

TASMANIAN TRADE SCORECARD

2019–20



TASMANIAN



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Scope

The first *Annual Action Plan 2019–20* details that a Trade Scorecard will be released following the financial year. The Trade Scorecard 2019–20 (Scorecard) benchmarks Tasmania's annual trade performance against previous years' trade values, and against the four key performance indicators outlined in the *Tasmania Trade Strategy 2019–2025* (the Strategy), namely:

1. An increase in the number of businesses provided with a service and/or support.
2. An improvement in brand awareness in targeted markets.
3. At least 80 per cent of businesses satisfied with the quality of services provided.
4. An increase in the value of products or services sold by Tasmanian businesses to the domestic or international market, where these businesses have been supported through the Strategy.

This first Scorecard captures some significant changes in global economic conditions, in particular the impacts of the novel coronavirus (COVID-19) and the direct effects it has had on the Tasmanian economy.

All export data cited in this Scorecard is based on data supplied by the Australian Bureau of Statistics (ABS), unless otherwise stated.

It is important to note that goods data is captured at the Australian port of departure; it may not always accurately reflect the total goods produced in Tasmania for export. Where products are processed or further transformed, or a head office or distribution centre is located in another jurisdiction, attribution of product/service origin may vary. Additionally, some commodity groupings under-report export totals due to the confidentialisation of some commodity types. Notwithstanding, these confidentialised item values are included in the total overall export value.



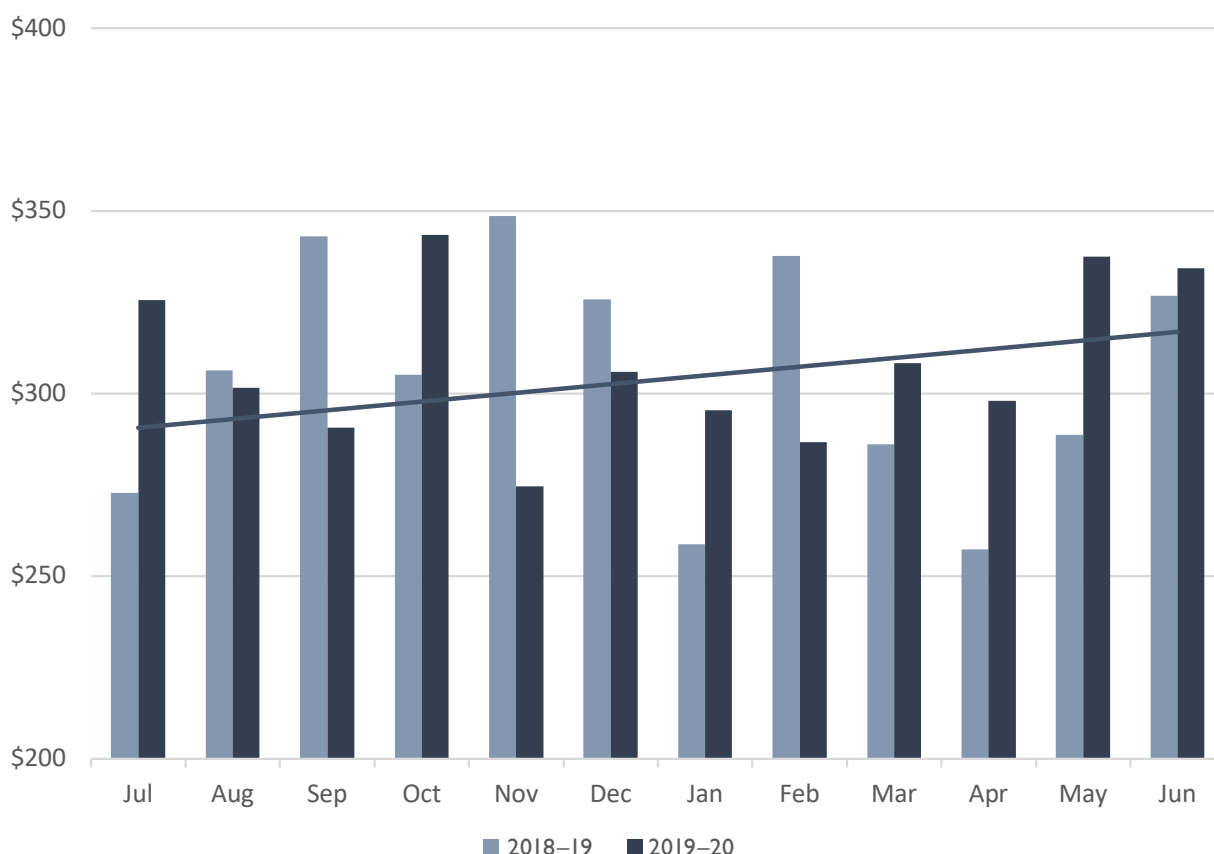
Goods exports

The past two years have been turbulent times for the global economy: the US-China trade tensions, a slowing Chinese economy, the growing unrest in Hong Kong and the United Kingdom's drawn out exit from the European Union were just some of the more significant volatilities. Closer to home, Australia also experienced significant bushfires and droughts, which had lasting effects on the Tasmanian economy.

