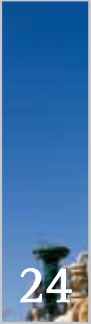


Strengthening the Queensland economy through global markets

Queensland Trade and Investment Strategy 2011–2016





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Message from the Premier and Minister for Reconstruction

Strengthening the Queensland economy through global markets



The world marketplace is changing and Queensland is ready.

Our economic growth, supported by trade and investment, is driven by the demands of global markets and enhanced by our key strategic relationships in the world economy.

Queensland stands tall as a strong, resilient and competitive economic force beside other economies despite the natural disasters in early 2011 and the fallout from the global financial crisis.

My government's vision for Queensland in 2020 is for Queensland to be strong, green, smart, healthy and fair. To be strong, we will create a diverse economy powered by bright ideas. And we've set our sights high—to achieve at least \$100 billion in goods and services exports by 2020.

We continue to attract overseas investment and inspire confidence in our export businesses because of our preparedness—our steadfast commitment to create and maintain the right conditions to support and expand our export capacity.

The government's business agency—the Department of Employment, Economic Development and Innovation (DEEDI)—promotes and guides trade and investment activities. DEEDI is dedicated to growing Queensland's prosperity by building skilled, resilient business and industry, promoting tourism, enhancing biosecurity, fostering innovation, creating jobs, stimulating investment and driving our natural resources growth and energy market.

It's an exciting time for Queensland. While our natural resources are literally building other countries, as our coal produces steel for the new cities of Asia, we are shaping our own—forging ahead with new opportunities to capitalise on our knowledge-intensive industries, primary production, biotechnology expertise, education services and our state as a destination.

Governments make policy, create laws and regulations and set the conditions for economic growth, but let's not forget that we have the Queenslanders that own and manage businesses—large and small—that work hard, take the financial and personal risks and think outside the square to really thank for our success.

There is no doubt that new and changing global markets will pose challenges for Queensland businesses. However, by adopting a well-planned, forward-thinking, ambitious strategy backed by sound market intelligence, trusted industry partners, flexible public policy and confident private investment, I'm confident Queensland is ready to step up and prosper.

The Honourable Anna Bligh MP
Premier and Minister for Reconstruction

Brisbane skyline and Story Bridge




1. Introduction

Queensland is an open economy that relies on exports and overseas investment to sustain growth and underpin prosperity. Queensland's mining, agriculture, education, manufacturing and tourism sectors are all major exporters and support jobs throughout the state.

Our businesses face relentless global competition, but also significant opportunities, in global markets. Our economic prosperity rests on the success of Queensland-based firms in local, Australian, regional and global markets. The global financial upheavals of recent years have seen falls in global economic growth, rising unemployment and decline in world trade. Such changes—both good and bad—create challenges for Queensland industries. An enormous transformation is occurring in the world economy and will continue over the next few years. Nowhere will the developments be more dramatic than in the Asia-Pacific region.

Queensland is in the right place at the right time. Our geographic and economic ties are to Asia and the 21st century will be Asia's century. Asia currently accounts for over one-third of world gross domestic product (GDP) in purchasing power parity terms and more than 55 per cent of the world's population (a market of more than 3.8 billion people). The International Monetary Fund's forecasts indicate that China is likely to overtake the United States to become the world's largest economy by 2016 (in purchasing power parity terms), and China and India are projected to grow from one-fifth to one-third of global GDP over the next two decades.

The increasing wealth of Asia, particularly China and India, can be a source of prosperity for Queensland. But this will depend on Queensland firms creating and providing the goods and services these markets want, and being able to compete with the rest of the world to supply them.

 **Queensland is in the right place at the right time** 

Queensland is also well positioned to continue to attract direct investment. Projects worth \$80 billion were committed or under construction as at the June quarter 2011.¹ And of this investment, \$80 billion was either committed or under construction. Much of this investment is attributable to multinational companies taking a direct stake in Queensland's new liquefied natural gas (LNG) industry and mining projects. Our challenge is both to sustain this level of activity and to attract investment to other sectors.

Many of Queensland's exports come from global firms operating in our rich resource sectors. These firms are well placed to successfully export without direct assistance from the Queensland Government. However, the increasing dominance of resource sector exports, although creating significant wealth, increases our exposure to global shocks. Diversification of our export base is an investment in economic resilience.

Increasingly, creativity and innovation are important components of export and investment success. They enable firms to react swiftly to the changing demands of consumers and markets worldwide, placing them on a firm, competitive footing.

Knowledge-intensive companies are among the most competitive and fastest growing in the global marketplace. They are the competitive backbone of our service sectors. Service sectors contribute 80 per cent of Queensland's gross state product (GSP) and must participate in global markets. Knowledge-intensive companies build human capital through their higher skilled and better paid jobs. By increasing the share of knowledge-intensive goods and services in our export mix, Queensland will enhance its competitiveness, resilience and market reach. Inward investment from leading-edge global firms will encourage further growth in knowledge-intensive industries and open new opportunities for Queensland businesses in global markets.

Exports underpin the Queensland economy and support jobs throughout the state

The emerging issue of food security and the exponential increase in the Asian middle class offer significant opportunities for Queensland firms in the agricultural sector. This middle class also augurs well for Queensland firms in the areas of education, design, fashion, niche manufacturing, processed foods and tourism.

This then becomes the focus of the Queensland Government's export development interventions—assisting those firms, many small and regionally based, that will provide the balance to our export mix, leading to a diversified and resilient economy.

Exports underpin the Queensland economy and support jobs throughout the state. The share of employment related to export activity, both directly and indirectly, is a little over 13 per cent of total employment.² This is equal to one in seven jobs involved in the production of exports and one in five workers employed in trade-related activities, including imports and goods distribution.

New products and innovative solutions to market access barriers, as well as strong collaboration along industry supply chains, are required to drive export success.



Strategic highlights

- A greater emphasis on emerging markets and the service sectors
- Utilising trade and investment as a tool to build resilience into the Queensland economy by diversifying its export and investment base
- A greater focus on job creation in regional Queensland
- An expansion of strategic partnerships with a broader suite of support services for a deeper client reach, particularly promoting partnerships with regional economic organisations
- Trade and Investment Queensland as a 'one-stop shop' for international business support services
- Encouraging and facilitating reinvestment by Queensland companies, keeping capability and growing jobs in the state
- Focusing our trade and investment attraction efforts according to the characteristics of targeted offshore opportunities

1.1 The Queensland Government's vision

The Queensland Government is committed to growing a resilient and diverse economy and creating jobs by:

- expanding market access, export and trade opportunities for Queensland companies
- diversifying and strengthening the economy through value-adding
- enhancing our firms' innovation and productivity, and hence jobs and economic opportunities indirectly, through global competitiveness and access to technology and skills.

We will work to attract investment to Queensland, to provide the capital, skills and technology we need for economic growth.

We will focus our efforts on those emerging areas of innovative strength in our economy that offer the greatest economic return, including science and knowledge-based industries, as well as our areas of established and potential competitive strength.

We will continue to invest in programs that will increase the supply of skilled workers and increase productivity, thereby driving business performance and growth.

Long-term export target

The economic growth of Queensland is inextricably linked with our firms' export performance. Many influencing factors, such as exchange rates and the emergence and decline of our trading partners, are outside the control of the Queensland Government. Many of the key levers, such as trade agreements, reside with the Commonwealth Government.

Still, the Queensland Government can do much to create the conditions for business success and to help businesses respond to the economic challenges they face. Many firms will capitalise on export opportunities without direct Queensland Government intervention. Others will take advantage of the support available.

In this context, the Queensland Government's long-term export target is to grow Queensland's export sector to a value of at least \$100 billion by 2020, which is an increase of almost 100 per cent.

To achieve this long-term target, there needs to be a strong focus on diversification. The 2016 targets below provide focus to this diversification agenda.

- Increase the value of knowledge-intensive goods and services export by 75 per cent, from \$6 billion in 2009–10 to \$10.4 billion.
- Increase the export value of Queensland's small and medium-sized enterprises (SMEs) by 30 per cent, from \$2.0 billion in 2009–10 to \$2.6 billion.
- Increase the value of capital attraction to Queensland for businesses assisted by the Queensland Government by 50 per cent, from \$923 million in 2009–10 to \$1.4 billion.
- Increase the export value of emerging global markets by 75 per cent, from \$21.8 billion in 2009–10 to \$38 billion.

“The economic growth of Queensland is inextricably linked with our firms’ export performance”



1.2 The role of government in trade and investment

Trade and investment support is a common function of governments around the world. This reflects the demonstrated role of government in providing information and facilitating partnerships between firms to promote trade and investment. These information and facilitation services are not necessarily provided in the marketplace without government support.

Globalisation has brought with it a quantum leap in the opportunities for collaboration on a worldwide basis. As basic information becomes more readily available, particularly online, firms are well placed to share commercial information, glean opportunities and form trading partnerships.

However, just as the economy changes, the role for government changes. Government agencies must take advantage of online communication opportunities. Further, the role of government shifts more towards education and training of firms about trade and investment opportunities and how to capitalise on the colossal volume of commercial data available.

Queensland's resource companies are large, often global concerns with significant financial assets as well as commercial acumen. They trade in well-established markets, and need little or no help from the government in terms of selling their production. Yet the story in other sectors of our economy is radically different. Small business is the cornerstone of the Queensland economy. More than 95 per cent of our goods and services are produced by small businesses, which provide jobs for half of our workforce. Small traders and manufacturers export goods worth only around \$183 million, compared to \$31.2 billion from mining.

