



AUSTRALIA'S
INTERNATIONAL
BUSINESS
SURVEY 2019

UNITED STATES 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 136 AIBS 2019 respondents for whom the United States (US) was the one of the two most important international revenue markets. These respondents comprised 24% of total AIBS 2019 respondents. The US was the most important international revenue market for survey respondents overall, followed by China (22%), Singapore (10%), New Zealand and the United Kingdom, both with 9% of respondents.

Respondents for whom the US was one of the two most important markets were more commonly from the manufacturing sector (34%), higher than the AIBS 2019 overall results of 25%. This was followed by professional services (10%), agriculture (8%), and education and training (7%) and information media and telecommunications, also with 7% of respondents.

Respondents tended to be small businesses by headcount, with 39% employing between 5 to 19 people, followed by 35% of respondents classified as medium businesses employing 20 to 199 people. Only 7% of respondents were large businesses, employing 200 or more. These profiles were similar to those of overall survey respondents.

In terms of total revenue, 32% of respondents for whom US was one of the two most important markets reported earning between AUD 5 million and AUD 50 million in the last financial year which is higher than the overall survey figure of 24%. This was followed by 26% of respondents who reported earnings of AUD 1 million or less. 11% of respondents reported earnings of AUD 50 million or more. These percentages were also in line with those of overall survey respondents.

Respondents for whom the US was one of the two most important markets tended to be fairly evenly spread in terms of international experience, while also exhibiting more international experience along the years. Around one-quarter (26%) of respondents first started earning international revenue more than two decades ago. This was followed by 25% of respondents who started earning revenue in the last five years, and just over one-quarter of respondents (23%) who first started earning it between 11 to 20 years ago.

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Respondents for whom US was one of the two most important markets were mostly engaged in the export of goods (76%)

and import of goods (50%). This is much higher than the overall AIBS 2019 survey figure of 59% for goods exports and 37% for goods imports. This was followed by the export of services (48%) and other international activities including research and development which was relevant for over one-quarter (26%) of respondents. Making outward investment was relevant for a further one-fifth of respondents (21%), which is slightly higher than the survey overall of 14%.

Respondents were more likely to earn export sales from overseas businesses (72.9%) rather than overseas consumers (26.3%). The comparable split for overall survey respondents was 70.7% versus 26.5%.

Just over half of respondents (51%) for whom US was one of the two most important markets earned less than AUD 1 million in international revenue in the last financial year, though this was a smaller proportion than that of AIBS 2019 respondents overall (56%). At a higher end, 12% earned between AUD 10 million and AUD 50 million in international revenue in the last financial year, which is slightly higher than the percentage of overall survey respondents (8%) who also earned the same amount. 5% of respondents earned AUD 100 million or more.

Respondents for whom US was one of the two most important markets were much more likely to earn international revenue from a larger number of countries, with 22% of respondents tending to earn international revenue from more than 20 countries (compared to 10% of overall survey respondents). This was followed by one-fifth of respondents (20%) who earned international revenue from 6 to 10 countries. Just 10% of respondents for whom US was one of the two most important markets earned international revenue from one country, compared to 19% of overall survey respondents.

As well as the US, their other top international revenue markets were the United Kingdom (14%), Canada (12%), China (10%), and Germany (9%).

BEYOND 2019: NEW MARKETS & FUTURE OUTLOOK

Respondents for whom the US was one of the two most important markets were more optimistic about their future outlook than AIBS 2019 respondents overall, with 66% expecting the next two years to be better than the last two, compared to 55% of total respondents.

Looking at future outlook and employment plans, 82% of respondents indicated that their positive outlook has influenced their employment plans, with 75% of them expecting to increase their domestic employment – which is higher than the 64% of overall respondents. Only 1% of respondents for whom US was one of the two most important markets were planning to decrease head count within the next two years, which is lower than the overall survey figure of 8%.

The biggest proportion of respondents for whom US was one of the two most important markets planned to do business in 4-5 new countries over the next two years (19%), while 15% planned to do business in more than ten new markets. Those not planning to expand to any new markets accounted for 10% of respondents.

The top five target markets for the majority of respondents were Germany and France (each with 24% of respondents). This was substantially higher than the overall survey figures of 10% and 11% respectively. This was followed by China (23%), India (22%), Canada (21%) and United Kingdom (18%).

