

# b Selling Australia to the World

SPECIAL REPORT

## Exports the key as small firms thrive

An eye further afield has helped one part of the economy succeed where others are floundering, writes Keeli Cambourne.

THE ECONOMIC downturn may have bitten hard in the manufacturing sector around the world, but small to medium NSW companies are finding the global financial crisis has helped their businesses.

Manufacturing is the state's second largest industry, accounting for 14 per cent of the gross state product and more than 30 per cent of national manufacturing output. It also accounts for a quarter of NSW's exports.

But unlike in countries such as China, manufacturing in NSW is more concentrated on producing niche goods, smaller quantities and high quality, says Kylie Hargreaves from the international markets and trade division of the NSW Department of Industry and Investment.

"Internationalising is not a low-cost, low-risk option for NSW companies. It takes passion, dedication, patience and a keen desire to learn from your own mistakes and from the expertise of others," she says.

"So it's not unusual for people to see the contraction resulting from the global financial crisis in many of our major trading partners and think twice about going international.

"The domestic economy is often too small to ensure sustained growth for manufacturers, so they know that going international is their only long-term growth strategy. This means that rather than export being an afterthought as it might be for many manufacturers in larger countries, NSW exporters see export as their primary growth strategy.

"Australia has weathered the economic downturn better than many trading partners and so some of our NSW businesses may have more cash available to buy into markets offshore.

"Alternatively, while some areas of major markets are contracting, some areas are showing strong growth. For example, in the UK while the macro-

the state's workforce. In that financial year, NSW exported more than \$10 billion of manufactured goods, representing 25 per cent of its total exports. Among its leading exports were medicinal and pharmaceutical products, office machines and computing equipment, and professional, scientific and controlling instruments.

Hayden Williams, a national manager for Austrade says: "Small to medium businesses make up the bulk of manufacturing - not just in NSW but throughout Australia - but NSW is more noted for its advanced manufacturing in areas like marine, aerospace, rail and security.

"And although the large scale automotive manufacturing may have taken a hit, one of the boom markets now emerging is the manufacture in the automotive aftermarket - replacement parts for people who want to enhance their cars with things like suspension and brakes.

"This is one area that is dominated by the smaller end of the manufacturing market. Although Australian manufacturers are always going to have issues with not being able to compete with volume manufacturers like China ... where we are ahead of the pack in terms of technology and quality," he says.

In the past, the United States, New Zealand and Japan have been the leading markets for NSW exports, but new markets in India, the United Arab Emirates, the Middle East and even South America are becoming just as important.

Ms Hargreaves says: "NSW manufacturers are pretty diverse in their export markets of choice. Some of the contributing factors for this include our multicultural workforce which provides a diverse range of skills, languages and ethnic ties to dozens of non-traditional markets."

"This, along with our open econ-



"There are very few things needed to set them up properly" ... Darren Fitzgerald, who owns the only windmill manufacturing company in NSW. Photo: Trevor Veale

### ■ BUSH BASICS

## Keeping it simple opens the path to success

Windmills are a low-technology way to pump water and can be fixed on the spot. That is why the export business is ready to take off.

ITS straightforward design, the ease of installation and uncomplicated mechanics have made the Australian bush windmill a must-have water pumping solution in places such as Afghanistan, Malaysia and even Peru.

Water technology is expected to become the next big export industry for Australian companies but as Comet Windmills has proved, innovation in this area does not have to be space-age or high-tech.

Darren Fitzgerald bought Comet Windmills about 12 years ago, although the business has been around for more than 120. It is the

That's why bushmen love them." It is also why the rest of the world loves them. Comet Windmills started exporting about three years ago after winning a tender with the Australian Defence Forces to manufacture windmills and train army personnel on installation and maintenance for their use in Afghanistan.

"Islands and villages and remote places like the windmill because they want something that is low technology," says Fitzgerald.

Austrade has identified water technology as one of the strongest export opportunities for

one of the strongest emerging export sectors in the next 12 to 24 months.

"We see a tremendous opportunity in water technology like windmills, and management technology linked to agriculture, as well as the security of potable water for human consumption - all this specialised technology that manages recycled water and waste water," says Sutton.

**"We estimate the sector could be worth \$1 trillion in a few years."**

and countries with climates like Australia's are facing similar problems to us and we estimate the sector could be worth \$1 trillion in a few years.

"There are many opportunities in areas like water flow management systems, membrane filters, gate control systems, and infrastructure. Australia now leads the way in this area because we had an early indication of national water shortage.

"One interesting aspect of water technology is that if you can improve the accuracy of where a cubic metre of water is and when it will arrive to a customer, there will be less waste in

the world. We are looking at a project in Peru with a windmill wheel that has a diameter of 10 metres and is capable of pumping 500,000 litres of water a day for irrigation to a cotton farm. We are also negotiating with people in China and India," Fitzgerald says.

"I always had the vision that the windmill was a good product for the developing world. There are only a few ways to pump water - diesel, electricity, solar and the windmill, and only solar and the windmill use renewable energy.

"The trouble with solar technology in more remote places is that they get