In the growing international services sectors of our economy, smaller companies are the norm. In Australia in 2009–10, the number of services exporters with an export value of less than \$1 million represented 76.4 per cent of all services exporters.³ There is a significant opportunity for DEEDI to work with small businesses to help them improve their productivity through reducing information asymmetries and facilitating relationships. The majority of Australia's SME exporters are engaged in wholesale trade (37 per cent) followed by manufacturing (30 per cent) and business services (21 per cent). In 2009–10, the number of small business service exporters—most coming from the tourism sector—increased by 16.3 per cent.

The Queensland Government made a conscious choice to be actively involved in investment attraction and foreign direct investment in order to diversify and strengthen the Queensland economy. It works with businesses and partners worldwide to aggressively attract projects that represent a new footprint of a company into target industry sectors with which Queensland has recognised advantages or keen aspirations. Investment attraction is a whole-of-life commitment by the Queensland Government to a company, as is the creation of a business environment that supports its ongoing growth and development. Investment attraction is also a precursor to further export potential.

An example of the success of the government's investment attraction program is Queensland's aviation and defence industry. This industry has been built, virtually from scratch, from a single investment strategy over 10 years ago. From a low base, Queensland's aviation and defence industry now directly employs over 16 000 employees.

Trade and Investment Queensland, part of DEEDI, is the focal point for the government's support for businesses overseas, and for attracting investment into our economy. It works in partnership with Queensland industry, other Queensland Government agencies (including other teams in DEEDI, the Department of Education and Training, Arts Queensland and Tourism Queensland) and Australian Government agencies, especially Austrade.

Port of Townsville



2. Exports and investment—drivers of the Queensland economy

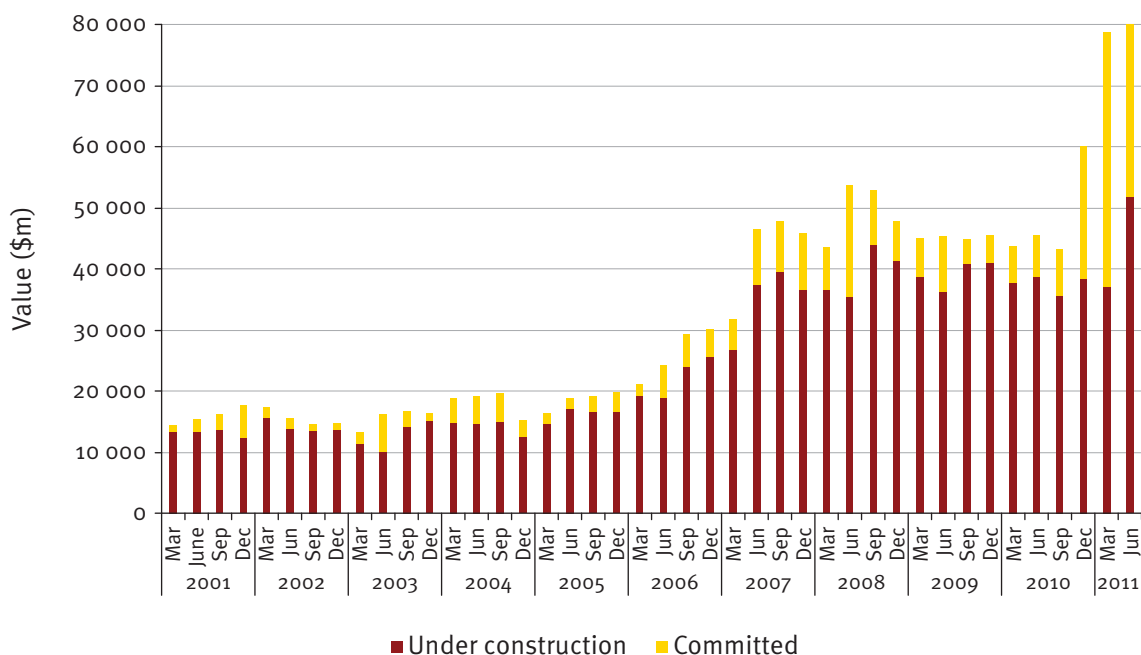
Over the last two decades, exports—especially agricultural, coal and minerals—have underpinned our economic growth. Queensland has had the highest long-term annual average growth rate of any of the Australian states and territories—4.2 per cent during the last decade. This is significantly ahead of the 1.6 per cent annual average growth rate for the Organisation for Economic Co-operation and Development (OECD) member countries over the same period.

Queensland’s economic recovery from natural disasters in 2010–11, and from the aftermath of the global financial crisis (GFC) before that, is being driven by resources investment and exports. This takes place off a strong base: our economy is valued at \$260 billion (approximately twice that of New Zealand, which has a very similar population).

Between 2000 and 2010, overseas exports of goods and services contributed around one-quarter of the total growth in Queensland’s GDP, indicating the importance of exports to the state’s economy. However, Queensland’s recent export performance has been severely affected by the natural disasters. Queensland’s coal, tourism and agricultural exports are expected to recover quickly as the impacts of the natural disasters ease. Total export volumes are forecast to rise 10 per cent in 2011–12, the strongest growth in a decade.

Business investment has also contributed strongly to Queensland’s economic performance, accounting for 22.4 per cent of the total growth in Queensland’s GDP over the last decade. Business investment is forecast to surge by 27.75 per cent in 2011–12 as construction of LNG projects accelerates, along with further investment in coalmines on the back of strong demand for coal from Asia. Figure 1 shows that the value of definite investment projects in Queensland reached \$80 billion in the June quarter 2011.⁴

Figure 1: Value of definite Queensland investment projects (\$m)

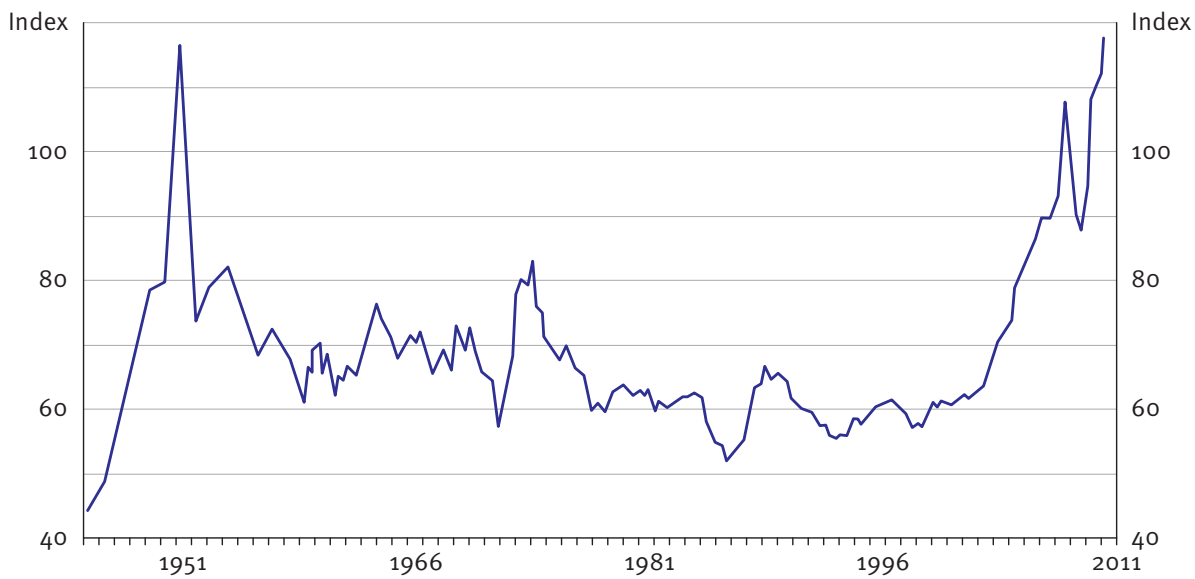


Source: Deloitte Access Economics, *Investment Monitor*, June 2011

The nominal value of Queensland's merchandise exports grew at an annual average rate of 6.6 per cent between 2005-06 and 2010-11, buoyed by strong commodity prices. The recent strength in commodity prices is evident in Australia's record terms of trade (the price of exports relative to imports). This largely reflects higher prices for Australia's energy and minerals commodities on world markets, particularly India and China. Queensland is Australia's main producer and exporter of coal, which has enjoyed particularly strong price growth.

Yet simply relying on the resources boom would leave the Queensland economy exposed to further global shifts. It is important not to lose focus on other sectors of the economy and their export potential. Queensland has nearly 190 000 people employed in manufacturing, and an even larger number working in tourism and in service sectors increasingly exposed to international competition. For firms in these important parts of our economy, successful competition at home and abroad is both an essential response to economic reality and an opportunity for growth and success through exporting. For our economy as a whole, the resulting diversification provides a valuable insurance against almost inevitable future global shocks.

Figure 2: Terms of trade (2008-09 average = 100)*



Sources: Australian Bureau of Statistics; Reserve Bank of Australia
 *Annual data used prior to 1960



Designing the future— the success of Populous

The export success of Queensland architecture company Populous is on display on the world's sporting stage with the spotlight on its New Zealand stadiums during the 2011 Rugby World Cup campaign, as well as with construction commencing on stadiums Populous has designed in both Manila and Taipei.

Populous, known locally as the designers of Queensland's Suncorp, Skilled Park and Metricon stadiums, is the company behind the Otago Stadium in Dunedin (Forsyth Barr stadium), the recently redeveloped Eden Park and Wellington Regional Stadium (Westpac stadium)—all major venues for the 2011 Rugby World Cup.

Populous is also working on several other major projects across Asia, including designing the master plan for the 2014 Nanjing Youth Olympics, the stadium for the 2014 Incheon Asian Games stadium in Korea, and the world's largest indoor arena in Manila, Philippines.

