

GLOBAL VICTORIA

Globally Connected: Victoria's Southeast Asia Trade and Investment Strategy



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CONTENTS

Message from the Premier	2
Minister's foreword	3
Message from Australia's Ambassador to ASEAN	4
Message from the Australia - ASEAN Council Board Chair	4
Executive summary	5
The context	6
Why Southeast Asia?	6
Victoria's economic relationship with Southeast Asia is strong	8
Victorian Government strengthening engagement	9
Country snapshots	10
Victoria is attracting more investment from Southeast Asia	12
Direction One: Facilitate Market Entry	13
Support trade and investment activities	14
Support reducing barriers to free trade	15
Strengthen Victoria's Asia capabilities	16
Direction Two: Promote Victorian Capabilities	19
Education, training and skills	20
Premium agricultural products	22
Tourism and visitor economy	24
Direction Three: Identify Emerging Opportunities	27
Smart Cities: liveability, infrastructure and professional services	28
Digital transformation	29
Health and Medtech	30
Direction Four: Strengthen Ties	33
Build long-term relationships	34
Foster networks	36
Promote cultural exchanges and awareness	37
References	40

**MESSAGE FROM
THE PREMIER**

Southeast Asia is thriving.

It's dynamic, connected – and it's growing fast.

As this region – our close neighbours and old friends – keeps on growing, we are strengthening our shared cultural and business links.

We build on the strongest of foundations.

Every day, in every setting, 265,000 Victorians of Southeast Asian descent make remarkable contributions to the success of our state.

We already have a network of prosperous business collaborations and established Victorian Government Trade and Investment offices in Kuala Lumpur, Jakarta and Singapore.

It's those foundations that have seen our two-way trade relationship with Southeast Asia grow by 30 per cent in the last decade to \$15.3 billion in 2016-17.

But while we've come a long way, there's always more to do.

This Trade and Investment Strategy will be an important part of our future success.

I look forward to working with our partners across government and industry to turn it into reality.



The Hon Daniel Andrews MP
Premier of Victoria



The dynamic, diverse and distinct countries of Southeast Asia are some of our closest neighbours and biggest trading partners.

Two-way merchandise trade between Victoria and the region is at record highs, with two-way trade worth \$19.23 billion in 2018, and enrolments of students from Southeast Asia in Victorian institutions growing rapidly to more than 53,000 international students in 2018.

Victoria's Southeast Asia Trade and Investment Strategy aims to drive engagement with Southeast Asia through four key actions; connecting Victorian businesses to regional opportunities; building capability through Asia focused trade programs; raising competitiveness by promoting our unique strengths and supporting market entry regardless of size or location.

The Victorian Government's presence in Southeast Asia now includes offices in Jakarta, Kuala Lumpur and Singapore, an education services manager in Vietnam, and investment attraction representatives in six markets, including Thailand, Myanmar and the Philippines. Each presence possesses valuable local knowledge and together they form a powerful regional asset for Victorian businesses looking to access new opportunities.

Increasing our Asia capabilities is crucial for the ongoing success of the Victorian economy. Global Victoria runs skills development and grant programs to increase Victorian businesses' cultural and linguistic understanding of the region. These are complemented by trade missions focusing on Victoria's unique offerings in education, liveability and professional services and information and communications technology.

Regardless of your business location, size or longevity, the Victorian Government has put in place support infrastructure to help you expand to Southeast Asia. In addition to Global Victoria, agencies like Regional Development Victoria, Small Business Victoria and LaunchVic are also on hand to provide solutions tailored to your business.

Southeast Asia's fast-growing economies and large populations represent many opportunities for Victorian businesses, all right on our doorstep.



The Hon. Martin Pakula MP
Minister for Jobs, Innovation and Trade

**MESSAGE FROM
AUSTRALIA'S
AMBASSADOR
TO ASEAN**

In March 2018, Australia hosted Association of Southeast Asian Nations (ASEAN) Leaders for the first ever ASEAN-Australia Special Summit in Australia. At this historic meeting, Leaders committed to deepen integration between our economies, and to expand trade, resist protectionism and uphold the rules-based multilateral trading system.

Leaders also announced a suite of initiatives to boost trade, investment and business links between Australia and ASEAN. The initiatives cut across a broad range of sectors including digital trade, smart cities, infrastructure, and economic policy cooperation.

A Business Summit was held in conjunction with the Leaders' Summit comprising of a CEO and SME forum. Recommendations from ASEAN and Australian Business Leaders were presented to the Leaders' Summit to help shape the Australia-ASEAN partnership for the 21st century.

The Australian Government has committed to upgrading and expanding our regional free trade agreements to give Australian businesses a competitive edge in ASEAN markets. We are currently undertaking a general review of our comprehensive free trade agreement, the ASEAN-Australia-New Zealand FTA, to ensure it continues to meet the needs of our businesses and enhances regional economic integration.

As Leaders discussed at the Special Summit, the opportunities on Australia's doorstep are remarkable. The Victorian Government's Southeast Asia Trade and Investment Strategy will assist Victorian organisations to capitalise on ASEAN-Australia Special Summit initiatives and the investment and trade opportunities that the ASEAN market offers for Australian business.



Jane Duke
Australia's Ambassador to ASEAN

**MESSAGE FROM
THE AUSTRALIA -
ASEAN COUNCIL
BOARD CHAIR**

This Southeast Asia Trade and Investment Strategy provides a crucial opportunity for Victorian businesses to seize their "born-global" potential and grow in ASEAN markets.

As the Chair of the Australia-ASEAN Council, I welcome this important Victorian Government Strategy – and I am delighted that it reflects the Council's objective of cultivating closer ties between Australia and the region.

This Strategy is also directly relevant to my role as Group Chief Executive Officer and Managing Director of Australia Post. International logistics and delivery will be crucial to Australia Post's future. We are here to help Australian businesses export to the world and to deliver goods for Australian consumers.

Several factors are converging to give Victorian businesses a unique growth opportunity in Southeast Asia. The nations of Southeast Asia are on our doorstep; in our time zone; and largely covered by Free Trade Agreements that give us preferential market access.

But, even more significantly, Southeast Asia is now the epicentre of global economic growth. This growth will require significant investment in services, infrastructure, education and consumables. Victorian businesses are well-placed to capture these opportunities.

This Strategy underlines the importance of trade between Victoria and Southeast Asia; identifying opportunities to facilitate entry into new markets and strengthen existing links.

I congratulate the Victorian Government on the development of this Strategy and look forward to contributing to its implementation.



Christine Holgate
Chair, Australia-ASEAN Council



The Southeast Asia Trade and Investment Strategy outlines the Victorian Government's plans to strengthen and expand the state's two-way economic relationship with the region. It identifies key trends in Southeast Asia and highlights where Victoria's industry capabilities align with in-market demand and emerging opportunities.

Southeast Asia is our neighbour and vital to our growth and prosperity – Victorian businesses have an exciting opportunity to capitalise on the significant and growing prospects available on our doorstep.

Southeast Asia is diverse and complex, accounting for 11 different economies, all on different growth paths - but its nations all share a vibrancy and a sense of opportunity that can be seen in the region's young and increasingly urbanised, connected and educated populations.

The Victorian Government is committed to strengthening its presence in the region and fostering long-term economic partnerships. We have a strong role to play in helping to equip businesses with the knowledge, skills, connections and networks they require to be successful.

We have a strong platform from which to support business, starting with our Victorian Government Trade and Investment offices in Indonesia, Malaysia and Singapore. These offices connect Victorian companies with the region and help build relationships that will benefit Victorian and Southeast Asian stakeholders.

To help sharpen our focus on Southeast Asia, this Strategy sets out four key directions that are designed to drive greater two-way trade and investment outcomes.

Direction One: *Facilitate Market Entry* recognises the importance of supporting trade liberalisation and developing an Asia capable state to enhance our engagement across the region.

Direction Two: *Promote Victorian Capabilities* demonstrates how we are helping Victorian businesses make the most of in-market opportunities in countries across Southeast Asia.

Direction Three: *Identify Emerging Opportunities* provides insights into complementarities between Southeast Asia's emerging trends and the goods and services Victorian businesses have to offer.

Direction Four: *Strengthen Ties* recognises the importance of connections at the cultural, government, business and institutional levels to facilitate economic relations across the region.

