

business envoy

Broadening horizons for Australian businesses

The Hon Dan Tehan MP
Minister for Trade, Tourism and Investment

Inking a world-leading FTA:
Breakthrough in the
Australia-UK Free Trade Agreement
negotiations

The Business Olympics:
Expo 2020 Dubai UAE

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Trade expansion and diversification – broadening horizons for Australian businesses

Every business understands the importance of having a diversity of customers. Diversity offers greater protections against changes in circumstances because you're not reliant on one or a handful of customers.

The Morrison Government is being proactive in finding new trading opportunities for Australian exporters, as well as supporting them to reach new markets.

We recently announced an Agreement in Principle to sign the Australia-United Kingdom Free Trade Agreement. The UK will liberalise Australian imports with 99 per cent of Australian goods, including Australian wine and short and medium grain milled rice, entering the UK duty free when the agreement enters into force. That means Australia's high-quality products will be even more competitive.

Under our Government, trade covered by free trade agreements has increased from 28 per cent to around 70 per cent, and with the Australia-UK FTA it will grow to 75 per cent. We are also working on a free trade deal with the European Union and exploring opportunities in the Indo-Pacific, Israel and with more countries in Europe.

Creating more opportunities for Australian exporters to reach



international customers through trade liberalisation is just one way the Morrison Government is supporting diversification.

Our Government is also working to strengthen and enhance the rules-based global trading system which ensures protection for Australian business against unfair practices.

We are working to enhance Australia's interests in the World Trade Organization, G20, APEC and OECD. And we work to strengthen key bilateral relationships, and tackle existing non-tariff measures, to ensure business is well placed to take advantage of opportunities.

We are also providing market intelligence to help you better

understand and navigate the risks and explore new market opportunities as your operations expand. And this is alongside dedicated assistance for Australian business—including through Austrade's services; the Export Market Development Grants [EMDG] program; and loans, bonds and guarantees through Export Finance Australia—which all play a key role.

This edition of *business envoy* considers some of these issues in greater depth and explores the programs, services and resources available to support you through your business' expansion and diversification journey, no matter what stage you are at:

- We take a look at the new market opportunities that the prospective Australia-UK free trade agreement will deliver.
- Former Group CEO, Asialink, Penny Burt discusses the importance of market diversification for businesses navigating a post-pandemic world and market opportunities in the Indo-Pacific.
- We profile Indo-Pacific markets like Japan, Indonesia, the Philippines and India.
- We explain Government trade and investment policies, such as the Global Resources Strategy, Export Finance support mechanisms, and the Agribusiness Expansion Initiative.

Working together to expand and diversify Australia's exports will not only broaden our trade horizons but contribute to building a stronger and more resilient economy, creating more jobs and benefiting all Australians. With thanks to all our contributors, I hope you enjoy this edition and find it useful in your own efforts to take Australia to the world.

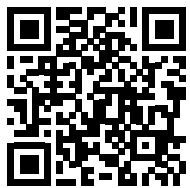
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On the cover

The Visitor Experience Tunnel by Josh Muir, Australian Pavilion, Expo2020, Dubai. Story on page 26



@DFAT_TradeTalk provides the latest on Australia's trade and investment policies, market insights, and economic statistics. Follow us to find out how our work can benefit all Australians.



DFAT's trade talk



Inking a world-leading FTA: Breakthrough in the Australia-UK Free Trade Agreement negotiations



Elisabeth Bowes
Chief Negotiator

The mid-June 2021 announcement by Prime Ministers Morrison and Johnson of an agreement in principle on the core elements of a bilateral free trade agreement will guide the negotiations to successful conclusion over the coming months.

The UK was Australia's fifth-largest goods trading partner in 2020, with two-way goods trade valued at \$21.9 billion. Under the Australia-UK Free Trade Agreement (FTA), Australia's businesses stand to benefit with 99 per cent of exported Australian goods (by value) being able to enter the UK tariff-free after the agreement enters into force. This gives our exporters a key competitive edge boosting opportunity for entry or expansion into the UK market. Tariffs on remaining goods will be liberalised over time. Lower import tariffs on UK products coming into Australia, including cars, confectionery and whisky, may see these products become more affordable for Australian consumers due to downward pressure on prices.

In 2020, the UK was Australia's third-largest services trading partner, with two-way trade worth \$9.9 billion. The FTA will provide better access to the UK Market, opening up still more opportunities for Australian services business and investors to grow and expand. Other commitments will ensure the impartiality, transparency, and responsiveness of UK regulators. As with all agreements, the UK-FTA will include safeguards and carve-outs that will preserve the Government's ability to regulate in sensitive sectors and provide public services.

The FTA will also include provisions that will open up new e-commerce opportunities across all sectors of the Australian economy, as well as commitments that enable cross-border data flows, appropriate protections for consumers and flexibility for legitimate public policy objectives.

The Australia-UK FTA will provide more opportunities for people to work and live in the UK and Australia. For example, businesses will have more certainty that they can hire people from either country. Younger Australians will have more ways to visit and work in the UK. Australia will remove the sectoral work requirement for UK nationals in our Working Holiday Maker program.

For more information on the negotiations and the anticipated benefits of the free trade agreement, visit: dfat.gov.au/aukfta. Further details associated with Australia-UK Free Trade Agreement will become available after the negotiations conclude.



Agribusiness Expansion Initiative: Helping Australian agribusinesses expand and diversify their export markets through improved access to market intelligence



As part of the Australian Government \$72.7 million Agribusiness Expansion Initiative (ABEI), the Australian Trade and Investment Commission (Austrade) and the Department of Agriculture, Water and the Environment are helping Australian agribusinesses expand and diversify their export markets.

This includes scaled-up export support for Australian agri-food exporters through Austrade's support services; greater access to market intelligence; matched grants for government and industry associations to work together on market expansion; and additional technical experts to open and expand market access.

Visit [Agribusiness Expansion Initiative](#) for more information and obtain Austrade Insights at www.austrade.gov.au/news/insights for the latest market intelligence.

Systems investment under the market intelligence component of ABEI has enabled improved information collection and processing, with a focus on industry-relevant data from the Australian Government's network of Agriculture Counsellors.

Agriculture Counsellors are Australian Government representatives located in Embassies, High Commissions (and one Trade Commission) around the world. They promote Australia's agricultural interests, and help our agricultural sector grow. Agriculture Counsellor locations and contact details can be found at [Department of Agriculture, Water and the Environment \(DAWE\)](#).

ABEI is seeking to improve industry access to the market intelligence collected by the Agriculture Counsellor network. DAWE and Austrade are collaborating to publish articles based on Agriculture Counsellor reporting through Austrade's Insights portal. Insights are short, actionable pieces of information that include a recommendation for Australian exporters. The Insights publishing platform complements the rich connections that already exist between Agriculture Counsellors and Australian industry.

Recent Insights articles informed by Agriculture Counsellor reporting include:

- [Tariff reductions assisting Australian agricultural exports to Thailand](#)
- [Extended shelf-life for chilled, vacuum-packed beef and sheep-meat exports to Saudi Arabia](#)
- [Sri Lanka's rule changes mean fresh opportunities for grain, pulse and oilseed exporters](#)
- [Seafood exports to Taiwan to be streamlined under new systems recognition arrangements](#)
- [Argentina introduces quota limits on beef exports](#)
- ['Eco-score' labelling hits the shelves in Europe](#)

For updates on recent market intelligence products as they are released, visit the Market Intelligence section of the ABEI [webpage](#).

Diversify, digitise and deepen: Australia's trade engagement for a post-Covid world



Penny Burt
Former Group CEO, Asialink

Economies around the world are emerging from COVID-19 at differing speeds with uneven economic growth. Facing a more complex regional landscape, many organisations are increasingly considering how to diversify for a post-pandemic world. Unlocking opportunities in the Indo-Pacific will remain key to longer-term growth for Australian companies.

With the COVID-19 pandemic now in its second year, the chance for a swift, uniform economic recovery across the Indo-Pacific has faded. Some countries have recovered more quickly than others. However, the global economy overall faces slower growth and increased protectionism, while the geopolitical environment has become more complex.

Australia appears to have weathered the challenge of the global pandemic well. It has outperformed other major economies, and had its economic forecast revised upwards by the IMF.

But that should not give rise to complacency.