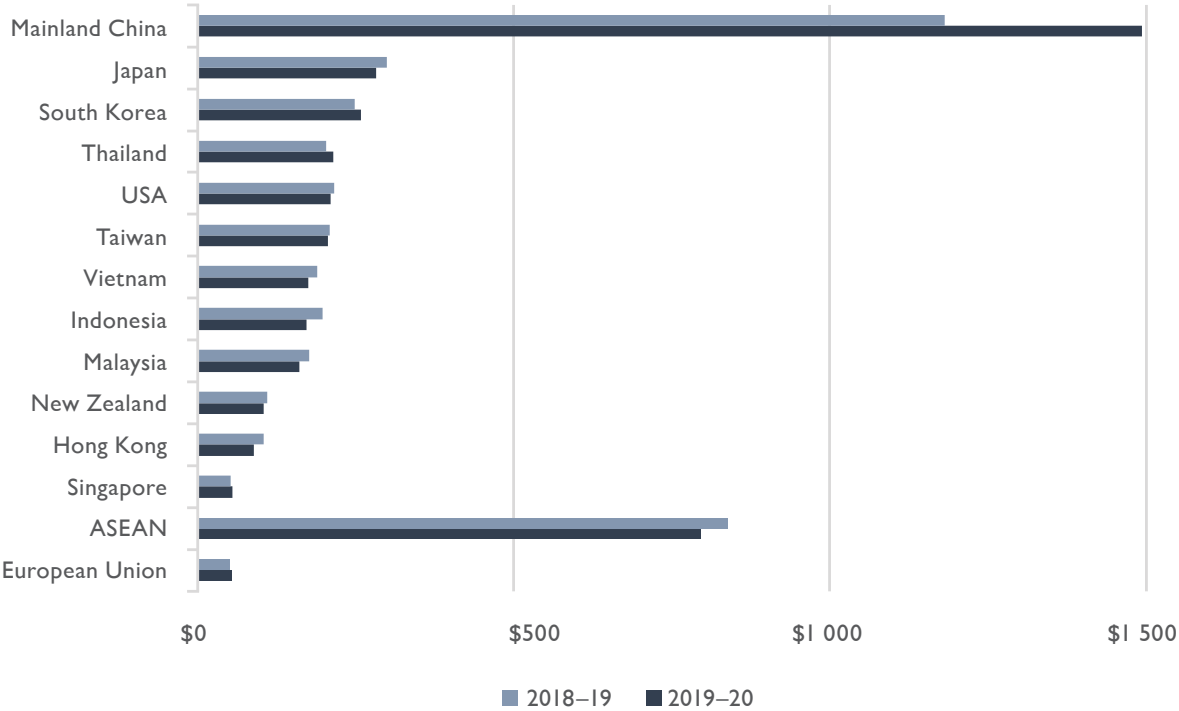
Following the onset of COVID-19, the final quarter of 2019–20 experienced significant disruptions to global supply chains and restrictions in travel movements. These global and national factors combined to push down the value of a number of export sectors. Overall, however, the Tasmanian goods export economy trended up.

This is mostly due to a global shortage in high-grade iron ore following ongoing issues with Brazil's Vale iron ore mine coupled with a sustained high demand for steel production out of China. Encouragingly, Tasmania's overall exports of food and beverages also increased; noting a proportion of this is due to the agistment of livestock from the mainland during the extended drought period and does not reflect an actual increase in sales. Further increases in seafood exports reflect both increased production and high yielding catch seasons.

Trend of Tasmanian goods exports over a two year period (\$ million AUD)
Monthly values



Tasmania's most valuable export markets
 2018–19 vs 2019–20 (\$ million AUD)



