



AUSTRALIA'S INTERNATIONAL BUSINESS **SURVEY** 2019

QUEENSLAND SUB REPORT



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EXECUTIVE SUMMARY

Australia's International Business Survey (AIBS) 2019 is a collaborative effort between the Export Council of Australia (ECA), the Australian Trade and Investment Commission (Austrade) and the Commonwealth Bank of Australia (CBA). AIBS is the largest undertaking of its kind and has been surveying current conditions and future outlook of internationally engaged Australian businesses since 2014.

In 2019, AIBS surveyed a total of 593 businesses who were actively undertaking international business activities representing 75 industry subsectors across more than 90 international markets.

This sub-report focuses on the 105 Queensland (QLD) respondents to AIBS 2019, who represented 18% of all respondents. Most respondents in QLD were in the manufacturing (26%), agriculture, food and beverage (18%) and education and training (14%) sectors. Businesses in professional services (10%), other services (9%) wholesale trade (5%) and mining (5%), were the next most highly represented. Compared to AIBS 2019 respondents nationally, Queensland's respondent profile more heavily reflected the agriculture sector (18% of respondents versus 12%) and the education and training sector (14% versus 10%).

Most Queensland respondents were medium businesses, with 34% employing 20 to 199 people. This is slightly higher than the corresponding national AIBS figure (31%). A further 30% were small businesses with 5 to 19 employees, while 29% of

respondents were classified as micro firms employing 0 to 4 people. Larger businesses employing more than 200 people accounted for 7% of Queensland respondents, compared to 9% of overall survey respondents.

From a revenue perspective, the relatively larger business size of Queensland respondents was not necessarily reflected in their revenue figures, with the majority of respondents (35%) earning less than AUD 1 million in the 2018-19 financial year. This was followed by 26% earning much higher revenue ranging from AUD 5 to AUD 50 million. 10% of Queensland respondents earned more than AUD 50 million, which was slightly lower compared to 12% of national respondents. Overall Queensland respondents were broadly in line with the national survey average in terms of revenue.

In terms of international experience, a fair spread among respondents from Queensland can be observed. The majority of respondents (30%) had 11 to 20 years of international experience, which is higher than that national survey average (24%). This was followed by one-fifth of respondents (20%) who started earning revenue in the last 5 years. Nationally, 23% of respondents began earning international revenue in the last five years.

THE BREADTH OF INTERNATIONAL BUSINESS ENGAGEMENT

67% of Queensland respondents export goods overseas. This figure is much higher than the national survey average (59%). There were 43% of businesses involved in exporting services, compared to a national average of 51%. This was followed by 40% of respondents importing goods and 22% involved in other international activities including international research and development. Few respondents were involved in importing services, with only 9% engaged in that activity. In line with the national average most Queensland export sales were earned from selling to other businesses (69%), rather than selling to consumers (27.9%).

In analysing the value of international revenue earned, the majority of Queensland respondents (55%) earned under AUD 1 million in the 2018-19 financial year, with 26% of those respondents earning less than AUD 100,000 which follows the survey average. From those earning much higher international revenue, 14% of Queensland respondents earned between AUD 10 million and AUD 50 million in the last financial year, compared to 8% of national respondents.

Most Queensland respondents (17%) earned international revenue from 6-10 international markets, followed by 15% who earned international revenue from 4-5 markets, with 13% earning international revenue from more than 20 countries. Only 13% of Queensland respondents earned international revenue from only one country, which is below the overall survey average of 19%.

The top five international revenue markets for Queensland respondents were the United States and China (both with 24%), followed by New Zealand and the United Kingdom (both with 11%) and Singapore (10%). This pattern is largely

in line with the national result. Interestingly, Canada (9%) and Japan and Malaysia (both with 7% of respondents) were more important international revenue markets for Queensland respondents than overall AIBS 2019 respondents.

BEYOND 2019: NEW MARKETS & FUTURE OUTLOOK

Looking to the future, Queensland respondents painted a relatively optimistic picture, with 54% expecting the next two years to be better than the last two from a financial perspective, which is in line with the survey average.

The future employment plans of Queensland respondents were slightly less influenced by their future outlook than overall AIBS 2019 respondents. 61% planning to increase employment, compared to 64% nationally.

One-quarter of Queensland respondents plan to do business in 4-5 new markets over the next two years, while 11% had no plans to do business in any new market. These plans were similar to those of survey respondents as a whole.

