



**Looking Forward as
Markets Re-Open:**

Australia & New Zealand

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Ohio Partner | Foley & Associates
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**Development
Services Agency**

**GREAT LAKES
ST. LAWRENCE
GOVERNORS
& PREMIERS**



AGENDA



- 1. Current Environment in Australia & New Zealand**
- 2. Why you should be looking at this region**
- 3. Industry Sectors & Opportunities**
- 4. Call to action**

1. Current Environment: Australia & New Zealand

How have we weathered the crisis and why the economies are expected to bounce back?



The Current Environment



Australia

(25.7m total population):

- **7,521** - total number of confirmed cases since the pandemic began
- **103** total deaths
- **92%** recovered
- **29** new cases on 24 June

New Zealand

(5m total population):

- **1,515** - total number of confirmed cases since the pandemic began
- **22** total deaths
- **98%** recovered
- **0** new cases on 24 June



The Current Environment



3-stage plan by Australian Federal Government:

to allow businesses to reopen, large gatherings and interstate travel by the end of July 2020.

International travel to New Zealand & Pacific Islands under consideration

No plans yet to restart broader international travel



Keeping the Economy Moving



Australia – largest ever government economic stimulus package:

 **A\$ 320 billion**
~US\$ 221.8b

New Zealand – Announced fiscal stimulus measures:

 **NZ\$ 23 billion**
~US\$ 14.9b



World Economic Outlook (IMF)



IMF 2020 Projections (June 2020)

Global economic growth predicted to **fall -4.9% in 2020**, due to coronavirus containment measures:

China	Australia	Japan	New Zealand	Germany	US	UK	France
1%	- 4.5%	- 5.8%	- 7.2%	- 7.8%	- 8%	- 10.2%	- 12.5%

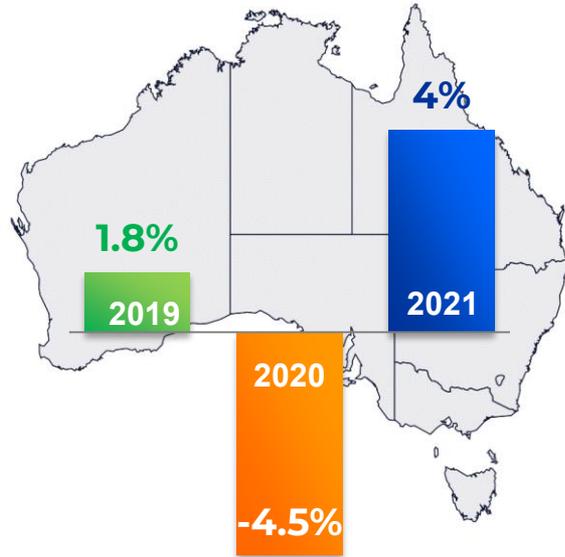
(real GDP, annual % change)

-0.8% economic growth in emerging & developing **Asia**.

Australia & New Zealand in **recession**.

*IMF, *World Economic Outlook*, June 2020

AUSTRALIA: What does recovery look like?