Populous Senior Principal Andrew James attributes Queensland Government assistance to reach these export markets as a major factor in securing these deals. Mr James says the active approach of the Queensland Government, including the local representation through Trade and Investment Queensland's overseas network, was instrumental in securing the deal.



“The active approach of the Queensland Government was instrumental in assisting Populous reach export markets”

Andrew James, Senior Principal, Populous

3. Queensland's exports

In 2010–11, Queensland's exports of goods totalled \$48.7 billion. Our services exports were valued at \$8.8 billion (2009–10).

In 2009–10, the value of Queensland's goods and services exports fell by 20.6 per cent as the GFC weakened demand from many of our major trading partners and forced down global coal prices.

3.1 Goods exports

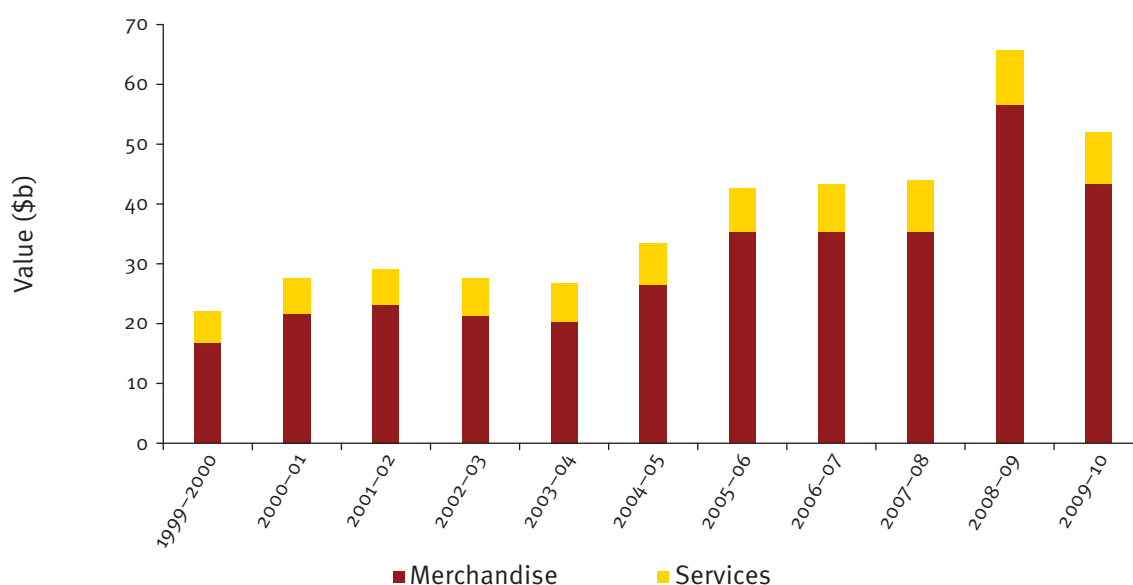
The significant roles that China, India, other Asian markets and, in recent years, Latin America, have played in providing a ready market for Queensland's coal and mineral wealth is well known. In 2010–11, Queensland exported some \$23.8 billion in minerals, coal, oil and gas.

The food and agriculture sector, always an important contributor to Queensland's economic success, is dependent on securing market access for our beef, grains and horticultural products. In 2010–11, food and live animals (including beef and sugar) accounted for 10 per cent of Queensland's goods exports. The Asian markets are important for the continuing success of Queensland's exports of beef, seafood, grain, horticulture and manufactured foods/food ingredients.

Exporting fresh product is a particular challenge. Emphasis will continue on developing new protocols and accessing new markets for Queensland's tropical fruits, such as mangoes and avocados. We will work to improve value-chain relationships by creating efficiencies and undertake in-market consumer research to understand consumer requirements in newer markets such as Korea, China and the Middle East.

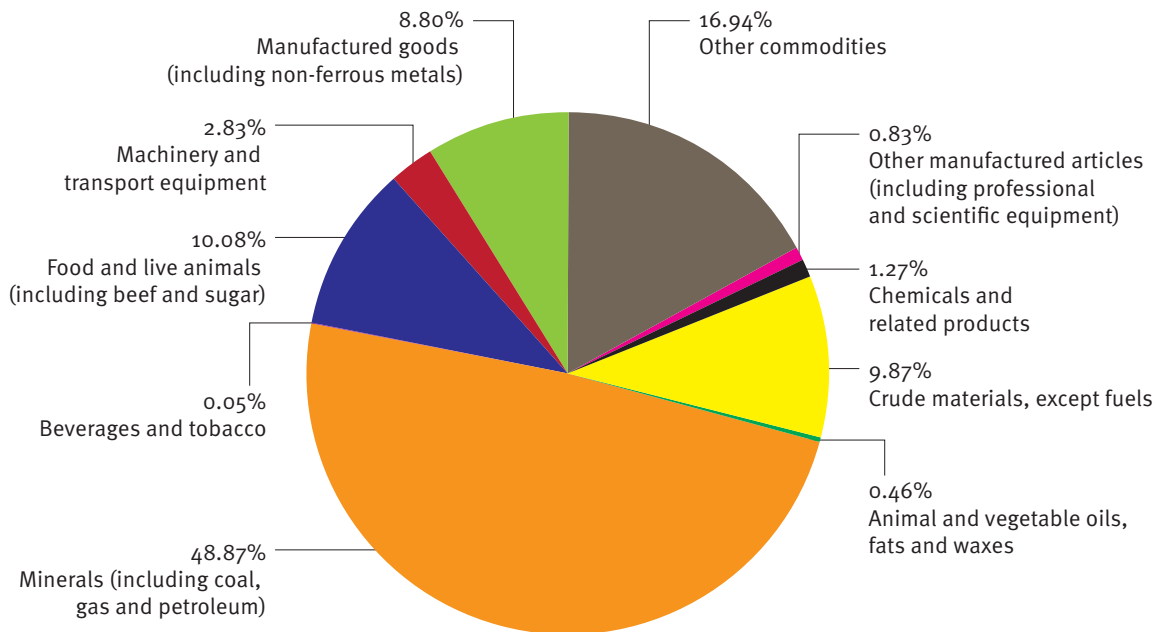
For Queensland's manufacturers, the rise of new economic powers in Asia presents challenges as well as opportunities. It is already clear that Queensland's manufacturers with the classic attributes of competitive strength do well. These attributes include a strong position in intellectual property, a close engagement with customers, and a commitment to continuous improvement and skills (including management skills, which are increasingly critical). Often these companies have been able to carve out a dominant market position and use their close customer links to sustain competitive advantage.

Figure 3: Years of exports by value, 1999–2000 to 2009–10



Note: Queensland services exports data for 2010–11 was not released at the time of publication.
 Source: Australian Bureau of Statistics, Foreign trade unpublished data and *International trade in services* (cat. no. 5368055003)

Figure 4: Queensland's merchandise exports in 2010–11



Source: Office of Economic and Statistical Research, 2011

Grow Korea initiative

Grow Korea is a highly successful Trade and Investment Queensland initiative that developed a new market opportunity for Queensland food ingredients in Korea. This market has grown to \$78 million in six years.

A key component of this initiative was the placement of a food and agribusiness trade specialist in the Seoul office to develop relationships between Queensland businesses and targeted food companies in the Korean market. Exports include beef extracts, grains, fruit juices, bakery fillings, macadamia nuts, ice-creams and olives.

The specialist knowledge gained through this placement has assisted companies to tailor packaging and labelling to meet market requirements, address Korean Food and Drug Authority specifications, and access the most suitable Korean importers and distributors.

The project is ongoing and has assisted 30 Queensland companies to export to Korea to date.

Growth in the service sector offers the greatest opportunities to create high-value jobs, increased productivity, export earnings and improved standards of living

3.2 Services exports

The services sector accounts for 80 per cent of Australia's GDP and around two-thirds of total tangible and intangible domestic investment. Around 84 per cent of Australian firms are services firms. Services are intrinsically people-intensive industries and despite rapid growth in labour productivity, the services sector is also the source of most global job growth over the last decade. In Australia, services industries employ 85 of every 100 people in the workforce and employ 93 per cent of our university graduates. Growth in the services sector offers the greatest opportunities to create high-value jobs, increased productivity, export earnings and improved standards of living.⁵

Queensland must position itself for the challenges and opportunities available in the services sector to compete and thrive in global services markets and underpin our growth and future prosperity. All developed countries have experienced a fundamental shift in their employment structure.

There has been a decline in manufacturing and an increase in professional, creative and retail services employment. Where once all our trade occurred through airports and shipping ports, now we will see a lot more export through internet portals.

The services export sector is part of the new digital economy. Its products are intangible and difficult to measure, but are best described as intellectual content, such as advice, experience and information. In Queensland, services account for nearly 60 per cent of the gross value of the economy, 69 per cent of employment and almost 20 per cent of total international exports of goods and services. Its resilience is highlighted by the fact that from 1990 to 2010 the services sector expanded as a share of the Queensland economy while sectors such as agriculture and manufacturing contracted.

