



# NSW Trade Statement

2021

Locally Invested,  
Globally Connected



# Acknowledgement of Country

Investment NSW acknowledges that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia. We thank them for their custodianship of Country — land, seas and skies. We acknowledge the diversity of First Nations cultures, histories and peoples, recognise their enduring connection to our State, and we pay our deepest respects to Elders past, present and emerging.

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## Deputy Premier's foreword



The Hon. John Barilaro MP  
Deputy Premier

Minister for Regional New South Wales,  
Industry and Trade

**The ability to trade has been, and always should be, a huge positive for those lucky enough to call New South Wales home.**

It has always been my ambition to ensure that the benefits of trade reach those who need it most, and we raise the bar for government to truly connect us to our potential.

This is why over the past few years we have been developing this, the *New South Wales Trade Statement* — setting the direction for Government and helping our world-class businesses to think about the world of prospects before them.

Exports support one in five jobs in Australia and businesses who export are more resilient, innovative and pay higher wages.<sup>1</sup> With exports representing 15 per cent of our state's economy, leveraging our competitive advantage across the world is crucial to NSW's future growth.

Global trade is rapidly changing and has faced a range of disruptions over recent years. While we continue to feel the impacts of the COVID-19 pandemic and a shift in global trade patterns, we see tremendous opportunities.

This, the *NSW Trade Statement* sets out our vision for economic growth and prosperity into the future. It is our vision for diversifying our economy through supporting emerging industries and facilitating entry into new markets.

Critically, it also sets out our key goals towards positioning NSW businesses to realise the benefits of going beyond our borders.

» **Today, exports make up 15 per cent of the NSW economy, worth \$96 billion.**

» **We are setting an ambitious target to double our exports to \$200 billion by 2031, to create more jobs and greater prosperity for the people of NSW.**

This is an ambitious challenge, but the people of New South Wales are not ones to flinch. We have never settled for ordinary, and from our north to our south, east to west, I want everyone to maximise their potential, and this, the *NSW Trade Statement*, is your passport to get there.

<sup>1</sup> *Export behaviour and business performance: Evidence from Australian microdata*, Office of the Australian Chief Economist





# Executive summary

*The NSW Trade Statement* is our vision for how NSW will thrive in a new international trade landscape. It explores the global trends and challenges impacting international trade and details how the NSW Government will respond. *The NSW Trade Statement* will assist exporters in navigating economic uncertainty, harness new global opportunities and put NSW on track to deliver our ten-year target of doubling the value of our exports.

With annual exports of \$96 billion in the 2019-20 financial year, NSW businesses from a range of industries are already successfully exporting to many international markets. The purpose of this Statement is to outline the state's plan to expand the existing NSW export profile by delivering against two key goals as the first step towards our ten-year target:

1. Increase exports as a percentage of NSW's economy from 15 to 18 per cent, to reach \$130 billion, by 2024<sup>2</sup>
2. Grow and diversify NSW's exports by:
  - i. increasing the number of exporting businesses, particularly small and medium-sized enterprises (SMEs);
  - ii. facilitating exports of a more diverse range of goods, services and technologies, reflecting the breadth and depth of NSW's industrial and technical capabilities;
  - iii. growing exports in established markets and increasing the number of overseas markets that we export to; and
  - iv. building new pathways for how we export to reach a global customer base.

To achieve these two ambitious goals, the NSW Trade Statement recognises the international trends that are impacting NSW businesses, including disrupted trade patterns, growing barriers to export, changing demand patterns, and the rise of the digital age.

To achieve our goals, the NSW Government will focus on five key strategies:

1. Facilitate new export growth opportunities 
2. Help SMEs to compete internationally 
3. Promote NSW as a world-leading knowledge economy 
4. Harness NSW's competitive advantages 
5. Strengthen international partnerships at all levels 



We will work with businesses and across governments to deliver a clear action plan, aligned to these five strategies and the challenges they address.

 **Strategy**

**Facilitate** new export growth opportunities

 **Challenge**

Disruptions to global trade

-  **Action plan**
1. Appoint Commissioners for NSW to promote and facilitate trade in priority markets.
  2. Increase our overseas presence from 21 to 55 specialists, in more than 21 high potential locations, including 10 new ones.
  3. Facilitate entry into 10 targeted high growth markets by expanding the successful *Going Global Program*.
  4. Maximise opportunities under new and potential Free Trade Agreements including UK, EU, RCEP by developing country-by-country trade strategies.
  5. Create a calendar of international trade shows, conferences, and promotional events in key export markets to showcase NSW business.
  6. Build an international trade mission schedule to utilise the presence of Ministerial-led opportunities, opening doors for NSW exporters.
  7. Account manage food and agribusiness exporters with the Commonwealth's *Agri-Business Expansion Initiative*.
  8. Deliver a new *E-commerce Export Program*, to help NSW exporters move into expanding digital channels like AliExpress, Amazon etc.

 **Strategy**

**Help** SMEs to compete internationally

 **Challenge**

Only 3 per cent of NSW's SMEs export

-  **Action plan**
9. Expand the *Export Capability Development Program* to deliver information, skills and connection training to SMEs and leverage the NSW's governments international network to act as representatives in-country for SMEs.
  10. Sponsor the *Premier's NSW Export Awards* and push success stories to encourage SME participation.
  11. Develop a SME focused trade barrier identification program and concierge across levels of government to facilitate streamlining and barrier removal.
  12. Run a series of information sessions for SMEs to increase Free Trade Agreement awareness and opportunities.

 **Strategy**

**Promote** NSW as a world-leading knowledge economy

 **Challenge**

Digital and services sector transformation

-  **Action plan**
13. Stand up a dedicated *Technology and Services export advisory services team* to boost export assistance to these critical industries.
  14. Introduce a *Global Talent Attraction program* through the Sydney Start-Up Hub, precinct development projects, and NSW skilled migration programs.
  15. Appoint dedicated *Education Advisors* in ASEAN, India, South America, and China.
  16. Establish *R&D NSW* to position the state as Australia's premier location for innovation.
  17. Fund R&D and clinical trials to turbocharge industry commercialisation.
  18. Promote the NSW knowledge economy through an international marketing campaign.

 **Strategy**

**Harness** NSW's competitive advantages

 **Challenge**

NSW's exports are concentrated in a few key industries

-  **Action plan**
19. Establish the *Trade and Industry Advisory Committee* to provide direct industry advice on industry development and export priorities.
  20. Develop a flagship statement on industry, the *NSW Industry Framework*, outlining how the government will support future industries development and growth in high potential sectors.
  21. Deliver sector specific strategies to grow emerging priority industries including cyber security, space, agriculture, health and biotechnology, international education, hydrogen, critical minerals, and defence.
  22. Invest in export-enabling infrastructure to improve links with export markets.
  23. Launch place-based strategies and marketing campaigns around our key industries, *Special Activation Precincts* and *Regional Jobs Precincts* to boost investment, job creation and export growth in regional NSW.

 **Strategy**

**Strengthen** international partnerships at all levels

 **Challenge**

International relationships build sustainable trade

-  **Action plan**
24. Boost the seniority of our international representation by appointing more, and more senior, officials overseas.
  25. Amplify the voice of NSW in the high-level international forums by having NSW dedicated market spokespersons.
  26. Expand our international presence to new markets including new locations in the US, EU and Asia.
  27. Enter into new mutually beneficial Sister State agreements in key locations.
  28. Reassert established *Sister State agreements* to deepen long-held international relationships including California, Guangdong and Tokyo.
  29. Partner with industry, educational and research institutions, and governments on initiatives to strengthen international partnerships in priority areas.
  30. Work with the Commonwealth to strengthen NSW's international relationships within Australia's broader foreign policy.



# NSW trade in profile



# History of trade in NSW

## Indigenous Australian Trade

For millennia Aboriginal communities managed Australia's land and natural resources sustainably, engaged in trade and developed an impressive bank of intellectual property. Indigenous trade routes enabled meetings at particular locations of importance and ceremonial exchanges as well as goods, objects and Dreaming songs.

## PRE-COLONIAL HISTORY

## FEDERATION

### TO THE SECOND WORLD WAR

Federation of the Australian colonies in 1901 saw the Commonwealth Government assume responsibility for international trade and customs under the Constitution. It immediately moved to introduce tariffs to protect local manufacturing from imports. This move was opposed by NSW whose economy relied heavily on being able to export wool and other commodities to overseas markets.

Attempts at recovery in agriculture were hampered by low productivity and falling prices overseas. These went on falling up until the Great Depression began in 1929. The collapse in trade led Britain in 1932 to establish 'imperial preference', a system of preferential tariffs for the British Empire and high tariffs for the rest of the world which benefited NSW exporters.

Meanwhile mining production had expanded towards the end of the colonial era through the discovery of coal deposits in the Hunter Valley and silver, lead and zinc deposits in Broken Hill. Iron ore mining in turn led to the commencement of steel production in Newcastle and Port Kembla and increasing demand for iron ore, steel and coal overseas meant that NSW's trade was increasingly dominated by commodities.

## COLONIAL ERA

**"We must have an export or the settlement will never prosper, and this (wool) promises to be the first."**

Rev. Samuel Marsden, 1814<sup>3</sup>

Following European settlement in 1788, the development of a trading economy in colonial NSW can be traced to the appointment of Governor Lachlan Macquarie in 1810 and the arrival of increasing numbers of convicts and free settlers (after convict transportation to NSW ceased in 1840).

During this period, NSW trade was dominated by the production of wool for the British market, with the colony surpassing Germany as Britain's primary source of wool by 1850. Colonial governments supported this by encouraging land settlement and constructing railways to transport freight to ports, establishing an economic growth pattern based on land settlement, exports and British investment.

This economic growth pattern continued through booms and busts until the 1890s when a depression and severe drought led to a contraction in wool production.

## Post-war Boom Years!

The post-war years were a period of unprecedented economic growth and technological progress. Excess production capacity generated by the needs of wartime led to increasing demand from overseas for commodities such as iron ore, steel and coal which NSW was well placed to supply.

The signing of the General Agreement on Tariffs and Trade (GATT) led to increased trade liberalisation, putting an end to imperial preference. However, Australia continued to raise tariffs and subsidies to protect its own manufacturing and agricultural sectors under a policy known as 'protection all round'.

This period was also a period of realignment in NSW's trade relationships as Britain pursued economic integration in Europe. By the end of the 1960s, Japan had replaced Britain as Australia's largest export market following the conclusion of a trade agreement between the two countries in 1951 and became NSW's leading market for commodities.