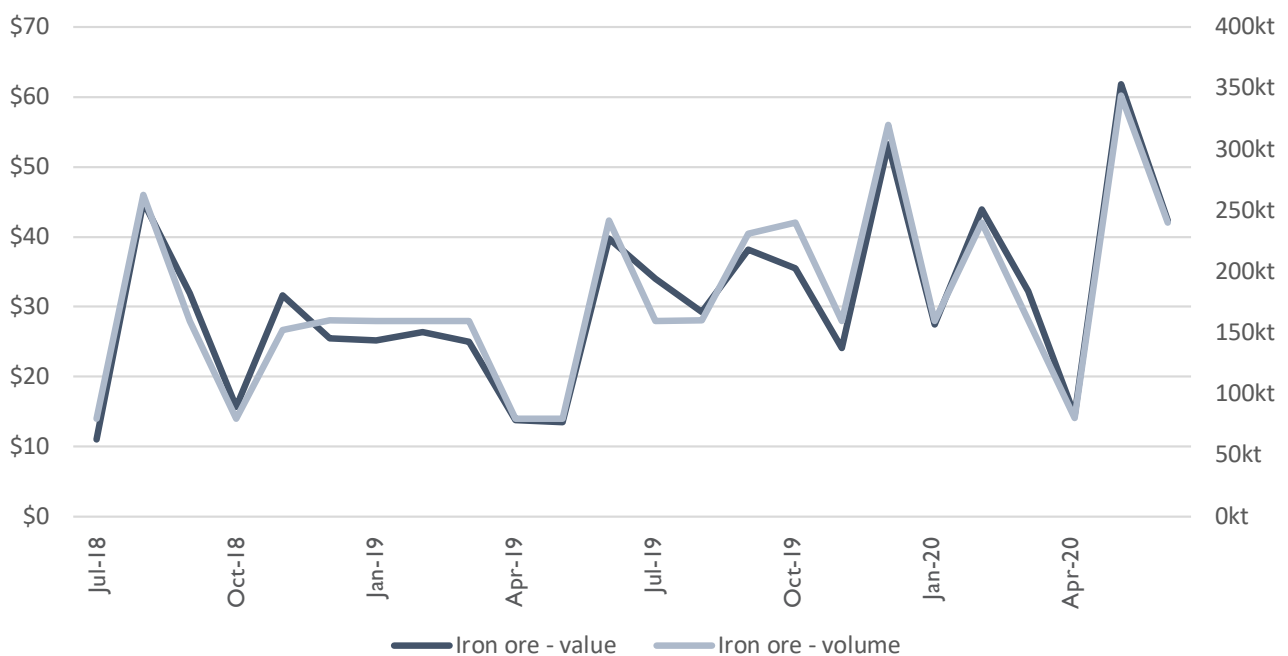
Iron ore: selling more, worth more

The price of iron ore became one of the most volatile priced minerals in the global marketplace over the past two years. Fluctuating between prices of \$63 USD per metric tonne to \$124 USD per metric tonne, the usual impacts of price on supply and demand were overshadowed by the collapse in operations of Brazil's Vale mine (with Brazil being the world's second largest exporter of iron ore after Australia). This, coupled with compounding pressures on steel production and

demand coming out of China through the period of heightened trade uncertainty between the United States and China, saw exports of Tasmania's iron ore remaining strong and contributed considerably to Tasmania's export value over the past 12 months.

Typically, when prices fall, volumes increase as steel makers seek to replenish inventories. However, increased demand and reduced global supply saw increases in both price and export volumes.

Comparison: Iron ore exports
Value (\$ million AUD) vs volume (kilotonne)

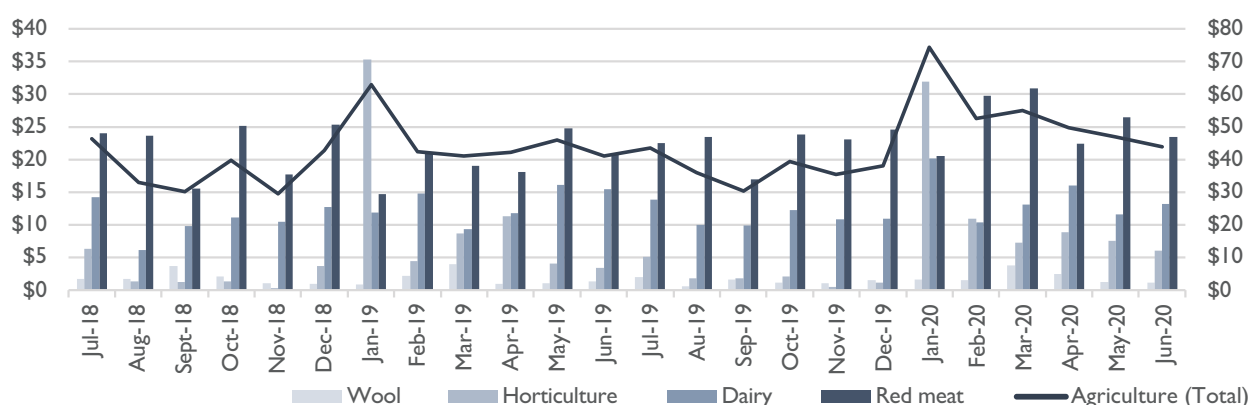


Food and agribusiness: growth despite uncertainty

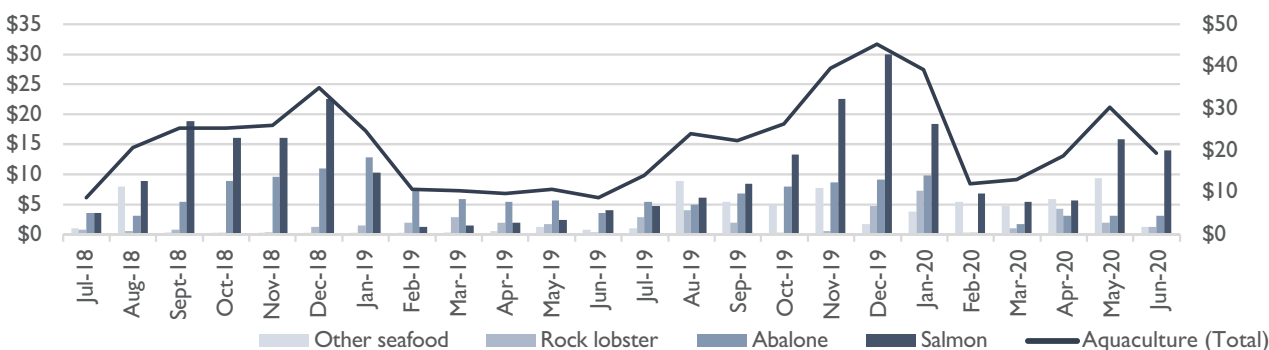
The food and agribusiness sector incorporates a wide diversity of commodity types and products, including fresh fruit and vegetables, beverages, wool, cheese and chocolate. As a single industry sector, the total value of food and agribusiness exports increased strongly over this period. As a broad sector, food and agribusiness exports grew by \$222 million compared with the previous year, or

approximately 26 per cent. Considering the early impacts of product supply chain and market disruptions caused by COVID-19, this result demonstrates a considerable level of resilience and agility within the industry to absorb and respond to external economic shocks. The figures below reflect the significant seasonal variability for food and agribusiness exports.