Queensland's changing industry structure

Industry	Share of Queensland economy (%)				
	1990	1995	2000	2005	2010
Agriculture	6.1	4.5	4.5	3.8	2.7
Mining	6.9	5.3	5.8	8.0	10.3
Manufacturing	12.8	12.1	10.6	10.2	8.4
Utilities	3.2	2.5	1.9	2.1	2.2
Construction	8.4	7.4	7.7	8.1	8.7
Services	54.6	59.4	60.8	60.1	58.5
Housing services (actual and imputed)	8.0	8.8	8.7	7.7	9.3

Source: Australian Bureau of Statistics, *Australian national accounts: state accounts*, cat. no. 5220.0

In 2009–10 Queensland's services exports were worth \$8.84 billion or 16.8 per cent of Australia's total services exports.⁶ Although the state's cost-competitiveness in international tourism markets is being affected by the volatility of the Australian dollar, Queensland still derives competitive advantages from its:

- 'clean, green and pristine' status
- diversity of tourism product offerings
- standing as a safe and friendly destination
- good climate
- unique and abundant wildlife
- well-established and well-recognised 'Queensland' brand.

The state's two major services exports are tourism and education. Tourism directly represents 3.2 per cent of Queensland's GSP.⁷ It is the state's second largest export earner, with overseas tourism exports bringing in \$3.8 billion in 2010.

The number of international visitors to Australia is forecast to grow at an average annual rate of 3.9 per cent from 2009 to 2020. If Queensland continues to attract 38 per cent of Australia's international visitors, the state could host over 3.2 million visitors in 2020.⁸ The international tourist visitor market to Australia is expected to increase by an annual average of 4.4 per cent from 2009–10 to 2015–16. Over the next five years, China is expected to be the fastest-growing international market for tourism. In 2008–09, China passed Japan to move into fourth spot; it is forecast to surpass the United States as our third largest source of tourists by 2011–12 and the United Kingdom as our second leading source by 2017–18. Other leading growth markets include India and the Middle East.

The tourism industry has widespread connections with other sectors in the Queensland economy, including accommodation and food services, transport, retail trade, education and business services, and recreation and cultural services. It diversifies the economy, contributes to Queensland's image and presence in offshore markets, underpins aviation links to key markets, adds economic vitality to regions and generates economic benefits from protected natural assets.

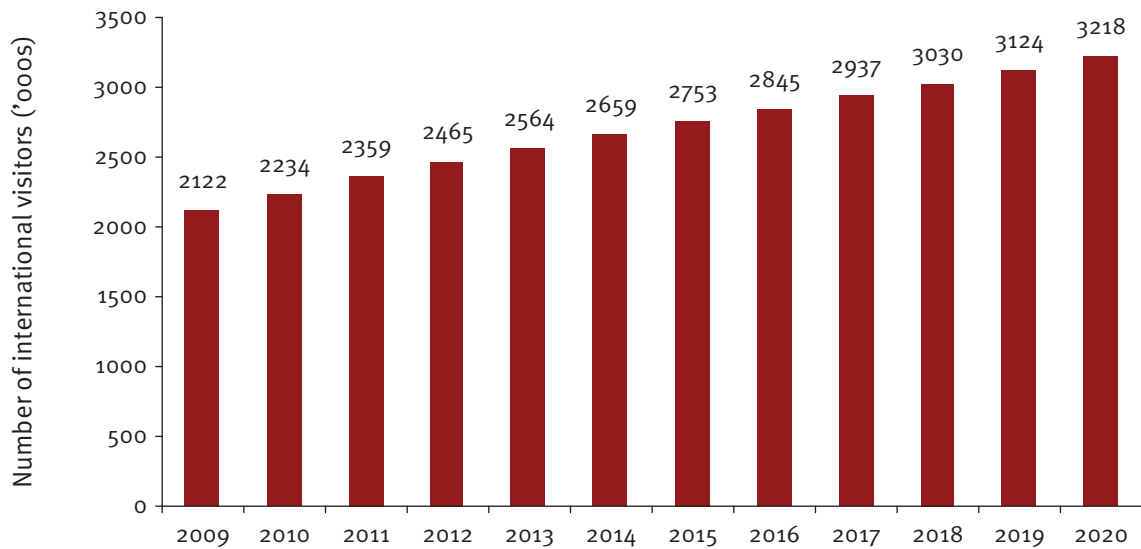
Our education services are growing rapidly despite strong competition from other locations. The export of international education and training provides important educational and cultural benefits, fosters international understanding and trade relations, and connects Queensland to the global research and development community.

International education is now one of the state's top export earners, contributing \$2.8 billion in foreign exchange earnings in 2010. There is a strong synergy between our export markets and the source markets of overseas students who choose to study in Queensland. For example, the number of enrolments by Chinese students in Queensland has increased fivefold since 2002, making China Queensland's largest overseas education market in 2010, followed by India. The emerging South American economies of Brazil and Colombia have also risen from seventh and twenty second position respectively in 2005 to become the fourth and eighth major overseas education markets in 2010.

International education is now one of the state's top export earners



Figure 5: Growth in Queensland's international tourism numbers



Source: Tourism Research Australia

Education markets—China and India

Queensland supports the sustainable development of the international education and training sector, which contributes \$2.764 billion to the Queensland economy. As the fourth largest export and second largest services export, international education and training employs (directly and indirectly) more than 17 000 Queenslanders.

Each year, Queensland welcomes over 100 000 students from over 155 countries. These students drive the internationalisation of our institutions and they also inspire more Queenslanders to experience part of their studies overseas.

We value the opportunity to learn more about their cultures, build long-lasting relationships between nations and develop the role this plays in determining how we engage with the world. A leading-edge education and training system drives the development of an innovative society and is at the heart of Queensland's engagement with the world. Skills and knowledge are the backbone of a strong economy.

With over 22.6 per cent (and growing) of all international students here in Queensland, China continues to dominate rankings as our largest and most important source market. Our second largest source market, India, represents 14.4 per cent of all international students who have chosen to study here in Queensland—this is almost double the Korean cohort (7.4 per cent), which is our third ranked source market.

Study Queensland ... a new investment to attract the best and brightest students from overseas to study in Queensland

Education services exports also include the growing Transnational Education (TNE) or offshore-based delivery model. In response to the recent review of Australia's student visa program, which encourages a greater focus on TNE, Trade and Investment Queensland is working with vocational education and training (VET) providers and peak bodies on an integrated suite of professional and business development programs to assist and support Queensland's high-quality VET providers to explore opportunities to develop and expand their offshore training services. In particular, there will be a focus on the Brisbane-based regional teams and offshore offices delivering business development and matching services in India, Asia and Latin America.

There are close to 100 000 international student enrolments with more than 300 providers in Queensland. Over 17 000 Queenslanders rely on the international education industry for their employment in education institutions, public and private. Additionally, there are multiplier effects on domestic tourism and other service industries that are often overlooked. The international higher education student market to Australia could increase in value by an annual average of 1.9 per cent from 2009–10 to 2015–16.

From an education industry development perspective, Queensland has the largest number of registered providers of all Australian states and territories. The private sector includes 72 per cent of providers, and many of these are SMEs. While universities attract the highest number of international enrolments (35 037 in 2010) and generate significant revenue for the Queensland economy, the growth needs to be considered in the context of a range of pathway programs from students who study in Queensland schools, ELICOS (English Language Intensive Course for Overseas Students) colleges and VET colleges. The success of all sectors in Queensland is vital for long-term sustainability.

Study Queensland was recently launched as a new investment to attract the best and brightest students from overseas to study in Queensland. Study Queensland is industry led and will build export capability and brand recognition. It highlights the Queensland Government's commitment to international education as not just an export sector but also one for building lifelong ties.

Queensland's service exports will continue to grow through the ongoing development of the tourism and education sectors, but also in other sectors such as mining services. Queensland's mining technology services sector is at the forefront of global innovation in the development of solutions for both the Australian and international mining and minerals industries. In 2008–09, mining technology services companies with head offices in Queensland employed almost 10 000 people and had exports of \$1.1 billion. On current growth rates, exports could double by 2015–16.

Overall, the greatest boost to service exports will come from the digital economy.

Queensland is transitioning to a knowledge-based or digital economy, which will help service exporters (as well as goods exporters) develop new products and processes and reach new markets. This transition should be accelerated by the rollout of the National Broadband Network (NBN). It has the potential to help develop more sustainable business practices and create a completely new generation of service delivery, both across government and the broader services sector of Queensland's economy.⁹

Queensland has a growing, dynamic and diverse information and communications technology (ICT) industry and we are fast becoming a leader in a range of products and services that include intellectual property creation, notably in high-value software and services, with expertise in specialised markets like mining, environment, asset management, business solutions, games development and e-security. Australia is the fifth largest ICT market in the Asia-Pacific region, behind Japan, China, Korea and India, and this sector is projected to grow to \$300 billion by 2020.

Queensland employs almost one-third of total employment in the mining services sector in Australia

Mining services

The Queensland mining services sector employed 13 900 people in the September 2011 quarter; this represents almost one-third of total employment in the sector in Australia. The accelerated growth in industry activity over the past decade has boosted direct employment numbers, with employment in the sector increasing by almost 4000 people over the year.

Mining services is an important intermediate service input into the mining production process, and can therefore be viewed as a significant 'embodied service export'. The mining services industry's main activity is contract mining, which makes its performance highly dependent on trends in mining activity.

This industry is expected to continue to perform strongly over the next five years, as firming global growth will underpin rising demand for a range of minerals, providing the basis for growth in mining services. Industry revenue in Australia is expected to grow at an average rate of 6.6 per cent per annum over the five years from 2011–12.

Queensland's Latin American target sectors include mining services, energy, infrastructure and training services. Trade and Investment Queensland has relocated its Los Angeles office to Santiago, Chile, in order to service Queensland companies in these markets.

Environmental services

The industry currently employs approximately 31 500 people in 5225 establishments, and employment has grown by about 2.0 per cent per annum over the five years to 2010–11.

The industry is characterised by its many small-scale firms competing in relatively narrow service or geographic markets. About 20 per cent of the establishment and 22 per cent of employment is in Queensland.