While the majority (36%) did not plan to make any changes in their target markets, the two main reasons for any changes were expansion of markets (16%) followed by increased demand for their products/services, which was relevant for 12% of respondents.

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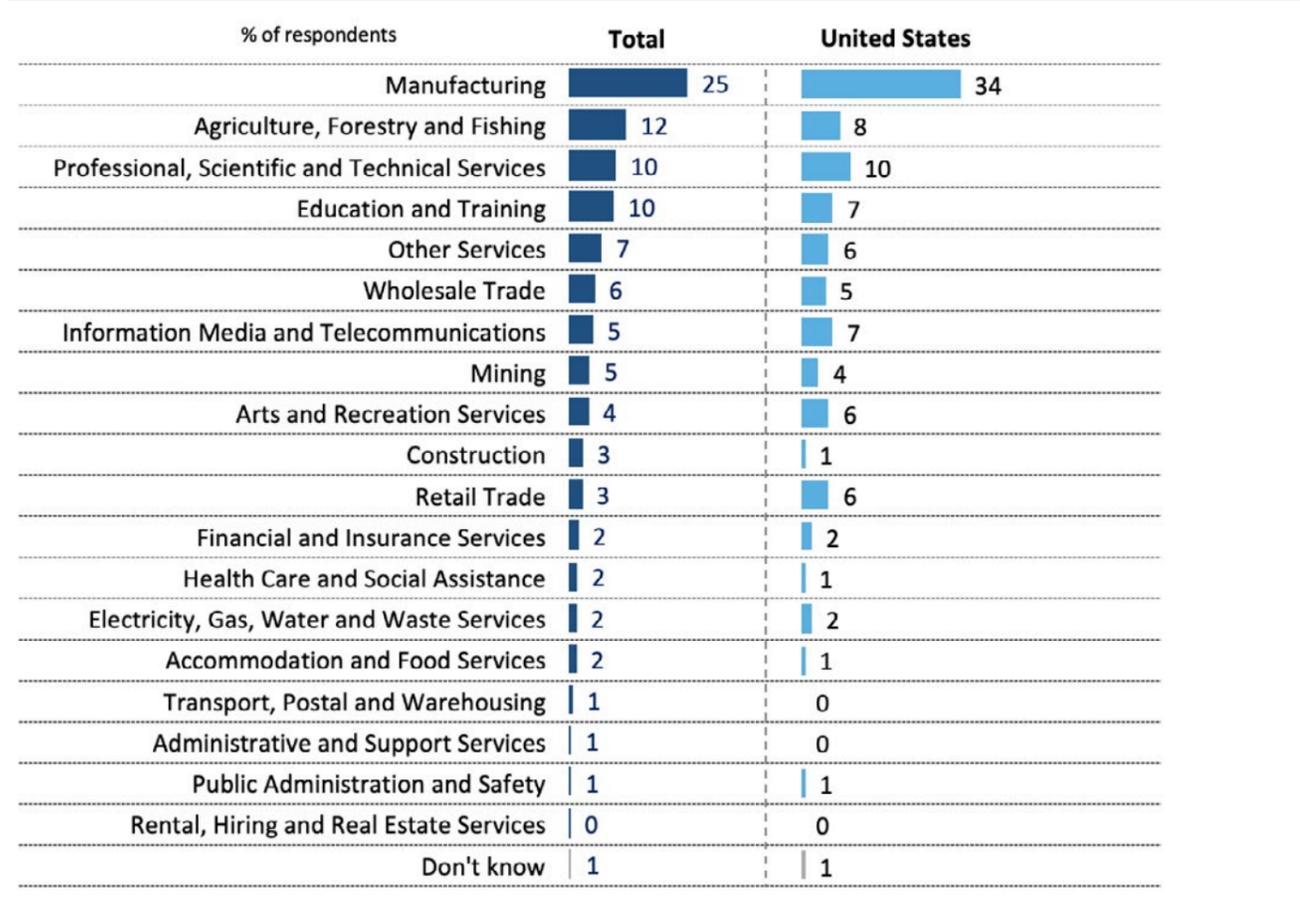
RESPONDENT PROFILE



