



AUSTRALIA'S INTERNATIONAL BUSINESS **SURVEY 2019**

WESTERN 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 62 Western Australian (WA) respondents to AIBS 2019 who represented 11% of all respondents.

Most respondents in WA were mostly comprised of businesses in the manufacturing (19%), agriculture (15%) and the mining sector (15%). This was followed by professional services (13%) and other services (10%). WA respondent profile was more concentrated in a few sectors than the AIBS 2019 survey overall, with mining having a more prominent role.

Most WA respondents were medium businesses, with 37% employing 20 to 199 people, and 32% classified as small businesses employing 5 to 19 people. Larger businesses employing more than 200 people accounted for only 5% of WA respondents, compared to 9% of overall survey respondents.

From a revenue perspective, 42% of WA respondents reported earning less than AUD 1 million in total revenue in the last financial year, which is much higher than the overall survey figure of 33%. This was followed by 23% of respondents earning between AUD 5 million and AUD 50 million.

In terms of international experience, there was a spread of international experience among WA respondents, with 27% first earning international revenue within the last five years, while 23% of respondents reported first earning revenue more than 11 to 20 years ago.

THE BREADTH OF INTERNATIONAL BUSINESS ENGAGEMENT

WA respondents were equally focused on exporting goods and exporting services (both with 55% of respondents). This was followed by 37% of respondents involved in importing goods, and 21% involved in other international activities including international research and development. A further 13% of respondents were involved in making outward investments.

Following the overall survey trend, most WA export sales were earned from selling to other businesses (74%), rather than selling to consumers (23.1%).

In analysing the value of international revenue earned, most WA respondents (69%) reported international revenue of under AUD 1 million in the last financial year. From those, 24% of WA respondents reported earning between AUD 100,000 and AUD 250,000 which is significantly higher than the national figure of 13%. From those earning much higher international revenue, only 8% of respondents reported earning AUD 50 million or more.

The number of countries WA respondents earned this international revenue from somehow followed the overall survey figures, with 19% of respondents earning revenue from 4-5 countries, followed by 18% of respondents who earned international revenue from only one country. More diversified respondents earning revenue from more than 20 countries accounted for 15% of respondents, which is slightly above the national survey figure of 10%.

The top international revenue markets for WA respondents were Singapore (27%), the United States (15%), Indonesia (15%) and Malaysia (12%). These were followed by China (8%), and Thailand (7%). WA is the only state where Singapore ranked so highly (well above the overall survey ranking of 10%), while China comparatively ranked much lower for WA respondents (8% versus 22% nationally).

BEYOND 2019: NEW MARKETS & FUTURE OUTLOOK

Looking to the future, WA respondents painted an optimistic picture, with 60% expecting their financial outlook for the next two years to be better than the last two. This optimism is slightly higher than survey respondents overall (55%). Just 8% expected their financial outlook to be worse than the last two years.

From WA respondents, 71% said their employment plans in Australia were influenced by their future outlook, with 73% of those respondents planning to increase employment, while 23% plan to decrease it.

The market development ambitions of respondents from WA were in line with the overall survey figures, with 26% of respondents planning to do business in 4-5 new markets while 10% had no foreseeable expansion plans.

The United States (22%) and China (20%) were the top target markets for WA respondents followed by Indonesia and the United Kingdom (both with 18%). United Kingdom was a more important target market for WA respondents than national survey respondents (12%).

While the majority (44%) 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. This was followed by increase in demand for their services/products and geopolitical issues both with 8% of respondents.



