

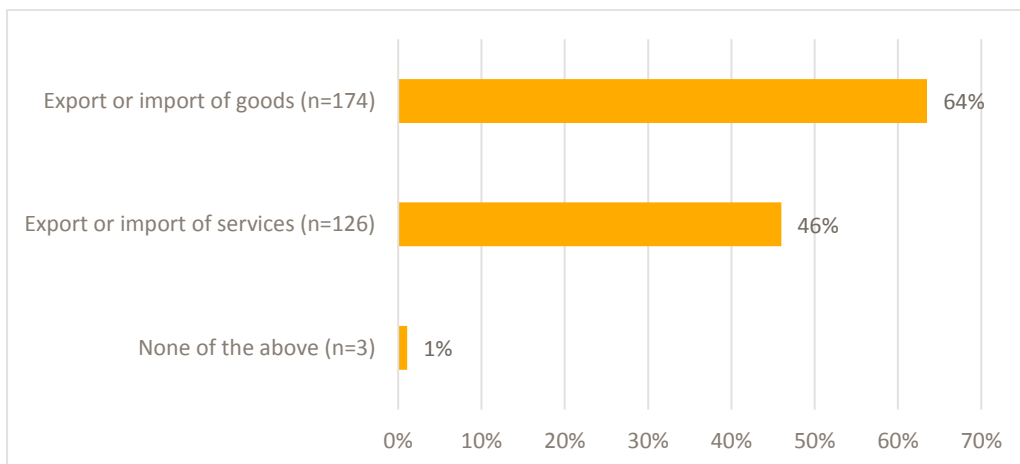
NEW SOUTH WALES (NSW)

This report provides the results of Australia's International Business Survey (AIBS) 2016. This latest report follows AIBS surveys of internationally-active businesses published in 2015 and 2014.

Survey respondents were classified according to the state or territory in which their company's headquarters were located. A total of 274 companies headquartered in New South Wales participated in the survey, representing around 30 per cent of all respondents. Among these companies, around 64 per cent were mainly involved in the export or import of goods in the past year, while 46 per cent were involved in the export or import of services.

Figure 1 International activities - NSW

Survey question: Over the past year, has your company been involved in any of the following international activities? Select options that apply.