These directions set out to achieve four primary outcomes over the **next ten years**.



GROW
THE VALUE
OF PROFESSIONAL
SERVICE EXPORTS
BY
50%

FROM VICTORIA TO
SOUTHEAST ASIA



DOUBLE
THE NUMBER OF
SOUTHEAST ASIAN
ENROLMENTS
IN VICTORIA



INCREASE
VISITOR EXPENDITURE
BY
50%

FROM MALAYSIA, SINGAPORE,
INDONESIA AND THAILAND
TO VICTORIA



DOUBLE
THE VALUE OF
INBOUND INVESTMENT
FROM SOUTHEAST ASIA
IN VICTORIA

Why Southeast Asia?

Dynamic, diverse and distinct

Southeast Asia’s economic growth trajectory is compelling - individual countries have experienced significant economic growth over the last several decades. Home to powerhouses and emerging economies of the 21st century such as Indonesia, Singapore and Vietnam, the region’s growth path is set to become stronger and more dynamic.

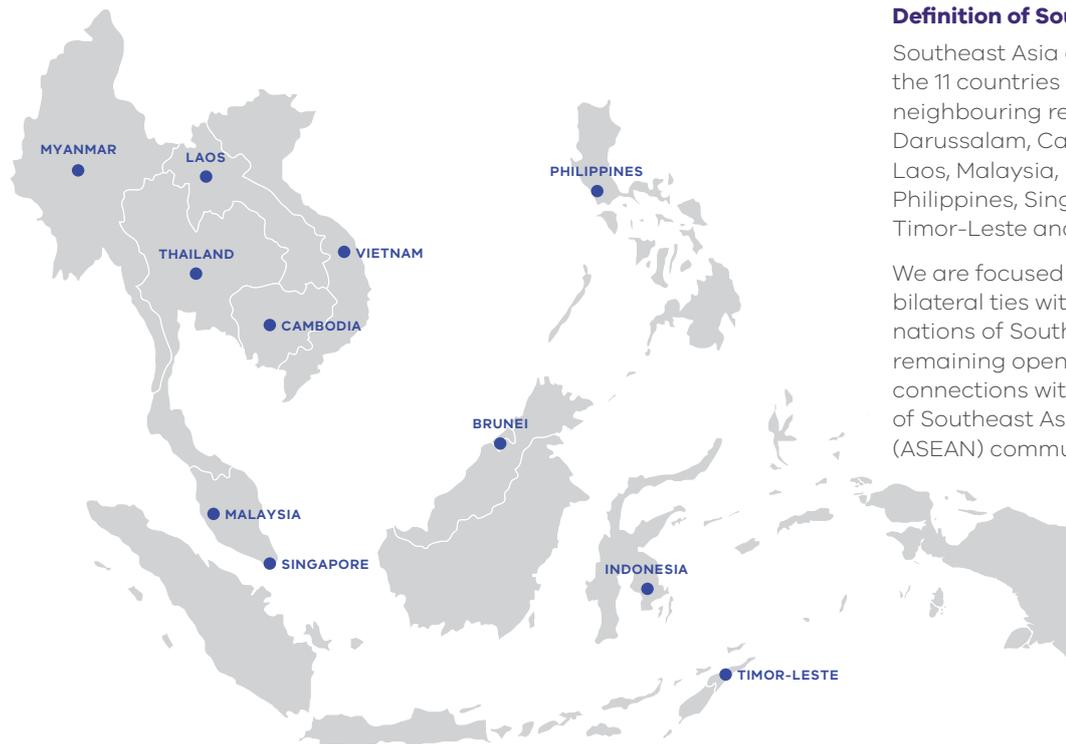
Victoria’s economic relationship with Southeast Asia is well-established. The region is our second largest trading partner, with two-way merchandise trade valued at \$15.3 billion in 2016-17¹ - but there are more opportunities to deepen our relationships and capitalise on the dynamic markets on our doorstep.

Southeast Asia has a population of more than 630 million people². If the region was a single country, it would already be the fifth-largest economy in the world, with a combined Gross Domestic Product (GDP) of \$US2.5 trillion in 2017³. The region continues to outpace global economic growth rates. By 2030, the region is forecast to be the world’s fourth largest economy.

The countries of Southeast Asia have one of the largest combined labour forces in the world. Currently experiencing a demographic dividend – economic growth resulting from the age structure of a country’s population – the region’s working-age population is expected to account for 68 per cent of its total population by 2025⁴. Southeast Asia’s populations are young, digitally-savvy, connected and urban, with growing levels of income and education.

The Victorian Government is focused on deepening and strengthening engagement with Indonesia, Singapore, Malaysia, Vietnam and Thailand. These countries are experiencing strong economic growth and are open to enhancing two-way economic ties. We are taking exploratory steps to deepen our engagement with the Philippines and Myanmar and we have a strong partnership with Timor-Leste, focused on capacity building.

The region’s compelling economic trajectory is based on **five main drivers**.



Definition of Southeast Asia

Southeast Asia describes the 11 countries in our closest neighbouring region – Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Timor-Leste and Vietnam.

We are focused on strengthening bilateral ties with each of the nations of Southeast Asia, while remaining open to fostering connections with the Association of Southeast Asian Nations (ASEAN) community.

Economic reform agenda

Over the last few decades, most of Southeast Asia’s major economies have experienced significant economic reform. The impact of the 1990s Asian Financial Crisis has led to a number of Southeast Asian nations implementing economic reform agendas to liberalise their economies, drive economic growth and improve living standards. Market liberalisation in many parts of Southeast Asia has attracted global goods and talent and woven Southeast Asia into global value chains.

Economic diversification

Southeast Asian nations are advancing a serious agenda of economic diversification. Many countries are diversifying from traditional trading partners and traditional sectors to enhance their international engagement and reduce risk exposures. Southeast Asia is also playing a critical role in the region’s shifting geostrategic politics – the region’s nations are increasingly open to doing business with a diverse range of markets. Partnerships with the region will play a pivotal role in securing an open and diverse economic region.

Urban transformations

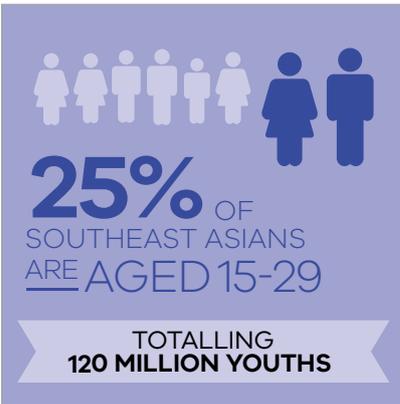
The region’s shift to urban centres will continue to drive demand for premium goods and innovative services. The United Nations estimates that more than 26 cities in Southeast Asia will have populations of more than 1 million by 2030. The establishment and growth of second and third tier mega-cities in Southeast Asia will require a range of infrastructure, services, connectivity and supply chains.

Growing middle class

With Southeast Asia’s number of middle-class households set to quadruple, from 38 million in 2015 to 161 million by 2030⁶, the region is experiencing rapid growth in household wealth. As households’ purchasing power and disposable incomes continue to grow, so will demand for premium agricultural goods, innovative services, international travel, and high-quality education and training and healthcare.

Digital transformation

Southeast Asian countries have made some of the most significant advances in technology and the digital economy in the world. Populations in the region are digitally savvy and connected. In 2017, Southeast Asian countries had over 854 million active mobile phone subscriptions – or over 133 per cent of the region’s population⁷. Increasingly, the region’s digital transformation is determining the way people live and do business. Google estimates there are more than 7,000 digital start-up companies in Southeast Asia, with 80 per cent located in Indonesia, Singapore, and Vietnam⁸.



Victoria's economic relationship with Southeast Asia is strong

International trade with both new and traditional partners is vital to creating jobs, to the success of many Victorian businesses and to creating a diversified and resilient economy.

The Southeast Asian region is a key trading partner for Victoria. In 2016-17, Victoria's two-way merchandise trade with the region was worth \$15.3 billion, making Southeast Asia Victoria's second largest trading partner after China (see Figure 1). Southeast Asian countries are major markets for Victorian exports of dairy, grain, meat and horticulture.