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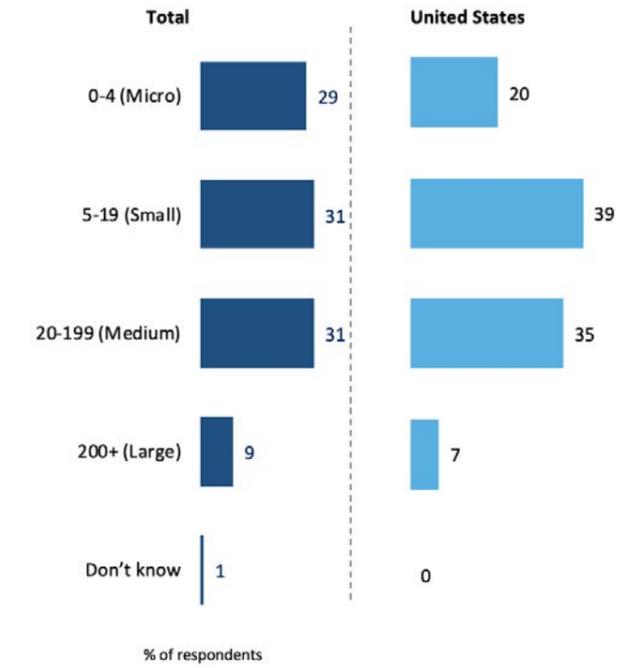
RESPONDENT PROFILE

FIGURE 1.1. WHAT IS THE MAIN INDUSTRY OF YOUR COMPANY



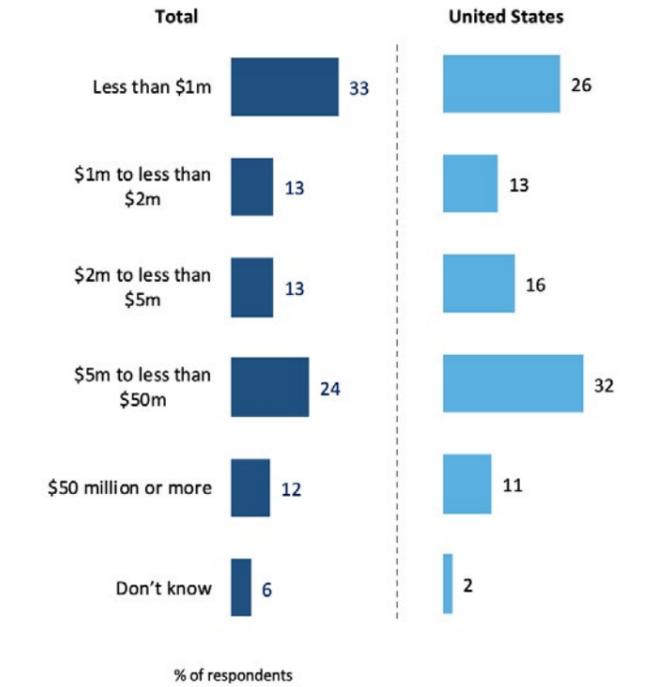
Q56. What is the main industry of your business?
Base: all respondents, Total n=593, United States n=136