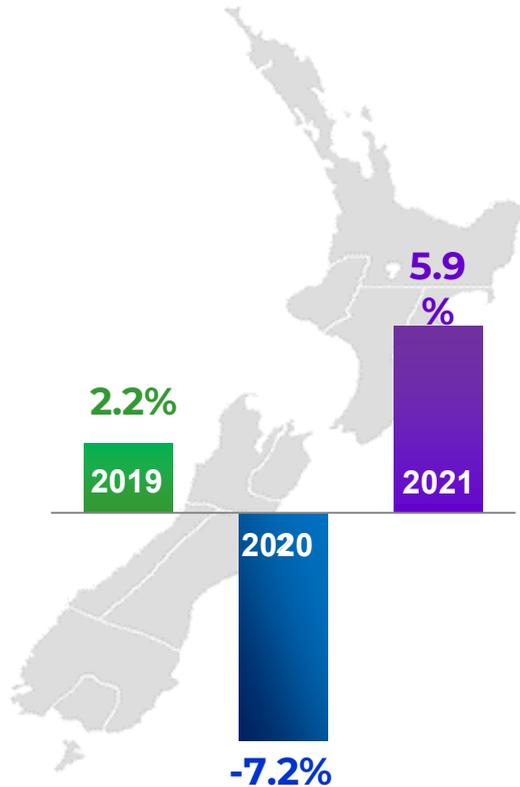


**Rebound in 2021:
+4% growth**

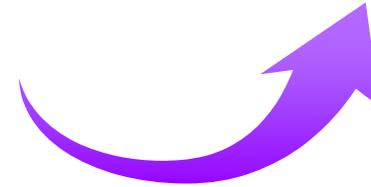


*IMF, World Economic Outlook, June 2020

NEW ZEALAND: What does recovery look like?

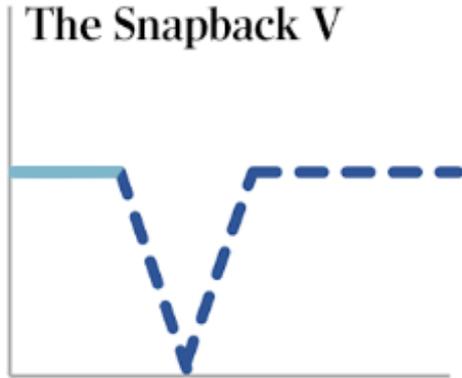


**Rebound in 2021*:
+5.9% growth**

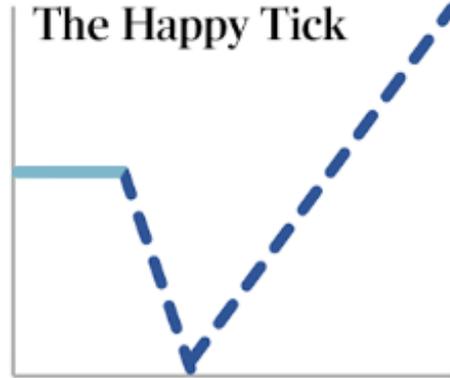


*IMF, World Economic Outlook, April 2020

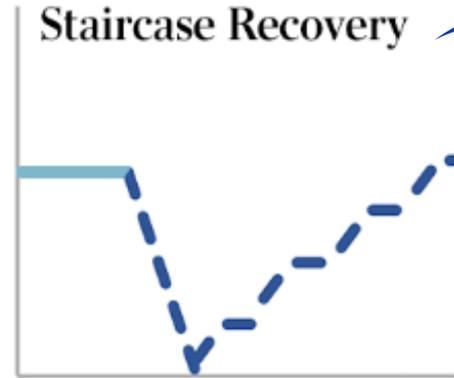
3 possible pathways for the Australian economy 2020/21



- * Global trade
- * Business as usual



- * Business booms
- * Enterprise uplift



- * Increments
- * Long recovery

MOST LIKELY?

— Actual - - - Possible

*Source: The Demographics Group

2. Why consider Australia & New Zealand ?

Planning your next move...
Strategy for 2020 and beyond



Thinking about next steps...

In the lead up to, and once lock-down is lifted...

where should I be investing time and resources?



