

AUSSIE BIOTECHNOLOGY FIRM SERVICES ASIA'S CATTLE DEMAND

EXPORT CASE STUDY | FEBRUARY 2018

Australian Reproductive Technologies (ART) is a world leader in cattle IVF and reproductive technologies. With high demand in Asia for its services, ART is expanding its business through exports.

Founded in 2007, ART provides cattle reproductive services to breeders both nationally and internationally.

By successfully combining leading-edge cattle IVF technology with established human IVF techniques, ART has been able to deliver vast improvements in embryo production and quality for its clients.

Asia's high demand for Australian services

ART has been trading out of Rockhampton for the past 10 years. Recently, the business has turned its attention to international markets, which Managing Director Simon Walton says was an easy decision.

'Early in my career, I travelled a fair bit throughout Asia and realised their cattle genetics weren't as advanced as Australia.

'After learning more about the opportunities available in cattle IVF, it made sense to start exporting to Asia as our first market.'

The inferior genetic quality in Asia's cattle has been a huge opportunity for ART.

'Asia's level of genetics in cattle is much lower than Australia's, so by using our services, breeders have a greater chance of breeding more stock in a single generation,' says Walton.



'The scope of business in China is mind-blowing. One of the first food manufacturers we met with was talking about a single facility producing 100,000 pregnancies a year. In Australia, we would only do about 2,000 or 3,000 a year.'

Simon Walton, Managing Director, Australian Reproductive Technologies

'This gives us, as a service provider, greater potential to grow the business through exports rather than relying solely on domestic markets.'

China an important export market

ART currently exports to a number of countries across Asia, including China, Vietnam and Malaysia. Walton says China has emerged as ART's greatest export opportunity due to its substantial demand for cattle reproductive services.

'The scope of business in China is mind-blowing. One of the first food manufacturers we met with was talking about a single facility producing 100,000 pregnancies a year. In Australia, we would only do about 2,000 or 3,000 a year, so we were amazed at their request.'



Australian Government

Australian Trade and Investment Commission



Under the China-Australia Free Trade Agreement (ChAFTA), tariffs for ART's exports to China are bound at zero ensuring ART will be able to continue exporting duty-free.

Exporting is a journey of learning

Having exported for a number of years, Walton explains that ART's journey has brought a number of learning opportunities.

'During our first deal in China, we felt as though our partners were in the driving seat, making the rules and expecting our gratitude.

'Since entering the Chinese market, we have realised they need our technology just as much as we need the sales. This has helped us enter other markets more confidently.'

Walton says the help of a translator in international negotiations has been crucial to ART's success overseas.

'Although Chinese business partners will provide their own translator, you often don't get to hear their side of the conversation or they won't translate information back word-for-word. Having our own translator was an invaluable resource, helping us to understand the mood of the conversation and ensuring we were able to convey our preferences without offending anyone.'

Take advantage of the government assistance available

With the financial and in-market assistance available from government, ART has achieved one of its greatest breakthroughs and secured future growth opportunities for the business.

'Along this journey we've had really great help from all levels of government; through Austrade, [Trade and Investment Queensland](#) and [AusIndustry](#),' says Walton. 'The Export Market Development Grants we've utilised have also been useful.'

ART also accessed the R&D tax incentive enabled through AusIndustry that led to the real game-changer for them.

'One of the biggest issues a few years ago was the inability to freeze our embryos,' explains Walton. 'We were able to leverage tax R&D money to do the research that we needed to keep ahead of the game; research that we perhaps wouldn't have otherwise been able to afford.'

'As a result, we were the first company in the world to freeze embryos successfully.'

Read more about ART's export journey [here](#).

About Austrade

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

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