The top new target markets for Queensland respondents were China (22%), Indonesia (17%), Germany (17%), the United States (14%) and France (14%). This was followed by India and Canada (both with 10%). These results are slightly different to the overall survey responses, with European markets such as Germany and France emerging as second and third key markets for Queensland respondent, while they are ranked tenth and ninth for the overall survey respondents.

While the majority (32%) did not plan to make any changes in their target markets, 9% of respondents planned to expand or move into new markets, while seeking more competitive markets (8%) and existence of new opportunities (7%) and focus/growth in South East Asian markets were ranked as relevant for market change for respondents.



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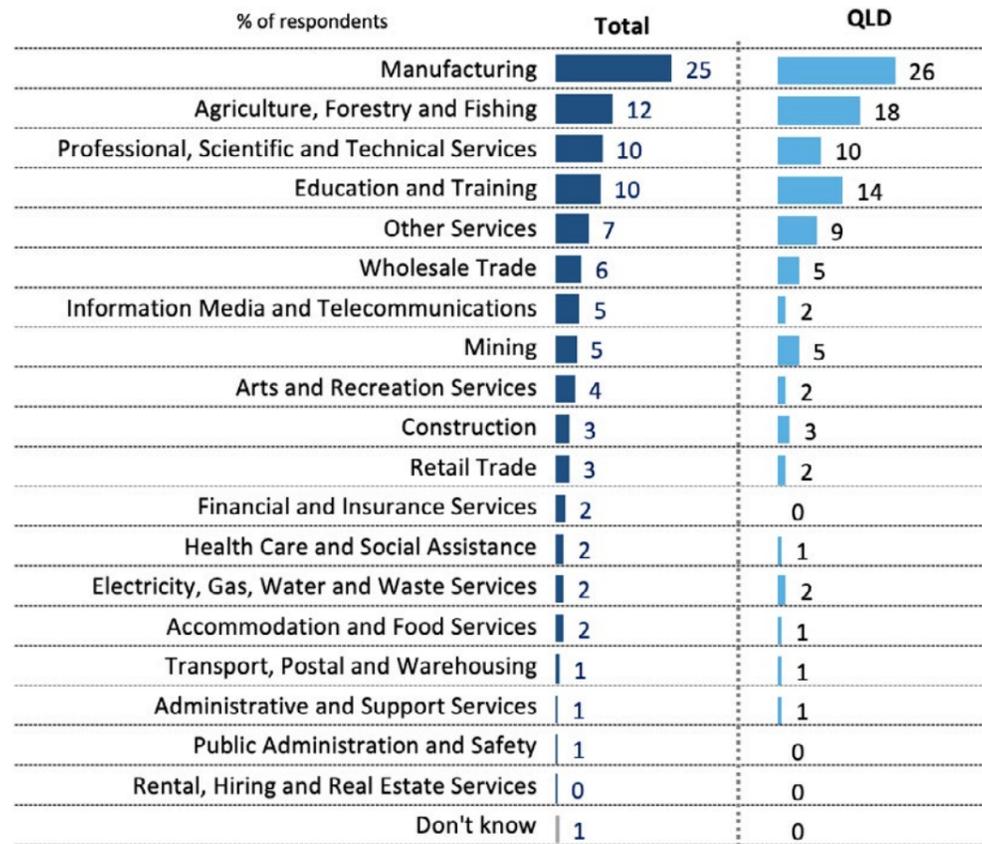
RESPONDENT PROFILE



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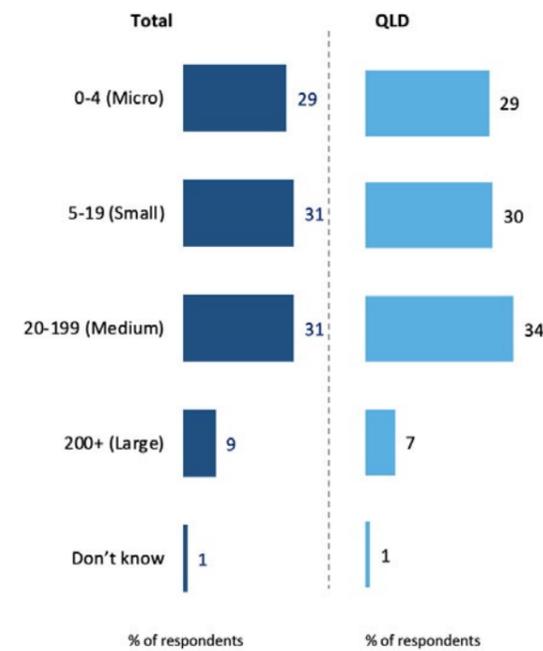
RESPONDENT PROFILE