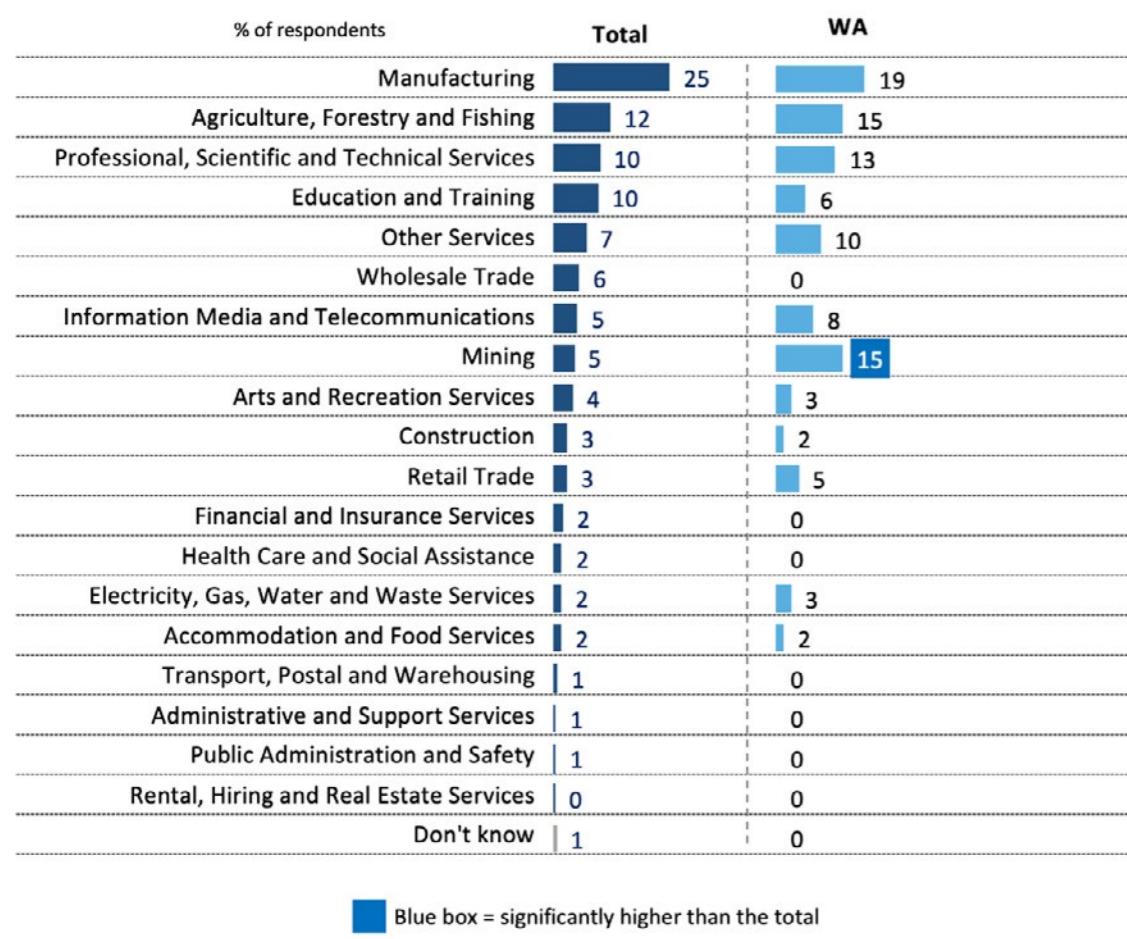
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RESPONDENT PROFILE

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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, WA n=62

