



Australia's International Business Survey 2015

INDUSTRY PROFILE REPORT: AGRICULTURAL EQUIPMENT, TECHNOLOGY AND SERVICES

Survey partners



THE UNIVERSITY OF
SYDNEY

ABOUT THIS REPORT

Australia's International Business Survey 2015 is the follow-up to the inaugural survey of Australia's international businesses published in 2014.

The findings of this report are distinctive and significant because they provide key insights into the nature, needs, concerns and future plans of the overall Australian international business community from the company perspective.

The report is based on a survey conducted in late 2014 which resulted in the collection of fully completed and validated responses from 1,237 companies involved in international business.

AIBS 2015 was commissioned by the Export Council of Australia (ECA), with the support of our partners, Austrade and EFIC (Export Finance and Insurance Corporation), and was conducted by the University of Sydney (USYD). Australia's International Business Survey 2015.

For more information on the survey methodology, see Appendix D.

AIBS 2016

The 2016 AIBS survey will be launched in October. Please register your interest in participating by subscribing to the ECA database at www.export.org.au

ACKNOWLEDGEMENTS

The Export Council of Australia and survey partners would like to thank the many export companies who 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 2014.

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APPENDIX C: INDUSTRY PROFILES

A number of industry sectors have been selected for more in-depth analysis. These comprise agricultural, forestry and fishing; education and training; ICT; manufacturing; processed food and beverage; and professional, scientific and technical services together with agricultural equipment, technology and services, and mining equipment, technology and services (both of these latter categories being based on customers).

AGRICULTURAL EQUIPMENT, TECHNOLOGY AND SERVICES (AGRIETS) (N=99)

There were 99 survey participants (representing 8 per cent of total respondents) that indicated that their primary customers were companies that operated in the agricultural sector.

As shown in Table C-19 the top overseas market from which companies earned revenue in the past year was China (16 per cent of responses indicating the country as the first or second top international revenue source). Other top sources of international revenue were the United States (10 per cent of responses), and New Zealand (8 per cent of responses).

Table C-19 Main overseas markets – Agricultural equipment, technology and services

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

Rank	Country	No. of responses	Share
1	China	30	16%
2	United States	18	10%
3	New Zealand	14	8%
4	Japan	11	6%
5	Singapore	9	5%
6	Malaysia	9	5%
7	Indonesia	8	4%
8	Thailand	6	3%
9	Hong Kong	6	3%
10	United Arab Emirates	5	3%

Number of responses = 182

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.

Twenty-nine per cent of companies identified China as the most difficult country in which to do business. India (cited by 7 per cent of respondents) and the United States (cited by 5 per cent) also emerged as the most difficult of their top current markets (Table C-20).

Table C-20 Most difficult markets– Agricultural equipment, technology and services

Survey question: Among your most important markets, which is the most difficult country that your company does business with?

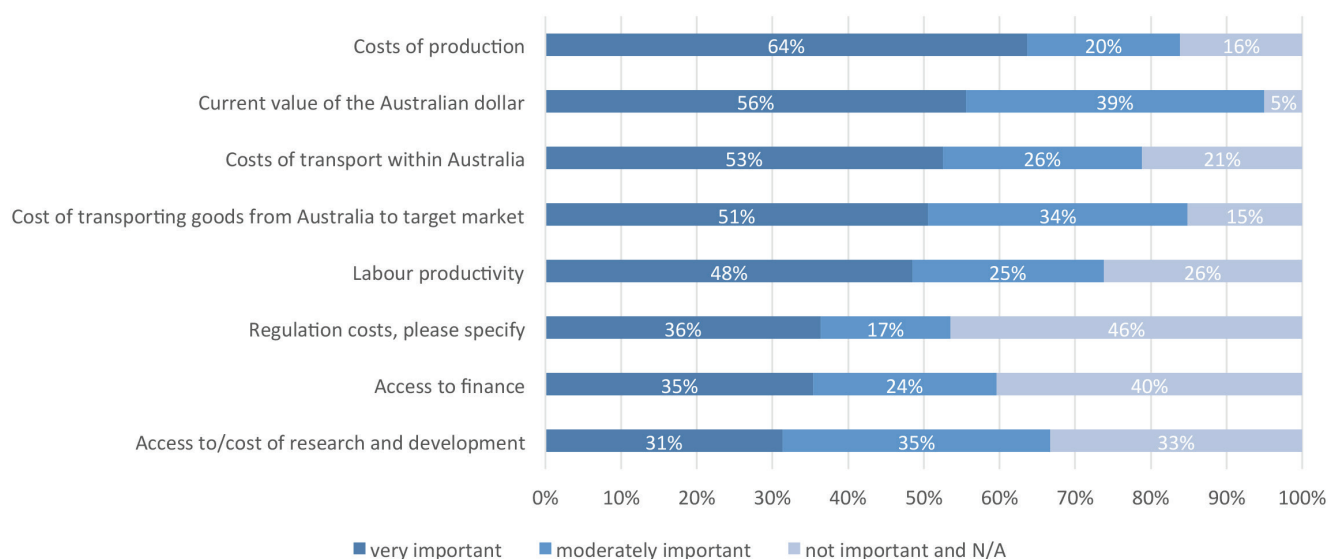
Rank	Country	No. of responses	Share
1	China	29	29%
2	India	7	7%
3	United States	5	5%
4	New Zealand	4	4%
5	United Arab Emirates	4	4%

Number of respondents = 99

Close to 65 per cent of companies identified the high cost of production in Australia as a major hindrance to efforts to pursue new international business opportunities (Figure C-25). The current value of the Australian dollar (cited by 56 per cent of respondents), and the transportation costs within Australia (cited by 53 per cent) were also identified as impediments to further growing their business overseas.