FIGURE 1.1. WHAT IS THE MAIN INDUSTRY OF YOUR COMPANY



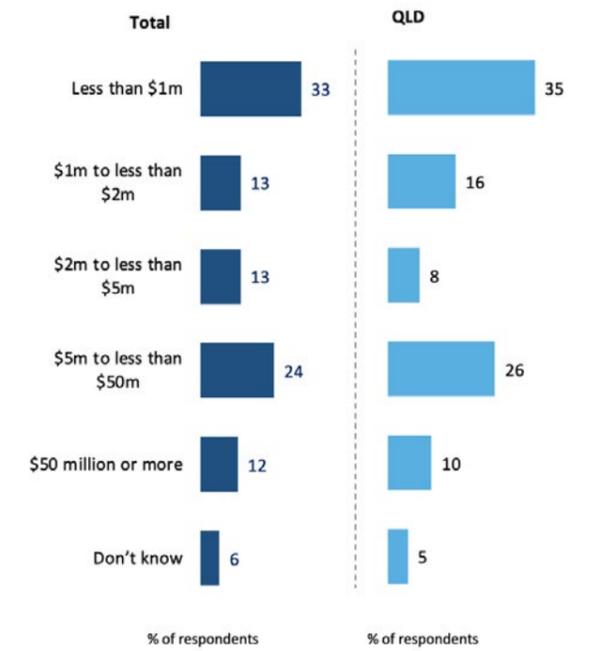
Q56. What is the main industry of your business?
Base: all respondents, Total n=593, QLD n=105

FIGURE 1.2. NUMBER OF EMPLOYEES



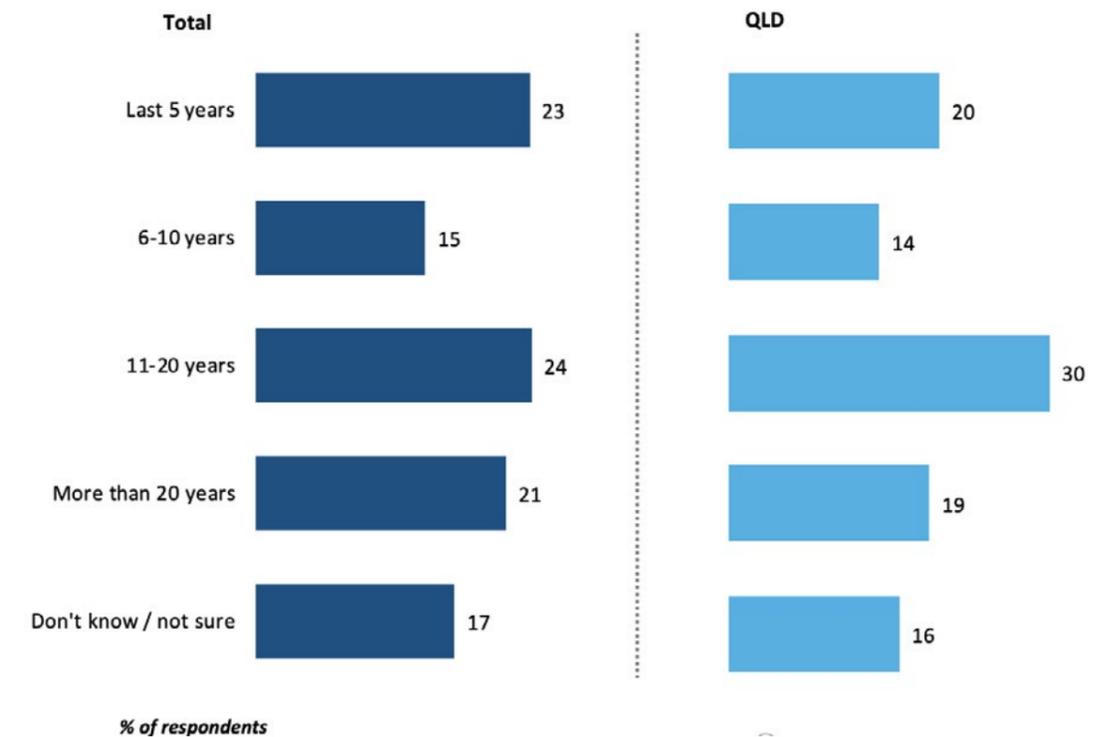
Q59. How many employees does your business have? (% of respondents)
Base: all respondents, Total n=592, QLD n=105