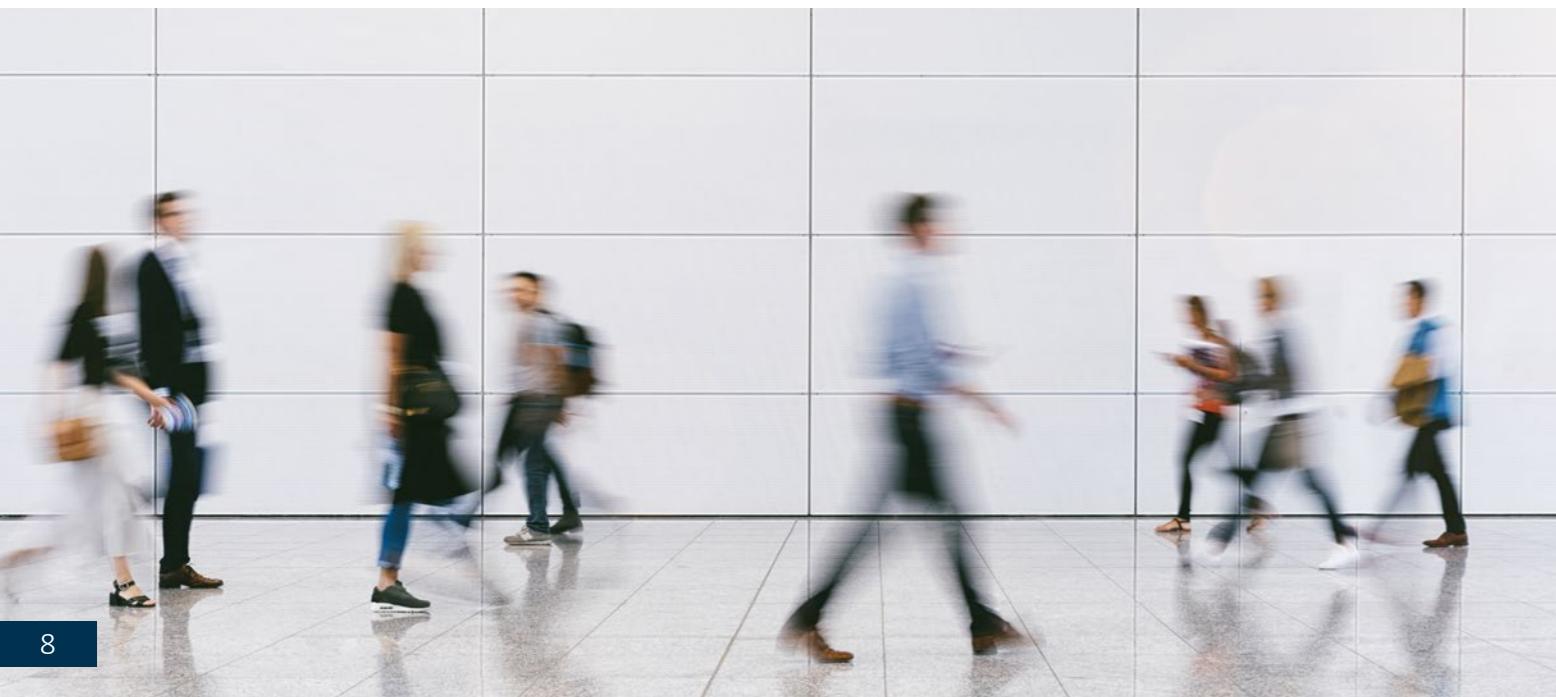
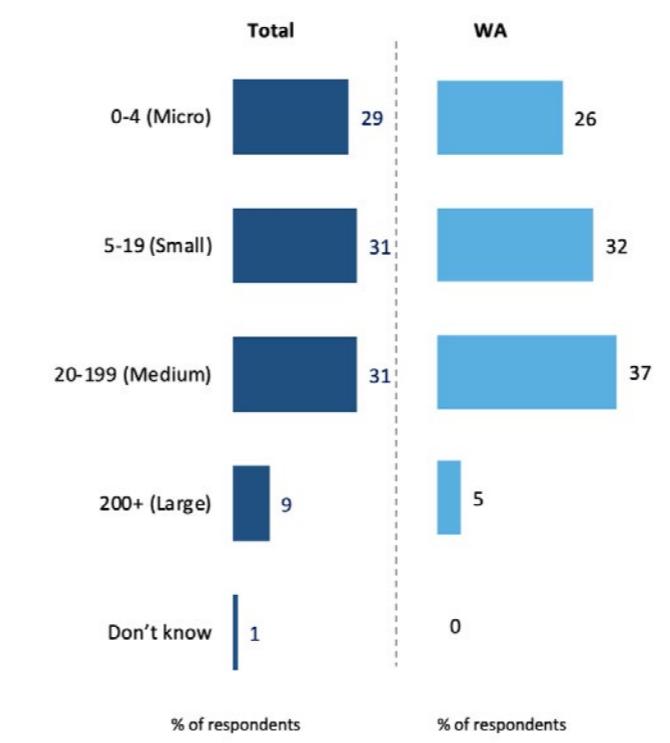


