

The potential for ACT businesses and research institutions to capitalise on China's R&D focus is supported by several formal diplomatic agreements into which the ACT Government has entered. Canberra enjoys a productive Sister City relationship with Beijing²³ and an important Memorandum of Understanding (MoU) with the Shenzhen Municipal Government. The MoU is aimed at promoting two-way investment and cooperation between companies, particularly in the fields of innovation and technology. During 2017, Shenzhen spent 4 per cent of its GDP (US\$338 billion in that year) on research and development, and this is expected to rise to 4.25 per cent by 2020.

Shanghai is being positioned as a centre for technology, innovation and entrepreneurship. In recognition of this, Shanghai has been chosen as one of as a 'Landing Pad' location under the Australian Government's National Innovation and Science Agenda. Shanghai is also host to the annual China International Import Expo (CIIE), a large-scale opportunity for Canberra Region companies to showcase technology to produce.

China's middle class is predicted to account for approximately 70 per cent of its population by 2030. International travel and overseas education are prominent avenues for China's consumer class looking to invest their wealth, presenting significant growth opportunities for the ACT's tourism sector, building on strong education engagement in recent years.

The ACT Government's *2020 Tourism Strategy* identifies China as a key international market. Canberra's visitor economy also benefits from visiting friends and relatives associated with international students. China is the largest source of visitors to Canberra. In 2018, 48,000 people visited the ACT from China, representing 19 per cent of all visitors to the territory in that year.

Sizeable export opportunities for other food products also exist, and this is discussed in the section "The Canberra Region."

Austrade has a strong in-country presence in China, with offices covering the North (Beijing, Qingdao, Shenyang), South (Guangzhou, Shenzhen), East (Shanghai, Nanjing) and West (Chengdu, Wuhan, Kunming).

Links or connections to the ACT

- Canberra-Beijing Sister City Agreement;
- Canberra-Hangzhou economic cooperation MoU;
- Canberra-Shenzhen economic cooperation MoU;
- Australia-China state provincial leaders exchange cooperation accord; and
- three sister-school agreements.

What we will do

The ACT Government will continue to build relationships across China. This will include:

- fostering the partnerships that have been established with Beijing, Hangzhou and Shenzhen under city agreements;
- growing international visitation in partnership with Tourism Australia, aviation partners and travel trade through VisitCanberra;
- engaging with and educating the ACT tourism industry to support and improve product and experience development that appeals to Chinese visitors;
- leveraging the relationship with Shenzhen to provide opportunities for the start-up ecosystem, attract venture capital and create innovation and R&D partnerships;
- promoting and leveraging opportunities linked to the Australian Government 'Landing Pad' in Shanghai;
- promoting the establishment of a direct flights between the China and Canberra by key Chinese carriers;
- continuing to support regional freight opportunities and product exports to China in partnership with the CRJO and its members; and
- supporting Austrade offshore enquiries with tailored responses to doing business in the ACT for qualified business and investment leads.

²³ Canberra Beijing Sister City Agreement, signed on 14 September 2000

UNITED STATES OF AMERICA

Australia's relationship with the United States is one of its closest and most enduring. There is strong formal cooperation between our countries across a range of industry areas, particularly defence. The expertise that the US has in knowledge-economy sectors and its strong culture of innovation, coupled with it being the world's largest economy, explain why the US is a priority market for the ACT.

The United States is Australia's largest economic partner – it is the largest²⁴ export market for services and the largest foreign supplier of services. Foreign direct investment in Australia by the US amounted to over \$205 billion in 2019 and, overall, \$984 billion in direct and indirect investment.

The ACT has strong business links to the US and is the country with which ACT businesses engage the most.

The Australia-United States Free Trade Agreement (AUSFTA) entered into force in 2004. AUSFTA eliminates tariffs on all non-agricultural exports, and, with respect to trade in services, contains a national treatment obligation as well as a most-favoured nation treatment provision.

It also gives Australian companies access to the federal Government procurement market and the government procurement markets of 31 US states. Under AUSFTA, as an incentive to encourage investment, private US businesses can acquire Australian businesses in non-sensitive areas with assets less than \$1.154 billion without having to seek approval through Australia's foreign investment screening regime.

The continued commitment by Australia and the US to cooperate on defence science and technology and to pursue innovative collaboration in these fields was reaffirmed at the Australia-United States Ministerial Consultations (AUSMIN) in 2015. The advancement of defence-related hypersonics through technology and concept development, and continued cooperation for capacity-building in regional maritime security were affirmed in the same bilateral venue in July 2018. The ACT has extensive expertise in the defence and security sector and several US defence primes have offices in Canberra. This places Canberra in a strong position to leverage the broad strategic defence relationship between our countries.



24 Source: TIAAG 2020 p14.

Outcomes of the 2018 AUSMIN consultation are shared intentions of collaboration on infrastructure development, reinforcement of maritime-security capacity, and development of civilian space applications, defence-related hypersonics and cyber-security capacity. All these commitments have positive commercial implications within several of our Key Capability Areas. Certain US states and cities are globally recognized for their expertise and industry in these areas and should be targeted within the US market.

California is renowned for its innovation and ICT sectors, with more high technology jobs than any other state in the US. San Francisco was chosen as a 'Landing Pad' location under the Australian Government's National Innovation and Science Agenda, primarily because it remains the epicentre of global technology innovation. California also has a prominent renewable energy industry and is an important contributor to the US aerospace industry, with three out of ten major NASA centres located in that state.

Texas is the traditional venue in the US for the energy sector and aerospace industry. Although oil and gas is the mainstay of the sector, renewable energy is gaining standing in Texas, supported by the State Government's Texas Emerging Technology Fund which was established to promote research, development and commercialisation of emerging technologies. Texas is, of course, home to NASA's famous Johnson Space Center and the location of multinational aerospace companies, many of which also have a presence in Canberra.

Colorado also has a strong aerospace industry that is recognised for innovation and research. It ranked as the second-largest aerospace economy in the US in 2018 and the industry is supported by four military commands, several major space contractors (including

Boeing, Lockheed Martin, Northrop Grumman and Raytheon), and more than 180 other aerospace firms, NASA research activities and several universities involved in space research. The city of Golden in Colorado hosts the National Renewable Energy Laboratory (NREL). It received US\$357 million (\$489 million) in funding in 2015. NREL collaborates with the Australian Solar Institute within the Australian Renewable Energy Agency, and the Australian Government supports the NREL's Clean Energy Solutions Center which helps developing countries advance clean energy policies and solutions. The ANU is also strengthening its clean energy research collaboration with the NREL through a memorandum of understanding signed in February 2018. This will lead to greater knowledge and sharing of results on clean energy.

Like Canberra, Washington DC is diversifying its economy to reduce its reliance on the public service, while still leveraging the advantages that come from being a capital city at the heart of decision-making power. Home to more than 16 universities and several hundred government and private sector research institutions, and with a reputation for supporting start-ups, Washington has a growing innovation and high-tech economy.

Austrade has a strong in-country presence in the US, with offices in Boston, Chicago, Houston, New York, San Francisco and Washington DC.

The United States ranked 8th for ease of doing business in the World Bank report *Doing Business 2019*.

The United States, which already has a strong reputation when it comes to fostering entrepreneurship through access to capital (particularly that provided by angel investors and venture capitalists), is placing even greater emphasis on this through the Start-up America initiative.

Links or connections to the ACT

- Council of the Australian Federation and the National Governors Association MoU.

What we will do

The ACT Government will continue to build relationships across the US. This will include:

- promoting the ACT and Canberra Region in partnership with Tourism Australia;
- promoting and leveraging opportunities linked to the Australian Government 'Landing Pad' in San Francisco;
- delivering targeted programs that promote opportunity for investment in priority areas, particularly, cyber security, space industry, defence, ICT and renewable energy;
- linking trade mission activity to Australian Government initiatives or major trade events that enable business-to-business connections;
- ensuring city-to-city engagement with Washington DC, San Francisco, Austin, Seattle, Denver and Portland; and
- supporting Austrade offshore enquiries with tailored responses to doing business in the ACT for qualified business and investment leads.

JAPAN

Japan and Australia enjoy a close bilateral relationship and have strong commercial ties. Japan is Australia's seventh²⁵ largest export market for services and fifth largest foreign supplier of services. Foreign direct investment in Australia by Japan amounted to \$116 billion in 2019.

The Japan-Australia Economic Partnership Agreement (JAEPA) entered into force in 2015. When fully implemented, more than 98 per cent of Australia's exports to Japan will receive preferential access or enter duty free. While Japan provides significant protection of its agriculture industry, through JAEPA Australia is afforded major export opportunities, particularly for: bulk wine, high polarity raw sugar, milk protein concentrates, lactose and casein, wheat and barley for animal feed, and some horticulture and seafood products. Tariffs on most other agricultural exports are being eliminated within short time frames.

JAEPA also supports further growth of Japanese investment into Australia by liberalising the screening threshold at which private Japanese investment in non-sensitive sectors is considered by the Foreign Investment Review Board.

Japanese companies have and continue to make important investments into Canberra. For example, Mitsubishi Corporation has made a long-term commitment to the ACT Government's light rail project.

Canberra has a sister-city relationship with the city of Nara and this has driven educational, sporting and cultural activities for almost 30 years. While there has been a degree of focus on business, the sister-city relationship could foster deeper exchanges in this area. For example, since instituting the *Nara Prefecture Energy Vision* in 2012, increased emphasis has been placed on the renewable energy sector.

Nara Prefecture is also home to the Nara Institute of Science and Technology (NIST), which is a top-ranking national graduate university focusing on information science, biological science and materials science. NIST collaborates with industry and government and also actively pursues international collaboration.

Austrade has offices in Tokyo, Osaka, Sapporo and Fukuoka.

Japan ranked 39th for ease of doing business in the World Bank report *Doing Business 2019*.

