

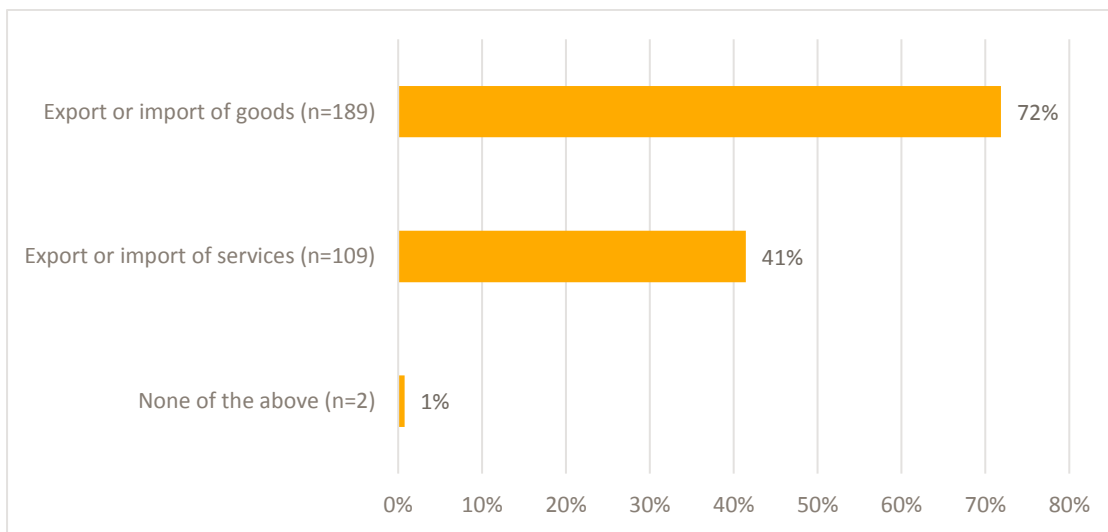
## VICTORIA (VIC)

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 263 companies headquartered in Victoria participated in the survey, representing around 29 per cent of all respondents. Among these companies, around 72 per cent were mainly involved in the export or import of goods in the past year, while 41 per cent were involved in the export or import of services.

### Figure 1 International activities - VIC

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

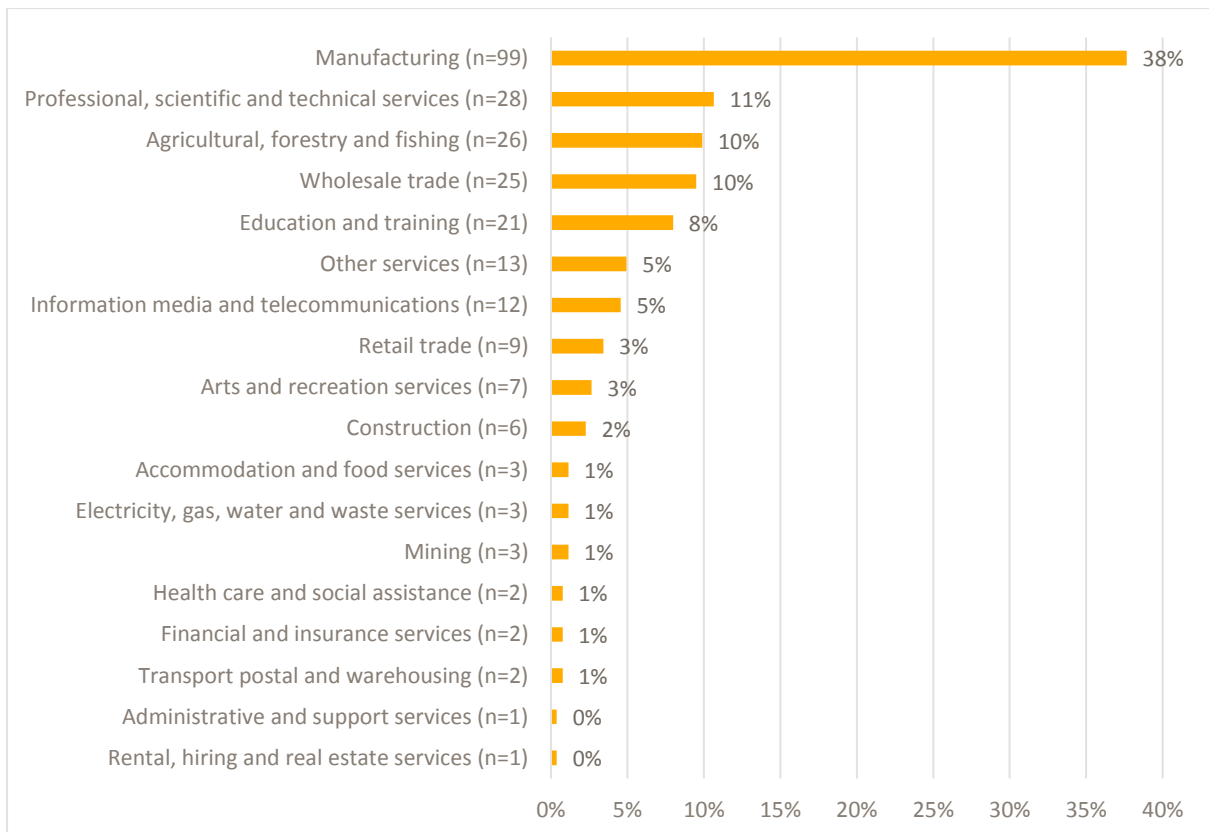


Number of respondents = 263

Among the Victoria-based companies that participated in the survey, 38 per cent were from the manufacturing sector, and 11 per cent were professional, scientific and technical services companies (Figure 2).