Imports from Southeast Asian countries contribute significantly to our two-way trade. In 2016-17, Victoria received close to \$11.5 billion in imported goods from the region. Key items include crude and refined petroleum, motor vehicles, seafood, furniture, apparel and cocoa.

Service exports play a strong role in developing our economic and cultural relationship with Southeast Asia. The increasing flow of international visitors and students from the region is bringing Victoria closer to the communities of Southeast Asia. Students from Vietnam alone account for Victoria's third largest source of international students and have helped strengthen our connections with the country.

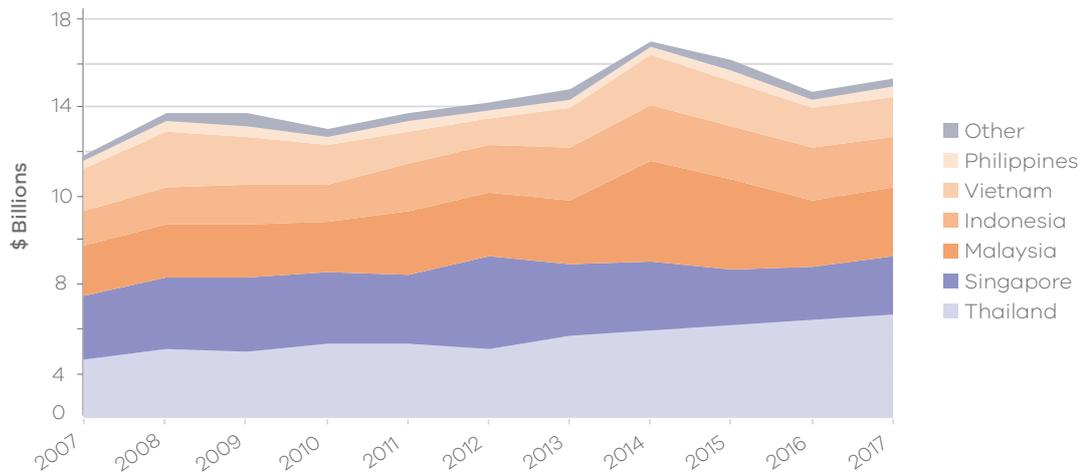


Figure 1: Growth in Victoria's two-way trade in merchandise with Southeast Asia 2007-2017
Source: DFAT Data derived from ABS Catalogue 5368 – International Trade



“Southeast Asia is a diverse region and presents Victoria with a multitude of opportunities. The Victorian Government understands the importance of connecting with individual countries in the region and is committed to opening new avenues for trade and investment attraction. Our network of VGTI offices reflect this commitment. Our permanent presence allows us to develop, maintain and strengthen relationships with key stakeholders. I look forward to working with Victorian companies as we continue to grow our engagement within the region.”

Brett Stevens, Victoria's Commissioner to Southeast Asia

Victorian Government strengthening engagement

As outlined in Victoria's Globally Connected Trade Statement, we are driving engagement with Southeast Asia to **connect** Victorian industry with regional opportunities and ensure Victoria remains **competitive** as a global hub for innovation. The Victorian Government is **focused** on capitalising on Victoria's strong capabilities and is **inclusive** in our engagement with the region. Victoria has the advantage of strong two-way economic and people-to-people links with the countries of Southeast Asia. Coupled with the Victorian Government's long-term presence in the region, we are well-placed to deepen our relationship with Southeast Asian countries for mutual economic benefit and prosperity.

New office in Singapore boosts the Victorian Government's in-market presence

The Victorian Government Trade and Investment (VGTI) office in Singapore, officially opened in 2016, is focused on boosting Victoria's engagement across the region. Alongside offices in Jakarta and Kuala Lumpur, our office in Singapore is an invaluable resource for Victorian business; providing access, advice and business support.

Industry and government ties grow stronger

Through strengthened engagement at ministerial and senior officials level, the Victorian Government has increased the state's ability to access new opportunities in Southeast Asia. Since 2016, the Governor of Victoria and Victorian ministers have visited a number of Southeast Asian countries, including Indonesia, Singapore, Malaysia, Vietnam, Thailand and Myanmar.

In supporting two-way trade and investment, the Victorian Government also facilitates a range of inbound missions and trade events. The Victorian Government has welcomed ministerial and senior delegations from most Southeast Asian nations, including Indonesia, Singapore, Malaysia, Thailand, Vietnam and the Philippines.

Building formal frameworks for cooperation

We have committed to several inaugural bilateral agreements with our priority partners in Southeast Asia. In 2016, the Victorian Government signed a Memorandum of Understanding (MoU) to increase bilateral cooperation between Victoria and the Indonesian Special Region of Yogyakarta. We secured an MoU with the Vietnamese Ministry of Foreign Affairs, which includes the establishment of a special Victoria desk in the Vietnamese Ministry. In 2017, Victoria and Timor-Leste renewed a bilateral MoU on public sector capability building.

Support for research and centres of excellence

Victorian institutions with research expertise have placed a strong focus on engaging with Southeast Asia. As a key partner for the Victorian Government, Asialink Business is implementing programs to improve the Victorian Public Service's Asia capabilities. The Australia Indonesia Centre, the Monash Sustainable Development Institute and the Deakin University Centre for Supply Chain Logistics are all working with in-market partners to provide solutions to Southeast Asia's most pressing public policy considerations.



"Victorian business and industry can build on its key strengths in Southeast Asia. Whether it is by leveraging financial services expertise to meet new demand for FinTech, linking local start-ups with international investors, or positioning the state's quality agrifood and world-class education and tourism, Victoria is well placed to be part of Southeast Asia's tremendous growth story. Victorian business can go global through Southeast Asia - with the state's close economic and cultural links, the region is an ideal launchpad into other international markets."

Mukund Narayanamurti, CEO of Asialink Business

Country snapshots

Southeast Asian countries are dynamic, diverse and distinct and present a range of opportunities, complexities and emerging sectors. Victoria is well-positioned to build our two-way economic relationships. With several agreements in place, including the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA), and bilateral Free Trade Agreements (FTAs) with Malaysia, Singapore and Thailand, Victorian firms have a strong platform to increase engagement across the region.



/ Indonesia

4th

Estimated to be world's 4th largest economy by 2050⁹

3rd

Largest smart phone market in the Asia Pacific region¹⁰

Indonesia continues to implement policy reforms intended to cut red-tape and encourage investment. Indonesia's recent economic planning has focused on infrastructure development and social assistance programs related to education and healthcare. Key growth sectors include education and vocational training, digital, smart cities, infrastructure and food.



/ Malaysia

#24

Global ranking for ease of doing business

80%

Of Malaysia's population will live in urban centres by 2030

Malaysia is one of the most open economies in the region. As a member of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Malaysia provides good market access for Victorian firms. To help drive productivity, Malaysia is seeking international expertise in smart cities, food, digital technology, financial services and education.



/ The Philippines

10th

Fastest growing economy in the world

30%

Of electricity generation is from renewable sources

The Philippines Government is driving reforms to improve infrastructure, ease of doing business and revise foreign ownership restrictions. With increasing urbanisation, and a growing middle-class, the Philippines has an interest in premium food, education, professional services, Information and Communication Technology (ICT) and digital technology.



Countries on the move

Myanmar has seen strong economic growth since embarking on political and economic reforms. The country offers long-term potential because of its extensive resource base and young population. The Myanmar Government has identified telecommunications, banking, energy and major infrastructure as four key pillars to the nation's development.



/ Singapore

#2

Global ranking for ease of doing business

#3

In world innovation ranking

Singapore's developed, open and transparent economy makes it an attractive place to do business. The country has strong global and regional connectivity and is the Southeast Asian hub for many industries. Singapore's open market provides significant opportunities in premium food, digital connectivity and innovation, financial services, and professional services.

Rapid economic growth in **Cambodia** is driven predominantly by garment manufacturing and tourism. Cambodia's location at the heart of the Mekong provides investment opportunities that link into Vietnam or Thai-based supply chains.



/ Thailand

#3

For ease of doing business in the region

2nd

Largest economy in Southeast Asia

Following a slow-down in economic growth, Thailand is on the path to recovery. Bilateral arrangements provide Victorian exporters and investors increasingly good market access. A significant manufacturing hub for the Southeast Asian region, Thailand is looking to boost its global competitiveness through international partnerships in smart cities, logistics, tourism, vocational training and the digital economy.