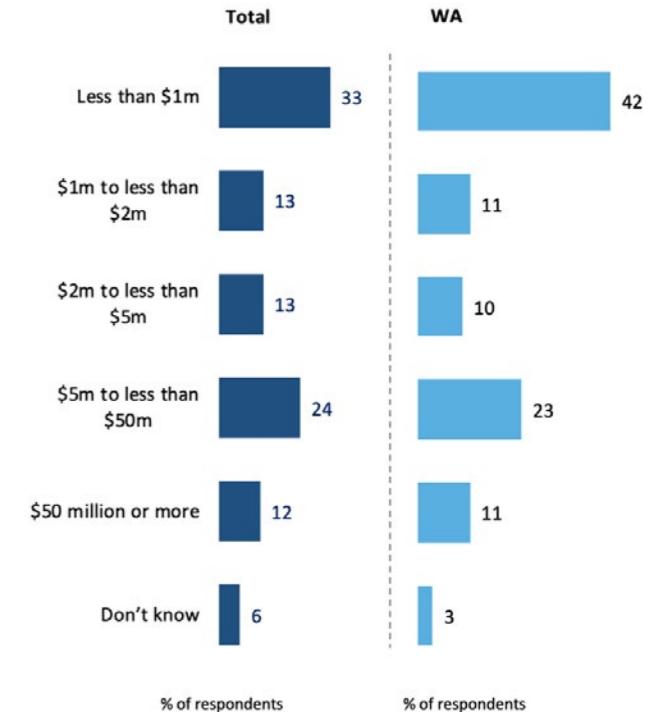
FIGURE 1.2. NUMBER OF EMPLOYEES



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

Base: all respondents, Total n=592, WA n=62

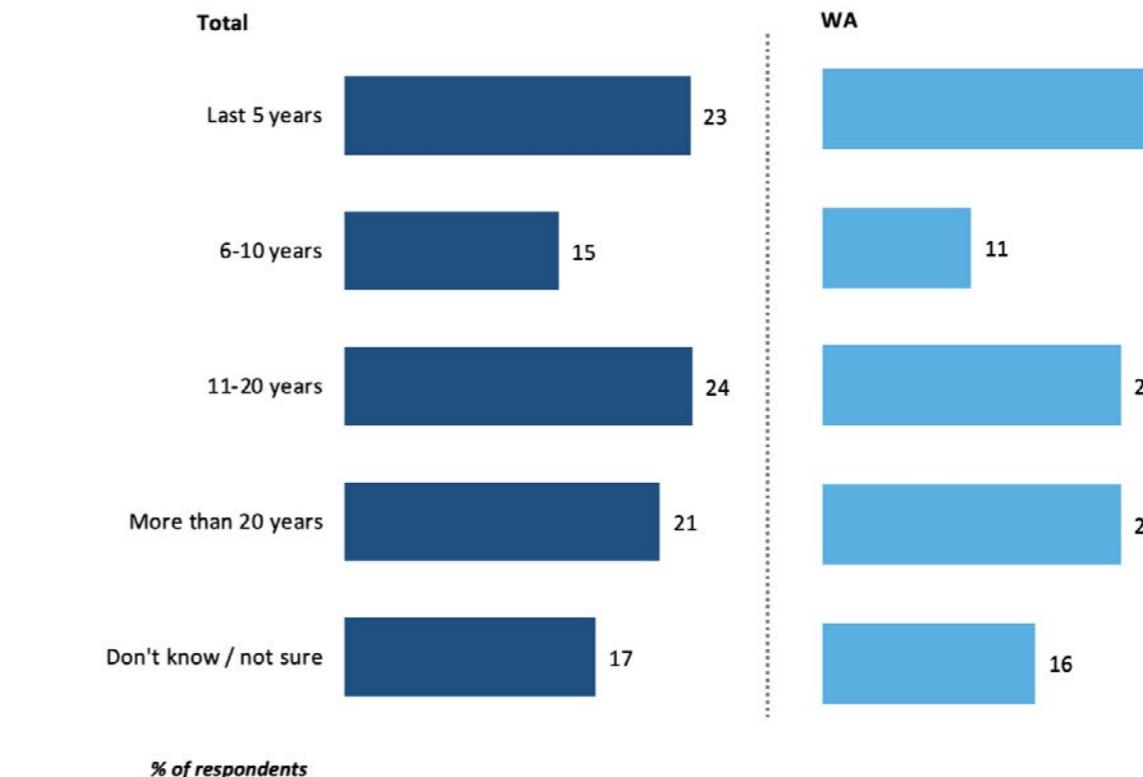
FIGURE 1.3. TOTAL REVENUE LAST FINANCIAL YEAR



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

Base: all respondents, Total n=592, WA n=62

FIGURE 1.4. YEAR STARTED EARNING INTERNATIONAL REVENUE



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

Base: all respondents, Total n=593, WA n=62



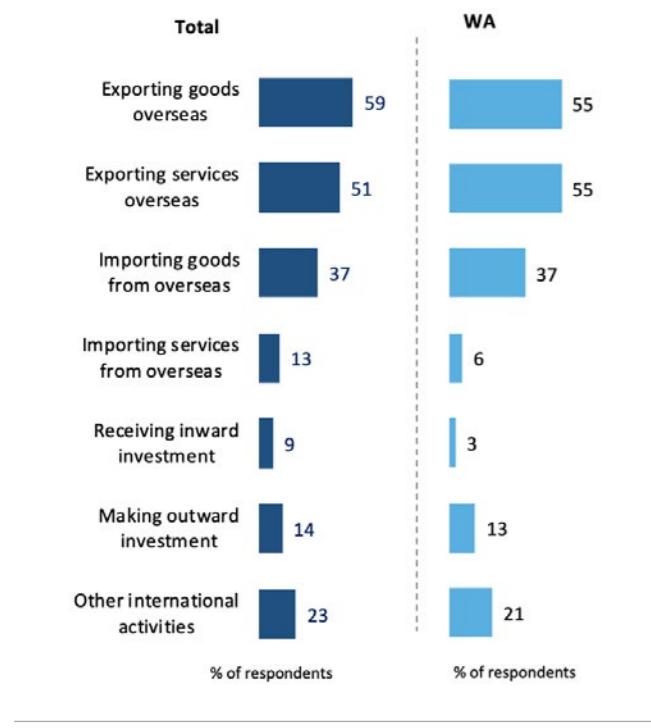
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THE BREADTH OF INTERNATIONAL BUSINESS ENGAGEMENT