### Figure 2 Main industry - VIC

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



Number of respondents = 263

China was identified as the top overseas market from which companies based in this state earned international revenue in the past year, obtaining around 13 per cent of responses (Table 1). Other top markets were the United States (12 per cent of responses) and the United Kingdom (9 per cent of responses).

### Table 1 Main overseas markets - VIC

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

Rank	Country	No. of responses	Share
1	China	63	13%
2	United States	59	12%
3	United Kingdom	43	9%
4	New Zealand	33	7%
5	Singapore	29	6%
6	Hong Kong, SAR of China	19	4%
7	Japan	18	4%
8	Malaysia	17	3%
9	Indonesia	16	3%
10	Vietnam	13	3%

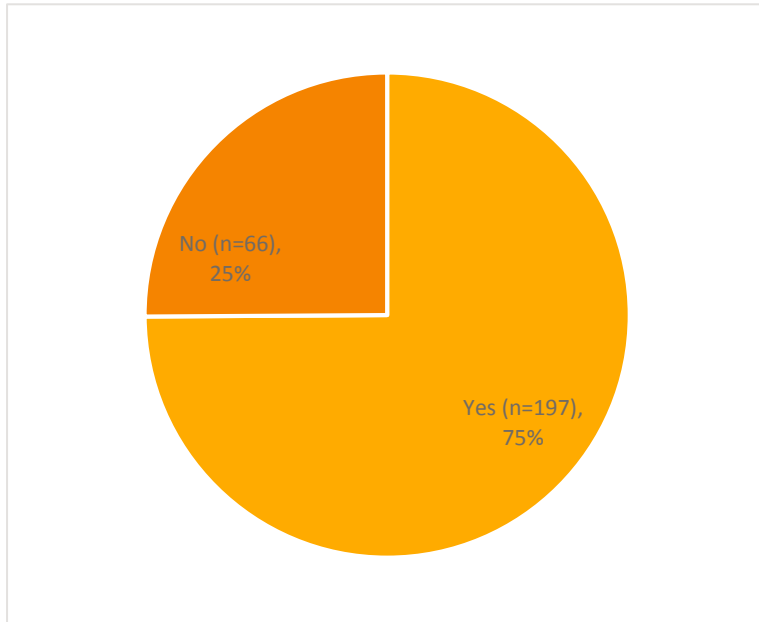
Number of responses = 488

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-five per cent of respondents intend to expand to new international markets in the next 2 years, while 25 per cent have no immediate expansion plans (Figure 3).

### Figure 3 Plans for doing business in additional countries - VIC

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



Number of respondents = 263

Among the companies that had plans to expand to new overseas, around 16 per cent expected China to be their most important market in terms of generating additional revenue (Table 2). Twelve per cent expected the United States to be the most important, while another 8 per cent expected India to be their most important future market.

### Table 2 Most important new country - VIC

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?