FIGURE 1.3. TOTAL REVENUE LAST FINANCIAL YEAR

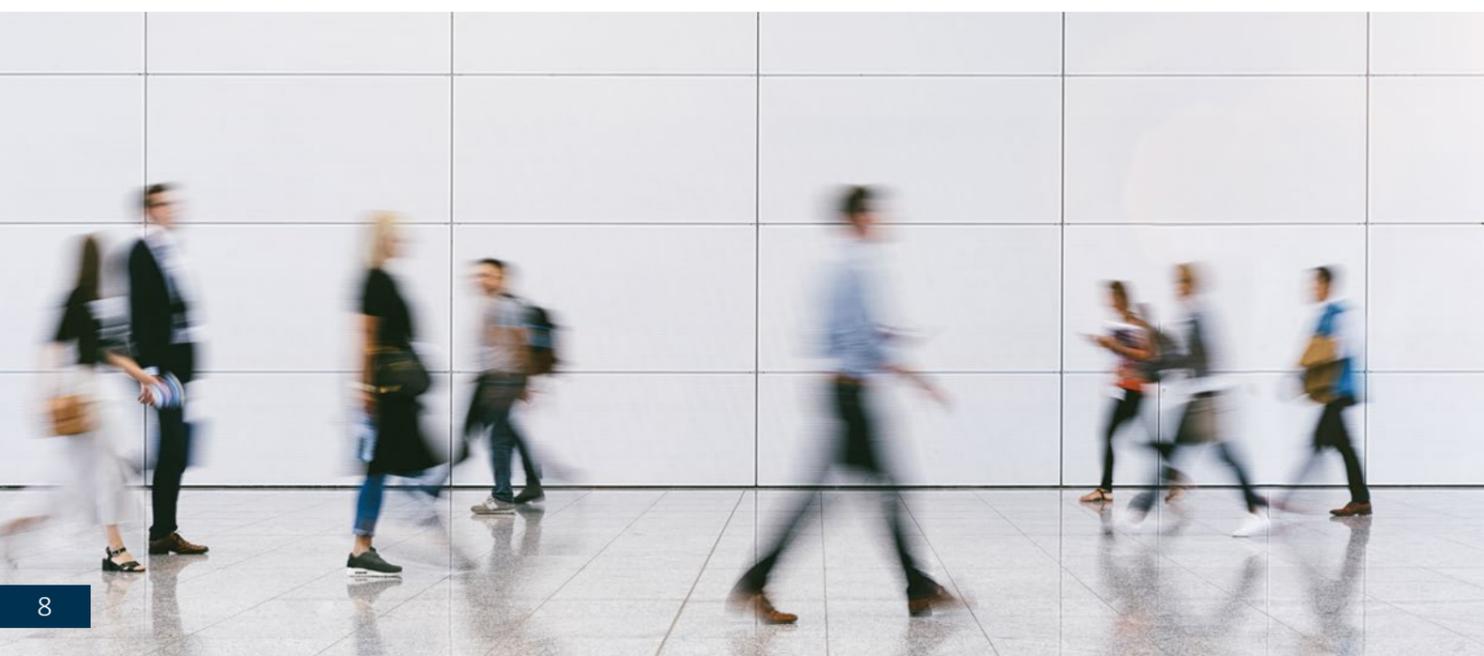


Q60. What was your business's total revenue last financial year? (% of respondents)
Base: all respondents, Total n=592, QLD n=105

FIGURE 1.4. YEAR STARTED EARNING INTERNATIONAL REVENUE



Q23. What year did your business start earning international revenue?
Base: all respondents, Total n=593, QLD n=105



