



AUSTRALIA'S
INTERNATIONAL
BUSINESS
SURVEY 2019

**SOUTH AUSTRALIA
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 31 AIBS 2019 respondents from South Australia (SA), who represented 5% of all respondents. Due to the relatively small sample size, these findings should not be taken as representative of the South Australian economy. Nevertheless, they do appear to be consistent with the state's international business profile.

The majority of respondents in SA were businesses in the agriculture, food and beverage sector (32%) followed by education and training (19%) with manufacturing in the third place with 13% of respondents. SA respondent profile was more concentrated in a few sectors than the AIBS 2019 survey overall, with agriculture, food and beverage having the most prominent role.

By head count most SA respondents were micro businesses employing less than four people, followed by 29% classified as medium businesses employing 20 to 199 people, and 26% classified as small businesses employing 5 to 19 people. Larger businesses employing more than 200 people accounted for 10% of SA respondents.

SA respondents' small size was also reflected in their revenue figures, with the majority of respondents (39%) earning less than AUD 1 million in total revenue in the last financial year, which is slightly higher than the overall survey figure of 33%. This was followed by 23% of respondents who reported earning AUD 50 million or more.

In terms of international experience, there was a fair spread of international experience among SA respondents, with 39% of respondents reported first earning revenue more than 11 to 20 years ago, followed by 23% who had earned revenue for more than two decades.

THE BREADTH OF INTERNATIONAL BUSINESS ENGAGEMENT

SA respondents were heavily focused on exporting goods, with 71% of respondents engaged in that activity. This is much higher than the overall survey figure of 59%. This was followed

by 45% exporting services and 23% of respondents involved in importing goods. Only 16% of respondents were involved in other international activities including international research and development, which is lower than the overall 23% reported at the national level.

Most SA export sales were earned from selling to other businesses (55.2%), rather than selling to consumers (44.5%). SA exhibits a higher volume of B2C sales compared to the national survey figures of 70.7% (B2B) and 26.5% (B2C).

In analysing the value of international revenue earned, most SA respondents (45%) reported international revenue of under AUD 1 million in the last financial year. From those, 39% of SA respondents reported earning less than AUD 100,000 which is substantially higher than the national figure of 26%. From those earning much higher international revenue, 12% of respondents reported earning AUD 50 million or more.

Looking into the number of countries that respondents earned international revenue from, SA respondents followed a slightly different distribution to the national figures. The majority of SA respondents (32%) earned international revenue from two markets, followed by 19% of respondents earning revenue from either 4-5 countries, or 6-10 countries. More diversified respondents earning revenue from more than 20 countries accounted for 13% of respondents, which is slightly above the national survey figure of 10%.

The top international revenue markets for SA respondents were China (26%) and the United States (23%) in line with the top two markets of AIBS 2019 respondents. This was followed by the United Kingdom, New Zealand, Japan, United Arab Emirates, Vietnam and Philippines – each with 10% – showing concentration on different markets to the overall survey data.

BEYOND 2019: NEW MARKETS & FUTURE OUTLOOK

Looking to the future, SA respondents painted an optimistic picture, with 55% expecting their financial outlook for the next two years to be better than the last two. 13% expected their financial outlook to be worse than the last two years, which is slightly higher than the overall 10% reported at the national level.

From SA respondents, 55% said their employment plans in Australia were influenced by their positive future outlook, with 53% of respondents planning to increase employment, while 18% plan to decrease it.

The market development ambitions of respondents from SA were broadly in line with the overall survey figures, with 23% of respondents planning to do business in 4-5 new markets. However, while 10% of businesses nationally did not have an new markets planned, only 3% had no foreseeable expansion plans.

China (24%) and Canada (16%) were the top two target markets for SA respondents followed by Indonesia and India (both with 12%). United States was ranked only in the fourth place.

While the majority (42%) did not plan to make any changes in their target markets (much higher than the survey overall of 34%), for those planning to change target markets the main reason for changes was the emergence of new opportunities (8%).

