MARKET SNAPSHOT

The Midwest has a population of 68 million, approximately 21 per cent of the total US population\(^1\). The region has a US$3.4 trillion economy, around three times the size of the Australian economy and 20 per cent of America’s total GDP\(^2\). 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\(^1\). Other major 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 and 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 are major contributors to the US R&D enterprise; they receive nearly 25 per cent of all federal R&D support to universities\(^3\).

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\(^1\) US Census Bureau, 2014
\(^2\) Bureau of Economic Analysis, 2016
\(^3\) The National Science Foundation
MIDWEST–AUSTRALIA RELATIONSHIP

Australian companies with investments in the Midwest region include Akuna Capital, Amcor, ASX, BHP Billiton, Bluescope Steel, 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 and 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.

Chicago-based Boeing recently expanded its Boeing Research & Technology facility in Melbourne, its largest outside the United States. Chicago-based Mondelez International (formerly Kraft) opened an Asia-Pacific Chocolate and Confectionary Centre of Excellence in Melbourne, housing the largest food R&D team in Australia.

The Kansas City Animal Health Corridor, located in Kansas and Missouri, is home to more than 300 animal health companies, representing the largest concentration of industry assets in the world. Australian companies with a presence in the Corridor include Parnell, Integrated Animal Health, Smart Vet and Jurox.

Kansas State University (KSU) has extensive ties to Australia and was a founding member of the CRC for Plant Biosecurity. KSU is in the process of establishing an Australia Studies Center on campus focusing on agribusiness and animal health.

The Midwest is home to many leading ag bioscience venture capital firms 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.
- **Australian-based QIC Global Infrastructure** won the Ohio State University (OSU) parking operations bid.

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NUMBERS AT A GLANCE

**$2.6 BILLION**

Australia is the 6th largest market for Illinois exports, worth approximately $2.6 billion in 2015. Australia is the 7th largest investor in Chicago with $200 million in the last decade. 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 Monsanto. 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.
Amcor Plastics manufactures packaging solutions in Michigan and Iowa.
Pratt Industries opened a $260 million paper mill in Indiana in 2015.