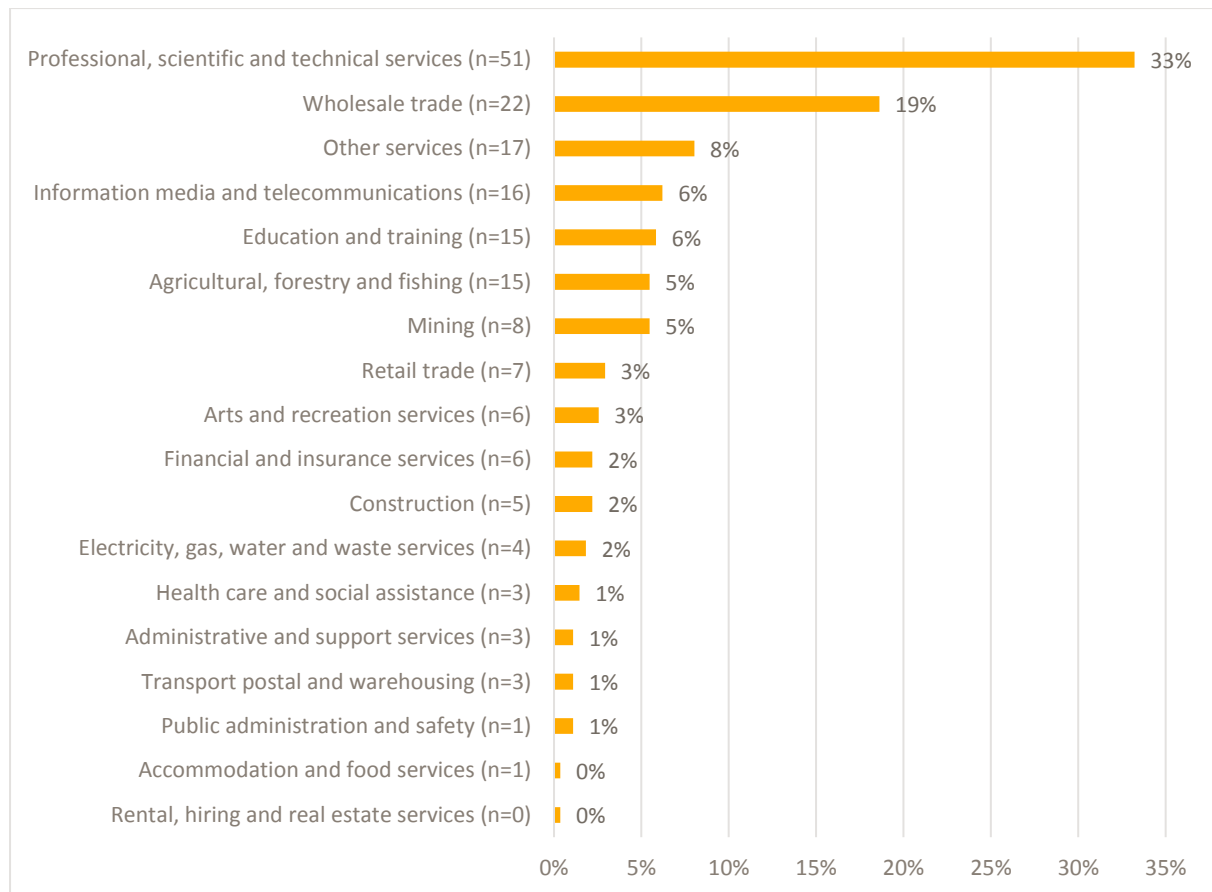


Number of respondents = 274

Among the New South Wales-based companies that participated in the survey, 33 per cent were from the professional, scientific and technical services sector, and 19 per cent were wholesale trade companies (Figure 2).

Figure 2 Main industry - NSW

Survey question: What is the main business of your company?



Number of respondents = 274

The United States was identified as the top overseas market from which companies based in this state earned international revenue in the past year, obtaining around 15 per cent of responses (Table 1). Other top markets were China (12 per cent of responses) and the United Kingdom (9 per cent of responses).

Table 1 Main overseas markets - NSW

Survey question: Top 10 countries from which companies have earned international revenue in the past year.

Rank	Country	No. of responses	Share
1	United States	75	15%
2	China	60	12%
3	United Kingdom	47	9%
4	New Zealand	32	6%
5	United Arab Emirates	20	4%
6	Singapore	19	4%
7	Malaysia	18	4%
8	Hong Kong, SAR of China	16	3%
9	Indonesia	16	3%
10	Japan	16	3%

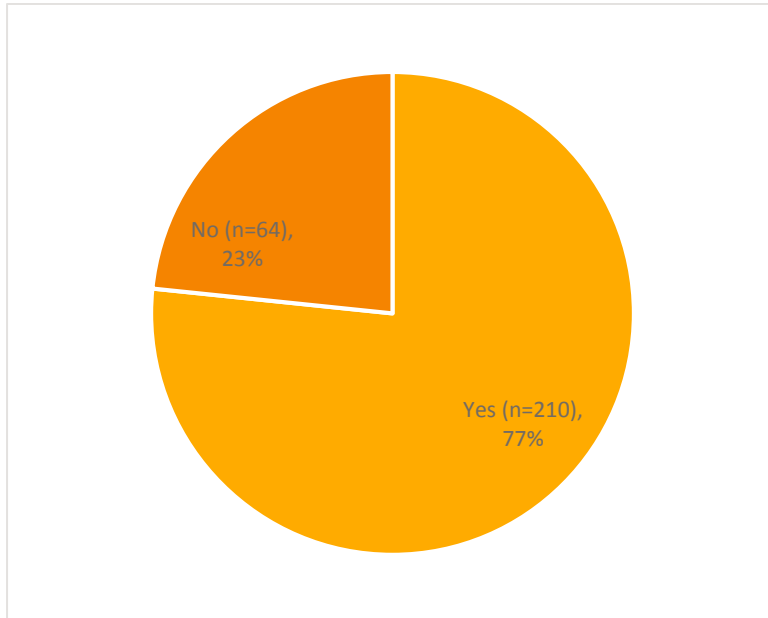
Number of responses = 503

Note: the sample consists of companies that identify above countries as either top 1 or top 2 country from which they have earned international revenue in the past year.