Links or connections to the ACT

- Canberra Nara Sister City Agreement; and
- Three formal school-to-school program relationships.

What we will do

The ACT Government will continue to build relationships across Japan. This will include:

- further promoting activities related to the Nara-Canberra sister city relationship;
- exploring potential opportunities in Japan's renewable energy sector;
- maintaining our financial connections particularly in relation to Government bonds;
- building out financial and property connections;
- consider the potential for promoting the ACT and Canberra Region in partnership with Tourism Australia; and
- supporting Austrade offshore enquiries with tailored responses to doing business in the ACT for qualified business and investment leads.

25 Source: DFAT Japan Country Economic Fact Sheet 2020



UNITED KINGDOM

The United Kingdom and Australia share a profoundly deep history of migration, culture, and economic interdependence. Fast-paced change in innovation, consumer demands, supply chains and other factors such as 'Brexit' present exciting new opportunities for ACT firms across all of our Key Capability Areas to serve UK marketplaces.

On its exit from the EU, the UK Government has embraced a "Global Britain" agenda in which it will rejuvenate trade relations with "old friends" and build new ties with new ones. Australia sits squarely in that agenda. Recognizing an impending exit, since 2016 Australia and the UK have been negotiating a liberal bi-lateral trade agreement in which the shared liberal-trade values of both countries are reflected. We expect that a final agreement will be beneficial to firms across all ten Key Capability Areas of the ACT.

Trade and investment activities between the UK and Australia are already significant. In 2018 the UK was Australia's 8th largest trading partner, with trade in goods and services worth \$26.9 billion. In the same year, the UK was our third-largest trading partner in services, with services exports valued at \$5.5 billion and services imports, at \$9.2 billion. As of June 2019, Australia received 719,000 visitors from the UK; for the year ending March 2019 the UK was the second-largest source of tourists to the ACT (8.4 per cent).

Foreign direct investment is also highly significant. In 2019, the UK was the second largest source of international investment in Australia. At year's end, the UK had \$686 billion invested in Australia. Investment spans information and technology; food manufacturing; energy; and large superannuation funds that, in turn, invest in significant Australian infrastructure and energy assets.

Austrade identifies a number of current and emerging sector targets for UK direct investment. These include ICT, renewable energy (including hydrogen), major infrastructure, advanced technologies (such as artificial intelligence) agri-technology and food science, digital health and biologics, and defence. The ACT has strong capability in all of these.

UK marketplaces present opportunities for several of our Key Capability Areas in particular.

The UK has the largest defence budget when compared with EU members countries and one of the largest in the world, at £50 billion annually. This reflects the nation's objective of maintaining a leading geo-security presence in the world. Britain is an import export market for Australian businesses.

The UK, Italy and Sweden have launched Tempest, a program to replace the Eurofighter with a next-generation fighter. Austrade notes that Australian businesses have the potential to fill multiple niche

roles along the Tempest supply chain, which encompasses concepting, research, development, testing, training and component manufacturing.

In addition, in 2016, the UK Ministry of Defence launched the Innovation Initiative, an £800 million (\$1,358 million), 10-year program to identify new technology requirements and encourage established and emerging firms in the UK and abroad to collaborate and build next-generation defence technologies.²⁶ The Defence and Security Accelerator (DASA) was also established to fund research and development of exploitable innovations, and Australian firms can participate.²⁷

Innovation is also paralleled in the space industry. For example, in 2019, the Space Bridge program was established between Austrade, and the UK and Australian space agencies. Space Bridge enables Australian firms to seek out opportunities for joint collaborations between UK Government agencies and private-sector firms.²⁸

The UK aims to achieve net-zero greenhouse gas emissions by 2050. This presents opportunities for ACT businesses that can spearhead development of low-carbon technologies and efficient use of networks, among others. ACT businesses involved with renewable energy (such as solar, wind, biomass and green hydrogen), sustainable heating and cooling, smart transport and green shipping can explore opportunities in the UK.

26 See: <https://www.gov.uk/government/news/innovation-initiative-to-bring-future-tech-and-ideas-to-the-armed-forces>; Austrade, *United Kingdom – Market Profile December 2020*.

27 See: <https://www.gov.uk/government/organisations/defence-and-security-accelerator/about>

28 <https://www.industry.gov.au/news/space-bridge-to-link-australia-and-uk-space-industries>

The ageing of the UK population is one of the UK Government's four 'Grand Challenges.' The UK Government will spend over £130 million (\$230 million) to support healthcare innovation, and overseas firms can contribute to this innovation in the areas of diagnostic and precision medicines, artificial intelligence, digital healthcare, including tele-health, and mental-health management, among others.

Innovation will also be important to the UK's agriculture sector, as food demand rises and availability of land declines. ACT firms can contribute to innovation in precision farming and robotics as drivers of sustainability and productivity. Canberra Region producers will also find a larger market on the wind-down of the pre-Brexit European Union agreement.

Historically, the UK represents a substantial source of tourists to Australia – more than 562,000 in 2019-20. We will continue our partnership with Austrade to promote the ACT as a destination of choice, and this fits within our strategy to diversify our source of international visitors.

In 2019, 7,252 UK students visited Australia, and there is substantial opportunity to attract additional students from the UK. The quality of ACT tertiary and VET educational institutions is high, and we share a common language. Moreover, Australia continues to be perceived of as being a very safe place to study.

Austrade has a significant presence in the UK and works in partnership with the ACT to serve markets within all our ten Key Capability Areas.

What we will do

The ACT Government will support relationships across the United Kingdom. This will include:

- leading trade missions to the UK to explore sector opportunities;
- working with Austrade to link ACT businesses to major markets and events;
- working with the British High Commission to raise awareness Canberra, ACT firms and regional premium food producers;
- building awareness of relevant Key Capability Areas generally; and
- supporting Austrade offshore enquiries with tailored responses to doing business in the ACT for qualified business and investment leads.



EUROPEAN UNION



The European Union (EU) represents a large and deeply differentiated marketplace for ACT exporters, and the EU marketplace is likely to be more open to trade opportunity in the post-Brexit era.

The EU is already one of Australia's largest trading partners. It is the third-largest partner for the two-way sale of goods and services (valued at \$84.7 billion in 2019), and third-largest for both service exports and as a source of investment dollars (portfolio and direct investment in Australia was valued at \$683 billion in 2019).

While Australian exports to the EU are still heavily composed of natural resources, such as gold and coal, certain agricultural sub-sectors remain resistant to competition from global markets, a range of significant export opportunities exist in the EU for ACT companies within our Key Capability Areas.

The EU has launched the European Green Deal through which the region aims to create the world's first carbon-neutral continent by 2050. Companies outside the EU can find joint-research, innovation and exports opportunities in the fields of clean energy, hydrogen power, battery technology, green construction, low-carbon manufacturing, and circular-economy technology and processes (such as waste management, materials recovery and recycling).

Historically, countries such as Germany and France are major sources of short-term visitors to the ACT. During 2018, Canberra received over 23,000 short-stay visitors from the UK and 10,000 from the rest of Europe.²⁹ As the world continues to perceive Australia as a safe place to travel, including for young adults, potential to increase tourism from the EU is significant.

National markets hold differentiated export opportunities across the EU. For example, Germany boasts leading technology across a range of industries, yet it is witnessing a widening skills shortage. Austrade identifies market opportunities in cyber security, quantum computing and artificial intelligence arising out of this gap. Germany's population is ageing, and it is also home to the EU's largest health care market. Potential niche opportunities exist for firms providing digital-health technologies, and services and technology solutions that complement existing healthcare provision.

The German defence market is large, sophisticated, and growing. Potential opportunities exist for exporters that present niche technologies with clear value propositions. Ties are close between Australian and German firms across defence supply chains this will also help build further opportunity for Australian defence firms.

In France, consumers are demanding more healthy and organic foods. Opportunities exist for Australian producers to supply specific whole and processed foods to the marketplace. Disruptive technologies, including cyber, are in significant demand in France, and foreign suppliers have the potential to serve gaps in the country's cyber security market. Finally, France is also witnessing an ageing population, and Austrade identifies opportunities to further develop tele-health services in what is a world-leading healthcare system.

The EU marketplace, with 27 member countries, is vast and complex. A number of major, recurring events are held that enable efficient interaction of pan-EU and global buyers and sellers. Examples are:

- International Green Week, held annually in January in Berlin;
- Hydrogen Week, held annually in November in Brussels;
- Seafood Expo Global, held annually in September in Barcelona; and
- The Anuga Food and Beverage Fair, held annually in October in Cologne.

In 2018, the EU and Australia commenced negotiations on a post-Brexit Australia-European Union Free Trade Agreement. The Australian Government seeks "an ambitious and comprehensive agreement to drive Australian exports, economic growth and job creation." The FTA, once implemented, is expected to create openings to a variety of supply chains and commercial opportunities.

29 Tourism Research Australia, *IVS 2005 Onwards – Table 1. Country of residence by calendar year and summations options for ACT*. Around 48,000 visited from China in the same year.

What we will do

The ACT Government will support relationships across the EU. This will include:

- working with Austrade to link ACT businesses to major markets and events;
- working with the Delegation of the European Union to raise awareness of Canberra, firms and Canberra Region premium food producers;
- building awareness of relevant Key Capability Areas generally;
- leading missions to the EU to explore sector opportunities; and
- supporting Austrade offshore enquiries with tailored responses to doing business in the ACT for qualified business and investment leads.