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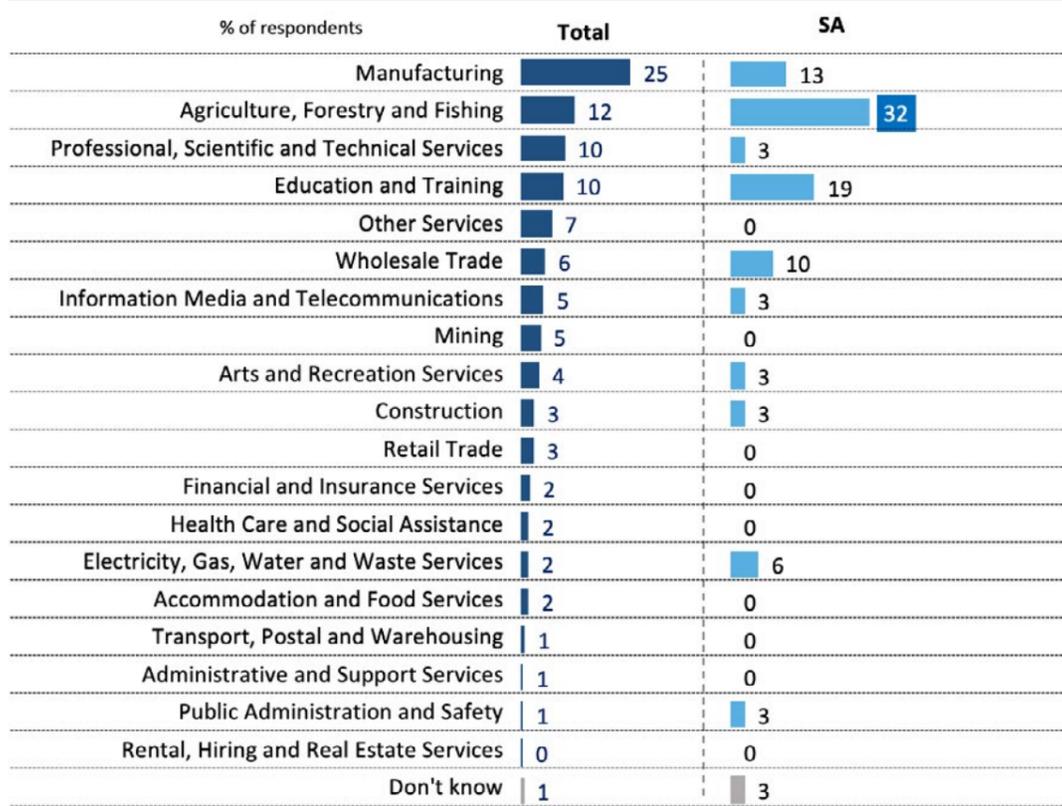
RESPONDENT PROFILE



1.0

RESPONDENT PROFILE

FIGURE 1.1. WHAT IS THE MAIN INDUSTRY OF YOUR COMPANY

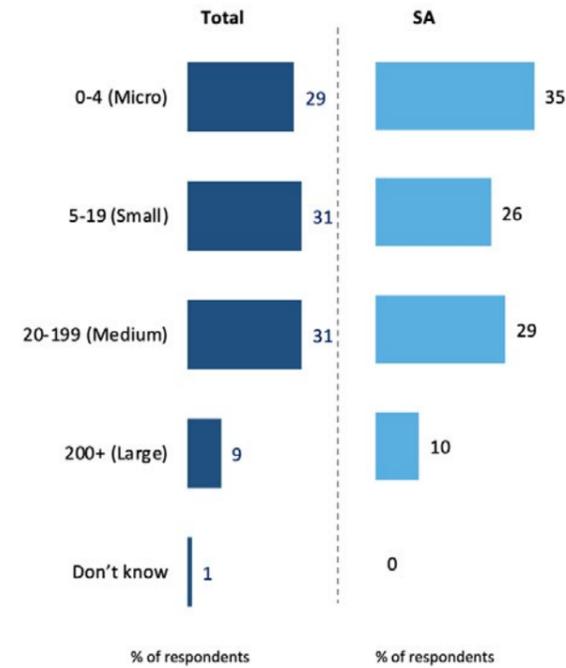


Blue box = significantly higher than the total

Q56. What is the main industry of your business?