Seventy-seven per cent of respondents intend to expand to new international markets in the next 2 years, while 23 per cent have no immediate expansion plans (Figure 3).

Figure 3 Plans for doing business in additional countries - NSW

Survey question: Is your company planning to do business in additional countries in the next 2 years?



Number of respondents = 274

Among the companies that had plans to expand to new overseas, around 16 per cent expected the United States to be their most important market in terms of generating additional revenue (Table 2). Fourteen per cent expected China to be the most important, while another 7 per cent expected India to be their most important future market.

Table 2 Most important new country - NSW

Survey question: for your company, which new country do you expect to be the most important in terms of additional revenue over the next 2 years?

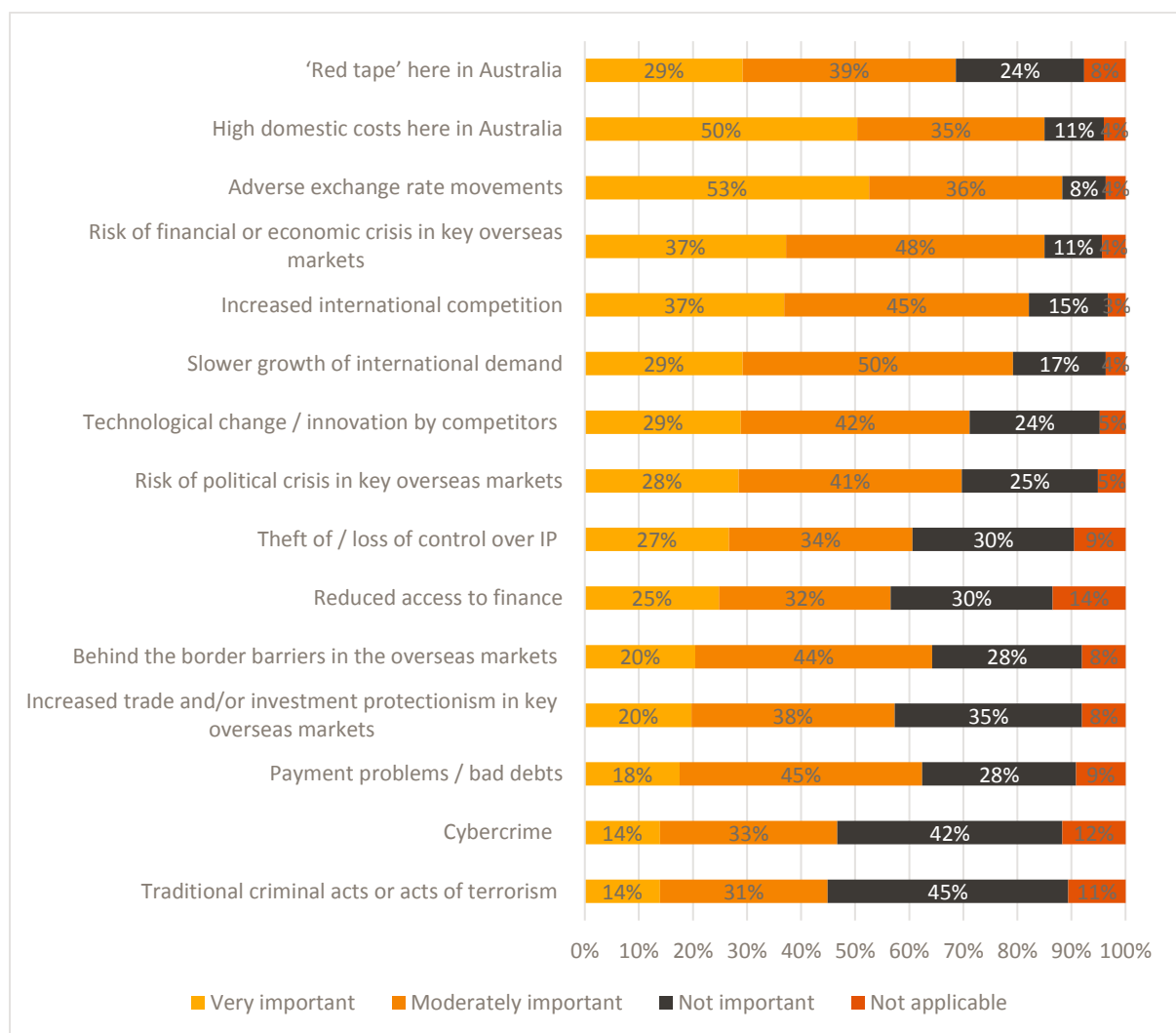
Rank	Country	No. of responses	Share
1	United States	34	16%
2	China	30	14%
3	India	15	7%
4	United Kingdom	12	6%
5	Brazil	8	4%
6	Indonesia	8	4%
7	Japan	7	3%
8	Singapore	7	3%
9	South Korea	7	3%
10	Vietnam	7	3%