## Trade Liberalisation

The end of the boom in the 1970s marked an important shift in NSW trade. Long-term declines in both productivity and employment, combined with record high inflation, meant that protectionism was no longer viable, and Australia moved to reduce its tariffs and subsidies accordingly.

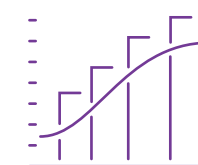
Australia undertook a sustained reform agenda over the last decades that liberalised trade barriers and reduced industry protection. NSW benefitted from this program of unilateral, bilateral and multilateral trade liberalisation through further integration into the global economy and increases in GSP and productivity, and lower unemployment rates. Post-war growth in the services sector also led to increased trade in services. NSW accordingly began to grow its share of exports in sectors such as education, finance and professional services.

Over this period, several economic shocks led to fluctuating demand for commodities, while manufacturing output fell across industrialised economies as manufacturers and production increasingly shifted towards Asia.

NSW was well placed to respond to this, by shifting its export focus to supplying high demand commodities and products to support industrial expansion in Asia, while also capitalising on the growing demand for services such as international education and tourism.

## THE FUTURE <sup>2021 →</sup>

### A knowledge-based economy and digitally enabled trade



In 2021 we can see how international trade is already being transformed by digital disruption and an increased demand for services. The future of global trade looks more connected than ever, providing opportunities for even the smallest NSW businesses to participate in a global marketplace. Rapidly changing technologies such as automation, robotics, artificial intelligence, and the internet of things (IoT) will fundamentally re-shape industry and business over the next century. NSW's future trade success lies in the knowledge-based economy and industries that take advantage of emerging technologies by remaining competitive through the provision of high value-added products and services.

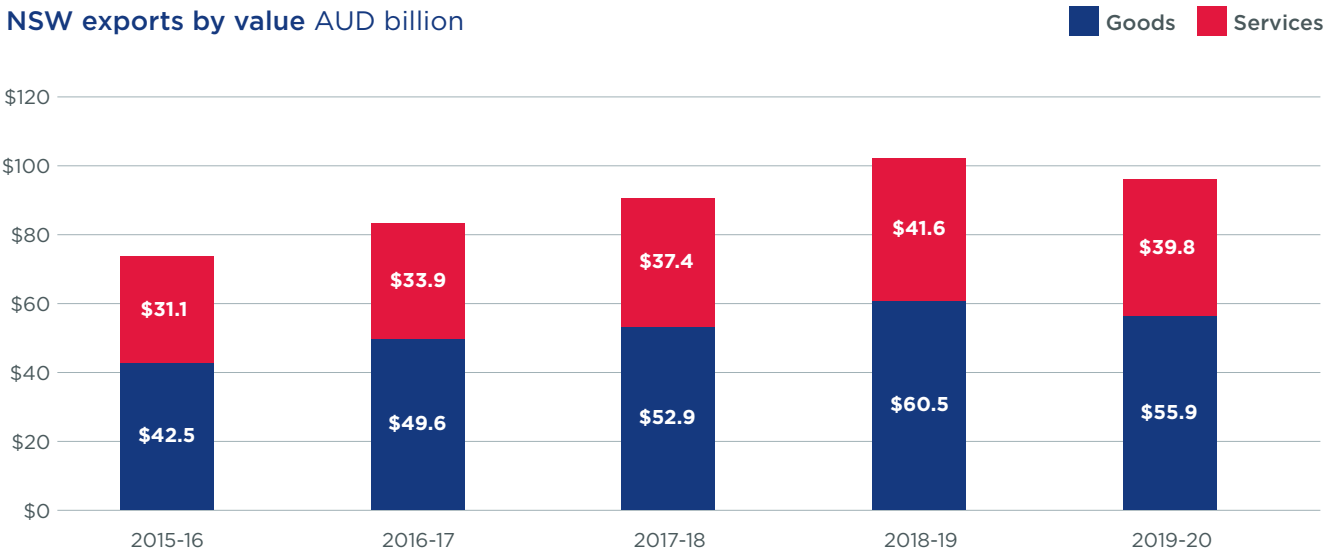


# Snapshot of NSW trade today

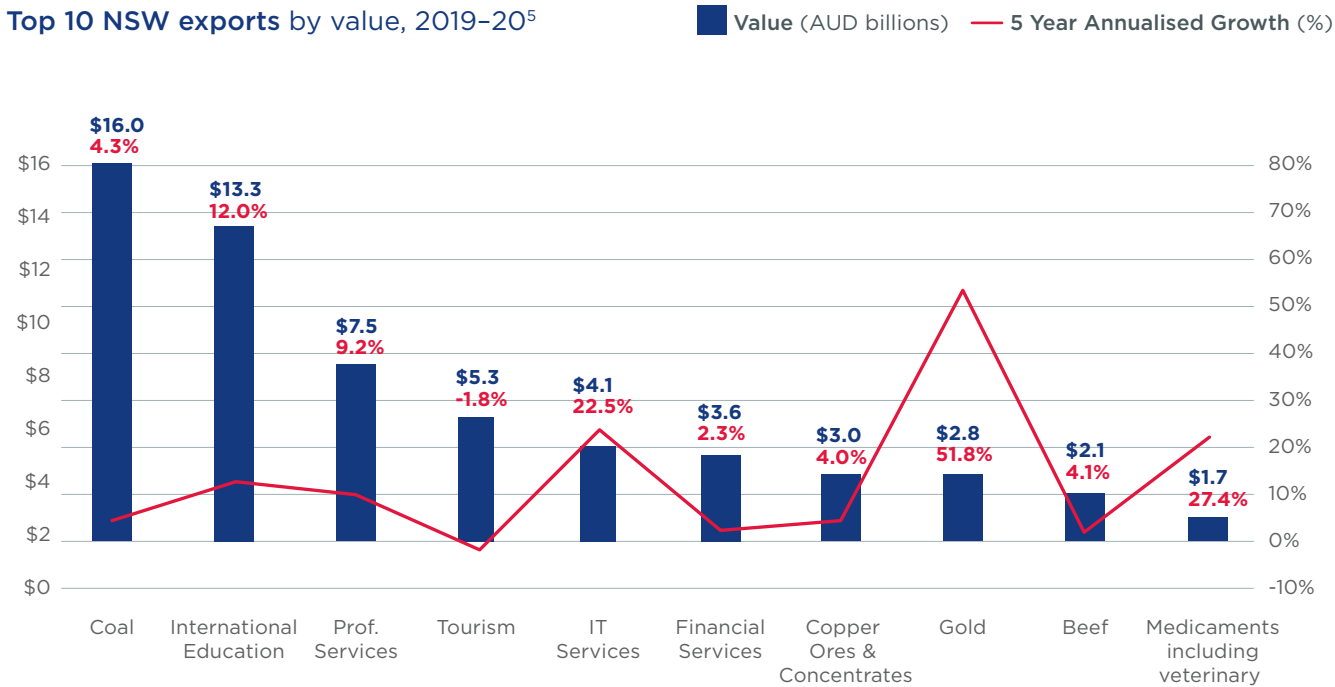


Today NSW's exports are valued at **\$96 billion**, or **15%** of the state's GSP.<sup>4</sup>