Laos has emerged as one of the world's fastest growing economies, its GDP growth averaged 7.8 per cent over the last decade¹². The Laos Government is driving the development of its agricultural, tourism and power industries.



/ Vietnam

#1

Australia's fastest growing export market in Southeast Asia

2nd

Largest exporter of coffee in the world¹¹

Since launching economic and political reforms in 1986, Vietnam has achieved remarkable economic growth and development. Vietnam's export-oriented economic model has remained strong in the face of weak global trade. Under CPTPP provisions, Vietnam will provide good market access for agricultural goods. Trade in professional services, premium food, education and healthcare are emerging areas of growth.

The Timorese Government is focused on improved utilisation of the country's oil and gas wealth to diversify its economy and create employment opportunities. Victoria has strong ties with **Timor-Leste**, including capacity building initiatives that strengthen Timor-Leste's institutions.

Victoria is attracting more investment from Southeast Asia

Foreign investment plays an important role in building relationships and helping Victorian organisations engage in Southeast Asian markets. Foreign investment brings in new businesses with connections in the region and opens up new export opportunities.

Investment from Southeast Asia is growing

Victoria has a great track record for investment attraction. Attracting and retaining investments that create jobs, develop innovation and boost international linkages is critical to the state's future prosperity. Research shows that there is strong correlation between new investment and innovation – economies that receive foreign investment are significantly more innovative.

Over the last decade Victoria has received billions in foreign direct investment from Southeast Asia. Singapore and Malaysia account for most of the business investment into the state. A growing number of investors are also pursuing business opportunities in digital technologies, financial services, food and beverage, hospitality, energy and transportation sectors.

Investment attraction: Victoria's vision for a stronger economy

The Victorian Government is taking a targeted approach to investment attraction. This approach highlights competitive advantages, capitalises on new opportunities and matches foreign investors with local conditions and talent.

The Victorian Government recently facilitated the establishment of Singapore-based Niometrics' third major research and development hub, and Australia–New Zealand Headquarters, in Melbourne.

Niometrics serves twelve telecommunications network operators across Singapore, Greece, Indonesia, UAE, Philippines and Vietnam. The CEO of Niometrics, Kostas Anagnostakis, said the opening of the Melbourne hub was made possible by Victoria's business-friendly environment.

Niometrics' decision to locate the development hub in Melbourne has cemented Victoria's strong reputation for attracting tech leaders including Alibaba, Dialog, Square, Slack, LiveTiles and CyberGym.

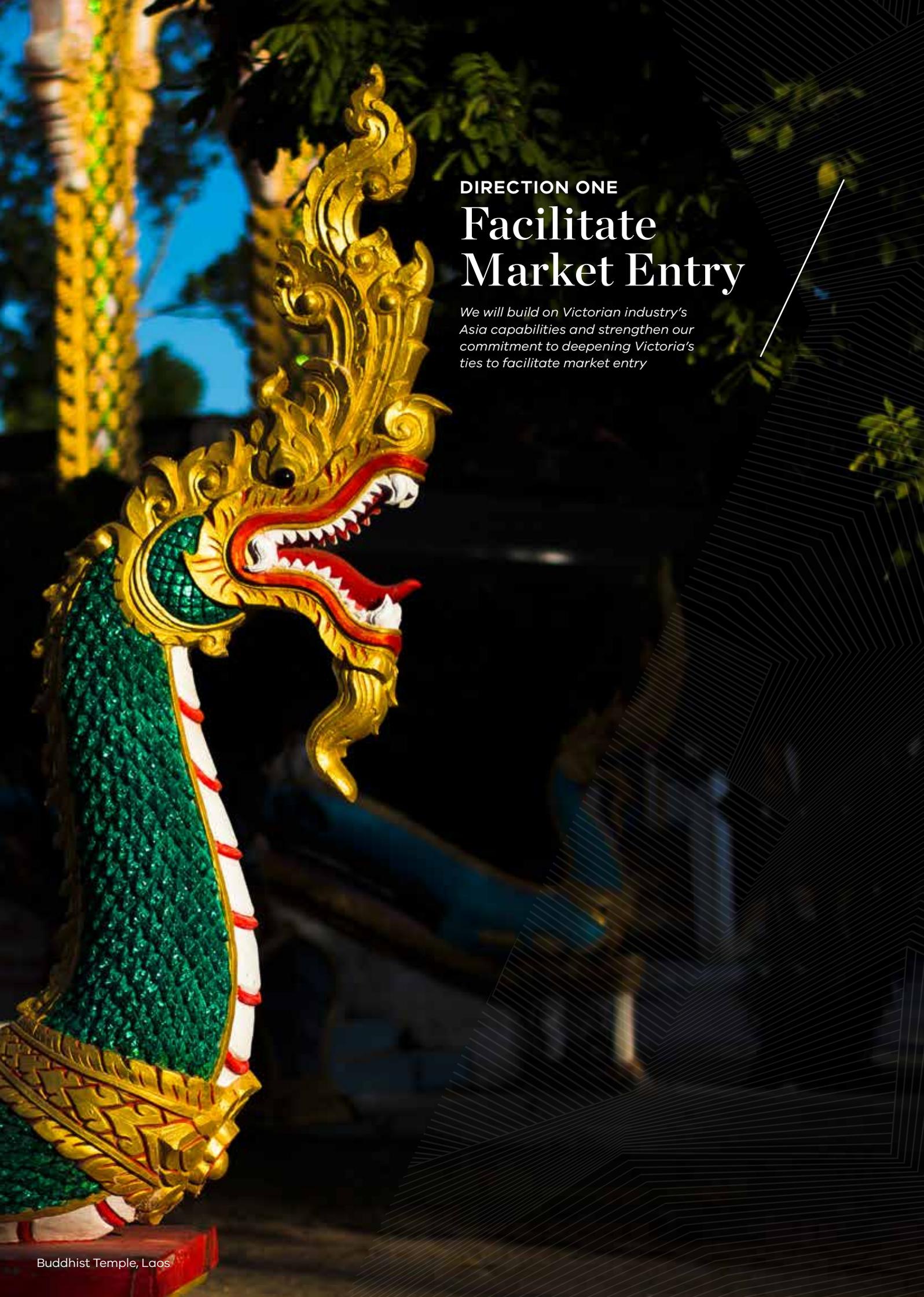
On the horizon: Victoria's investment opportunities

Victoria presents great opportunities for Southeast Asian businesses. In particular, Singapore's growing digital economy, supported by proactive Singaporean Government policies aimed at helping local companies expand to new markets, presents great opportunities for Victoria. The food and beverage, infrastructure, energy and logistics industries also provide opportunities for further reinvestment as well as new market entrants.



“Australia’s sophisticated water management and policies, advanced soil health and bee-friendly practices make it an ideal investment location for Olam’s almond business. Free-trade agreements, proximity to developing and growing markets for almonds, and the government’s investment into research and technology further support its attractiveness. Victoria is the focal base for Olam’s almond orchard and processing facilities in Australia. We know we can continue to make positive contribution and grow this healthy supply chain through our practices and people.”

Damien Houlahan, Executive General Manager, Olam Orchards Australia



DIRECTION ONE

Facilitate Market Entry

*We will build on Victorian industry's
Asia capabilities and strengthen our
commitment to deepening Victoria's
ties to facilitate market entry*

Support trade and investment activities

The Victorian Government supports large corporations, small and medium enterprises and businesses from regional Victoria to access more trade and investment opportunities in Southeast Asia.

Initiatives in Victoria

Fostering greater networks and connecting industry to opportunities in Southeast Asia will ensure Victorian businesses remain competitive. Trade Victoria provides a range of services to assist Victorian exporters to connect with stakeholders and explore international markets. Through targeted trade missions, information sessions and individual support, Trade Victoria will continue to work with industry to deliver economic outcomes for Victoria.

Through targeted engagement with key investors from Southeast Asian markets, Invest Victoria assists stakeholders in identifying and managing investment in prospective Victorian projects and sectors.

Market facilitation and access

Victoria has the largest network of overseas representative offices of any Australian state or territory. With 22 offices around the world, including three in Southeast Asia, Victoria has made a significant investment in expanding our global footprint.