**Two-year monthly exports values
Agriculture (\$ million AUD)**

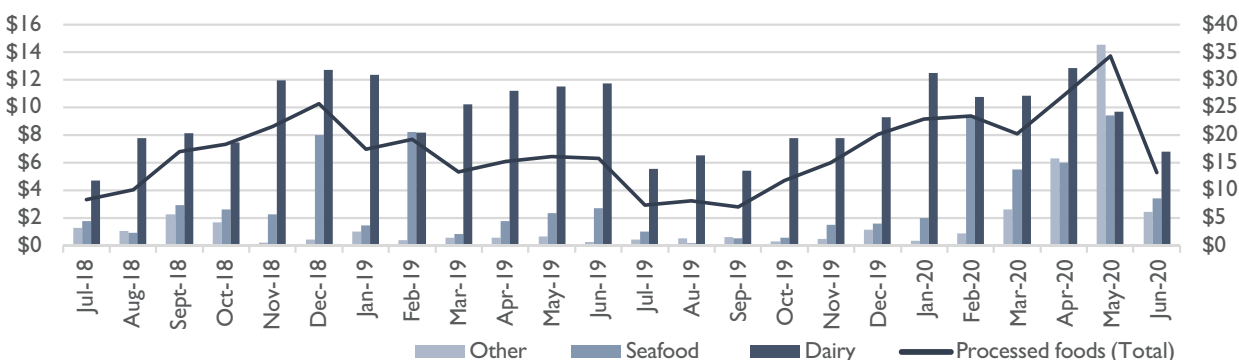


**Two-year monthly exports values
Aquaculture (\$ million AUD)**



Other seafood includes other molluscs and miscellaneous fish species.

**Two-year monthly exports values
Processed foods (\$ million AUD)**



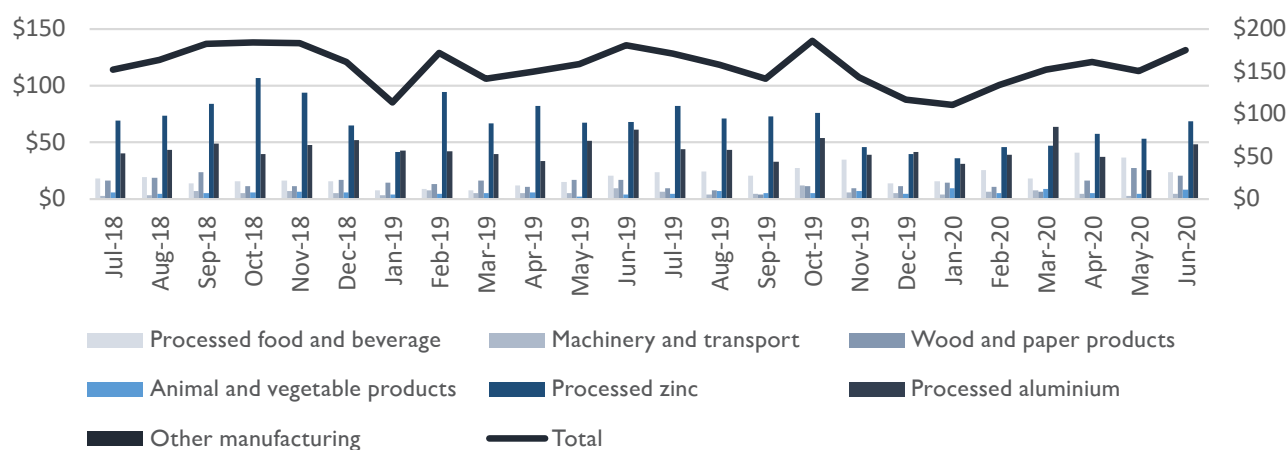
Other includes beverages such as wines, juices and other alcohols.

Manufacturing: stable despite challenges

The overall manufacturing sector in Tasmania contracted in 2019–20 by around 11 per cent. The decline was not a result of direct closure of industry; rather, it was driven by secondary effects, such as a decline in demand for a range of input products for other industries, where supply chains became severely disrupted, or where international export markets closed. The disruption of COVID-19 affected Tasmania's manufacturing sector early on, as a range of base manufactures are early stage inputs into China's larger manufacturing sector. Overall, these impacts are expected to be long-lasting, at least until global demand picks up and forward orders begin to flow through once more.

While the decline in export activity was widely dispersed across the broader manufacturing sector, those sub-sectors of a more primary manufacturing production process (processed metals, wood processing) experienced highly fluctuating yet sustained demand. As mentioned above, this was particularly the case where export supply was directly linked to the Chinese market and associated supply chains. In addition, some smaller, niche manufacturing actually increased where opportunities within supply chains were created and industry reported an uptake in domestic civil construction and trade during the period.

Two-year monthly export values
Manufacturing (\$ million AUD)



Other manufacturing includes stone or ceramic manufactures, apparel and sporting equipment.