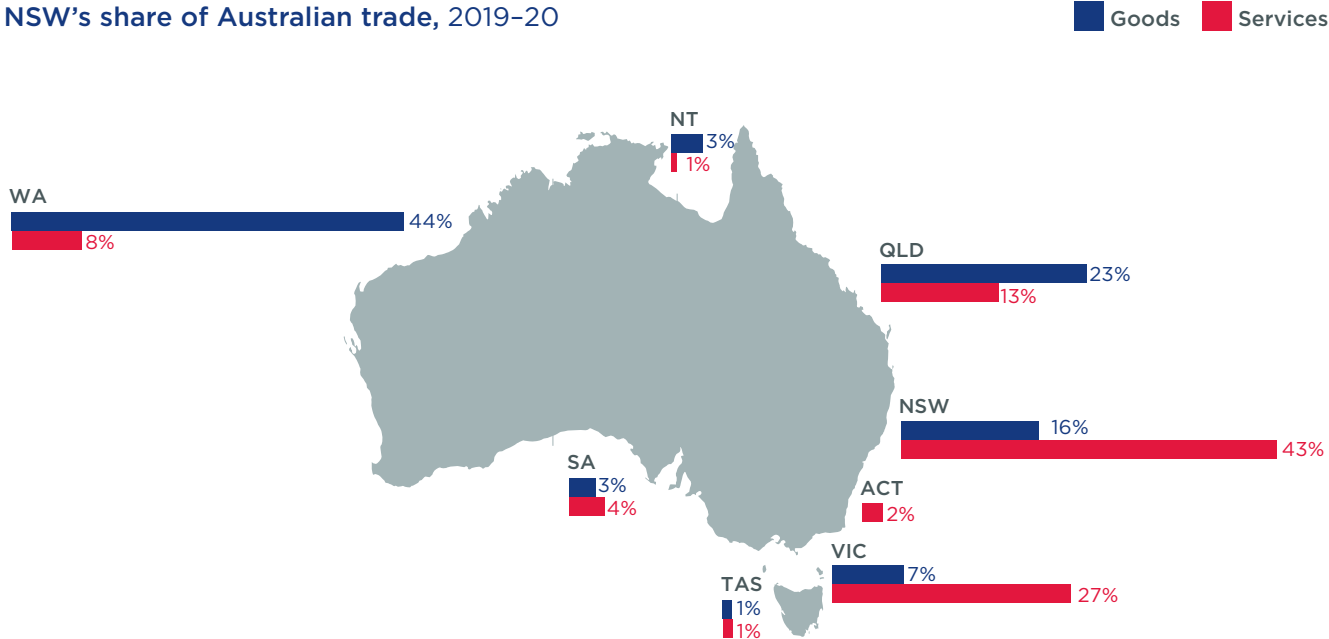
NSW exports by value AUD billion



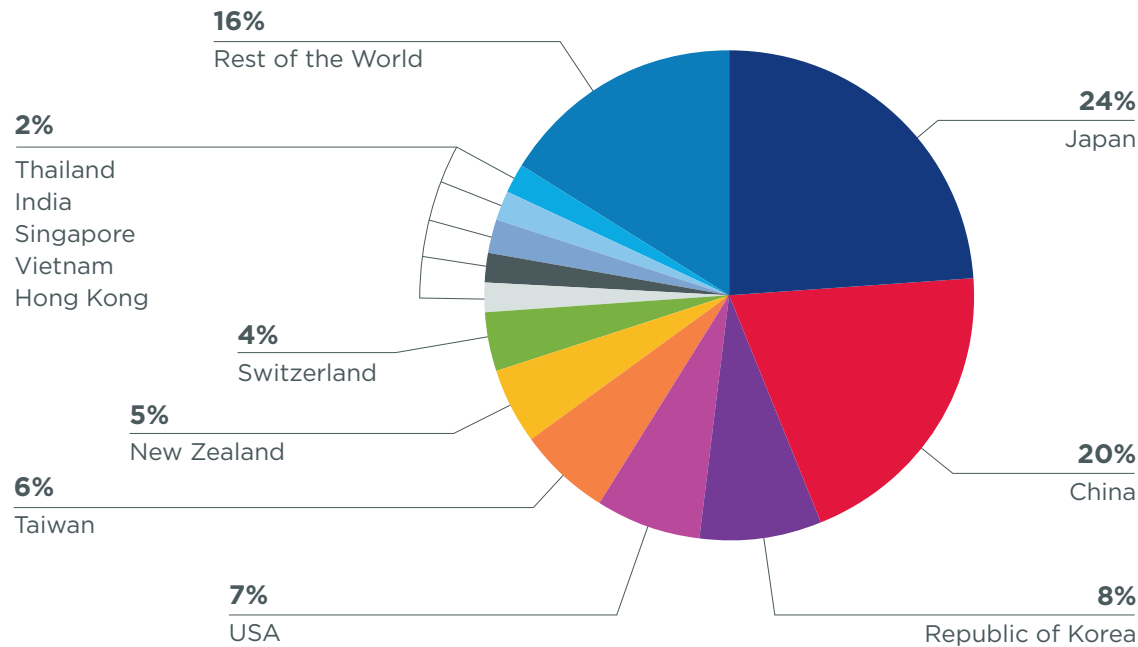
Top 10 NSW exports by value, 2019-20<sup>5</sup>



NSW's share of Australian trade, 2019-20



Destination of NSW merchandise exports by value 2019-20





# Barriers to export and the role of government

Today, international conditions are challenging. The global impacts of the Covid-19 pandemic, rising trade tensions and increased economic uncertainty are creating more impediments for NSW businesses than we have seen in decades.

However, this also brings opportunities for NSW to leverage our reputation as a stable government with strong economic management, a gateway into the Asia Pacific, and a producer of world class products and services, to position our NSW businesses on a world stage.

As other governments, both across Australia and regionally, have amplified and accelerated their economic development activities, so must NSW. The *Economic Blueprint of the Future of NSW* was one of the four policy pillars of the 2019-20 Budget to support the continued prosperity of NSW.

The Blueprint recognised the critical role of trade and investment in the State's economic growth and highlights the value of identifying priority industries to nurture and promote. Importantly, it also identified the role for Government in both setting the right ecosystem for the private sector to grow, invest, innovate and hire; and developing policies and support programs that enable businesses to succeed.

We have identified five challenges that prevent NSW businesses from reaching their full exporting potential:

1. The significant disruptions to global markets
2. The surprising statistic that only 3 per cent of NSW's SMEs (small to medium enterprises) export. To put this in perspective, nine percent of UK SMEs export, while a further fifteen percent are in the supply chains of other businesses that export.<sup>6</sup> Seventy eight percent of Singaporean SMEs export, with exports from Singaporean SMEs valued at more than \$500 billion in 2018.<sup>7</sup>

<sup>6</sup> UK Department of Business Innovation and Skills, 2016  
<sup>7</sup> Asia Pacific Fed-Ex Survey, 2018

3. The sheer pace of transformation of the digital and services sectors and the rise of ecommerce
4. The sectorial concentration of NSW's exports
5. The need for deep international relationships to build sustainable export industries.

The Trade Statement addresses these challenges with strategies designed to overcome the barriers to exporting, where the NSW Government has a role to play in addressing market failures. The focus of the Trade Statement is international trade as this where market failures are most apparent and have the greatest impact. The three market failures targeted by our actions are information asymmetry, positive externalities and public good.

These are complex issues which cannot be solved by industry or government alone. The role of government is to set high-level policy objectives and ensure the policy settings are right for businesses to thrive, and intervene when government resources can help address market failures and build capability.

We will work closely with partners across government and industry to realise a shared goal of expanding and increasing opportunities for NSW exporters. While the Australian Government negotiates free trade agreements, reduces non-tariff barriers to trade and represents Australia's businesses and capabilities on an international stage, the NSW Government is best placed to support our businesses and industries at the local level, and to ensure they are ready and equipped with the knowledge, skills and motivation to take up the opportunities of exporting.

We help NSW businesses understand the opportunity, access the right information, advice and practical assistance through programs and initiatives to encourage and educate exporters about new markets.



We are also best placed to establish and maintain the partnerships and networks that facilitate trade outcomes for NSW businesses.

This is done through building effective partnerships with industry bodies and governments, across all levels of government, both here and abroad. NSW businesses, especially SMEs, do not always have the time and resources to build export markets on their own.

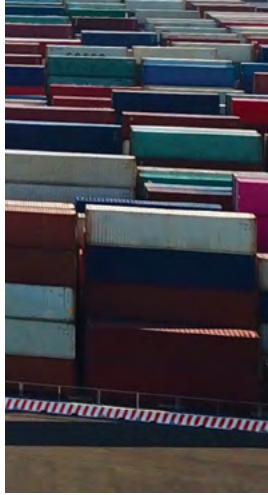
The Trade Statement promotes a strong position on NSW's government's objective to grow exports, and recognises the role of government in helping business achieve this goal, in response to a decline in positive sentiment towards the benefits of trade.

Even before the Covid-19 pandemic, a trend toward 'nationalist' policies and increasing geo-political tensions dampened the sense of opportunity that centuries of economic and social growth from globalisation offered.

Exporting to overseas markets offers NSW the ability to grow our economy by making sure that businesses are not limited by a domestic population of 25 million people and can instead access billions of global consumers. Exporting also fosters resilience, innovation and competitiveness in our domestic industries, qualities which are essential for the long-term sustainability of NSW's industries.

The global economic environment is complex and the narrative around exports, both positive and negative, can be distracting. The Trade Statement provides a mechanism to identify opportunities for NSW and support our businesses navigate the challenges, to meet our goal of increasing our exports and creating prosperity for the people of NSW.

As a state, we will reap the benefits of more NSW businesses exporting. We need to encourage and support NSW businesses to take up the opportunity to grow internationally and help realise their full potential.



## Barriers to exporting

Businesses who participated in Australia's International Business Survey (2019) identified the following as barriers to exporting:<sup>8</sup>

- lack of international leads or contacts
- uncertain of how to start exploring international expansion
- required information on how to operate in different markets
- unsure of the international demand for their product, service, or technology
- dissuaded by the higher costs associated with exporting
- feel too small to compete and succeed overseas

The Trade Statement's Action Plan introduces measures to assist NSW businesses overcome these barriers to exporting.

Respondents indicated that they would value the following support:

- help with introductions to potential buyers, distributors, or partners
- financial assistance to support international market expansion or product adaptation
- participation in trade exhibitions, networking events, business missions and other promotional activities in overseas markets
- insights into market trends and emerging opportunities, market barriers and regulatory requirements
- information to better understand the opportunities presented by Free Trade Agreements.

<sup>8</sup> Australia's International Business Survey (AIBS) 2019



# Why do Australians trade?

## Trade creates jobs, increases incomes and raises standards of living.

By focusing on what we do best, we raise productivity and incomes. Exports already supports one in five Australian jobs. Taking the best NSW goods, services and technologies to the world is a key pillar for driving economic growth in NSW over the next decade.<sup>9</sup>

### More customers

The Australian population and consumer market is small in global terms. International trade gives local businesses access to a potential market many times the size of Australia, allowing them to have higher growth, sales, and profits.

More customers and markets can also allow businesses to benefit from economies of scale, and provide diversification options that can offer protection from economic shocks.

### More choice

International trade also benefits consumers and businesses by providing a greater choice of goods and services at a lower cost. Trade enables us to purchase consumer goods, inputs to production, technology, intellectual property and technical expertise which are either unavailable or too costly to produce locally.

For instance, many manufacturers import input components and use them to manufacture finished products. This allows NSW businesses to specialise in areas where they have competitive advantages.

Revenue from trade does not just boost businesses. It can also be reinvested into jobs, critical infrastructure and essential services benefiting local communities, helping to sustain economic growth over the long term.

## Efficiency dividend

International trade encourages domestic industry to remain competitive and innovate. Australian Government research has shown that exporting businesses are usually more productive and innovative than non-exporting businesses,<sup>10</sup> as exposure to international markets encourages businesses to adapt and refine their products and processes, management and marketing techniques, contain their costs and secure expanding product markets to remain competitive. This provides customers with a wider range of cheaper and better quality products and services for them to choose from.

## Higher paid, better connected

Exporting businesses also tend to pay higher wages, especially when they move higher up global value chains to focus on higher value-added activities in the production process such as research and development, product design and support services.

International trade also enables us to deepen our relationships with the wider world through economic complementarities, commercial relationships, scientific and technical cooperation and international travel.

## New challenges

Despite the many benefits, attitudes towards economic interdependence and trade liberalisation have become more contested in recent years. The last decade has seen a slowdown in international trade integration globally. The Australian Government has reported that unjustified restrictions on Australian exports are a growing issue for exporters — by some estimates costing as much as three times the cost of formal trade barriers such as tariffs.<sup>11</sup> The OECD's Services Trade Restrictiveness Index recorded a 30 per cent increase in tariff and non-tariff barriers to trade in services in 2019 compared to a year before.<sup>12</sup>

Geopolitical tensions and the COVID-19 pandemic have further accelerated the rise of tariffs and barriers to trade. Since the pandemic began, for example, shortages in essential items such as medical products have exposed vulnerabilities in critical supply chains and led some governments to impose additional export and import control measures.

To maintain our standard of living as a state that greatly benefits from exports, NSW's interests are best served by having an open, rules-based international trading system. Reciprocal trade agreements and foreign investment deliver meaningful outcomes for exporters and provide substantial and lasting economic and social benefits for the people of NSW.

