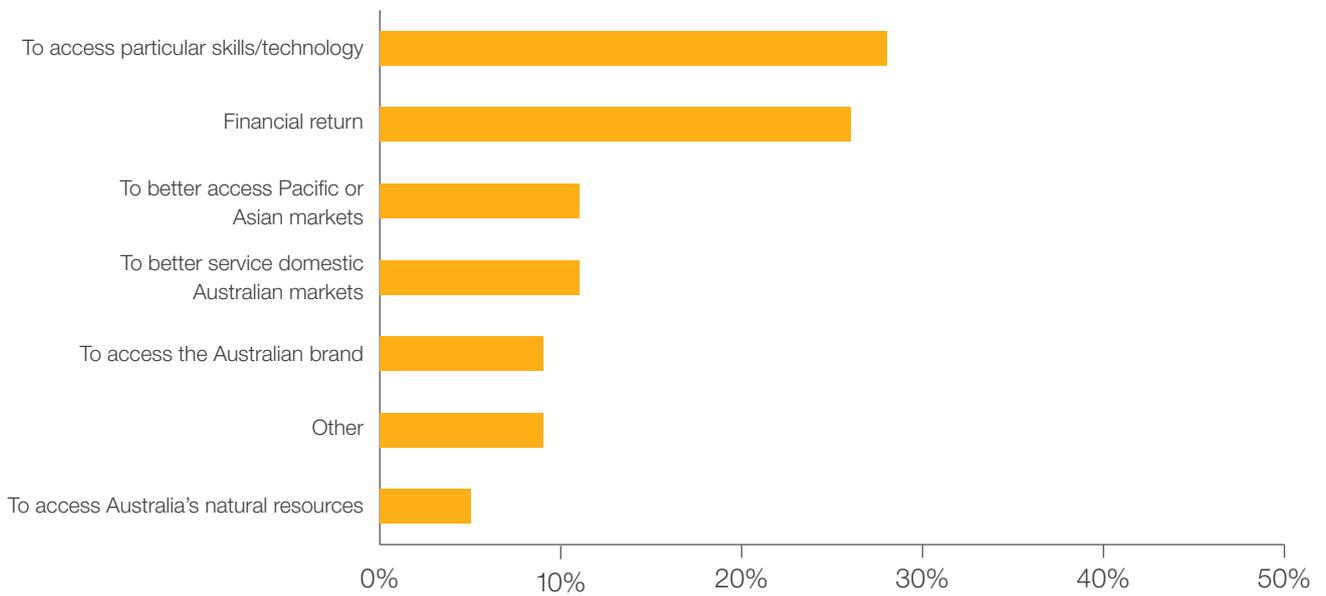


FIGURE 5. MOTIVES FOR INWARD INVESTMENT



THE BREADTH OF INTERNATIONAL BUSINESS ENGAGEMENT: RESEARCH AND DEVELOPMENT, GLOBAL VALUE CHAINS AND GOVERNMENT TENDERS

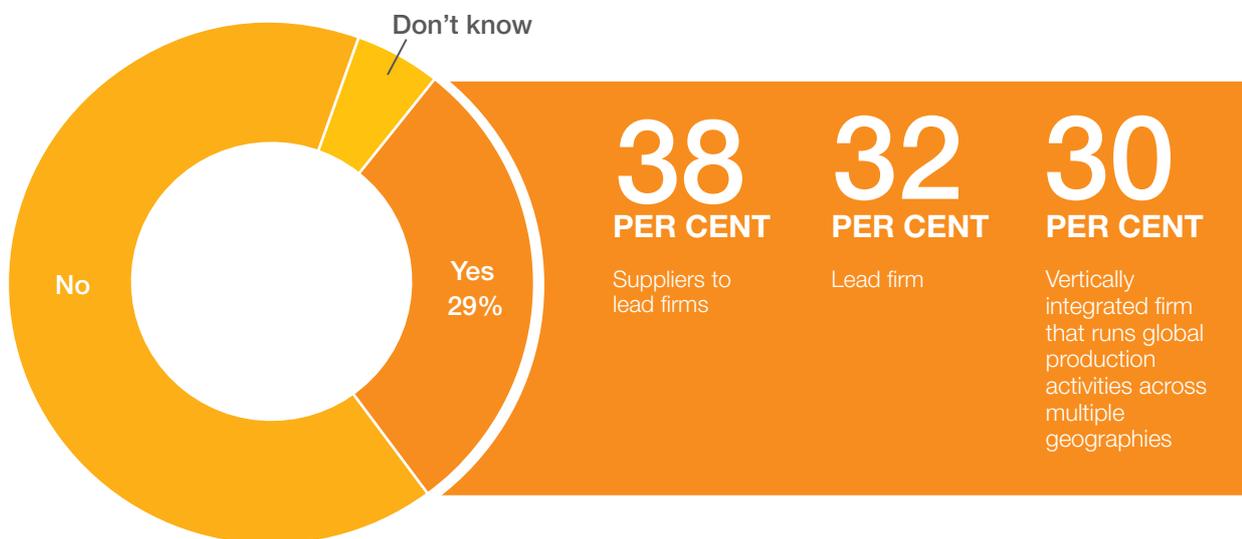
Along with their involvement in trade and investment, 39 per cent of AIBS 2016 respondents have also participated in other international business activities including offshore research and development (R&D), purchasing or licensing IP, the employment of temporary skilled labour from overseas, and offshore manufacturing through licensing.

For this group of respondents, overseas R&D was cited as very important by the greatest number (35 per cent of relevant respondents) and cited as important by more than 70 per cent.

In a series of new questions included in this year's survey, we asked participants about their participation in global value chains (GVCs). Some 29 per cent of AIBS 2016 respondents told us that their products or services formed part of a global production network. This group of GVC participants was split relatively

evenly between those businesses that acted as suppliers to a lead firm (38 per cent), those that were themselves the lead firm in a GVC (32 per cent) and those that described themselves as a vertically integrated firm running global production activities across multiple geographies (30 per cent). Just over half (55 per cent) of GVC participants also reported that their products or services were always intended to exploit a global niche, right from the first day of operations.

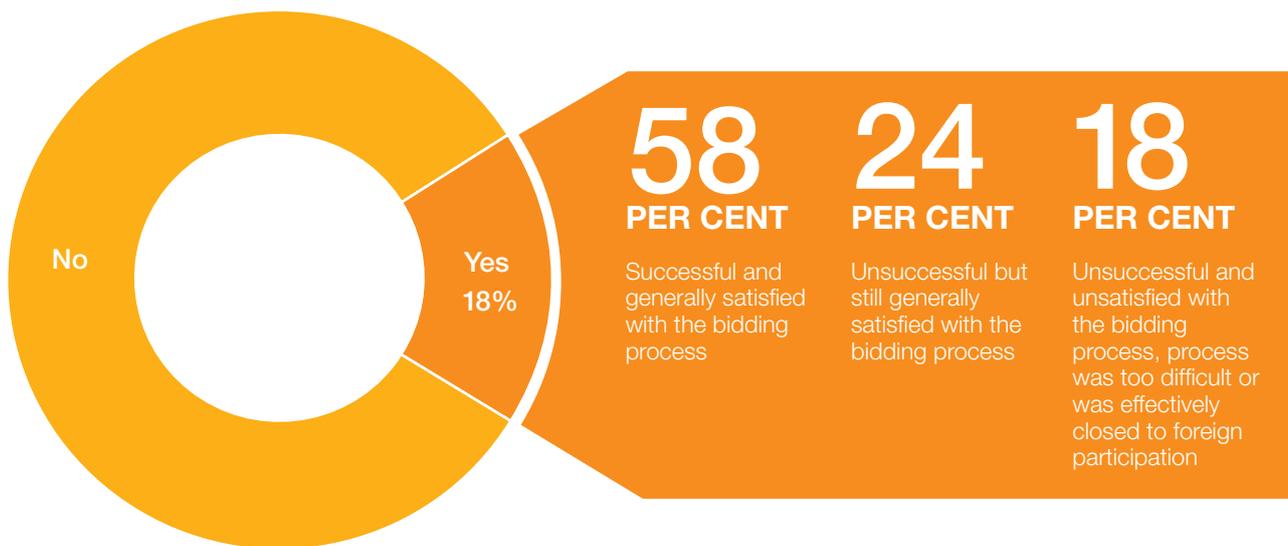
FIGURE 6. ARE YOUR PRODUCTS OR SERVICES PART OF A GLOBAL PRODUCTION NETWORK?



Another new question asked respondents about their participation in overseas government tenders. About 18 per cent of participants reported having bid for a foreign government tender at some time in the past two years. Of this group, 58 per cent said they had been successful in the bidding process,

and 82 per cent reported overall satisfaction with the quality of the bidding process, regardless of outcome. The four most important markets in which AIBS 2016 participants had been involved in such bids were China, India, the US and Indonesia (which collectively account for about 30 per cent of respondents).

FIGURE 7. HAVE YOU BID FOR A FOREIGN GOVERNMENT TENDER IN THE PAST 2 YEARS? IF SO, HOW SUCCESSFUL WERE YOU?



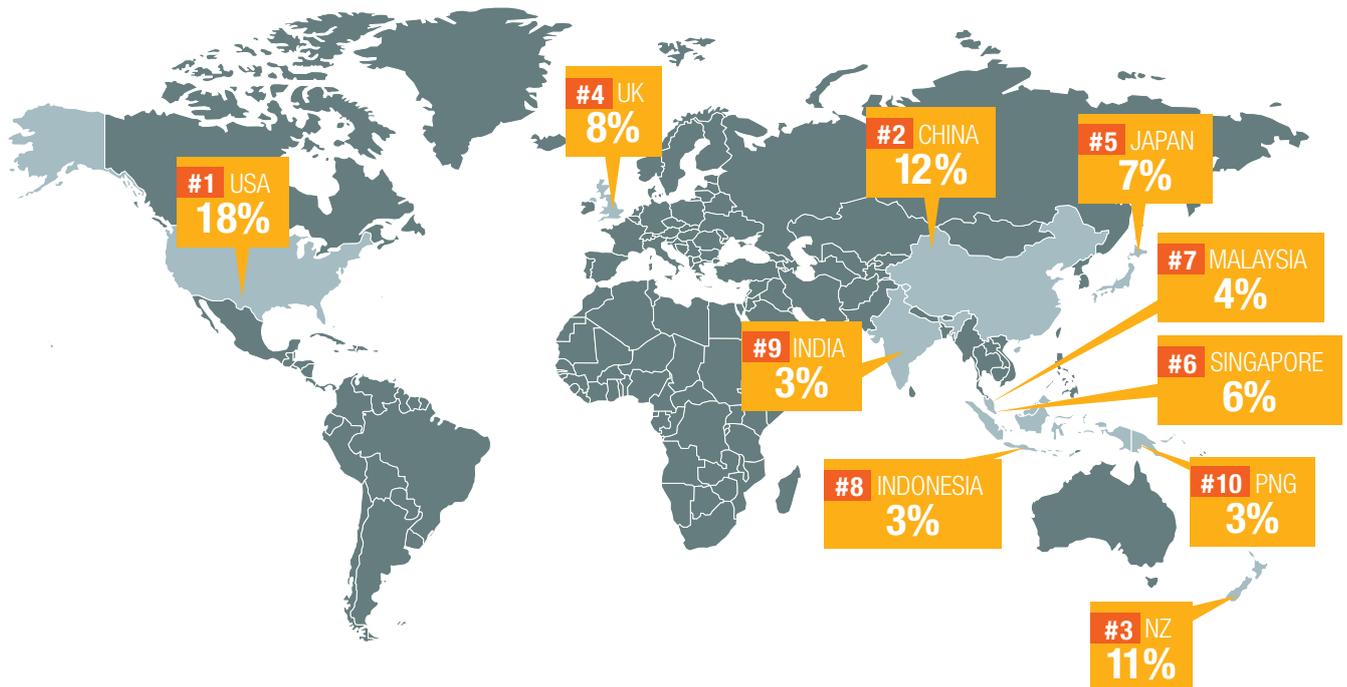
THE PATH TO MARKET: WHERE FIRST, AND WHY?

As noted earlier, AIBS 2016 participants tend to be businesses that already have a significant amount of international business experience.

It's therefore interesting to understand these IBs' early experiences in the path to market. To this end, AIBS 2016 asked participants to identify the first overseas market from which they earned international revenue, along with the reason they targeted that particular market. Perhaps surprisingly, the most popular 'entry' market for survey participants, cited by 18 per cent of respondents, was the US, followed by China (12 per cent), New Zealand (11 per cent) and the UK (8 per cent).²

2. The Australian Bureau of Statistics count of exporters shows New Zealand is the most common destination for Australian exporters, which would tend to suggest that New Zealand would also be the most common first export market for Australian exporters overall.

FIGURE 8. FIRST OVERSEAS MARKET



The most popular reason for choosing the US as an initial market was the presence of strong growth and/or profit opportunities (identified as very important by 66 per cent of participants), followed by the presence of low barriers to trade and investment (cited as very important by 40 per cent) and access to an easy or safe business environment (39 per cent).³

In the case of China, strong growth or profit opportunities was again the most popular motive (cited as very important by 74 per cent of those respondents who nominated China as their first market), followed by the presence of family or personal contacts (28 per cent) and the impact of trade missions (25 per cent). The latter result suggests that such missions may have a helpful ‘head turning’ effect in introducing businesses to new markets.

Not surprisingly, in the case of New Zealand, proximity (cited as very important by 65 per cent) and familiarity of culture and language (64 per cent) were key factors, while for the UK the top two reasons were familiarity of culture and language and strong growth or profit opportunities (both cited by 54 per cent as very important).

THE PATH TO MARKET: OPERATING IN KEY MARKETS

As well as their *first* international markets, AIBS 2016 quizzed participants about their *most important* international markets.

Interestingly, the top four most important markets also comprised the same four countries as the top four first markets entered by respondents, although there was some difference in both ordering and relative popularity.

The top current markets for international revenue identified by participants were China (17 per cent) and the US (16 per cent). These two markets were followed by New Zealand and the UK in the country rankings.