FIGURE 1.2. NUMBER OF EMPLOYEES



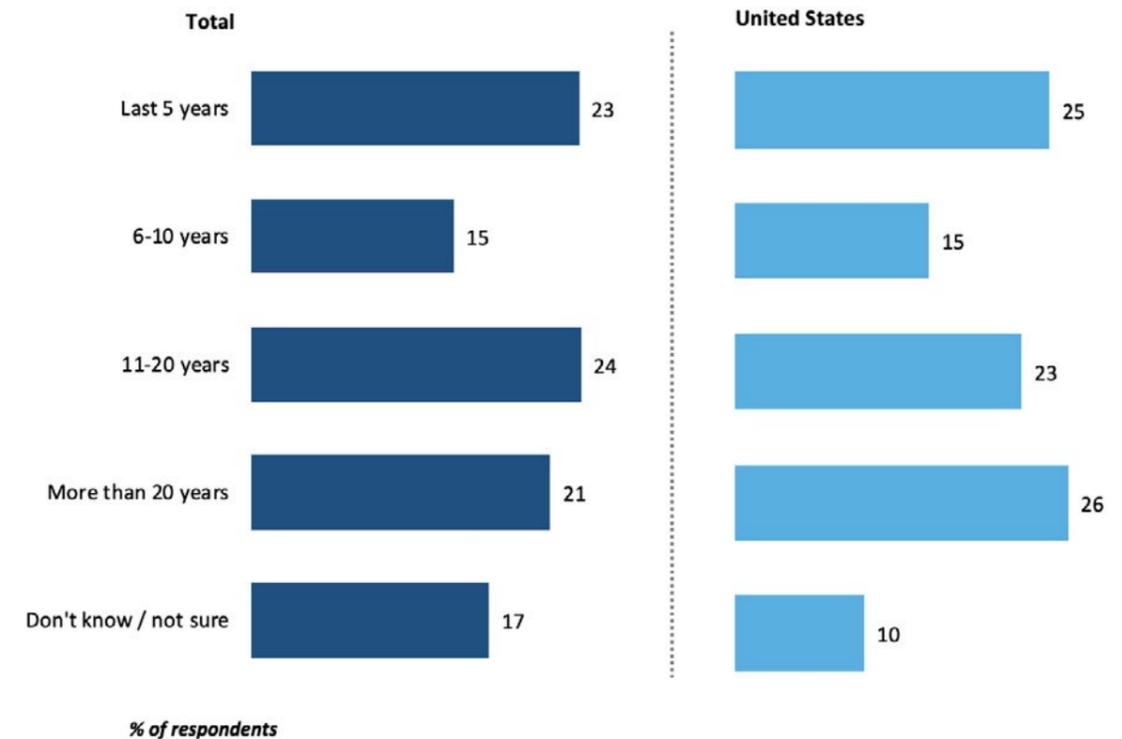
Q59. How many employees does your business have? (% of respondents)
Base: all respondents, Total n=592, United States n=136

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, United States n=136

FIGURE 1.4. YEAR STARTED EARNING INTERNATIONAL REVENUE



Q23. What year did your business start earning international revenue?
Base: all respondents, Total n=593, United States n=136



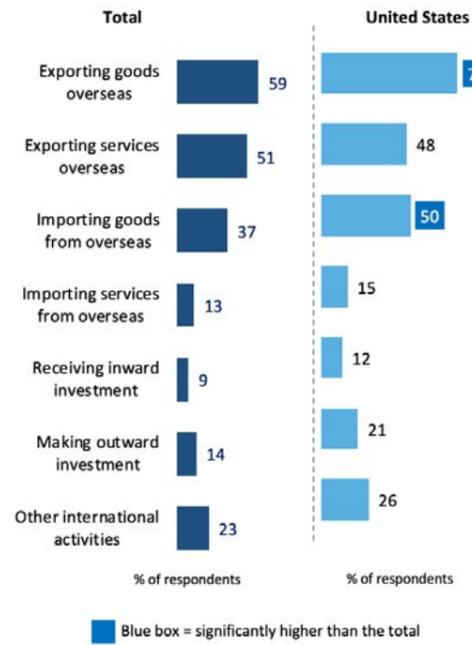
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**THE BREADTH OF
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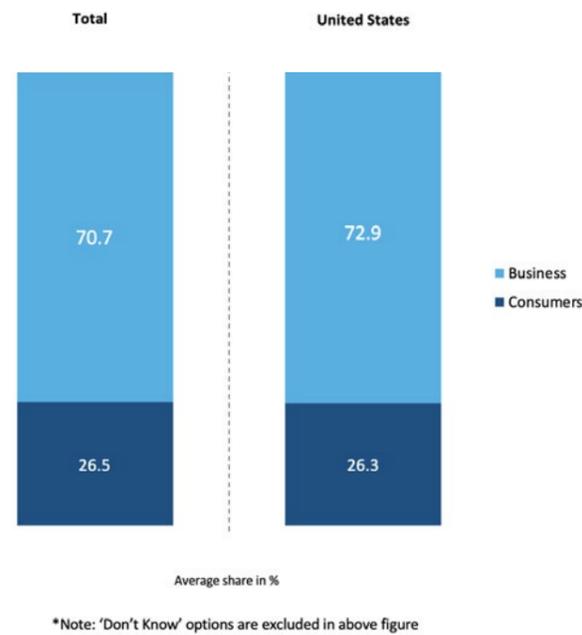
THE BREADTH OF INTERNATIONAL BUSINESS ENGAGEMENT

