

Services Export Opportunities for Victorian Firms in Asia

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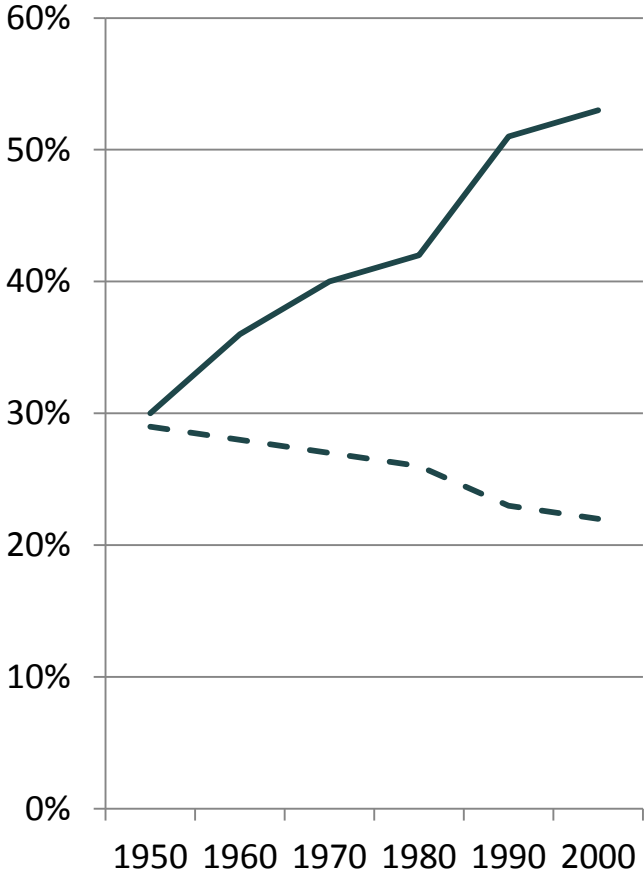
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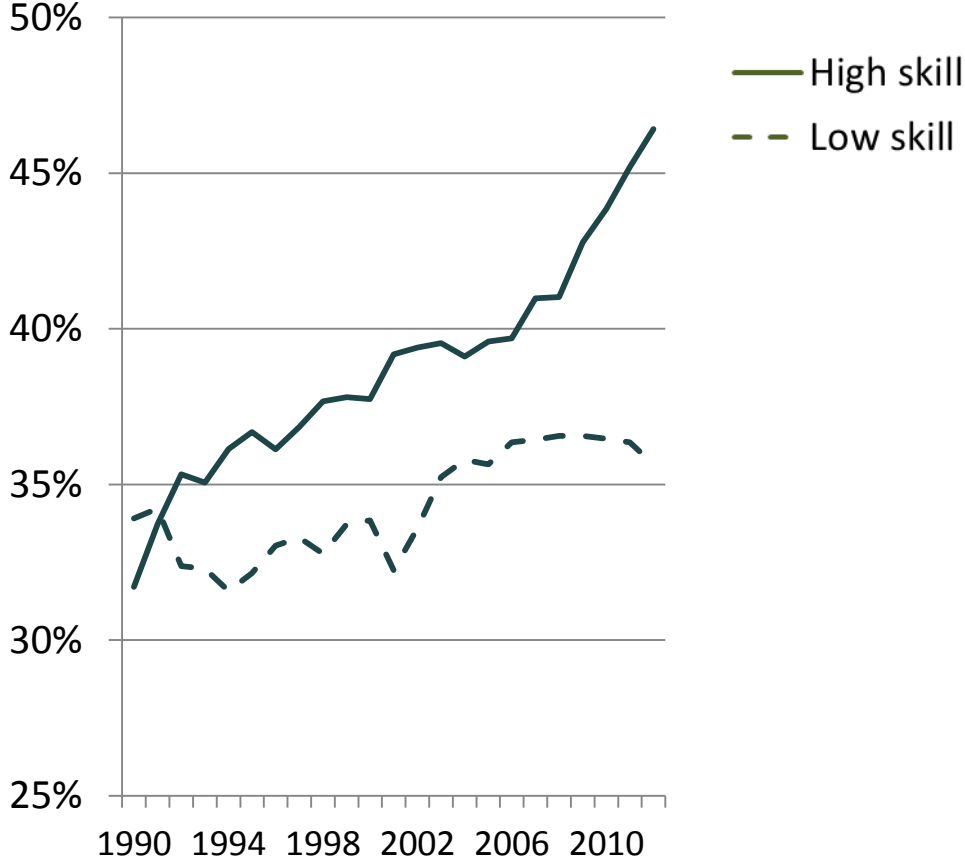
Growth in low and high skill services, share of value added