The unprecedented boom in the energy and mineral resource markets since the early 2000s has been the key factor driving robust demand for technical services supplied by this industry. The industry at the national level is forecast to maintain solid revenue growth of 4.0 per cent per annum over the next five years (to 2015–16), roughly matching the projected pace of GDP growth (3.8 per cent per annum) and reflecting the combined impact of increased government funding for weather and climate-related research, ongoing growth in demand for mineral testing and further growth in environmental markets.

3.3 The role of emerging markets

It is important to continue to develop trading opportunities with our traditional trading partners, as well as with emerging nations, to diversify our economy in terms of who we trade with and what goods and services we trade in.¹⁰

The composition of Queensland's export destinations has undergone quite a change in just the last five years, where the importance of emerging markets—particularly India and China—is reflected in the statistics.

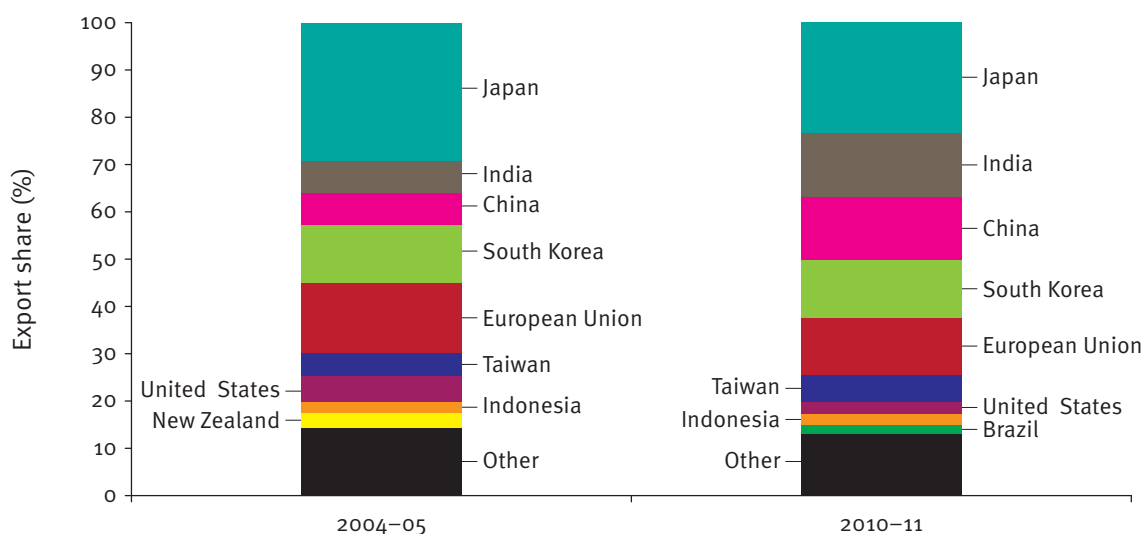
While Japan remains Queensland's major merchandise export market with a 22.8 per cent share, demand for the state's goods is growing in China (13.2 per cent) and India (13.3 per cent). Asia, excluding Japan, absorbs over half of Queensland's merchandise exports, while Europe accounts for 11.8 per cent. While the United States is a relatively minor market (2.5 per cent), about the same size as Latin America (3.3 per cent), it is in Latin America where the growing opportunities are for Queensland companies, especially in mining services.

Looking ahead, it is clear that much of the growth in demand in the world economy in coming years will also lie in Asia, especially as incomes increase. The tourism industry is already beginning to adapt to this development, and other service-led industries in Queensland are benefiting from these trends. For example, Queensland's mining equipment, technology and services exports have grown from \$703 million to \$1065 million between 2006–07 and 2008–09.¹¹

These economies are at a stage of development that is materials and energy intensive. Even in a carbon-constrained world, this is likely to continue to be the case for some years to come, creating strong demand for resources and supporting high commodity prices.

In the last 10 years, 80 per cent of our merchandise exports were mineral and agricultural commodities. In the next 10 years, our minerals and coal will remain vital to the industrialisation of Asia and at the same time the quality and abundance of food we produce can satisfy the needs of its rapidly changing population. The opportunities are real, but we must ensure that every part of our economy remains competitive.

Figure 6: Top 10 Queensland merchandise export destinations



Source: Office of Economic and Statistical Research, 2011

Looking ahead, it is clear that much of the growth in demand in the world economy in coming years will also lie in Asia

This does not mean abandoning work in Europe or the United States. Taken as a whole, the European Union remains the world's largest economy. The United States continues to have significant economic capacity and acts as a source of real innovation in many areas.

Queensland's target markets are China, Japan, India, Indonesia, South Korea, Vietnam and Malaysia.¹² Opportunities are also emerging for Queensland in Latin America, particularly Brazil and Chile.

3.4 Investment markets and target sectors

Major markets of focus for inward investment are the United Kingdom and Europe, Japan, North America, China, India and Korea as well as other Australian states and territories.

While these global regions are of keen focus, investment attraction also has a sectoral focus:

- advanced manufacturing
- aviation and defence
- bio-based industrial products, biofuels and clean energy
- food and agribusiness
- health
- LNG
- mining and petroleum activities, technologies and services
- renewable energy
- ICT
- transport and logistics services
- tourism.

Within these sectors, key sub-sectors have been identified and are proactively targeted in national and global markets.



China and India

China and India are currently two of Queensland's top three export markets for merchandise goods, compared with seventeenth and ninth respectively 20 years ago. The International Energy Agency (IEA) predicts that China's demand for primary energy will be almost three times 2000 levels by 2020. India's demand for primary energy is also expected to almost double over the period.

A large part of this energy demand from China and India will be met by conventional fossil fuels, including coal, oil and gas. China has increasingly relied on imports to meet its vast energy demand in recent years. Imports of coal rose from 26 million tonnes in 2005 to 165 million tonnes in 2010 while imports of crude oil increased from 127 million tonnes to 239 million tonnes. China's imports of LNG increased by almost 70 per cent, to 9.4 million tonnes in 2010. This provides significant opportunities, not only for our coal producers, but for our burgeoning LNG industry. Queensland has the capacity for growth in its coal and LNG industries that can help meet this demand.

There is also potential for significant growth in tourism through the Chinese market. The number of Chinese outbound visitors rose from 10.5 million in 2000 to 47.7 million in 2009, a more than fourfold increase. While this growth is spectacular, the number of outbound travellers in 2009 only represented 3.6 per cent of the country's population. The emergence of the middle class, together with a gradual easing in restrictions on foreign travel, means that growth in China's outbound tourism is most likely to accelerate in the coming decade. Queensland's dynamic tourism industry, with a diverse range of experiences, is well positioned to take advantage of growth.

Queensland's reputation for clean, green and safe food means it is well positioned to exploit opportunities in agriculture. Rising living standards in China have led to a significant increase in the demand for Queensland's beef since the late 2000s. The volume of beef exported to China increased from an average 1184 tonnes per annum between 2000 and 2005 to 7154 tonnes in 2010. The ongoing urbanisation in China will see this strong growth continue in the coming decade.

4. Investment

Investment is a key tool to support industry development and growth within the state. The two ways that we will continue to grow our priority sectors are:

- bottom-up organic growth—facilitate sectoral industry teams, research collaborations and clustering
- top-down intervention—attract market leaders to invest and anchor the clusters, which create servicing supply chains or extend the coverage of the sector.

Queensland's investment-attraction efforts need to align with what drives company decisions on investment and location. A company makes investment decisions that are the best choices for the success and longevity of the company.

The most important factors determining the location of investment are market growth, market size and access to international/regional markets. While natural resources ranked ninth, it plays a much stronger role in the Queensland economy. Access to Asian markets is another major driver. Investment-attraction efforts need to align with Queensland's competitive advantages.

Australia is one of the world's top 10 most attractive locations for foreign direct investment. This investment is an important part of Queensland's international competitiveness. For example, China (and increasingly India) is a significant and growing investor with 33 major Chinese investors active in the state.¹³

Large international companies tend to have higher levels of innovation and bring new innovations to the economy that are then diffused into other firms—therefore, the attraction of large firms is a productivity driver. They also have greater efficiency in general and promote better management practices. Large international firms help make our own firms more innovative, competitive and better connected to the world.

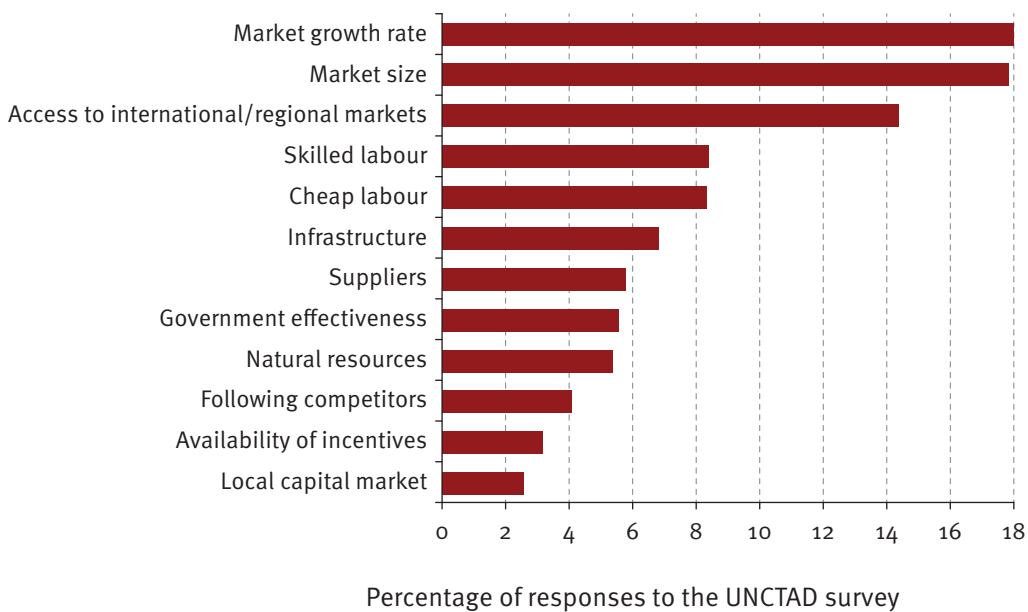
Encouraging direct foreign investment can help to diversify Queensland's exports and enhance competitiveness by providing access to global supply chains and adding scale, especially for businesses otherwise limited to a relatively small market such as Australia.¹⁴

Queensland's LNG projects are examples of huge private and foreign direct investment, generating hundreds of millions of dollars in royalties. These projects will be the first in the world to convert coal seam gas (CSG) to LNG for export. The government's efforts to facilitate the LNG industry is a key plank of its jobs plan.