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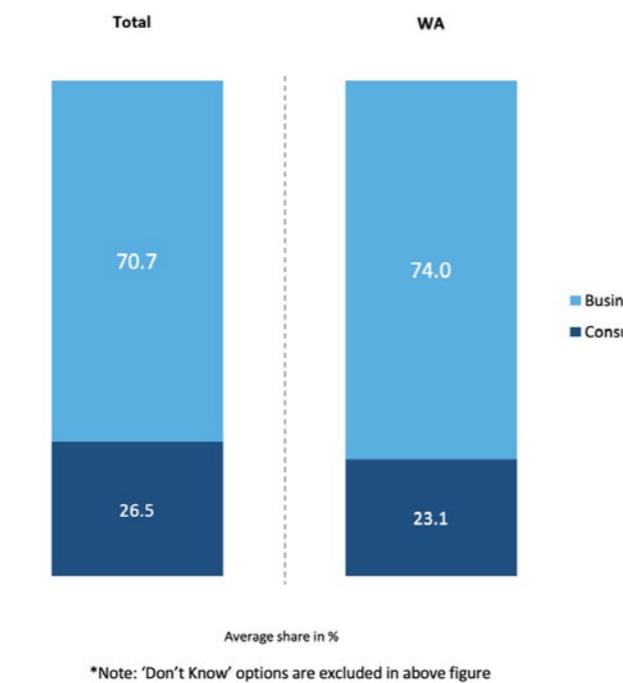
THE BREADTH OF INTERNATIONAL BUSINESS ENGAGEMENT

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, WA n=62

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

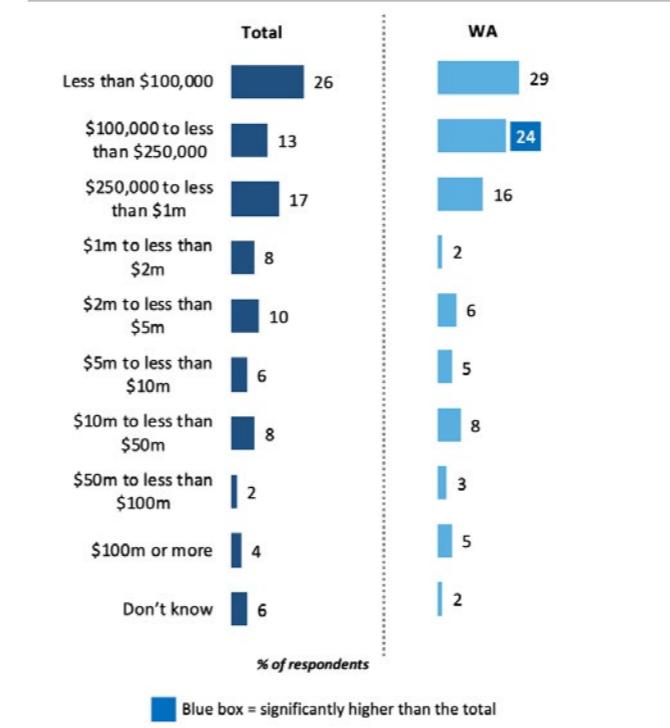


*Note: 'Don't Know' options are excluded in above figure

Q31- What percentage of your export sales are for overseas consumers compared to overseas businesses? (average share in %)
Base: all respondents, Total n=593, WA n=62