United States*



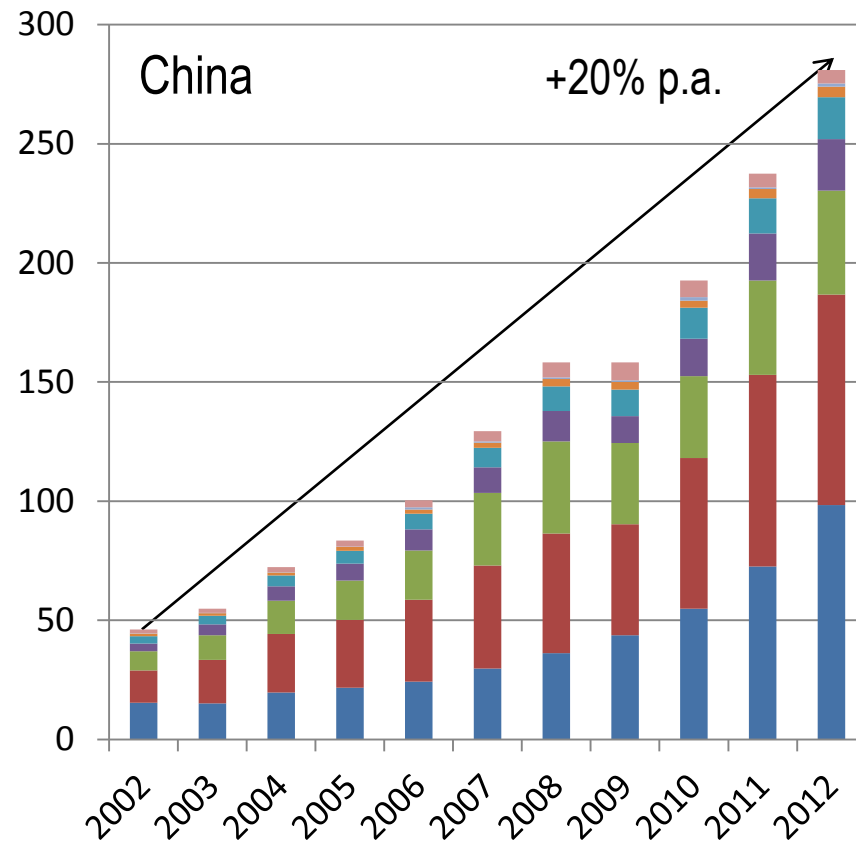
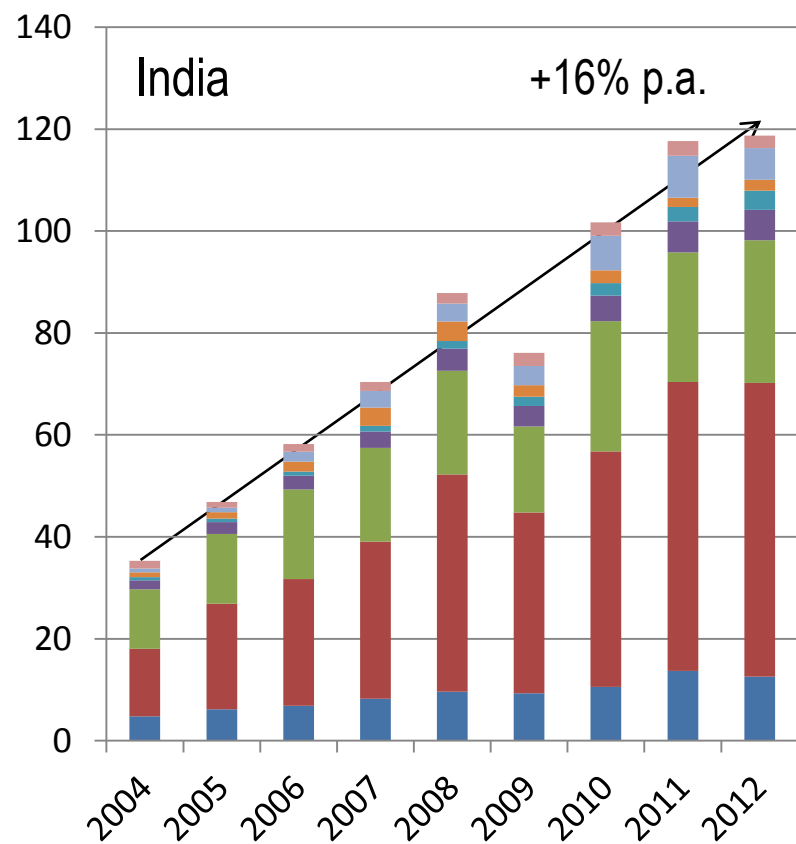
Note: *High-skill services include all industries with at least 12.5% of workers college-education in 1940.
 Source: Buera and Kaboski (2009, Figure 2).

Victoria#



#*High-skill services include all industries with at least 33% of workers university-education.
 Source: ABS Cat. No. 5220.0, Australian National Accounts: State Accounts.