PRIORITY CITIES

Within the seven immediate-priority countries and regions, certain cities have been identified for targeted engagement over different timeframes. Priority cities are chosen where there is likely to be strong demand for goods and services produced through the ACT's Key Capability Areas, and capital providers interested in investing in these industries. Based on the above considerations, the following cities are to be our priority:

	New Zealand	United States	China	Singapore	Japan	UK	EU
Now	Wellington	San Francisco, Washington D.C., Seattle	Beijing, Guangzhou, Shenzhen	Singapore	Tokyo	London, Oxford, Cambridge	Berlin, Amsterdam
Next	Auckland	Austin, Denver	Shanghai		Osaka	Belfast, Edinburgh	Barcelona, Milan
Future	Christchurch	Portland	Wuhan		Kyoto	Manchester	Paris, Dublin

Now

'Now' further identifies cities which provide immediate advantage to the ACT in terms of strategic importance as gateways to the country, accessibility in terms of transport and willingness to engage, and alignment across all or multiple ACT target Key Capability Areas.

Next

'Next' further identifies cities where the ACT Government will foster relationships to open further opportunities in the city. 'Next' cities have close industry alignment to ACT Government Key Capability Areas, strategic priorities, strong existing trade relationships, symbolic ACT and Federal Government partnerships, and a degree of existing commercial and trade relationships. Generally, these cities have strategic importance but are yet to introduce direct, or near direct, access to the ACT.

Future

'Future' further identifies cities with potential capacity to align with the ACT Government strategic vision. This is not an exhaustive list of all opportunities, but it does provide an indication as to the where support may be directed in the future.

The ACT Government will consider opportunities in other cities on a case-by-case basis.

CANBERRA AND THE ASIAN CENTURY

Canberra enters the Asian Century with important assets and relationships. We must further consolidate and foster closer ties with key Asian countries to develop greater economic opportunities. It is therefore important to acknowledge the importance of the value of developing deep relationships with the Asian region.

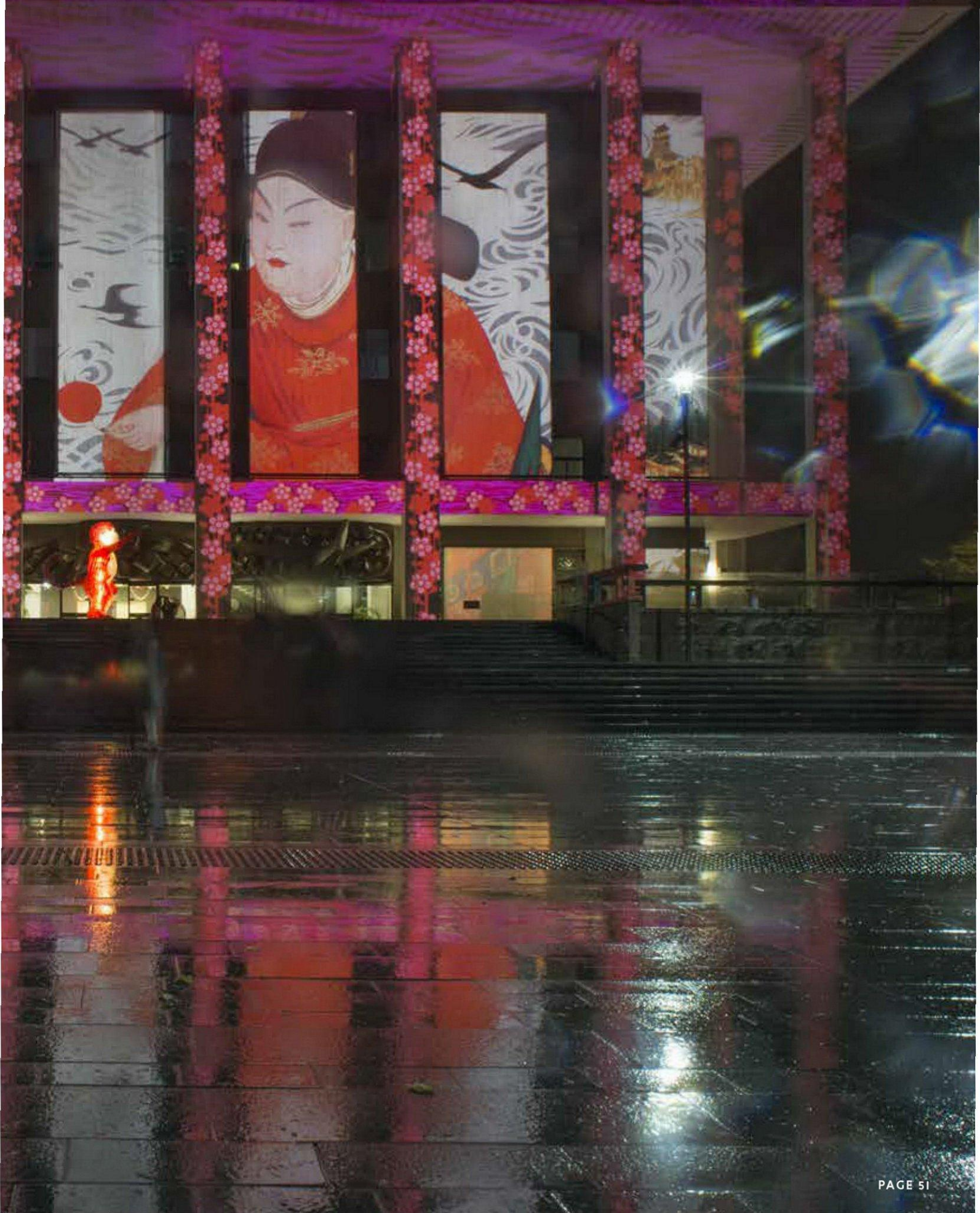
The Asian Century will see Asia become not only the most populous region in the world; it will be the biggest economic zone, largest consumption zone and home to most of the the world's middle class. The drivers of growth, population, participation and productivity are all converging to create an economic powerhouse on our doorstep.

The most significant and important of these is productivity. Asia is developing a highly skilled workforce, increasing levels of schooling, adopting and proliferating new advanced technologies. Noting the substantial gap between per capita output in Asian countries and advanced western economies such as the US and Australia, there is substantial growth to come.

Six of Australia's top 10 two-way trading partners are from the Asian region. For the ACT Government, where there are Key Capability Area opportunities we will continue to seek to grow the trade, investment, social and cultural relationships with our Asian-region neighbours.

Canberra's Key Capabilities Areas provide a base to explore opportunity in the Asian region where opportunity arises. Different parts of the Canberra Region stand to provide specific opportunities in respect to education, tourism, investment, services and food exports, arts and culture, innovation and technology, including agricultural technology. These opportunities are described in our profiles of India, Indonesia, Malaysia, Thailand, South Korea and Vietnam.





Important markets for ACT engagement in Greater Asia

Recognising the importance of the Asian region to Canberra (beyond China, Singapore and Japan), the table below provides an audit of the results of the current economic relationships. Subsequently, we have identified significant priority sector alignment within a number of these markets for further trade and investment opportunities.

	India	Indonesia	Malaysia	Thailand	S. Korea	Vietnam
Established FTA		✓	✓	✓	✓	✓
Ranks as national two way trading partner with Australia (as at end of 2018–2019) ⁽¹⁾	9	-	10	11	5	N/A
Rank as source of investment to Australia, 2018 ⁽²⁾	21	38	18	29	16	40
Rank as destination of investment from Australia, 2018 ⁽³⁾	18	30	21	35	15	40
Rank of international visitors to Australia (year end, September 2019) ⁽⁴⁾	8	11	9	14	10	N/A
Rank of international visitors to the ACT (as at September 2019) ⁽⁵⁾	5	N/A	8	N/A	N/A	N/A
Rank of international students in the ACT (as at December 2018) ⁽⁶⁾	2	7	4	15	3	5

Sources:




- (1) Two-way trade data: DFAT (2020), *Trade and Investment at a Glance 2020*, May 2019, p 15. Data for fiscal year 2018–19; includes both good and services.
- (2), (3) Investment data: DFAT (2020), *Trade and Investment at a Glance 2020*, May 2019, p 41. Data for calendar year 2018; includes direct and portfolio investment.
- (4) Tourism Research Australia (2020), *International Travel by Country of Residence*. Data for year ending September 2019.
- (5) ACT Government, VisitCanberra (2020), *Tourism in the ACT - Year ending December 2019*, p 2.
- (6) ACT Government, Study Canberra (2021), *International-student origin, by country*. Data for 12 months, ending December 2018.

Notes:

- (2), (3) "Investment" includes portfolio investment (stock and bonds) and direct investment (including equity ownership of corporations greater than 10%).

N/A – Data not available.

KEY CAPABILITY AREA OPPORTUNITIES BY TARGET MARKET

		India	Indonesia	Malaysia	Thailand	S. Korea	Vietnam
	Education and Research	✓	✓	✓	✓	✓	✓
	Tourism	✓		✓		✓	
	Defence	✓	✓	✓		✓	
	Cyber Security	✓	✓	✓		✓	
	Renewable Energy	✓	✓	✓	✓	✓	✓
	Innovation, ICT and e-Government	✓	✓	✓	✓	✓	✓
	Space industry					✓	
	Health and Sports Science	✓	✓				✓
	Arts, Culture and Creativity	✓	✓	✓	✓	✓	
	Agri-Technology and Food Sciences	✓	✓	✓	✓	✓	✓



INDIA

Strong future export growth potential linked to nine Key Capability Areas of the ACT economy, and the Australian Government's commitment to building further economic relations with India, are an opportunity for the ACT Government to build a deeper and more sophisticated engagement.

In 2018–19 India was Australia's eighth-largest two-way trading partner in goods and services, and in the same year was ranked as Australia's sixth-largest export market for services. Foreign direct investment in Australia by India in 2019 amounted to \$1.1 billion. India was the fifth-largest source of visitors to the ACT in 2019 – for Australia, it was ranked eighth – and the second-largest source of international students, behind China.

These figures, when considered within the context of the size and development of India's economy, are relatively modest and highlight enormous potential for the ACT economy.

