



Australian Government
Austrade



INSIGHTS INTO SOUTH CENTRAL

MARKET SNAPSHOT

The South Central United States contains a population of 40.3 million, approximately 12 per cent of the total US population. Texas alone has a population of over 28.7 million, making it the second most populous state in the country.¹

Texas has a Gross State Product of US\$1.78 trillion, which is second only to California. This accounts for 8.7 per cent of the US GDP, and is similar in size to the Australian economy.²

There are 62 Fortune 500 and 121 Fortune 1000 companies in the region, many of which are significant investors in Australia. Four of the top 10 Fortune ranked companies are headquartered in the South Central United States, including Walmart in Arkansas at number one and Exxon Mobil in Texas at number two.³

The industries operating in the region are diverse and provide both domestic and international markets with innovative products and services across a multitude of sectors, including oil and gas, energy, manufacturing, health, IT, finance, logistics and agriculture. The cities of Houston, Dallas/Fort Worth (DFW), Austin and San Antonio are hubs for commercial activity within the region.

Ten of the 25 largest publicly traded global oil and gas exploration and production firms are headquartered in Houston; nine more among the top 25 have subsidiaries, major divisions or other significant operations there.

Texas is a logistics hub of the Americas. In 2017, the Port of Houston ranked first in the U.S. in foreign waterborne tonnage; and second in the US in domestic waterborne tonnage. DFW International (DFW – American Airlines hub) and George Bush International Airports (IAH – United Airlines hub) complement port operations and are ranked 4th and 9th busiest nationally. Both service major international carriers including Qantas.⁴

Austrade's Houston office is responsible for the South Central region of the United States, including Texas, Arkansas, Louisiana and Oklahoma.

NUMBERS AT A GLANCE



\$102 MILLION

Australia is the **20th largest export market** for both Arkansas and Oklahoma, worth a total of **US\$102 million** in 2018. Australia is also Oklahoma's 10th and Arkansas' 16th largest import market.⁴



10TH LARGEST GLOBAL ECONOMY

If Texas were a separate nation, it would rank as the 10th largest economy in the world, putting it in line with Russia and ahead of nations like Australia and Spain.⁵ Texas is also the top exporting state in the US, exporting over US\$315 billion in 2018, nearly 20 per cent of the US total.⁶



TEXAS A&M IS THE 6TH LARGEST PRODUCER OF F500 CEOs

Texas is home to many high-ranking colleges and universities, including Rice University, University of Houston, Texas A&M and the University of Texas. Texas A&M produces the third largest number of Fortune 500 CEOs nationally.



62 FORTUNE 500 COMPANIES

49 Fortune 500 companies are headquartered in Texas alone, many of which are major investors in Australia. These include Dell Inc, Exxon Mobil, Phillips 66, AT&T, ConocoPhillips, Sysco, Halliburton, Baker Hughes, Qanta Services and KBR.

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

Houston is recognised as the energy capital of the world with 15 of the city's 20 Fortune 500 companies working in energy³, and those are supported by over 300 energy-related establishments. A number of Australian energy leaders have found success in Houston including BHP Billiton, Woodside and WorleyParsons.

Austin, otherwise known as 'silicon hills,' is an **emerging technology and start-up hub** in the South Central United States. Bolstered by neighbouring San Antonio, this region has successfully attracted market leaders such as Dell, Google, Apple, Rackspace, HomeAway, IBM, Facebook. Austin is also home to notable Australian industry leaders including Atlassian, Big Commerce and Red Oxygen.

KBR is one of South central's most active investors in Australia, across defence, aerospace, civil infrastructure and energy. KBR provided advanced engineering, procurement, construction and management (EPCM) solutions for Chevron's Gorgon Project, one of the largest liquefied natural gas projects in the world.

In 2018, Black Mountain Metals, a Texas-based private equity firm, acquired Panoramic Resources' Lanfranchi nickel project in Western Australia for A\$15.1 million. The deal reflects a growing interest in Australia's nickel sector, which has been amplified in recent years by increased use of nickel in electric vehicles and battery components.⁷

Houston has more than 190 life science and biotechnology companies and over 200 hospitals and clinics. The Texas Medical Center (TMC) is the **world's largest children's hospital and the world's largest cancer centre**, conducting US\$3.4 billion in research each year and employing over 106,000 people.⁸ The TMC concentrates its research on genomics, regenerative medicine, innovation, clinical trials and health policies.

Agribusiness opportunities are linked heavily to food processing companies, public food companies and influential ranch owners. Notable Fortune 1000 companies in the region include Dean Foods Inc., Pilgrim's Pride Corp., Dr. Pepper Snapple Group and Amazon.

Walmart, headquartered in Arkansas, is the largest retail corporation in the world. The company employs 2.3 million people globally, and in 2018 alone it brought in over US\$15 billion in revenue. The company operates more than 11,000 stores globally, and this number is increasing as the company continues to expand into emerging markets.

The United States' largest pharmaceutical distributor, McKesson, opened its Dallas-Fort Worth (DFW) location in 2017 and plans to fill its 2,400-person capacity campus. April 2019, the company successfully relocated its global headquarters from San Francisco to DFW, making it one of 24 Fortune 500 companies in the DFW metropolitan area.⁹

SOUTH CENTRAL-AUSTRALIA RELATIONSHIP

Australian companies with investments in the Texas include BHP Billiton, Boral, Lendlease, Bigcommerce, Atlassian, Macquarie Group, Amcor Rigid Plastics, Broadspectrum Limited, Sonic Healthcare Limited, Red Oxygen, GHD, WorleyParsons and DownUnder Geo Solutions.

South Central companies with recent expansion projects in Australia include Rackspace, Dell Inc, KBR, Quanta Services and Schlumberger (R&D).

CONTACT US

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HOW AUSTRALIA 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.

Disclaimer

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1 US Census Bureau, 2018
2 US Bureau of Economic Analysis, 2018
3 Fortune.com, 2019

4 TexasWideOpenForBusiness.com
5 The World Bank, 2018
6 Woldstopexports.com, 2018

7 Reuters.com, 2018
8 Tmc.edu
9 Dallasnews.com, 2019