Components of India and China's services imports, US\$ billion



■ Travel

■ Transportation

■ Other business services

■ Insurance services

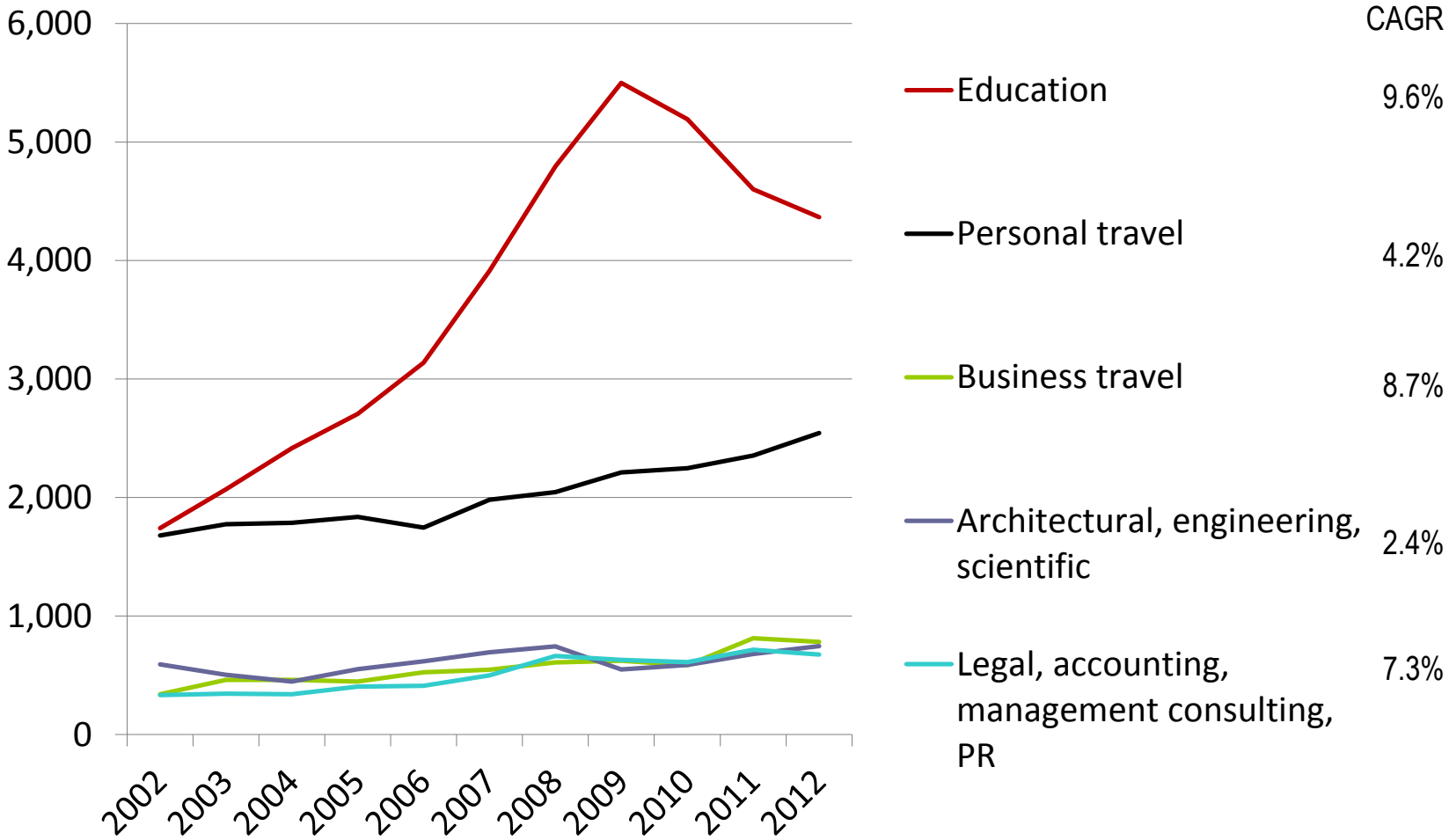
■ Royalties and license fees

■ Computer and information services

■ Financial services

■ All other services

Top five Victorian services exports by value, 2002 to 2012, \$ million

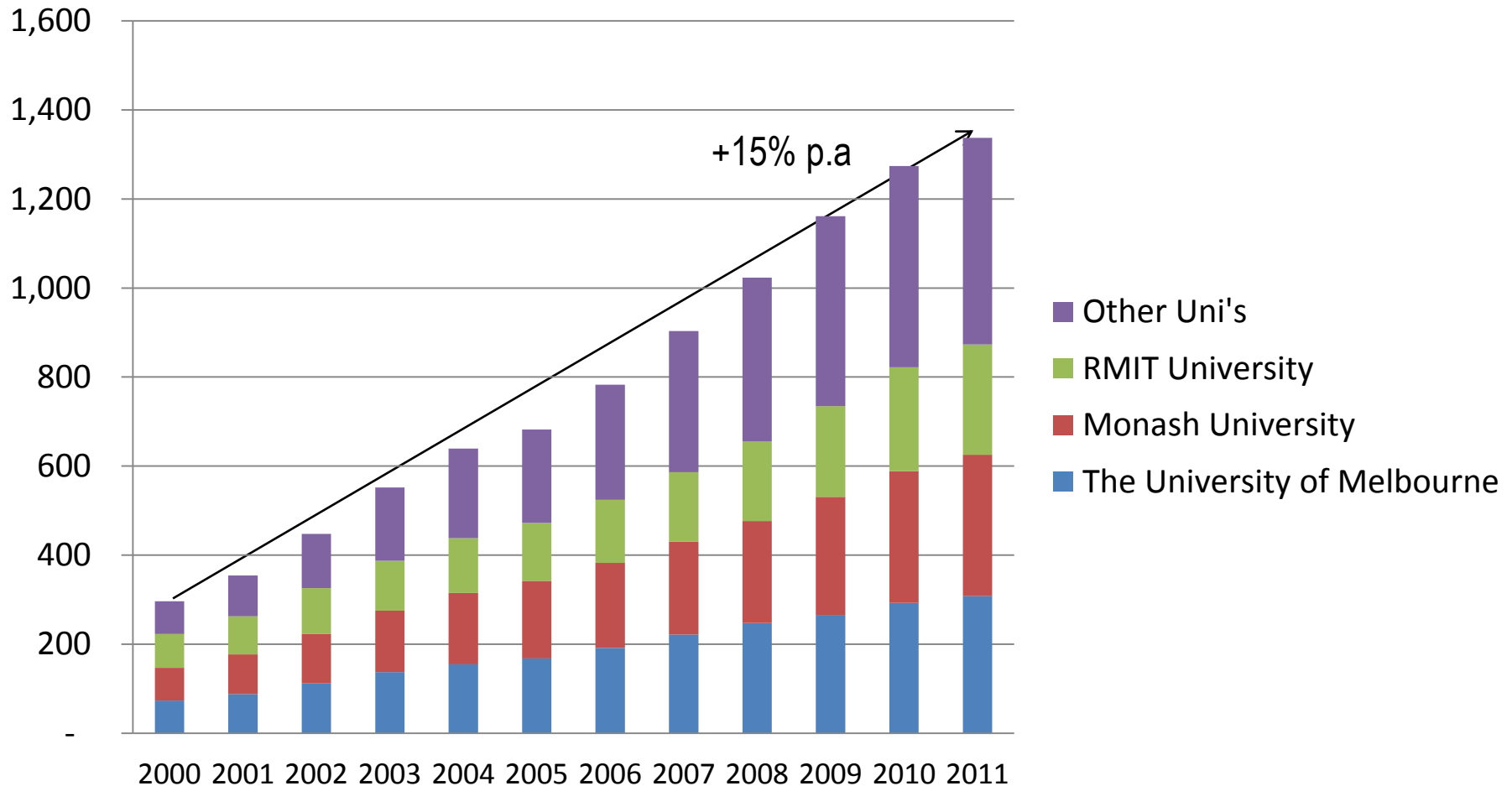


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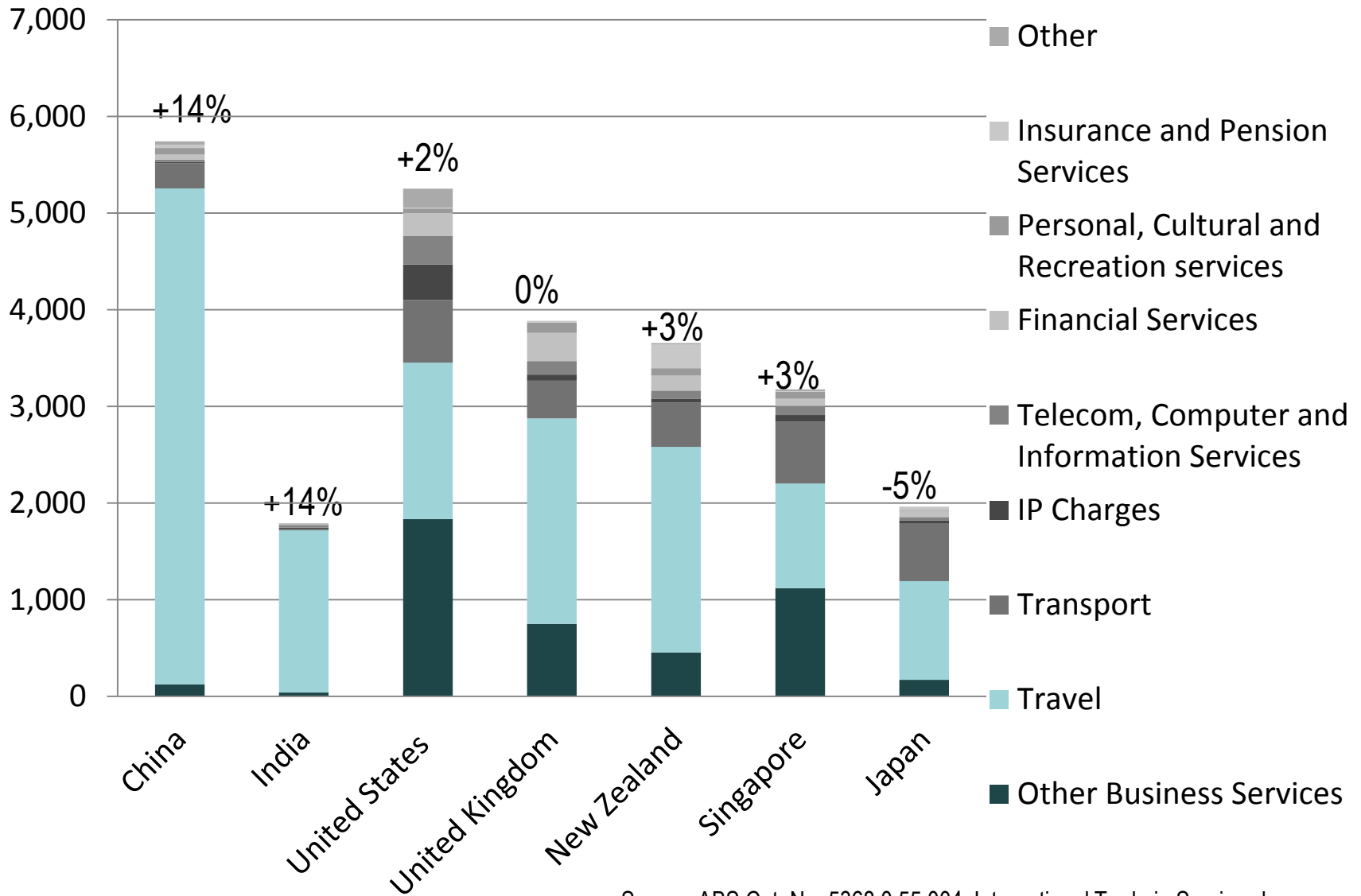
- Education 9.6%