India is already the 5th largest economy³⁰ in the world and has demonstrated rapid growth in the preceding 13 years and is projected to be the third-largest economy by 2030. During 1991, India began a shift from a centrally-planned to market-driven economic model. From the late 1990s, onward, India experienced rapid annual growth of around 7 per cent, and tens of millions were lifted out of poverty, in a nation with a population of around 1.4 billion.³¹ Future economic growth is expected to be strong, supported by the Indian Government's policy agenda of job creation and formation of a friendlier business environment. The Indian Government has a specific goal of positioning the nation in the top 50 of

the World Bank's Ease of Doing Business Index. Expansion will also be supported by the phenomenon of urbanisation, growth of a young working-age population and a structural shift to services and industry from agriculture.

Out of this economic growth is an emerging consumer class, which is demanding higher quality and imported food products, overseas education, quality health care and consumer goods and services.

The development of bi-lateral and multi-lateral trade agreements with India are works in progress. Australia is undertaking ongoing negotiations to secure a Comprehensive Economic Cooperation Agreement with India. It is also pursuing a freer trade environment with India and other nations through the Regional Comprehensive Economic Partnership (RCEP).

Notwithstanding the challenges in development of a liberalised trade-agreement framework, the Australian Government has recognised the substantial potential for economic relations with India.

In 2017 the Australian Government commissioned an *India Economic Strategy*, through which opportunities for Australian companies in India would be identified as its economy grew. The finalised *Strategy* highlighted new waves of opportunities for Australian businesses across ten sectors. It also highlighted a strong Indian regional and state dimension to these opportunities. Finally, the *India Economic Strategy* highlighted that no other national market in the world will provide more opportunities for Australia in the next 20 years than India.

In its response to the *India Economic Strategy*, the Australian Government will prioritise economic-diplomacy efforts around: education; agri-business; resources; tourism; health; financial services; infrastructure; sport; sciences and innovation.

India's substantial young population has a growing appetite for high quality, offshore education. The ACT is well positioned to offer this market more of its very high quality secondary, university and vocational educational services. A plan to attract additional Indian students is economically attractive, but also fits with the ACT *International Education Strategy's* strategic objective of diversifying our international student source markets.

Unmet demand for educational services is sufficiently large that educational institutions may consider offshore service-delivery models and online delivery of courses as part of their delivery strategy. It will also need to convey unambiguously the high-quality level of its services. These actions will require a coordinated approach of the ACT and educational institutions. Our institutions can also leverage off the engagement efforts of the Commonwealth as it focuses diplomacy efforts around ten priority sectors (seven of which are Key Capability Areas of the ACT).

As Indian economic affluence grows, there will be increased demand for wine, processed and otherwise higher-value foods. These foods, unlike their food-commodity counterparts, are likely to be less protected by trade tariffs as India retains economic independence in certain sectors as a priority. The Australian Government is establishing the Australia-India Food Partnership to

³⁰ Source: World Bank, World Development Indicators database, 12 February, 2021

³¹ Source: The United Nations, World Population 2019, Wall chart. P. 2

strengthen engagement between food industries and open opportunities for agri-tech businesses.

Tourism by Indians to Australia is expected to quadruple by 2035 and India will become Australia's fourth-largest source of tourists. With its superior attractions and a rising population of Indian students, the ACT is well positioned to attract many of these tourists.

Collaboration between national governments on coordination of regulatory frameworks will open doors to greater access to Indian markets for medicines and medical devices. The Australian Government also plans to develop an Australian International Health Alliance to position and deliver Australian health expertise, training, education and digital health to India (and several other regional countries). The ACT healthcare sector is positioned to provide many of these services.

With a consumer class rising so is the demand for sports-related services and products. Pockets of still-modest demand are emerging in India for sports training, high-performance sports technologies and sports medicine.

The Australian Government will undertake a wide range of other bilateral conversations with Indian counterparts, to build out cooperation on subjects related to education, cyber security and defence.

What we will do

The ACT Government will continue to build relationships in India. This will include:

- participating in and leading missions to India;
- growing international visitation in partnership with Tourism Australia, aviation partners and travel trade through VisitCanberra;
- helping guide ACT businesses into promotion opportunities in India through the Austrade-Invest Australia Memorandum of Understanding;
- collaborating – with educational institutions – implement the Austrade Market Action Plan that will refresh Australia's education brand and support better coordination of on-the-ground marketing activities of institutions;
- participating with industry in a new Australian International Health Alliance to position this sector's expertise in India; and
- continued support of Austrade offshore enquiries with tailored responses to doing business in the ACT for qualified businesses and investment leads.



INDONESIA



Relevant as a match to eight of ACT's ten Key Capability Areas, Indonesian consumers and businesses are showing an existing and growing demand for tourism destinations, premium foods and agri-technology services, education and training, smart-cities solutions, cyber-security, digital health and medical technology and defence products.

Indonesia is the 16th largest economy in the world, and largest in the Association of Southeast Asian National (ASEAN) economy, by GDP. It produces one-third of the GDP of all members of the ten-member ASEAN organisation. Its population in 2019 was 271 million. During 2019 Indonesia's direct investment in Australia was \$17 million. Since 2012, the value of Australia's service exports to Indonesia has grown by 25 per cent to \$1.6 billion. Indonesia was the eighth-largest source of travellers to the ACT in 2018, with 7,600 visitors coming here for different purposes. It was the eighth-largest source of students to the ACT in the same year.

These trade, investment, visitor and student numbers speak only in part to the potential for future economic activity with this country. Indonesia has a fast-growing middle class and consumer market. As well, around half of Indonesia's population is under age 30 and this cohort is demonstrating a particular demand for higher-value consumer goods, specialised education and training and knowledge-based services.

Indonesia is facing a surging demand for tertiary education. Australia is the most popular study-abroad destination for Indonesian students. In addition, there are over 4,400 tertiary education institutions in Indonesia, servicing over five million students. In the ten years to 2018, the share of Indonesians enrolled in tertiary education has almost doubled. In addition to higher education, which Indonesian

students have traditionally shown a strong demand for, there are other opportunities which are developing in the vocational-education sector for Indonesian students, particularly in the health, tourism and ICT and cyber sectors. While the sheer size of the Indonesia's tertiary education sector is not comparable with Canberra's, the ACT can be a leader in the delivery and design of high-quality, tertiary education outcomes for Indonesian students.

Historically, Indonesia has shown a desire for a strong measure of self-sufficiency. However, during 2018 Australia and Indonesia successfully signed the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA). By 2020, this agreement allowed over 99 per cent of Australian goods exported to Indonesia to receive duty-free treatment.

Relevant to the Canberra Region, the IA-CEPA will allow better arrangements for the export of frozen beef, sheep meat, dairy and vegetables. It will also allow for 67 per cent Australian ownership of work-training, hospital, specialist-clinic services, aged-care facilities and certain hotels. It will also liberalise access to Indonesia by Australian universities that wish to operate in Indonesia.

IA-CEPA builds on existing trade arrangements with Indonesia under the Association of Southeast Asian Nations-Australia-New Zealand Free Trade Area (AANZFTA), and negotiations are underway to progress the features of this agreement.

Links or connections to the ACT

- Embassy of the Republic of Indonesia Teaching Assistants MoU.

What we will do

The ACT Government will continue to build relationships across Indonesia. This will include:

- progressing existing government and business relationships, particularly related to markets made more accessible by the newly-agreed-to IA-CEPA;
- through trade missions explore new sector opportunities;
- growing international education partnerships with the education sector through Study Canberra;
- working with the Canberra Region to position its products for the Indonesian market, in particular products afforded more access through the IA-CEPA;
- encouraging Canberra businesses with an interest in the Indonesian market to engage in the Department of Foreign Affairs and Trade's public submission process; and
- supporting Austrade offshore enquiries with tailored responses to doing business in the ACT for qualified business and investment leads.



MALAYSIA

Australia has a long-standing and deep relationship with Malaysia, including a Strategic Partnership that has been in place since 2015. A range of economic opportunities exist within the Key Capability Areas of tourism, education, agri-technology and food sciences, health care, smart cities renewables, cyber security and arts, culture and creativity industries, and defence. Access to these markets is assisted by direct flights between Canberra and Malaysia's neighbour, Singapore.

Malaysia is ranked 18 in size for investment dollars into Australia (amounting to \$22 billion in 2018), and Australia is Malaysia's third-largest destination for its investment dollars. Among other sectors, it invests in property (see "Inbound investments"), agri-businesses and health care.

By 2020, almost 60 per cent of the Malaysian population have reached middle or upper-middle income status and, with this, there should be an ongoing rise in demand for higher-value food products and health care services. Demand for quality international education – either delivered in Australia or in Malaysia – should also rise in the coming years. In 2018, Malaysia was the fourth largest supplier of international students to the ACT.

Trade growth is supported by Malaysia's participation in the ASEAN-Australia-New Zealand FTA (AANZFTA) and further still by the Malaysia-Australia Free Trade Agreement (MAFTA). MAFTA makes 99 per cent of Australian goods eligible for tariff-free treatment. Canberra Region exporters of milk, wine and processed foods benefit from this framework. Malaysia eliminated almost all tariffs on processed foods from entry into force of the Agreement. Further, providers of education services can own 100 per cent

of higher-education businesses in Malaysia, as can providers of professional services, such as management-consulting and accountancy services. MAFTA also makes it easier for Australian executives to stay for longer periods of time in Malaysia and bring spouses and dependents to Malaysia for those stays.

In March 2018 Malaysia also became party to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Links or connections to the ACT

- One sister-school agreement

What we will do

The ACT Government will continue to support relationships across Malaysia. This will include:

- growing international visitation in partnership with Tourism Australia, aviation partners and travel trade through VisitCanberra;
- continuing to support building relationships and maintaining linkages between education providers and other sectors;
- through trade missions explore new sector opportunities;
- fostering relations through the Australia Malaysia Business Council;
- building relationships with key cities;
- building awareness of relevant ACT Key Capability Areas; and
- supporting Austrade offshore enquiries with tailored responses to doing business in the ACT for qualified business and investment leads.