Our economy will remain inextricably interlinked in the Indo-Pacific in the post-pandemic world. Businesses looking to win in our complex region in the longer-term will need to diversify, embrace digital trade and deepen their capability.

The case for global growth

Landmark research by Asialink released in 2020 underscored the clear case for larger companies to continue to look offshore for growth.

Analysing the financial results of the ASX 200, *Winning in Asia* - a report launched by Asialink Business by business for business - observed that international cooperation was set to be more, not less important, going forward. It found:

"Australia's largest companies now generate 34 per cent of their revenues from foreign sources. This is more than the largest listed companies in the UK (29 per cent) and the US (26 per cent). Over the past five years, the aggregate amount of foreign revenues generated

by these companies has grown by 26 per cent, while domestic growth has plateaued. Exports to the Indo-Pacific have also boomed, growing at an average rate of 8.5 per cent per year, on the back of growing demand for Australian goods and services".

The study also found that larger, internationally diversified companies created more value for shareholders than those with a domestic focus. For example, internationally diversified companies with a market capitalisation of \$2-5 billion achieved on average 82 per cent greater shareholder returns than similar sized businesses that were domestically focused.

Unpacking diversification

While the argument for a continued international focus is clear, so too is the need for market diversification.

In today's challenging international landscape, Australian business needs to diversify markets and economic relationships to enhance resilience and build a buffer against external shocks, whether a trade conflict, supply chain interruption, recession, pandemic, or other disruption.

This is not to suggest that China - Australia's major trade partner - is going anywhere. Even against a backdrop of trade disruptions, 2020 saw a record high in total trade with China. China accounted for 39.6 per cent of our exports, representing a 9 per cent growth in total two-way trade. (By contrast, our second largest trading partner, Japan, accounted for 14.1 per cent of total exports).

The IMF projects China's economy will grow by 8.4 per cent in 2021 (compared with 6.5 per cent growth in Vietnam

and 3.3 per cent and 4.4 per cent in Japan and Indonesia respectively). China remains the largest trading partner of over 120 countries - many of them in our region. Chinese consumer demand continues to grow apace. Sectors of the Australian economy, like mining, remain deeply interlinked with China. The size of the Chinese market for Australian miners, for example, indicates that there may not be an equivalent alternative in the medium term.

'China Plus' - growing the pie

Given these challenges, some businesses are finding that a 'China Plus' approach - where the business diversifies into other emerging Asian economies, whilst retaining engagement with China - can help build resilience and support longer-term growth.

The opportunities in emerging Asian consumer markets are sizeable and growing. By 2030, lower middle-income countries - including India, Indonesia, and Vietnam - will have middle-class markets that are close to AU\$20 trillion bigger than they are today, representing growth 11 times the size of Australia's current GDP.

Representing Asia's third largest market, the countries of Southeast Asia (ASEAN) form a market of 750 million people and a largely untapped opportunity for Australian business. ASEAN's member countries, though diverse, share a rapidly growing middle class and growing consumption.

But these opportunities are highly market, sector, and country specific and require a customised approach, that will be different to the approach business has adopted to expand into China.

As we emerge from the pandemic, they are also increasingly digital.

Southeast Asia added 40 million new internet users in 2020 alone. In Vietnam and Indonesia, growing populations, rising disposable incomes, an increasing burden of disease and the rapid uptake of digital



health is giving rise to diverse opportunities for Australian medtech businesses. In Indonesia, for example, the health sector is using technology to address complex challenges associated with delivering health services to 260 million people across the country's 17,000 islands.

But unlocking these types of opportunities requires a careful and calibrated market assessment and commercial journey. That will take time.

Deepening learning from regional partners

Building on prior Asialink research, the *Winning in Asia* study found that just seven per cent of all senior executives and board members across the ASX 200 qualified as 'Asia-capable' - having the skills, knowledge, insights and networks needed to navigate Asian markets. The average Asia capability score for these 1700 leaders was just 13.6 (out of 100 points), and most were weakest in their ability to adapt to Asian cultural contexts.

For companies seeking to expand into new markets, deepening these capabilities, skills and insights is more important than ever. Businesses that can adapt to and learn from regional partners - for example, the increasing number of leading Asian multinationals and technology companies - will have opportunity for knowledge and technology transfer that can enhance their competitive edge.

In today's highly competitive, uneven and disruptive global landscape, these capabilities could prove invaluable for Australian businesses wanting to win in Asia in the long term.

For more information and resources, visit asialinkbusiness.com.au

Australia-Philippine Ties: A Promising Future for Trade and Investment

Steven J. Robinson AO
Ambassador to the Philippines

This year – 2021 – we celebrate 75 years of Australia and Philippine diplomatic ties. Since 1946, our strong and enduring friendship has developed into a mature and wide-ranging partnership grounded on shared values and a commitment to peace, security and prosperity in our region. Indeed, the depth of our friendship and partnership has stood firm – tested through the years by challenging times such as the current global pandemic.

Like all countries, the Philippines has suffered the economic impact of COVID-19. Nevertheless, its economic credentials remain solid. Throughout the pandemic, the Philippines has maintained investment-grade credit ratings, a stable macroeconomic outlook and positive business sentiment.

Australia and the Philippines already enjoy strong trade and investment links. In 2019, bilateral trade was worth \$5.9 billion. Australia has become the Philippines' **top source of beef and lamb**, second top source of wines, top supplier of fresh table grapes, citrus and stone fruit (during the Southern Hemisphere season) and sixth top source of dairy. Australian food products are becoming more accessible in supermarkets. Recently, our Embassy in Manila facilitated the entry of Woolworths brand of products to the Philippines, including in *Robinsons* and *Rustan's* supermarkets and their e-commerce platform.

There are now over 300 Australian companies in the Philippines employing 44,000 Filipinos. These companies cover a range of sectors including **business process outsourcing** (Telstra, QBE, Macquarie, Canva and Atlassian), **mining** (OceanaGold, Red 5, Medusa Mining, and Orica), **ship building** (Austal), **services** (Site Skills Training and Aurecon) and major **infrastructure** (Populous, Leighton Asia, BMD Construction and Macquarie Capital) to name a few.

Education ties between our countries are growing, and Australia continues to be one of the top preferred study destinations among Filipinos. There were around 16,075 Filipino students enrolled to study in Australia in 2020, the ninth highest number of foreign students.

Philippine investment to Australia is also expanding in niche areas, driven by conglomerates looking to diversify investments, secure their supply chains, and access advanced products and technology, particularly in renewable energy and agribusiness. As at the end of 2020, Philippine investment in Australia was worth \$1.4 billion.

Yet while our commercial ties are already strong, our Embassy in Manila is busily working to expand these further.

There is significant potential in the Philippine market as it continues to emerge from the pandemic. With Australia and the Philippines members of the ASEAN Australia New Zealand Free Trade Agreement (AANZFTA) up to **97 per cent of our goods trade is tariff free** under this agreement. Our proximity to the Philippines and reputation as a supplier of quality goods and services are other important factors which mean Australian business is well placed to penetrate this market of 109 million people.

To give some examples, in agri-foods, the Philippines is a **\$20 billion import market**, with a target consumer population of around 30 million for imported premium and quality products. In education, there is a strong appetite from young Filipino professionals and companies to upskill



in priority sectors (**information and communications technology, manufacturing, logistics, financial services and health**) and there are opportunities for Australian providers to offer **professional development programs through short online courses or micro-credentials**.

Australian businesses could also venture into **digitalisation** and **automation opportunities in digital services**, including solutions to expand e-commerce platforms, improve cybersecurity and boost online education. Challenging living and environmental conditions also present opportunities to design **smart cities**, liveable spaces using technology to improve quality of life.

The Philippine's "Build, Build, Build" agenda presents opportunities for Australian design, construction, and energy companies with \$208-236 billion having been allocated by the Philippine government for new roads, railways, airports, ports, energy and utilities, oil and gas pipelines and water infrastructure.

While the current conditions are challenging, these opportunities are present right now and we have seen Australian business already start to react. Our Embassy in Manila is committed to working with Australian and Philippine stakeholders to take advantage of these opportunities and ensure our trade and investment links continue to grow.

