MARKET SNAPSHOT

The Northeast consists of three major economic hubs - New York, Philadelphia and Boston. It is host to many of the world’s premier research and educational institutions, nearly 25 per cent of all Fortune 500 companies, and unrivalled connectivity to domestic and international passenger and freight transport networks. The regional economy is approximately three times the size of the Australian economy and 20 per cent of America’s total GDP.

The industries operating in the Northeast are diverse and provide both domestic and international markets with innovative products and services across manufacturing, health, media, fashion, IT, finance and agriculture. The region is home to a number of industry and research hotspots that align with the Australian Government’s priority industry sectors.

Innovation Cities also named New York number one and Boston number eight on its global ranking index for 2019. This positions both municipalities ahead of Silicon Valley, currently ranked number nine globally.

CASE STUDY

‘Being an Australian company we recognised our home market size would mean we had to globalise early. We identified the huge market potential for LiveTiles in the US – 15 times the size of the market in Australia...The laws, business environment and culture in the US were very different. It was a huge learning curve...Austrade helped us build networks with lawyers, accountants and other similar businesses. They invited us to attend and collaborate on events, which built LiveTiles’ credibility...By establishing the headquarters of LiveTiles in the US, we have grown the company to what it is today’

- Karl Redenbach, LiveTiles


NUMBERS AT A GLANCE

$632 MILLION
Australia is Pennsylvania’s 25th largest export market, worth US$632 million in 2018.

$13 BILLION
In 2018, New York City companies received over US$13 billion in venture capital funding. US venture capital funding surpassed US$100 billion in 2018, a first since the dot-com era.

HOME TO MANY TOP-TIER COLLEGES AND UNIVERSITIES

The Northeast region is home to all eight Ivy League universities and many premier independent research institutions. The region also boasts 42 of the 100 top universities in the US and Massachusetts alone has over 100 higher-education institutions. Universities with educational partnerships and research collaborations in Australia include Carnegie Mellon University and Rutgers University.

120 FORTUNE 500 COMPANIES

120 Fortune 500 companies are headquartered in the Northeast, many of which are major investors in Australia including American Express, ADP, BlackRock, Boston Scientific (Alere), Cognizant, Foot Locker, General Electric, Goldman Sachs, IBM, Johnson & Johnson, MetLife, PepsiCo and Pfizer.

Nearly 25% of Fortune 1000 companies are based in the Northeast US.

For information on the US market and how the Australian Trade and Investment Commission can help your business visit www.bit.ly/AustradeUSA
OPPORTUNITIES AND HIGHLIGHTS

A broad range of Australian companies have found success in New York due to easy access to funding, accelerators, tech talent and an appetite for risk. However, Australian companies should consider a number of other vibrant cities in the Northeast when looking to open a US office.

Massachusetts is a global hub for innovators in health, pharma and medical technologies. Companies with existing headquarters in the state include Boston Scientific, Thermo Fisher, Biogen Idec, Genzyme and GE Ventures, all of which have a presence in Australia.

Boston is also widely recognized as a leading digital technology hub with a highly educated workforce. Massachusetts companies attract the most venture capital funding per capita in the US, and recent home-grown digital tech companies reaching over a US$1 billion valuation are transforming global e-commerce, marketing, digital health, travel, and cyber security industries. Further, the ecosystem supports international tech companies with easy access to funding, accelerators and other programs targeted at international entrepreneurs.

Notably, revival cities Philadelphia and Pittsburgh both have emerging hubs for medical devices and life-sciences. Engaging in these cities may present an opportunity for Australian companies to gain access to the US market with lower fixed establishment costs.

Among the major investors in Australia are the Northeast’s top firms in finance, including Global Infrastructure Partners, JP Morgan, BlackRock, TIAA, and MetLife. Multinational Australian firms with investments in the Northeast include Lendlease, Macquarie, and Woods Bagot. Further, ANZ, NAB, CBA, and Westpac all have operations in New York City.

Leading multinationals from the Northeast are continuing to look to Australia for investment, including undertaking Research & Development. New York-based IBM created the IBM Research Collaboratory for Life Sciences-Melbourne, established in 2017 as part of a five-year joint research partnership with the University of Melbourne.8

Other Northeast companies that have recently invested or reinvested in Australia include General Electric, Cognizant, Cybereason, Raytheon, Akamai, Dell EMC, Sisense, Keystone Foods, Yotel, InterSystems Inc and Medidata Solutions.

Austrade supports Australian companies looking to do business in the Northeast and works to raise the profile of Australia’s advanced technology industries. We work with leaders and innovators in Agribusiness, Energy, Cyber, FinTech, Medical/Life Sciences and Fast Moving Tech. Austrade also assists qualified organisations looking to invest in Australia.

NORTHEAST–AUSTRALIA RELATIONSHIP


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

For further information locally please call: 13 28 78 or email info@austrade.gov.au.

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Disclaimer

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1 Fortune.com
2 Bureau of Economic Analysis
3 2thinknow, Innovation Cities Global Index
4 US Census Bureau
5 PwC/NVCA MoneyTreeTM Report, Data: Thomson Reuters
6 Pitchbook.com
7 Forbes.com
8 IBM Research Collaboratory

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