THAILAND

Having made remarkable economic progress in the past few decades – and more growth and development expected to come – Thailand represents significant market opportunities in the food, healthcare, education and aerospace sectors.

Thailand ranks as Australia's tenth largest two-way trading partner, and Australia's biggest exports to-date have been crude petroleum, gold, aluminum and coal. Trade is supported by the Thailand-Australia Free Trade Agreement (TAFTA). In 2017 Thailand set out long term economic goals in a *20-Year National Strategy (2017 – 2036)* – also known as the "*Thailand 4.0 strategy*" – which outlines objectives to achieve developed-country status and transition to a digital economy. This has positive implications for Australian services that can assist traditional Thai firms transform into 'smart firms.' Through this strategy, there is specific opportunity in the digital transition of healthcare and agri-technology.

Opportunity exists in other sectors, such as higher-value foods. In part a result of the *Thailand 4.0 Strategy* and more than thirty years of economic growth and urbanisation, demand has increased, and is increasing, for higher-value fresh and processed food products, by hotels, major restaurant chains and markets. A widening demographic of affluent and educated consumers are demanding higher quality and healthy foods, with a lesser concern for their price levels.

Australia is already the major supplier of premium imported beef and lamb to Thailand (with competition from US, New Zealand and Japan), although there is room to expand sales. Dairy imports are dominated by New Zealand, but Australian dairy and dairy products are becoming more differentiated and therefore better positioned to make significant inroads into the Thai marketplace.

Overall, restaurants and supermarkets are responding to an increasing demand for 'international cuisine,' also providing opportunities to producers of fresh fruit and vegetables, pure fruit juices, dairy products and milk powder and meat and meat by-products.

Thailand's evolving healthcare sector present several potential opportunities for ACT firms. Demand for healthcare services in Thailand are increasing significantly, driven by an ageing population, a universal insurance regime (in place since 2001), significant healthcare coverage and a large medical tourism industry. There are over 1,300 hospitals in Thailand, about 320 of which are private. Large, private healthcare providers aim to profit from preventive-medicine, longevity and anti-ageing services.

Opportunities exist for ACT firms to provide, or provide advice on, the delivery of medical services, digitisation and integration of hospital information systems, management of retirement living facilities (consulting only), and education and training of hospital administrators in the fields of facilities management, health informatics and up-skilling of healthcare practitioners. Opportunities exist also to establish elderly care services within nursing-home or in-home care settings.

What we will do

The ACT Government will continue to build relationships in Thailand. This will include:

- undertake trade missions to explore new sector opportunities;
- building awareness of relevant ACT Key Capability Areas; and
- supporting Austrade offshore enquiries with tailored responses to doing business in the ACT for qualified business and investment leads.



SOUTH KOREA

The Republic of Korea (“South Korea”) presents opportunities for attracting additional international students, tourists and exporting value-add food and defence products.

South Korea’s economy is large and competitive, and its per capita GDP of US \$31,431 (\$44,863) was ranked four in Southeast Asia³² in 2019 by the International Monetary Fund, behind Japan. South Korea is the Australia’s fourth-largest two-way trading partner, ahead of India, and Australia is its sixth largest source of imports.

Australia-Korean trade is supported by the Korea-Australia Free Trade Agreement (KAFTA), which entered into force in December 2014. Already, more than 99 per cent of Australia’s goods exported to South Korea can enter duty-free or receive preferential treatment. Specifically, KAFTA has eliminated tariffs on bottled wine, is reducing tariffs to zero on beef by 2028, and increasing the duty-free quota on cheese annually by three per cent, compounded (set at 5,211 tonnes in 2018).

A number of export opportunities exist for Canberra Region businesses and institutions.

In 2018, South Korea was the third-largest source of international students studying in the ACT. The attraction of additional South Korean students would assist in diversifying the composition of our international student base. Given the size and projected long-term strength of the South Korean economy, there should be further opportunity to attract South Korean students to Canberra over time.

South Korea’s population is ageing, and demand for services and products by an ageing cohort is expected to rise markedly, particularly as South Korean baby boomers enter retirement. These retirees will live

more active lifestyles than their cohort predecessors, and they will increasingly demand specialised-care services, medicine, medical devices, specialty-food, and specially-designed and operated residences and consumables. ACT firms have the opportunity to deliver expertise in: aged-care service and systems delivery; wellness delivery (including sports services); facility management; e-health and health technologies.

South Korean perceptions of Australia as a clean and green country, and an under-awareness of our food sector, presents a sizeable opportunity for additional food exports from the Canberra Region. Declining tariffs over time on beef, lamb, dairy and seafood products among other product categories through the KAFTA would drive further opportunities for exporters.

In response to slowing growth from a mature industrial economy, the South Korean Government has laid out a creative economy strategy through which ICT is used more comprehensively “across all sectors of government, society and business.” According to Austrade, this will create opportunities over time for exporters offering services and products in the areas of: next-generation cyber security; Internet software design; cloud computing; big data; the Internet of Things (IoT); and virtual reality (VR) and augmented reality (AR).

The South Korean Government is also driving a greater participation in sports across all age groups. According to Austrade, opportunities for exporters exist in sports training and technologies, sports-related services, and sports-related event management and operations.

By 2030, South Korea aims to generate 20 per cent of

its electricity from renewable sources. It also has a focus on the utilisation of hydrogen as a power source, such as in vehicles. South Korea’s push in renewables presents a special opportunity for our renewable-energy Key Capability Area, in collaborative research, technology sharing, consultancy and service provision.

Links or connections

- One sister-school agreement.

What we will do

The ACT Government will continue to build relationships in South Korea. This will include:

- promoting the ACT and Canberra Region in partnership with Tourism Australia;
- undertaking trade missions to explore new sector opportunities;
- building awareness of relevant ACT Key Capability Areas; and
- supporting Austrade offshore enquiries with tailored responses to doing business in the ACT for qualified business and investment leads.





VIETNAM

Vietnam's significant economic growth, fast-growing middle class and ongoing orientation toward being a market-based and innovative economy present exciting opportunities for a range of Canberra and Canberra-Region businesses. Vietnam is highly positive towards its relationship with Australia and its commercial sector, through a longstanding and maturing political, economic, security and development relationship.

The Vietnamese Government has identified four key priority sector groups for growth through to 2035,³³ which are: emerging technologies; education and training; high-tech agriculture and food processing; and green energy, environment, health and tourism. Among these, emerging technologies is its top priority.

Vietnam's middle class in 2019 was 12.5 million and, as expressed in the *Vietnam 2035 Report*,³⁴ it is focused on achieving official upper-middle income status by 2035.

Vietnam is already one Australia's fastest growing trading partners, and bi-lateral trade has increased by approximately 12 per cent annually in the past five years. Vietnam is Australia's 15th largest trading partner. During 2018–19, service exports to Vietnam were valued at \$1.7 billion. Education-related travel comprised \$1.4 billion of that value and personal travel, \$200 million.

Vietnam is showing a long-term commitment to trade liberalization, which has practical economic benefits to Australian investors, manufacturers and food producers. Trade in products and services is supported by Vietnam's participation in APEC, and memberships in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Regional Comprehensive Economic Partnership (RCEP), and ASEAN-led and bilateral free trade agreements.³⁵ Vietnam's membership in the ASEAN-Australia-New Zealand Free Trade Area Agreement (AANZFTA) affords Australian exporters liberal tariff treatment into Vietnam markets.

Australia is a leading educational destination for Vietnamese students and, as of April 2018, the fifth largest source of foreign students, and an increasing number of students are expected to seek high quality Australian tertiary and vocation educational opportunities. Within Vietnam, opportunities are increasing to deliver emerging-industry skills, English-language instruction, healthcare management knowhow, and undertake collaborative research related to the innovation economy.

³³ Australian Trade and Investment Commission, 2019, *Vietnam's Innovation Ecosystem 2019*, 2019, ATIC, Canberra, p. 13.

³⁴ The World Bank Group and Ministry of Planning and Investment of Vietnam, 2016, *Vietnam 2035*, Washington. See: [file:///C:/Users/Richard%20Watson/AppData/Local/Packages/Microsoft.MicrosoftEdge_8wekyb3d8bbwe/TempState/Downloads/9781464808241%20\(1\).pdf](file:///C:/Users/Richard%20Watson/AppData/Local/Packages/Microsoft.MicrosoftEdge_8wekyb3d8bbwe/TempState/Downloads/9781464808241%20(1).pdf)

³⁵ Department of Foreign Affairs and Trade, 2019, *insights – Vietnam*, DFAT, Canberra, p. 2.

The Vietnamese information and communication technology (ICT) market grew 8 per cent on average between 2016 and 2020, and it is expected to accelerate. The Vietnamese Government supports foreign companies operating in this sector, through tax relief and simplified regulation. Specific ICT opportunities for ACT companies exist in areas of e-health, e-Government, e-Tax, energy and aviation sub-sectors, among others.

The Vietnamese Government has prioritised the improvement of several areas of the healthcare sector. These include basic and preventative health-care systems (including in aged-care services); human resources and information systems; health-service operations; and manufacturing processes for pharmaceuticals, among others.

In 2016 the Vietnamese agriculture industry contributed 17 per cent to the country's GDP, and the Vietnam Government aims to improve agricultural product quality, crop yields, food safety and hygiene standards. Opportunities exist for ACT businesses to export food processing equipment, technology, develop facilities and deliver expertise in sustainable fishery management.

Through at least three major air-freight hubs, opportunities also exist to export premium, perishable foods such as fruits (namely apples, pears, cherries and table grapes), vegetables and meats (such as beef and poultry), from the Canberra Region to several local markets.

What we will do

The ACT Government will support relationships across Vietnam.