Hitting the Sweet Spot: Iconic Australian Brand Expands to the Philippines



Robern Menz is a 150-year old family business spanning four generations. Today the company is led by brothers Phil and Richard Sims. Based in South Australia, it is the largest manufacturer of choc honeycomb in Australia and also produces the iconic Menz FruChocs and Crown Mints. In 2018, it bought another iconic Australian brand "Violet Crumble" from Swiss-owned Nestle.

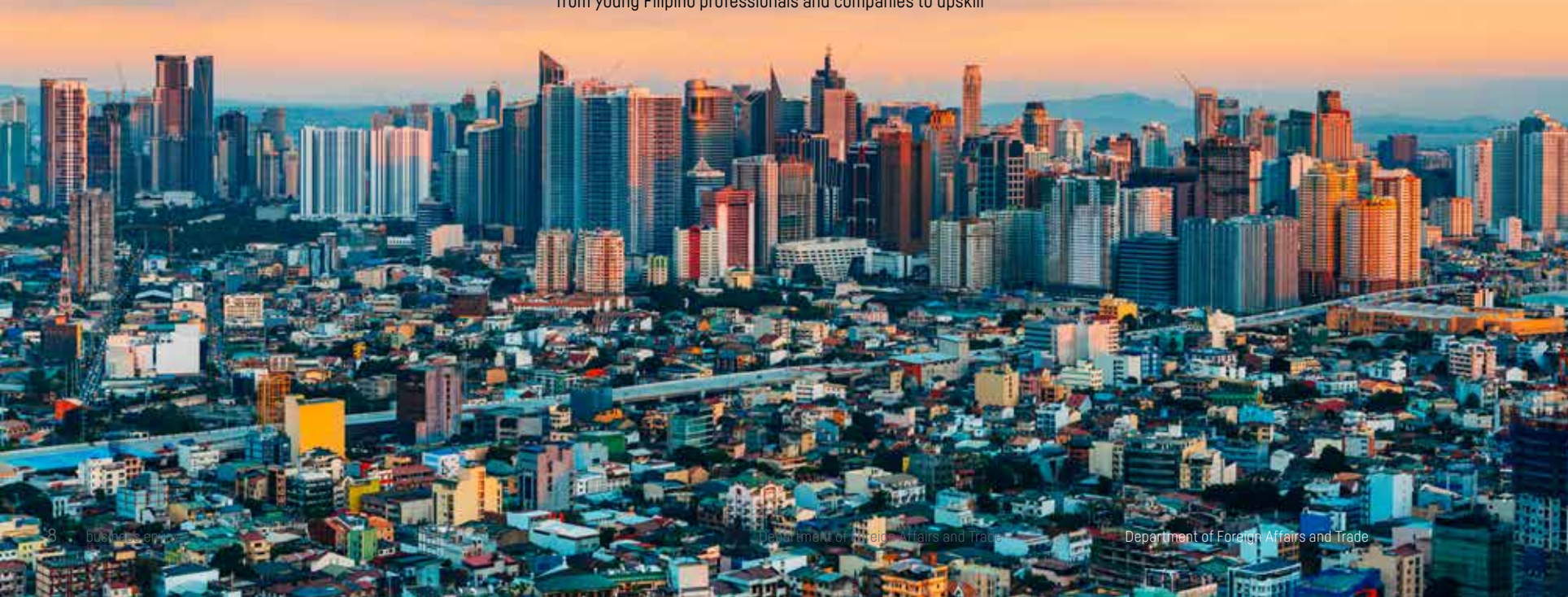
In late 2019, the company joined Austrade's Excelerate Program, a customised service for industry-leading businesses to help them succeed in export markets. It was Austrade Manila's first Excelerate client and needed assistance in finding a local partner for their Violet Crumble brand. Austrade Manila provided market research, helped qualify potential importers/distributors as well as organised and joined their visit program.

From among the recommended companies, Robern Menz signed an agreement with Kidstuff Marketing/Candy Corner which now distributes and markets Violet Crumble in the Philippines.

Robern Menz benefited from the Philippines' Ease of Doing Business Law, which fast-tracked the registration of its products with the Food and Drug Administration to less than a week. Despite the challenges brought about by the pandemic, Violet Crumble has become widely available in leading retail stores nationwide, including online. Highly visible marketing campaigns are also helping boost brand awareness among consumers in the Philippines. Robern Menz says that its sales in the market continue to grow.

Australian company Robern Menz joined Austrade's Excelerate Program and expanded their export market to the Philippines. They met with their new distributor Candy Corner/Kidstuff Marketing in Manila, 19 October 2019. (Photo courtesy of Austrade Manila)

In photo from left to right: Candy Corner/Kidstuff Marketing President Ricky Andres, Robern Menz CEO Philip Sims, Candy Corner General Manager Rosemarie Andres, Candy Corner Business Development Manager Rina Andres, Austrade Manila Senior Business Development Manager Liza Bautista and Robern Menz Export Manager Henry Fowlds.



Reaching for the Stars: Australian firm introducing green hydrogen technology to the Philippines

Electricity costs in the Philippines are among the highest in the region. There are significant energy opportunities for Australian expertise, innovations, and capital to meet this unmet need, particularly for renewable energy.

Star Scientific Limited, an Australian hydrogen research and development firm, in January 2021 signed an agreement with the Philippine Department of Energy (DOE) to help drive the country's energy self-sufficiency and economic development through green hydrogen as a fuel source.

Under the agreement the parties will begin a feasibility study retro-fitting

existing coal-fired power plants to run on green hydrogen using Star Scientific's proprietary Hydrogen Energy Release Technology (HERO) technology. They will also work together to explore the use of green hydrogen production in the Philippines using an abundance of offshore wind resources. Other opportunities for cooperation include the development of decentralised scalable power and desalination capabilities.

The Philippines Renewable Energy plan is aimed at renewable energy (RE) contributing 35 per cent of the country's energy needs by 2030 (58.5 per cent by 2040). With a moratorium on green field coal power projects by October 2021, RE will play an important role in meeting this gap.

Star Scientific Limited signing of Memorandum of Understanding with the Philippine Department of Energy to explore hydrogen technology through the Hydrogen Energy Release Optimizer (HERO) technology in the Philippines. The MoU signing was witnessed by the Australian Ambassador, Philippine Energy officials and prospective investors to Star Scientific. MANILA, 27 JANUARY 2021

Seated from left: Australian Ambassador to the Philippines Steven Robinson AO; Philippine Energy Secretary Alfonso Cusi; Star Scientific Chief Advisor Robbie Briggs. Image courtesy of Star Scientific



Recently, our Embassy in Manila supported the entry and launch of Woolworths' brand of products to the Philippines which are available in physical stores and in e-commerce platform. Major retail shop Robinsons Supermarket held a virtual launch on 5 May 2021 attended by the Australian Ambassador, Austrade's Senior Trade and Investment Commissioner, senior executives from Woolworths and Robinsons Retail Holdings.



Top row, from left: Jazz Casumbal, Host of the Virtual Launch; Jacob Baldock, Marketing Head, Woolworths International; Andrew Goudie, General Manager, Woolworths; Brian Newton, Sales Head, Woolworths International

Middle Row: Steven James Robinson AO, Australian Ambassador to the Philippines; Stanley Co, Deputy Managing Director, Robinsons Supermarket; Jody Gadia, Managing Director, Robinsons Supermarket

Bottom Row: Christopher Lim, Senior Trade and Investment Commissioner/Minister Counsellor (Commercial), Austrade Manila; Robina Gokongwei-Pe, President of Robinsons Retail Holdings Inc.

Diversifying Australia's energy infrastructure: Positioning Australia as a Global Leader in Hydrogen Technology

"I want Australia and hydrogen technology to be synonymous around the world."

Prime Minister Morrison, 21 April 2021

Clean hydrogen is a priority technology in Australia's Technology Investment Roadmap. The Roadmap aims to remove the 'green premium' of low emissions technologies and accelerate their deployment, both in Australia and overseas. The Roadmap brings a strategic and system-wide view to future investments in low emissions technologies, in partnership with the private sector and the states and territories.

Diversifying Australia's energy infrastructure is key to our future energy security. Supported by an ambitious economic stretch goal of A\$2 per kilogram, the Australian Government is prioritising investments to support the growth of a clean, innovative, safe, and competitive Australian hydrogen industry. Australia has now committed more than \$900 million to the development of hydrogen in Australia including a range of hydrogen hubs and development of a hydrogen certification scheme to enable trade.