Challenge, Change, Disruption

Strong Market Knowledge

+

Responsible Planning



**to navigating the situation
moving forward!**

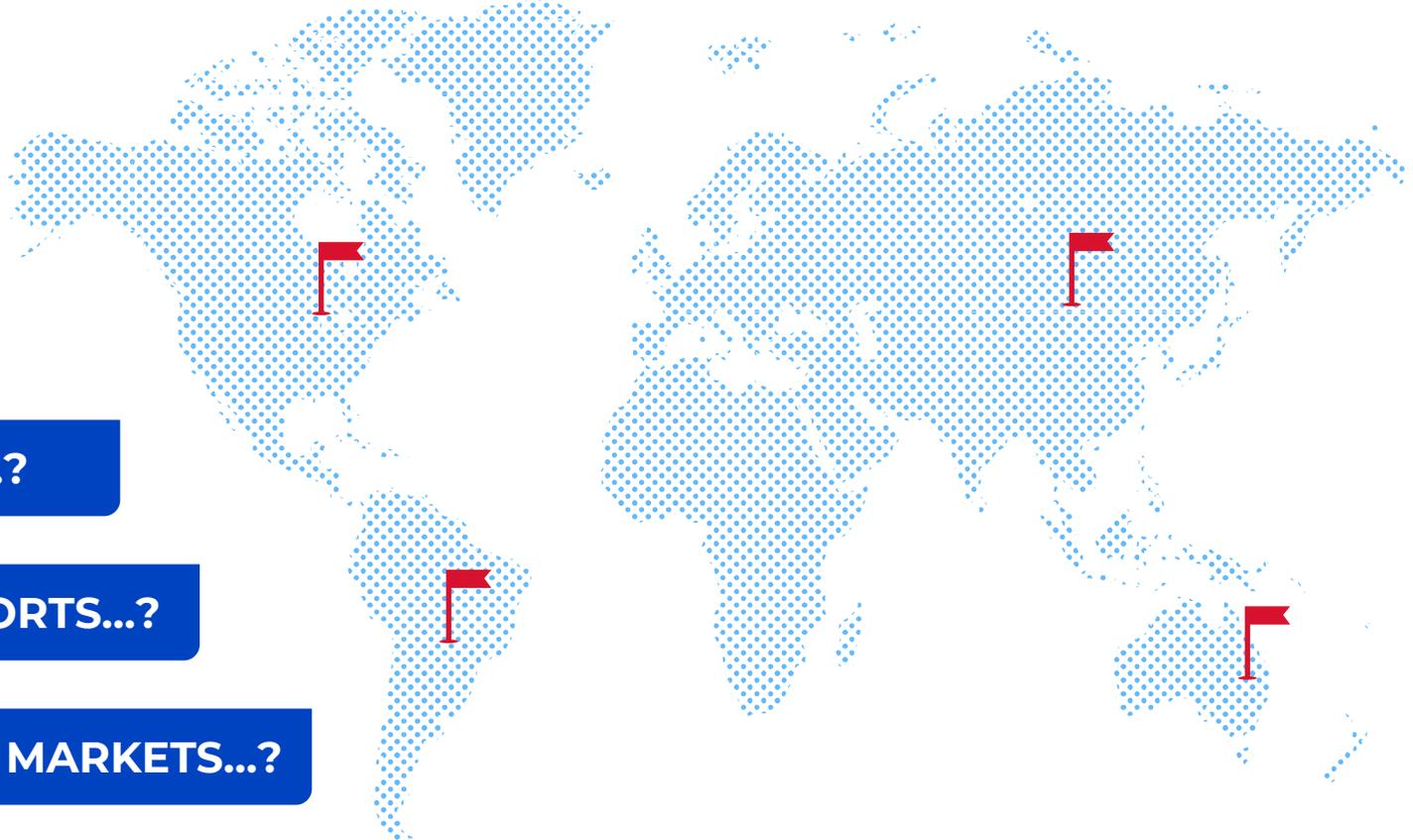
Where in the world are you doing business...?

Think...

