AUSTRALIA'S
INTERNATIONAL
BUSINESS
SURVEY 2015

Australia's International Business Survey 2015

INDUSTRY PROFILE REPORT:
PROCESSED FOOD AND BEVERAGE

Survey partners

Export Council of Australia

Australian Government
Austrade

Australia Unlimited

Efic
Finance for Australian Exporters

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

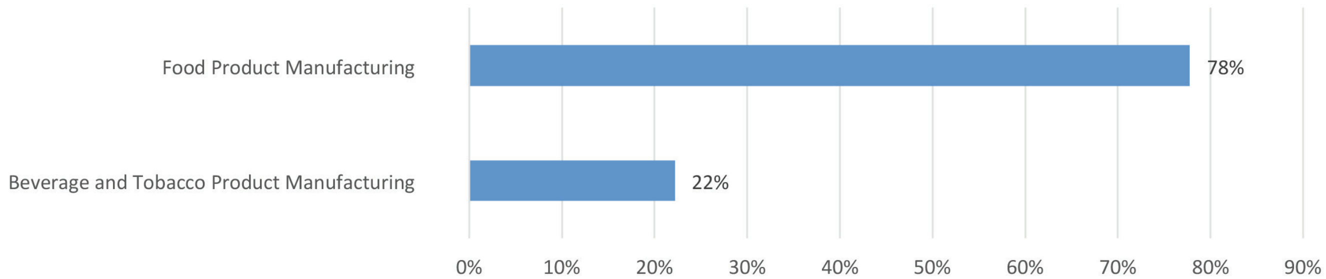
A number of industry sectors have been selected for more in-depth analysis. These comprise agricultural, forestry and fishing; education and training; ICT; manufacturing; processed food and beverage; and professional, scientific and technical services together with agricultural equipment, technology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

PROCESSED FOOD AND BEVERAGE (N=72)

Seventy-two companies from the processed food and beverage sector participated in the survey, representing 6 per cent of all respondents. Among these companies, 78 per cent are engaged in the manufacture of food products, while 22 per cent manufactured beverages and tobacco products (Figure C-17).

Figure C-17 Main subsector – Processed food and beverage

Survey question: What is the main subsector?



Number of respondents = 72

The United States (as shown in Table C- 13) was their most important source of international revenue in the past year (14 per cent of responses identifying the country as the top first or second top international revenue source). Other top markets identified were Singapore (12 per cent of responses), and China (10 per cent of responses).

Table C-13 Main overseas markets – Processed food and beverage

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	19	14%
2	Singapore	16	12%
3	China	14	10%
4	Japan	12	9%
5	New Zealand	11	8%
6	Malaysia	9	7%
7	Republic of Korea	6	4%
8	United Kingdom	6	4%
9	Thailand	6	4%
10	PNG	5	4%

Number of responses = 135

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.

Among the most important international markets identified by the respondents, China was perceived to be the most difficult country, as cited by 39 per cent of respondents (Table C-14). The other difficult markets were Japan (cited by 8 per cent of respondents) and the United States (also cited by 8 per cent of respondents).

Table C-14 Most difficult markets– Processed food and beverage

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

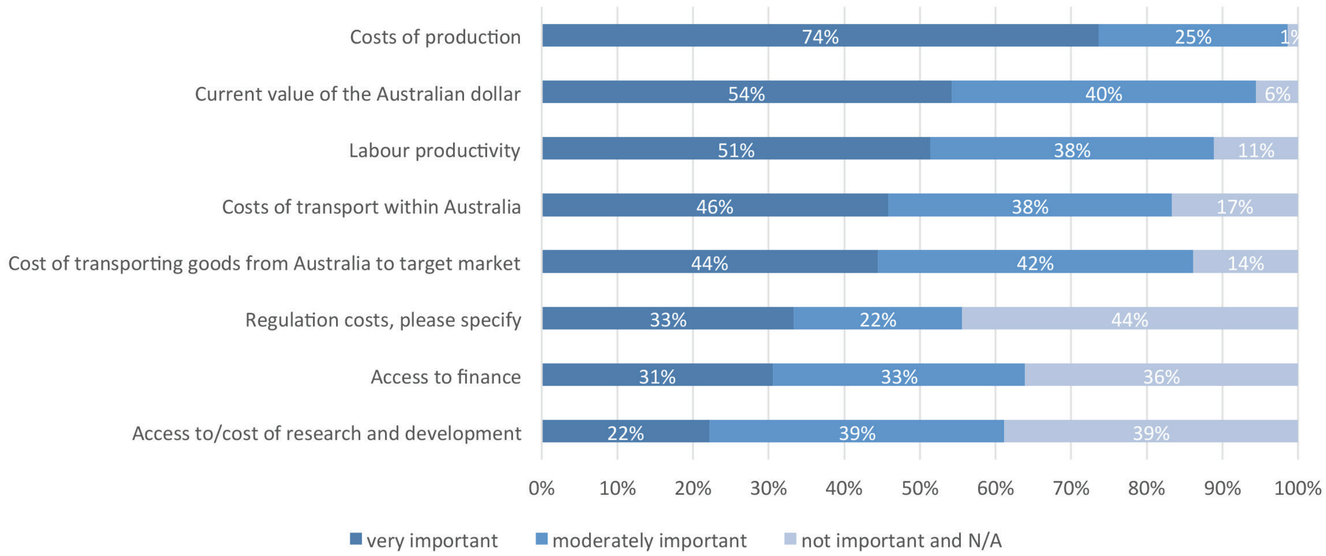
Rank	Country	No. of responses	Share
1	China	28	39%
2	Japan	6	8%
3	United States	6	8%
4	India	5	7%
5	Singapore	3	4%