Investment is a key tool to support industry development and growth within the state



Figure 7: Location criteria in order of importance, 2008–2010



Source: WIPS 2008–2010

Queensland's LNG industry

LNG is set to become Queensland's second largest export industry behind coal. Queensland's LNG exports are estimated to exceed \$17 billion by 2016.

Queensland-produced LNG is fuelling gas-fired power plants in China, Japan, Korea, Singapore and Malaysia. Global LNG demand has increased by 50 per cent since 2006 with Asian demand growing by 9 per cent per annum. This demand is being driven by rising power-generation needs, a decreasing dependency on coal (to reduce carbon dioxide emissions) and uncertainty in Asia surrounding nuclear power policy.

Growth prospects for Queensland's LNG industry are reflected in the strength of investment. Seven LNG projects have already been announced in the state. The Queensland Curtis LNG (QCLNG), Gladstone LNG (GLNG) and Australia Pacific LNG (APLNG) projects are currently under construction, with a combined investment of \$45 billion. These projects alone represent the largest industrial development in Queensland's history.

The state's LNG projects are being supported by major investment in supply-chain infrastructure including pipelines, processing facilities and export infrastructure. Australia's largest dredging project is taking place at Gladstone Port in preparation for gas exports.

Queensland's advantages in the sector

Queensland's attractiveness as a location for LNG investment stems from its extensive reserves of CSG and proximity to major Asia-Pacific markets. In 2010, the Asia-Pacific market accounted for around 63 per cent of world LNG trade. In addition, Australia is perceived as having lower security and political risks than competitors such as those in the Middle East and West Africa.

Fast facts

- Queensland has 95 per cent of the CSG reserves identified in Australia.
- The seven announced LNG projects in Queensland have the potential to generate over 50 megatonnes per annum (Mtpa) of exports.
- Global companies who have already chosen to invest in Queensland's LNG industry include BG Group (QCLNG); Santos, Petronas, Kogas and Total (GLNG); and Origin Energy, Sinopec and ConocoPhillips (APLNG).
- A number of global companies have also established a regional presence in Queensland.
- There is potential for 18 000 new jobs to be created by the growth of the CSG/LNG sector.
- Gladstone Port will become one of the world's major LNG exporters—the largest dredging project undertaken in Australia is currently underway.

Investment is not limited to the resource and agriculture sectors

Food security and product integrity are increasingly a concern in global markets. Countries that do not share the diversity and natural resources suitable for a range of primary production activities are looking to Queensland as part of their risk management to ensure future food supplies. To remain competitive, Queensland's food and agribusiness sector requires investment at all stages along the food supply chain. To meet these dual needs, Trade and Investment Queensland is working with companies and industry to develop a sustainable food and agriculture base in Queensland. To this end, programs in tailored investment attraction and enhancing supply-chain competitiveness are being implemented.

However, investment is not limited to the resource and agriculture sectors. Queensland has attracted major investments in ICT, finance, health, telecommunications, aviation and manufacturing in recent years.¹⁵

The Queensland Government, through Trade and Investment Queensland, promotes Queensland as an ideal investment destination, both nationally and internationally.

Strategic highlights

To maintain our investment focus, we will continue to:

- demonstrate a strategic approach (not a scattergun approach) that is driven by government policy and market opportunities
- actively target policy-determined priority sectors and niche sub-sectors
- capitalise on market interventions, such as insulation and solar heating
- maintain a key focus on Queensland's regional economies by promoting investment and expansion in these areas
- build capacity in emerging technologies and industries
- maintain strong ties and relationships with Austrade and a strict allegiance to the Commonwealth Foreign Investment Review Board (FIRB).



Cairns Esplanade lagoon



5. Queensland's regional economies

Queensland is Australia's most regionalised state. That alone justifies a strong commitment to working with regionally based firms in international markets. But the pattern of economic growth in Queensland is itself regionally based and multifaceted. For example, the resources boom is being played out in a number of Queensland's regions—CSG in the Surat, Bowen and Galilee basins (gas corridor); coal in the Bowen and Galilee basins (energy corridor), and minerals in the North West (minerals corridor). This in turn has led to rapid economic development in coastal centres like Mackay and Townsville, as well as Gladstone, to support the resource exploration and development.

The state's tourism industry is concentrated on the Great Barrier Reef coast (tourism corridor), with additional centres of attraction on the Gold Coast and the Sunshine Coast, and significant 'outback' activity into western Queensland too.

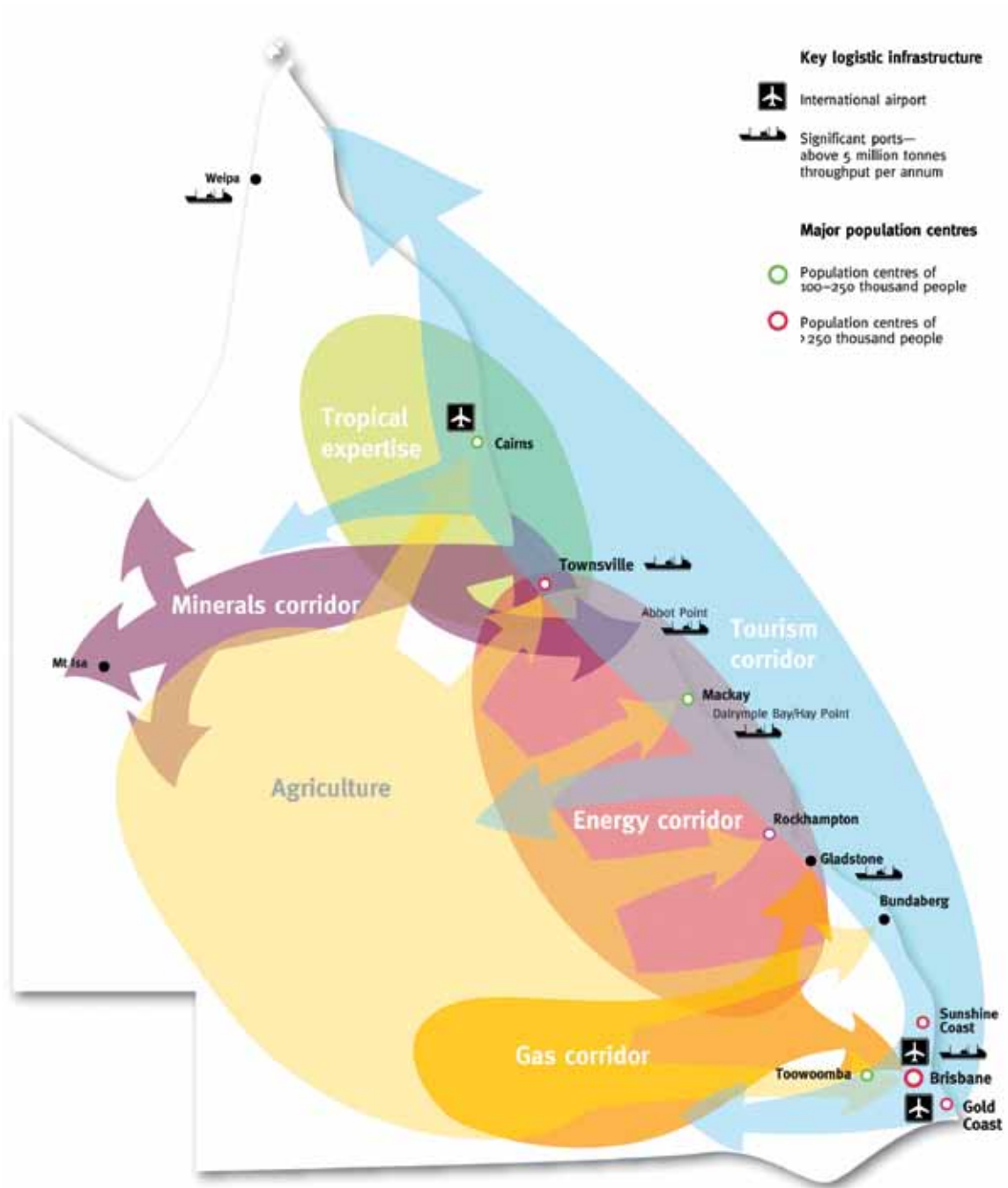
The food and agribusiness sectors are the economic mainstays of many Queensland regional communities. The majority of these are small to medium in structure and the development of effective and competitive supply chains underpins their success in global markets. Overcoming quarantine and non-quarantine barriers, leveraging research and development and access to technological innovations are key areas where food and agribusinesses firms require assistance. The delivery of these services assists Queensland companies to improve their competitiveness by leveraging their strengths, increasing their efficiencies and overcoming supply continuity issues in order to capture new export opportunities.