This will include:

- undertaking trade missions to explore new sector opportunities;
- supporting building relationships and maintaining linkages between education providers and education markets;
- linking ACT ICT and e-Government providers to Vietnamese innovation ecosystems through their new-enterprise, government, investing and research partners;
- building relationships between ACT and Canberra Region agri-tech businesses and Vietnamese agriculture-industry and agri-tech and other related stakeholders;
- building government and multi-sector relationships with the key cities of Ho Chi Minh City, Hanoi and Da Nang;
- building awareness of relevant Key Capability Areas; and
- supporting Austrade offshore enquiries with tailored responses to doing business in the ACT for qualified business and investment leads.



PRIORITY CITIES

Within the six additional-priority countries, certain cities have been identified for targeted engagement.

	India	Indonesia	Malaysia	Thailand	S. Korea	Vietnam
Now	Dehli	Jakarta	Kuala Lumpur	Bangkok	Seoul	Hanoi
Next	Mumbai					Ho Chi Minh City
Future	Bangalore		Johor Bahru			Da Nang

THE PACIFIC

Pacific Island Countries are among Australia's nearest neighbours and share an enduring economic and development partnership with Australia built on our shared geography and deep historical ties. Pacific Island Countries face unique challenges due to their size, remoteness and high vulnerability to natural disasters and climate change. That's why, as outlined in the Australian Government's 2017 *Foreign Policy White Paper*, and through the 2018 *Pacific Step Up* program, Australia is determined to take leadership in supporting a regional environment that is characterised by peace, open trade, and respect for international law and other norms.

Pacific-nation economies vary in size and composition and share common challenges. Their economies are limited in size and diversity, with equally limited natural resources; they stand at great distances from their relevant markets; and they are especially vulnerable to external shocks – economic, political and environmental. They also face a tougher challenge in building growing and sustainable economies, and in solidifying participation in education and job creation.

Helping Pacific-nation economies to become resilient to negative economic, environmental and geopolitical influences is a moral imperative and, side by side to this, a critical way for Australia to address its economic and security interests. In the coming years, Australia will therefore continue to build bi-lateral and multi-lateral trade, investment, aid, education, people-to-people and other programs to assist the strengthening of the region further. The ACFI is positioned to participate in these and other programs, for the benefit of the peoples of the Pacific Island Countries and Canberra Region.

Our relationships today

The ACT Government and Canberra-based companies are already active in forging enduring partnerships across the Pacific.

For example, investments in health services and infrastructure are essential to improving health and well-being outcomes and the region's resiliency to natural disasters. In support of this, Aspen Medical will be delivering a range of medical and medical-infrastructure projects to Fiji through a public-private partnership signed in January 2019.

Climate change, and the capacity of Pacific Islands Countries to leverage research and new technologies will be critical for the region's development. The ANU Energy Change Institute, which won a \$10 million contract in 2018 to investigate pathways to reduce carbon content of electricity consumed in the region is an excellent example of the difference Canberra institutions and industry in helping to tackle this significant challenge.

Innovation is also vital in traditional services such as banking to support archipelagic communities across the Pacific. In April 2019, Rocket Remit, a Canberra-based mobile money transfer service, introduced fund-transfer services between Australia and Fiji and Tonga, opening up easier household access to capital. Kokonut Pacific, a Canberra-based supplier of coconut-oil extraction equipment, helps communities in Pacific countries extract virgin coconut oil from raw coconuts and, in so doing, improve the welfare of communities dependent on monocrop microeconomies.

Education is also a key gateway to improving development outcomes and realising economic growth opportunities. The ACT is renowned both nationally and internationally for its research and education institutions, attracting talent from across the globe and creating the

most highly skilled workforce of any region in the country. With the ACT hosting around 70 tertiary students from the Pacific who study here under the Australia Awards scholarships program, Canberra is helping to shape the future leaders of the Pacific. With over 100 registered training organisations (RTOs) and world class research and education institutions in Canberra, there are further opportunities to leverage this comparative advantage in ways that strengthen the Pacific's regional education outcomes.

Canberra's enduring connections with the Pacific are also enshrined in the ACT Legislative Assembly's special relationship, which it enjoys with the Parliament of Kiribati, where the ACT has helped to strengthen parliamentary democracy with the Republic of Kiribati, as well as exchange knowledge, ideas and expertise on parliamentary processes since 2007.

Relationships in the future

Further avenues exist by which the ACT Government and ACT businesses could more deeply engage the region, through a number of Australian bi-lateral, multi-lateral mechanisms.

Australia has ongoing development activity in the Pacific region through its Pacific Regional Program, and during 2019–20 spent \$336.4 million on activities to support development of the private sector, trade activity, employment opportunity, quality of public health, education and gender empowerment.

While the Australian Government is determined to take a regional approach, through its Office of the Pacific, ACT companies and institutions could participate more deeply at several levels. ACT private and public sector organisations can contribute expertise

in finance and capital-formation, innovation and new-enterprise development, governance practice, and ICT and logistics development.

As part of its program to “step up” Australia's engagement in the Pacific region the Australian Prime Minister, The Hon. Scott Morrison, in November 2018 announced the establishment of a \$2 billion Australian Infrastructure Financing Facility for the Pacific. The ACT Government and local firms have the capability to contribute to infrastructure development at several points in the life cycle of infrastructure projects, including deal structuring (in particular PPP structures), procurement, project management and operations management.

Education is also a central focus of Australia's regional development strategy, and ACT educational institutions could potentially contribute to development of educational systems performance across the region.

Australia works with regional and international organisations and governments to address health challenges principally related to disease control and environment-related health effects. ACT health expertise from its Government agencies, hospitals and private-sector firms may make accretive, health-related contributions to the region.

Australia aims to support the resiliency of Pacific populations through health and sporting initiatives. It does this in part through the Pacific Sports Partnership, through which Australia works with Australian and Pacific organisations to establish or build on formal sports programs in six nations.

Australia supports and participates in several regional institutions, including the Pacific Island Forum and the University of the South Pacific.

PACER Plus and trade opportunities

The Pacific Agreement on Closer Economic Relations Plus (PACER Plus), signed by initial member countries in April 2017, is in the process of implementation and will provide a range of opportunities for ACT and Canberra Region firms. These opportunities will also increase as the PACER Plus leads to more open policies and more countries join the Agreement. At the outset, PACER plus is designed to help Pacific countries become more active in regional and global trade through a set of commitments related to tariffs, services, and investment. Parties to PACER Plus will also simplify trade-related regulation.

PACER Plus is expected to provide its members with greater market access in the areas of professional, tourism, education, environmental transport services amongst others. Stronger legal protections will also be in place for service provision delivered through entities that have been directly invested in, and protections will be strengthened related to cross-border movement of skilled workers.

PACER plus will also increase access opportunities for producers and exporters. Market access is expected to open for exporters of meat, dairy, processed foods, oilseeds and fats and oils, among others.

Finally, it will support growth in investment from Australia. It will make investment opportunities more visible and strengthen legal protections for investors.

Links or connections

- ACT Legislative Assembly's sister relationship with the Parliament of Kiribati.

What we will do

The ACT Government will continue to build relationships in the Pacific Region. This will include:

- in partnership with the Australian Government and Pacific Island Governments, determine avenues for ACT participation in development and commercial activities in the region, including services;
- innovation network – As a catalytic enabler to spur economic diversification in the Pacific, encourage the development of an annual network hosted in the Pacific, where Pacific-based entrepreneurs could benefit from participation in innovation labs;
- education – Leverage ACT's comparative advantages in education offerings and climate change policy and optimal engagement models;
- climate change – In support of the Boe Declaration, which Australia is a signatory, the ACT Government could undertake reciprocal or non-reciprocal exchanges with Pacific Island Countries (e.g. Environment Departments) to develop policy settings in support of climate change initiatives. ACT-based education and research institutions could also undertake these exchanges; and
- cultural links – Help grow awareness of the rich historical and cultural heritage of the Pacific and enhance national identities through partnerships with ACT-based institutions.

BROADER GLOBAL ENGAGEMENT

The ACT Government will, on a case-by-case basis, look to create and grow relationships with countries and companies where our joint interests closely align. More broadly, we will continue to survey the international environment for opportunities, and, when warranted, investigate regions such as South America and Africa.

We will partner with Austrade and the Department of Foreign Affairs and Trade to promote the ACT's international trade and education, investment, and tourism interests. Our partnership with the Australian Government may see broad activities in the Arab States of the Gulf Coast, the Pacific Alliance and through the broader Trans-Pacific Partnership Agreement. We will continue to build our relationship with the Australian Government and our significant infrastructure program to build the ACT's reputation globally.

CONCLUSION

The ambition of Canberra – to be an international city of global recognition and prestige – requires vision and coordination. The Office of International Engagement was established to have oversight of the full spectrum of the ACT Government's international engagement activities on a whole-of-government basis, and to cultivate enduring international relationships that will deliver on this ambition to benefit of all Canberrans. The Office of International Engagement will serve to work across the ACT Government to deliver coordinated international engagement.

The *2050 Vision* for an international city recognises that Canberra requires coordinated activity across the four directions:

- attracting and retaining talented people with STEaM skills;
- continuing to open and diversify our economy in our capability areas;
- delivering world-class metropolitan infrastructure to facilitate the increasing business and cultural interactions occurring in heart of global cities; and
- embracing the digital mindset to deliver world-class smart city initiatives.