However, the advantages of free trade must be demonstrated in terms of job creation, investment and economic opportunities equitably shared between communities, especially across regional NSW. We must strive for greater balance and diversification in our industries, export base and overseas markets.



**One in five** jobs in Australia are supported by exporting



Trade liberalisation has **boosted** Australia's GDP by **5.4 per cent** and increased households' real income by over \$8,400 per year<sup>4</sup>

<sup>9</sup> Australia's global hub: connected, smart and vibrant, New South Wales Government, 2019

<sup>10</sup> Export behaviour and business performance: Evidence from Australian microdata, Australian Government Department of Industry, Innovation and Science, Research Paper, February 2017

<sup>11</sup> Addressing Non-Tariff Barriers, Australia's action plan to remove unjustified trade restrictions hampering our exports, Australian Government

<sup>12</sup> OECD. 2020. OECD Services trade restrictiveness index: Policy trends up to 2020 (January 2020)





# Our regions

**Exporting has been vital to the growth of regional economies for over two centuries and the food, agriculture and mining sectors in particular have played leading roles in shaping NSW’s trade and economic prosperity.**

Each region in NSW has unique communities and strengths. Harnessing these advantages creates fresh opportunities for product value-add, export growth and the creation of skilled, high paid jobs across a range of sectors.

## Food and fibre

NSW is a leading producer of world-class food and fibres; from Hunter shiraz, to wagyu beef, from cotton, to Sydney Rock Oysters. These industries, each in turn support strong and innovative manufacturing sectors, as well as an innovative agricultural technology (Ag-tech) sectors.

Strict biosecurity, food safety and environmental controls have built a well-deserved ‘clean green’ image for our food and agricultural produce internationally. Efficient farming practices and new innovative manufacturing techniques and improvements in traceability will ensure that NSW continues to supply high-quality food and fibre to overseas markets.

Improved freight and supply chain links with the Asia-Pacific — including the construction of a cutting-edge Integrated Logistics Hub near the 24-hour Nancy-Bird Walton (Western Sydney) Airport — will enable NSW fresh food and horticulture producers to get their product from paddock to plate faster than ever before and ahead of many potential international competitors.

## Resources and energy

Resources have been another key area of export growth for NSW, with copper ores and concentrates, gold, silver, platinum and zinc performing particularly strongly. Global demand for a number of NSW mineral exports continue to grow, with critical minerals such as scandium, cobalt and rare earths providing opportunities for the sector to diversify further.

The mining equipment, technology and services (METS) sector is also well positioned to increase its exports by deploying its technical expertise and technology in overseas markets, demonstrating mining and mineral processing can be done efficiently with minimal environmental impacts, high energy efficiency and lower water intensity.

The NSW Government has set a clear and consistent policy framework for coal exploration and mining in NSW that supports investment certainty as the coal mining sector responds to ongoing opportunities for NSW to continue to export high quality coal to meet expected demand in our region over the next few decades while also addressing global demand trends over the long term.

Significantly, plans to expand renewable energy in NSW could allow the mining, mineral processing and manufacturing sectors to increase competitiveness by reducing their carbon footprint and energy costs.

## A 20-year economic vision for regional NSW

To deliver on its economic vision for regional NSW and help drive the next round of NSW export growth, the NSW Government is making unprecedented levels of investment under the \$4.2 billion Snowy Hydro Legacy Fund. This includes funding for export-enabling infrastructure aimed at addressing supply chain constraints faced by regional exporters.

The establishment of Special Activation Precincts (SAPs), including plans to transform the Parkes region into a major inland port, will also develop NSW’s key regions by harnessing their own distinct local competitive advantages.







# NSW trade statement





# NSW trade statement goals

Our world is experiencing rapid economic, social and geopolitical changes. To thrive in the post-COVID world, we must understand and adapt to the key challenges and opportunities in international trade.

Investment NSW • NSW Trade Statement

## How we will deliver this

We have developed five strategies, each with a clear action plan, to address those export barriers identified by businesses and increase exports.

3. **Promote** NSW as a world-leading knowledge economy



1. **Facilitate** new export growth opportunities



4. **Harness** NSW's competitive advantages



2. **Help** SMEs to compete internationally



5. **Strengthen** international partnerships at all levels



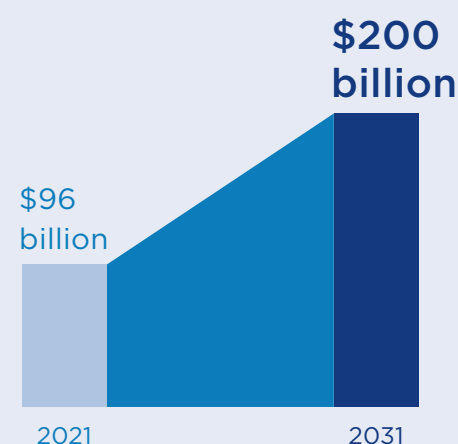
## NSW priority sectors for export



1. Aerospace and defence
2. Agriculture and agtech
3. Circular economy and cleantech
4. Digital, fintech, and cyber security
5. Engineering, construction and 'smart city' solutions
6. Food and beverages
7. Health, biotech and medtech
8. International education and edtech
9. Professional and creative services
10. Resources and energy, including renewables

## Our goals

Double NSW exports to \$200 billion by 2031.<sup>13</sup>



We will grow and diversify NSW's exports by:

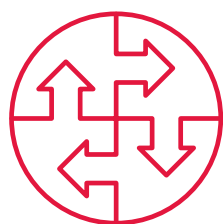
- increasing the number of exporting businesses, particularly small and medium-sized enterprises (SMEs);
- facilitating exports of a more diverse range of goods, services and technologies, reflecting the breadth and depth of NSW's industrial and technical capabilities;
- growing exports in established markets and increasing the number of overseas markets that we export to; and
- building new pathways for how we export to reach a global customer base.







# 1. Facilitate new export growth opportunities



## Challenge

### Disruptions to global trade

Global trade has been transformed by several disruptions, creating challenges and opportunities for NSW businesses.

The COVID-19 pandemic and global trade tensions have thrown supply chains into disarray, with many businesses experiencing falling productivity and industrial output due to the public health crisis, border closures and collapsing consumer demand in key markets.<sup>14</sup>

Lockdowns and restrictions of movement of people and goods through interstate and overseas travel bans have reduced or stopped many service exports, including tourism and education related services.

NSW trade is also being disrupted in other ways. For example, international action to reduce carbon emissions and reliance on fossil fuels under the Kyoto Protocol will mean that the international demand for NSW coal exports — our largest export accounting for nearly one-third of merchandise exports at \$16 billion — while still significant, will decline over time.<sup>15</sup>

## Opportunity

### Export a broader range of goods and services, to more markets, using new pathways

Businesses must adapt and pursue growth markets if they are to remain successful over the long term. If we are to increase NSW's share of export growth, we must continue to expand the range of export opportunities and pathways open to businesses by facilitating opportunities for growth and diversification.

### Growing the range of goods, services and technology we export

The rapid pace of industrialisation and economic growth in Asian economies has seen the weight of the world economy to shift towards Asia. China, India and Japan are three of the world's largest economies, while the dynamic ASEAN markets are some of the fastest growing consumer markets in the world. Asia will account for 50 per cent of global GDP by 2040, and its burgeoning middle class is set to drive 40 per cent of the world's consumption.<sup>16</sup>

The extraordinary growth in Asia's middle class has the potential to drive exports and economic growth in NSW for decades. There are significant opportunities for NSW businesses to meet the increased demand for high-value consumer goods, services and knowledge.



High population growth rates and increasing urbanisation in the ASEAN markets and India are generating increasing demand for solutions in the circular economy, sustainable urban design and 'smart cities'. Industrialisation in South East Asia is also driving growth in demand for thermal and coking coal for generation of electricity and production of steel — as well as driving global demand for the gold, copper, nickel, zinc, lead, cobalt and other critical minerals needed to build electronic components and for manufacturing everyday items, and to make solar panels and wind turbines, electric cars and batteries.

Asia's quest for cleaner air and energy will see increased demand for clean technologies and sustainable energy sources such as renewables and hydrogen over the next two decades. NSW is well positioned to meet this demand.<sup>17</sup>

NSW's high-value cropping production, world-class food and safety framework, and transport and logistics systems position us to meet increased demand in new markets for premium food and beverages.

Similarly, demand is increasing in Asia for high-value services to support its rapid economic growth. NSW is well positioned to build on our significant international education and tourism links to export other services such as:

- health and aged care services,
- financial services,
- IT services,
- creative industries, and
- professional services including engineering, architecture and design, legal and consulting services.

### Building new trade with old friends

Significant geopolitical events have created an opportunity for NSW businesses to expand our economic relationships with some of our longest standing trading partners.

With common values, historic people-to-people links, and mature open knowledge-based economies; the United States, European Union and United Kingdom share much with NSW.

The United States of America remains the world's largest economy, with an annual gross domestic product (GDP) of over US\$21.43 trillion (nominal) and a population of over 331 million people. Today, the US is one of Australia's most important trading partners, with Australian exports to the US valued at more than \$27 billion in 2020. The US is Australia's second largest market for services exports, and 4th largest market for good exports.<sup>18</sup>

Since the Australia-United States Free Trade Agreement (AUSFTA) entered into force, two-way trade has doubled, two-way investment has tripled, hundreds of thousands of jobs have been created, and the economies of the United States and Australia have become more closely integrated. The US market's world leading consumer demand is an attractive opportunity for NSW exporters, but is highly competitive and diverse. Australia enjoys considerable market access advantages under AUSFTA.

As Australia seeks to negotiate new Free Trade Agreements with the UK and EU, NSW businesses will be afforded new access to markets and customer bases. Today, the EU is a significant trading partner, with exports valued at nearly \$19 billion in 2019-20.<sup>19</sup>

An FTA with the EU has the potential to expand a market for NSW goods and services of close to 450 million people, 22.5 million SMEs and a GDP of \$21.63 trillion.<sup>20</sup>

Similarly, the UK is Australia's fifth largest export market for services, primarily professional and business services, with room to grow.

Rather than seeing our similarities as competition, these mature partnerships are providing a new way forward for NSW businesses to collaborate and build export success in new sectors with old friends.

### New pathways — the rise of e-commerce

NSW businesses have been forced to quickly move to new digital supply chains and online marketing in response to the rise in international e-commerce driven by the impacts of COVID-19.