Our VGTI offices provide a range of services to support Victorian industry to find and explore new opportunities in Southeast Asian markets. Our offices also engage with investors in key markets to encourage greater direct investment into the state.



“Australian businesses need to seize the opportunity to build relationships, establish connections and expand their footprints to capitalise on ASEAN’s future growth and prosperity. Each ASEAN market is different, but they are all dynamic and changing so quickly in both traditional export sectors and new emerging industries. A digitally-enabled ASEAN is opening up markets in new sectors like fintech, edtech, medtech and digital health and cyber security. Australian businesses have the skills, experience and know-how to support strong commercial engagement with ASEAN. Don’t get left behind – now is the time to get engaged with this fast growing region on our doorstep.”

Sally-Ann Watts, General Manager, ASEAN and Pacific (A/g), Austrade

Networks and access

With a network of stakeholders in industry, government and other institutions, VGTI offices are well-placed to provide market support for Victorian organisations exploring opportunities in Southeast Asian countries. Through this network, our offices can provide access, advocate on behalf of Victorian business interests and facilitate introductions and networking opportunities.

Targeted trade missions

Trade Victoria leads targeted trade missions for Victorian industry. Participation in Victoria’s trade missions enables firms to build market insights, explore opportunities, expand networks and identify potential partners.

Market insights and emerging opportunities

The VGTI offices play a crucial role in identifying and promoting emerging opportunities in the region to Victorian industry. There are numerous opportunities across Southeast Asian economies that align with Victorian capabilities.

Reflecting Southeast Asia’s diversity, our VGTI offices offer tailored services and support to Victorian firms. From working with large universities, to regional Victorian firms to small start-ups, the VGTI offices provide advice as well as facilitate business matching.

Support reducing barriers to free trade

The Victorian Government will continue to advocate for Victorian business interests to the Commonwealth Government.

Free Trade Agreements (FTA)

In the current environment of growing protectionism in some economies and increased barriers to trade, the Victorian Government is committed to working towards an open and liberal trading system.

The impact of trade liberalisation on economic growth and distribution of wealth is well documented. Removing barriers to trade and investment enables business and industry to find opportunities to engage in more places around the world. Increased activity in cross-border trade of goods, services and investment can improve Victoria's competitiveness across the world and drive innovation. Greater trade links also break cultural barriers and bring communities closer together.

The Victorian Government will continue to advocate for the best outcome for Victorian business through ongoing negotiations for an Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) and the Regional Comprehensive Economic Partnership (RCEP).

Simplification of FTAs

While the various FTAs provide a pathway to market access, business and industry find it challenging to navigate which FTA provides the best provisions. For small to medium enterprises (SMEs) the cost and time needed to understand these provisions is often a barrier to exporting their goods and services.

The Victorian Government supports the simplification of Australia's FTA arrangements to improve utilisation by business. We advocate for greater consideration of complexity and compliance costs when assessing the merits of a new FTA with a country where we already have an existing agreement. The Victorian Government also supports the commencement of a Federal Government program of withdrawal from existing trade agreements that have been superseded by newer and more comprehensive agreements.

We will continue to offer support and services for Victorian industry to access, understand and capitalise on the provisions and market access of Australia's various FTAs with Southeast Asia.

Movement of people and talent

The Victorian Government is a strong proponent of the easy and streamlined movement of people across borders. Students, visitors, businesspeople and migrants from Southeast Asian countries add to our vibrant multicultural community. They bring new ideas, new talent, create economic momentum and deepen our connection with our neighbouring countries.

GROW YOUR BUSINESS IN MORE MARKETS

Preparing your business for international growth can be difficult. That's why we've created ANZ Be Trade Ready so you can plan for growth your way.

- 1. Benchmark Your Business**
Build your international action plan.
- 2. Get Started**
Learn from your peers on how to build a successful international strategy.
- 3. Know Your Market**
Navigate of key Trade Agreements and barriers to entry.
- 4. Download**
Get your free ANZ Be Trade Ready international business plan.

The ANZ Be Trade Ready website is a tool available for businesses that plan to export, start operations, or trade with international markets. The website, which aims to assist businesses plan for international growth, includes information around market selection and free trade agreements.

The accompanying Opportunity Asia report, released annually and available on the website, captures the sentiments and experiences of over 1,000 business owners towards doing business in Asian markets.

Strengthen Victoria’s Asia capabilities

The Victorian Government is committed to boosting Victoria’s position as Australia’s gateway to Southeast Asia.

Support initiatives that build capabilities

Victoria is well-recognised for its strong Asia capabilities. This reputation is based on connectivity to Southeast Asia; the diaspora communities, many centres of excellence; and research bodies that are dedicated to deepening our engagement with the region. Industry, from large multi-national companies to SMEs, utilise Victoria’s strong connection as a pathway to the region.

The Victorian Government is committed to enhancing Victoria’s Asia capabilities to ensure Victorian industry is equipped with the skills and knowledge needed to engage with Southeast Asian stakeholders.

Victorian Government initiatives such as the Hamer Scholarships and Asia Gateway Voucher Programs support Victorian industry to understand and leverage opportunities across Southeast Asia.

Facilitate Export Skills Program

Victorian industry’s export readiness is a vital part of its ability to do business with international markets. There are many exciting opportunities for Victorian firms to do business with Southeast Asia, but companies need to be aware of the challenges and risks involved with exporting. The Victorian Government will continue to run information sessions and skills training, through the Export Skills Program, to ensure Victorian businesses are fully prepared to do business in Southeast Asia.

Encourage collaborative engagement

Victorian industries benefit from a wide range of support. Victoria’s major industries receive assistance from industry and peak bodies that provide advice on international engagement, marketing and representation. Industry bodies such as Dairy Australia, Wine Victoria, Meat and Livestock Australia, Horticulture Innovation and the Global Health Alliance Melbourne support Victorian industry to explore opportunities in Southeast Asian markets.

The Victorian Government will strengthen its relationship with these industry representatives to support the implementation of their programs and activities. We will encourage a collaborative approach between industry bodies to foster cross-sectoral trade and investment strategies. Collaborative initiatives, such as those currently being co-designed by various food and beverage industries to facilitate export strategies, are likely to achieve stronger results for a range of Victorian businesses.

The Victorian Government will support initiatives that strengthen ‘Brand Australia’ as a marketing tool for Victorian exporters of goods and services. ‘Brand Australia’ is well-recognised internationally as representing quality, innovation, premium goods and high-tech services. Utilising Australia’s strong reputation ensures that markets understand the provenance of Victorian goods and services.



“The Victorian Government’s Hamer Scholarship provided me an opportunity to focus on learning Indonesian and immerse myself in Indonesian life. Through this depth of knowledge, I now work closely with Indonesian partner organisations as CEO of International Internships to devise internship programs that give both our Australian and Indonesian stakeholders a deep understanding of each other’s cultures.”

Jack McNaught, CEO and Founder of International Internships and a Hamer Scholarship Program recipient



Floating Markets, Thailand

The Victorian Government will:

Work with industry bodies and the Commonwealth Government to advocate for Victorian business interests

In collaboration with industry bodies and Commonwealth Government agencies, develop market engagement strategies that achieve outcomes for Victorian firms.

Nominate Victorian Government Business Ambassadors for priority markets in Southeast Asia

Victoria has appointed three eminent Victorian Government Business Ambassadors in India, China and the United States. Under the Victorian Government Business Ambassador Program, Business Ambassadors will be appointed for priority markets in Southeast Asia, notably in Indonesia, Malaysia, Singapore, Vietnam and Thailand. They will have strong ties to Victoria and networks across Southeast Asia.

Develop a market strategy to guide Victoria's activities in Vietnam

Develop and share market insights with stakeholders about the opportunities and challenges in entering the Vietnamese market.

Facilitate trade missions to key markets for our priority sectors

Identify opportunities for partnerships through inbound and outbound missions that match Victoria's capabilities with Southeast Asia's opportunities.

Offer programs and information to improve Victorian industry's Asia capabilities and export skills

Support a range of government programs and initiatives, such as the Asia Gateway Voucher Program, that further strengthen industry's ability to engage and do business with Southeast Asian markets.