Base: all respondents, Total n=593, SA n=31

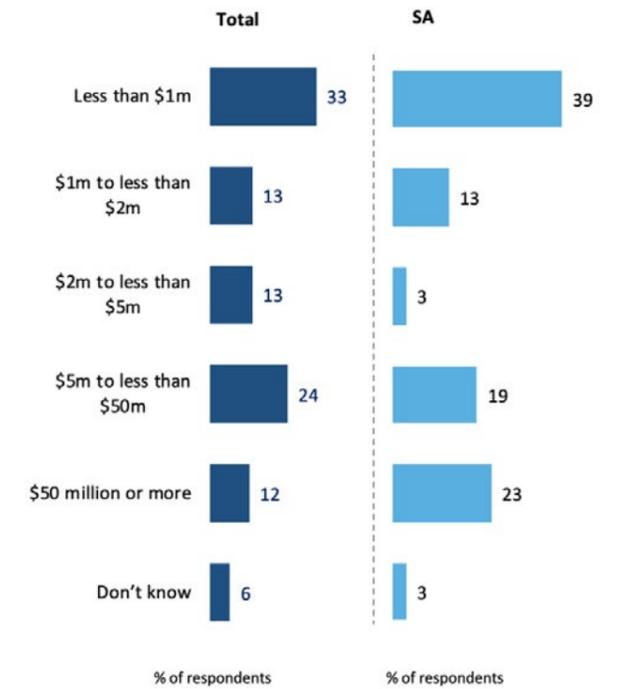
FIGURE 1.2. NUMBER OF EMPLOYEES



Q59. How many employees does your business have? (% of respondents)

Base: all respondents, Total n=592, SA n=31

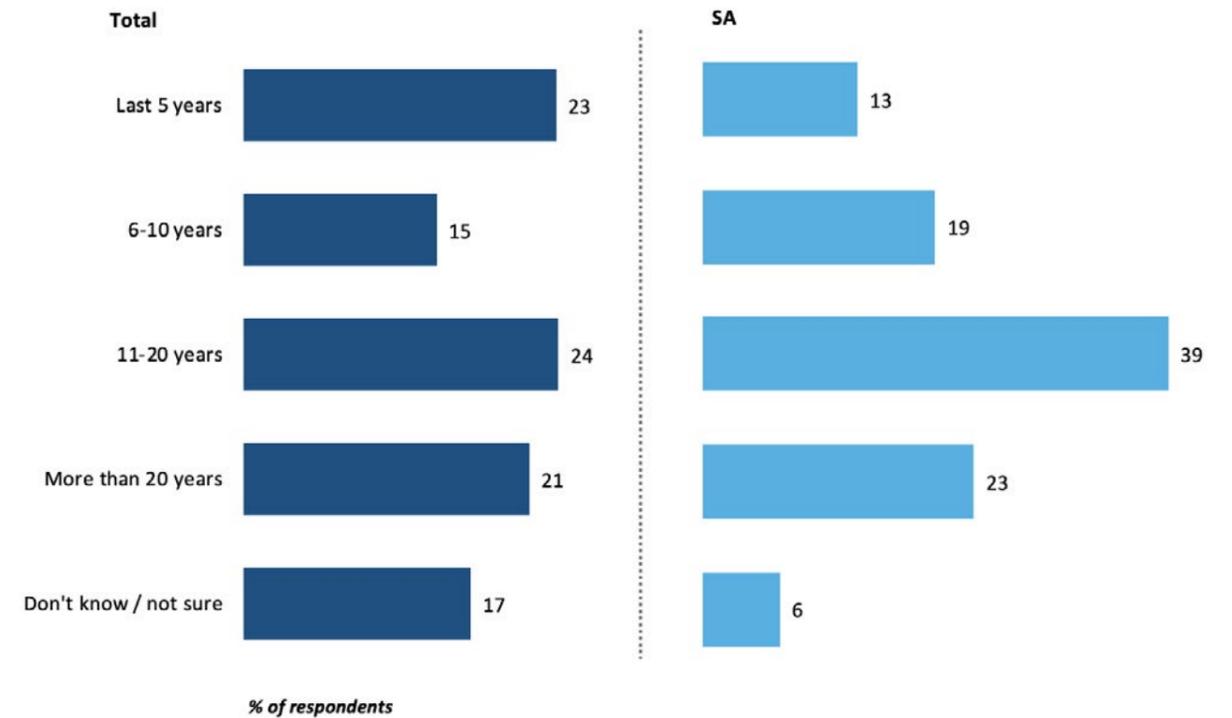
FIGURE 1.3. TOTAL REVENUE LAST FINANCIAL YEAR



Q60. What was your business's total revenue last financial year? (% of respondents)

Base: all respondents, Total n=592, SA n=31

FIGURE 1.4. YEAR STARTED EARNING INTERNATIONAL REVENUE



Q23. What year did your business start earning international revenue?

