



# INSIGHTS INTO THE MIDWEST

## MARKET SNAPSHOT

The Midwest has a population of 68 million, approximately 21 per cent of the total US population.<sup>1</sup> The region has a Gross Domestic Product of US\$3.4 trillion, around three times the size of the Australian economy and 20 per cent of America's total GDP.<sup>2</sup> There are 163 Fortune 500 and 257 additional Fortune 1000 companies in the Midwest, many of which are investors in Australia.

The industries operating in the Midwest are diverse and the region's unique value is its nexus of advanced manufacturing, agriculture, food processing, resources and research.

The major commercial center is Chicago with a Metropolitan Statistical Area (MSA) total population of 9.5 million people, making it the third largest metropolitan area in the United States.<sup>1</sup> Other key regional cities include Detroit, St. Louis, Minneapolis and Columbus.

The Midwest is home to a number of industry and research clusters that align with the Australian Government's priority industry sectors. The key sub-regions in the Midwest cover agriculture & food processing, advanced manufacturing, resources and medtech.

According to research by the American Association for the Advancement of Science, states within the Midwest play a significant role in the US R&D enterprise. One-fifth of the nation's R&D is performed in this region, primarily by industrial firms. The federal government plays a strong role in this R&D enterprise, and spends billions of dollars a year in the Midwest on R&D projects that underpin the Midwest's strengths in high-technology sectors. Midwestern universities especially are major contributors to the US R&D enterprise; they receive nearly 25% of all federal R&D support to universities.<sup>3</sup>

Austrade's Chicago office has responsibility for the greater Midwest region of the United States including the states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.

## NUMBERS AT A GLANCE



### \$2.6 BILLION

Australia is the **5th largest market for Illinois exports**, worth approximately \$2.6 billion in 2017<sup>3</sup>



Australia is the **7th largest investor in Chicago** with \$200 million in the last decade.<sup>1</sup> Boeing, John Deere and Caterpillar are top exporters



### MAJOR UNIVERSITIES AND R&D INSTITUTIONS

Northwestern University, University of Chicago, University of Michigan, Ohio State University, Argonne National Lab, Fermilab Particle Accelerator



### 163 FORTUNE 500 COMPANIES

Based in the Midwest, major investors in Australia include **ADM, Boeing, Cargill, Caterpillar, Dow, Ford, General Motors, John Deere, Kraft, McDonalds, Mondelez** and **Bayer**. Fortune 1000 companies active in Australia include Allison Transmission, DeVry Inc, Snap-on Incorporated, CME Group, Jones Lang LaSalle, The Manitowoc Company, Hyatt Hotels Corporation and Hospira.



### 4 RECENT MAJOR AUSTRALIAN INVESTORS IN THE MIDWEST

**CSL (Behring)** has extensive plasma processing facilities in Illinois

**Nufarm's** North American chemical and fertilizer business is headquartered in Chicago

**Amcort Plastics** manufactures packaging solutions in Michigan and Wisconsin

**Pratt Industries** opened a \$260M paper mill in Indiana in 2016, part of \$2B in US investments.

## CASE STUDIES

Chicago-based **Boeing** recently expanded its Boeing Research & Technology facility in Melbourne, its largest outside the United States.

Located just north of Chicago, **Medline Industries**, one of the world's largest manufacturers and distributors of medical devices and supplies opened a 25,000 square meter facility in Western Sydney in 2017. The new facility provides warehousing, distribution, and corporate functions and represents Medline's largest footprint in Asia-Pacific.

Australian mining company, **Rio Tinto**, opened up a Chicago office in 2018 employing more than 70 people across sales, marketing, and corporate functions. Chicago's strategic location brings Rio Tinto closer to current and future customers.

**Kansas State University** and Australia have a strong relationship. The university's strengths in agriculture and life sciences are well aligned with those at numerous Australian universities and research institutions. Kansas State offers the

Australian Fulbright Senior Scholarship and continues to host many Australians at their institution for collaborative projects.

The Midwest is home to an emerging venture capital market, including industry leaders in agriculture and bioscience, as well as food-focused private equity and global farmland investors. Chicago-based Cultivian Ventures invested in technology developed at the University of Queensland which uses spider venom as a biopesticide. Austrade is working with another Cultivian firm to set up in Australia.

Australia has growing involvement in a number of key infrastructure initiatives in the Midwest – as investors, operators and advisors:

- **Macquarie's privatisation of the Chicago Skyway** and the **Indiana Toll Road** represented first-of-its-kind transactions in the United States.
- **IFM**, current owners of the Indiana Toll Road, continue to invest in North American infrastructure assets, including a recent acquisition of a US pipeline operator for \$6.5B.
- Australian-based QIC Global Infrastructure won the Ohio State University (OSU) parking operations bid.

## MIDWEST-AUSTRALIA RELATIONSHIP

Australian companies with investments in the Midwest region include Akuna Capital, Amcor, ASX, BHP Billiton, Bluescope Steel, Coates, Computershare, CSL, Flight Centre, James Hardie, Lend Lease, Macquarie, Manildra, Orica, Pratt Industries, Parnell, Ridley Corporation, Westfield and Worley Parsons.

## OPPORTUNITIES AND HIGHLIGHTS

The Midwest is a global hub for innovators in agribusiness & food processing, advanced manufacturing and medical technologies.

**Austrade Chicago is working with major agrifood companies to investigate opportunities for R&D collaboration with Australia, including Cargill, Conagra, DuPont Pioneer, General Mills and Wrigley.**

Austrade has previously worked to connect Australian automotive suppliers to Detroit OEMs, including GM and Ford. These industry contacts are now being leveraged to promote Australia's advanced manufacturing, materials science and intelligent transit capabilities.

### Disclaimer

Whereas every effort has been made to ensure the information given in this document is accurate, the Australian Trade and Investment Commission does not provide warranty or accept liability for any loss arising from reliance on such information.

## HOW AUSTRADE CAN HELP

The Australian Trade and Investment Commission (Austrade) is the Australian Government's international trade promotion and investment attraction agency.

We deliver quality trade and investment services to businesses to grow Australia's prosperity.

We help companies around the world to identify and take up investment opportunities in Australia as well as to source Australian goods and services. Our assistance includes:

- providing insight on Australian capabilities
- identifying potential investment projects and strategic alliance partners
- helping you identify and contact Australian suppliers.

## CONTACT US

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1 US Census Bureau, 2014  
2 Bureau of Economic Analysis, 2016  
3 The National Science Foundation