- Personal travel 4.2%
- Business travel 8.7%
- Architectural, engineering, scientific 2.4%
- Legal, accounting, management consulting, PR 7.3%

Victoria's economic powerhouse?

Victorian universities HE offshore student revenues, \$m



Top 7 services export markets, Australia, 2012



Why isn't Victoria doing better?

Results of interviews with professional services firms

- A high proportion of professional services exports with Asia (especially China) are generated by FDI proposals in the resource and property areas where local expertise is essential
- US firms are able to assemble large teams that more easily amortise fixed costs
- Foreign firms are not so willing to pay the premium for Australian expertise in their home markets – an 'Asian – centric' bias
- Cultural and regulatory issues – FTA with China

CONTACT DETAILS

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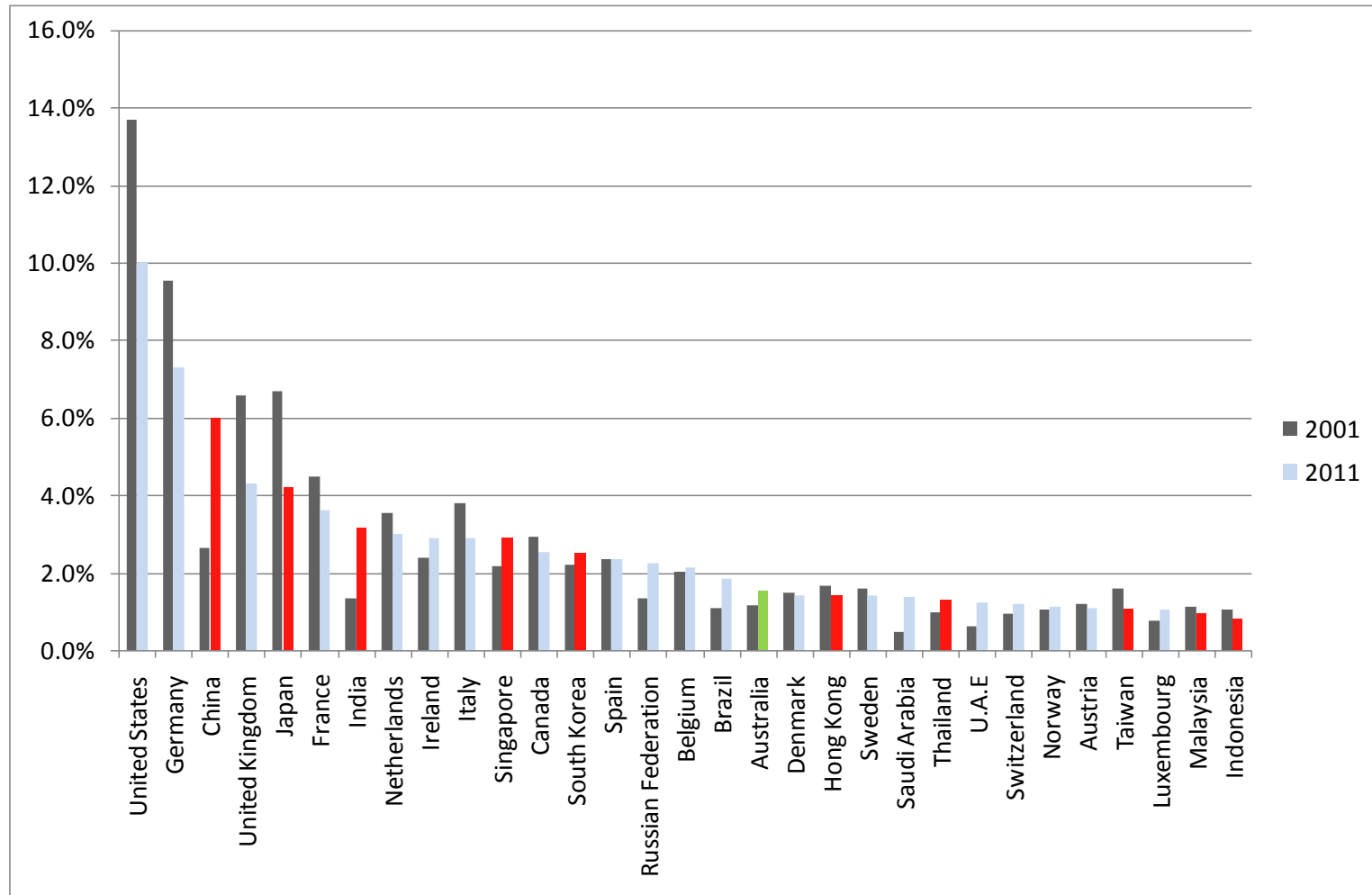
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Global services* imports, countries ranked by share, 2001 and 2011