In early June, DFAT promoted Australia's world leading capacity to members of the Diplomatic Corps highlighting transformations already taking shape in Australia from the research lab through to commercial application, including:

- Australia's first certified public hydrogen refuelling station developed by ActewAGL
- Australian National University research on producing hydrogen fuels directly from sunlight
- pilot projects led by Australian Gas Infrastructure Group blending hydrogen gas within the existing LNG distribution infrastructure, and future potential to store and supply hydrogen



- Elvin Group Renewables' locally manufactured, scalable electrolyser technology and hydrogen fuel cell technology to decarbonise marine transport on passenger ferries
- LAVO's proprietary metal hydride hydrogen generation and storage technology and
- Star Scientific's hydrogen catalyst (HERO) technology – to enable 'heat-as-a-service' in a range of applications.

"In Australia, we are creating our own 'Hydrogen Valleys'. Where we will transform our transport industries, our mining and resource sectors, our manufacturing, our fuel and energy production."

Prime Minister Morrison, Intervention at Leaders' Summit on Climate, 22 April 2021.

To learn more about the Roadmap visit: [First Low Emissions Technology Statement 2020 | Department of Industry, Science, Energy and Resources](#)

Top: Learning about Star Scientific's hydrogen catalyst (HERO) technology with the Prime Minister the Hon Scott Morrison MP and the Minister for Energy and Emissions Reduction the Hon Angus Taylor MP in April 2021. Image courtesy of Star Scientific

Above: Visit to Australia's first public hydrogen refuelling station, owned by ACTEWAGL by Jamie Isbister, Australian Ambassador for the Environment, with Tim Harcourt and James Dunlop in May 2021.

Go West – The case for moving into the Indian market

It has been a difficult few months for India. The second wave of COVID-19 has had a notable impact on predictions for India's economic recovery. The IMF, for instance, has revised its expectations for Indian growth from 10.1 per cent to 8.3 per cent for the current financial year.

But signs are pointing towards recovery. It is worth noting that 8.3 per cent growth, if fulfilled, would make India the fastest recovering among major economies. With a recovery underway, India will continue to be a promising market for Australian businesses.

Long-term, India remains one of the fastest growing economies in the world supported by a young, aspirational and tech savvy consumer base. India's urbanisation, rising incomes and industrial activity are driving huge demand across many sectors, including premium food and beverages, health and lifestyle products services and technology.

The Indian Government is driving a reform agenda. This includes substantial infrastructure spending and asset sales, banking reform, labour market, education and agricultural reform, as well as measures to improve ease of doing business and incentives to encourage foreign investment. In partnership with Austrade and other Australian Government agencies, DFAT will endeavour to assist Australian firms to take advantage of opportunities opened up by this reform agenda.

Education, which is a key pillar of the India Australia bilateral relationship due to its usefulness as a soft power lever, has been elevated by India's new National Education Policy. This policy actively seeks to internationalise India's education system, encouraging international players into the market and building regulatory architecture based on the best from other countries.

All this is supported by bilateral ties which have never been stronger. The announcement of the Comprehensive Strategic Partnership by Prime Ministers Morrison and Modi last year elevated this relationship to new heights. There is strong will on

both sides to see the relationship continue to strengthen, including on the economic front. This commitment should come as comfort to businesses at a time when unfettered trade free from broader geopolitical events can no longer be assumed.

Australia India Business Exchange

To support more Australian and Indian business partnerships, the Australian Government has launched the Australia India Business Exchange (AIBX) program.

AIBX provides a range of services to support Australian businesses to enter and establish in India – from industry specific insights to guidance on doing business with India and entering India's online retail market.

To find out more on AIBX and to participate in AIBX events, visit austrade.gov.au/AIBX.

Key sectors of opportunity

Australia's clean, green agrifood products are in rising demand among Indian consumers. Changes in consumer habits are creating new avenues to the India market, particularly through e-commerce channels. Indian food-processing companies are looking for partners, and tight regulation on wholesale markets is being relaxed and opening up opportunities for Australian firms.

India's healthcare sector is growing rapidly, driven by rising incomes, increased health awareness and easier access to insurance. India needs affordable and accessible healthcare solutions that can be delivered at scale, creating opportunities for Australia's digital health and medical technology companies.

India continues to prioritise the rapid development of its infrastructure under its National Infrastructure Pipeline. Opportunities for Australian firms lie in the built environment, road safety, rail and water infrastructure.

Privatisation and policy reform are transforming India's mining and resources sector. Domestic demand is expected to remain strong, offering opportunities for Australian minerals exports. Australia's mining, equipment and technology capabilities can support productivity gains in India's mining sector.

For further information on the Australian Economic Strategy, published by the Confederation of Indian Industry in December 2020, and 2018 India Economic Strategy to 2035, also provide useful guidance on opportunities in India.

Success in India: Acusensus' Story

Road safety company Acusensus is on a mission to reduce road deaths globally – and it recently cracked the Indian market. Key success factors included:

- Finding a local partner with shared corporate values
- Designing a market-specific solution
- Having patience in the process
- Leveraging local connections

'I think India provides a really unique opportunity to make an impact with our technology' says Alexander Jannink, Acusensus Managing Director. 'It is a market that is in some ways challenging...but its also a market that is eager to work with Australian companies.'

India has a high rate of road accidents, with an estimated 299,000 road deaths per year, according to the World Health Organisation. Meanwhile, Acusensus was keen to enter the market.

Over several years, Austrade arranged introductions to well-placed Indian federal and state government officials. In early 2021, Acusensus's first deployment in India went live, after three years of planning and negotiation.

'Winning this important contract would not have been possible without Austrade's advice and support,' says Ravin Mirchandani, Acusensus Chairman.



The Indian Government has installed a 'road safety corridor' along a 30-kilometre stretch of road modelled on an Australian road corridor, as part of the Tamil Nadu Road Sector Project. Acusensus has now deployed a speed-enforcement system along the corridor. It comprises radar-based mobile speed enforcement camera trailers and fixed installations.

In partnership with Ador, India's largest provider of traffic safety and enforcement solutions, Acusensus developed the solution for the Indian market. It requires minimal power and no fibre optic data cables. Acusensus also worked closely with SaveLIFE Foundation, an Indian not-for-profit working to improve road safety.

'By being involved on the ground innovating for and with India, we believe we can make a huge difference in starting to bring down the road toll,' says Jannink. 'We also hope this will open doors for other model safety corridor projects that can involve other Australian companies.'

Australian opportunities abound in Latin America



MEXICO



TRINIDAD & TOBAGO



COLOMBIA



PERU



BRAZIL



CHILE



ARGENTINA



THE REGION

CPTPP

Ongoing reduction of Mexican tariffs on beef and lamb under the CPTPP will provide opportunities for Australian exporters to grow the existing USD25 million share of the USD885 million Mexican red meat market.

Shipbuilding

Although two-way trade between Australia and the Caribbean has historically been small, Australian shipbuilders Incat and Austal demonstrate that niche diversification opportunities exist for Australian companies across the Latin America and Caribbean region. Austal has recently dispatched two cape-class Patrol Boats to the Trinidad & Tobago Coast Guard, which follows an earlier sale of ferries by both Incat and Austal to link the two islands.

Infrastructure

The Colombian government is supporting foreign investment for priority infrastructure development. Both Macquarie Capital and IFM are increasing their infrastructure holdings in Colombia, with Macquarie having recently finalised the acquisition of a highway near the capital Bogota. There is also an emerging opportunity in hydrogen and distributed energy systems, in particular microgrids, to meet the post-peace commitment to power regional and remote areas of Colombia.

Peru-Australia Free Trade Agreement (PAFTA)

Prior to the commencement of the Peru-Australia FTA in 2020, two-way trade with Peru was worth AUD656 million. With the agreement now in force, a range of Australian products such as sugar, dairy and Coopers beer now have enhanced access to the Peruvian market, one of the fastest growing economies in Latin America.

Green Energy

Through its December 2020 National Energy Plan, Brazil has signalled an intent to develop a green hydrogen industry and significantly expand the use of wind and solar energy. Australian companies Fortescue Future Industries and Enegix Energy have both entered into arrangements with Brazilian partners to explore the potential for a green hydrogen powered future.