FIGURE 9. TOP MARKET FOR REVENUE EARNED

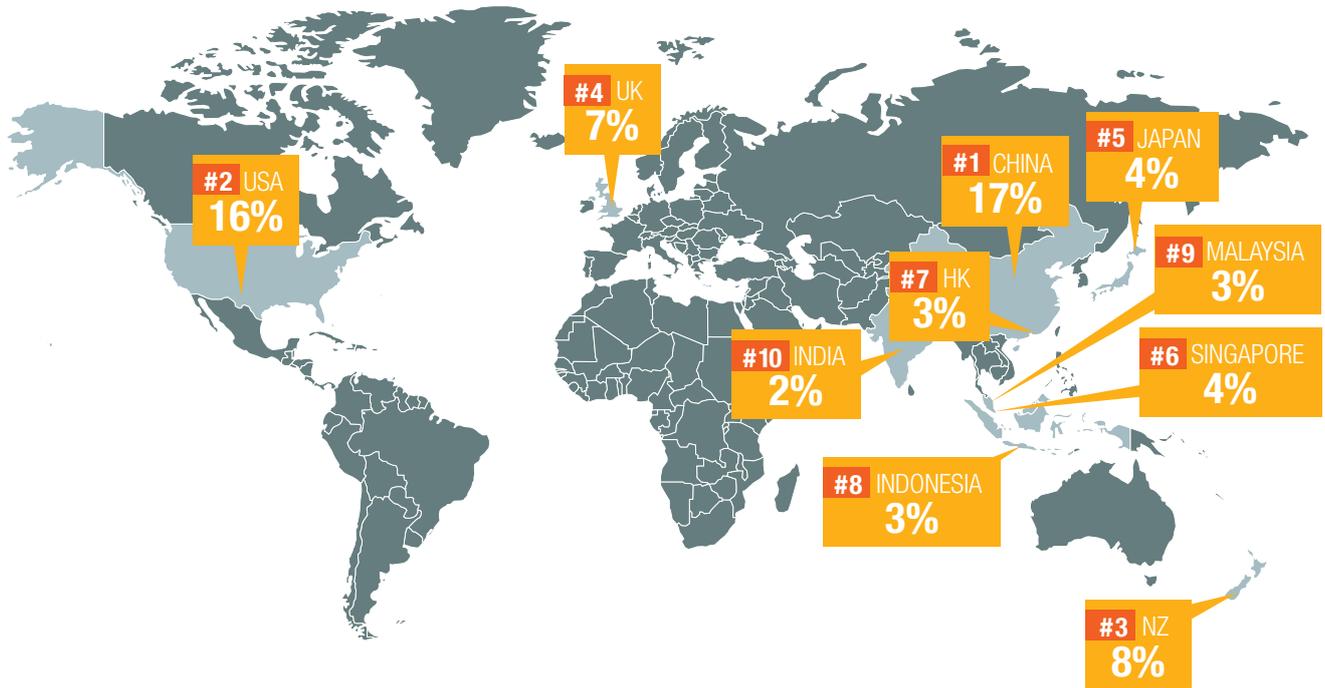


FIGURE 10. EASE OF DOING BUSINESS VS. AUSTRALIA

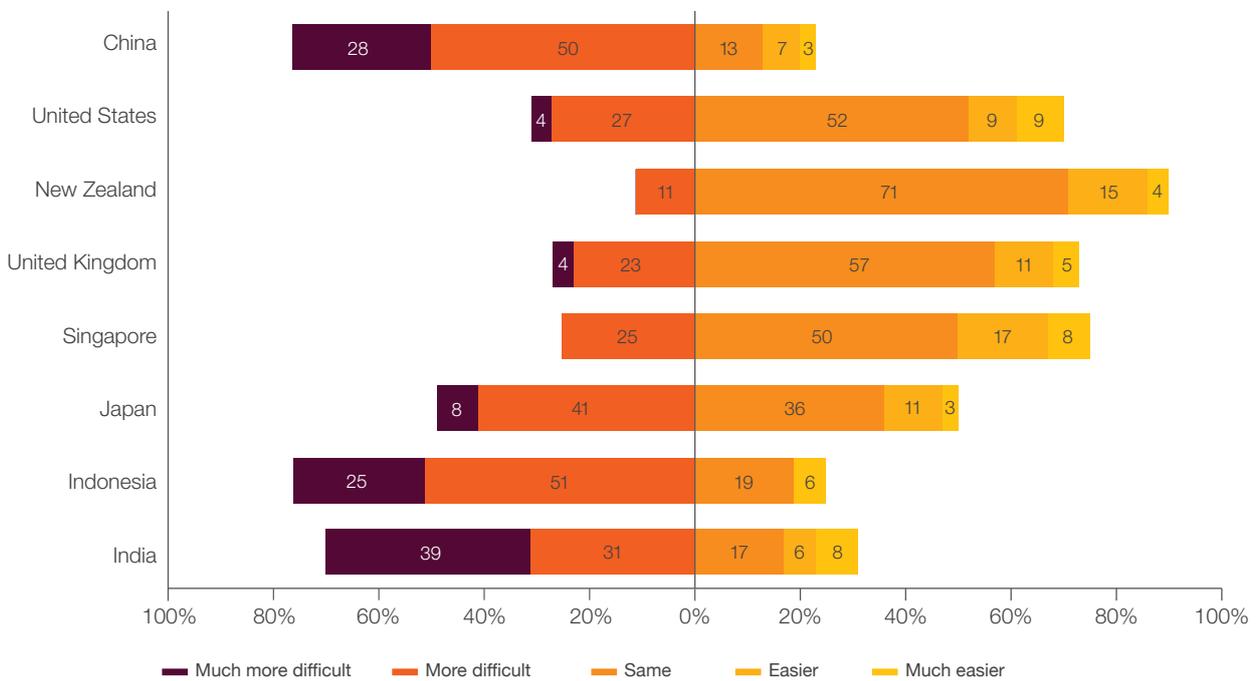


FIGURE 11. YEARS OF DOING BUSINESS WITH COUNTRY

	China	United States	New Zealand	United Kingdom	Singapore	Japan	India	Indonesia
Average	9	11	10	9	10	15	8	13

For each of these leading markets, survey participants were asked to describe the relative ease of doing business. This question saw well over half of the relevant respondents rate doing business in markets such as the US, UK, New Zealand and Singapore as the same or easier than operating in Australia, while China, India and Indonesia were all identified as much tougher business environments.

Twenty-eight per cent of respondents said doing business in China was 'much more difficult' than doing business in Australia, for example, and 50 per cent 'more difficult', while the corresponding figures for Indonesia were 25 per cent and 51 per cent respectively, and for India 39 per cent and 31 per cent.

In previous iterations of AIBS, respondents were asked about the nature of the barriers they faced in their most important and most difficult markets. In AIBS 2014 and AIBS 2015, participants identified local language, culture and/or business practices as the most important of these barriers.

In AIBS 2016, rather than repeat this question, we instead asked respondents about the importance of various channels for understanding and operating in the business culture of their most important markets. The overall results showed that survey participants placed particular value on networking or accessing foreign business and industry networks (cited as very important by 42 per cent of respondents), local business partners (34 per cent) and overseas employees with cross-cultural or language skills (31 per cent).

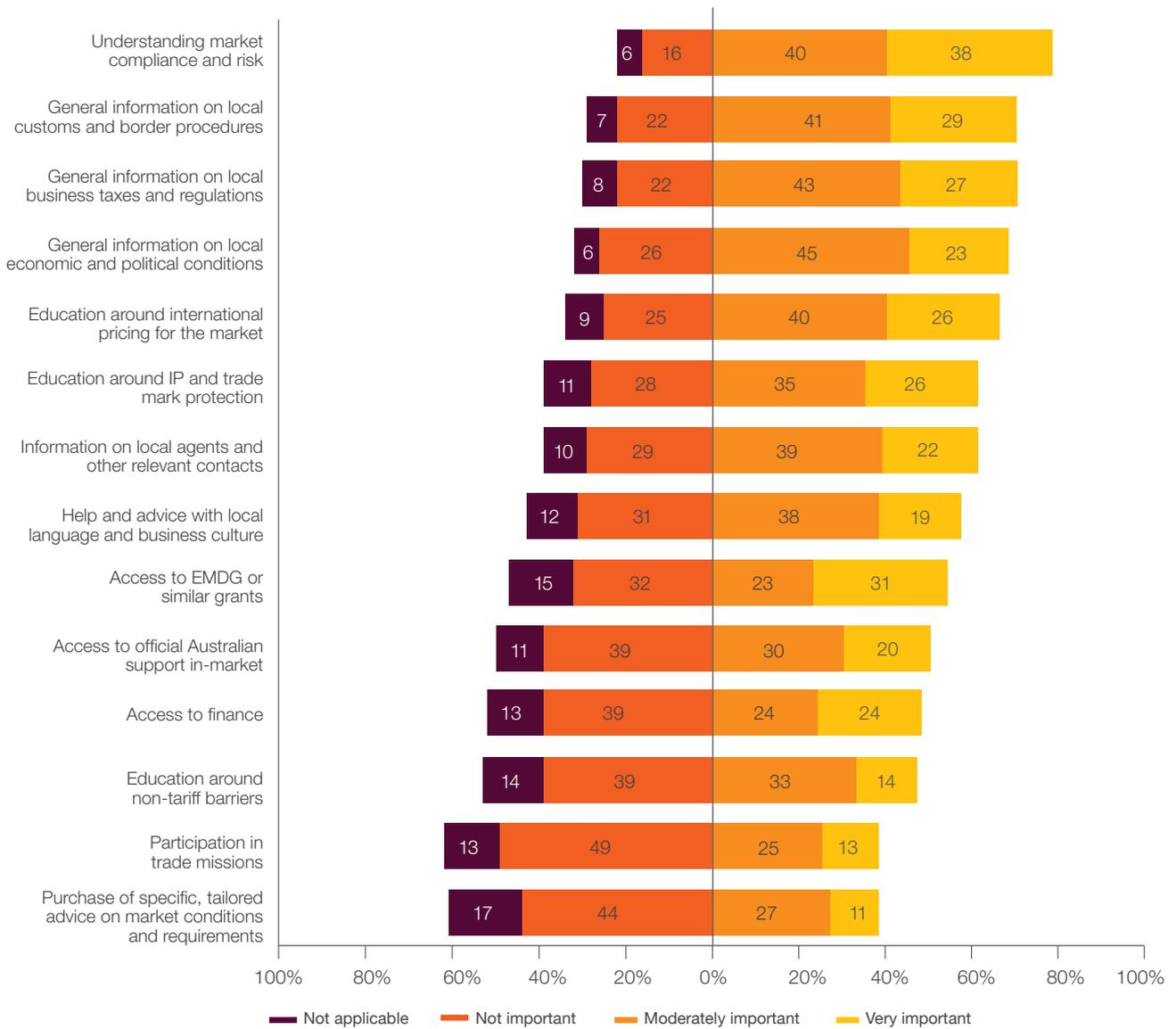
In the specific case of China, which as we have seen was rated by respondents both as one of the most important current markets and as one of the most challenging business environments in which they operated, respondents also highlighted the value of being able to draw upon Australian employees with cross-cultural or language skills. This was cited as very important by 37 per cent of respondents, making it second only to networking or accessing foreign business and industry networks.

THE PATH TO MARKET: TARGETING AND SUCCEEDING IN KEY MARKETS

Respondents were asked to identify the relative importance of a range of factors that helped influence their decision to target their most important current market in the first place.

Across all top target markets selected by AIBS 2016 participants, the factors identified as most important were understanding market compliance and risk (cited as very important by 38 per cent of respondents), access to export market development grants (EMDG) or similar (31 per cent), general information on local customs and border procedures (29 per cent) and general information on local business taxes and regulations (27 per cent). Altogether, 11 factors were cited as either very important or moderately important by more than half of all respondents, indicating the range of issues that businesses take into account when choosing target markets.

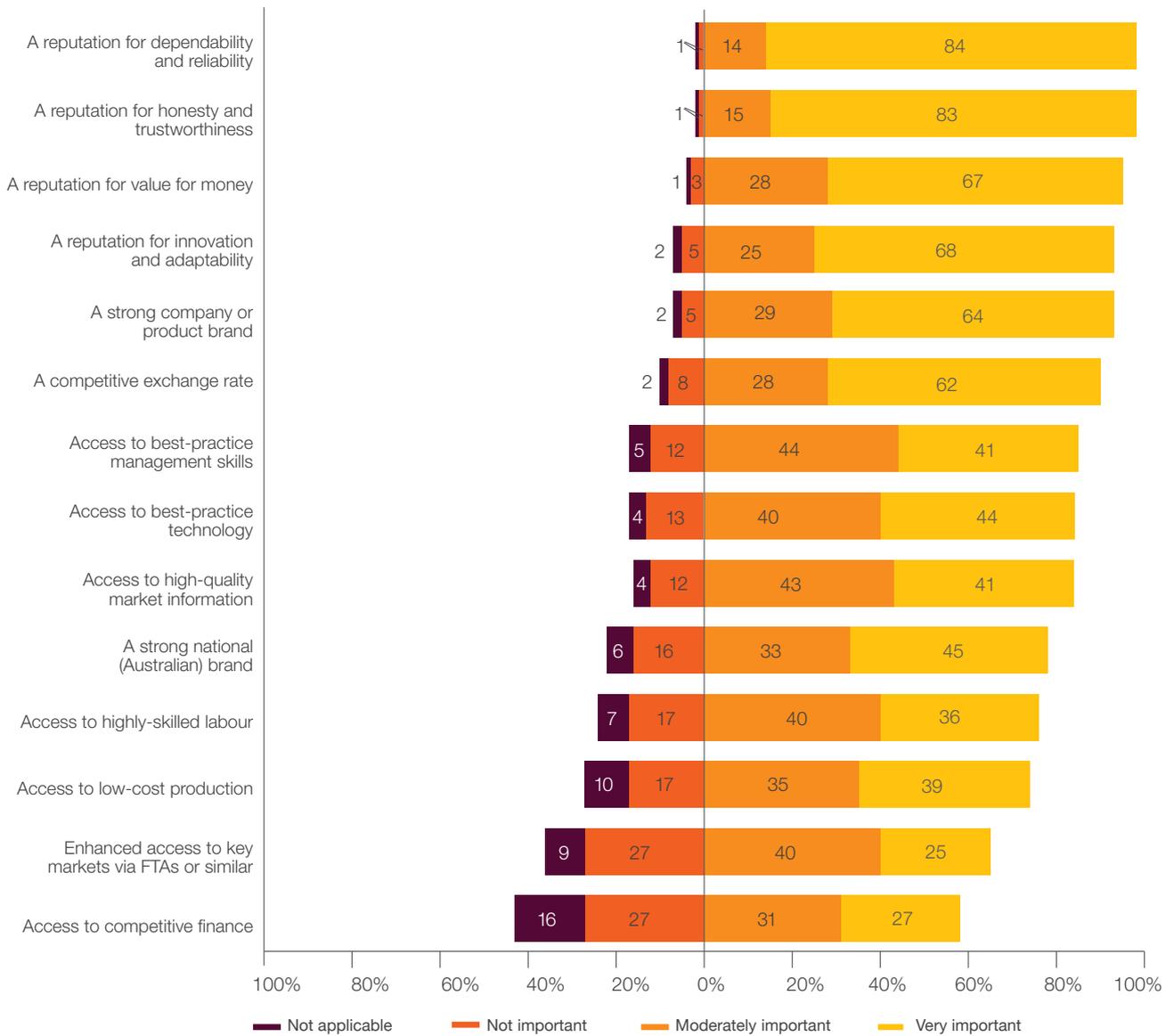
FIGURE 12. KEY FACTORS INFLUENCING CHOICE OF TARGET MARKET



In response to the same question, about half of all respondents said access to official Australian support in-market was important, with 20 per cent identifying it as very important and a further 30 per cent as moderately important.