The Queensland Government supports business productivity through supply-chain programs to assist SMEs build globally competitive and sustainable operations. These programs are delivered through specialist organisations, including QMI Solutions (QMI), the Industry Capability Network Queensland (ICN) and the Australian Institute for Commercialisation.

Manufacturing is a significant activity across many parts of the state, especially south-eastern Queensland. In 2008–09, Queensland's manufacturing sector comprised 11 000 businesses employing 190 000 people and contributing \$18.8 billion to the state's GDP.¹⁶ In some markets, our manufacturing companies are world leaders; for example, more than half the value of our manufactured export comes from firms in the mining equipment sector. These are firms who have been able to build global markets based on the skills and knowledge they have forged in our domestic markets.

The resources boom has led to rapid economic development in coastal centres to support resource exploration and development

Figure 8: Future Queensland economic trends



Strategic highlights

We will focus on help for smaller firms, particularly in regional Queensland, that are looking to market goods and/or services overseas for the first time.

6. Access to services

6.1 Regional service delivery

To be responsive our export sectors, investment services and support need to be:

- close to where potential and existing exporting firms are located
- located in emerging and existing markets
- underpinned by a strong online presence.

Trade and Investment Queensland's Export Advisory Service provides services tailored to respond directly to client needs according to various stages of export development. The services are delivered in regional centres including Townsville, Mackay, Cairns, Toowoomba, the Sunshine Coast, the Gold Coast, Rockhampton and Bundaberg as well as in Brisbane.

These services build on the wider work DEEDI delivers to help improve the competitive performance of supply chains and individual firms right across our economy. They include:

- regional trade and investment hubs—through which clients can access a suite of trade and investment services provided by a network of regional export advisors (operated by Trade and Investment Queensland in partnership with Austrade, under the TradeStart program) as well as food and agribusiness trade and investment specialists
- Tomorrow's Regions: the Queensland Government's Partnership with Regional Communities—the government's new integrated approach to working with rural and regional communities
- a network of regional centres to help businesses establish and grow
- support to regional economic development organisations.

Export Advisory Service

This service provides workshop programs as well as individual support.

- Getting Export Smart is a four-module export skills development program targeted at Queensland companies that are new or potential exporters.
- The Export Master Class workshop series is a higher level, tightly focused workshop for experienced exporters.
- The Mentoring for Export program provides export clients with the opportunity to discuss their export strategy with a panel of mentors drawn from government and industry.
- Investment Readiness workshops build the capacity of exporters to expand by raising awareness among participants of the investment environment and matters that need to be considered to successfully attract investment from external sources.
- Regional trade officers are a key part of Trade and Investment Queensland's service delivery and provide clients with one-on-one export coaching covering a range of export development strategies. Currently, Trade and Investment Queensland maintains a team of regional trade officers (food and agribusiness trade and investment officers and export advisers) in Cairns, Townsville, Mackay, Rockhampton, Bundaberg, Toowoomba, the Sunshine Coast and Brisbane Southside (Springwood).
- International Aid and Development Business workshops increase the skills of Queensland firms wishing to pursue aid-funded projects. Workshops include tender writing, CV writing and capability statement development, all tailored for aid and development businesses.

Support for SMEs—productivity hubs

Better information can lead to various forms of entrepreneurial action. The role of the government is to facilitate and enable a broad spectrum of entrepreneurship by seeking to elicit, gather and even create information with businesses. This is consistent with research by the OECD on effective innovation policies.

The government recently announced \$7.5 million to support productivity hubs across Queensland over the next five years. This initiative is about building capacity in businesses and focusing on key strengths in major regional areas—the sorts of industries that we know underpin key regional economies like tourism, food processing, and transport and logistics—but expanding also into business services to participate in the service economy. Forty SMEs are participating in a benchmarking exercise in Cairns, Townsville, Ipswich, Rockhampton, Wide Bay and Toowoomba at this point. This initiative will be rolled out to other regions in the future.



6.2 Online service delivery

DEEDI has been engaged in significant investment in better delivery of its services to Queensland businesses online. The whole department has worked to a single vision of a customer-centric web and wider online presence providing an interactive set of communication tools to meet customers' needs, and of becoming an exemplar of world-class web-channelled delivery and presence.

DEEDI has done this through a single website, www.business.qld.gov.au, which is intended to be a franchise website for business and industry in Queensland, bringing together services from a wide range of government departments.

There is more to go on this, but over the coming year we will ensure that all of Trade and Investment Queensland's information is embedded in the wider franchise portal, so that Queensland businesses can access it in ways that meet their needs.

Strategic highlights

Trade and Investment Queensland will enhance our regional delivery using other DEEDI, Queensland Government, Australian Government and local partners wherever possible, so that every part of our business support system is aware of the opportunities and demands of international trade and investment for Queensland firms.

6.3 International footprint

We have a proud history of close working relationships in the global marketplace—Queensland has had a representative in Japan since 1979. Our international representatives are located in strategic areas of export opportunity for Queensland business and offer a flexible, cost-effective resource that can readily adapt to rapidly evolving markets.

We currently have a full-time presence in China (including Hong Kong), Taiwan, Korea, India, Europe (London), the United Arab Emirates and Saudi Arabia. Our presence in the Americas has been refocused on Latin America with a new base in Santiago, Chile.

Our overseas locations are reviewed on an annual basis to ensure that the locations align with the business opportunities and competitive advantages of Queensland industry.

We will continue to expand our international support activities to address opportunities in emerging markets such as Mongolia and Mozambique, as well as Latin America and Asia, as we align resources with new opportunities.

We will expand our international support activities to address opportunities in emerging markets

Support for exporters

The Queensland Government helps businesses with export and cross-border investment. Through Trade and Investment Queensland, it offers tailored services to match the needs of a diverse range of clients, including the following:

- *Commencing export*—Businesses preparing to export can gain assistance with market selection, sourcing customers, identifying opportunities, and advice on business plans, logistics and finance.
- *Sustaining exports and growing international business*—Businesses with international experience can seek advice to plan their entry to the market, identify new markets, source growth finance, establish networking opportunities and find in-market business partners.
- *Expanding market share and becoming globally competitive*—Businesses can gain high-level market and strategic insights and seek assistance to access partners and decision makers to support their engagement with more sophisticated business models, including:
 - linking to global supply chains
 - selling intellectual property
 - establishing joint ventures
 - investing overseas
 - licensing and franchising.
- *Small and medium-sized exporters*—Assistance to exporters can help position them within global supply and production chains and help them become globally competitive and sustainable.
- *Large and established exporters*—In emerging markets, where the role of government and access to high-level government officials are important, Trade and Investment Queensland opens doors and provides valued government imprimatur to assist Queensland companies to secure deals.
- *Regional exporters*—Assistance can help with linking into global supply chains, expanding supply capability and market access.
- *Services exporters*—Assistance can help with technical and intellectual aspects of this niche market, such as intellectual property protection.



Trade and Investment Queensland employs market and industry specialists both in Queensland and internationally

6.4 Partnerships

Trade and Investment Queensland will continue to expand its partnerships with Commonwealth agencies (Austrade, the Export Finance and Insurance Corporation and the Department of Foreign Affairs and Trade) to avoid duplication of effort, swap market intelligence, cooperate in Australian initiatives, represent Queensland industry at international trade negotiations and ensure Queensland companies benefit from every available resource.

The presence of a dedicated state-based agency provides Queensland companies with a distinct competitive advantage in the form of additional resources to assist them in overseas markets and to attract valuable foreign investment to our local economy. In some markets, especially Asia, the Middle East and Latin America, government imprimatur is a distinct advantage. Given current global economic developments, Trade and Investment Queensland is continuously looking at maximising gains through international trade and attracting investment wherever possible. The Australian economy represents a very small share of the global marketplace. Trade and Investment Queensland searches for, prepares and exposes Queensland firms to the opportunities that are constantly being created around the globe. Trade and Investment Queensland employs market and, importantly, Queensland industry specialists both in Queensland and internationally to assist exporters either gain market entry or expand their international presence.

Closer to home, we provide advice to Brisbane Marketing and industry organisations such as the Australian Institute of Export, the Australian Industry Group, the Chamber of Commerce and Industry Queensland and regional chambers. In the next five years we will commit to strengthen our engagement with regional councils and regional economic development agencies.

We will continue to engage in complementary activities with partner agencies where the exchange of information and joint collaboration serves to promote shared interests, increase effectiveness and lower costs. These agencies include in particular:

- Department of Education and Training (DET). We collaborate with DET in the development and management of Queensland's international education and training industry. As a large provider of school education and VET through the TAFE college network, as well as having a key regulatory role, DET is a key stakeholder in the industry. We will continue to take the lead for the Queensland Government and work with DET and peak industry bodies, as well as educational institutions, to develop the school and VET sectors.
- Arts Queensland. We will work with the Queensland Indigenous Arts Marketing and Export Agency (QIAMEA) in marketing, exporting and positioning the Queensland Indigenous arts sector, and will support the creative industries and the arts and cultural industries.

7. Implementation, performance and evaluation framework

The strategic highlights in this document provide guidance to the Queensland Government for its ongoing commitment to its trade and investment activities. These activities will be delivered under five key themes:

- Develop policy, supply chains and regional strategies to support a trade and investment environment.
- Promote the Queensland brand to the world to increase exports and investment.
- Build the export capability of Queensland businesses to succeed in global markets.
- Position businesses to anticipate and respond to new market opportunities.
- Enhance market reach and coverage of services through partnerships and technology.