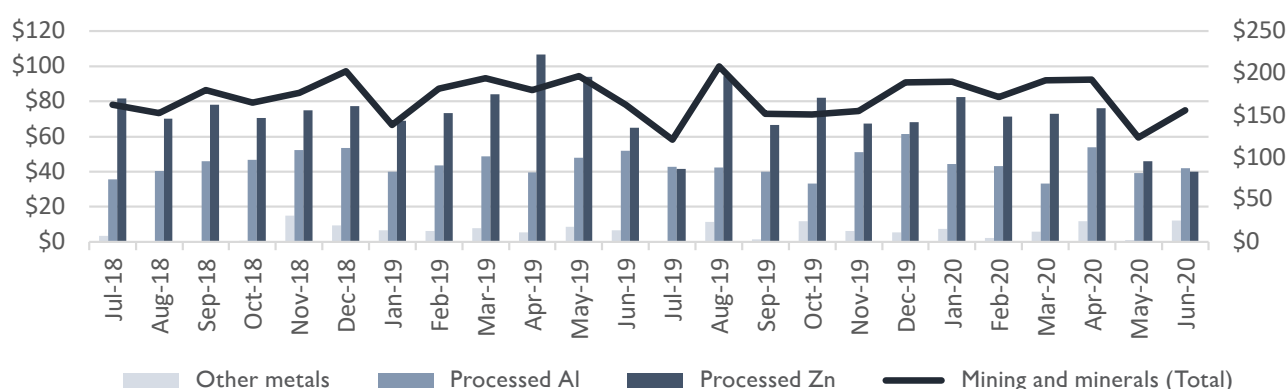


Processed metals: a change in export operations for zinc

Processed zinc and processed aluminium account for approximately 92 per cent of the total value of this category. This sector reported an 18 per cent decline compared with last year, and is the largest single factor impacting the Tasmanian export economy's annual gains. In particular, processed zinc exports – Tasmania's most

valuable commodity export – represented the main decrease in the overall figures. This was, in part, due to a fall in the global price of zinc by nearly 20 per cent across the year. Additionally, a significant shift in zinc export operations from Tasmania via mainland Australia is requiring a re-calculation as to how export data is recorded.

Two-year monthly export values
Processed metals (\$ million AUD)



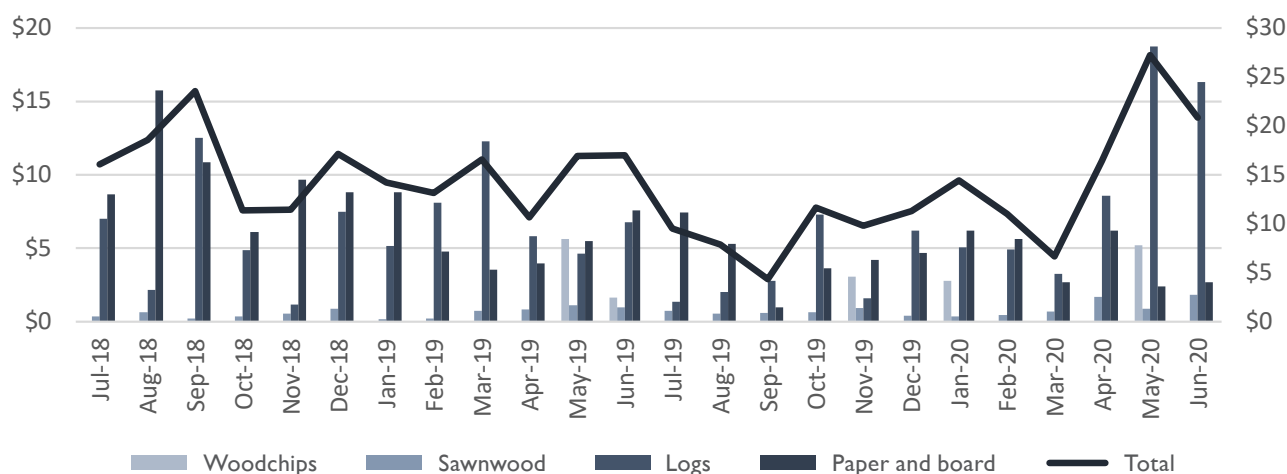
Other metals include processed lead, iron, copper and cadmium.

Forest products: minor contraction despite major market volatility

There was very little change in trend terms within the forest products export sector – Tasmania's second-largest export commodity group. Despite some significant volatility in international exports, Tasmanian forest product exports remained relatively steady and within normal market volatility ranges.

In the early COVID-19 impact period, there were some delays in log exports due to crowding at some of China's major ports. However, woodchip exports continued almost unaffected over this period, as receiving ports are predominantly single modal and connected directly to mills for processing.

Two-year monthly export values*
Forest products (\$ million AUD)



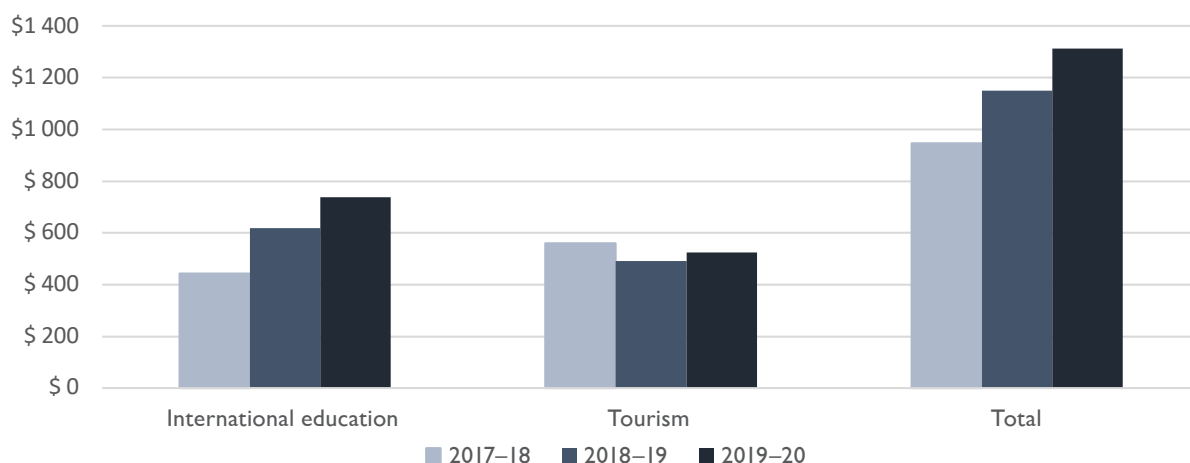
*Combination of data sourced from ABS and Industry Edge.