Education

Australian cloud-based education provider Matific is providing mathematics tutoring and lessons for students in Chile. Companies such as Matific demonstrate that opportunities exist in the education sector despite the pandemic, particularly when they combine Australia's reputation for high-quality course delivery, with innovative solutions to student engagement.

Health

With pre-pandemic growth in health spending of around 3.6 per cent per year and an increasing share of GDP dedicated to health, Latin America and the Caribbean region present opportunities for Australian companies to deliver health services or products. Two examples are CSL, which has an Argentine laboratory to produce blood plasma and influenza vaccines; and Amcor, which has a large Argentine workforce to package pharmaceutical products.

Mining

Latin America's wealth of mineral resources presents many greenfield opportunities for Australian companies. Chile has the world's largest reserves of copper and lithium, both key resources as the world transitions to renewables. Brazil's reserves of iron ore are second only to Australia, and in Argentina, Australian companies are leading the way in developing substantial lithium resources. Ecuador, Mexico and Colombia all have substantial mineral reserves but remain under-explored. Regional diversification opportunities exist for Australian companies prepared to look to the medium and long term; particularly when they leverage Australia's positive reputation for project sustainability, technological expertise, and social licence.

Japan: plating up our safe secure and reliable agribusiness reputation



Australia's second largest trading partner, Japan continues to provide opportunities for Australian exporters.

Japanese consumers view Australia as a safe, secure and reliable supplier of food, offering opportunities for Australian agribusinesses looking to expand and diversify.

While beef is Australia's fourth largest export to Japan, behind natural gas, coal and iron ore, there are real opportunities in seafood, and horticulture, as well as processed food and beverages. The Japanese market is, however, highly competitive and consumers are sophisticated and discerning; prospective exporters will need to do their homework, commit for the long-term and find good local partners to ensure success.

Reflecting a growing demand for niche and premium products, Tasman Sea Salt kicked off exports to Japan in March 2020. Austrade Tokyo assisted with market research and a business matching process meaning that the all natural Australian sea salt flakes harvested from the pure waters of Tasmania will feature in stores and eventually on the tables of izakayas in Tokyo and across Japan.

Japanese consumers continue to seek products that improve their health. There is growing interest in disease prevention and strengthening immunity from Japan's ageing population, following the COVID-19 pandemic.

Fortified/functional (FF) packaged food saw a 5 per cent growth in both retail current value terms and retail volume terms in 2020, to reach JPY1.3 trillion and 1.5 million tonnes¹. FF breakfast cereals recorded the highest retail current value growth of 14 per cent in 2020, to reach JPY76.8 billion.

BARLEYmax, which was developed by the CSIRO over a decade, has twice the total dietary fibre and four times the resistant starch content compared to regular barley. Since Japan started importing BARLEYmax, it has been used in many products, including noodles.

Plant-based food and beverage products is another growing sector, with increasing interest in plant-based alternatives to meat due to health benefits. Almond milk, rice milk and macadamia milk have also become staples in supermarkets recently, and now oat milk is appearing on the shelves.

¹ Source: Euromonitor International

Airfreight assistance keeps flowers flowing to Japan



While Australia's fresh-cut flower and foliage exports dropped 30 per cent from 2019 to 2020, due to restrictions brought on by COVID-19, the country's leading wildflower exporter, Wafex, is seeing business bloom again.

This coming season, kicking off in July, it's planning to distribute some of the country's most prized wildflowers and waxflowers in Japan, as well as the United States, Taiwan, China, Singapore, Hong Kong, the Netherlands and Vietnam.

Wafex, which employs 150 staff across four continents, was facing a \$5 million annual loss when the pandemic drew its exporting business to a halt in 2020.

Wafex Executive Director Business Development Craig Musson said without the Australian Government's International Freight Assistance Mechanism (IFAM), the company – which has a 50% market share of the country's wildflower export market – would have struggled to survive.

"IFAM single-handedly saved our export business last year," Mr Musson said. "Without IFAM we would not have been able to export anything at all. We would have taken a \$5 million hit and had to lay off many of our workers. We have 50 commercial flower growers reliant on our exports and some would have gone out of business as well."

"The freight assistance mechanism allowed us to get some of our product out to the international market during what was an incredibly difficult time to export."

IFAM is a targeted, temporary measure keeping global air links open in response to the pandemic to support regions, communities and industry sectors that have been disproportionately affected by COVID-19.

Image courtesy of WAFEX

True South Seafood: a sea urchin pivot



True South Seafood is one of Australia's largest abalone exporters, having transformed from modest beginnings in 1996 to being a premium supplier of quality Tasmanian wild-caught live abalone and New Zealand Pāua.

The pandemic presented logistical challenges for True South Seafood in exporting their abalone and, as there was no Australian market to accommodate 450 tonnes of product, True South Seafood relied heavily on their alternative product, the invasive sea urchin. The company had moved to diversify its product lines over the last three years understanding that the abalone quota in Australia would need to be reduced to allow for regeneration of the marine habitat that was being decimated by over-fishing and sea urchin invasion due to climate change.

The company pivoted their business model and started processing and exporting sea urchins into Japan. Sea urchin roe is prized as a delicacy in Asia and exports have now also begun to USA, Canada and Malaysia.

Australia's trading economy is resilient because it is spread across multiple economies around the globe. Twelve of our fifteen largest trading partners are in Asia and most of that trade is covered by free trade agreements. Australian businesses that diversify the range of products and services that they export and the overseas markets into which they sell, are better placed to withstand global economic shocks and supply chain disruptions.

While live abalone remains the core of the True South seafood business, it has invested substantially in the sustainability of its business model amid challenging economic circumstances, ensuring secure jobs for Australians. True South Seafood is the largest employer of locals with 20 full-time staff plus an additional 60 casuals when the centrol (long spine sea urchin) is in season.



Above: Beth Mathison, CEO, True South Seafood, consulting with staff.

Right: Sea urchin roe ready for export

Indonesia: A key partner country for Australia's international education sector

The Department of Education, Skills and Employment (DESE) is working with a range of stakeholders domestically and internationally to diversify Australia's international education sector so this key sector is adaptable, resilient and competitive into the future. Diversification of the international education sector will help maintain Australia's global competitiveness and guide the sector's recovery during and beyond the COVID-19 pandemic.

The Council for International Education, chaired by the Minister for Education, the Hon Alan Tudge MP, is currently [developing a new ten-year strategy for international education in Australia](#).

The key focal points of diversification include innovating education through offshore and online delivery, ensuring Australia is attracting students from diverse source markets, and promoting a range of fields of study and a mix between urban and regional study locations.

Indonesia's economic growth trajectory, growing young population, and identified need for quality education and training make it a key partner country for Australia's international education sector.

Australia engages with Indonesia to foster deeper connections through education policy alignment, and to create mutually beneficial opportunities for trade in education services.

Australia has a strong track record in the delivery of high-quality transnational education across the



Asia Pacific, with overseas branch campuses of leading Australian universities operating successfully for many years. These campuses are an important bridge between Australia and the host countries, not only through educating local and international students seeking an Australian qualification, but in the role they play in their local communities.

DESE's policy role is to support Australian higher education providers to deliver higher education services in Indonesia under the Government of Indonesia (GoI)'s Ministerial Regulation 53 of 2018 which allows for foreign higher education institutions to establish a physical presence (such as a campus) in the country. The department actively supports education providers; advocating our sector's interest to improve the regulatory environment, providing advice to improve their understanding of Indonesia's regulatory environment, and building Indonesia's capacity to support institutional decision-making on transnational education in Indonesia.

Several Australian universities have been engaging with the GoI to establish an in-country presence in Indonesia, and Monash University is a good example. Its years of concerted engagement have led to GoI's approval to establish a campus in Jakarta which also happens to be Indonesia's first, and as yet, only foreign university campus. The Jakarta-based campus will have its first intake of students in October this year and will be an innovative, STEM and research-

intensive institution that focuses on postgraduate and executive education.

This milestone has positioned Australia as a partner serious about working with Indonesia as it expands its economy and lifts living standards. The campus will be instrumental in educating future generations of Indonesians in the convenience of their home country through people-to-people links that will bring mutual benefit to both our nations. DESE played a key role in supporting Monash through the process and is continuing to work with several other Australian universities on scoping campus opportunities in Indonesia.