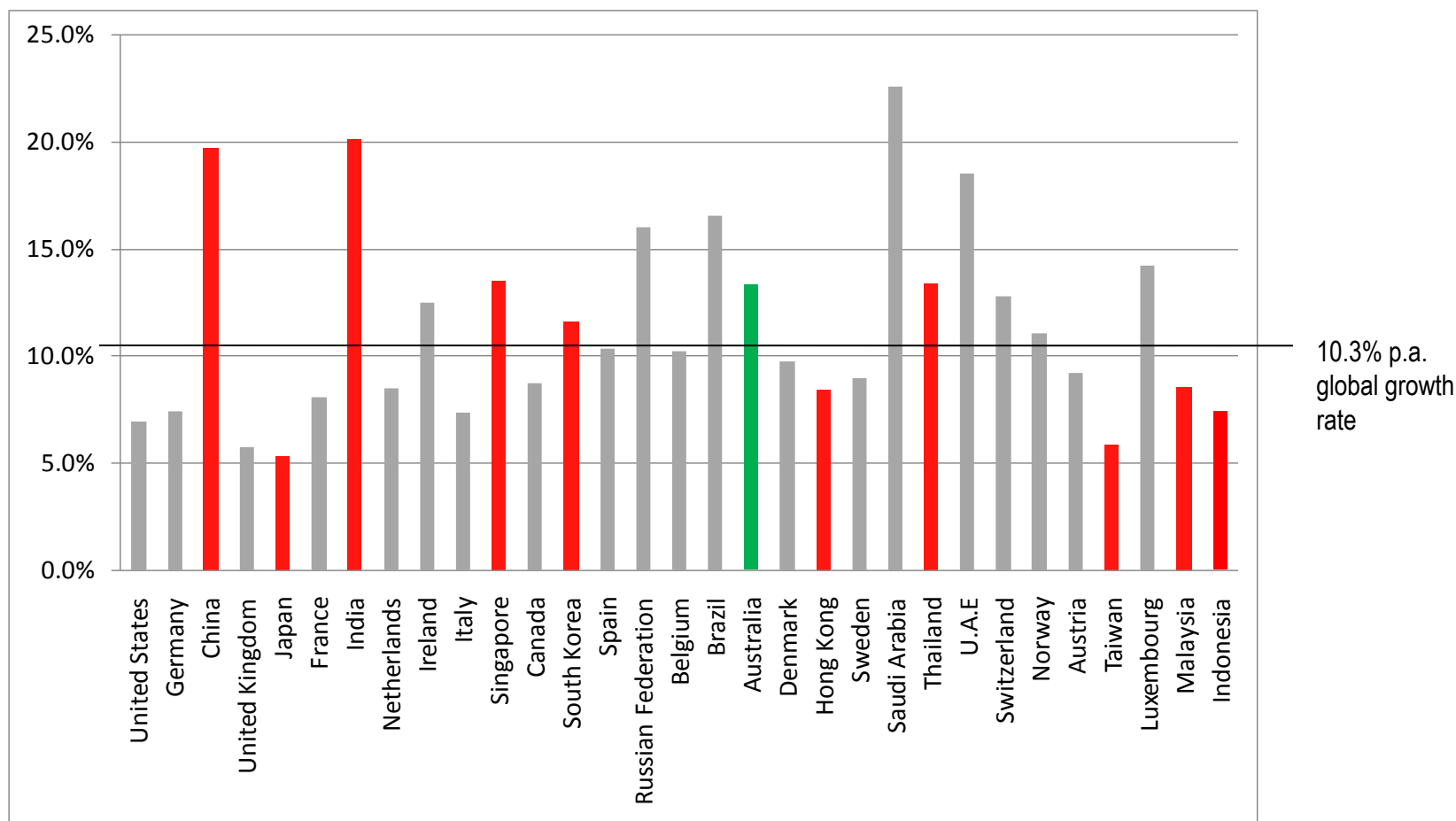


* Commercial services (Services excl. government services)

Source: WTO International Trade Statistics 2011, Trade in Commercial Services, at http://www.wto.org/english/res_e/statis_e/its2011_e/its11_trade_category_e.htm

Growth rates in services* imports, 2001 to 2011