As would be expected, the relative importance of this support differed significantly across markets and, at least in part, reflected perceptions about the ease of doing business: the share of responses ranged from just 36 per cent of respondents citing it as important or very important in the case of New Zealand, up to 62 per cent for China, 69 per cent for Indonesia and 76 per cent for India.

FIGURE 13. FACTORS ENSURING SUCCESS IN TOP MARKETS



AIBS 2016 also asked participants to tell us about the factors that helped ensure success in their top two international markets. Here, respondents felt that reputational factors were critical: 84 per cent said that a reputation for dependability and reliability was very important, closely followed by a reputation for honesty and trustworthiness (83 per cent), while a reputation for innovation and adaptability was the third most cited factor (68 per cent), followed by a reputation for value for money.

Other factors identified as important included a strong brand (cited as very important by 64 per cent) and competitive exchange rate (62 per cent). About 45 per cent of respondents also felt that a strong Australian brand was very important.

THE PATH TO MARKET: LOGISTICS, CONNECTIVITY AND E-COMMERCE

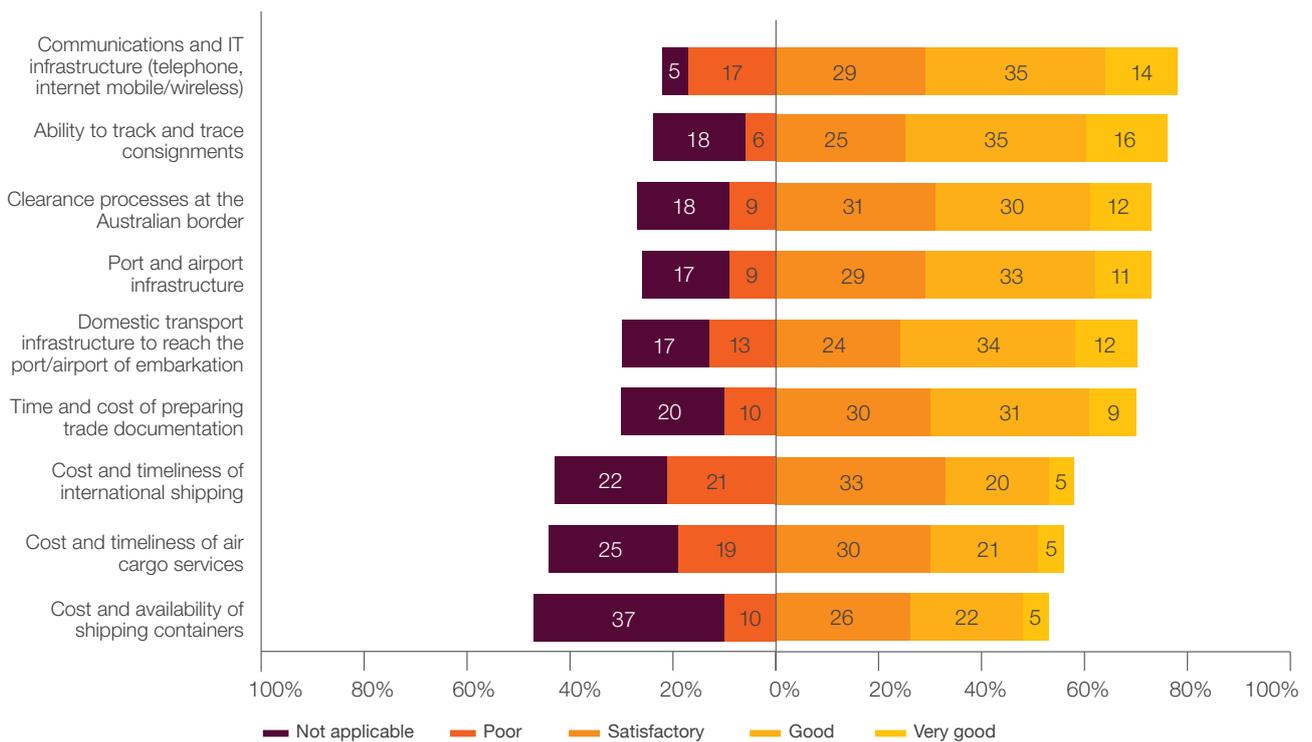
In a new section of this year's survey, respondents were asked to assess Australia's performance in the areas of logistics and connectivity infrastructure.

Businesses awarded their highest scores to the ability to track and trace their consignments (which was rated as either good or very good by 51 per cent of respondents and as poor by just six per cent). Their opinion on the quality of communications and IT infrastructure was quite divided, with a relatively high 49 per cent rating this as good or very good, but at the same time 17 per cent rating it as poor.

Similarly, while domestic transport infrastructure was rated as either good or very good by 46 per cent of respondents, 13 per cent said it was poor.

The lowest reported levels of satisfaction were with the cost and timeliness of international shipping (rated good or very good by just 25 per cent and rated poor by 21 per cent) and the cost and timeliness of air cargo services (rated good or very good by 26 per cent and poor by 19 per cent).⁴

FIGURE 14. AUSTRALIA'S PERFORMANCE IN LOGISTICS AND CONNECTIVITY INFRASTRUCTURE



4. Note that both of these factors also scored high 'not applicable' responses, 22 per cent in the case of shipping and 25 per cent in the case of air cargo.

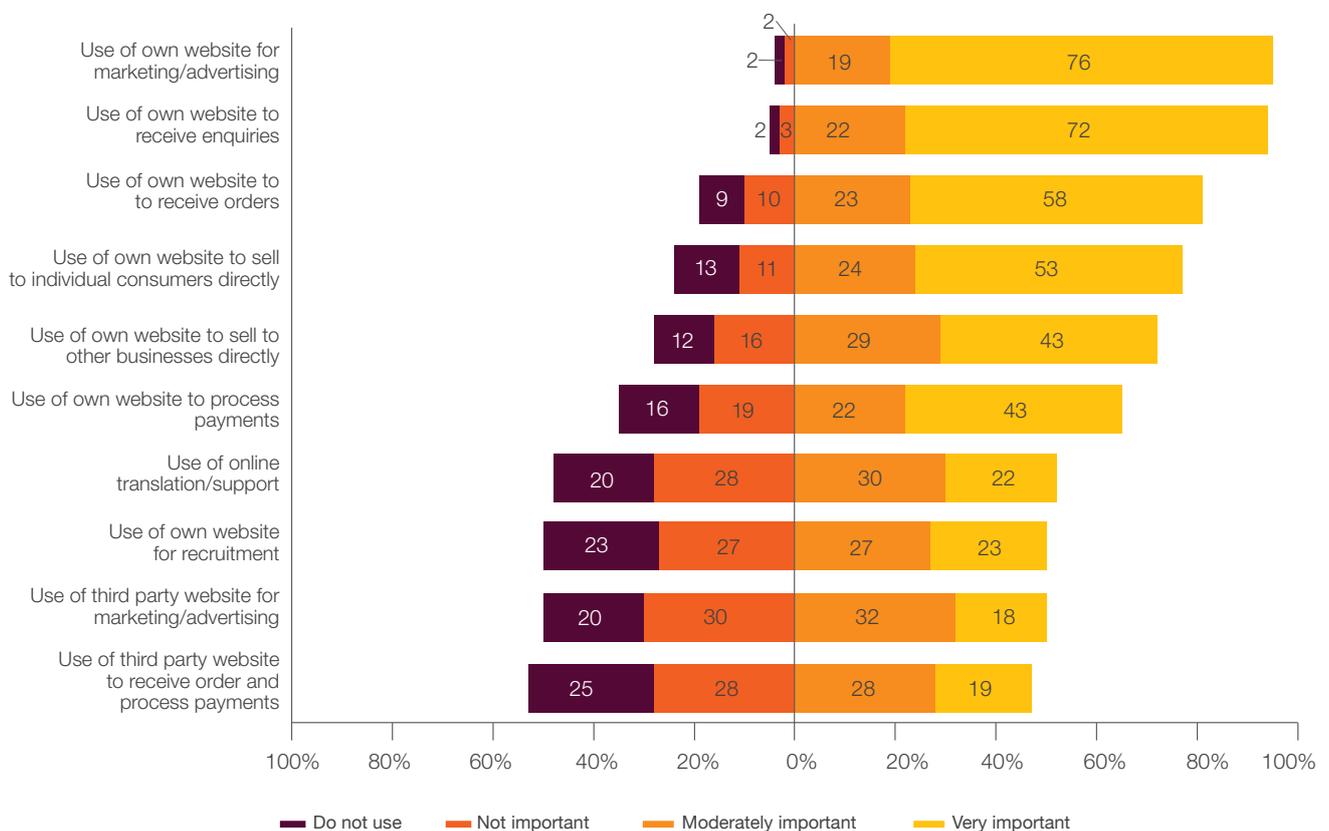
As part of this section, AIBS 2016 also asked about issues related to government 'red tape' in this area. When asked to rate Australia's performance in terms of clearance processes at the Australian border, only nine per cent of respondents said these were 'poor' compared to 42 per cent who said they were good or very good and 31 per cent who said they were satisfactory.

When asked about Australia's performance in terms of the time and cost of preparing trade documentation, 10 per cent of respondents reported this as poor compared to 40 per cent opting for good or very good and 30 per cent for satisfactory.

Finally, 85 per cent of survey participants said they were unaware of any areas of regulation in this area where the efforts of different levels of government either duplicated each other or even worked in opposite directions, compared to the 15 per cent who had experienced these kinds of problems.

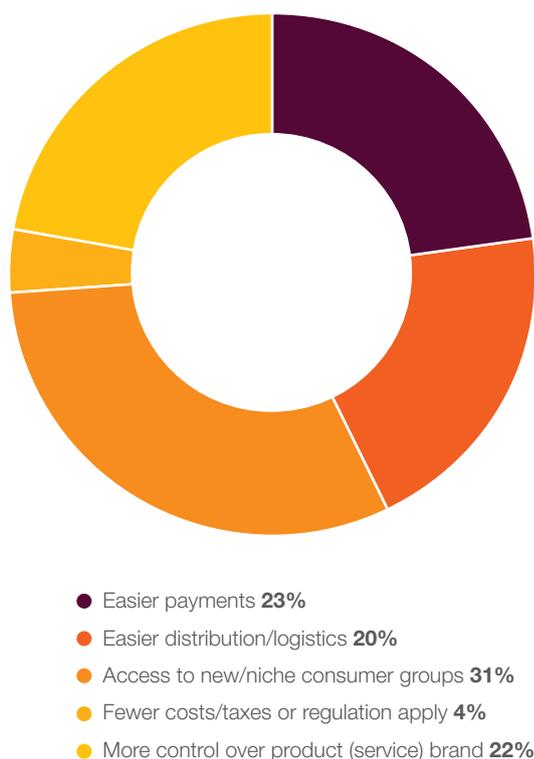
Turning from broad issues of logistics and connectivity to the specific case of e-commerce, 93 per cent of AIBS 2016 respondents said that they have a company website, while less than half (47 per cent) said they made use of e-commerce.⁵

FIGURE 15. USE OF E-COMMERCE IN BUSINESS



5. E-commerce was defined in the relevant survey question as referring to 'transactions completed online, often via a website or mobile app'.

FIGURE 16. BENEFITS OF E-COMMERCE



For those respondents that said they did use e-commerce, 60 per cent said they use it to sell goods, 26 per cent to sell services, and 14 per cent to sell both. Also within this group, respondents tended to use and value their own corporate websites much more than those of third parties. A large share of businesses said it was very important to use their own website for marketing and advertising (76 per cent of respondents), for receiving enquiries (72 per cent), for receiving orders (58 per cent) and selling directly to individual consumers (53 per cent).

On the other hand, while about 80 per cent of these respondents also reported using third-party websites for many of the same functions, only about 20 per cent of them described this as very important.

When asked to identify the primary benefit they received from using e-commerce, AIBS 2016 participants cited a range of activities: 31 per cent said the primary benefit was access to new or niche consumers, 23 per cent cited easier payments, 22 per cent pointed to greater control over their brand and 20 per cent nominated easier distribution and logistics.

The two main reasons cited by respondents not currently using e-commerce were that it was not suited either to their clients and/or to the particular products or services they offered.

FINANCE: IBs HANDICAPPED BY LACK OF FINANCE

According to AIBS 2016, Australian IBs overwhelmingly rely on debt funding from business credit cards to finance activity in overseas markets.

Forty-eight per cent of respondents cited business credit cards as an important source of debt finance for domestic operations that service export sales, ahead of overdrafts secured by property (36 per cent) and trade finance from domestic banks (32 per cent). By contrast, unsecured loans from domestic banks (20 per cent) and overseas banks (nine per cent) were deemed important by far fewer respondents.

Just over three quarters of respondents chose not to seek additional funding for international business opportunities in the last three years. Overwhelmingly, this was because more debt was not needed (70 per cent). But in 16 per cent of cases, IBs relied on their past experiences and chose not to seek additional funding given an expectation they would be unsuccessful.

Indeed, of the quarter of respondents that did seek additional debt finance, 32 per cent failed in the attempt. For small IBs (those with turnover below \$1 million) the share of unsuccessful funding attempts rose to 51 per cent. On average, IBs sought \$8.2 million (median \$500,000) to execute their overseas business plans. Where they were successful, the majority of respondents used the finance to purchase goods and services (52 per cent) and fund operations (36 per cent).

Unsuccessful funding attempts were more commonly due to the lender declining the applicant (74 per cent) rather than the applicant not proceeding with the lender (42 per cent). A small portion (14 per cent) experienced unsuccessful funding attempts resulting from lenders declining the applicant, as well as choosing not to proceed with the lender.

