

Australian Opportunities for North Dakota Mission, October 2013

The **Australian Trade Commission** ([Austrade](#)) is the Australian Government's trade and investment development agency. Our Chicago Post works on trade promotion, foreign direct investment attraction and education collaboration in a 15 state patch that extends from the Dakotas to Louisiana and east to Ohio.

Australia's economic resilience and strong growth create opportunities in a safe, lower risk environment.

- Australia's economy is the 12th largest in the world (IMF World Economic Outlook, October 2012) and continues to perform solidly, building upon 22 years of growth.
- Gross Domestic Product (GDP) growth is forecast by the IMF to be 3.3% in 2012–13 and 3% in 2013–14, with the economy expected to outperform every major advanced economy over this period.
- Australia's real GDP growth is predicted to outperform that of every major advanced economy over the five year period to 2017.
- Australia is rated AAA by all three global rating agencies and enjoys levels of public debt that are among the lowest in the OECD.
- It is the only country to consistently rank in the top five of the world's most resilient economies since 2008, and is in a unique position to benefit from the growth generated by the rise of Asia.
- Australia's strength in mining and resources is well known, but the economy is actually services based, with a highly educated, multilingual workforce and an advanced innovation framework.
- Strategically located in the fast-growing Asia-Pacific region, with strong trade links to global markets and one of the world's most transparent and well-regulated business environments, Australia is a country where it's easy to do business.
- Rich in natural resources, Australia is a major commodity exporter, with mining and agricultural sectors accounting for around 75 per cent of total merchandise exports in 2011-12.



Australian Government
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Resources technology, services and processing

Australia is the world's second largest producer of iron ore, the third largest producer of bauxite and alumina, zinc, uranium, and coal, and has the world's largest identified reserves in many strategic mineral commodities. Australia is currently the world's fourth largest exporter of LNG with exports projected to increase from about 20 million tonnes to over 63 million tonnes annually by 2016–17.

Mining and minerals activity currently comprises approximately eight per cent of the Australian economy, 40 per cent of exports and is still expanding driven primarily by huge demand for raw materials from China and other parts of Asia.

Opportunities exist for US technology and processes that can increase efficiency and yield on existing resources projects:

- Exploration / geo-technical equipment and software
- Mining consumables
- Engineering capabilities
- Software and advanced technologies
- Large capital equipment – Australia is the second largest export market for US manufactured mining equipment, companies recognise US products for their quality

With large, untapped reserves of shale and CSG, Australia is looking to develop their unconventional energy resources in a sustainable way:

- Water management solutions and best practice
- Energy and waste management solutions

Australia has active presence and participation of the seven largest international oil companies creating supplier opportunities:

- The largest single resource natural gas project in Australia's history, the [Gorgon Project](#) will develop the Gorgon and Jansz/lo gas fields, located within the Greater Gorgon area, about 130 kilometres off the north-west coast of Western Australia is also one of the world's largest natural gas projects at \$50 billion. Project participants include Chevron, ExxonMobil and Shell and destination markets include Japan, South Korea, China and India.

Agricultural science, food technology and processing

Australia is the world's second largest producer of sheep meat, chickpeas and wool, and the fifth largest producer of barley and cattle meat.

Key international opportunities for the agribusiness industry include agricultural machinery and technology, animal genetics, equine, plant sciences, drought resistant crops, agricultural services, and natural fibres.

Australia's National Food Plan

The Australian Government has developed a [National Food Plan](#) to ensure our food policy settings are right for Australia over the short, medium and long term. The National Food Plan builds on the substantial opportunities that are emerging for Australia's agriculture and food sector with the continued population growth of the Asian region as well as changing food choices, with initiatives to:

- build our food trade ties with Asia
- build recognition of the Australian brand in international markets
- boost investment in research and development for Australian agriculture

Opportunities for investment exist in:

- **Agriculture and food innovation**, where value is added to agricultural products through investment in R&D in such areas as biotechnology, genetics, biofuels, functional foods, food-derived pharmaceuticals, animal disease health, environmental remediation and remote sensing technologies.
- **Advanced food and beverage processing**, where value is added through promotion and application of proprietary technologies and new varieties in the processing of agricultural products.

Industry investment and R&D in Australia:

- [Kraft opens R&D centre in Australia as foundation for Asian expansion](#) - Kraft Foods has opened the first stage of Australia's largest food research and development (R&D) centre in a move aimed at expanding the food giant's market to 1.6 billion consumers across the Asia-Pacific region.
- [Nestle opens medical nutrition facility in regional Australia](#) - Nestle Australia has opened a \$17 million expansion of its factory in the town of Tongala, in regional Victoria.
- The [Commonwealth Scientific and Industrial Research Organisation](#) (CSIRO) is Australia's national science agency and home to the [Food Futures National Research Flagship](#) which aims to increase the international competitiveness of the Australian agrifood sector, adding \$3 billion annually, by applying frontier technologies to high potential industries.
- CSIRO, Bayer CropScience and the Australian Grains Research and Development Corporation (GRDC) have formed a [research partnership](#) to increase yield in wheat.
- [Dairy Futures Cooperative Research Centre](#) (CRC) invests in large-scale research projects to deliver improved pasture and animal options. This helps to build a more resilient and profitable dairy industry.

Major Infrastructure

Australia's infrastructure construction market has experienced unprecedented growth over the last ten years. Growth is being driven by continued demand for Australian resources, a solid Australian economy and rapid population growth.

Australia's strong population growth is contributing to demand for passenger transport services. Australia's population was the second fastest growing in the OECD over the last five years and is projected to increase to 36 million by 2050—an increase of more than 60%.

By 2030 there is expected to be:

- a doubling of Australia's freight transport movements
- 2.5 times the number of container movements through ports than in 2007
- a tripling of international passenger movements through our capital cities
- a one-third increase in the number of public transport passenger journeys

In line with expected population growth there is also a need for investment into social and civic infrastructure including schools and hospitals.

Opportunities:

The Australian Government is seeking investment in major infrastructure at all stages of the asset life; development, construction, operations and maintenance has launched the **National Infrastructure Construction Schedule** (www.nics.gov.au).

NICS is a national government infrastructure project pipeline listing projects over \$50 million procured by the general government sector.

As well as over \$60 billion worth of public infrastructure projects listed on the NICS, the Business Council of Australia estimates the pipeline of private infrastructure investment at \$656 billion.