Countries ranked by global share



* Commercial services (Services excl. government services)

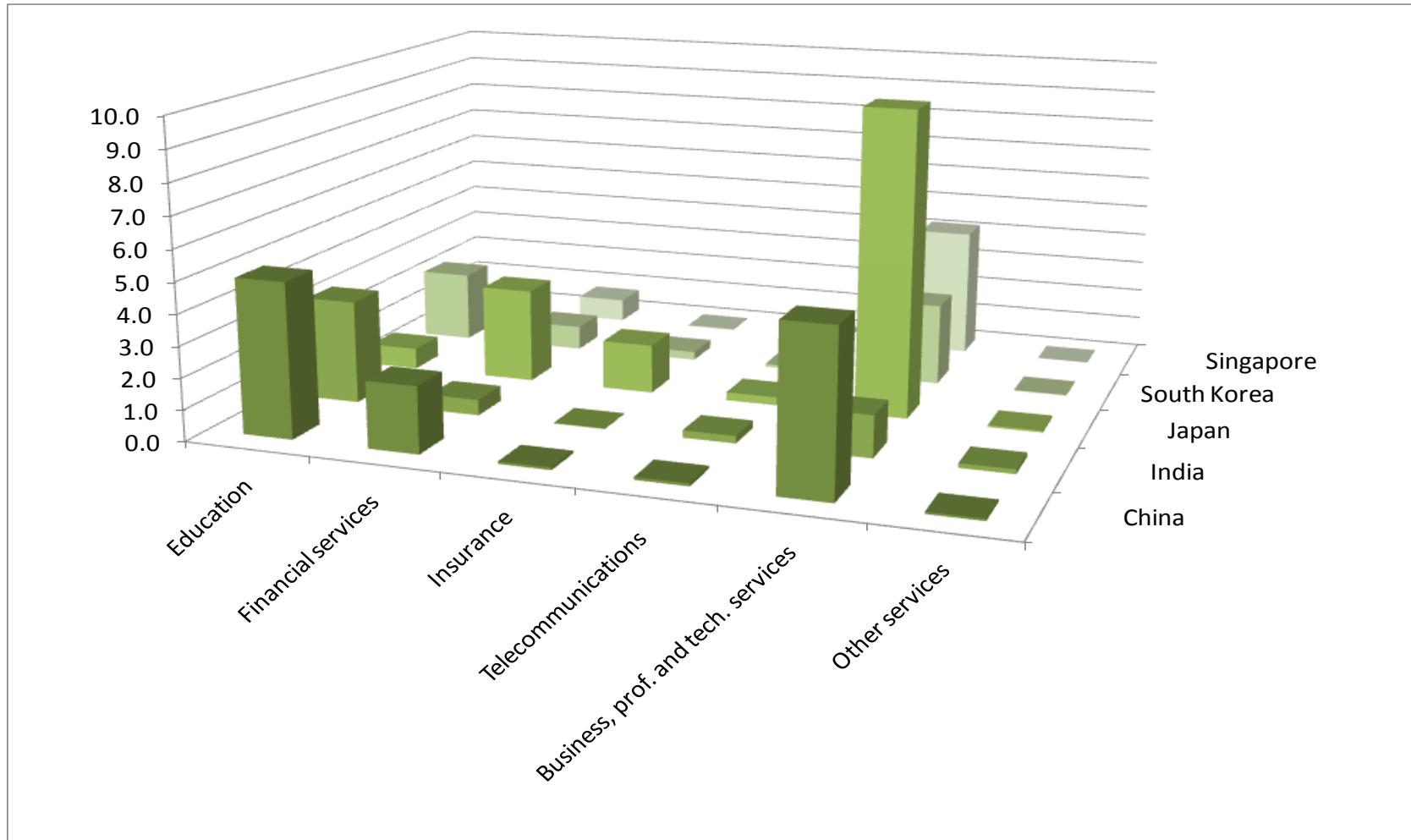
Source: WTO International Trade Statistics 2011, Trade in Commercial Services, at http://www.wto.org/english/res_e/statis_e/its2011_e/its11_trade_category_e.htm