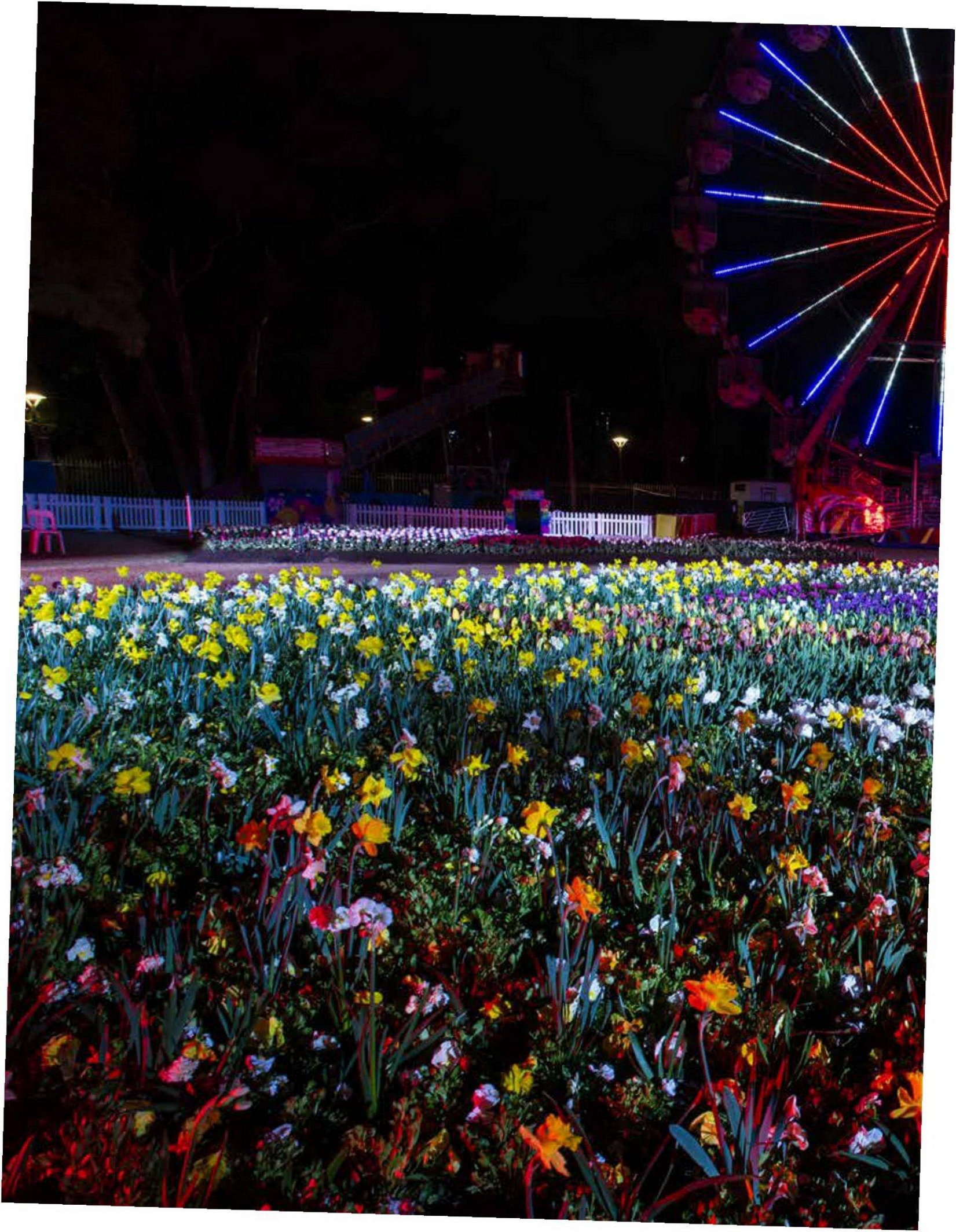
The ACT Government's international engagement will focus on growing our priority industry sectors where the ACT Government has competitive advantages in a 21st century knowledge economy:

- Education and Research;
- Tourism;
- Innovation, ICT and e-Government;
- Defence;
- Cyber Security;
- Space Industry;
- Health and Sports Science;
- Renewable Energy;
- Arts, Culture and Creativity; and
- Agri-Technology and Food Sciences.

Our 13 priority markets and the Pacific region will be our focus markets at the national level. Regions within China and the United States provide close alignment with priority Key Capability Areas and coordinated around each of these ten areas represent the foremost area of international engagement within the ACT's resources. We will continue to foster our formal Sister City relationships in Japan, China and New Zealand.

The ACT Government will look to grow our relationship with our Asian neighbours and recognises the Asian century is underway and the growth in economic, cultural and strategic significance that our neighbour countries are undergoing.

Canberra's International Engagement Strategy delivers a framework for coordinated international engagement, maximising the strategic opportunity of our resources to deliver an internationally recognised and prestigious city: Canberra.





#1

Regional
Wellbeing, 2014
(OECD)

#1

World's most
sustainable
city, 2021
(UK Energy)

#3

Best travel
city, 2018
(Lonely Planet)

#1

Most innovative
city in Australia,
2019
(as measured by
patents per capita)



OFFICE OF INTERNATIONAL ENGAGEMENT

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Singapore BDM, key activities summary report - fiscal year 2020-2021

International Trade and Exports - Milestones & Outcomes

AgriBusinesses, F&B

Shaw Wines - arranged meetings with 4 wine distributors, finalised contract with Cornerstone Wines, a wine distributor in Singapore for 7 markets in Southeast Asia (est. value A\$ 775,000)

Altina Drinks - shortlisted 2 low/non alcohol drinks distributors in Singapore, signed contract with Free Spirit, distribution agreement for Singapore (est. value A\$ 500,000)

GoTerra - organised introductions and meetings with 3 prospective companies in Singapore in search of a potential partner in Singapore

Nourish - working with Robert and the Landing Pad to help them participate in an accelerate program for alternative food proteins in Singapore

DigiTech & DeepTech

TBH Intl - supported TBH win a Professional Support Services contract with ST Engineering valued at A\$50,000

Castlepoint Systems - arranged a complimentary exhibition stand (worth S\$2,000) at the FinTech Festival 2021 in Singapore, work in progress to facilitate introductions to companies in Singapore

Instacluster - provided recruitment sites to find a talented resource for Singapore and assisted with their participation in the Singapore Fintech Festival for visibility and lead generation, work in progress to facilitate introductions to companies

Delos Delta - facilitated introductions and meetings with 4 companies in Singapore, signed a NDA and a "Teaming Agreement" for a Smart City consulting project.

Seeing Machine - working along with Austrade to support them find prospective customers in Singapore, assisted them with B2B meetings at the Airshow 2022 in Singapore

ArchTIS - working along with Austrade to support them find prospective partners and opportunities in Singapore

MedVatic - recommended them to further develop their platform, make it suitable for the prospective customer in Singapore and then entry the market - saving export cost for the company

Newman Worldwide - recommended them to avoid market-entry this year and revisit after a year or two given their product and the Covid situation - saving export cost for the company

Defence

Jacobs - working along with Austrade to support them find prospective opportunities and customers in Singapore

EOS Defence - working along with Austrade to support them find prospective opportunities and customers in Singapore, assisted them with B2B meetings at the Airshow 2022 in Singapore

KBR - working along with Austrade to support them find prospective opportunities in Singapore, assisted them with B2B meetings at the Airshow 2022 in Singapore

TBH - supported TBH with their participation at the Airshow 2022 in Singapore, arranged and attended B2B meetings along with their Director

Green Energy

Neuron Mobility (S'pore Company) - supported Neuron with introduction and coordination with TCCS to launch operation in Canberra worth A\$1.1 million (Investment)

My Green Butler - organised meetings with New Energy Nexus, RedDoorz, Singapore Tourism Board and the Singapore Hotel Association in search of a potential partner/customer in Singapore

Education

University of Canberra (UC) - in association with the Landing Pad made introduction to 3 pharmaceutical companies in Singapore to support their 2nd phase of research work

Other Activities - Investment, R&D and Events/Webinars

Collaborating with the OIE and the ACT Investment team regarding **Siren IO, an Irish company** interested to launch operation in Canberra (investment of up to A\$ 5 million, creating 30-50 jobs)

Assisted team ACT and connected the different stakeholders with the **TGA-compliant ARTs /RATs test kits** from Singapore to Canberra

Working with Robert and Richard regarding the **E-commerce Webinar and opportunities for ACT companies** in Singapore

Working with Robert and Richard regarding the **IAG Firemark accelerate program for the ACT companies** in Singapore

Working with Robert and Richard on the **opportunity for ACT companies with HAO Mart in Singapore** – part of ABEI Supermarket Activation Plan

Organising meeting with **Enterprise Singapore (ESG) and team ACT** to discuss **priorities for 2022 and potential areas of collaboration between ESG and the ACT**

Organised meeting with the **Singapore Space & Technology Ltd (SSTL)** to collaborate for the Canberra Singapore Space Forum

Collaborating with the ACT Investment team to prepare a **presentation for the Austrade Investment Team** in the ASEAN region.