The global e-commerce market grew by 27.5% in 2020 to US\$4.28 trillion, while global total retail sales fell 3% to US\$23.84 trillion.<sup>21</sup> During this period, e-commerce reached an all-time high of 16.4% of total global retail sales.<sup>22</sup> E-commerce is expected to grow at more than 8% per annum for the next five years and take up an increasing proportion of total retail sales.<sup>23</sup>

According to the recent International Business Survey, while an estimated 90% of Australians are online, only 44% of businesses are utilising e-commerce for selling purposes. And only 43% of these businesses said they relied "entirely" or "to a great extent" on e-commerce channels for export sales. A significant 34% of respondents expressed interest in increasing their use of technology and online channels to secure more export sales in the next year.

<sup>14</sup> Global trade and investment megatrends, Australian Trade and Investment Commission, 2020  
<sup>15</sup> Strategic Statement on Coal Exploration and Mining in NSW, NSW Government, 2020  
<sup>16</sup> Brookings Institute

<sup>17</sup> NSW 2040 Economic Blueprint, NSW Government, 2019  
<sup>18</sup> DFAT US Country Fact, Feb 2021

<sup>19</sup> DFAT EU Fact, Feb 2021  
<sup>20</sup> DFAT  
<sup>21</sup> Statista  
<sup>22</sup> Shopify Plus  
<sup>23</sup> Statista



With a highly educated workforce and businesses renowned for innovation, NSW is well placed to benefit from this wave of digital transformation. This rise in digital trade will provide new pathways for NSW businesses to expand overseas and capture a greater share of the global online market, in a time where growth in traditional sales channels is declining.

New Free Trade Agreements

New Free Trade Agreements with the UK and EU,\* and regional agreements including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Regional Comprehensive Economic Partnership (RCEP), and bilateral agreements such as the Australia-Singapore Digital Economy Agreement, will also create new opportunities for NSW businesses. The WTO Joint Statement Initiative (JSI) on E-Commerce, of which Australia is co-convenor with Singapore and Japan, is a plurilateral negotiation which involves 86 participating members working towards establishing the first set of global digital trade rules.

These agreements will enhance competitiveness for NSW businesses in these markets and be central to our approach to diversify trade relationships and grow service exports. The agreements' more transparent trade rules and regulations will also increase predictability across the goods, services and digital trade sectors.

Response

Facilitate opportunities for export growth and diversification

To respond to the opportunities on offer in both established and emerging markets, and leverage new export pathways we will seek to grow and diversify our exports across four key segments:

- *Increase our export markets* — to better assist businesses reach untapped emerging and established markets.
- *Grow more exporters* — we'll support more small and medium-sized enterprises to reap the benefits of global trade.
- *Diversify what we export* — encouraging more exports in services and technology.
- *Expand our international customers* — taking advantage of new channels, including e-commerce, to engage with a global customer base.

Action plan

What we will do

1. Appoint Commissioners for NSW to promote and facilitate trade in priority markets.
2. Increase our overseas presence from 21 to 55 specialists, in more than 21 high potential locations, including 10 new ones.
3. Facilitate entry into 10 targeted high growth markets by expanding the successful *Going Global Program*.
4. Maximise opportunities under new and potential Free Trade Agreements including UK, EU, RCEP by developing country-by-country trade strategies.
5. Create a calendar of international trade shows, conferences, and promotional events in key export markets to showcase NSW business.
6. Build an international trade mission schedule to utilise the presence of Ministerial-led opportunities, opening doors for NSW exporters.
7. Account manage food and agribusiness exporters with the Commonwealth's *Agri-Business Expansion Initiative*.
8. Deliver a new *E-commerce Export Program*, to help NSW exporters move into expanding digital channels like AliExpress, Amazon etc.

Diversification allows us to flexibly respond to movements in international trade by enabling us to pursue growth opportunities, while making our economy stronger and less dependent on individual sectors or markets over the long term.

The NSW Government will encourage diversification of export markets for businesses by developing strategies that set out the NSW Government's priorities and measurable objectives for key markets. Each strategy will identify emerging export opportunities and outline clear actions to strengthen trade relationships and connect NSW exporters with these markets, including through in-market assistance, trade missions and tailored assistance under our *Going Global Export Program*.

The NSW Government is also committed to supporting businesses take up the opportunities of digital trade through the delivery of a new *E-Commerce Trade Program*.

A major emphasis for all the NSW Government's international trade engagement and export programs will be on markets with whom Australia has concluded trade agreements.



Supplied

Case study  
Olive Oil Skincare

Exporting has transformed NSW company Olive Oil Skincare from an SME to a fledgling global business.

Its soaps, lotions, balms and other products are now sold in China and the United States, and, with a little help from the NSW Government, it recently won exclusive distribution agreements in Hong Kong, Singapore and South Korea.

"Exporting has opened up new opportunities far, far greater than our local Australian market can deliver," says Founder Frank Granziera.

"For example, with our Korean distributor, we are developing a range of hand and body washes using an essential oil that is of Korean origin and very popular among Koreans for skin care."

The South Korean deal is particularly notable given how vast and competitive the country's beauty and personal care market is.

Fortunately for Olive Oil Skincare, it has competitive advantages that appeal to Asia's four billion consumers, including its 'Made in Australia' branding and all-natural, vegan ingredients.

"Challenges are just challenges and nothing more," says Mr Frank Granziera.

"Fortunately we have access to support via a number of agencies that can provide assistance and know-how on international markets and the procedures required."

"There is a lot more information and people to help than you first can imagine. It is not hard to establish a network of contacts with knowledge to get started or advance the process."

Olive Oil Skincare found its Korean distribution partner through the NSW Trade and Investment team in Sydney.

"Importantly, they've kept us constantly updated of developments in export markets through email and webinars."

26 \* The UK and EU FTAs are currently under negotiation. With respect to RCEP, Australia is currently undertaking domestic treaty-making procedures towards ratification.



# Priority markets







### Challenge

## Only three per cent of SMEs export

Small and medium-sized enterprises (SMEs) make up to 97.5 per cent of all enterprises in NSW,<sup>24</sup> yet only 3 per cent export. SMEs play an important role in creating jobs, employing 44 per cent of Australia's total workforce and supporting economic diversity, for example by promoting participation of women in business.<sup>25</sup> Having more SMEs participating in international trade is important to drive economic and employment growth opportunities.

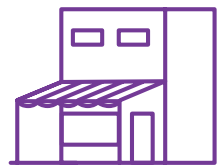
Research shows that SMEs account for a small proportion of exports relative to their share because they have fewer resources to meet the high costs and complexities often associated with engaging in international markets.

A recent Australian Government report found that the key impediments to exporting for SMEs was both a lack of knowledge about international opportunities and the technical barriers associated with exporting. SMEs identified that they would benefit from a better understanding of market opportunities, market entry strategies, regulatory environments, and distribution channels.

The research also found that SMEs lacked the capability and capacity to engage in international trade. Issues identified included managing both the time and cost involved in navigating and complying with tariff and non-tariff barriers, international standards and customs procedures, certification requirements, rules of origin labelling, and ensuring intellectual property (IP) protection.<sup>26</sup>

The NSW Government has prioritised assistance to SME exporters, helping them to address these challenges through information sharing, training, and targeted assistance. There are signs nationally that the number of SMEs exporting are increasing.<sup>27</sup> In 2019-20, over 800 NSW businesses received tailored export advice through our TradeStart Program, and a further 5,000 participants received support through the Export Capability Building Program. We are committed to continuing to build on this and ensure that we put SMEs at the forefront of export and industry development strategies.

## 2. Help SMEs to compete internationally



<sup>24</sup> businessmonth.nsw.gov.au

<sup>25</sup> Small Business Counts: Small business in the Australian economy, Australian Government Small Business and Family Enterprise Ombudsman, July 2019

<sup>26</sup> From little things big things grow: Supporting Australian SMEs go global, an Inquiry by the Joint Standing Committee on Foreign Affairs, Defence and Trade, February 2019

<sup>27</sup> ABS [www.abs.gov.au/statistics/economy/international-trade/characteristics-australian-exporters/latest-release](http://www.abs.gov.au/statistics/economy/international-trade/characteristics-australian-exporters/latest-release)

### Opportunity

## SMEs which embrace innovation and technology can be globally competitive

SMEs have a positive effect on the broader economy as their smaller size fosters innovation, and their use of new technologies and practices, will often force larger companies to also innovate to compete.<sup>28</sup>

Exporting also brings a range of benefits to businesses including faster growth, productivity gains, innovation, increased profitability, and resilience.<sup>29</sup>

Helping SMEs to export will further accelerate these gains on a global stage, and ensure NSW's economy remain strong, creating jobs for the future. Exporting, and increasing the number of SME exporters, also has important benefits for local consumers by increasing competition, providing more choice and creating cost savings.

While global value chains have been disrupted by the COVID-19 pandemic, we have seen new demand for a range of bespoke goods, services and technologies, creating new opportunities for agile SMEs to fill.

Digital transformation has also given SMEs new avenues to join the global economy, including through e-commerce platforms or the online delivery of services. Access to digital technologies lowers the costs and barriers of entry into global markets and allows SMEs to get their products and services overseas without an in-market presence.

### Response

## Provide targeted support for SMEs

The NSW Government is committed to building an export culture in NSW and will put SMEs at the forefront of our trade and industry development strategies. Supporting SMEs to be export-ready and to successfully target overseas markets is essential to the NSW Government's trade goals.

This includes building awareness of export opportunities to encourage more diverse representation of SMEs in NSW's export profile including Aboriginal and Torres Strait Islander businesses, businesses led by women, people of culturally diverse backgrounds, or people with a disability.

<sup>28</sup> OECD, Compendium of Productivity Indicators 2017

<sup>29</sup> ABS, Selected Characteristics of Australian Business, catalogue 8167.0 (2016-17)

The NSW Government has a range of targeted support measures for NSW SMEs to help them access the benefits of international trade, including:

- *TradeStart* (delivered in partnership with Austrade) provides SMEs with information and advice on exporting through a network of regionally and metro-based export advisers, as well as providing access to the combined resources of Austrade and NSW's own international network of trade and investment offices.
- The \$10 million *Export Assistance Grant program* that provides 50 per cent reimbursement of eligible expenses up to \$10,000 for eligible NSW businesses.
- The *Going Global Export Program* provides export ready SMEs with tailored assistance including export seminars, market briefings and visits, international business-matching and introductions to new customers, and the combined support of our international and onshore networks.
- The *Export Capability Building Program* delivers introductory to advanced exporting information to equip NSW businesses to take advantage of the opportunities in international trade.