Andatech is a Victorian advanced manufacturing company that develops, supports and services a large variety of safety devices, including breathalysers and drug testing equipment. Andatech has received support from the Victorian Government under the Asia Gateway Voucher Program to develop and implement market development plans in Indonesia, Singapore, Malaysia and Thailand. The program will enable Andatech to boost its Asia capabilities and to develop the necessary networks and relationships with key industry players in their target markets.



DIRECTION TWO

Promote Victorian Capabilities

*We will capitalise on Victoria's
competitiveness to strengthen established
trade relations in our priority sectors*

Education, training and skills

International students are an important part of our state's diversity, connecting Victorians with the world. In 2017, there were over 51,000 enrolments from Southeast Asia, accounting for one in five of all international enrolments.

The Victorian Government has invested \$5 billion to make Victoria the Education State. In 2017, education contributed \$9.1 billion to the state's economy and supported almost 58,000 jobs. Four of Victoria's top ten source countries for international student enrolments are from Southeast Asia – Malaysia (3), Vietnam (4), Thailand (6) and Indonesia (8).

Quality and innovation in education

In 2017, around 200,000 international students from over 170 countries chose to study in Victoria, attracted by the state's innovative education system, diverse study options and outstanding student experience.

Victoria is home to ten universities, including two of the world's top 100 universities and four in the top 300 in the world¹³. Victoria is a leader in the delivery of vocational education and training (VET), both onshore and offshore. We are also home to highly regarded English Language Intensive Courses for Overseas Students (ELICOS).

The Victorian school education system is a leader in offering dynamic learning environments and welcomes the largest number of international school students across Australia. International students in our schools help develop Victorian students' cultural and global capabilities.

Premier destination for international students

Victoria is renowned for offering quality experiences for international students. Recent student liveability rankings named Melbourne as the best student city in Australia and the third best in the world.

Alongside support services at each institution, Melbourne is home to the Study Melbourne Student Centre, an award-winning government initiative which provides support, information and welfare services to enhance students' experiences.



“RMIT is a global university with long standing commitments in Southeast Asia – in fact, we have more than 60,000 alumni there. Our presence includes two campuses in Vietnam, partnerships in Singapore, a growing presence in Indonesia, and study abroad programs for Australian-based students. Our goal is to continue to address the skills needs of the region's workforce in increasingly innovative ways, including micro credentials and digital delivery.”

Andrew MacIntyre, Deputy Vice-Chancellor, Global Development,
RMIT University

The LIVE initiative (Lead, Intern, Volunteer and Experience) provides opportunities to make social connections, gain work experience and improve employability.

The Victorian Government's \$4 million International Student Welfare Program helps to ensure the wellbeing of international students and seeks to enhance the overall student experience.

Asia capable and committed

Victorian universities, TAFEs, schools and private providers are actively engaged across the region. Activities include local campuses, partnerships delivering skills-based training, student and staff exchanges and capability development and consulting services. Victorian providers have demonstrated a commitment to Southeast Asia as much more than simply a market for student recruitment.

The Victorian Government is committed to connecting Victorian providers with partners and opportunities in Southeast Asia through our VGTI-based Education Service Managers.

We advocate the Commonwealth Government to commit additional development assistance support towards regional harmonisation of common occupational standards in Southeast Asia, using established regional institutions. Victoria's vocational institutions are well-placed to support the provision of competency-based training and assessment services.

Victorian Young Leaders pilot program

The Victorian Department of Education and Training has launched a new initiative that provides opportunities for Victorian students to immerse themselves in Indonesian culture and language. Victoria is collaborating with the Yogyakarta Government to deliver the pilot program.

TAFE Offshore initiative

The Victorian Government is exploring options to further support Victorian TAFE's efforts to better identify and access offshore VET opportunities in Southeast Asia. The successful expansion into offshore markets will enrich TAFE's educational offerings by diversifying and strengthening their business.

The Victorian Government is implementing a TAFE Offshore pilot in Indonesia in 2018. The pilot will support providers to work collaboratively to understand the market and secure high-value projects.

Opportunities in Southeast Asia

Victoria is already a key education partner for countries in Southeast Asia. The region's demand for high-quality and innovative education will continue to grow as countries urbanise and their middle class grows. Larger Southeast Asian nations such as Indonesia, Vietnam and Malaysia are already actively exploring ways to engage internationally to upskill and educate their workforces. This engagement seeks to accommodate the needs of their transitioning economies, particularly in niche sectors such as tourism and hospitality, aviation, agriculture, advanced manufacturing and teacher training.

Victoria's higher education and VET providers are well-positioned to assist Southeast Asian countries to deliver education and training which supports their economic diversification and growth.



With a young population and one of the fastest-growing economies in the region, there is strong demand for skilled workers in Vietnam. Victoria is well-placed to provide higher education and VET services aligned to the needs of Vietnam's transitioning economy. Areas of opportunity include business management, information technology and engineering, as well as tourism and hospitality, construction and manufacturing.



The Indonesian Government is taking active steps to help transition its economy from a commodity-focused model to high-value manufacturing and services. Victoria's expertise in higher education and research as well as experience in vocational and skills-based training means our education providers are well-placed to support Indonesia's needs in agriculture, tourism and hospitality, healthcare and business and management.

37%

of Southeast Asian student enrolments to Australia choose to study in Victoria

33%

of Southeast Asian students study VET in Victoria

50+

Victorian Government schools have sister schools in Southeast Asia



Malaysia's goal is to reach developed nation status by 2020. It has developed an Economic Transformation Programme (ETP) to support this goal. Education and human capital development feature heavily in the ETP, which targets the creation of 3.3 million jobs and aims to ensure 50 per cent of the workforce are recognised as skilled. Victoria's education and training institutions can play a strong role in helping Malaysia achieve these targets.

Premium agricultural products

Victoria's premium agricultural products are world-renowned. From our grain export, to dairy products to beef and lamb, horticulture and processed food, our food and fibre sectors make a significant contribution to the state's economy and form a major part of our two-way trade with Southeast Asian countries.

Quality and safety

Victorian food and fibre exports have a reputation for premium quality, strong food safety and high nutrition. Victoria's strong regulatory framework for food safety, quarantine standards, food labelling requirements and reliable cold storage and supply chains have cemented this strong reputation.

Victoria's dairy industry has particularly strong brand recognition in Southeast Asia. With more than 35 per cent of Victoria's existing dairy exports headed to Southeast Asia, we are well-recognised as a market leader. The Victorian Government is committed to building on our strong performance to enable greater export of premium dairy products; such as fresh milk, cheese and long-life milk products.

Exporters of grain, horticulture, lamb and beef, a wide range of processed foods and beverages, such as wine and beer, are also well-positioned to benefit from Southeast Asia's growing demand for premium food and beverage products.

Victoria is a leader in food innovation

Victoria is a world leader in food innovation. Home to several centres of research and excellence, Victorian institutions are at the forefront of developing cutting-edge technology to grow, process, package and distribute food in more efficient and sustainable ways. Institutions such as the Food Innovation Centre in Monash University are developing solutions that will further strengthen Victoria's trade in food and fibre products to Southeast Asia.

AgTech calls Victoria home

Victoria is building a connected innovation ecosystem with a specific focus on AgTech. Victoria is home to Australia's only AgTech accelerator. SproutX – with funding support from the Victorian Government – runs accelerator programs to equip businesses with AgTech skills to innovate and grow.

Similarly, Rocket Seeder supports entrepreneurial food and agriculture innovators involved in the food and fibre value-chain. This initiative was supported by Launch Vic, a \$60 million Victorian Government initiative to support and develop Victoria's start-up ecosystem.



“The Victorian dairy industry plays a big role in the state’s economy. With over 35 per cent of our production going to Southeast Asia, the region is an important destination for Victorian dairy products. Dairy Australia is working with other Australian food and wine peak bodies to develop a holistic Brand Australia campaign to optimise our engagement in key export markets. In time, we see enormous opportunities for this program within Southeast Asia.”

Charles McElhone, Group Manager, Trade and Industry Strategy,
Dairy Australia

The Victorian Government has helped establish the Food Innovation Network for Victorian business. Designed as a one stop shop for businesses engaged in the food value chain to collaborate to solve industry problems. The Network is focused on growth-oriented SMEs. Through support for these initiatives and other programs, the Victorian Government is committed to supporting the AgTech sector to improve Victoria's ability to grow and export premium food and fibre goods.