Base: all respondents, Total n=593, SA n=31



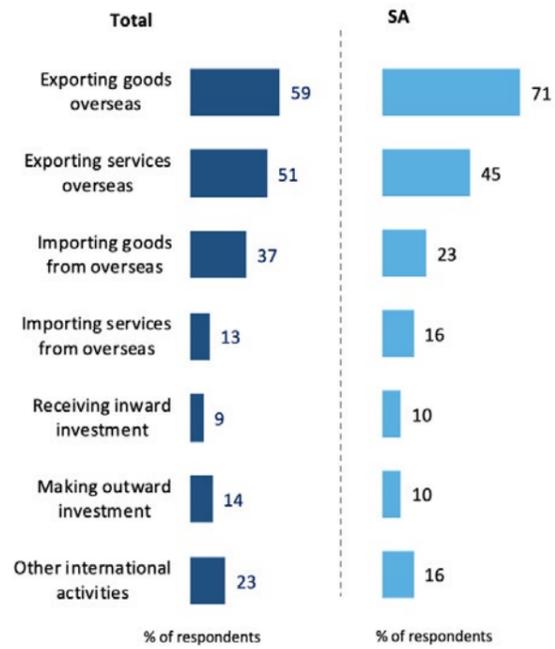
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**THE BREADTH OF
INTERNATIONAL
BUSINESS
ENGAGEMENT**