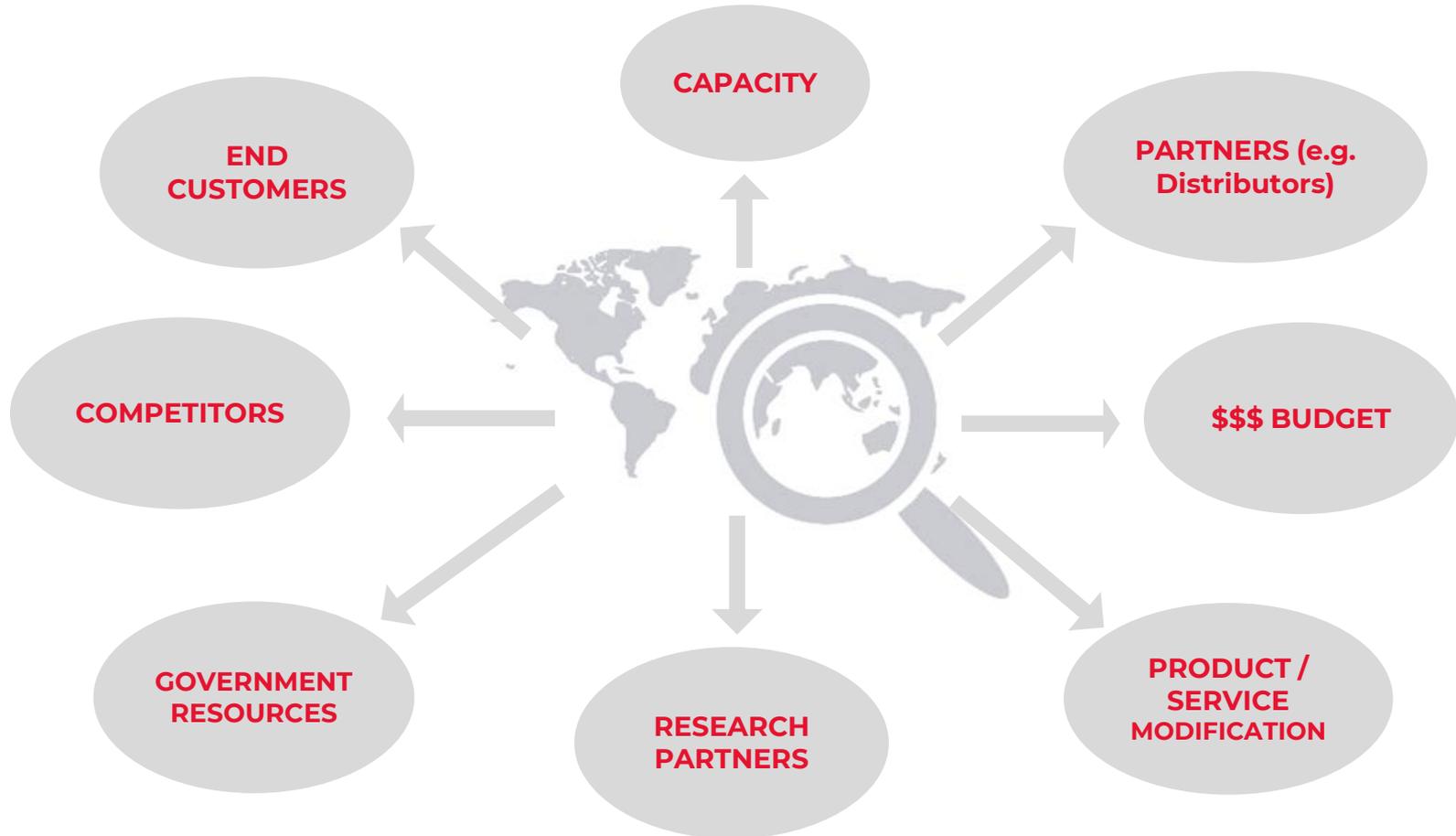
SALES...?

EXPORTS...?

MARKETS...?



NEW MARKETS | Key Points to Consider



Exposure to global supply chain risks

Global supply chain **disruptions**

Shortages of **critical** items

e.g. lockdowns / quarantines in China have disrupted our inbound supply chains...

Shift from China supply chain 'inevitable' for Australia

Sky News 03 May, 2020

The COVID-19 Supply Chain Hit Could Trigger Recession in Australia

Logistics Bureau 11 March, 2020

Coronavirus is focusing attention on how fragile global supply chains can be, so how will Australia respond?

ABC News 03 May, 2020



Exposure to global supply chain risks

Australia:

Strategically dependent on China for **595** categories of goods, of which:

167 have applications in critical national infrastructure

New Zealand:

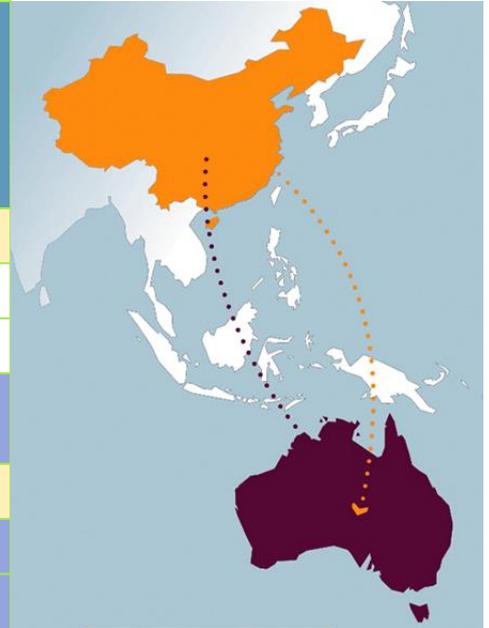
Strategically dependent on China for **514** categories of goods, of which:

144 have applications in critical national infrastructure

Australia heavily depends on imports

Australian Imports (Category), 2018	Total Imports (US\$ Billion)	Imports from China (US\$ Billion)	% of total imports
Machinery	32.5	10.6	33%
Mineral Fuels	31.3	1.8	6%
Vehicles	31.1	1.3	4%
Electrical Machinery & Equipment	26.1	13.0	50%
Plastics and Plastic Articles	5.8	2.3	40%
Iron or Steel Articles	5.1	2.6	51%
Furniture, Bedding & Lighting	5.1	3.5	69%

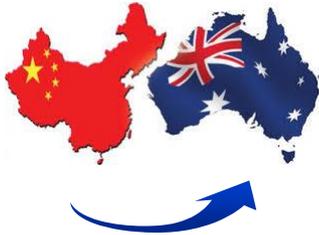
50% or more
 >>
 >>
 >>



Source: [Trading Economics: Australia Imports from China](#) (2018); and, [Australia Imports by Category](#) (2018)

Example: Construction & Building

➤ **China = No.1 source of many building materials used in Australian projects**



Australia sources from China:



+69% of furniture

+56% of glass

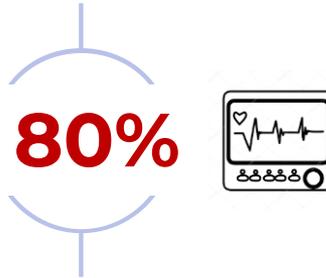
+40% of nuts, screws & bolts

Example: Medical Equipment & Medicine

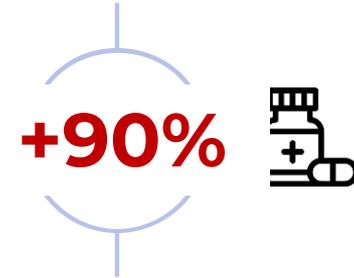
➤ **AUSTRALIA RELIES ON IMPORTS OF MANY CRITICAL ITEMS**



Australia imports:



of the **medical equipment** used in country



of **medicines & pharmaceutical products**

Urgent need for supply chain diversification...



...opportunities for Ohio exporters!

A time for innovation...

- | **Onshore** critical functions
- | Invest in **automation** of **critical processes**
- | Seek greater **geographical diversification** in supply chains



Productivity

Efficiency

Health & Safety

A wide-angle photograph of a rugged mountain range. The peaks are jagged and covered in patches of snow and ice. The sky is a clear, deep blue. The foreground shows dark, rocky slopes and valleys.

Focus on the new reality!

3. Key Sectors & Opportunity for Ohio Exporters

Where are the \$\$\$... ?





**AGRICULTURE &
FOOD PRODUCTION**



**ADVANCED
MANUFACTURING**



INFRASTRUCTURE



**MEDTECH &
BIOTECHNOLOGY**



AEROSPACE



**CHEMICAL
PRODUCTS**

Agriculture & Food Production

- **Food security** is a top priority for Australia's government.
 - Australia will add 1 million ha to **grain production** in 2020.



Agriculture & Food Production

Increased grain production will lead to growing demand for essential agricultural **equipment, fertiliser, chemicals**, biological **solutions** etc.



Australia is also embracing **robotics & automation technologies** to improve efficiency.

Advanced Manufacturing

Advanced manufacturing will be the key to rebuilding the local industry...

Focus on **developing 'niche' markets** in sectors such as food production, medical engineering, mining etc.



→ Manufacturers will require **new types of machinery, cutting-edge technologies** and **advanced solutions** as they diversify production.