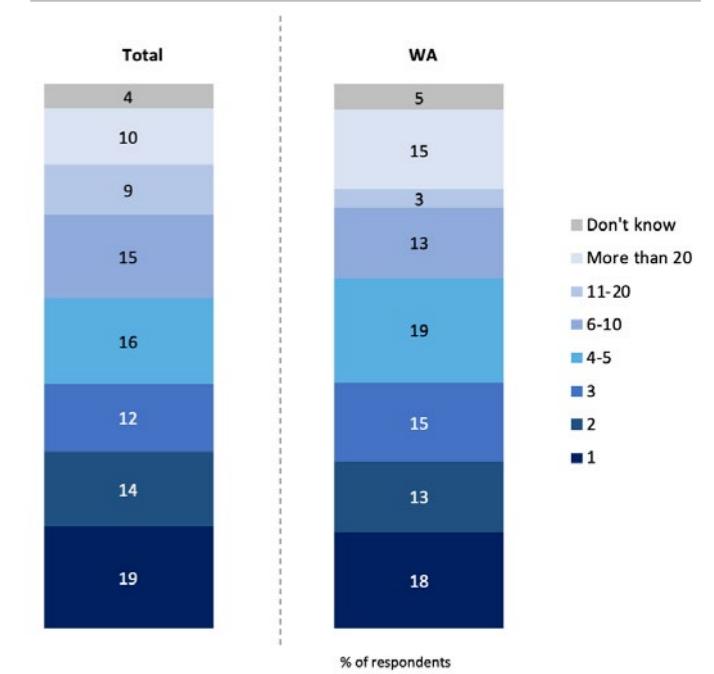


FIGURE 2.3. SIZE OF INTERNATIONAL REVENUE LAST FINANCIAL YEAR



Blue box = significantly higher than the total

FIGURE 2.4. NUMBER OF COUNTRIES EARNING INTERNATIONAL REVENUE FROM

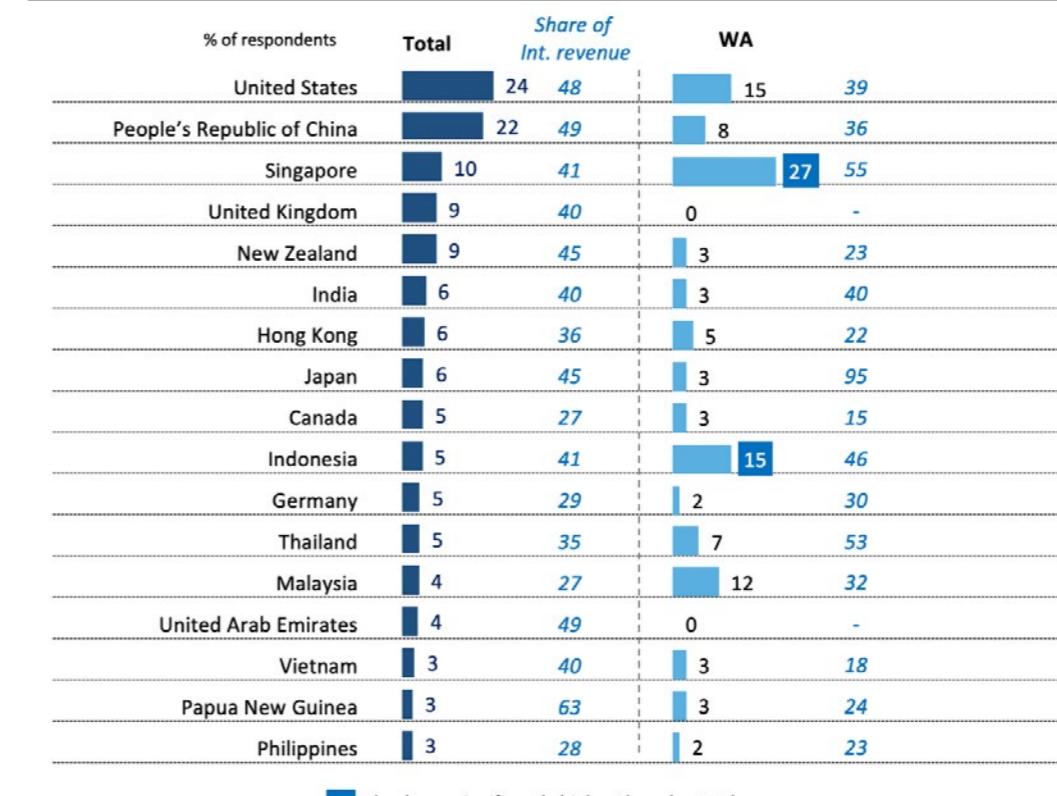


Legend:
 ■ Don't know
 ■ More than 20
 ■ 11-20
 ■ 6-10
 ■ 4-5
 ■ 3
 ■ 2
 ■ 1

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

Base: all respondents, Total n=593, WA n=62

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



Blue box = significantly higher 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, WA n=62