### Action plan

## What we will do

1. Expand the *Export Capability Development Program* to deliver information, skills and connection training to SMEs and leverage the NSW's governments international network to act as representatives in-country for SMEs.
2. Sponsor the *Premier's NSW Export Awards* and push success stories to encourage SME participation.
3. Develop a SME focused trade barrier identification program and concierge across levels of government to facilitate streamlining and barrier removal.
4. Run a series of information sessions for SMEs to increase Free Trade Agreement awareness and opportunities.





Deputy Premier's Mission to Ho Chi Minh City, November 2019

## Case study Ministerial Missions

Ministerial-led international trade missions leverage the imprimatur of the NSW Government to open doors and raise the international profile of NSW and our businesses to both foreign governments and industry decision makers.

Trade missions promote NSW export capabilities across key sectors through targeted government-to-government and business meetings, hosting tailored industry events and product launches, participating in international trade exhibitions, and media coverage.

Trade missions can save companies valuable time and resources by maximising contact with prospective distributors, sales representatives, or partners. Face-to-face meetings, especially when facilitated by senior NSW Government officials, can make a good impression with foreign buyers. Participants also benefit from the significant networking opportunities and learnings from travelling in a group.

In 2019, the Deputy Premier, the Hon John Barilaro visited Ho Chi Minh City to promote the NSW businesses participating at the Vietwater Australian Pavilion and demonstrate the government's support for the NSW water technology industry.

The Deputy Premier hosted and delivered the keynote address at an exclusive event with the Australian Water Association and Vietnamese industry to validate the NSW Government's support for increased collaboration between NSW, Australian and Vietnamese industry and government representatives.

The visit also provided an opportunity to progress the bilateral state relationship with Ho Chi Minh City, following a signing of an MoU between NSW and Ho Chi Minh City to formalise trade and investment cooperation in April 2019.

## Case study OneBlink

Software developer OneBlink's Software as a Service (SaaS) tools help clients to develop business process apps with little or no coding, allowing non-developers to create their own custom software solutions and solve business problems.

OneBlink's innovative Low-code Application Development (LCAP) products are part of an industry that is expected to be worth \$44 billion by 2025. OneBlink, based in Gosford, recognised the potential of gaining market share in the United States to grow their business.

In making this first step, OneBlink used a range of NSW Government services to help position itself in the market and negotiate contracts and licences with US companies.

Assistance from the NSW Government ranged from initial country webinars and briefings to reimbursement for the printing costs of export collateral. OneBlink also participated in NSW Government trade booths at international expos, and benefited from introductions to legal advisors for contracts.

Its first two international contracts are set to double OneBlink's revenue over the next 12 months and provide a stepping stone to further export opportunities.

Supplied



OneBlink

OneBlink





Atlassian Tech Central Development by Shop Architects and BVN

### 3. Promote NSW as a world-leading knowledge economy



#### Challenge

#### Digital and services sector transformation

Technology and services have been the fastest growing sectors of the global economy for many years. Importantly, today's need for people to live, study, work, and trade more flexibility has fuelled a surge in the universal demand for a growing range of digitised services. Examples include e-commerce platforms, electronic payment systems, internet banking, telehealth and e-health systems, web conferencing, online learning, and cyber security systems.

More recently, large scale adoption of remote working and learning has resulted in a larger amount of economic activity being transferred from the physical to the virtual realm, further accelerating the demand for new digital technologies.

For advanced economies such as NSW, this represents the latest phase in a longer-term process of economic transformation to knowledge-intensive activities involving the application of human capital, intellectual property, and advanced industrial technologies.

#### The Opportunity

#### Our strengths in services and our skilled workforce are unique selling points for NSW

NSW has a diversified, service driven economy. Over the past two decades, the services share of the state economy has gradually lifted to account for almost 80 per cent of economic activity and more than 90 per cent of employment.

NSW has a comparative strength in the provision of business services which has grown to account for nearly a third of Gross State Product. This includes industries such as financial services; professional, scientific, and technical services; property services; and information media and telecommunications. The construction, manufacturing, health, and education sectors also account for large shares of economic activity.

NSW is Australia's leading destination for knowledge economy workers. The state's more than four million strong labour force is employed across this diverse range of industries, the largest employers being the health and social care, professional, scientific, and technical services. NSW is also Australia's preferred destination for international tourists, students, and migrants.



NSW is home to seven of the world's Top 500 universities<sup>30</sup> and our institutions are undertaking cutting-edge research in areas of critical importance to our changing economy including cyber security, quantum computing, space and defence technology, advanced manufacturing, health and biotechnology, food and agriculture, energy and environmental sustainability. Our exceptional liveability and connectivity also play an important role in attracting the brightest entrepreneurs, researchers, and skilled workers to make NSW their home.

Research has also shown that international buyers choose Australian goods due to their product quality (design and technology leadership), reliability and reputation (on-time and in-full delivery, flexibility, safety and transparency) and service support (pre- and post-production).<sup>31</sup>

A key factor behind our reputation as a reliable supplier of quality products and services is our skilled workforce. NSW ranks fourth in the world for percentage of workers with tertiary qualifications at 48.6 per cent of the labour force. NSW also hosts Australia's largest pool of science, technology, engineering, and mathematics (STEM) graduates.<sup>32</sup>

These factors are all unique selling points when NSW's services and technology exporters compete on the world stage.

#### Response

#### Promote NSW as a world-leading knowledge economy

In today's transforming global economy, in which technology, scientific and technical expertise are key drivers of growth and prosperity, developing a unique selling proposition based around NSW's status as a creative, vibrant, knowledge-based economy is essential.

NSW is well positioned to better harness and promote its skilled workforce and capabilities in education, science, and technology across a range of knowledge-based fields and industry sectors to a global audience.

The NSW Government will support businesses to invest in research and development (R&D) and to utilise digital technology to develop innovative ways of doing business, deliver services, and interact with their customers.

<sup>30</sup> [www.universityrankings.com.au/qs-australian-rankings.html](http://www.universityrankings.com.au/qs-australian-rankings.html)  
<sup>31,32</sup> Advanced Manufacturing Growth Centre Sector Competitiveness Plan, 2017

We will promote NSW's unique capabilities in sectors including digitised services, technology, cybersecurity, advanced manufacturing, and creative industries to high growth markets.

We will also create new opportunities to promote the homegrown services and technology strengths that enable some of Australia's largest industries including fintech, agritech, medtech, edtech and cleantech.

#### International Education

International education sits at the heart of our international engagement strategy.

NSW is Australia's preferred destination for international students, hosting over 280,000 international students in 2019. Over 80 per cent of these international students return home after their studies, representing an enormous source of future soft power and influence. With international students reporting such high levels of satisfaction after their experience of studying, living and working in NSW, we know they are much more likely to be buyers of our goods and services when they return home.

To have so many international students from our key trading partner countries studying alongside our Australian students allows us to build long-lasting people-to-people connections that hold us in good stead for generations to come.

#### Action plan

#### What we will do

1. Stand up a dedicated *Technology and Services export advisory services team* to boost export assistance to these critical industries and accelerate the growth of exports in emerging industries including digital technologies, fintech, agritech, medtech, cleantech and edtech exports.
2. Introduce a *Global Talent Attraction program* through the Sydney Start-Up Hub, precinct development projects, and NSW skilled migration programs.
3. Appoint dedicated *Education Advisors* in ASEAN, India, South America, and China.
4. Establish *R&D NSW* to position the state as Australia's premier location for innovation.
5. Fund R&D and clinical trials to turbocharge industry commercialisation.
6. Promote the NSW knowledge economy through an international marketing campaign.



Case study  
Flavourtech

With exports to over 60 countries accounting for 90% of total sales, Griffith-based Flavourtech shows just what can be achieved offshore.

The technology manufacturer specialises in aroma recovery, extraction and evaporation solutions for the food, beverage and pharmaceutical industries.

“The export markets available to Australian manufacturers are large and varied,” says Flavourtech General Manager Leon Skaliotis.

“They offer an immense opportunity to grow your business through good networking and marketing.

“Relationship building is key and you must be there for the long haul to build trust in the markets you wish to deal with.”

NSW Government export advisers have helped Flavourtech identify new export opportunities and provided a broad range of other support.

“NSW companies have the know-how and support of government and industry bodies to make their offering to the world second to none,” Leon Skaliotis says.

“From assistance with freight, marketing, finance and export requirements, to meeting the right people in the right companies, NSW Government advisors have proved invaluable in assisting companies to take their Australian made products to the world.”

Flavourtech won the NSW and National Manufacturing category in the 2018 Australian Export Awards and was the only NSW business to be featured in the 2020 online Remarkable Australian Exporter Showcase.

Supplied

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Case study  
HIVERY

When COVID-19 put the brake on public gatherings and transport, revenue streams in the vending machine business suffered. Not deterred, NSW exporter HIVERY pivoted to focus on new global opportunities.

Pioneering an emerging field known as Hyper-local retailing, HIVERY uses AI, operations research and human-centred design to help retailers and consumer packaged goods companies increase returns on their retail space investments.

The resulting product, HIVERY Curate, helps companies around the world organise product assortment and allocation for maximum profitability and efficiency.

Traditionally it takes six to 12 months to arrange product assortment and space on individual shelves in thousands of stores; with HIVERY Curate it takes around six minutes.

It is estimated failure to optimise retail out-of-stocks — where products sell out in stores despite being available elsewhere in the supply chain — costs the industry \$984 billion per annum globally, and HIVERY Curate has gained significant customer traction.

Spun out of the Coca Cola Founders program and CSIRO's Data 61 in 2015, HIVERY's initial focus was on vending machines, with early product testing carried out in Newcastle.

Since then, it has grown to employ around 60 people, broadening its product suite with new offerings such as HIVERY Curate and developing export sales in North America, Asia and Europe.

Establishing offices in the United States and Japan helped the firm consolidate offshore and secure an impressive client base, including corporate giants like The Coca-Cola Company, Walmart, General Mills, Red Bull, and TRIAL Co.

“One of the guiding principles we have at HIVERY is ‘be where our customers are’”, says Co-founder Franki Chamaki.

“We have customers in Japan; HIVERY is in Japan. We have customers in the USA; HIVERY is in the USA. We want to be where our customers are; to learn, help and support their growth.”

NSW Government initiatives such as the Going Global Export Program have helped the company better understand investment and export opportunities overseas.