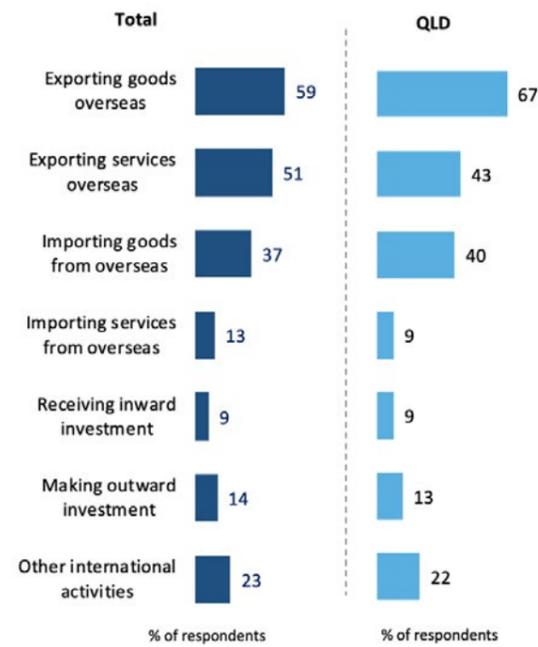
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**THE BREADTH OF
INTERNATIONAL
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THE BREADTH OF INTERNATIONAL BUSINESS ENGAGEMENT

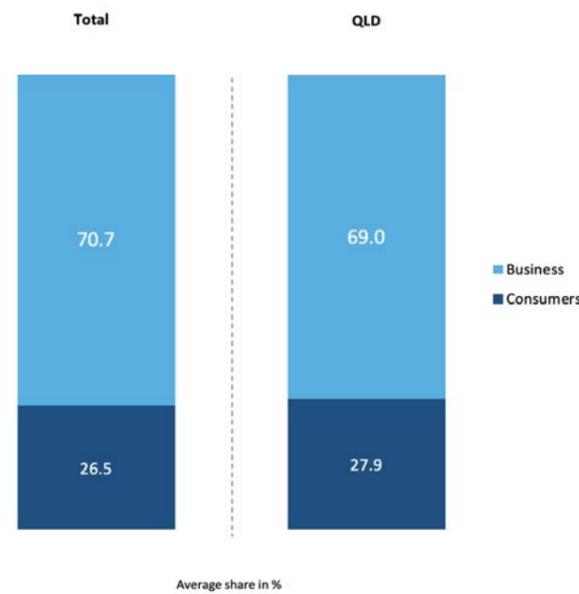
FIGURE 2.1. TYPES OF INTERNATIONAL ACTIVITY BY SELECTED INDUSTRY



Q5. Over the past year, has your business been involved in any of the following activities? Please select all that apply. (% of respondents)

Base: all respondents, Total n=593, QLD n=105

FIGURE 2.2. PERCENTAGE OF EXPORT SALES: OVERSEAS CONSUMERS VERSUS BUSINESSES

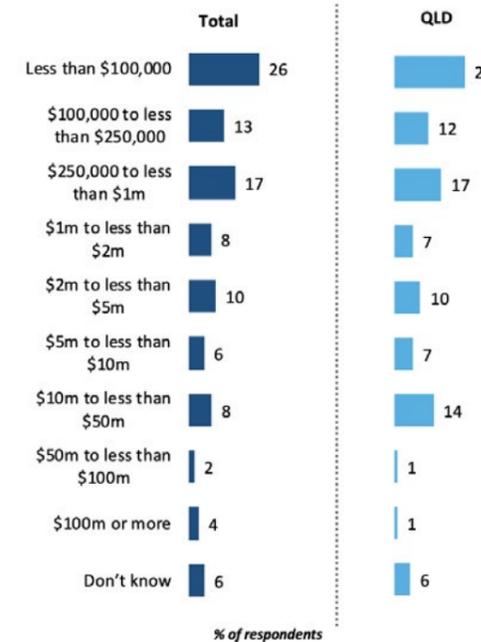


*Note: 'Don't Know' options are excluded in above figure

Q31- What percentage of your export sales are for overseas consumers compared to overseas businesses? (average share in %)