Collaborated with Study Canberra to **promote ACT education to students in Singapore** at an Education Webinar in Singapore

Collaborated with Richard and Robert to put together and finalise the **agenda for the Canberra Singapore Space Forum**

Organised a **Cybersecurity Business Webinar for the ACT companies** highlighting opportunities in Singapore

Organised ACT NoWaste to make a **presentation to the National Environment Agency (NEA) Singapore** and the **Waste Management and Recycling Association of Singapore (WMRAS)**

Electric Vehicle (EV) Buses EOI by TCCS - engaged with eco-systems players, companies in Singapore to register their EOI for electric buses in the ACT (Investment)

Organised meeting between EPSDD and Electrify Singapore to initiate their **Peer-to-Peer (P2P) trading platform** for electricity and **battery farming pilot in the ACT** (Investment)

Arranged meeting between TCCS and STE Land Systems, Singapore for **Autonomous Vehicle (AV) pilot** in the ACT (Investment)

Upscale Canberra Hotel - Adobe Belconnen for Sale - connected with hotel properties companies/group in Singapore to bid for the hotel

Visitation to the ACT

2020 snapshot

\$2.5b GOAL: OVERNIGHT VISITOR EXPENDITURE BY 2020

\$2.412b CURRENT: INTERNATIONAL & DOMESTIC OVERNIGHT EXPENDITURE

International snapshot

YEAR ENDING MAR 19



QUARTER ENDING MAR 19



YEAR ENDING MAR 19

LEISURE (HOLIDAY & VFR)



BUSINESS



EDUCATION



ACT'S TOP INTERNATIONAL MARKETS

	CHINA	SHARE OF ACT MARKET 19.6%	▲11.8%
	UNITED KINGDOM	SHARE OF ACT MARKET 8.4%	▼1.5%
	UNITED STATES OF AMERICA	SHARE OF ACT MARKET 7.8%	▼14.3%
	INDIA	SHARE OF ACT MARKET 6.5%	▲41.4%
	NEW ZEALAND	SHARE OF ACT MARKET 6.3%	▼7.2%
	GERMANY	SHARE OF ACT MARKET 4.4%	▲2.8%
	CANADA	SHARE OF ACT MARKET 3.4%	▲53.8%
	SINGAPORE	SHARE OF ACT MARKET 3.0%	▼7.7%
	TAIWAN	SHARE OF ACT MARKET 3.0%	▲82.4%
	MALAYSIA	SHARE OF ACT MARKET 2.7%	▲0.3%



\$500k allocated to five projects under UK-Australia Space Bridge

The first investments under the UK-Australia Space Bridge have been awarded to projects in the areas of Earth Observation, Agriculture, Space Communications, and Quantum Technologies for Space.

Harwell, Oxfordshire and Adelaide, South Australia, 19 Oct 2021 – Five collaborative research projects funded under the UK-Australia Space Bridge framework have been announced today by SmartSat CRC the Satellite Applications Catapult with the support of the UK Science and Innovation Network, Austrade and the Australian Space Agency.

The Space Bridge program, which was managed and led by SmartSatCRC in collaboration with the other funding partners, was supported by Austrade, the Australian Space Agency, the UK Government and UK Space Agency. Respondents were required to have partners from the UK and Australia, with a minimum of one industry partner. The five selected projects were asked to address four topic areas identified as strategically beneficial to the mutual interests of each country.

The five projects will explore and advance satellite technologies for a range of uses including: Antarctic Sea ice detection; plant breeding programs and agricultural yield forecasting; preventing cyber-attacks on future financial encryption services; improving stability of next generation satellite communication links under changing weather conditions; and establishing commercial opportunities for Earth Observation calibration and validation facilities for upcoming missions of each country.

The SmartSat Chief Executive Officer Professor Andy Koronios said the projects are the first significant research activities under the Space Bridge Arrangement and the high level of interest demonstrated the appetite in both countries for collaborative opportunities.

“We have had an incredible response to this, the first collaborative initiative of the UK-Australia Space Bridge framework. We offer our sincere congratulations to the winning project proponents and are in no doubt that this is the first of many similar partnerships between Australia and the United Kingdom. The Australian Space Agency’s Roadmaps and the recently released UK Space Strategy will provide great guidance in building strong and mutually beneficial partnerships between our space industries and academia. We at SmartSat are very proud to be contributing to this effort.”

Quote from British High Commissioner to Australia, Vicki Treadell:

“I am delighted to see this exciting step which brings the Space Bridge partnership to life. It demonstrates the capacity for UK- Australian collaboration that will advance technology for the strategic benefit of both our nations. I congratulate all who took part and particularly the selected projects which were of an extremely high calibre. This is a concrete example of our shared focus and investment in scientific innovation.”

Quote from Sam Adlen, Chief Strategy Officer at the Satellite Applications Catapult:

“It is great news that today we see the first projects benefit from funding through the UK-Australia SpaceBridge. The fantastic response demonstrated the huge potential for partnership in delivering against joint Australian-UK priorities, and in addressing global challenges like climate change. We hope the programme will be the start in building strong collaborations between the UK and Australia, to benefit companies in both countries and to strengthen the ties between our respective space industries, governments, and end users. Innovation and collaboration across borders are a vital part of future



economic growth and a key element of our work at the Catapult, and this initiative is a shining example of how working together leads to the most productive outcomes.”

Quote from Massimiliano Ladovaz, CTO Space Segment of OneWeb:

“The funding of OneWeb’s project with RMIT to increase data throughput and better utilise frequency spectrum for space communication will help deliver significantly higher broadband speeds to the remotest parts of the world. We draw on this type of research to design our next generation of satellites and working with RMIT is an exciting opportunity for experts from academia and industry in both the UK and Australia. I congratulate the team at RMIT and look forward to hearing about progress of this important initiative.”

Theresa Condor, Executive Vice President and General Manager of Spire Space Services:

“We are excited to be working with our Australian academic partners and the British Antarctic Survey on this important project for the monitoring Antarctic sea-ice using the Spire constellation 3U satellites. Record low levels of sea ice are leading to warming temperatures which affect sea level rise, ocean circulation, and weather patterns. As part of the research activities under the UK-Australia Space Bridge Framework, it is clear that there is appetite in both countries to collaborate and validate new satellite data sets, helping to monitor new waterways created by the melting ice. This research will help support critical missions such as search and rescue, safe marine operations, fishing, water quality, and climate change monitoring. This is a great demonstration of academic, industry and research bodies working collaboratively to help solve global challenges.”

The projects selected are:

- **Cal/Val Space Bridge: An Earth Observation Partnership**
Symbios Communications, Frontier SI and Assimila Ltd, The National Physical Laboratory
- **Modelling novel radio spectrum bands for next generation satellite networks**
RMIT University and OneWeb
- **IceCube: Monitoring Antarctic sea-ice with small satellites**
UNSW Sydney, University of Tasmania (Australia Australian Centre of Excellence in Antarctic Science, Australian Antarctic Program Partnership) and Spire Global UK, British Antarctic Survey
- **Australia’s Quantum Leap: to satellite quantum encryption**
Arqit Limited and Australian National University
- **Harvesting hyperspectral satellite data to improve crop production**
Digital Content Analysis Technology Ltd, InterGrain, and The Plant Accelerator, Australian Plant Phenomics Facility, The University of Adelaide

The five projects must be completed by 30 June 2022 and were selected on their potential for larger future collaborative research projects which will grow industry capacity, provide an innovative end-product or capability, and build upon the respective space ecosystems of each country.

*****ENDS*****

SMARTSAT CRC ENQUIRIES:

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Communications and Media, SmartSat CRC

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ABOUT THE SMARTSAT CRC

The SmartSat Cooperative Research Centre brings together over 100 national and international partners who have invested over \$190 million, along with \$55 million in Federal Government funding under its Cooperative Research Centres Program, in a \$245 million research effort over seven years. Working closely with the Australian Space Agency, SmartSat will make a strong contribution to the Australian Government’s goal of tripling the size of the space sector to \$12 billion and creating up to 20,000 jobs by 2030. Priority industry sectors for SmartSat include telecommunications, agriculture and natural resources, transport and logistics, mining, and defence and national security.

August 21 to count -

COVID-19 Local Business Commissioner

This workbook is considered *Commercial in Confidence* and should be treated as such.

<u>Total number of tenants</u>	68		
<u>Total number of landlords</u>	23		
<u>Total number of other assistance</u>	110		
Total Number of Assistance provided	201		

Output 3.1 Innovation, Industry and Investment

Overview

Through the Innovation, Industry and Investment output we deliver programs, initiatives and information that promote the economic development of the broader capital region. This involves consultation and partnership with universities, research organisations, commercialisation entities, business organisations and other government agencies.

Business and Innovation delivers this output through the following:

- Implementing targeted industry strategies in job-creating areas including space, defence, cyber, renewable energy, advanced technology and manufacturing, and the creative industries.
- Assisting a connected innovation ecosystem that supports and enables entrepreneurs, start-ups and high growth businesses.
- Investment attraction and facilitation, and investing in tertiary education institutions, research partners and industry to boost productivity and save and create jobs.
- Creating enablers and platforms for small and medium sized businesses to open and grow in the ACT.
- Promoting Canberra as Australia's higher education and research capital with a particular focus on promoting Canberra as a study destination for international and domestic students.

Note: Under the new *Administrative Arrangements 2021 (No 1)* the business area delivering this output changed its name from Innovation, Industry and Investment to Business and Innovation. In addition, responsibilities for the internationalisation of ACT businesses through trade and export were transferred to the Office of International Engagement. The functions of the Commissioner for International Engagement will be reported under a separate output in 2021-22.

Performance

Accountability Indicators

7 met or exceeded 3 not met

Output 3.1 had four accountability indicators comprising ten separate measures. We met seven of our targets for this output but did not meet our targets for the following indicators:

- 3.1a (i) – *Number of international trade and investment campaigns and delegations* – We delivered one trade delegation against a target of five. Due to the COVID-19 pandemic international travel was prohibited in line with the Australian Government state of emergency. The one ministerially-led trade delegation to New Zealand in May 2021 capitalised on the international travel bubble established between Australia and New Zealand, and allowed opportunity to reinforce the sister-city relationship between Canberra and Wellington, New Zealand.
- 3.1a (ii) – *Number of lead responses generated from Invest Canberra program activity* – The target was 30 and the actual result was 16. This was due to a global slowdown of foreign direct investment associated with COVID-19 restrictions, resulting in a reduced number of qualified investment leads handled. Renewable energy and ICT-related businesses showed the highest interest in the ACT consistent with the Government's promotion of our clean energy and knowledge-economy strengths.
- 3.1b (iii) – *ACT Vice-Chancellors' Forum* – We did not achieve our target of one. No formal meetings of the Vice-Chancellor's Forum were held during the reporting period as institutions and the Government responded to the COVID-19 crisis. Notwithstanding this, the Government maintained extensive interaction with Vice Chancellors to support institutions navigate their own unique challenges.