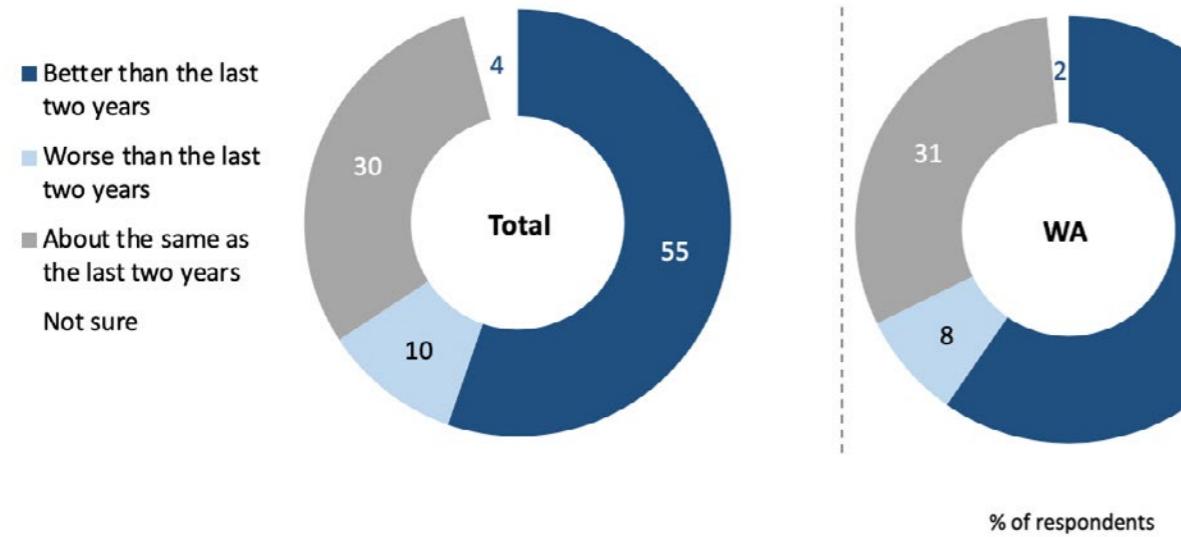
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BEYOND 2019: NEW MARKETS & FUTURE OUTLOOK

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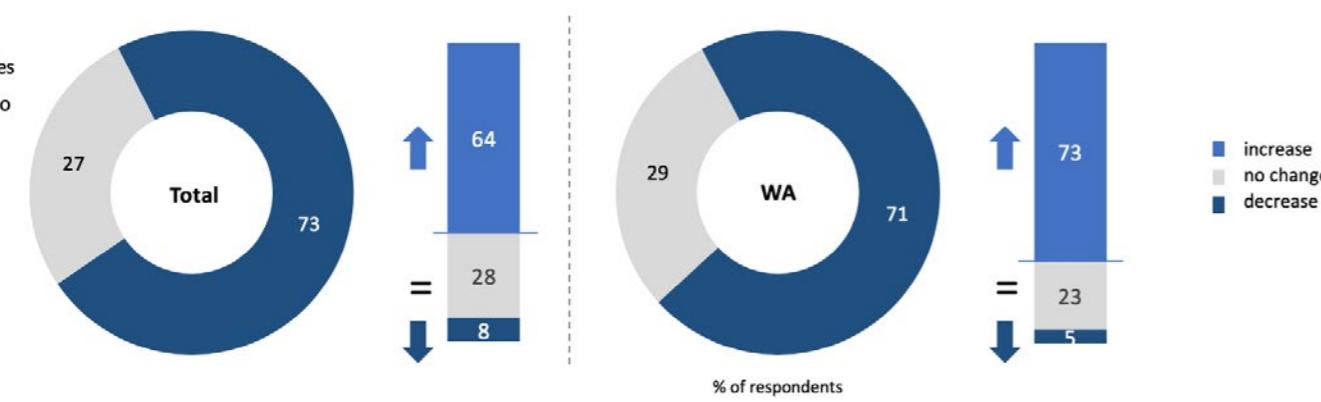
BEYOND 2019: NEW MARKETS & FUTURE OUTLOOK