With the first Australian university campus about to open in Indonesia, and possibly more to follow with GoI's agreement, market access opportunities also exist for Australia's vocational education and training (VET) providers secured through the Indonesia-Australia Comprehensive Economic Partnership Agreement. This allows majority (up to 67 per cent) of Australian ownership in joint VET ventures. The department has been encouraging and supporting Australian VET providers to scope out joint venture opportunities in Indonesia as the country works to meet its national productivity goals of upskilling an estimated 57 million Indonesians by 2030.

Former Australian Ambassador to Indonesia Gary Quinlan, AO and former Australian Consul-General Surabaya, Chris Barnes meet students at Airlangga University, Surabaya, February 2020. Image courtesy of: Timothy Tobing, DFAT

Trade Diversification of Australian Exports

export
finance
australia

As Australia's export credit agency, Export Finance Australia helps Australian businesses to expand into new markets when finance from commercial providers is unavailable.

This assists the diversification of Australia's export trade by enabling exporters to pursue exports to new markets that might otherwise have been out of reach.

Since 2013, Export Finance Australia has provided over \$1.1 billion in loans, guarantees and bonds which has helped over 500 Australian SMEs take on export opportunities.

This finance has supported over \$6.2 billion in contracts to over 115 countries.

As Export Finance Australia's role is to operate in the 'market gap', its customers are often those who are seeking to break into new or complex markets.

Because of its deep knowledge of emerging and frontier markets gained over many years, Export Finance Australia generally has a greater risk appetite than the private sector and may be able to assist in situations where private finance is not available.

Export Finance Australia has helped Australian companies take their products and services across the world, including welding machines to Africa, beauty products to Mexico, wine to Jamaica and mining services to Peru.

Export Finance Australia has dedicated business development teams across the country, which specialise in providing finance to small and medium-sized exporters.

Additionally, it has a Project and Structured Finance team in Sydney, which focuses on large transactions, often in complex markets, that help to facilitate small business involvement in export supply chains.

Export Finance Australia works closely with portfolio agencies DFAT and Austrade to help Australian exporters gain access to overseas markets.

It also has an Economics team which closely monitors and researches international markets and provides updates and country analysis on its website and in its monthly *World Risk Developments* publication.

If you are looking to export overseas, Export Finance Australia may be able to assist you with the financing you need to break into global markets.

To learn more about the Roadmap visit [Technology Investment Roadmap: First Low Emissions Technology Statement 2020](#) | Department of Industry, Science, Energy and Resources

For more information visit www.exportfinance.gov.au or call 1800 093 724.

An improved EMDG is here to help Australian exporters

Export Market Development Grants is a key Australian Government financial assistance program supporting Australian businesses since 1974.

From Atlassian to Zimmermann, close to 50,000 Australian businesses have grown their exports in overseas markets with the help of EMDG.

Significant reforms to EMDG roll-out from 1 July 2021, reorienting EMDG from a reimbursement scheme to a grant program. These reforms follow an independent review and broad stakeholder consultation with key industry associations and exporters in the program to guide the design and delivery of this process.

From 1 July 2021, EMDG will benefit from the following improvements:

- Simplified legislation that is significantly shorter
- A streamlined application process
- Apply once for a grant of 2 or 3 years
- Know how much funding you will receive before you spend

Applications for the new forward looking EMDG grant program open 16 August and close 30 November 2021.

If you have eligible expenses for the financial year ending 30 June 2021, you will also submit an application under the EMDG reimbursement scheme by 30 November 2021 (or 28 February 2022 if you use a participating EMDG consultant).

It's important to remember the intent and purpose of EMDG remains the same, and these reforms seek to simplify and streamline the program for the benefit of current and aspiring Australian exporters.

For more information on eligibility and how to apply: Austrade.gov.au

To help you understand these changes watch our EMDG YouTube [video](#).

You can also subscribe to Austrade's [EMDG Update](#) for news and reminders of application opening dates and deadlines.



Global Resources Strategy:

Building investment attraction and diversifying exports in the Australian resources sector



The Australian Government is investing \$20.1 million over two years to deliver a Global Resources Strategy.

The strategy will help strengthen our resources exports, secure new global markets and promote Australia as a reliable and responsible supplier to the world.

The strategy is part of a whole-of-government effort to help Australia build resilience to trade stocks such as the global pandemic.

The Global Resources Strategy will:

- diversify and strengthen Australia's resources exports and improve access key export markets
- boost investment in regional Australia by exploring new markets in the Indo-Pacific, Europe and North America
- support the jobs of 262,000 people who currently work in the sector
- support new investment in research and commercialisation of alternative uses for high-emissions commodities
- provide greater international focus for our world-leading and innovative mining equipment, technology and services (METS) sector
- support our resources sector to remain the world's supplier of choice for major commodities as well as our critical minerals and new energy resources such as hydrogen

The strategy will provide a framework to expand our existing commodity markets as well as develop new partnerships.

It will do this through:

- The release of *Australia's Global Resources Statement*, that promotes Australia as a reliable, responsible and ready for the future investment destination for resources exploration and supply
- new analysis of the barriers to trade for key commodities and minerals
- research and development of alternative uses for commodities and examining opportunities to commercialise them
- leveraging existing bilateral agreements with key trading partners to expand existing, and maximise new market opportunities, for our commodities and critical minerals.

The Global Resources Statement promotes the quality, strength and reliability of Australia as a leading supplier of crucial energy resources and critical minerals to the world.

The statement is the first milestone achieved under the Strategy and builds on the government's action plan set out in the National Resources Statement. Australia is striving to be the most globally attractive and competitive investment destination for resources projects.

Contact us at: resources@industry.gov.au for information about the Global Resources Strategy.

International co-operation at the heart of trade openness and diversification

Trade diversification creates new and expanded international business opportunities, and builds more agile, resilient, and sustainable businesses. Australia is working in and with the world's key economic institutions to increase openness and certainty in the international trading environment – opening new opportunities for Australian business.

The decision to diversify trade ultimately belongs to individual businesses, however, the government has an important role to play in creating and maintaining an enabling environment which provides a level of certainty.

Creating a conducive trade and investment environment for business requires both domestic policy support and international cooperation. Internationally, the Australian Government advocates market openness and predictability and seeks to minimize market distortion - the conditions that provide Australian businesses the best chance at success. It is important that our effort is underpinned by a strong multilateral rules-based trading system with the WTO at its core. The Australian Government uses multilateral fora such as the G20, OECD and APEC to promote and defend this system. In each of these fora, our central goal is to support fair and open markets. We advocate meaningful reforms of the WTO to improve its ability to manage and enforce trading rules that keep markets functioning and Australian business in the game.

The G20 brings together the world's major economies. Its members account for more than 80 per cent of world GDP, 75 per cent of global trade and 60 per cent of the world's population. Australia uses the G20 to build consensus on policies that liberalise trade and promote the global rules-based trading system.

This year, in the G20 Trade and Investment Working Group, Australia is working to build political momentum for WTO reform and ambitious outcomes at the 12th WTO Ministerial Conference in December 2021. We are also advocating for an open and free trading environment to help strengthen our supply chain resilience and boost our exports of goods and services. Success will ultimately reduce transaction costs and create greater certainty for business.

The OECD works with its 38 member countries and invited partners to develop evidence-based international standards and norms to assist in finding solutions to a range of social, economic and environmental challenges. In his first speech as Secretary General, former Australian Finance Minister, Mathias Cormann reaffirmed the organisation's commitment to market-based economic principles, a global level playing field and a rules-based international order.

Australia uses the OECD's expertise to inform our domestic policy setting. OECD's tailored research into the competitiveness of our services sector led to the development of the Government's Services Exports Action Plan which was launched on 6 April 2021. The Plan outlines immediate actions to help Australia's economic recovery from the COVID-19 pandemic and long-term goals for strengthening the competitiveness of Australian service suppliers.

The Asia-Pacific Economic Cooperation forum (**APEC**) supports a wide array of technical expertise, capacity building and policy dialogue between its 21 member economies to support trade, investment and growth outcomes. Australia is focused on delivering practical projects to support economic recovery in response to COVID-19, as well as ongoing support for fair and open markets.