2.0

THE BREADTH OF INTERNATIONAL BUSINESS ENGAGEMENT

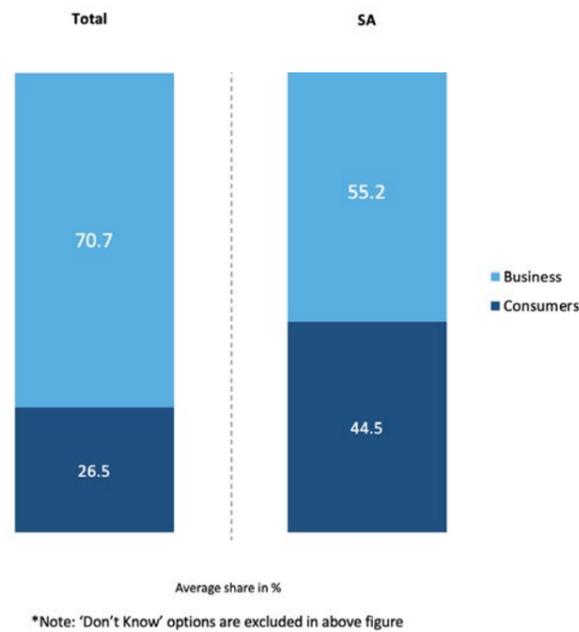
FIGURE 2.1. TYPES OF INTERNATIONAL ACTIVITY BY SELECTED INDUSTRY



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, SA n=31

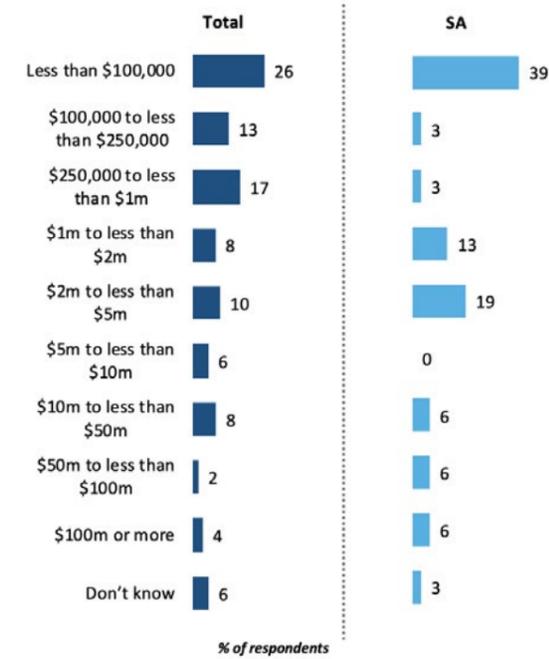
FIGURE 2.2. PERCENTAGE OF EXPORT SALES: OVERSEAS CONSUMERS VERSUS BUSINESSES



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

Base: all respondents, Total n=593, SA n=31

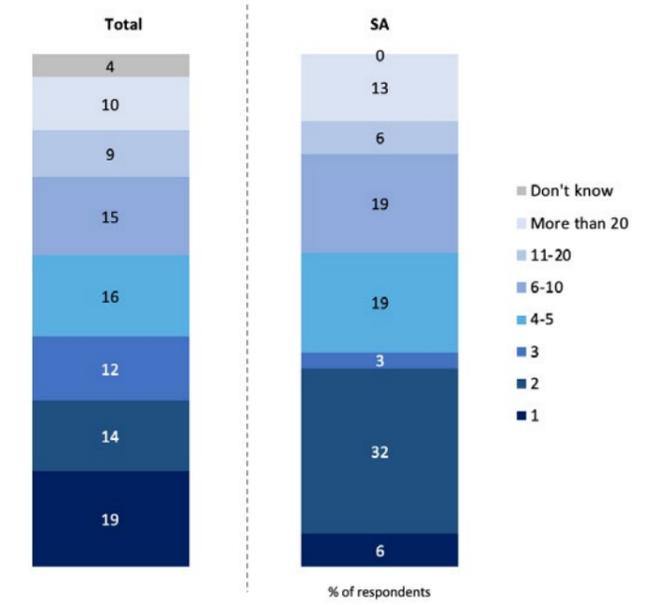
FIGURE 2.3. SIZE OF INTERNATIONAL REVENUE LAST FINANCIAL YEAR



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

Base: all respondents, Total n=593, SA n=31

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, SA n=31

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

Market	% of respondents	Total Share of Int. revenue	SA % of respondents	SA Share of Int. revenue
United States	24	48	23	43
People's Republic of China	22	49	26	69
Singapore	10	41	0	-
United Kingdom	9	40	10	23
New Zealand	9	45	10	34
India	6	40	3	60
Hong Kong	6	36	3	75
Japan	6	45	10	82
Canada	5	27	3	25
Indonesia	5	41	6	48
Germany	5	29	6	33
Thailand	5	35	3	60
Malaysia	4	27	0	-
United Arab Emirates	4	49	10	58
Vietnam	3	40	10	25
Papua New Guinea	3	63	3	85
Philippines	3	28	10	33

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, SA n=31





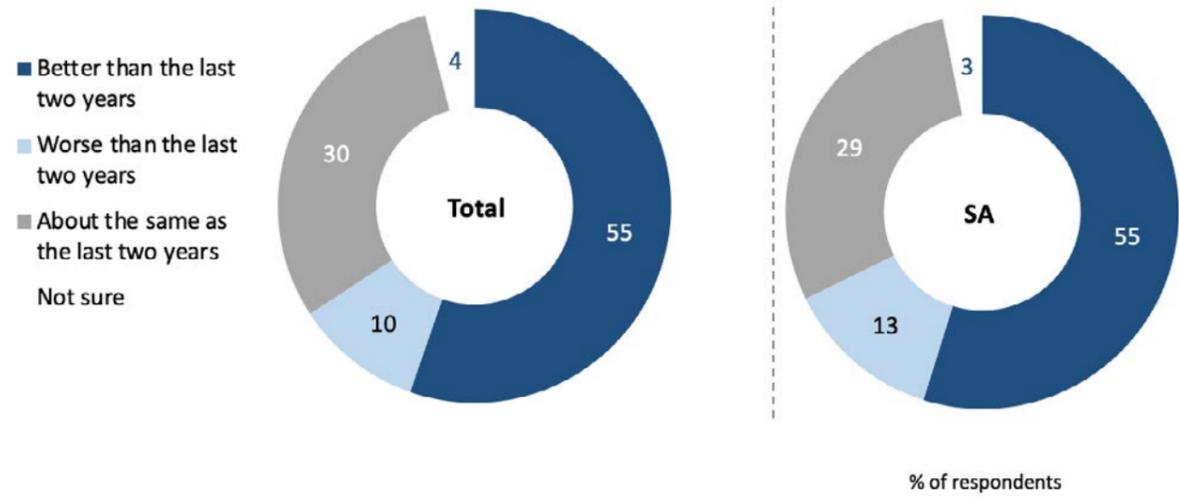
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**BEYOND 2019:
NEW MARKETS &
FUTURE OUTLOOK**