China's sources of services imports, 2010 US\$ million

Country	2010	Share world total	Growth 2000 to 2010
Hong Kong	29,670	15%	13%
USA	21,161	11%	15%
Korea	13,750	7%	22%
Japan	10,169	5%	16%
Germany	6,772	4%	25%
France	5,971	3%	31%
UK	4,033	2%	20%
Total above	91,526	47%	17%
World	193,321	100%	18%

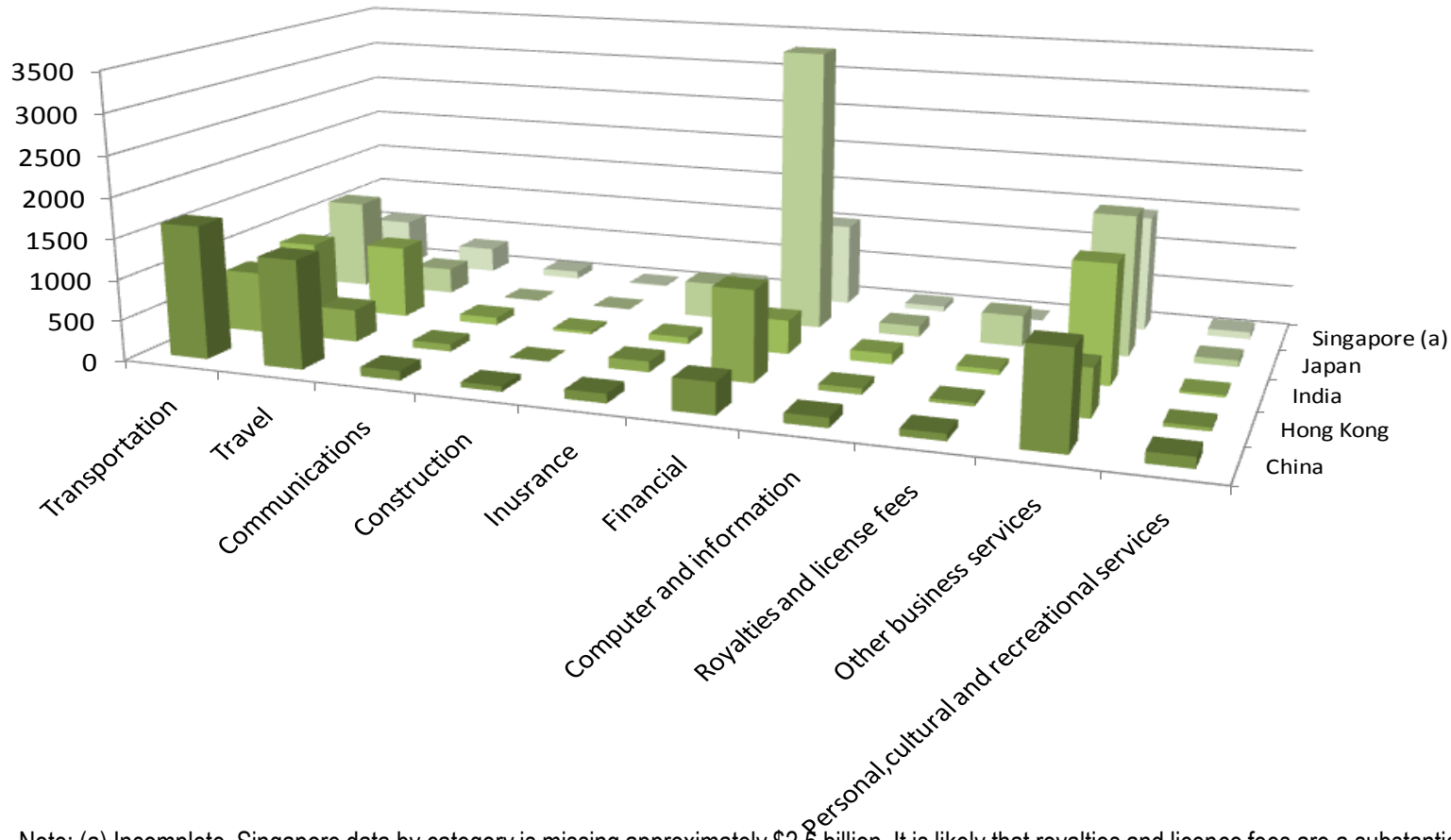
Source: OECD (2012a).

Value of US exports of Other private services to selected Asian countries, 2011, US\$ billion



Source: Bureau of Economic Analysis (2012).

Value of UK exports of private services to selected Asian countries, 2011, US\$ billion



Note: (a) Incomplete. Singapore data by category is missing approximately \$2.5 billion. It is likely that royalties and licence fees are a substantial component of this.
 Source: Office for National Statistics (2012).