Figure C-25 Factors restricting firms from taking advantage of international business opportunities – Agricultural equipment, technology and services

Survey question: How important are the following factors in Australia in restricting you from taking advantage of new international business opportunities?

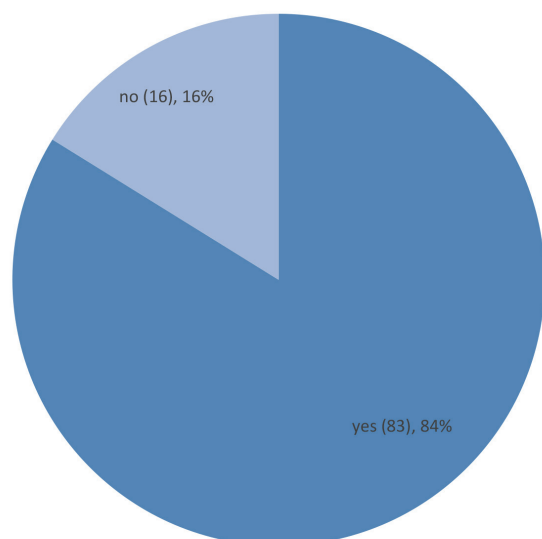


Number of respondents = 99

The international business outlook among companies in this sector is very positive, with 84 per cent of respondents indicating that they planned to further expand to new overseas markets in the next 2 years (Figure C-26). Sixteen per cent had no plans to enter new countries in the near future.

Figure C-26 Plan for doing business in additional countries – Agricultural equipment, technology and services

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



Number of respondents = 99

Among the companies that intend to undertake further international expansion, 16 per cent expect China to be their most important new market in terms of growing their international revenue (Table C-21). Other countries that were expected to play an important role in future international business were the United States, Thailand and Vietnam, each cited by 7 per cent of respondents.

Table C-21 Most important new country – Agricultural equipment, technology and services

Survey question: Which new country do you expect to be the most important in terms of additional revenue?

Rank	Country	No. of responses	Share
1	China	13	16%
2	United States	6	7%
3	Thailand	6	7%
4	Vietnam	6	7%
5	Brazil	5	6%

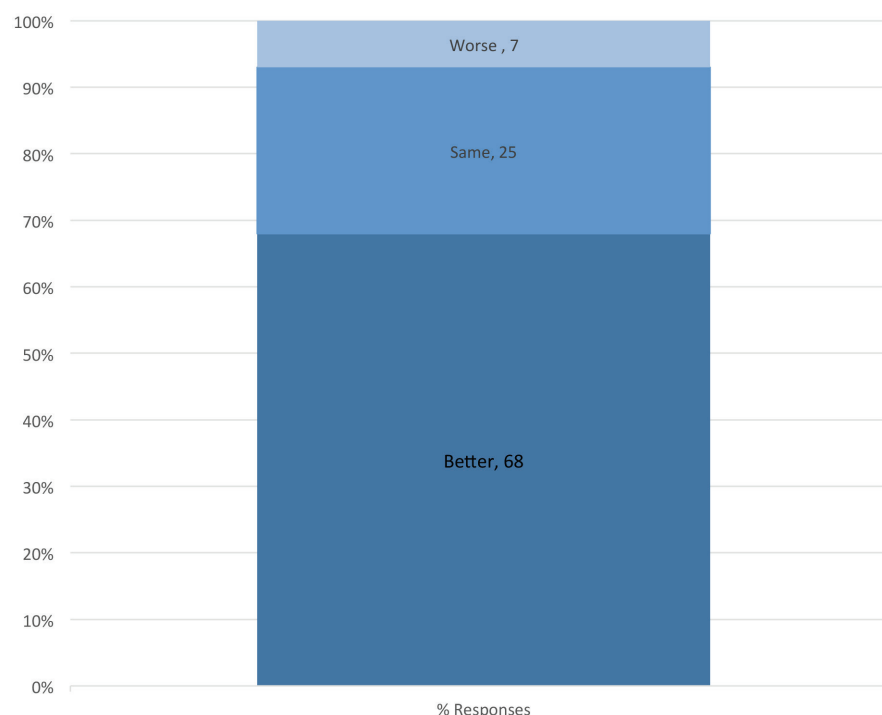
Number of respondents = 83

OUTLOOK

Further providing confirmation of the positive international outlook among companies in this sector, 68 per cent of respondents expect their international operations to do better in 2015 compared to 2014 (Figure C-27). Twenty-five per cent of respondents expect things to be the same, while 7 per cent expect their international performance to be worse than last year.

Figure C-27 Overall outlook – Agricultural equipment, technology and services

Survey question: What is the overall outlook for your company’s international operations in 2015 compared to 2014?



Number of respondents = 99