Annual program level activity measures

Outputs from activities

(Annual targets are set; data is captured and reported weekly.)

Output measure
Businesses assisted to export or expand market share
Number of targeted and qualified leads for Queensland businesses generated through overseas trade missions and other investment, trade and export development activities
Structured trade and investment business capacity building programs and activities delivered
Individual participants in structured development activities
Participation of all foreign investment lead responses coordinated through our partners' global network
Business cases prepared and potential investors hosted in Queensland

Annual business outcomes

(Annual targets are set and the outcomes are captured and reported weekly using export impact forms signed by Queensland companies assisted by Trade and Investment Queensland.)

Business outcome
Estimated value of additional capital attracted to Queensland as a result of investment and business development assistance
Value of exports generated by business assisted
Estimated number of Queensland jobs created or retained by businesses assisted

The appendix provides further detail.

A performance and evaluation framework will enable the Queensland Government to regularly review its progress and adjust to ongoing uncertainties in global and local environments. In this way, our resources and activities can be channelled to where we make the most difference.

Trade and Investment Queensland's performance is measured on how its targets contribute to DEEDI's strategic vision for a strong Queensland economy that is globally competitive and sustainable—grow the economy; protect Queensland's economy now and for the future; create and sustain jobs; and improve business profitability and success.

Appendix

Framework for delivery

Objective: Develop policy, supply chains and regional strategies to support a trade and investment environment

Strategy	Initiative
Implement appropriate policy settings to grow diversified trade and investment	<p>Government to consult with the international business community in Queensland and abroad</p> <p>Encourage business innovation to support ongoing global competitiveness</p> <p>Encourage and support Queensland to seize business opportunities in the global marketplace</p>
Diversify Queensland's supply capacity to increase exports of high-growth, knowledge-intensive and value-adding sectors	<p>Form collaborations within government and with industry bodies to grow the export capacity of value-adding and knowledge-intensive sectors, including services</p> <p>Capitalise on Queensland research and development and innovation strengths to diversify trade capacity through high-growth sectors</p> <p>Capitalise on the past success as an international education destination to develop sustainable quality education exports</p>
Increase the competitiveness and sustainability of Queensland industry	<p>Prepare regional trade and investment strategies to address specific needs of each Queensland region</p> <p>Promote the uptake of ICT as a key enabler of economic development</p> <p>Facilitate the development of the transport and logistics sector to fully support the growing needs of Queensland export supply chains</p> <p>Collaborate within government and with industry bodies to assist businesses along the value chains to improve efficiencies and enable successful global-market entry or expansion</p>
Attract high-value inward investment and facilitate export activities to strengthen and diversify supply capacity, especially in regions	<p>Work with domestic and international companies looking to relocate, expand or develop their business in Queensland</p> <p>Establish regional trade and investment hubs to integrate and coordinate the delivery of international business services to regional clients</p> <p>Encourage new businesses to fill value-chain gaps and so grow new industries</p> <p>Attract investments into high-growth and value-adding industries that foster technology transfer and innovation</p> <p>Attract firms to Queensland that focus on global markets and leverage their networks and distribution capacity to increase export volume from local manufacture</p> <p>Identify regional growth needs and attract investment to assist diversification of the local industry base</p> <p>Work with regional partners—regional development associations, regional economic development organisations and local governments</p>

Objective: Promote the Queensland brand to the world to increase exports and investment

Strategy	Initiative
Capitalise on Queensland's brand for export promotion	Promote and market the quality and competitiveness of Queensland products and services in overseas markets Host inbound trade missions for buyers, procurement officials, influential journalists and key decision makers to produce tangible outcomes for Queensland businesses
Focus investment promotion efforts where benefits will be the greatest for Queensland	Target companies offering supply-chain opportunities for Queensland SMEs, and global supply-chain opportunities for exporters Use the Queensland Investment Incentives Scheme (QIIS) where economic benefits are the greatest Host information and networking events for local businesses and foreign firms, especially from non-Western economies, to facilitate greater local procurement
Organise events to promote Queensland exporters	Market and promote an annual Queensland Premier's Export Awards event Facilitate outbound trade missions and exhibitions for targeted sectors and in priority markets
Through web and print material, promote Queensland's economy and businesses	Develop market and sector-specific strategies to inform customers of opportunities and services Provide information promoting Queensland as an investment destination and information for potential investors on local market expansion opportunities Produce marketing material (brochures, collaterals, banners etc.) and media releases

Objective: Build the export capability of Queensland businesses to succeed in global markets

Strategy	Initiative
Increase export capability through education and training for businesses in all Queensland regions	Deliver export skills development programs throughout Queensland for businesses to start, expand and sustain exports Organise and deliver industry-related and market-related networking and information events Provide ongoing delivery of programs including Getting Export Smart, Export Master Class and Mentoring for Export
Provide trade and investment support to businesses through the Queensland head office, the regional network of trade advisers and the overseas network of representatives	Provide direct business advice and matching Provide initial market assessments for products on offer Provide liaison services and introductions to contacts abroad Assist businesses in high-growth and knowledge-intensive sectors Target services at businesses committed to future growth in new markets that will strengthen their competitiveness Facilitate product and service differentiation to meet consumer requirements in various markets Facilitate productive export alliances to maximise the capacity and competitiveness of Queensland SMEs
Grow business capacity through global expansion and participation in global supply chains, especially by SMEs	Support outward expansion by Queensland businesses to grow their markets and to assist access to global supply chains Provide facilitation services to link high-net-worth individuals and overseas companies with projects in Queensland or with firms seeking foreign partners to increase access to capital and expertise Facilitate events that promote SMEs to global companies and help them to participate in global supply chains

Objective: Position businesses to anticipate and respond to new market opportunities

Strategy	Initiative
Set future market development priorities where there is a clearly identified opportunity or demand and match it with Queensland sectoral and firm-level capability	<p>Through intelligence gathering and analysis, identify emerging market opportunities and disseminate information to businesses</p> <p>Extensively use the network of overseas offices and representatives to find and access new opportunities for both investment and trade</p> <p>Respond to changes in the global marketplace and adapt operations to efficiently deliver appropriate and timely services to business</p>
Diversify overseas market presence to deliver services where the benefits for Queensland businesses are the greatest	<p>Capitalise on growth in the key emerging trading markets of South-East Asia, the Middle East, South America and Africa</p> <p>Strengthen Trade and Investment Queensland representation in emerging markets (e.g. Chile, Brazil and South Africa)</p> <p>Regularly review overseas representation to position operations in markets where opportunities match supply</p>
Expand and deepen engagement by Queensland businesses in global markets	<p>Encourage Queensland companies to participate at overseas trade missions and trade exhibitions to maximise opportunities</p> <p>Provide specialist advice on market-access issues, such as for agribusiness products</p> <p>Advise Queensland businesses wishing to establish overseas presence or partnerships to expand their global market share</p>
Work with the overseas market to establish or sustain Queensland's competitive advantage in key sectors	<p>Sustain the competitive position in established, traditional markets</p> <p>Capitalise on opportunities created by regional or bilateral trade agreements and Queensland's geographic proximity to the fast-growing Asian markets</p> <p>Increase market share in the growth markets of China and India by identifying and responding to continuing demand</p>

Objective: Enhance market reach and coverage of services through partnerships and technology

Strategy	Initiative
Develop and maintain alliances with overseas partners to advance trade and investment in Queensland	<p>Organise high-level government-to-government missions to markets with greatest potential</p> <p>Develop formal partnerships with regions where compatibility in trade and investment is the greatest</p> <p>Conduct joint trade and investment initiatives with overseas governments, organisations and industry</p>
Online service delivery	<p>Increase online service delivery such as the provision of virtual exporter training and market information seminars or 'webinars'</p> <p>Harness the NBN for service delivery and route-to-market accessibility</p>
Provide leadership across the Queensland Government and industry on trade and investment issues, and collaborate with partner agencies to deliver the most effective and efficient services to business	<p>Engage in complementary activities with partner agencies where the exchange of information and joint collaboration serves to promote shared interests, increase effectiveness and lower costs</p> <p>Collaborate with the Australian Government through the Department of Foreign Affairs and Trade to help improve trade conditions and outcomes for Queensland business interests, including during free trade agreement negotiations</p> <p>Maintain memorandums of understanding with Austrade, the Australian Export Finance and Insurance Corporation and Brisbane Marketing and promote their grant and finance programs to Queensland businesses</p>

Notes

- 1 Deloitte Access Economics, *Investment Monitor*, June quarter 2011.
- 2 Centre for International Economics, *Benefits of trade and trade liberalisation*, 2009.
- 3 Australian Bureau of Statistics, *Characteristics of Australian exporters, 2009–10*.
- 4 Deloitte Access Economics, *Investment Monitor*, June quarter 2011.
- 5 *The new economic challenge: responding to the rise of services in the Australian economy*, Australian Services Roundtable and ACIL Tasman, September 2010.
- 6 <<http://www.dfat.gov.au/publications/stats-pubs/downloads/australia-trade-by-state-and-territory-2009-10.pdf>>
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- 10 Queensland Treasury, Budget paper no. 2, 2011–12.
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- 13 <<http://www.acbc.com.au/default.asp?id=1,2,9,728>>
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- 15 <<http://www.acbc.com.au/default.asp?id=1,2,9,728>> & <<http://www.austrade.gov.au/Invest/Why-Australia/Growing-Foreign-Investment/default.aspx>>
- 16 DEEDI Manufacturing website, accessed 23 September 2011.

All figures are quoted in Australian dollars, unless otherwise specified.

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