Lack of adequate security was a main factor in 58 per cent of IBs' unsuccessful funding attempts. Overall, at 42 per cent, the single most common reason for failed funding attempts was the lender declining the application due to inadequate security. The next most commonly cited reasons for a lender declining the application was 'other' (20 per cent) and 'inadequate cash flow' (17 per cent). By contrast, in cases where the lender declined the application, poor credit history and business inexperience were relatively minor factors. Similarly, in cases where the respondent declined to proceed with the lender this was most commonly related to excessive security requirements (19 per cent).

Fifty-nine per cent of respondents found it harder to source debt finance for international business opportunities than for domestic opportunities. Compared to AIBS 2015 where just 45 per cent of respondents reported a greater degree of difficulty, the perceived relative ease of sourcing debt financing has deteriorated significantly. Similar to last year's survey, 10 per cent of respondents found gaining debt finance for international business relatively easier.

Consistent with previous years, AIBS 2016 confirms that a large minority of exporters could do more international business if sufficient finance were forthcoming.

FIGURE 17. WERE YOU SUCCESSFUL IN OBTAINING ADDITIONAL FINANCE? IF NOT, WHY?



FINANCE: MANAGING NON-PAYMENT RISK

Twenty per cent of respondents reported using banking/insurance products to mitigate the payment risk of their exports.

Of these IBs, the most commonly used risk mitigants were irrevocable documentary letters of credit (48 per cent), credit insurance (45 per cent), confirmed letters of credit (33 per cent) and documentary collection (19 per cent).

FINANCE: MANAGING FOREIGN EXCHANGE RISK

Less than 40 per cent of IBs are paid in Australian dollars (AUD).

While 32 per cent of respondents required payment in AUD and other currencies, 29 per cent of respondents are paid solely in foreign currency. To manage foreign exchange risk, IBs are most commonly using foreign currency accounts (82 per cent), followed by forward contracts (30 per cent) and options contracts (7 per cent).

These tools are likely to become increasingly important in the future; while 90 per cent of respondents said they did not currently use the Chinese renminbi (RMB) as a trade currency, this proportion fell to 63 per cent when asked whether they had plans to use RMB as a trade currency in the next three years.

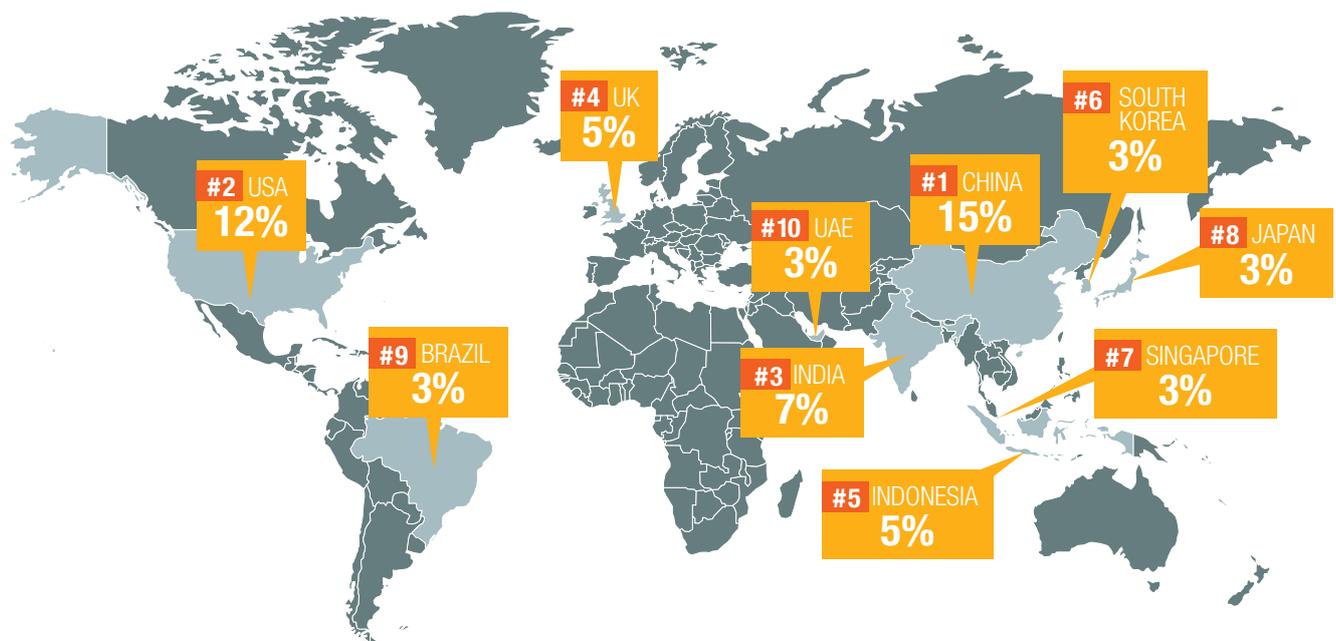
LOOKING AHEAD: OPPORTUNITIES AND RISKS

Participants in AIBS 2016 were once again relatively optimistic, with 20 per cent saying the outlook for their business in 2016 was much better compared to 2015, 47 per cent saying it was better, and only eight per cent saying it was worse or much worse.⁶

More than three-quarters of respondents (78 per cent) said they were planning to do business in additional overseas markets over the next two years, with the majority of these targeting two or more new markets.

For these businesses, when asked which new market was expected to become most important in terms of additional revenue over this period, China was the most popular choice, nominated by 15 per cent of respondents, followed by the US (12 per cent), India (seven per cent), UK and Indonesia (both five per cent). The same five countries were nominated in AIBS 2015 and 2014, suggesting a degree of stability in market expectations, although the ordering of this top five has changed slightly each year.⁷

FIGURE 18. MOST IMPORTANT NEW COUNTRY FOR YOUR COMPANY



6. By way of comparison, in AIBS 2015, 69 per cent of respondents judged that the overall outlook for their company's international operations in 2015 was better than it was in 2014 compared to 8 per cent who said that it was worse.

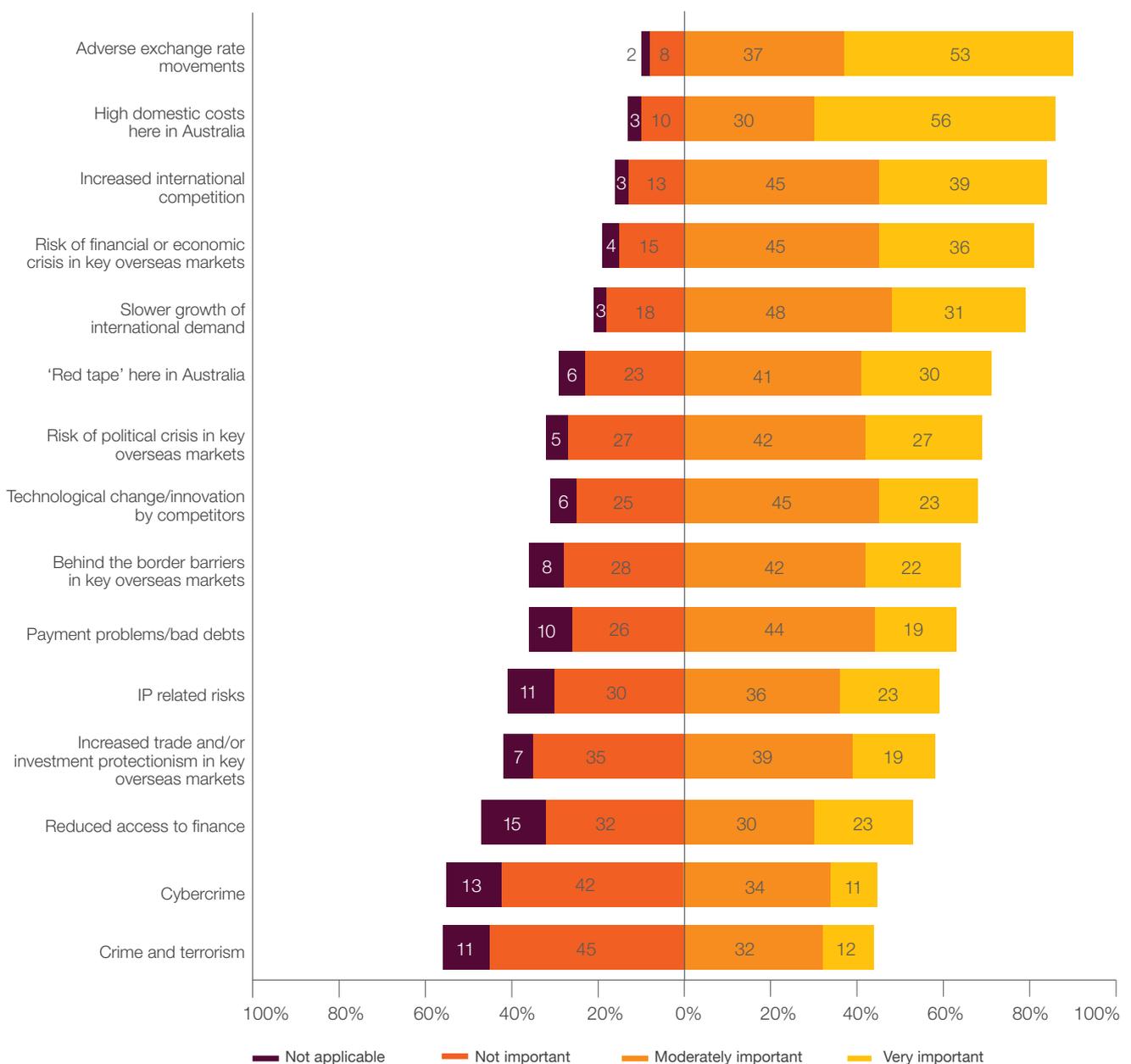
7. The top five target markets identified by AIBS 2015 respondents were, in order: US, China, Indonesia, UK and India.

Finally, respondents were canvassed about the relevance of a range of risks to their international operations over the next three to five years. Only two risks were nominated as very important by more than 50 per cent of respondents: high domestic costs in Australia (56 per cent) and adverse exchange rate movements (53 per cent). Once again, this result is broadly consistent with the findings of previous surveys, and comes despite the downward adjustment in the dollar and the decline in wage growth that occurred in the same period.

The next two risks cited as very important by the highest share of respondents were increased international competition (39 per cent) and the risk of financial or economic crisis in key overseas markets (36 per cent).

The risks at the bottom of respondents' concerns were protectionism (cited as very important by 19 per cent of respondents), criminal or terrorist acts (12 per cent) and cybercrime (cited as very important by just 11 per cent).

FIGURE 19. KEY RISKS FACING INTERNATIONAL OPERATIONS (NEXT 3-5 YEARS)