For example, the Australia-led APEC project 'Building Resilient Supply Chains 2020: Survey and Analysis', surveyed business and industry stakeholders to identify the levels of disruption, resilience, and adaptability of supply chains. Greater understanding of these issues from a business perspective helps our government and others in our region to put in place better policies to overcome them.

Multilateral economic institutions provide important platforms to negotiate reforms in an ever-changing and evolving world. The Australian Government will continue to advocate policies that support growth and new business opportunities for Australian businesses.



Global Insights: Dispatches from Australia's global diplomatic network

Seoul: Marking the 60th Anniversary of Australia – Republic of Korea diplomatic relations

The Australian Government is celebrating the 60th anniversary of diplomatic relations with the Republic of Korea this year, a period in which our two countries have developed deep people-to-people-links, a strong and complementary trade and investment relationship, collaboration on science, technology and innovation and shared strategic interests. Australia and Korea's export-oriented economies benefit from rules-based trade and reliable supply chains. We share a commitment to sustainability, underpinned by safe and effective trade practices. Since the entering into force of the Korea-Australia Free Trade Agreement (KAFTA) on 12 December 2014, Australian and Korean companies have mutually benefited from phased tariff reductions and elimination.

Australia's high-quality agricultural exports complement Korea's food production. Korean investment in Australia has created jobs in both countries. Korea is a reliable producer of first-class petrochemicals, cars and electronics for Australians. Korea is also one of the world's largest investors in research and development. Australia is a world leader in research, education, science, innovation and vocational training. As we tackle climate change, we are natural partners to develop the low emissions technologies that will reduce emissions and create jobs. We are strengthening collaboration

between Australian and Korean universities and researchers. Together we will be at the forefront of new fields such as biotechnology, the circular economy, artificial intelligence and robotics.

Rabat: Trade diversification opportunities

With Morocco's strategy of diversifying away from heavy reliance on phosphate mining, trade diversification opportunities are opening up for Australian businesses in markets like Moroccan thermal coal and renewables. Moroccan energy companies are open to sourcing coal from Australia and collaborating on renewables. TAQA Morocco, for example, is developing renewables with a goal of achieving 40 per cent of its electricity production by 2030. TAQA supplies 44 per cent of local Moroccan electricity needs. Morocco's green hydrogen sector is also bound to expand and can be one area in which Australian companies can compete. Other opportunities for growth in trade and investment exist across Morocco – some in niche markets such as camel meat, textiles, and traditional products – but some in major sectors, including food, agriculture and agri-tech; infrastructure; education, tourism, and a lesser extent health. Morocco's COVID-19 vaccination campaign has so far been successful and can position the country to re-opening its economy quicker than most other African countries.

Madrid: Growing educational links with Australia

A new partnership agreement between RMIT Europe (Barcelona), and Eurecat, Catalonia's leading research and technology centre, offers significant new opportunities for R&D and industry collaboration in Spain. A range of education and research collaborations are envisaged: early research priorities include energy, lightweighting, industrial artificial intelligence, medical devices and creative industries. Advanced Manufacturing has already been identified as an area of priority for research and a joint approach to industry partners. DFAT recognises the growing R&D links with Spain and potential for the agreement to foster new business partnerships and technology transfer.

Seoul: Women in STEM

The Australian Embassy in Seoul collaborated with the Korean Center for Women in Science, Engineering, and Technology (WISET) to jointly host a Women in STEM webinar on 11 May with the support of the Korea Australia Researcher Network (KARN). The event helped to mark



the 60th anniversary of diplomatic relations, and the importance Australia attaches to both gender diversity in STEM and deepening education and research links with the Republic of Korea. The discussion highlighted the contribution that study abroad and links between researchers, such as through KARN and the Square Kilometre Array project, can make to developing the careers of women in science, technology, engineering

and maths. Professor Lisa Harvey-Smith, Australian Ambassador for Women in STEM, emphasised the economic and moral case for greater female participation in STEM fields. She highlighted the multi-faceted efforts under Australia's ten-year plan to achieve gender equity in STEM by 2030.

New Delhi: Sports diplomacy expanding commercial opportunities

Australia's education, training and sports science knowledge has a strong reputation in India and DFAT's sports diplomacy is linking Australian educational institutions and businesses to commercial opportunities in cricket, Olympic sports, soccer, water safety and event management. Leading Indian sports centres such as the Centre for Sports Science have used Australian tech, and the Padukone-Dravid Centre for Sports Excellence in Bengaluru have hosted New Colombo Plan

students. The MRF Pace Foundation, a coaching clinic for training fast bowlers, has used Australian cricketing legends Dennis Lillee and Glenn McGrath as coaches since 1991, and multiple Indian Premier League teams have Australian coaches and support staff. Other collaborations include Bengaluru startup Str8bat's partnership with Cricket Australia on sports sensors, a University of Queensland professional development program at the JSW Inspire Institute of Sport, a University of Sydney professional development program for leading Indian sports professionals, and Surf Life Saving Australia's training programs for the Maharashtra government's beach safety personnel.



Focus on investment



DFAT Office of the Chief Economist: How Did COVID-19 affect investment in Australia?

The economic impacts of the COVID-19 pandemic resulted in lower cross-border investment around the globe. Australia has remained a comparatively attractive place to invest, as a result of good management of the pandemic and corresponding rapid economic recovery, along with price growth for many commodities. While foreign direct investment flows into Australia fell by 48 per cent in 2020 compared with 2019, this was smaller than UNCTAD's estimated average fall of 69 per cent for developed economies. Despite the decrease in inflows, the total value of the stock of foreign investment in Australia grew by 2.5 per cent in 2020, to \$4 trillion, a rise of \$97 billion (or 2.5 per cent) compared with the end of 2019. Of our biggest investors, the total value of the stock of investment held by investors from the UK, Japan and Belgium increased in 2020, while the value of the stock held by investors from the US decreased. The value of the stock held by Chinese investors remained steady.

The rise in the stock of foreign investment reflects the positive net inflow in FDI and a change in the real value of the assets. While this year-on-year growth rate was the smallest observed on record (with the current series beginning in 2001), given the uncertain economic climate associated with the COVID-19 pandemic, Australia's performance was resilient compared to many other economies worldwide.

Climate Change and Sustainability Division: Sustainable Investment

Responsible and sustainable investment in Australia is growing as the Australia's financial sector seeks to respond to increasing global demand for financial products that incorporate environmental, social and governance (ESG) standards. These include diversity and gender balance on company boards, human rights and labour standards, greenhouse gas emissions and climate risk. Emerging international data indicates a positive link between ESG and higher financial returns with funds rating higher on ESG reportedly faring better in the COVID-19 induced market downturn. More information can be found [here](#). DFAT initiatives - the Emerging Markets Impact Investment Fund (EMIIF) and Australian Climate Finance Partnership (ACFP) – provide useful entry points for Australian investors looking to enhance their sustainable finance engagement as well as increasing their exposure in fast growing economies across the region. EMIIF and ACFP use overseas development assistance funds to mobilise greater investment and financial flows to partner countries across Southeast Asia and the Pacific, by offering concessional finance to de-risk investment opportunities for private investors. Further information on EMIIF and ACFP can be found [here](#).

From Our State and Territory network

South Australia: Innovation industry driving jobs and prosperity

South Australia continues to develop its innovation credentials. In April, Lot Fourteen – an Adelaide-based innovation precinct in the CBD – welcomed Google Cloud as a new tenant.

Google Cloud will focus on SA's health and medical research sector. It is expected to work closely with SAHMRI, based in Adelaide – an international centre of excellence for human medicine and health research.

Google Cloud joins Amazon, LVX Global, and a host of new tenants at a high-tech ecosystem that has so far attracted \$743 million in Australian and state government investment, and which is expected ultimately to unlock \$1.2 billion of private sector investment.

Project completion is not expected until 2028, but Lot Fourteen already hosts 1,300 people across 47 established businesses and 58 start-ups. When finished, it will bring together entrepreneurs and innovators from South Australia's space, defence, high-tech and creative industries in a precinct designed and curated as a collaborative ecosystem.



Adelaide is home to a number of exciting space companies – including Fleet Space and Myriota – and is the home of the Australian Space Agency. Prime Minister Scott Morrison officially opened the Australian Space Discovery Centre, located at Lot Fourteen, on 31 March.