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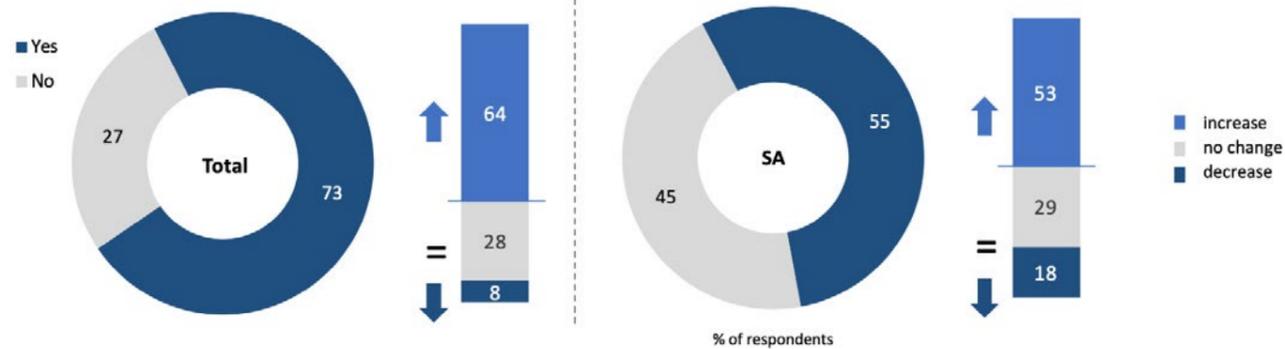
BEYOND 2019: NEW MARKETS & FUTURE OUTLOOK

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, SA n=31

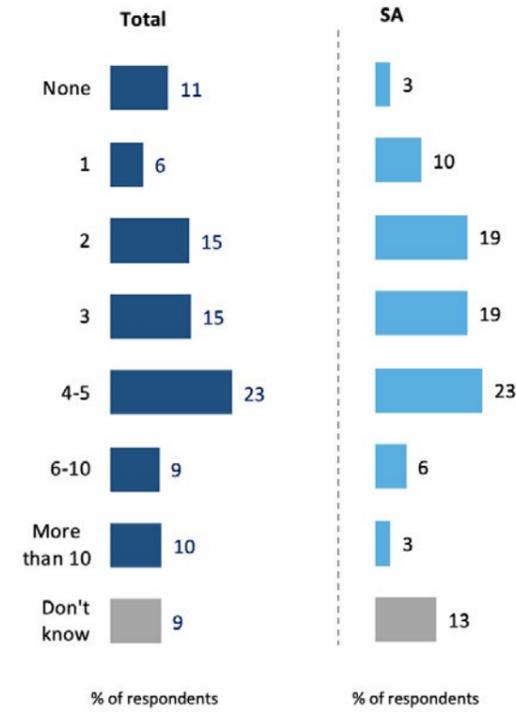
FIGURE 3.2. HAS YOUR FUTURE OUTLOOK INFLUENCED YOUR EMPLOYMENT PLANS IN AUSTRALIA?



Q46a. Has your future outlook influenced your employment plans in Australia? (% of respondents)
Base: all respondents, Total n=593, SA n=31