Number of respondents = 210

Companies from this state expect adverse exchange rate movements to be the top risk that their international operations will face in the next 3 to 5 years (cited by 53 per cent of respondents). Other future risks identified were high domestic costs in Australia (50 per cent of respondents), and the risk of financial or economic crisis in key overseas markets (cited by 37 per cent of respondents). A further 37 per cent of respondents identified increased international competition as a key future risk.

Figure 4 Key risks - NSW

Survey question: What do you see as the key risks facing your international operations over the next three to five years?

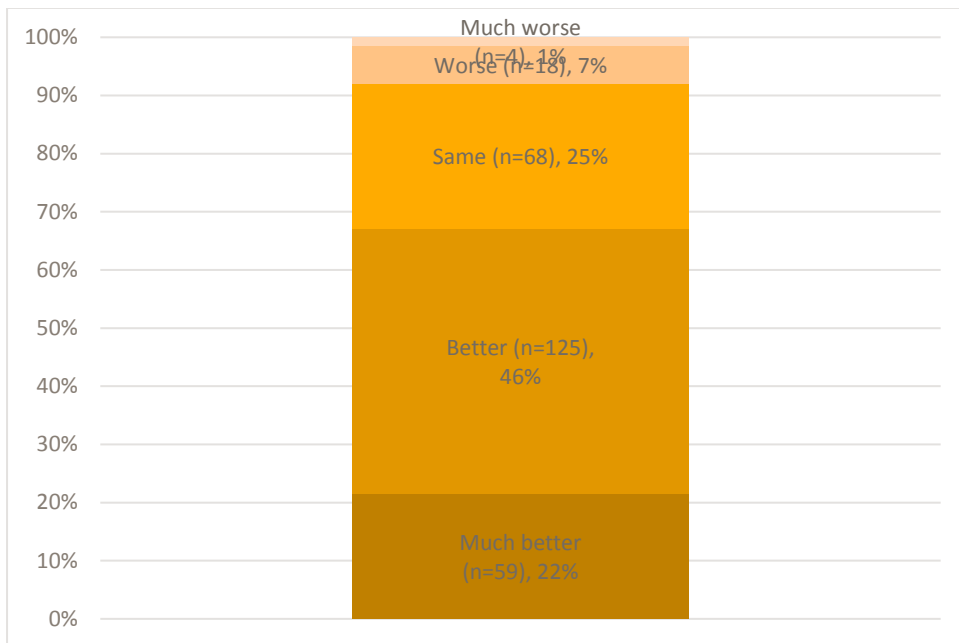


Number of respondents = 274

The outlook among companies in this state is generally positive, with around 46 per cent of respondents expecting their international operations in 2016 to be better compared to 2015. Around 22 per cent of respondents expect their performance to be much better, while 25 per cent expect their performance to be around the same as last year.

Figure 5 Outlook - NSW

Survey question: What is the overall outlook for your company's international operations in 2016 compared to 2015?



Number of respondents = 274

ABOUT AUSTRALIA'S INTERNATIONAL BUSINESS SURVEY

Australia's International Business Survey (AIBS) 2016 is the follow-up to the inaugural survey of Australia's international businesses published in 2014, and AIBS 2015.

The findings of this report are distinct and significant because they provide key insights into the nature, needs, concerns and future plans of the Australian international business community from a company perspective.

The report is based on a survey conducted in late 2015 and early 2016 which resulted in the collection of fully completed and validated responses from 913 companies involved in international business.

AIBS was commissioned by ECA with the support of Austrade and Efic, and was conducted by the University of Sydney.



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