Services exports

Approximately 89 per cent of Tasmania's international services exports consist of international education (56 per cent) and tourism (39 per cent).

The remainder is a combination of service types, including logistics, digital technology and scientific collaboration.

Services exports* By value (\$ millions)



*Data is a combination of ABS data and Department of Education, Skills and Employment.

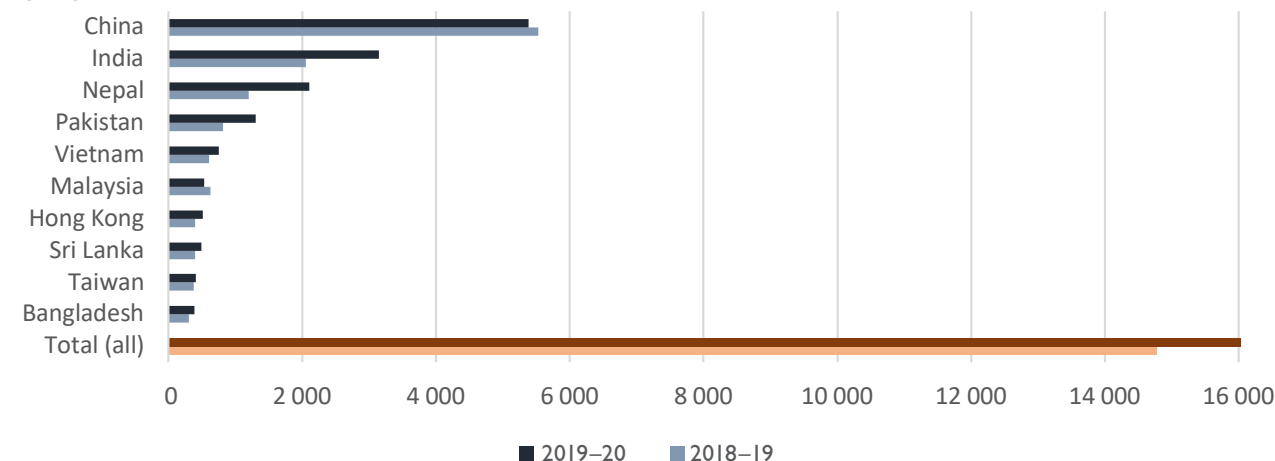
International education: growth from a pre-COVID-19 world

The Tasmanian international education market has grown significantly in recent years, with total student enrolments in 2019-20 increasing by approximately 20 per cent on the previous year. The approximate value of the Tasmanian international education sector was

\$739 million. Most of this growth was in the vocational education and training (VET) sector.

In 2019-20, the top 10 source markets for international students represented approximately 85 per cent of all international students studying in Tasmania.

International student enrolments* By top 10 markets



*Data sourced from Department of Education, Skills and Employment.

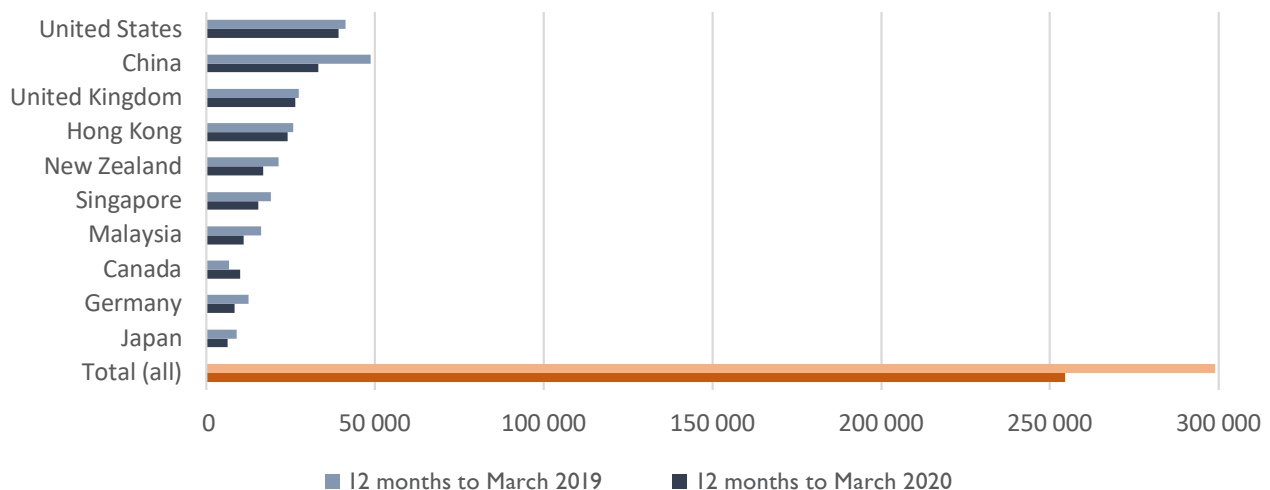
International tourism: less visitors, less nights but greater spend

Tasmania's international visitor numbers continued to decline which impacted the number of international nights between June 2019 and March 2020. However, expenditure by international visitors in Tasmania showed growth for the year to March 2020, up seven per cent. Average spend per visitor increased 25 per cent, and spend per night increased by 17 per cent. Declines continued in our key international markets, but primarily in the China market. COVID-19 and

the Australian bushfire crisis was already impacting visitation by international markets in the March quarter.