FOCUS ON CHINA AND THE US

FIGURE 20. KEY REASONS FOR TARGETING CHINA AS THE FIRST OVERSEAS MARKET

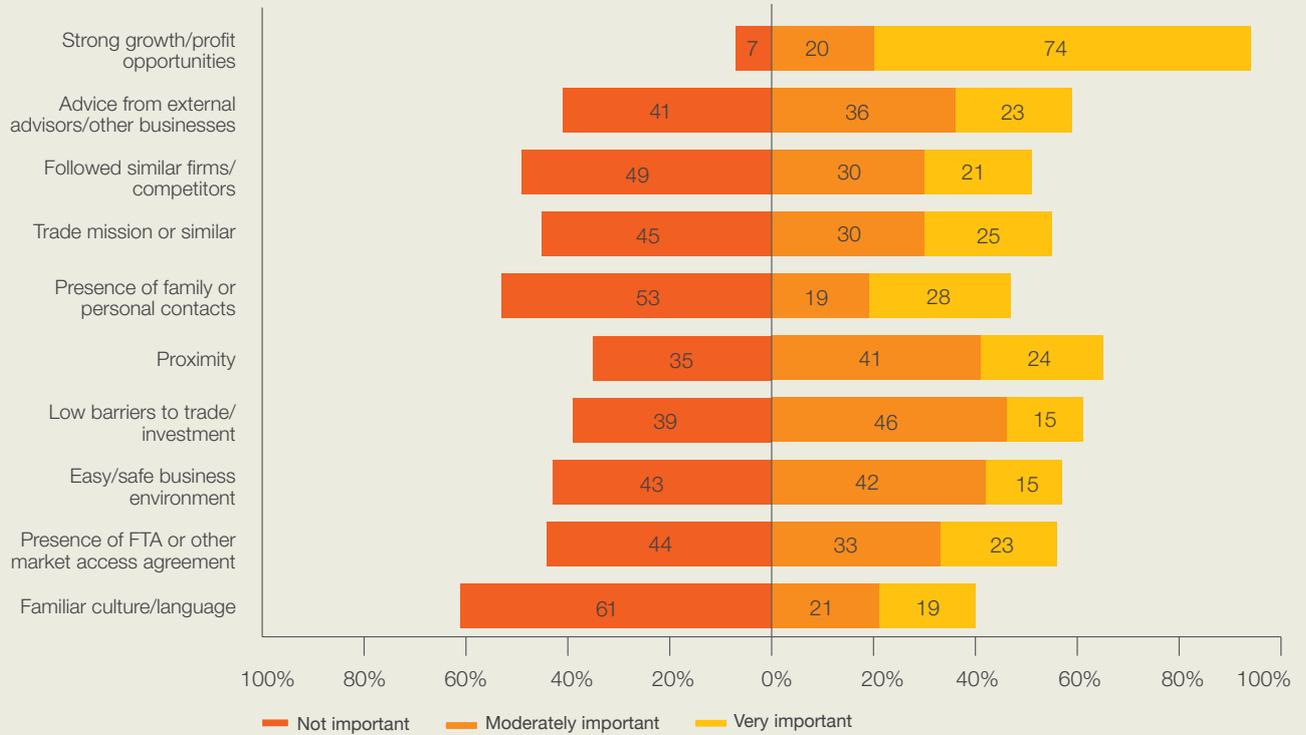


FIGURE 21. KEY REASONS FOR TARGETING THE UNITED STATES AS THE FIRST OVERSEAS MARKET

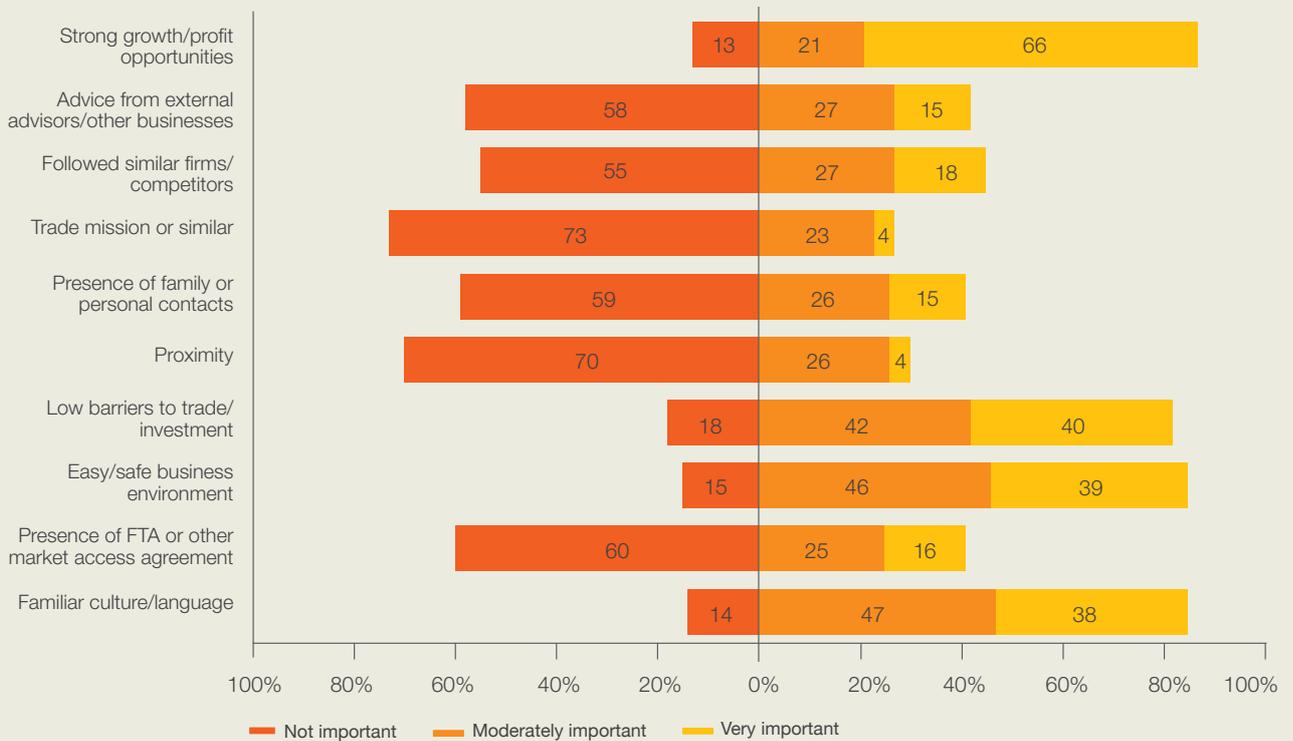


FIGURE 22. KEY FACTORS IN TARGETING YOUR MOST IMPORTANT CURRENT MARKET – CHINA

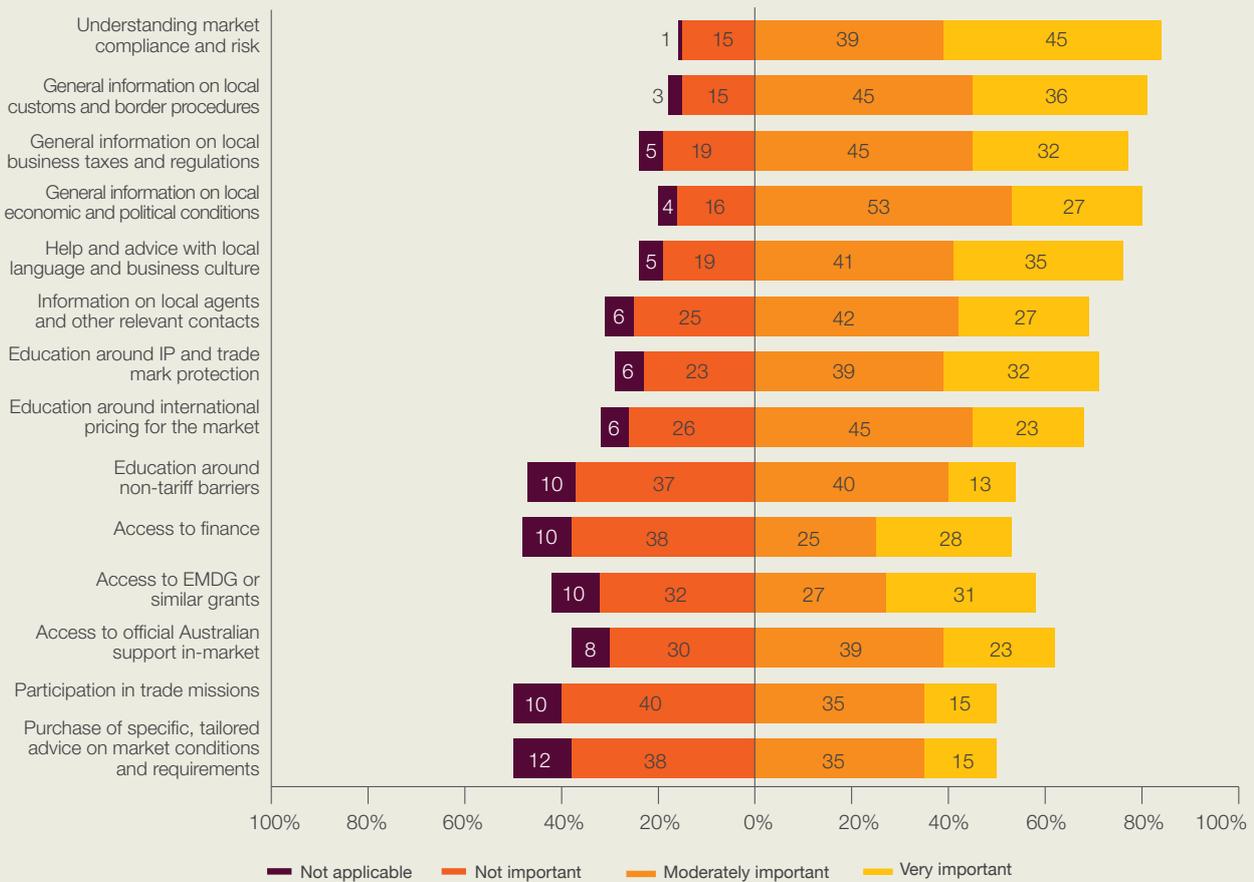


FIGURE 23. KEY FACTORS IN TARGETING YOUR MOST IMPORTANT CURRENT MARKET – UNITED STATES

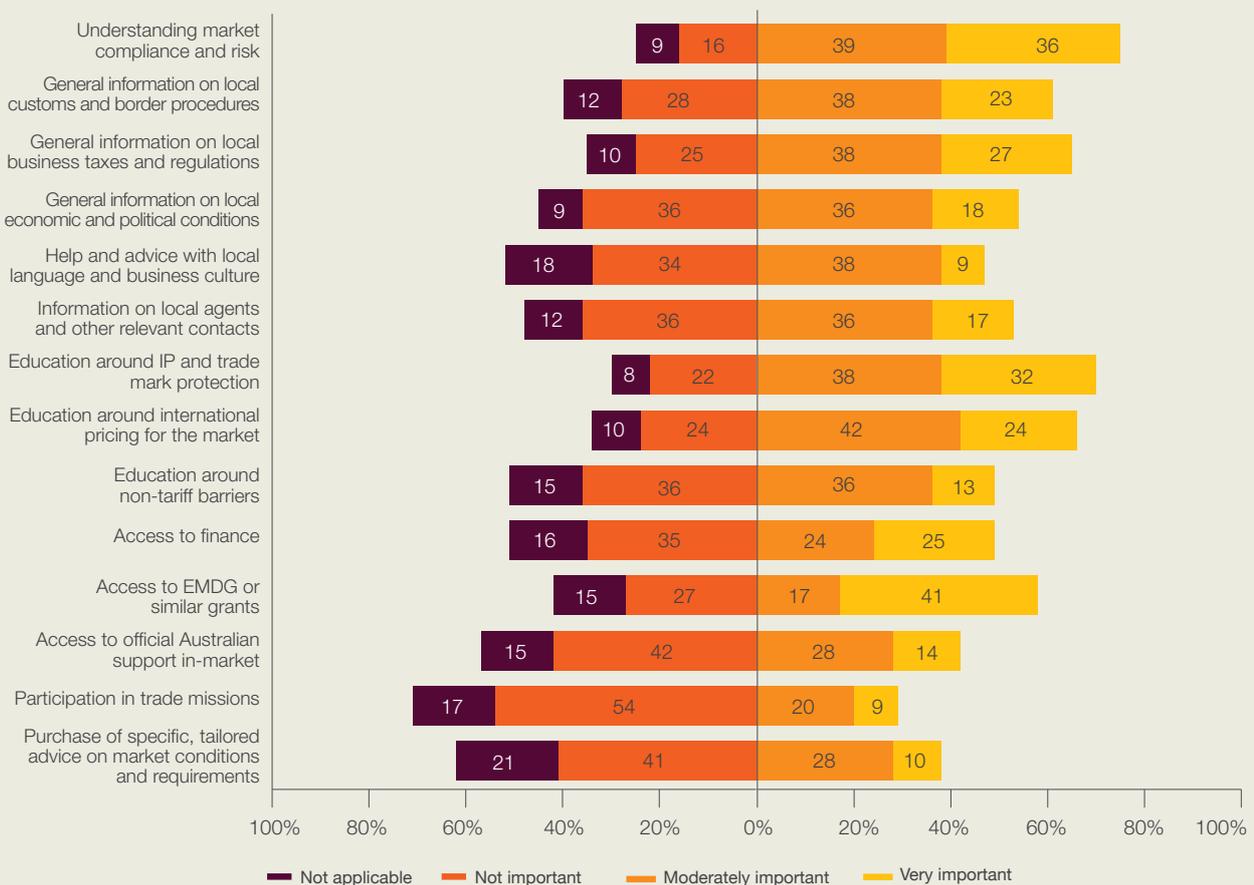


FIGURE 24. KEY FACTORS IN ENSURING SUCCESS IN YOUR TOP INTERNATIONAL MARKETS – CHINA

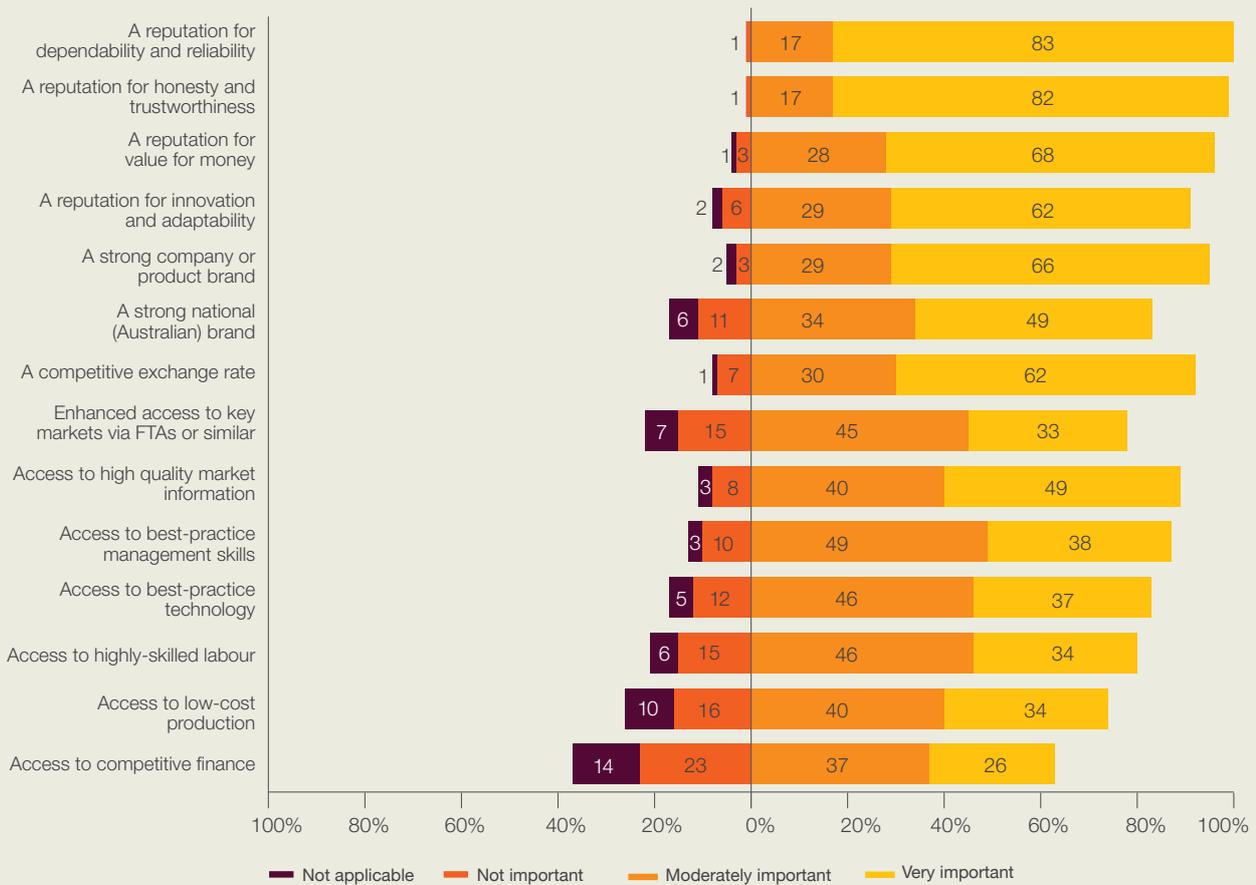
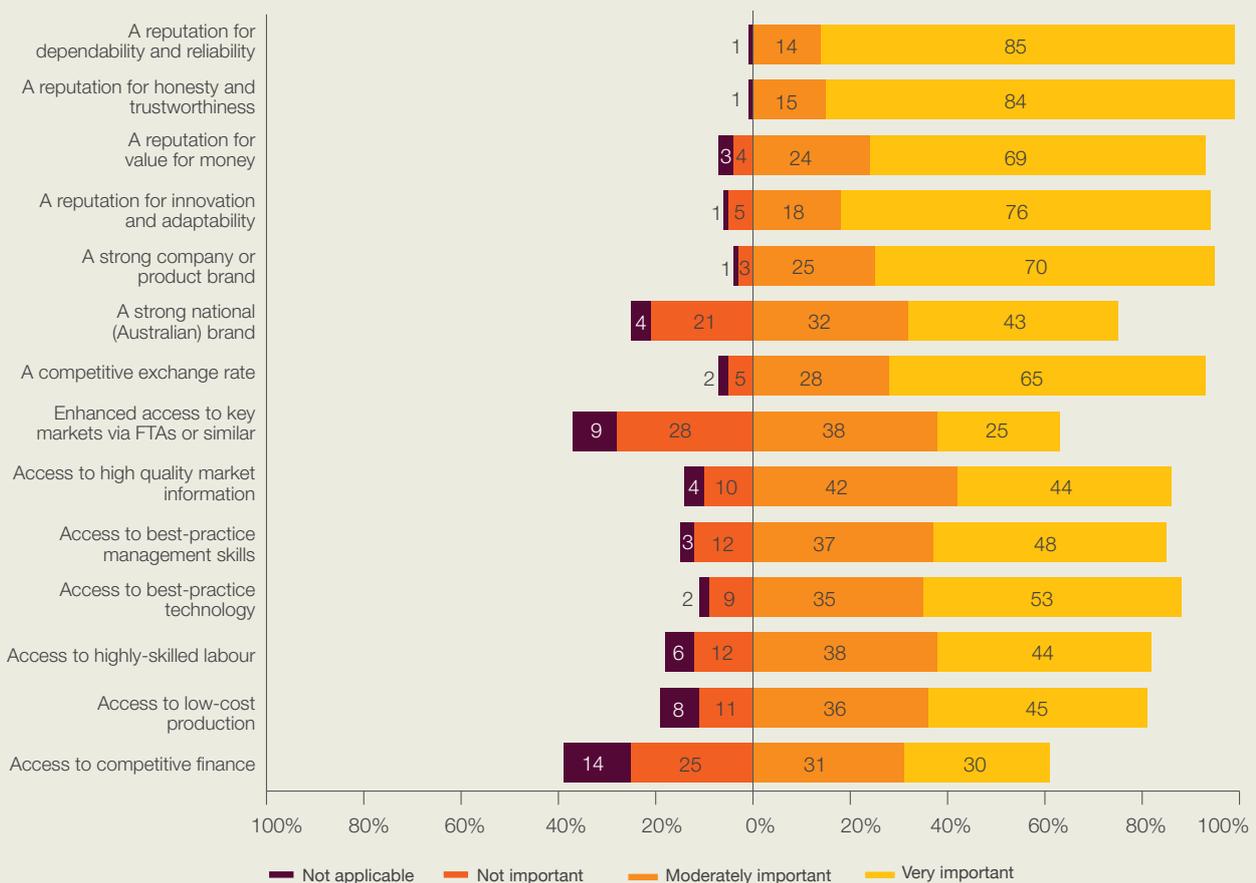