Number of respondents = 72

Close to 75 per cent of respondents indicated that the high cost of production in Australia was preventing them from taking advantage of new international business opportunities (Figure C-18). The current value of the Australian dollar was cited as a major hindrance by 54 per cent, while labour productivity was identified by 51 per cent as an important issue.

Figure C-18 Factors restricting firms from taking advantage of international business opportunities – Processed food and beverage

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

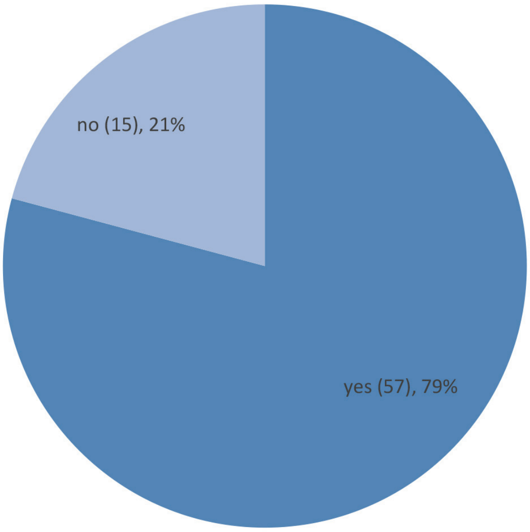


Number of respondents = 72

The attitude towards further international expansion among respondents is bullish, with close to 80 per cent of companies indicating that they intended to further expand to new countries over the next 2 years (Figure C-19). Twenty-one per cent of respondents had no clear expansion plans.

Figure C-19 Plan 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 = 72

Among the respondents that had plans for further international expansion in the next 2 years, 30 per cent expected China to be their most important new market (Table C-15). Twelve per cent expected South Korea to be the most important country in terms of contributing new international revenue to the business.

Table C-15 Most important new country – Processed food and beverage

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	17	30%
2	Republic of Korea	7	12%
3	United Kingdom	4	7%
4	India	4	7%
5	Indonesia	4	7%

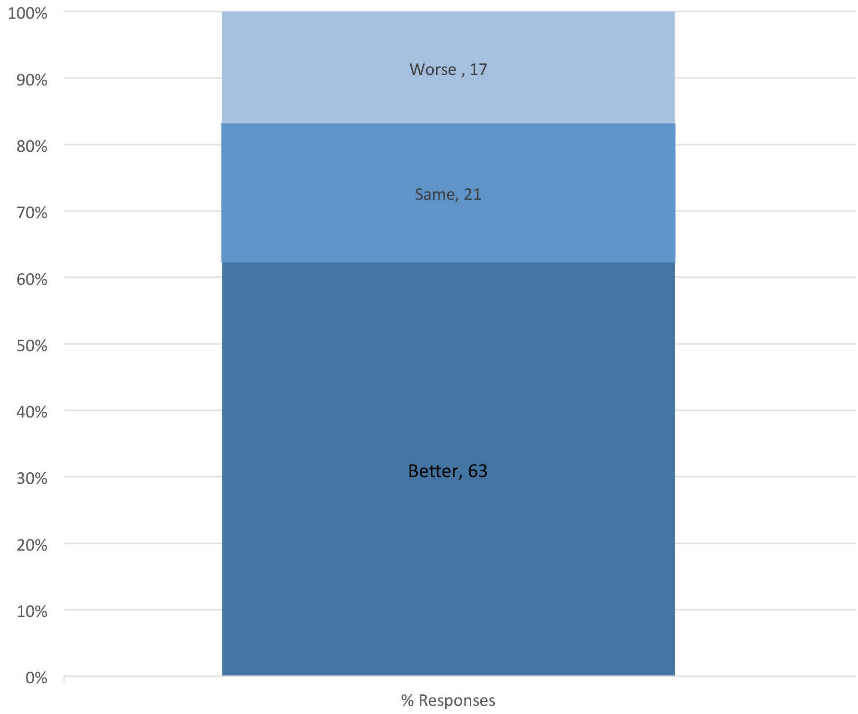
Number of respondents = 57

OUTLOOK

Sixty-three per cent of respondents expect their international operations to do better in 2015 compared to 2014 (Figure C-20). Twenty-one per cent expect their overseas performance to remain the same, while 17 per cent expect their performance to be worse than last year.

Figure C-20 Overall outlook – Processed food and beverage

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



Number of respondents = 72