FIGURE 2.1. TYPES OF INTERNATIONAL ACTIVITY BY SELECTED INDUSTRY



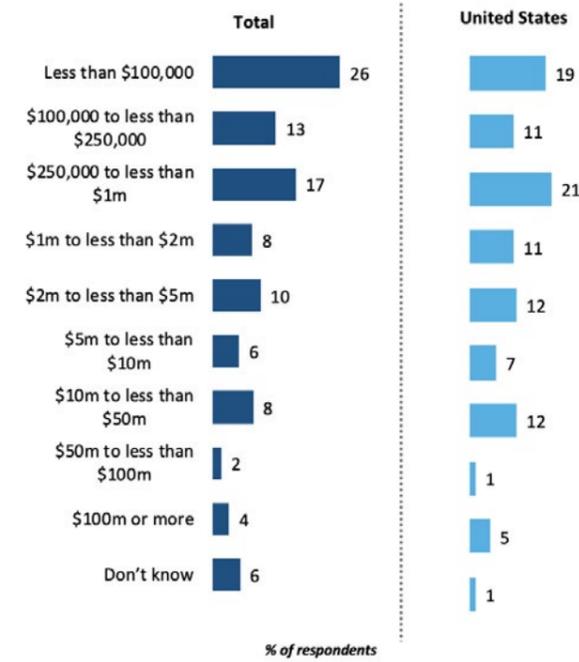
Q5. Over the past year, has your business been involved in any of the following activities? Please select all that apply. (% of respondents)
Base: all respondents, Total n=593, United States n=136

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



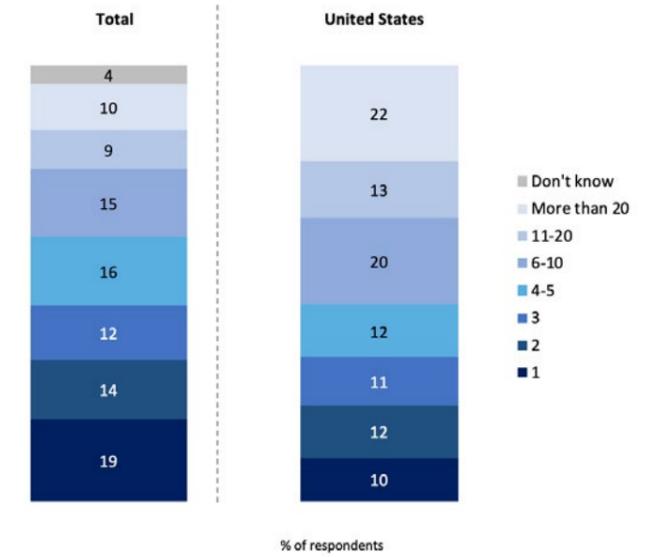
Q31- What percentage of your export sales are for overseas consumers compared to overseas businesses? (average share in %)
Base: all respondents, Total n=593, United States n=136

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, United States n=136

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, United States n=136

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

Market	% of respondents	Total Share of Int. revenue	United States % of respondents	United States Share of Int. revenue
United States	24	48	100	48
People's Republic of China	22	49	10	41
Singapore	10	41	5	31
United Kingdom	9	40	14	34
New Zealand	9	45	5	31
India	6	40	3	18
Hong Kong	6	36	1	25
Japan	6	45	1	13
Canada	5	27	12	21
Indonesia	5	41	2	28
Germany	5	29	9	22
Thailand	5	35	0	-
Malaysia	4	27	1	10
United Arab Emirates	4	49	2	67
Vietnam	3	40	1	90
Papua New Guinea	3	63	0	-
Philippines	3	28	1	10

Blue box = significantly higher than the total
Red box = significantly lower than the total