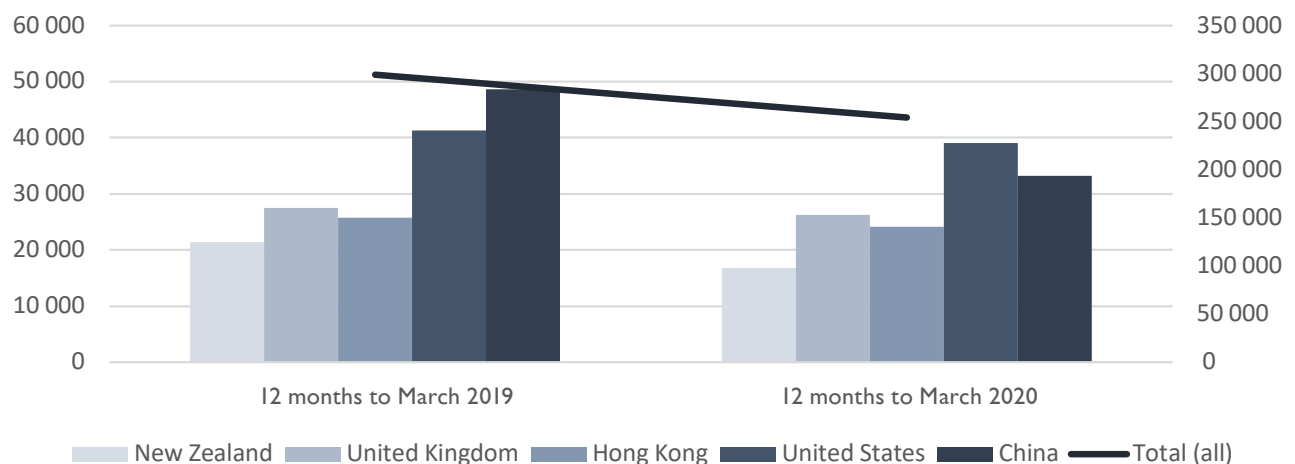
NB: Tourism data here is being reported until 31 March 2020. With Australia's border closures commencing 20 March 2020, there is no data beyond this date to report.

International tourist visitation* By top 10 markets



*Data sourced from Tourism Tasmania.

International tourists visiting from top five source markets* By year



*Data sourced from Tourism Tasmania.

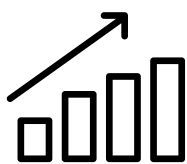
Key Performance Indicators

The Strategy identifies four key performance indicators (KPIs), progressed through four priority areas and driven through the implementation of annual action plans. KPIs listed here are from 1 July 2019 through to 30 June 2020. The four priority areas are as follows.

- Build trade in key sectors.
- Showcase Tasmania in priority markets.
- Support trade logistics and market access.
- Build export capabilities of Tasmanian businesses.

The first of these action plans, the *Annual Action Plan 2019–20*, committed to 81 activities that would promote the objectives of these four priority areas. As at March 2020, when the onset of COVID-19 impacted normal operational activities, 76 of these 81 activities were either underway or completed, and their success was measured by the four KPIs outlined as follows.

Note: Tourism Tasmania-specific initiatives are not captured by the KPIs reported here; they are separately reported by Tourism Tasmania.



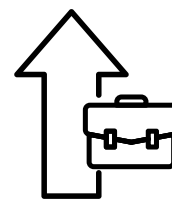
**BUILD TRADE
IN KEY
SECTORS**



**SHOWCASE
TASMANIA
IN PRIORITY
MARKETS**



**SUPPORT
TRADE
LOGISTICS
AND MARKET
ACCESS**



**BUILD EXPORT
CAPABILITIES
OF TASMANIAN
BUSINESSES**



KPI 1: An increase in the number of businesses provided with a service and/or support

NUMBER OF
SERVICES AND/
OR SUPPORT
PROVIDED TO
TASMANIAN
BUSINESSES



2 588

NUMBER OF
TASMANIAN
BUSINESSES
PROVIDED WITH
SERVICES AND/
OR SUPPORT



1 971

Case study 1: Export Awards

In 2019, the Tasmanian Export Awards welcomed 49 nominations across 12 categories, representing some of the best exporting businesses in Tasmania. This was the 26th year of these awards.

Honoured as the 2019 Exporter of the Year, Essential Oils of Tasmania (EOT) has continued to excel in their global trade journey, with a new deal signed in 2020 to launch one of their star products into the high-end Japanese aroma market.