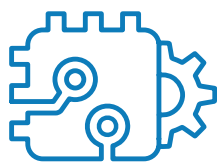
“There is nothing to be intimidated by: every challenge is just an opportunity to learn, grow and get better,” says Franki Chamaki.

“Why limit your business growth? Go help solve customers' problems anywhere. Start the journey early, have an open mindset and willingness to learn.”

HIVERY won the NSW Premier's Export Award for Technology and Innovation in 2019 and was recognised as one of the top resilient exporters of 2020.



## 4. Harness NSW's competitive advantages



### Challenge

#### NSW's exports are concentrated in a few key industries

Exports of NSW's top eight products and services; including coal, international education and tourism, professional and financial services, and gold, copper, and ores; account for \$56 billion, or nearly 60% of NSW's total exports by value.<sup>33</sup>

In a competitive global market, achieving export growth requires a targeted approach to diversify exports to those sectors which play to NSW's strengths, both now and into the future.

NSW has impressive competitive advantages which allow us to better respond to the key trends shaping international demand.

We have been blessed with natural resources, which have long created opportunities for exports of minerals and commodities, and attracted international visitors to our state's unique natural tourism sites.

But the strength of the diversified NSW economy, with its sophisticated finance, professional services and technology sectors, creates an ideal business environment for diversification, which is conducive to NSW's future growth and profitability.

The state's proximity to, and expanding links with, the sizeable and growing Asia-Pacific region also stands NSW apart from other economic hubs.

The excellence of our educational and research institutions, highly skilled workforce, ability to attract global talent, and our success in creating innovative start-ups, also make NSW one of the world's leading knowledge economies.

NSW's dynamic and productive regions, with their abundance of fertile land, and natural resources, and highly efficient food, agricultural, mining and mineral processing sectors are also key drivers of growth and competitive advantage.

But the evolution of these traditional sectors, for example, into new mining activities in critical minerals, or the development of water efficient technologies to maintain our farming efforts in times of drought, have built new industry capabilities that are highly exportable.

The NSW Government is committed to harness these emerging strengths to build on our long history of trade excellence to build new export industries.

### Opportunity

#### High-quality products and produce

Long-term economic and demographic trends are combining with the effects of the pandemic to increase demand from global markets for value-added goods and services, technology, resources, and high-quality food and agricultural produce.

Many Aboriginal and Torres State Islander businesses also have unique export potential in industries include cultural tourism, cultural knowledge and education, fashion and bush tucker (native foods).

NSW is globally recognised for the strength and quality of its food and agriculture sector. We can create higher value from these significant export volumes by providing provenance and brand to these commodities and see a significant value increase for this industry. For example marketing on a global scale "wine from the Hunter", "wheat from the Central Tablelands", "beef and dairy from the Northern Rivers", and "fresh produce from the Riverina".

Digital technology and new solutions in cybersecurity and artificial intelligence are continuing on a strong growth trajectory, spurred on by global demand for e-commerce, and digitised financial, health, educational and recreational services including online gaming and content.

Ongoing industrial development and urbanisation in China, ASEAN and South Asian markets is creating opportunities for NSW's professional services, advanced manufacturing and technology-based sectors to apply their technical expertise, design skills and technologies in these regions.

With their expanding middle classes, China, India and the ASEAN markets have also become leading markets for not only premium food and beverage products, but also improved education, infrastructure and health services and solutions.

The global need to combat the pandemic, Asia's growing middle class, and ageing populations in North Asia, Europe and the US have created significant demand for healthcare and wellbeing solutions. NSW's strengths in medical technologies such as telehealth and e-health systems, medical devices, biotechnology, research and clinical trials, aged care, vitamins and supplements all have significant export potential.

Global efforts to reduce carbon emissions through renewable energy, energy storage technology and hydrogen gas production, combined with a dramatic increase in the use of mobile phones and other electronic goods, are leading to an increase in demand for both critical minerals and energy efficiency technologies from markets in the US, Europe and North Asia.

### Response

#### Harness NSW's competitive advantages in services, technology, advanced manufacturing and in regional NSW

NSW has strengths to supply this emerging demand across three broad areas: services, technology and advanced manufacturing.

#### Services, technology and advanced manufacturing

The NSW economy is dominated by the services sector, accounting for approximately three-quarters of economic activity, with knowledge-based professional services especially strong.

Sydney is the financial capital of Australia, accounting for nearly 40 per cent of the more than 445,000 people working in the financial services sector in Australia, and ranks tenth on the Global Financial Centres index.

NSW is also Australia's leading state for creative industries, with exports worth \$2,963 million or 70 per cent of Australia's total creative services exports.

Professional services are an increasingly critical component of NSW services exports. Driven by increasing demand from Asia, exports of professional services accounted for \$7.5 billion in export revenue in 2019-20, followed by information and communications technology services (\$4 billion) and financial services (\$3.6 billion).

NSW also has a productive and competitive manufacturing sector, accounting for almost one third of Australia's total manufacturing output and employment, generating approximately \$33 billion in gross value add, and employing approximately 253,000 people in NSW. There are also significant opportunities for NSW to capitalise on its research and development and commercial capabilities in clean technologies, green products and services as trading partners transition to low carbon economies.

### Action plan

#### What we will do

1. Establish the *Trade and Industry Advisory Committee* to provide direct industry advice on industry development and export priorities.
2. Develop a flagship statement on industry, the *NSW Industry Framework*, outlining how the government will support future industries development and growth in high potential sectors.
3. Deliver sector specific strategies to grow emerging priority industries including cyber security, space, agriculture, health and biotechnology, international education, hydrogen, critical minerals, and defence.
4. Invest in export-enabling infrastructure to improve links with export markets.
5. Launch place-based strategies and marketing campaigns around our key industries, *Special Activation Precincts* and *Regional Jobs Precincts* to boost investment, job creation and export growth in regional NSW.





5.  
Strengthen  
international  
partnerships  
at all levels



Challenge  
Stronger links build  
sustainable trade

Deep international relationships are required to respond better to everchanging trade conditions and to pursue long-term growth opportunities.

NSW’s partnerships with international companies, business chambers and industry groups, research institutions and governments are a crucial factor in maintaining our ability to adapt to the fast-paced global environment.

The NSW Government’s network of international trade and investment offices is even more critical now as NSW exporters defend their export sales in a disrupted market. On the ground support in priority trade markets to assist exporters is critical, especially at a time where travel is restricted.

Opportunity  
Engagement at all levels

To support NSW businesses succeed on the world stage, the NSW Government has committed to ten sister state relationships with key trading partners. These agreements are intended to expand, strengthen and deliver great benefit to both parties and encourage increased business, trade, educational, cultural exchanges and projects. NSW’s current sister state relationships are:

City/State	Year Signed
Guangdong	1979
Tokyo	1984
Seoul	1991
California	1997
Shanghai	2008
Beijing	2010
Maharashtra	2012
Jakarta	2015
Gujarat	2015
Ho Chi Minh City	2019
Denver	2021

An increased, and more senior, NSW international presence will enable us to support these agreements and build deeper relationships with key trading partners, and develop critical market intelligence to better support NSW businesses reach key buyers and customers.

In addition to increasing the seniority of our representation, the overseas network will grow with ten new locations in high export potential markets.

The NSW Government also prioritises trade missions to strengthen relationships with businesses and government leaders in priority international markets. Participation in NSW Government-led trade missions provides NSW businesses with a platform to engage with international partners, and to promote their goods and services in key international markets.

Critically, outbound missions open doors for exporters by facilitating access to buyers and decision-makers, while inbound missions bring international buyers and decision makers from around the world to NSW to experience everything NSW has to offer, meet with NSW companies, and witness firsthand NSW’s industry, scientific and technical capabilities and products.

Response  
Positioning NSW within  
Australia’s national  
diplomatic framework

With Investment NSW’s planned expansion to 21 global offices, and the upcoming appointments of an Agent General in London and five NSW Senior Trade and Investment Commissioners in Tokyo, New York, Mumbai, Singapore and China, NSW exporters will be supported to succeed through strengthened international representation.

The new offices and more resources across the UK & Europe, India and the Middle East, Greater China, North Asia and ASEAN, will also leverage engagement with the Australian Trade and Investment Commission, and the Department of Foreign Affairs and Trade.

Sydney is synonymous with Australia’s international image and there are productivity gains to be made by continuing to work closely with the Commonwealth to promote NSW’s strategic interests on an international stage.

Working collaboratively to position NSW’s key capabilities and priority sectors within the national narrative will ensure our export industries are well positioned, both in Australia and through the Australian diplomatic and Austrade network.

Leverage and build  
inter-government relationships

The NSW Government is committed to creating a business-friendly environment that supports exporters by working closely across all levels of government to remove barriers to exporting, and streamlines policies and processes to make it easier to sell our goods and services to international customers.

To support exporters overseas, we will continue to build partnerships with respective local governments, business chambers and industry groups, and forge new relationships to open doors and support NSW businesses navigate international business environments.

Action plan  
What we will do

1. Boost the seniority of our international representation by appointing more, and more senior, officials overseas.
2. Amplify the voice of NSW in high-level international forums by having NSW dedicated market spokespersons.
3. Expand our international presence to new markets including new locations in the US, EU and Asia.
4. Enter into new mutually beneficial Sister State agreements in key locations.
5. Reassert established *Sister State* agreements to deepen long-held international relationships including California, Guangdong and Tokyo.
6. Partner with industry, educational and research institutions, and governments on initiatives to strengthen international partnerships in priority areas.
7. Work with the Commonwealth to strengthen NSW’s international relationships within Australia’s broader foreign policy.



# NSW Government programs

## Investment NSW — Trade

The Trade division supports the NSW Government's international Trade and investment network, growing to more than 21 international offices. The Trade division represents NSW's trade interests overseas, provides insight and connections to NSW businesses, and maintains relationships with customers of NSW good and services, including foreign governments. The team delivers Trade Missions, business matching programs and global engagement strategies to support NSW businesses to expand their exports and build demand for our world leading products and services.

## Export Capability Building Program

A program aimed at businesses seeking to initiate export activities or export-ready businesses looking to consolidate their knowledge and maximise long-term export gains by increasing export readiness and sharing specific market knowledge to ensure success.

## TradeStart Export Advisers

A network of TradeStart Export Advisers across NSW, co-funded by Austrade, including in regional locations to provide tailored export advisory services to NSW businesses.