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, United States n=136





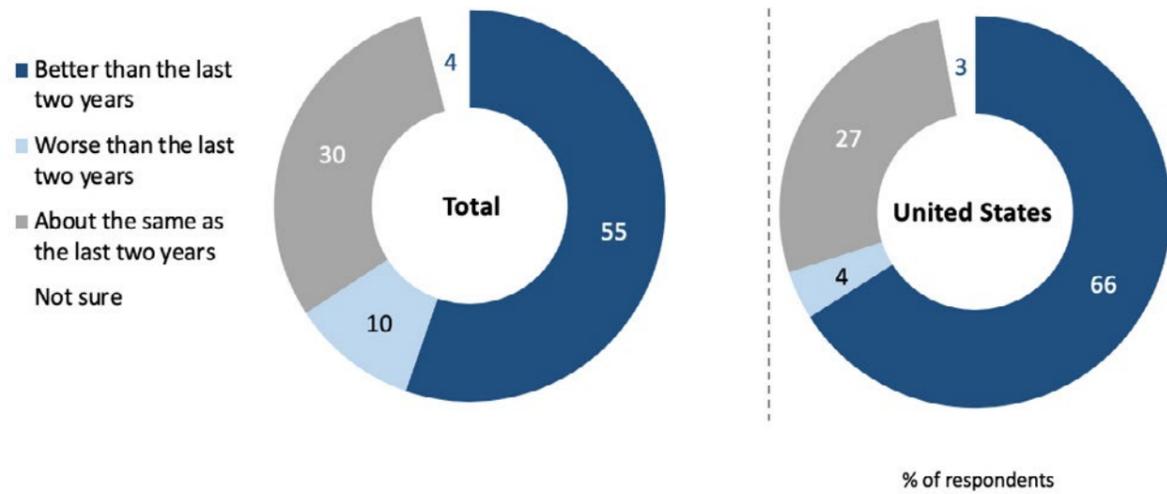
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**BEYOND 2019:
NEW MARKETS &
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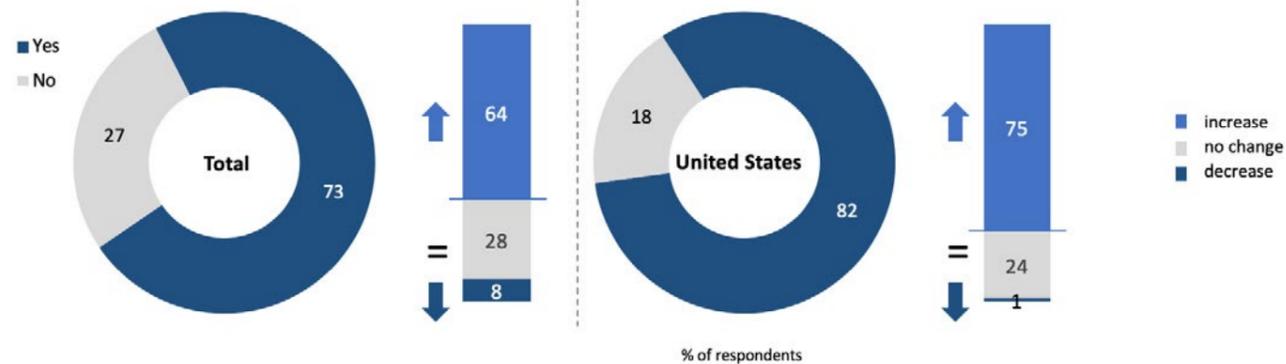
BEYOND 2019: NEW MARKETS & FUTURE OUTLOOK

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



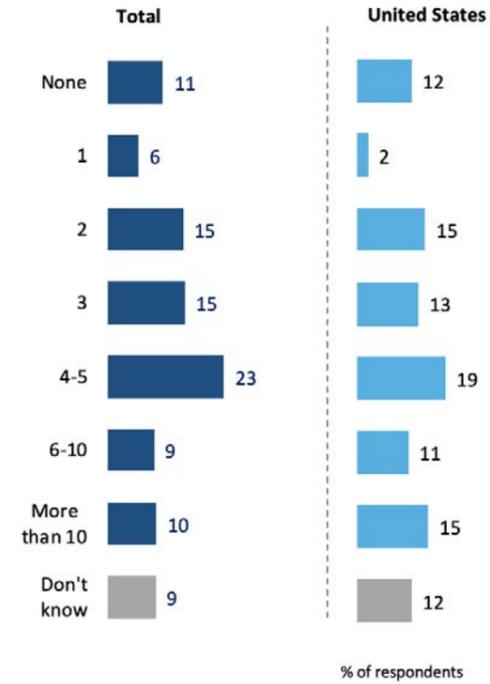
Q45. Would you say the overall financial outlook for your business's international operations over the next two years is...? (% of respondents)
Base: all respondents, Total n=593, United States n=136