"The quality of competition in the 2019 Export Awards was absolutely exceptional and the opportunity for EOT to meet with a whole range of national leading exporters was really exciting. But it was the process of the awards that we found most valuable. It required us to pause as team and to reflect on our business and how we were performing as part of a fast-changing global trade environment."

– CEO of EOT, Simon Wells

Case study 2: Building export capability for the Tasmanian defence and maritime sector

The Tasmanian Government and its Defence Advocate and Strategic Adviser, Maritime Rear Admiral (Rtd) Steve Gilmore AM, CSC, have provided 69 services and/or support to Tasmanian businesses in 2019–20 to assist them to identify and pursue defence industry opportunities, projects and contracts.

In 2019–20, this included supporting the Tasmanian defence industry to have its largest presence ever at the Pacific 2019 International Maritime Exposition in Sydney. Nine companies exhibited at the Pacific 2019, and the University of Tasmania's Australian Maritime College joined with Defence Tasmania on a combined stand for the first time at that event.

Case study 3: Buy Something Tasmanian website

Led by the Tasmanian Government, Brand Tasmania and the Tasmanian Chamber of Commerce and Industry, the Buy Something Tasmanian portal has supported 1 418 Tasmanian businesses in the 2019–20 financial year to build up their digital capacity during the COVID-19 outbreak.

By 30 June 2020, the website portal had also attracted over 25 000 users and generated over 154 000 website views since its launch on 9 May 2020.



KPI 2: An improvement in brand awareness in targeted markets



With the world becoming increasingly aware of Tasmania's unique offerings, it is clear that the Tasmanian brand is a core differentiator for our value-added products and services.

The enhanced brand awareness in targeted markets has set our state apart in the global trade landscape.

Case study 4: Tasmanian Seafood Showcase – China, December 2019

The Minister for Primary Industries held a seafood showcase event to market Tasmanian seafood exports into China with the Australian Consul General in Shanghai. The event was a live streamed key influencer-led showcase and tasting event.

It resulted in 5.62 million views during the live stream, and a 1.64 million viewership of social media posts, with over 2 000 comments and 11 000 likes from a key demographic of young consumers (25–35 age bracket) aspiring for high value food and wine. It also facilitated a long-term trade pipeline development, with 10 importers and distributors expressing interest in importing seafood from Tasmania, and a high end restaurant chain in Shanghai deciding to add Tasmanian abalone and scallops to its menu.

Case study 5: London Beverage Showcase – United Kingdom, September 2019

A beverage showcase event was held in London in collaboration with the Australian High Commissioner and renowned Tasmanian cricketer Ricky Ponting. This event was held at the Australian High Commission with more than 250 key business and political stakeholders in attendance. The event helped to market Tasmanian beverages to high profile stakeholders in the United Kingdom through an experiential storytelling approach.

The Ponting aspect of this event also helped to significantly boost Tasmania as a tourism destination, which has generated over 8.17 million in readership of articles published in the Sydney Morning Herald and its related syndicates.

KPI 3: At least 80 per cent of businesses satisfied with the quality of services provided

**OF 244 BUSINESS RESPONDENTS,
91% REPORTED THAT THEY
WERE SATISFIED WITH THE
SERVICES THEY RECEIVED.**



Case study 6: Accelerating Trade Grant Program – 100% satisfaction

In 2019–20, the Accelerating Trade Grant Program provided financial support to 28 Tasmanian businesses to expand their product into new markets, which generated over \$2.6 million for the Tasmanian economy, or over \$20 for every dollar granted. With a full subscription of the program, it also received a 100 per cent satisfaction rating from businesses regarding the service they received.

“The process for applying was clear and program guidelines were informative. During the course of the application I had a number of queries around what expenditure was eligible under the grant which were all easily clarified over the phone”

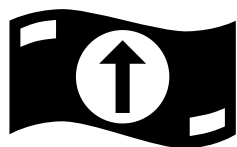
– Tasman Sea Salt

Case study 7: Visiting Architect Program 2019 – 100% satisfaction

One hundred per cent satisfaction was achieved, with participants gaining deep insights about Tasmanian-sourced timber for use in architectural design projects. Following the conclusion of the visiting architect program, industry-leading architects have reported increased confidence in sourcing and using Tasmanian timber in projects on the Australian mainland. They are also willing to advocate for Tasmanian timber to be more widely used within the broader industry.

KPI 4: An increase in the value of products or services sold by Tasmanian businesses to the domestic or international market, where these businesses have been supported through the Strategy

**TOTAL
VALUE**



\$152 757 588

**NEW
CONTRACTS OR
OPPORTUNITIES
GENERATED**



330

Case study 8: The United Kingdom and Europe Trade Mission – November 2019

The Premier-led trade and investment mission to Europe and the United Kingdom has facilitated key outcomes in advanced manufacturing, defence and maritime industries, tourism and the Antarctic sector.

One of the key highlights from the mission includes the signing of a five-year Memorandum of Understanding (MOU) on gateway cooperation between the Tasmanian Government and IPEV – a key partner of the French Polar Institute. It was co-signed in Brest, France. It is estimated that the MOU will generate approximately \$9 million a year into the Tasmanian economy, through increased activities with the French Antarctic program.

Case study 9: Increased trade support from TradeStart advisers

Through a tripartite agreement between the Tasmanian Government, Austrade and the Tasmanian Chamber of Commerce and Industry, the TradeStart Tasmania team facilitated \$4.7 million in sales opportunities for Tasmanian exporters.

TASMANIAN



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