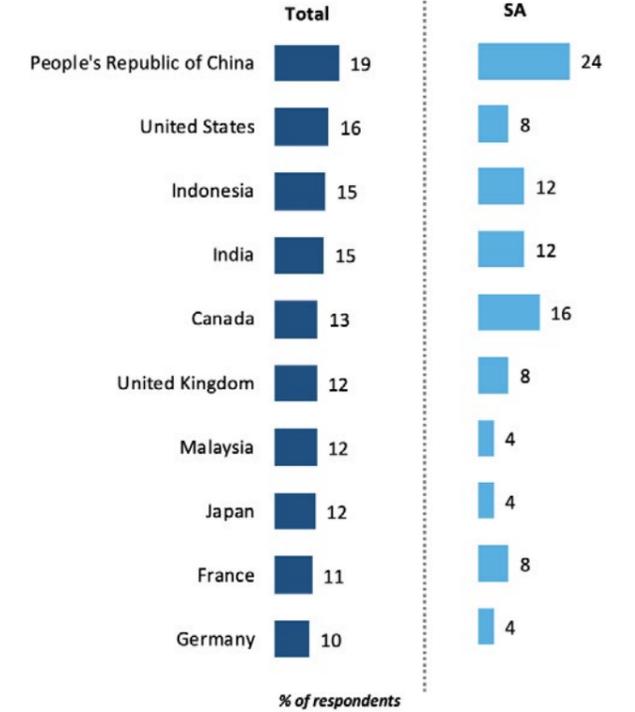
Q46. How much, if at all, do you expect your employment plans in Australia to change over the next two years?
Base: influenced employment plans, Total n=430, SA n=17

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



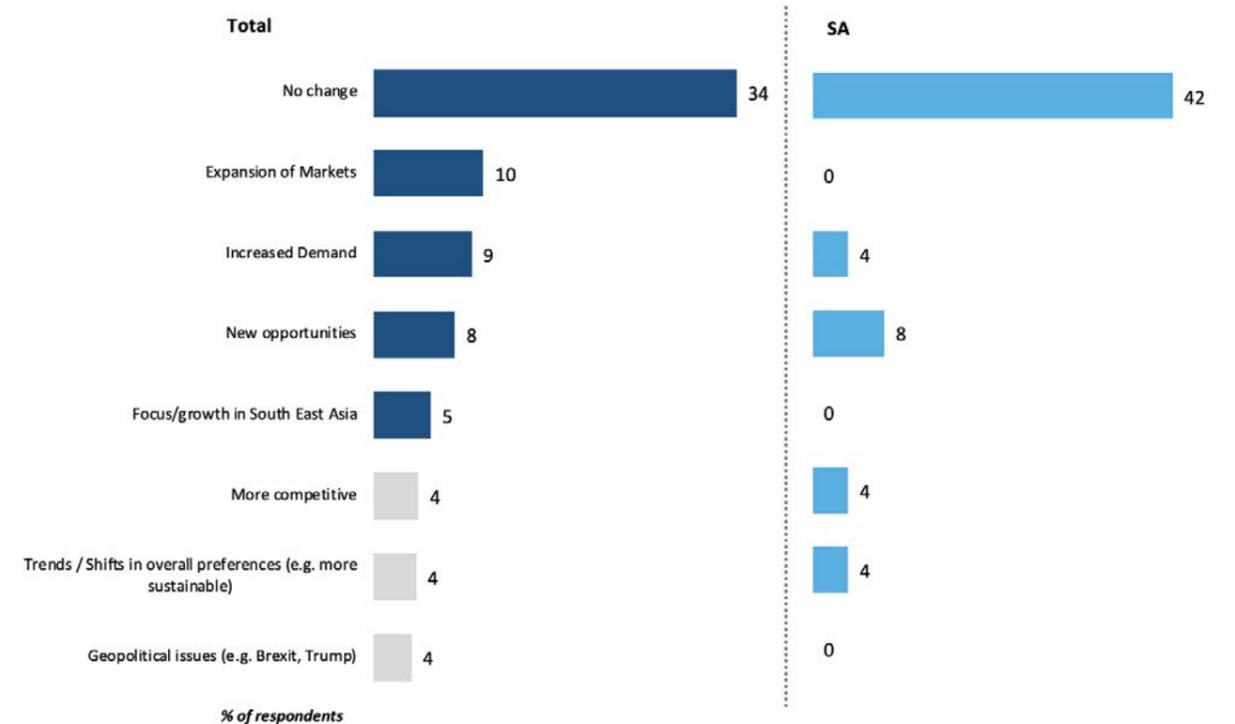
Q47. How many new countries is your business planning to do business in over the next two years? (% of respondents)
Base: all respondents, Total n=593, SA n=31

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, SA n=25

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



Q49. Could you please briefly outline how, if at 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, SA n=25

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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