FIGURE 25. KEY FACTORS IN ENSURING SUCCESS IN YOUR TOP INTERNATIONAL MARKETS – UNITED STATES



FOCUS ON INDIA AND JAPAN

FIGURE 26. KEY REASONS FOR TARGETING INDIA AS THE FIRST OVERSEAS MARKET

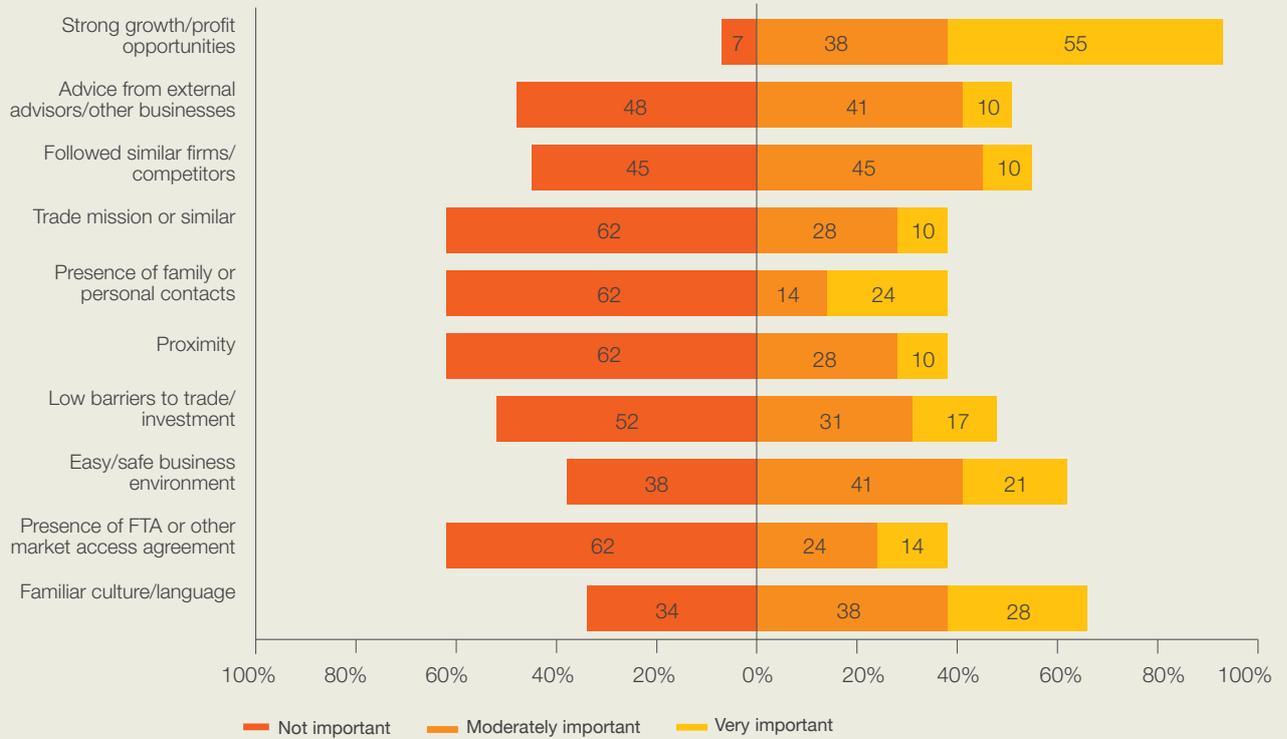


FIGURE 27. KEY REASONS FOR TARGETING JAPAN AS THE FIRST OVERSEAS MARKET

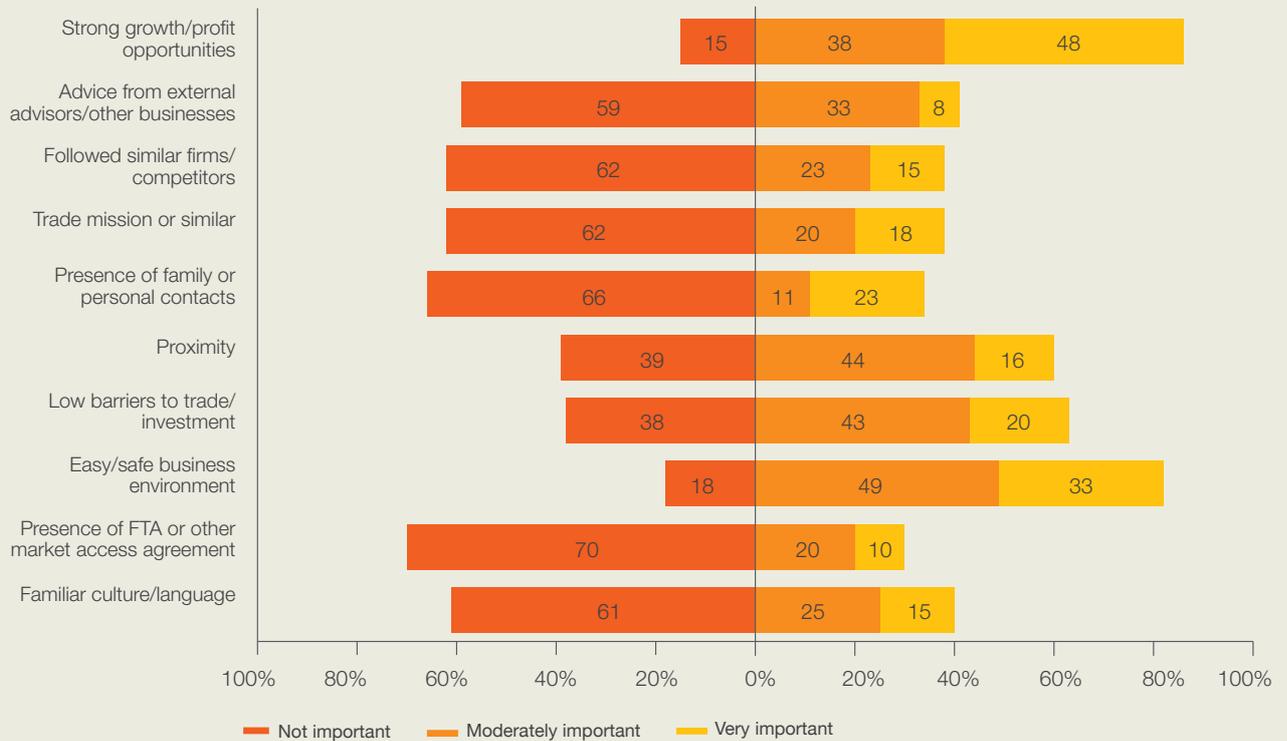


FIGURE 28. KEY FACTORS IN TARGETING YOUR MOST IMPORTANT CURRENT MARKET – INDIA

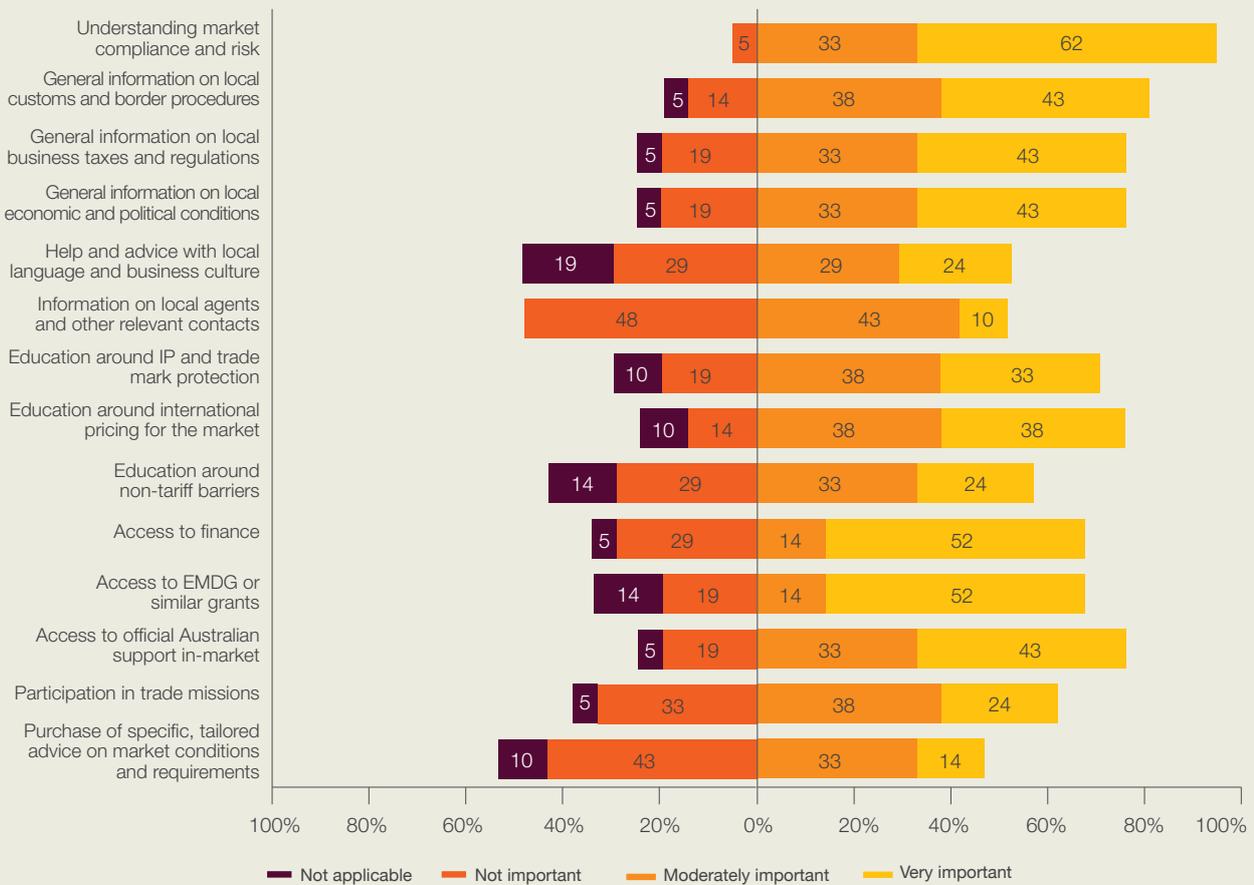


FIGURE 29. KEY FACTORS IN TARGETING YOUR MOST IMPORTANT CURRENT MARKET – JAPAN