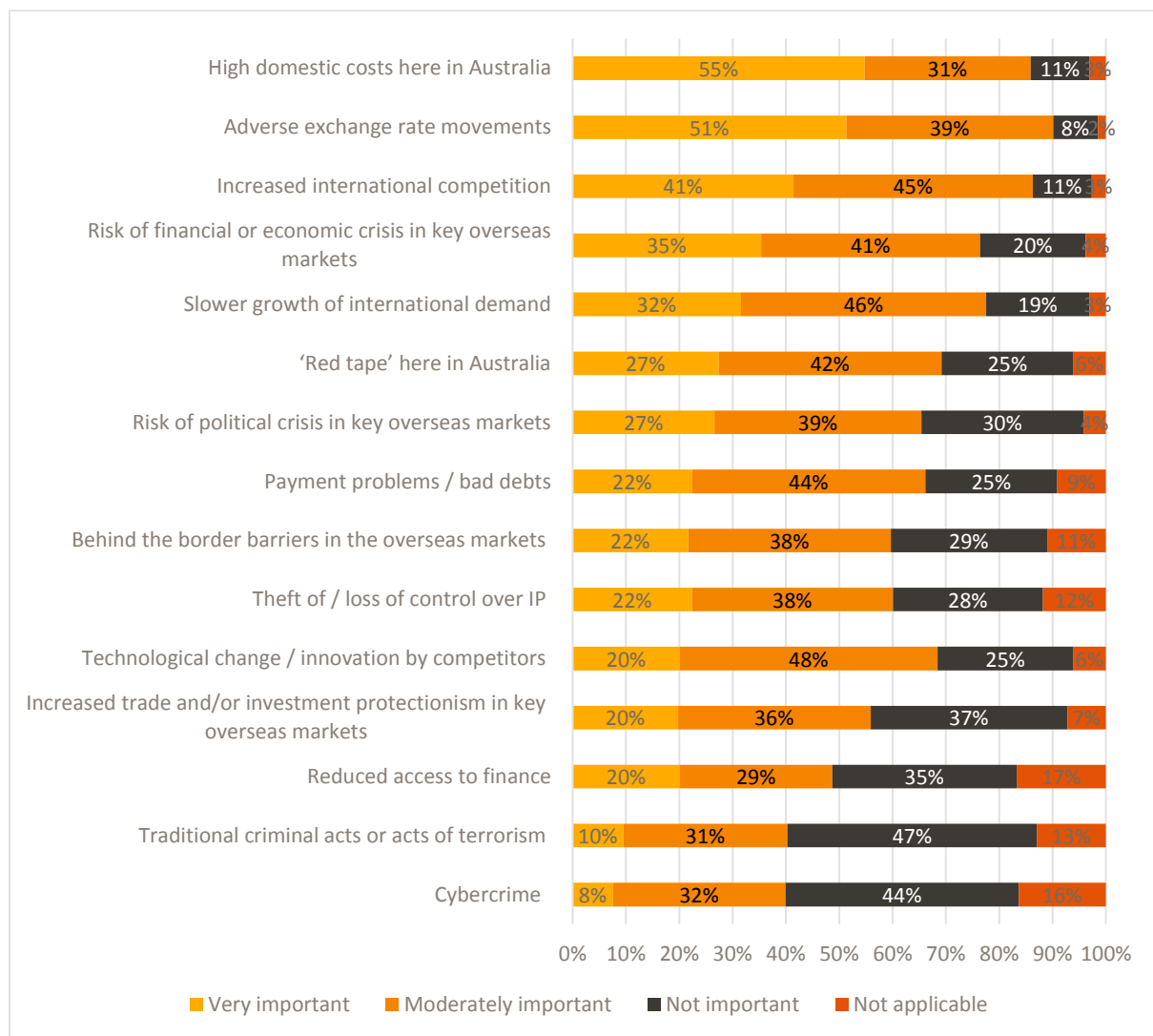
Rank	Country	No. of responses	Share
1	China	31	16%
2	United States	23	12%
3	India	15	8%
4	Indonesia	12	6%
5	United Kingdom	8	4%
6	South Korea	7	4%
7	Thailand	6	3%
8	Vietnam	6	3%
9	Canada	5	3%
10	Hong Kong, SAR of China	5	3%

Number of respondents = 197

Companies from this state expect high domestic costs in Australia to be the top risk that their international operations will face in the next 3 to 5 years (cited by 55 per cent of respondents). Other future risks identified were adverse exchange rate movements (51 per cent of respondents), and increased international competition (cited by 41 per cent of respondents).

### Figure 4 Key risks - VIC

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

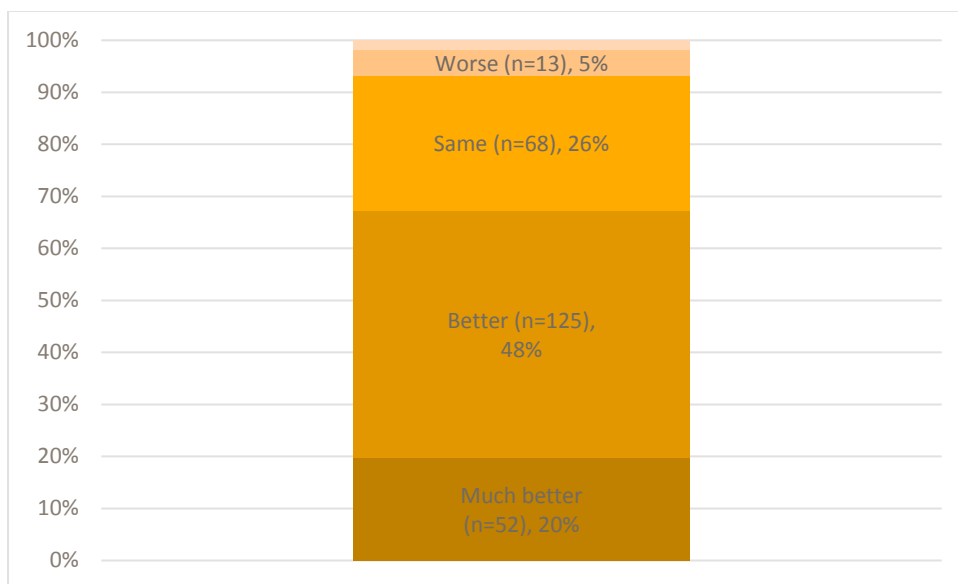


Number of respondents = 263

The outlook among companies in this state is generally positive, with around 48 per cent of respondents expecting their international operations in 2016 to be better compared to 2015. Around 20 per cent of respondents expect their performance to be much better, while 26 per cent expect their performance to be around the same as last year.

### Figure 5 Outlook - VIC

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



Number of respondents = 263

## 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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