Opportunities in Southeast Asia

The way people shop and consume food is changing rapidly in Southeast Asia. The demand for fresh and premium agricultural products is growing with the region's demographic shift to urban centres and compelling growth in household incomes. Southeast Asian households are increasingly purchasing higher-quality food products. Concerned with food labelling and provenance, they are focused on the health and nutritional impact of food and beverage. Families are shopping more in grocery stores and shopping malls than in traditional and wet markets, driving sales of high-quality processed and packaged food.

Victoria's food and fibre industries are in a prime position to meet Southeast Asia's changing demand for food products. Victorian food exporters can utilise existing linkages and explore new opportunities to strengthen their market position in Southeast Asia. Through better integration with the region's supply chains, Victorian industries can leverage distribution networks to reach a greater number of consumers across the region. The strong and cohesive marketing and promotion of Victorian products under 'Brand Australia' will drive cross-sectoral growth for the wide range of food and fibre industries.



/ Singapore

Singapore continues to be a hub for the distribution of Victorian food and fibre goods and AgTech services across Southeast Asia. With strong cold storage, logistics and supply chains, and great connectivity with Victoria, Singapore is an easy destination for Victorian food and fibre exports. While Singapore's small population will limit the growth potential of export volumes for consumption, the country will function as a hub for export into other Southeast Asian markets.



/ Indonesia

Indonesia will increasingly be a market for Victorian exports of food and fibre, due to its large population, significant economic growth and rapid urbanisation. Strong opportunities exist in Indonesia's developing second and third tier cities, where growing middle-class households are driving demand for high-quality goods and services.



/ Vietnam

Vietnam is emerging as a significant market for Victorian food and beverage products. There is strong and growing demand for red meat, dairy, horticulture and grain products. As supply chains and connectivity continue to improve in Vietnam, Victorian exporters will be well-placed to capitalise on the country's demand for premium agricultural products.

79%

of Australia's dairy product exports are from Victoria

38%

of Australia's prepared food exports are from Victoria

\$180 billion

Victorian grain product exports in 2016-17

Tourism and visitor economy

In 2017, Victoria received 2.9 million international overnight visitors who contributed \$7.7 billion in tourism expenditure. Visitors from Southeast Asia will continue to contribute significantly to the future growth of Victoria's tourism sector.

Victoria a top attraction

Victoria offers a range of appealing experiences for visitors to Australia. International visitors choose Victoria for its diversity of natural attractions, food and wine, retail experiences and events. The state's compact size and range of experiences makes it an ideal self-drive destination. The Great Ocean Road is one of the most visited natural attractions in Australia, receiving more annual visitors than the Great Barrier Reef.

Melbourne City offerings

Melbourne coffee culture; laneways and arcades with diverse boutique retail experiences; internationally acclaimed arts, cultural and music events; and world-renowned dining and entertainment make Melbourne a major tourist destination. The wide range of luxury and boutique hotel options, with new luxury developments underway, ensures a unique and memorable experience for visitors.

The Victorian Government is committed to working closely with Victoria's tourism bodies including Visit Victoria, industry associations and local councils to welcome greater numbers of visitors. We will also work with the Commonwealth Government to advocate for the streamlining of visa requirements for Southeast Asian visitors.

Major events

Victoria's major events are a significant driver of the state's visitor economy. The calendar of sporting, music, arts and cultural events has put Melbourne on the map for those seeking to experience hallmark or major events. Visitors from Southeast Asian countries are drawn to the Australian Open, the Melbourne Food and Wine Festival and Spring Racing Carnival.

Visiting friends and relatives

Victoria's visitor economy significantly benefits from Southeast Asian families visiting friends and relatives living and studying in the state. International students not only contribute to Victoria's education sector, but also contribute to the number and rate of international visitors from Southeast Asia. More importantly, visiting friends and relatives strengthen our people-to-people links with one of the most vibrant regions in the world.

Boosting connectivity

The number of Southeast Asian visitors is set to grow further with the introduction of a new direct flight. With support from the Victorian Government, the Philippines-based low-cost carrier, Cebu Pacific Air, now offers direct flights between Manila and Melbourne from August 2018. The new flights will strengthen our connectivity with one of Southeast Asia's strongest economies. Additionally, Air Asia X's move from Melbourne Airport to Avalon Airport will help more international visitors explore destinations in regional Victoria.

Through Regional Development Victoria, we will continue to improve our tourism offerings in regional Victoria, including supporting the development of more accommodation options.



“Cebu Pacific is excited to begin a thrice weekly direct Manila-Melbourne service from August 2018. It is opportune that the biggest low-cost carrier in the Philippines—and one of the largest in Asia, will be launching the service, given strong interest to visit Victoria's great cultural attractions, the growth in the Filipino diaspora, and increasing economic activity between the Philippines and Australia. The new service will enable more tourists to experience the attractions Victoria has to offer, and allow more Filipino-Australians to visit the Philippines more often. The added cargo capacity will also enable more importers and exporters to increase cross-border trade in goods and services.”

Candice Iyog, Vice President for Marketing and Distribution,
Cebu Pacific Air

Melbourne has strong connectivity with the major hubs of Southeast Asia. An average of 292 weekly direct flights between Victoria and Southeast Asian countries allows Victorian firms to enjoy direct links with one of the world's fastest growing regions.

Opportunities in Southeast Asia

With the rise of Southeast Asia's middle-class, more consumers have the capacity for leisure travel and to travel internationally. Victoria's proximity, coupled with our unique tourism offerings, make us a top destination for Southeast Asian tourists wanting to explore the world. International visitor numbers from Southeast Asia are set to increase over the next ten years, positively impacting on Victoria's economy.



Malaysian visitors make a significant contribution to Victoria's visitor economy. Currently ranked third for visitor expenditure in Victoria, visitors from Malaysia contributed \$424 million to Victoria's economy in 2017. Visitor expenditure from Malaysia is forecast to grow by 4.7 per cent annually over the next ten years. With a large diaspora and international student population, Victoria can expect to welcome more Malaysian visitors who are visiting relatives and friends, as well as holiday makers.



Despite a small population, Singapore is a major source country for visitors to Victoria, contributing \$323 million in visitor expenditure in 2017. With a preference for natural attractions and a growing appetite for regional experiences, Singaporean visitor expenditure is expected to grow by 3.4 per cent annually to 2026-27. Singaporean visitors are frequently repeat visitors who are seeking 'off the beaten track' experiences and seasonal offerings.

#3

Malaysia is ranked third for visitor expenditure in Victoria

214,000

people are employed by Victoria's tourism sector

\$7.7 billion

In 2017, international overnight visitors contributed \$7.7 billion to the state's economy



With growing incomes, Indonesia's middle-class has emerged as an important source market in Southeast Asia for international visitors. Indonesian tourism to Victoria contributed \$226 million in visitor expenditure in 2017 and is set to grow by 4.7 per cent annually over the next ten years.

The Victorian Government will:

Support TAFEs to respond to partnership opportunities in Southeast Asia

Implement a TAFE Offshore pilot project in Indonesia in 2018 and support TAFEs to access opportunities in the region.

Establish a pipeline of engagement to better define and seek out opportunities in Vietnam

Build a pipeline of engagement in Vietnam to build market intelligence and strengthen Victoria's in-market relationships with governments, industry and educational institutions to enable better connectivity.

Advocate for the Commonwealth Government to commit additional development assistance resources towards the harmonisation of common occupational standards in Southeast Asia

Urge the Commonwealth Government to work with partners towards harmonisation of common occupational standards in the region, utilising existing regional institutions and Australia's development assistance programs, to boost opportunities for the provision of competency-based training and assessment services.

Promote awareness of Victoria's capabilities to Southeast Asian audiences

Develop knowledge amongst key Southeast Asian leaders in government and business about Victoria's industry capabilities and history of partnerships with the region.

Support innovation in food and fibre and the growth of Victoria's agtech sector

Develop Victoria's food innovation capabilities including through support to research centres and programs. Strengthen Victoria as a global hub for agtech through innovative programs and initiatives.