Base: all respondents, Total n=593, QLD n=105

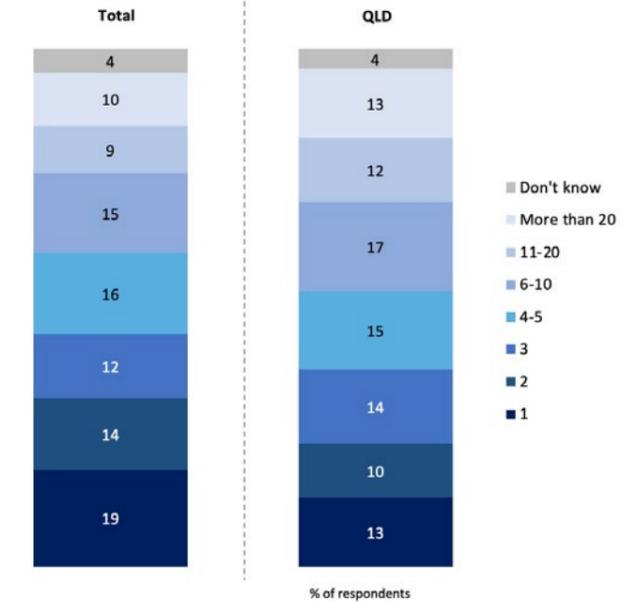
FIGURE 2.3. SIZE OF INTERNATIONAL REVENUE LAST FINANCIAL YEAR



Q24. How large was your total international revenue last financial year?

Base: all respondents, Total n=593, QLD n=105

FIGURE 2.4. NUMBER OF COUNTRIES EARNING INTERNATIONAL REVENUE FROM



Q25. From how many countries has your business earned international revenue in the last 12 months? (% of respondents)

Base: all respondents, Total n=593, QLD n=105

FIGURE 2.5. TOP 2 MARKETS FOR INTERNATIONAL REVENUE AND THEIR REVENUE SHARE

Market	% of respondents	Total Share of Int. revenue	QLD Share of Int. revenue
United States	24	48	24
People's Republic of China	22	49	24
Singapore	10	41	10
United Kingdom	9	40	11
New Zealand	9	45	11
India	6	40	5
Hong Kong	6	36	4
Japan	6	45	7
Canada	5	27	9
Indonesia	5	41	3
Germany	5	29	2
Thailand	5	35	7
Malaysia	4	27	5
United Arab Emirates	4	49	6
Vietnam	3	40	4
Papua New Guinea	3	63	2
Philippines	3	28	3

Q26. What was the market from which your organization earned international revenue in the past year? Q27. Which were the top two markets from which your organization earned international revenue in the past year? (% of respondents) / Q28. For approximately what share of your international revenues did each of these markets account? (average share in %). *markets below 3% are not shown in the chart*

Base: all respondents, Total n=593, QLD n=105





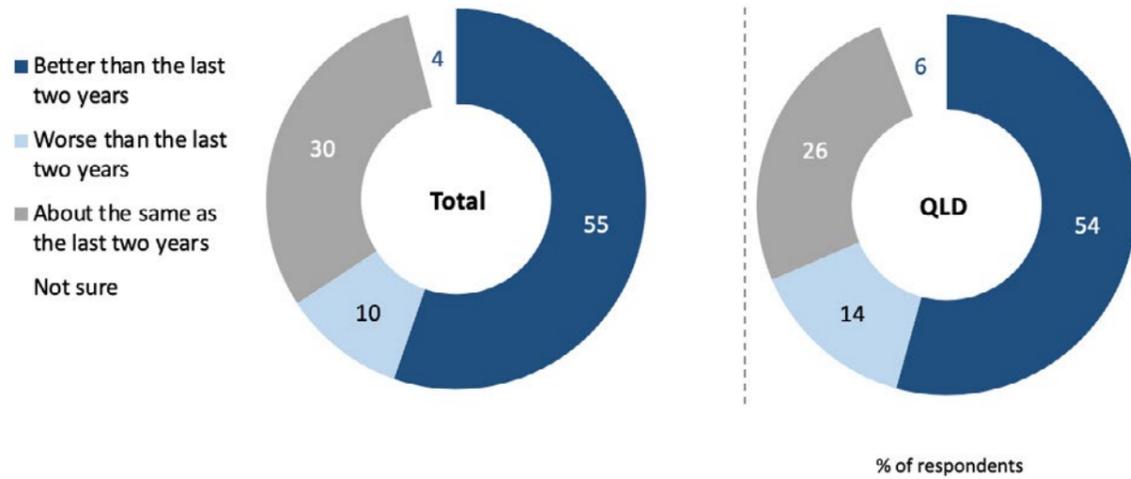
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**BEYOND 2019:
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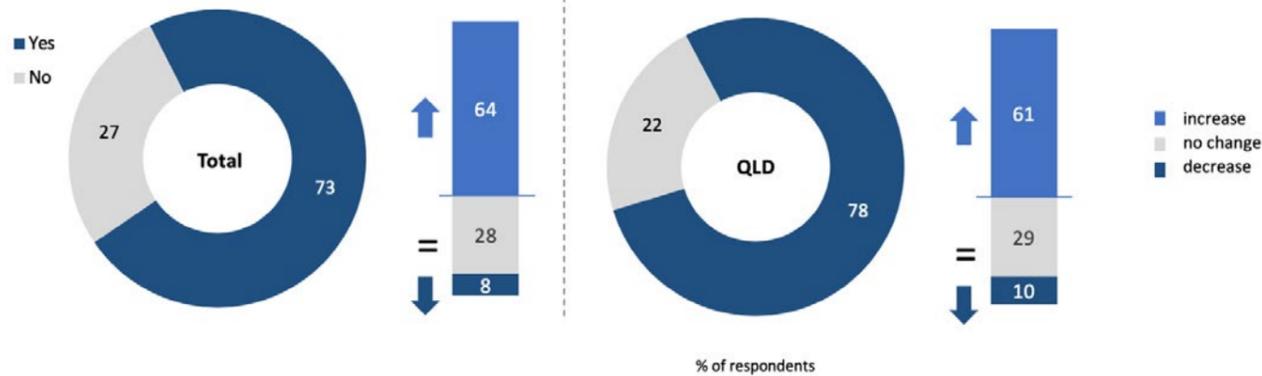
BEYOND 2019: NEW MARKETS & FUTURE OUTLOOK