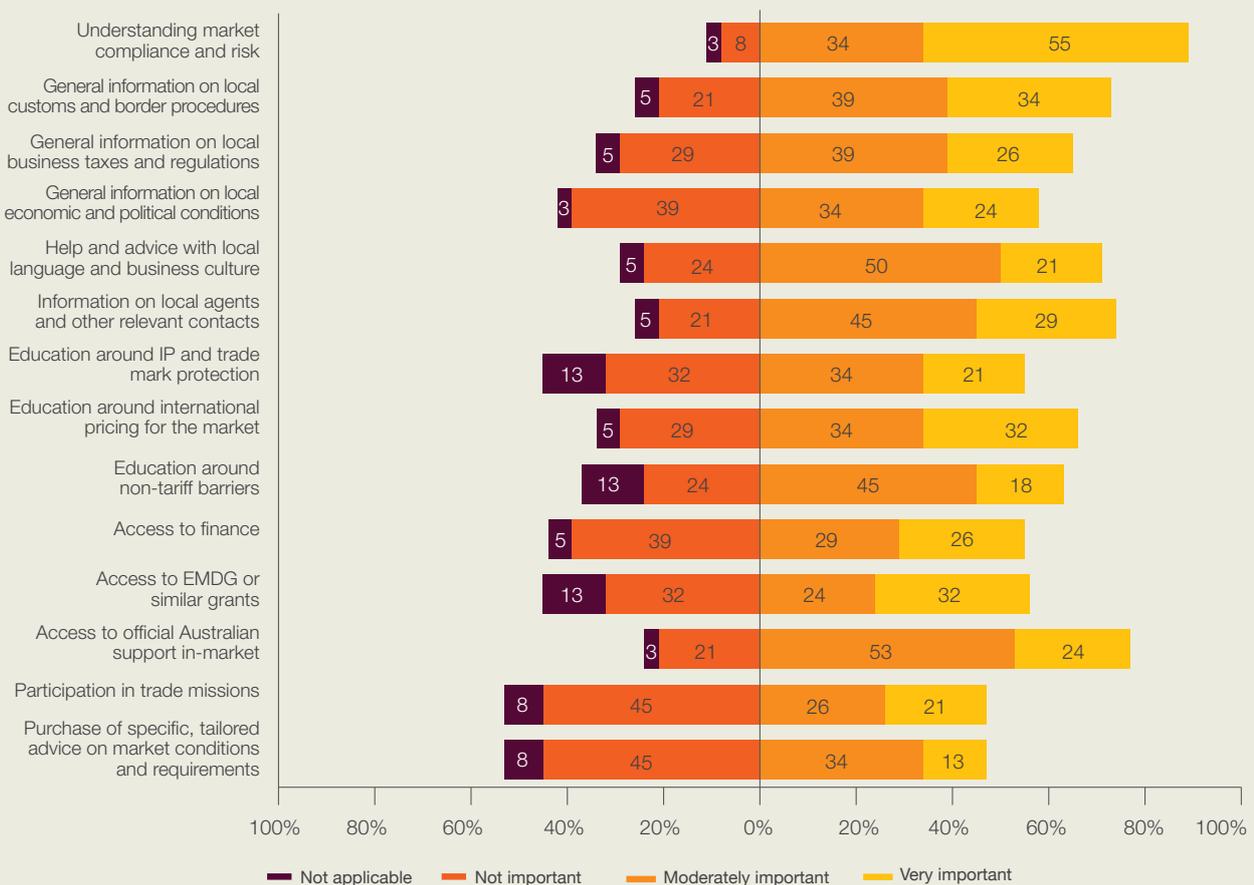


FIGURE 30. KEY FACTORS IN ENSURING SUCCESS IN YOUR TOP INTERNATIONAL MARKETS – INDIA

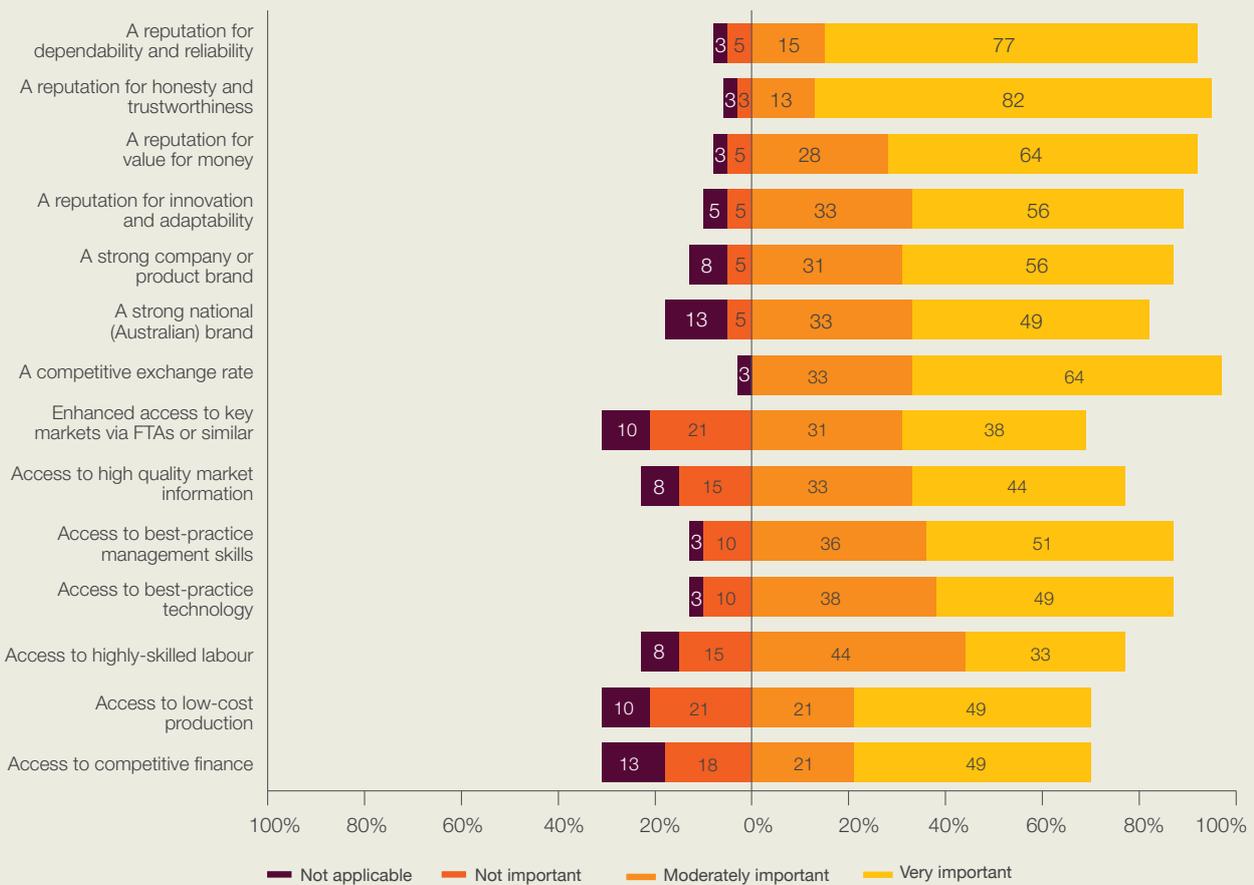
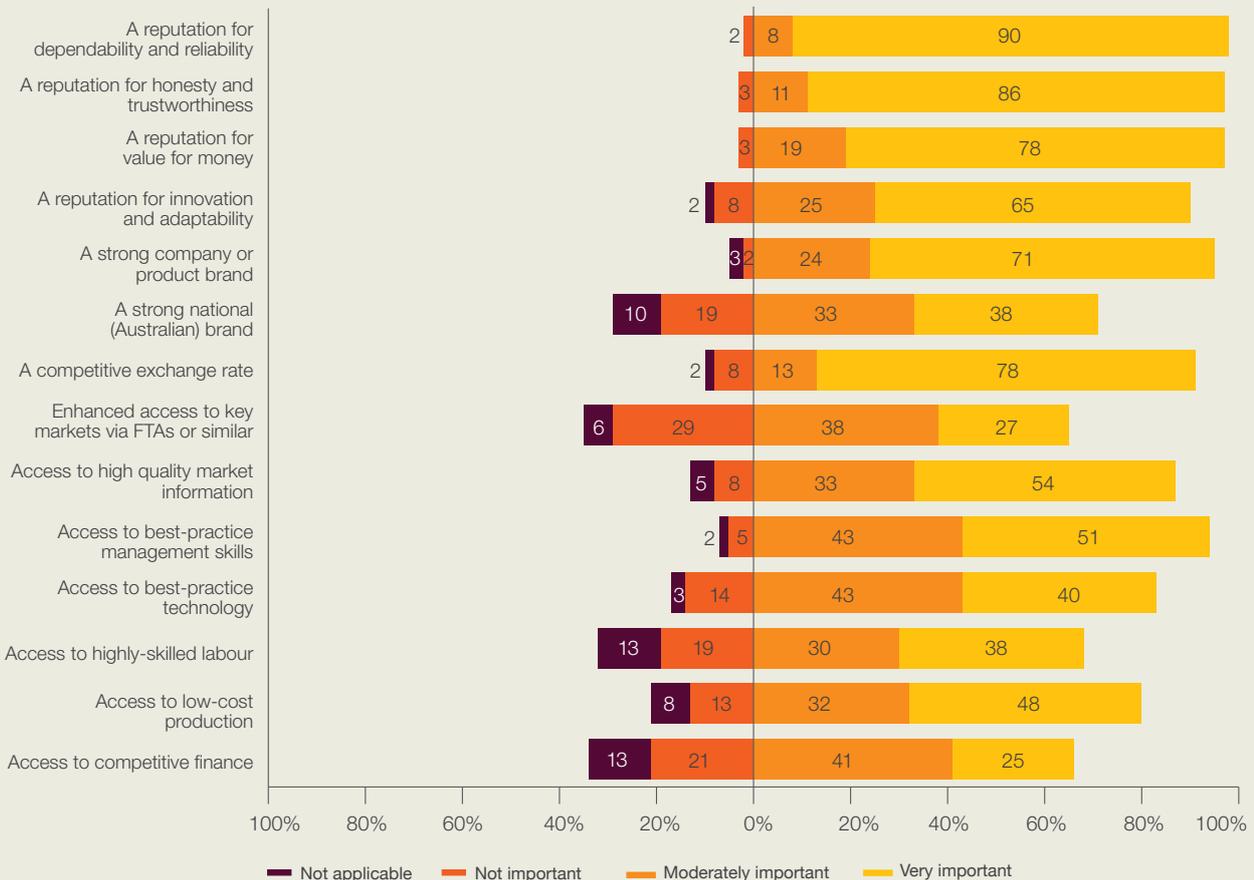


FIGURE 31. KEY FACTORS IN ENSURING SUCCESS IN YOUR TOP INTERNATIONAL MARKETS – JAPAN



WHO RESPONDED?

FIGURE 32. WHAT IS THE MAIN BUSINESS OF YOUR COMPANY?

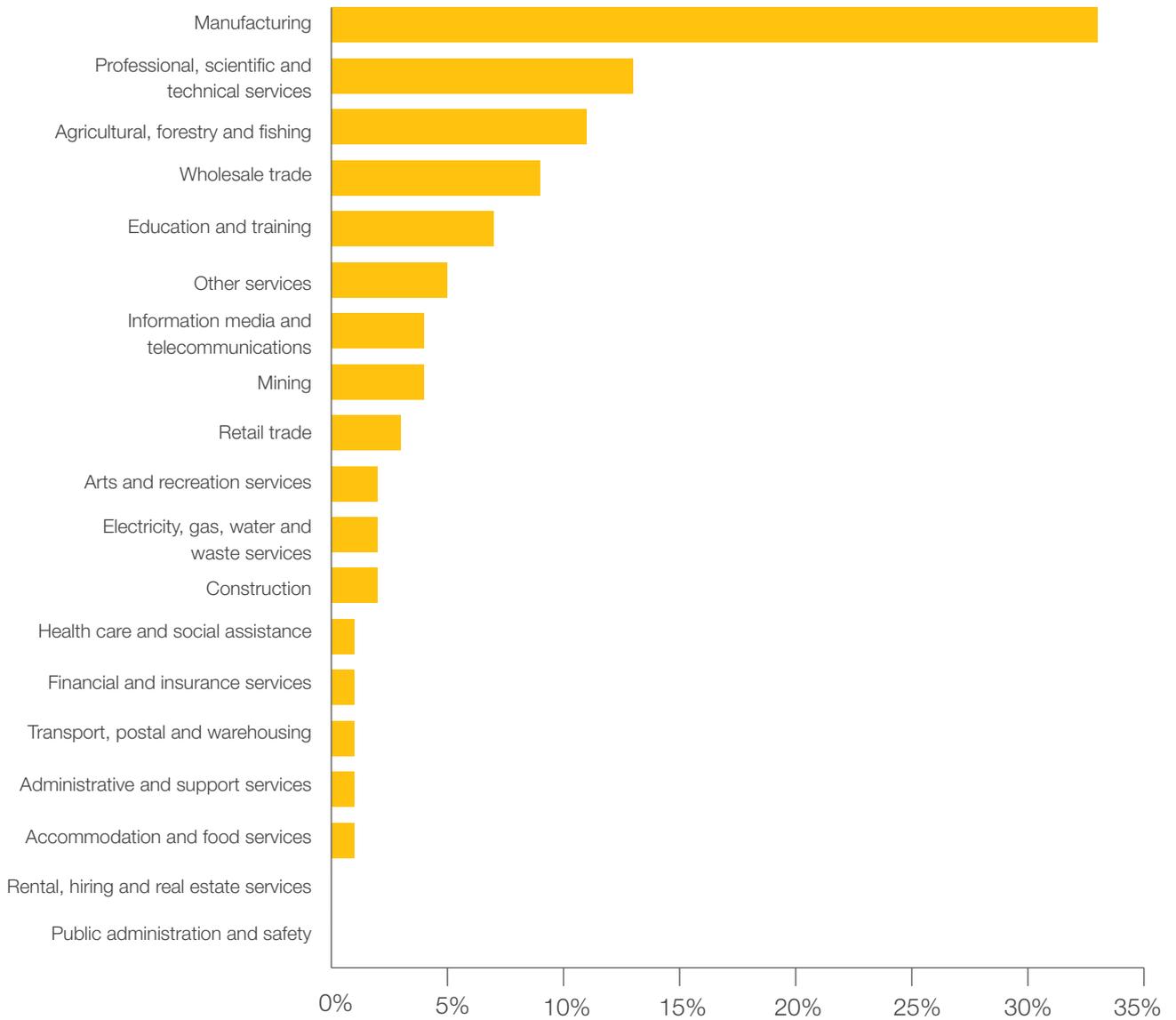


FIGURE 33. IF YOUR COMPANY SELLS TO OTHER BUSINESSES, IN WHICH INDUSTRY DO MOST OF YOUR BUYERS OPERATE?