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, WA n=62

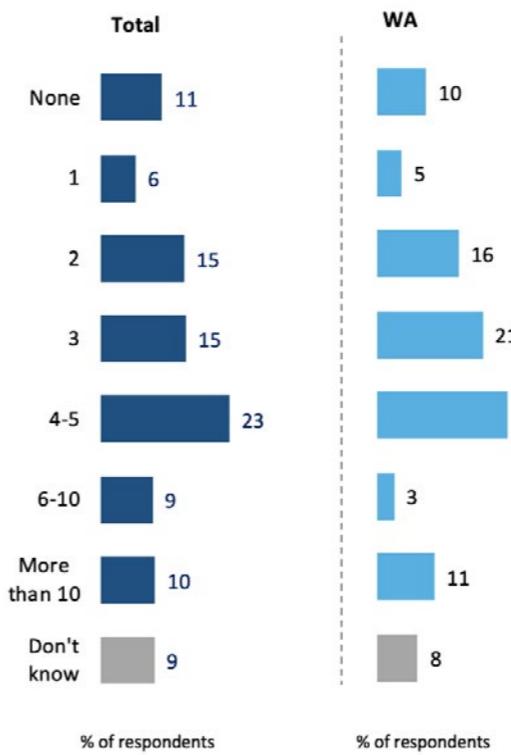
FIGURE 3.2. HAS YOUR FUTURE OUTLOOK INFLUENCED YOUR EMPLOYMENT PLANS IN AUSTRALIA?



Q46a. Has your future outlook influenced your employment plans in Australia? (% of respondents)
Base: all respondents, Total n=593, WA n=62

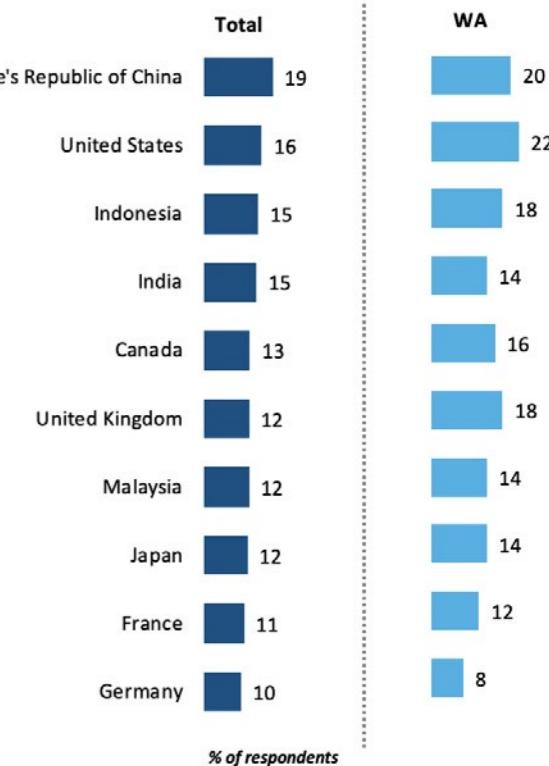
Q46. How much, if at all, do you expect your employment plans in Australia to change over the next two years?
Base: influenced employment plans, Total n=430, WA n=44

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, WA n=62

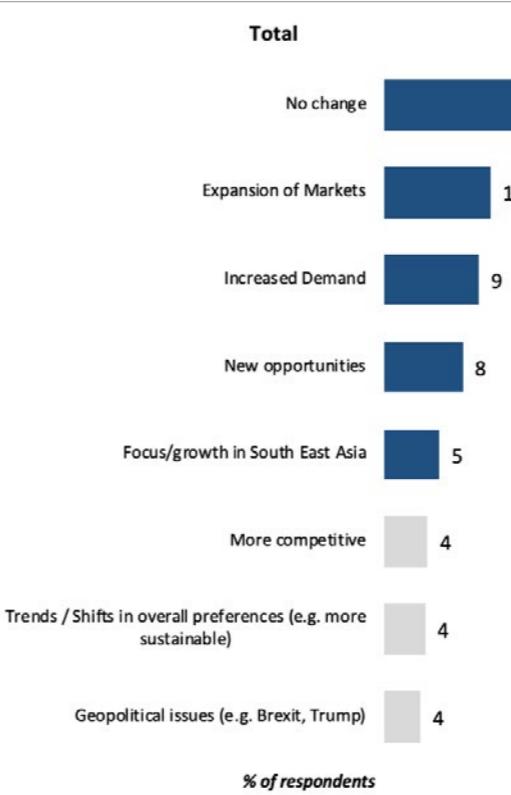
FIGURE 3.4. TOP 10 NEW COUNTRIES CONSIDERED TO DO BUSINESS WITH OVER NEXT 2 YEARS



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,, WA n=51

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, WA n=51

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.