## Going Global Export Program

An intensive export program delivered over 10 months tailored 15 streams to support NSW businesses get started and grow into key international markets.

## Exporter Assistance Grant Program

Grants for eligible businesses to assist in the recovery of COVID-19, bushfires and droughts by accessing international markets. Reimbursement of 50% of eligible expenses up to \$10,000 are available for export marketing, development activities, participation in tradeshow and missions inbound business support, e-commerce development and marketing materials.

## E-Commerce Export Program

A suite of tools to assist NSW exporters better access global e-commerce opportunities, including information, tools and country guides for NSW exporters, e-commerce readiness assessments, and sponsored promotions on leading e-commerce platforms.

## Business and Skilled Migration

Allows investors, entrepreneurs and skilled workers to be nominated by NSW for a state-nominated business or skilled visa under Australia's Migration Program.

## Exporter Awards

The Premier's NSW Export Awards is an annual program, recognising excellence in the export of goods and services by NSW business. The Awards acknowledge the important contribution of businesses to the economy through job creation and increased prosperity for the community and for the state.

## Study NSW

Established by the NSW Government in 2014, Study NSW supports the growth of international education — NSW's largest services export — through programs focused on enhancing the international student experience and promoting NSW as a study destination.

## Priority Market Strategies

Dedicated market strategies to highlight the specific opportunities and plans for increasing NSW's trade and investment with key markets.

## Jobs Plus

The \$250 million Jobs Plus Program is designed to support companies who want to expand their footprint in NSW. The program will reduce the cost of establishment, financial risk and increase speed to market for businesses looking to scale and grow in NSW. It will provide private and non-government sectors seeking to invest in job-creating projects, proposals, and partnerships, with support throughout the critical stages of business development.

## Regional NSW

The Department of Regional NSW is delivering on the NSW Government's bold commitment to drive economic growth and prosperity in regional NSW. They partner with government, business, industry and education providers to create world-class, sustainable, economic zones at the forefront of innovation.

## Destination NSW

Destination NSW is the lead government agency for the NSW tourism and major events sectors, and delivers a range of programs to market Sydney and NSW as one of the world's premier tourism and major events destinations.

## Resources and Energy

The NSW's Government's Mining, Exploration and Geoscience division develops and maintains policies that support the future of our natural resources including exports.

## Department of Primary Industries

The NSW's Government's Department of Primary Industry develops and maintains policies that support the future of our agriculture and primary industries.

For more information visit the NSW website: [investment.nsw.gov.au](https://investment.nsw.gov.au)



## Case study The Western Sydney Aerotropolis

The Western Parkland City, and within it the Western Sydney Aerotropolis, will be Australia's most connected, green and advanced city and a key catalyst in Australia's economic recovery.

The Western Sydney International (Nancy Bird Walton) Airport and the Western Sydney Aerotropolis are transformative infrastructure projects seen once in a generation. They will be key to activating and connecting a fast-growing region already well known for its capabilities in manufacturing, agribusiness, freight and logistics and research.

The delivery of the Western Sydney Aerotropolis will help realise the full potential of advanced manufacturing industries in the Western Parkland City, creating platforms for manufacturers to participate in complex advanced manufacturing supply chain opportunities and attracting research and investment into the sector broadly.

Right across NSW, it will support business growth, collaboration, innovation and the development of a skilled, job-ready workforce.

The Aerotropolis is also being planned as a new global gateway, unlocking growth opportunities for Australian imports and exports by capitalising on Sydney's first 24/7 international airport and the significant investments being made by the NSW Government into connecting the Aerotropolis, NSW and the world.

Greater Sydney's freight task is forecast to almost double in the next 40 years, and there is an increasing importance placed on the 24/7 supply chain operations to maintain our global competitiveness.

With input from our partners in government and industry, the NSW Government is using best-practice urban design principles to ensure this is a city custom-built to succeed as a place of business, employment, education and growth. Not just that, but as a place for people as we plan and construct a city centre with shops, parks, schools, recreational and cultural places.



Key goals

Greater China

Defend the market share of NSW exports to China in value and volume  
Diversify and increase NSW exports into emerging sectors leveraging opportunities to commercialise and grow NSW research and development  
Maintain NSW's investment profile in Greater China in a complex economic environment  
Help support the return of international students from China to NSW, identify opportunities for our EdTech sector and build closer R&D partnerships between our respective institutions  
Work towards restoring inbound tourism from Greater China  
Maintain and develop productive economic relationships with Sister States Guangdong, Beijing and Shanghai in trade, investment, social and cultural engagement

ASEAN

Create stronger trade pathways by supporting NSW services and technology companies access customers in ASEAN in areas healthcare, infrastructure and energy  
Grow market access for NSW primary industries and manufactured food and beverages, in line with the goals of FTAs  
Secure greater export opportunities for our minerals and energy exports  
Attract investment leveraging both Singapore as the gateway to ASEAN investment  
Promote stronger educational links between NSW and ASEAN and increase NSW's market share of ASEAN students  
Work towards restoring inbound tourism from ASEAN markets  
Grow international engagement through key relationships including the MoU on the Establishment of Cooperation and a Sister-State Relationship between NSW and The People's Committee of Ho Chi Minh City, a reinvigorated MoU with Jakarta and others

South Asia

Help support the return of international students from India to NSW, identify opportunities for our EdTech sector and build closer R&D partnerships between our respective institutions  
Grow the number of Indian tourists into NSW and their spend in the state  
Create stronger trade pathways by supporting NSW food and beverage and technology companies access customers in India  
Contribute to the NSW Government's Jobs Plus Program target to create or support 25,000 jobs by attracting Indian foreign direct investment in NSW's priority sectors and precincts  
Leverage Sister State Agreements with Gujarat and Maharashtra to strengthen cultural and government to government connections to support trade and investment outcomes  
Leverage the state's primary sponsorship of the India-Australia Business and Community Awards to bring business and investors together

The Americas

Contribute to the NSW Government's Jobs Plus Program target to create or support 25,000 jobs by attracting US foreign direct investment in NSW's priority sectors and precincts  
Grow the number of US international research and development hubs in NSW  
Assist NSW defence SMEs to increase their share of exports to the US market  
Increase the number of NSW businesses with export sales to the US within NSW priority sectors of technology, health and medtech  
Work towards restoring inbound tourism from the US  
Create new avenues of economic and technical cooperation in areas of mutual interest through strengthened government, educational and cultural ties with like-minded states  
Assist NSW start-ups enter the US market, partner with US tech giants to access global customers, and attract VC funding to support growth



UK & EU

Contribute to the NSW Government's Jobs Plus Program target to create or support 25,000 jobs by attracting UK and EU foreign direct investment in NSW's priority sectors and precincts  
Capitalise on the upcoming Australia-UK and Australia-EU FTAs and increase the number of NSW businesses with export sales to the UK  
Increase the number of NSW defence SMEs that export to the UK market  
Work towards restoring inbound tourism from the UK and Europe  
Leverage an Australia-UK FTA to build new bilateral mechanisms with UK governments, industries, regulators and research institutions that create economic and commercial opportunities  
Develop new sister state agreements and create new avenues of economic and technical cooperation in areas of mutual interest through strengthened government, educational and cultural ties.  
Work with the innovation ecosystem of the UK. Israel and key EU economies to create opportunities for NSW tech start-ups.

North Asia

Raise awareness of the Japanese and Korean markets as export destinations for NSW businesses  
Grow the number of NSW companies with export sales to Japan and Korea in new and emerging sectors and maintain NSW export sales in traditional sectors  
Under the framework of the MoU on Exchange and Cooperation with Tokyo Metropolitan Government, promote collaboration amongst startups to gain experience in the Tokyo market  
Contribute to the NSW Government's Jobs Plus Program target to create or support 25,000 jobs by attracting Japanese and Korean foreign direct investment in NSW's priority sectors and precincts  
Diversify export sales to Japan and Korea towards more advanced industries and sectors, while maintaining sales in traditional sectors  
Leverage the Agreement on Strengthening Exchanges and Cooperation with the Seoul Metropolitan Government to foster exchange between innovative NSW and Korean startups, generating opportunities for NSW startups to attract investment and grow

Middle East

Grow the number of NSW companies with export sales in new and emerging sectors and maintain NSW export sales in traditional sectors  
Secure Gulf corporate and Sovereign Wealth Fund investment into NSW's priority projects, precincts and infrastructure pipelines  
Create new avenues of economic and technical cooperation in areas of mutual interest through strengthened government, educational and cultural ties  
Deliver a World Expo 2020 Dubai that reflects NSW's whole-of-government priorities in the GCC and beyond, generating export sales for participating businesses and active GCC interest in NSW's investment priorities



# Taking the best of NSW to the world

The NSW Trade Statement is the first step towards NSW's ten-year target of doubling the value of our exports to \$200 billion and cementing the state's position as Australia's leading economy.

It examines NSW's long success as a trading economy and looks ahead to the mega-trends shaping international trade and our world over the coming years as we move out of the pandemic.

This Statement sets two clear targets:

- 1. Increase exports as a percentage of NSW's economy from 15 to 18 per cent, to reach \$130 billion, by 2024<sup>2</sup>
- 2. Grow and diversify NSW's exports by:
  - i. increasing the number of exporting businesses, particularly small and medium-sized enterprises (SMEs);
  - ii. facilitating exports of a more diverse range of goods, services and technologies, reflecting the breadth and depth of NSW's industrial and technical capabilities;
  - iii. growing exports in established markets and increasing the number of overseas markets that we export to; and
  - iv. building new pathways for how we export to reach a global customer base.

But setting targets is just the first step.

The Statement outlines the NSW Government five strategies to achieve these targets, and provides a clear suite of 30 actions, each action outlining how we will invest locally to further strengthen NSW's position as Australia's most globally connected and successful economy.

To ensure we are continuously improving our support to businesses and the state's export performance, we commit to monitoring and reporting against the actions.

We will ensure our policies, programs and partnerships are responsive to new and emerging challenges and opportunities over the coming years, by harnessing NSW's strengths in industry, its regions and its people to ensure that communities across NSW benefit from the jobs and business opportunities generated by trade.

Growing NSW's exports is vital to our future economic sustainability because businesses that export are more productive, create more jobs, and pay higher wages.

Through the Trade Statement we can help create the right conditions and support for NSW businesses to succeed and thrive on the world stage.



This will be an enormous challenge for NSW. But it is one the state is ready to step up to.

NSW is truly  
Locally Invested,  
Globally Connected





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