FIGURE 3.2. FUTURE OUTLOOK INFLUENCE ON EMPLOYMENT PLANS IN AUSTRALIA



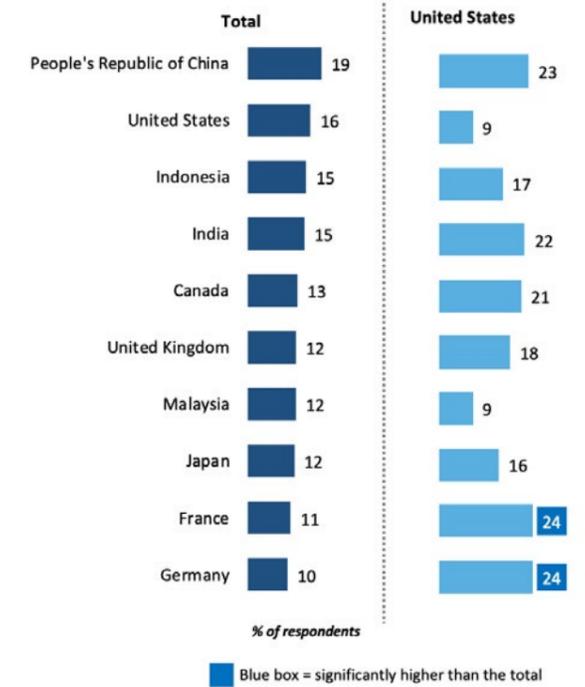
Q46a. Has your future outlook influenced your employment plans in Australia? (% of respondents) Base: all respondents, Total n=593, United States n=136
Q46. How much, if at all, do you expect your employment plans in Australia to change over the next two years? (% of respondents) Base: influenced employment plans, Total n=430, United States n=111

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



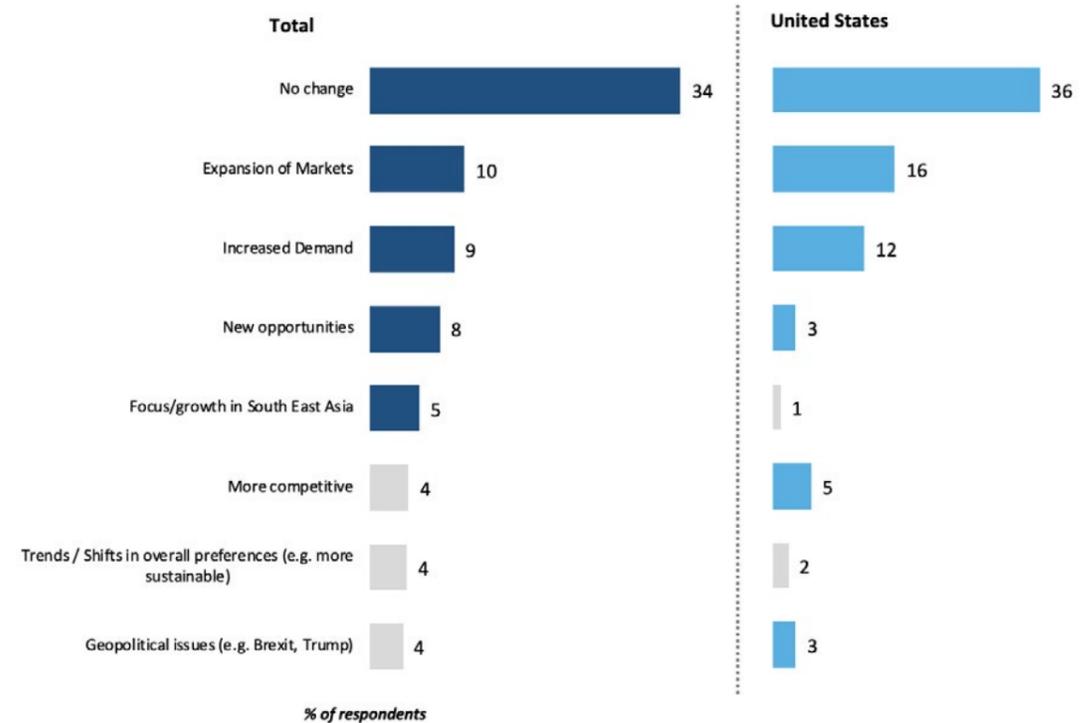
Q47. How many new countries is your business planning to do business in over the next two years? (% of respondents)
Base: all respondents, Total n=593, United States n=136

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, United States n=103

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, United States n=103

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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