Industrial Equipment & Machinery

Machinery (as a category) was Ohio's leading export to Australia in 2019*

In Q1 2020 (Jan-Mar), imports of **machinery & transportation equipment** into Australia from the US were valued at **A\$4.4 billion (~US\$3bn)** (Australian Bureau of Statistics)



→ Ohio exports of machinery, except electrical, to Australia in 2019 was valued at over **US\$170 million***.

Infrastructure

■ The building & construction industry is at the **frontline of Australia's economic recovery**.

→ Several major projects underway in the **transport sector**, including upgrades to **highways**, new **tunnels**, new **metro & rail systems**, and the **Western Sydney Airport**.



Infrastructure

New South Wales (NSW) government has committed to continue to deliver infrastructure & construction projects.



Investing a record **A\$87.2 bn** (~US\$55.5bn) for critical state infrastructure to 2023, including:

- › **A\$51.2 bn** (~US\$35.5 bn) on **roads & transport**
- › **A\$8 bn** (~US\$5.5 bn) for **health infrastructure** and service related projects

Infrastructure

Under the Covid-19 Response and Recovery Fund (CRRF), the **NZ government has committed to investing:**

→ NZ\$5 bn (~US\$3 bn) to build **8,000 new homes.**

→ An initial NZ\$3 bn (~US\$2 bn) contingency fund for additional **infrastructure investment.**



Medical Devices & Equipment

~80% of medical devices used in Australia are **imported**.

USA is one of 3 major exporters of medical devices to Australia.



→ In 2017, **US exports** of medical equipment and supplies to Australia totalled **US\$1.5 bn**.

Medical Devices & Equipment

Demand in Australia is growing rapidly for...

- ✓ **Remote patient monitoring solutions** that reduce hospital & rehabilitation costs and lead to faster patient recovery.
- ✓ **Telehealth technology & services**, supported by the Australian government's **US\$0.7 bn funding boost**.
- ✓ Medical devices & equipment tailored for the **aged care sector**.
- ✓ **Orthopaedics & prosthetics**.



Biotechnology

Australia's biotech sector - valued at **A\$100 billion (~US\$68.6bn)** (2017, ASX-listed companies)

- » **~1,000** biotech & MedTech companies currently engaging in **R&D** (tax incentive - reduces companies' R&D costs)
- » **~1,000 clinical trials** commenced in Australia each year - A\$1 bn (~US\$686m) investment.

*The world's **top 10** pharmaceutical companies alone invest ~A\$200 million (~US\$155m) p.a. in clinical trials in Australia.*



Biotechnology

Focus on **precision medicine / genomics**:

- » **Australian Genomics Health Alliance** – a collaboration of ~80 organizations including research institutions & clinical service providers (federation of data)
- » **Genomics Health Futures Mission** – A\$500m (~US\$345m) over 10 years.
- » Shifting the balance of **health care spending** from lifetime management of chronic conditions to cost effective early intervention.



Aerospace



Aircraft Manufacturing & Repair Services industry in Australia worth **A\$4 billion (~US\$2.8bn) in 2019-20**. (IBISWorld Australia, 2020)

→ Local **MRO operations** in aerospace **expected to expand** as developments in automation reduce high labor costs.



AIRBUS

BAE SYSTEMS

→ Boeing, Airbus and BAE Systems are dominant players, supported by a strong local manufacturing market. 

Chemicals

- Ohio's **2nd largest export category** to both Australia & New Zealand (ANZ)*.
- In 2019, chemical exports from Ohio to ANZ were valued at **over US\$ 116 million.**
- Chemicals in Australia are regulated according to their use:

Industrial

Australian Industrial Chemicals
Introduction Scheme (AICIS)