FIGURE 3.1. OVERALL FINANCIAL OUTLOOK FOR INTERNATIONAL OPERATIONS NEXT 2 YEARS



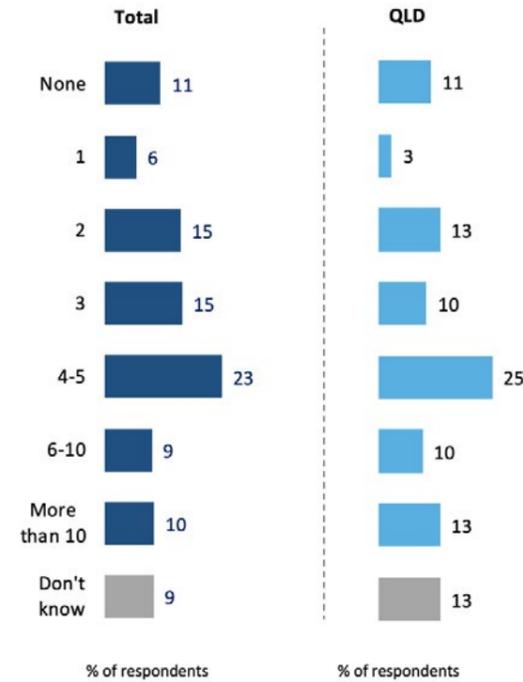
Q45. Would you say the overall financial outlook for your business's international operations over the next two years is...?
Base: all respondents, Total n=593, QLD n=105

FIGURE 3.2. HAS YOUR FUTURE OUTLOOK INFLUENCED YOUR EMPLOYMENT PLANS IN AUSTRALIA?



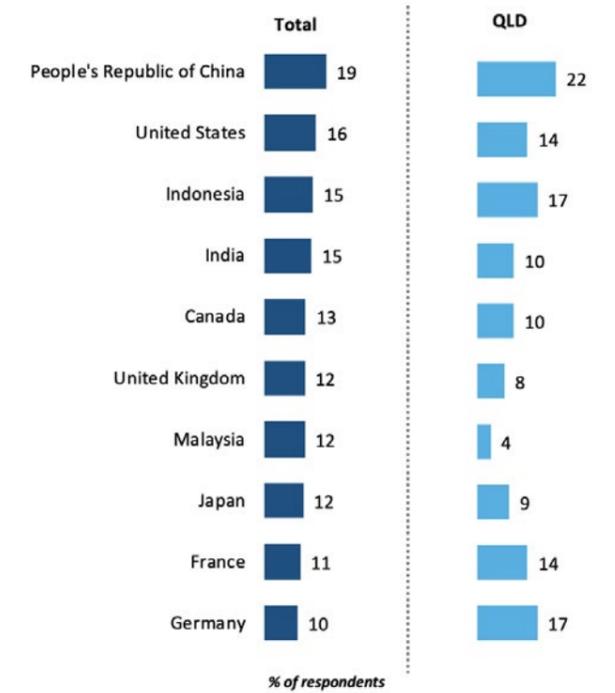
Q46a. Has your future outlook influenced your employment plans in Australia? (% of respondents)
Base: all respondents, Total n=593, QLD n=105
Q46. How much, if at all, do you expect your employment plans in Australia to change over the next two years?
Base: influenced employment plans, Total n=430, QLD n=82