Tonsley Innovation District, at the home of a former Mitsubishi production plant, has been developed into a world-leading industrial regeneration project. 10km south of Adelaide, the site focuses on cleantech & renewable energy, health & medical, mining and energy, and automation & software.

In May, Hydrogen Park SA (HypSA), which is based at Tonsley, turned on Australia's largest hydrogen electrolyser and began pumping green hydrogen into the metropolitan gas network – the first project of its kind in Australia, and one of the first globally.

The South Australian Government is supporting the 'innovation' industry as a key driver of future prosperity and employment.

It continues to seek investment to the state to boost existing capabilities in data analytics, cyber, AI, Creative Industries, and others, to add further to a thriving local innovation ecosystem.

NSW: Postcard from the Hunter Valley

DFAT's NSW State Office were thrilled to get out on the road in June and meet exporters in the Hunter Valley and Newcastle region.



The Hunter Valley has a long and proud history of export, from Australia's first shipments of Merino wool to Europe in the early 1800s, to its pre-eminent position as the world's largest coal export port today.

The past 18 months have been tough for exporters across Australia – contending with drought, bushfires, floods, COVID-19, trade and supply chain disruptions – and we were struck by the resilience of the wine, manufactured meat and coal producers we spoke to in the valley. Many had lost sales, seen revenues fall and faced uncertainty, but they also spoke of new opportunities opening up in recent months.

Trade diversification has always been central to the work of DFAT in supporting Australian business – whether by opening new markets through Free Trade Agreements, advocating on behalf of Australian businesses in-market, or by making sure the rules that govern the functioning of global trade remain relevant to Australian exporters.

By learning more about trade diversification experiences – what worked and what didn't, and how government might be able to help through sharing market insights or other means – we'll be able to set in place the policies that help Hunter Valley exporters like Tyrell's Wines stay in export for the next 160 years. Cheers to that!

Michael Growder (DFAT) discusses export opportunities with Bruce Tyrell, Managing Director of Tyrell's Wines

Victoria: Fibre Food Energy and Innovation - The Great South Coast

Victoria's Great South Coast region is recognised for its thriving horticulture, viticulture, dairy production, timber plantation/harvesting, mineral sands, cattle grazing, wool growing and tourism (along the Great Ocean Road). It is Victoria's largest food and fibre region and is emerging as an important renewable energy-generation region.



DFAT's Victoria State Office took the opportunity to showcase this region to a delegation of 30 Victoria-based foreign government representatives (Consular Corps) to Western Victoria. The visit focused on Victoria's food and fibre industry, renewable energy initiatives and impressive manufacturing and marine research facilities. A highlight was the opportunity to be briefed by the Minister for Trade, Tourism and Investment, the Hon Dan Tehan MP (and Member for the western Victorian electorate of Wannon), who provided an overview of the region's industries, capabilities and international outlook.

The visit presented best industry practice in large-scale operations such as Acciona's Mt Gellibrand Wind Farm and Bamstone (Australia's largest stone processing facility), as well as entrepreneurial businesses such as Alderwood (a start-up manufacturing the most powerful speaker of its size in the world). Deakin University's Warrnambool campus demonstrated research excellence in hydrogen technology and marine science. The economics and history of Victoria's wool industry were on display at Tarndwarncooort (one of Victoria's oldest surviving homesteads), as well as insights into the production of quality dairy at Timboon Fine Ice Cream and Schulz Organic Creamery, and award winning whisky at Timboon Railway Shed Distillery.

The visiting Consular Corps met state parliamentarians and local government representatives helping them to understand regional priorities and economic development initiatives. This included sessions on promoting population growth, growing the visitor economy, expanding and diversifying opportunities in the food and fibre industries, and supporting emerging industries.

Feedback about the visit from tour participants, business hosts, and local government was extremely positive, noting the importance of showcasing innovation and diversity in, and the value and economic potential of, our regions.

Minister for Trade Tourism and Investment, the Hon Dan Tehan MP with members of the Victorian Diplomatic Corps. Photo Attribution DAT.

The Business Olympics: Expo 2020 Dubai UAE



AUSTRALIA
EXPO 2020 DUBAI
BLUE SKY DREAMING

OFFICIAL PARTICIPANT

Why Expo 2020?

Held every five years, the World Expos are global events, which provide a significant platform for nations to celebrate innovation, educate the public on progress made by humanity, and most importantly, foster cooperation between businesses, academics, scientists, and countries.

The next expo, which was postponed by a year due to the pandemic, will take place from 1 October 2021 to 31 March 2022 in Dubai, United Arab Emirates (UAE), under the theme 'Connecting Minds, Creating the Future.' It's the first expo to be held in the Middle East, Africa and South Asia (MEASA) region with 192 participating nations, and over 70 per cent of the visitors expected from overseas. Despite the postponement, the name stays the same for marketing and branding purposes.

Dubai was named as the host by the Bureau International des Expositions (BIE) in November 2013 given its strategic location – two-thirds of the world's population lives within a radius of an 8 hour flight, and one-third of the world's population can access Dubai within a four hour flight – making it a major mercantile hub. Additionally, Dubai has been an exposition hub for various global trade events, such as Gulfood, GITEX, Arab Health, the Big 5, to name a few, adding to its experience of hosting major events.

For most participating nations, the one mega event facilitating global connections, will focus on post COVID economic and social recovery. Expo 2020 Dubai will take place across a 438 hectare site.

Over \$170 million worth of business has been awarded to Australian companies so far and is the value of building, creative and technology business contracts.

Over 125 events in 180 days

The Australian Pavilion will have an extensive events program spread across the six months of the expo period. The format will be in the form interactive panel discussions; conferences and symposia; investor briefings; roundtables; workshops; public talks and demonstrations; cultural performances; national day celebrations; and collaborative activities with other participating nations.

The events will be led by the Expo Organising Committee; Federal Government agencies, including DFAT and Austrade; state and territory governments; and corporate partners.

The program has been scheduled based around the Expo Theme Weeks; major events in the UAE region; and major events in Australia in coordination with priority partners.

Australia's Business Program - Expo 2020 Dubai

Expo has been positioned as the 'Business Olympics' for post-COVID-19 global economic recovery. Australia's business program provides two deliverables: supporting Australia's market diversification by promoting international B2B and B2G opportunities; and attracting productive Foreign Direct Investment. Austrade is leveraging industry partners and large international commercial exhibitions (such as Gulfood, Arab Health, MENA Mining Show, WETEX, Abu Dhabi International Petroleum Exhibition and Conference), occurring around Expo 2020 Dubai, in order to deliver hybrid (in-person and virtual) activities.

In May 2021, 193 countries, including Austrade's priority markets (Japan, USA, UK, France, the Netherlands, South Korea, Singapore, Vietnam, Thailand, Malaysia, Indonesia, Germany, Canada, Chile, India, New Zealand, Taiwan and the Philippines) confirmed ongoing participation in this global platform. Australia's business program has been developed in consultation with a large number of stakeholders and consistent with the Expo themes in order to position and promote Australian capabilities to an international audience.

The major exhibitions that Australia is targeting are in key sectors such as Healthcare, Resources & Mining, Education, Energy, Advanced Manufacturing and Food & Ag. The priority Expo theme weeks for Australia, that fit with Austrade's sectors are Space (October 2021), Urban & Rural Development (November 2021), Knowledge & Learning (December 2021), Health & Wellness (February 2022), Food & Agriculture (February 2022), and Water & Infrastructure (March 2022).

Australia is co-hosting a series of events and panel discussions with the Expo Organising Committee, the Women's pavilion and international partners, including events showcasing: indigenous capabilities, science mega projects, future agtech innovations, urban development and capabilities in sports and high performance. Australia (DFAT and Austrade) holds ongoing workshops with over 90 countries to develop joint business programs, including with: Israel, Germany, India, France, the Netherlands, Japan, South Korea, USA, UK, Norway, Indonesia, Malaysia, Vietnam, New Zealand, Singapore, South Africa, Botswana, Mozambique, Egypt, Jordan, Canada, Chile and Ireland.

For more information on Australia's participation in commercial exhibitions around Expo 2020 Dubai, please contact us at: expo2020@austrade.gov.au



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Acknowledgements

business envoy brings insights from Australia's global diplomatic network to the Australian business community. It considers global geopolitical events and trends, their economic implications and what they might mean for Australian business.

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