Agriculture & Veterinary

*Australian Pesticides & Veterinary
Medicines Authority (APVMA)*



Food & Beverage

*Food Standards Australia &
New Zealand (FSANZ)*



Major Industry Events in Australia: 2020/21

AusMedtech

Medical Sector

Date: 20-21 May 2021

Location: Melbourne, VIC

www.ausmedtech.com.au



Advanced Manufacturing Expo

Advanced Manufacturing Sector

Date: 18-20 November 2020

Location: Sydney Showground, NSW

www.advancedmanufacturingexpo.com.au



Australian National Field Days

Agriculture Sector

Dates: 22-24 October 2020
21-23 October 2021

Location: Borenore, NSW

www.anfd.com.au



CIVENEX

Infrastructure Sector

Date: 3-4 February 2021

Location: Sydney, NSW

www.civenex.com



AVALON

Aviation / Aerospace Sector

Dates: 23-28 November 2021

Location: Avalon Airport, Geelong, VIC

www.airshow.com.au



Major Industry Events in New Zealand: 2020/21

HealthTech Conference

Medical Sector

Date: 25 June 2020
Location: Online (webcast)
www.healthtechweek.nz



EMEX

Advanced Manufacturing Sector

Date: 12-14 October 2020
Location: ABS Showgrounds,
Auckland
www.emex.co.nz



Fieldays Online

Agriculture Sector

Dates: 13-26 July 2020
16-19 June 2021
Location: Online
www.fieldays.co.nz



BuildNZ

Infrastructure Sector

Date: 12-13 August 2020
Location: Auckland
www.buildnz.com

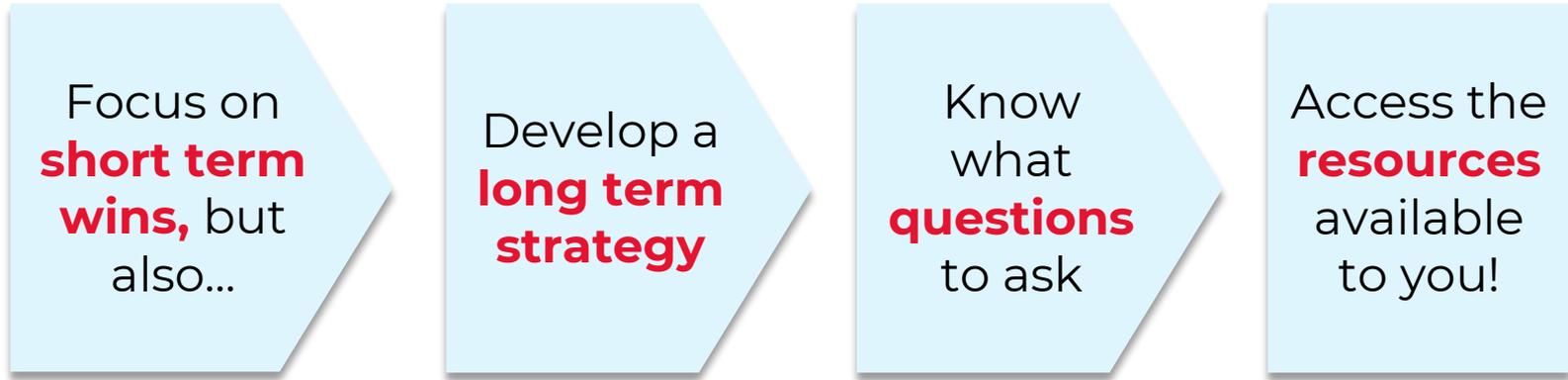


4. Next Steps

Developing a plan of action...



Developing a Plan of Action...



Strong **market knowledge + responsible planning** is the key to navigating the current situation.

Services Offered



Development
Services Agency

Ohio Development Services Agency (ODSA)
offers several services to assist Ohio companies to:

- Better **understand** your 'export readiness',

- **Identify** and assess potential new export markets, and

- Identify and **engage** with potential partners and end-customers.

In-Country Resources for ODSA:



Based in Sydney, Foley & Associates acts as the authorised trade representative for the state of Ohio in Australia and New Zealand.

We assist companies to:



Our **core services**, listed below, are just some of the services available to Ohio companies via the **Ohio Development Services Agency**:

Market Research

- Market Assessments
- Regulatory Overviews
- Competitor Analyses
- Feasibility Studies
- Market Entry Strategies

Partner Searches & Virtual Matchmaking

- Distributors & Agents
- Customers & End Users
- Integrators & Partners

Market Visits

- Tailored B2B/B2C Appointments
- Meeting Programs
- Assistance with / Representation at Industry Shows / Events

Thank you Q&A

To learn more, and explore opportunities for business growth into Australia and New Zealand, please contact:



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