FIGURE 3.3. NUMBER OF NEW COUNTRIES PLAN TO DO BUSINESS WITH OVER THE NEXT 2 YEARS



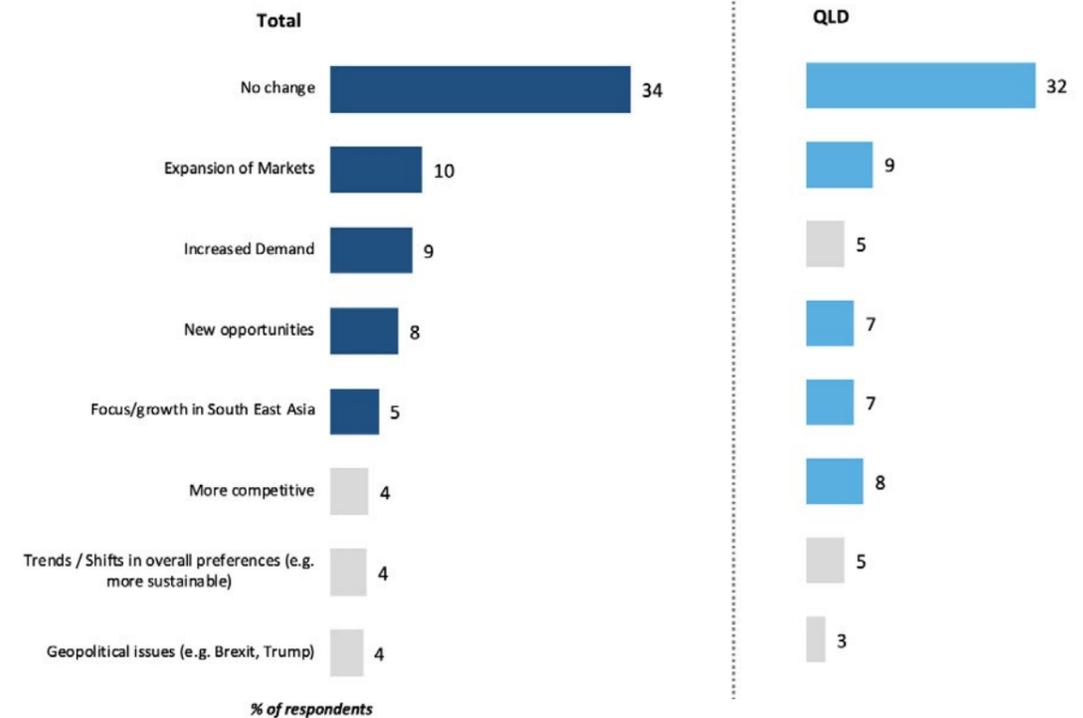
Q47. How many new countries is your business planning to do business in over the next two years? (% of respondents)
Base: all respondents, Total n=593, QLD n=105

FIGURE 3.4. TOP 10 NEW COUNTRIES CONSIDERED TO DO BUSINESS WITH OVER NEXT 2 YEARS



Q48. In which new countries are you considering doing business over the next two years?
Base: All who are planning to do business in a new country over the next two years, Total n=461, QLD n=78

FIGURE 3.5. TOP 5 REASONS FOR CHANGES IN TARGET MARKET(S) (VERBATIM RESPONSES CODED)



Q49. Could you please briefly outline how, if it all, your target markets have changed? (coded open answers, % of respondents)
Grey colours indicate reasons which are not in Top 5
Base: All who are planning to do business in a new country over the next two years, Total n=461, QLD n=78

ACKNOWLEDGEMENTS

Australia's International Business Survey (AIBS) 2019 is an initiative led by the Export Council of Australia (ECA) in collaboration with the Australian Trade and Investment Commission (Austrade) and the Commonwealth Bank of Australia (CBA).

The AIBS 2019 partners also extend a thank you to all state and federal government agencies that have assisted in bringing this year's survey together, as well as to our industry partners.





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