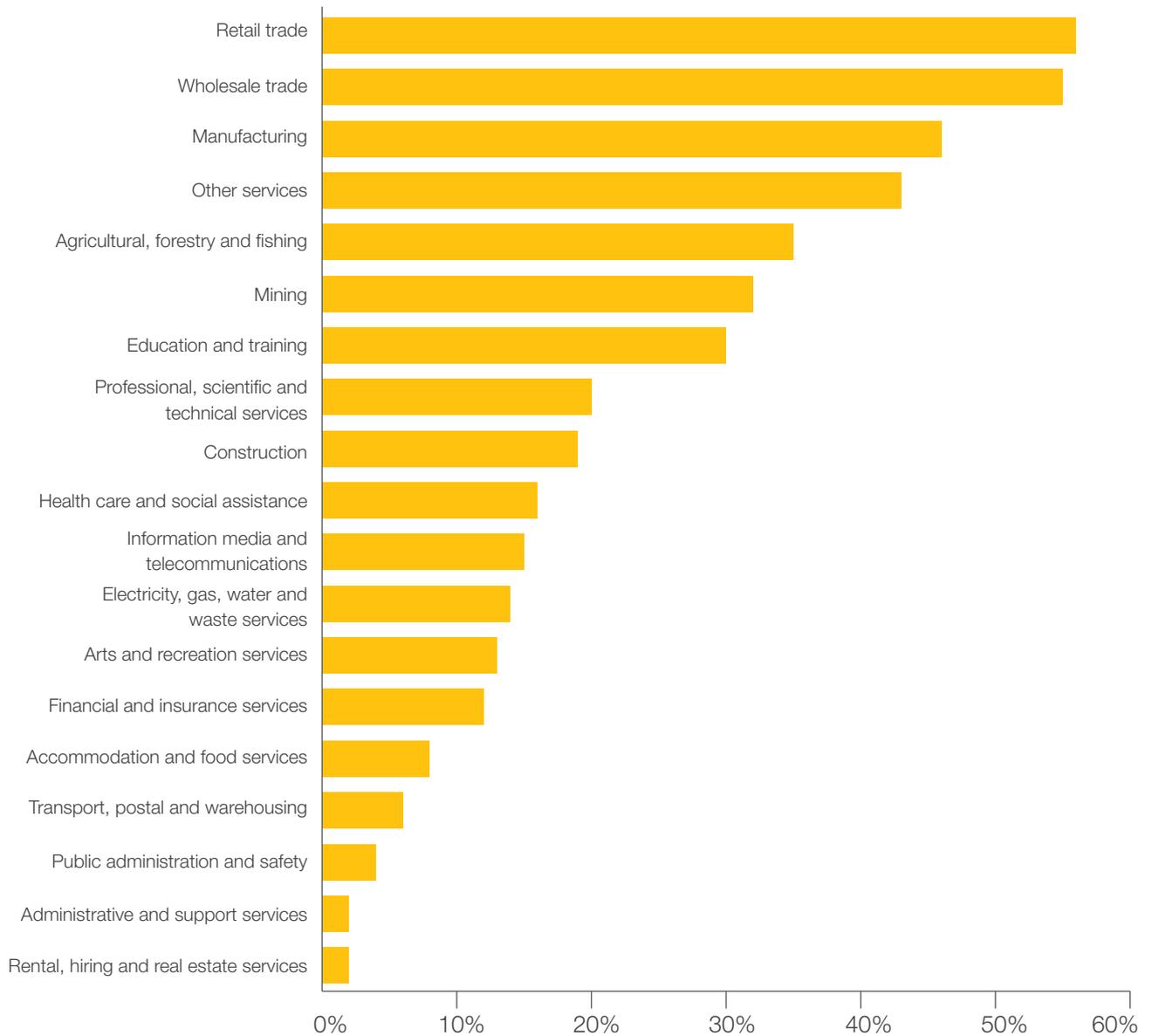


FIGURE 34. HOW MANY EMPLOYEES DOES YOUR COMPANY HAVE IN AUSTRALIA?

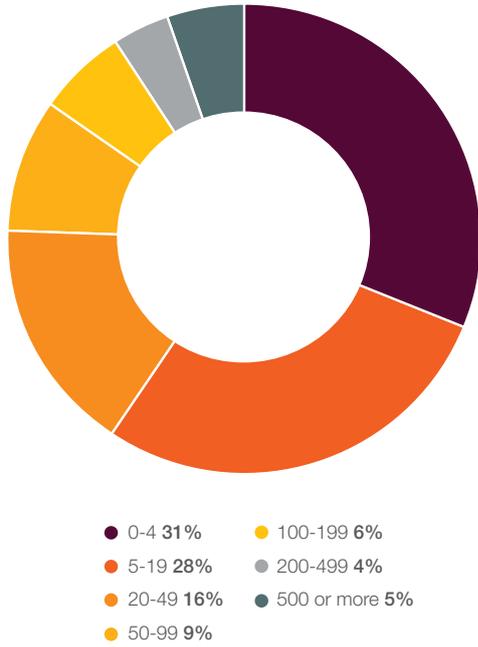


FIGURE 36. WHAT WAS YOUR COMPANY'S TOTAL REVENUE LAST FINANCIAL YEAR?

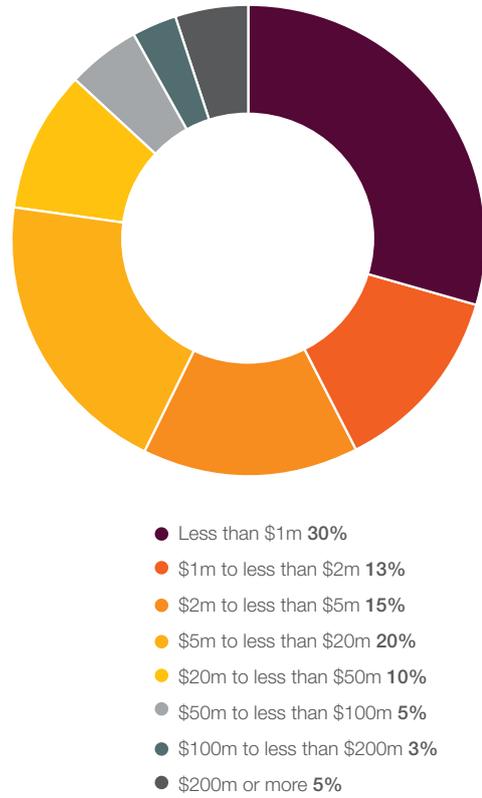


FIGURE 35. WHAT PROPORTION OF YOUR INTERNATIONAL REVENUE IS COMPRISED OF THE FOLLOWING?

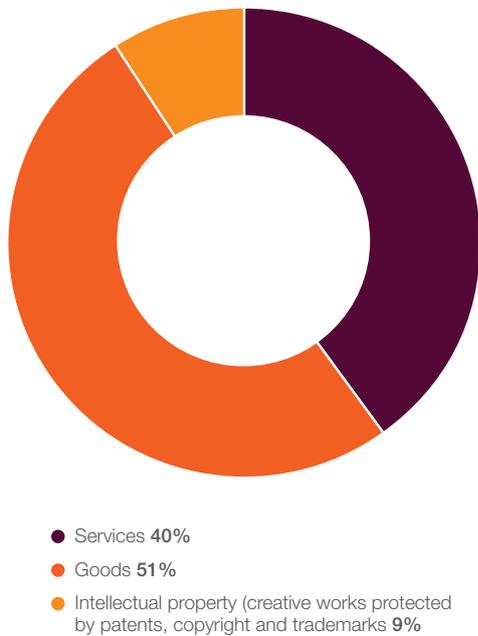


FIGURE 37. HOW LONG HAS YOUR COMPANY BEEN OPERATING?

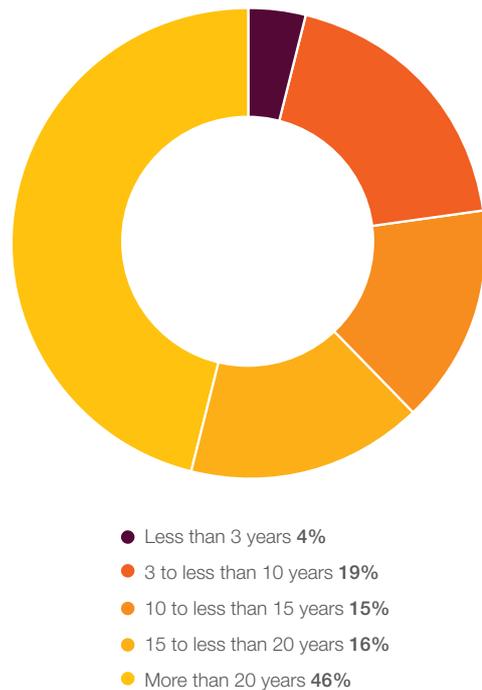


FIGURE 38. WHERE IS YOUR COMPANY'S HEAD OFFICE?

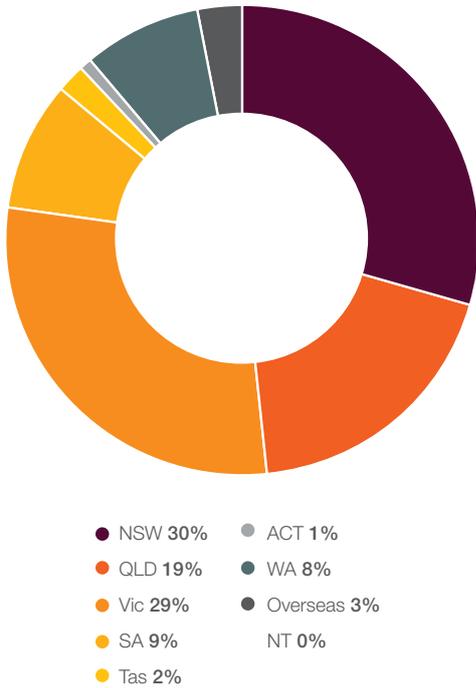


FIGURE 40. HOW LARGE WAS YOUR TOTAL OVERSEAS REVENUE LAST FINANCIAL YEAR IN AUSTRALIAN DOLLARS?

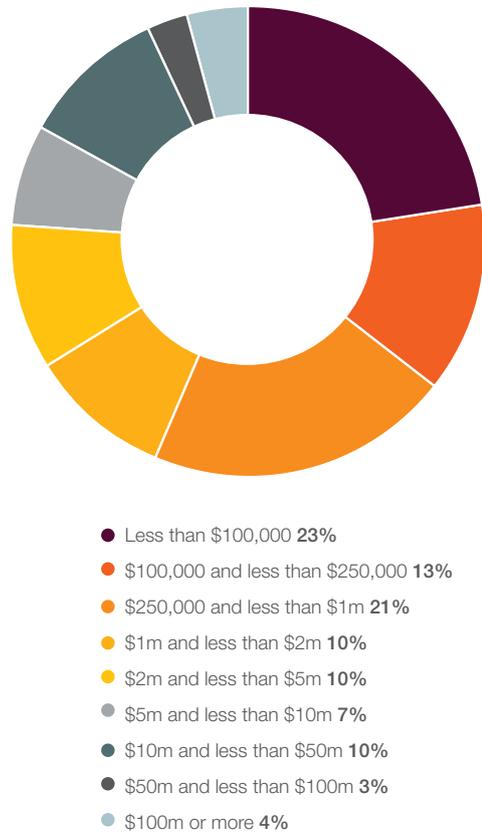


FIGURE 39. IN WHAT YEAR DID YOUR COMPANY START EARNING INTERNATIONAL REVENUE?

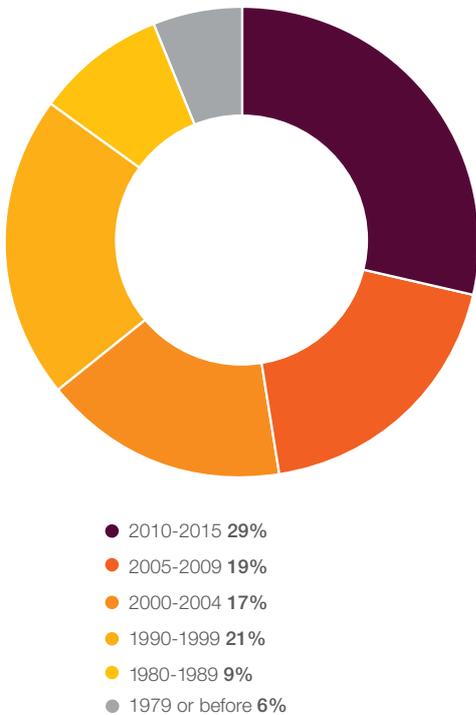
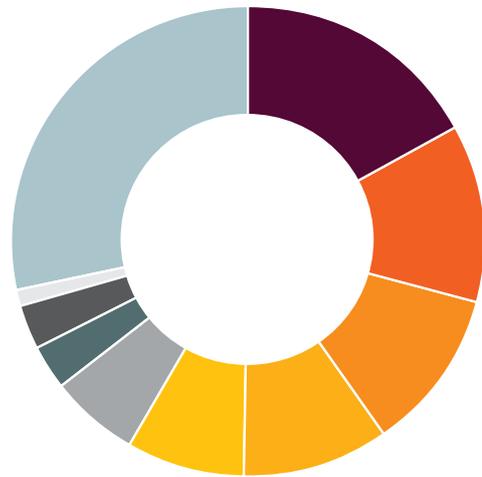


FIGURE 41. WHAT PERCENTAGE OF YOUR COMPANY'S REVENUE WAS EARNED FROM OVERSEAS IN THE LAST 12 MONTHS?



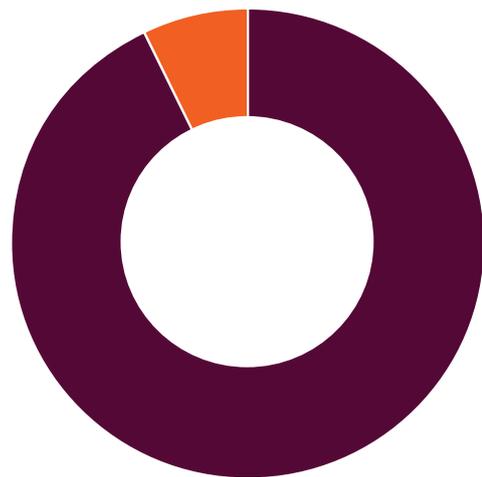
- Less than 10% **23%**
- 10% and less than 20% **16%**
- 20% and less than 30% **8%**
- 30% and less than 40% **8%**
- 40% and less than 50% **5%**
- 50% and less than 60% **6%**
- 60% and less than 70% **6%**
- 70% and less than 80% **6%**
- 80% and less than 90% **5%**
- 90% or more **17%**

FIGURE 42. HOW MANY COUNTRIES HAS YOUR COMPANY EARNED OVERSEAS REVENUE FROM IN THE LAST 12 MONTHS?



- One **17%**
- Two **12%**
- Three **11%**
- Four **10%**
- Five **8%**
- Six **6%**
- Seven **3%**
- Eight **3%**
- Nine **1%**
- Ten or more **28%**

FIGURE 43. COMPANY OWNERSHIP SURVEY QUESTION: IS YOUR COMPANY:



- Wholly or majority Australian owned? **93%**
- Wholly or majority foreign-owned? **7%**

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ABOUT AUSTRALIA'S INTERNATIONAL BUSINESS SURVEY

Australia's International Business Survey 2016 is the follow-up to the inaugural survey of Australia's international businesses published in 2014, and AIBS 2015. The findings of this report are distinctive and significant because they provide key insights into the nature, needs, concerns and future plans of the Australian international business community from the company 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 companies involved in international business. AIBS 2016 was commissioned by ECA with the support of Austrade and Efic, and was conducted by the University of Sydney.

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