William Angliss' future growth has an international focus, particularly on Southeast Asia. The region's rapid growth in tourism is driving demand for more tourism and hospitality skills training. We are committed to long-term engagement with the region, with campuses in Singapore and Vietnam. We consider that Victoria should, building on its strength in tourism, leverage its relationships in the region and work to develop opportunities with complementary industries with similar skills needs.

Nicholas Hunt, CEO, William Angliss Institute

DIRECTION THREE

Identify Emerging Opportunities

In one of the most dynamic regions in the world, we will continue to build market insights to identify valuable and emerging opportunities for Victorian organisations



Smart Cities: liveability, infrastructure and professional services

Innovations in urban planning, water management, sustainability, and cleantech have helped cement Melbourne's position as one of the most liveable cities in the world.

Liveability Victoria International

Liveability Victoria International (LVI) has been established to position Victoria as an international leader in liveability, leveraging the reputation of Melbourne as one of the world's most liveable cities. LVI assists businesses in the liveability sector to enter target markets.

Professional services

Victoria is home to innovative professional services firms that provide design, urban planning, management, and legal and technical services to infrastructure projects. Victoria's capabilities have built the state's reputation as a hub for cleantech and sustainable design.

Victorian firms can capitalise on the region's unprecedented scale of infrastructure development to provide innovative services and products.

Water management and liveability

Victoria is a world leader in water regulation. The state takes an integrated approach to managing the water cycle to better deliver water resources. With rapid urbanisation, Southeast Asian countries are focused on managing important water resources. The Victorian Government is committed to connecting Victorian firms with the region's demand for creating liveable cities, including through targeted trade missions for water, urban design and cleantech.

Opportunities in Southeast Asia

Given the scale and speed of Southeast Asia's development, there are opportunities for Victorian firms to provide innovative services and products to a range of infrastructure projects.

Victorian firms can utilise **Singapore's** connectivity as a regional hub for professional services to explore emerging opportunities in the region. **Malaysia's** national infrastructure plans provide good opportunities for Victorian firms in architecture and transport infrastructure. **Indonesia's** growing second-tier cities will drive demand for services to improve liveability, renewable energy generation and water management. **Vietnam** is seeking expertise and services to plan liveable urban centres.



“Coliban Water values its relationship with Vietnam’s Phu Tho Water Supply Company because it allows us to partner with Vietnam as it seeks to modernise its water and sanitation systems. The link between access to clean drinking water and improved public health and wellbeing and, by extension, sustainable economic development, are well documented. Coliban Water values the opportunity to share its expertise to help achieve these outcomes.”

David Sheehan, General Manager, Water Quality Performance and Regulation, Coliban Water

Digital transformation

Consumers in Southeast Asia are some of the most digitally connected in the world. The region's digital transformation is driving the way consumers live and do business. Victoria's reputation as a hub for digital innovation provides a solid platform for Victorian firms to engage with Southeast Asian countries.

Victorian Government supports innovation

The state's reputation as a hub for innovation and technology start-ups is growing. The state's strong digital networks and investments in cybersecurity are well-recognised.

We will lead Victorian firms to participate in CommunicAsia, the region's largest ICT conference, to identify emerging opportunities, make connections and do business in Southeast Asia.

Fintech and e-commerce

Victoria is a hub for innovation in fintech and e-commerce. Southeast Asian countries are leap-frogging traditional technologies. New products and services, such as e-wallets, are empowering populations across the region to access global markets. Innovations in e-commerce, fintech and cybersecurity are in high demand as firms seek to serve Southeast Asia's tech-savvy middle class.

Adding value to the region's digital transformation

Southeast Asia's dynamic technology sector is driving demand for products and services that enable network connectivity. As more firms go digital across Southeast Asia, demand will increase for infrastructure that enables connectivity and platform integration.

There are also opportunities for Victoria's vibrant and growing digital games industry with 90 per cent of our Melbourne made product being developed for export.

Opportunities in Southeast Asia

Victorian firms can partner with Southeast Asian start-ups to help them scale up operations. Many Southeast Asian start-up ventures are innovating solutions that can have a global impact.

Singapore provides an enabling environment for innovation, which Victorian firms can utilise to service the region. **Malaysia's** strong capabilities and favourable regulations are attractive for companies seeking a regional operations base. As a major hub for ICT solutions, and with a skilled workforce, the **Philippines** is increasingly building high-tech platforms. **Thailand's** growing digital sector presents emerging opportunities in gaming, fintech and e-commerce.



“Lexigo, awarded one of Australia’s most innovative companies in the Smart100 index, is a cloud-based translation service and technology company. Lexigo’s operations in the Philippines and Indonesia are vital to exporting its services to markets spanning the Asia Pacific region. Attending CommunicAsia, one of Asia’s largest digital and ICT trade fairs, as a member of Victoria’s delegation enables Lexigo to network, meet potential partners and make business deals.”

Mark Saba, Founder of Lexigo

Health and Medtech

Victoria is a world-class hub for medical research and innovative healthcare, benefiting from strong government support and a concentration of research institutions. There is growing demand in Southeast Asia for improved healthcare delivery, and investment in medical technology and research.

Healthcare systems

Southeast Asia's disease burden and healthcare needs are shifting alongside its rapid urbanisation. With non-communicable diseases now the dominant cause of death and disability across the region, Southeast Asian governments are seeking holistic approaches to healthcare. Investment in healthcare infrastructure, health curriculum, aged-care services, disability services and preventative health programs are set to grow.

Victoria's healthcare and medical technology industries can commercialise expertise in healthcare infrastructure, diagnostics and technologies to fill service gaps. Victorian manufacturers of innovative healthcare products, such as diagnostic tools, are well-placed to take up these emerging opportunities.

Health curriculum and workforce training

Healthcare providers in Southeast Asian nations are seeking to upskill their medical professionals. Victoria's medical education and training, evidence-based approach to medical practice, and health service delivery can be internationalised and delivered in-market through partnerships.

Healthcare delivery

As healthcare systems across Southeast Asia modernise, healthcare facilities will increasingly go beyond the provision of primary care to support continuity of care for more complex health issues. The provision of long-term care for the region's ageing population will drive demand for improved health service delivery systems. Victoria's aged care facilities can provide services, expertise and technology to the region's growing number of aged care facilities and rehabilitative centres.

Gender equality and reproductive health

As increasing numbers of women in Southeast Asia enter the workforce, demand for better and more inclusive reproductive healthcare will increase. Victorian institutions are well-placed to provide expertise and services that support the establishment of frameworks that promote women's health and improve women's economic participation.

Opportunities in Southeast Asia

Malaysia's progressive policies and improved regulatory framework are driving improvements in the country's healthcare systems. With an ageing population, Malaysia is seeing growth in demand for aged care facilities and services. **Indonesia's** large cities are driving demand for premium healthcare facilities and services. With **Thailand's** agenda of boosting its biomedical industries, there are emerging opportunities for partnerships in the country's health sector.

Marie Stopes International Australia

As the region experiences increasing workforce participation and declining fertility rates, the role of women in the workforce becomes more important.

Addressing women's health needs and supporting their reproductive rights are key to improving health and wellbeing outcomes as well as delivering financial and economic dividends for families, communities and countries. With programs throughout the region, including Cambodia and Timor-Leste, MSIA is an example of Victorian expertise delivering significant impact throughout the region.



The Victorian Government will:

Build more market intelligence on Southeast Asia's emerging opportunities

Better utilise the existing network of regional VGTI offices to build deeper linkages with key stakeholders and develop greater market insights into emerging sectors.

Promote emerging opportunities in Southeast Asia to Victorian industry

Through Trade Victoria's Export Skills Program continue to share market intelligence with Victorian industries that have an interest in the region's emerging sectors.

Capitalise on Victoria's reputation as a hub for research, technology, innovation, liveability and infrastructure

Leverage Victoria's global prominence in emerging sectors to promote the state's strong capabilities to industry and government stakeholders through a targeted engagement strategy.

Build linkages at different levels of government

Foster ties with government entities at national, provincial and district levels to help facilitate the region's digital transformation, infrastructure projects and healthcare improvements.

Vietnam is an increasingly important regional partner for Australia in the Indo-Pacific. The Strategic Partnership between Australia and Vietnam, signed on 15 March 2018 marks a new level of closer and broader engagement, with the development of the economic partnership a key priority for both countries. Victoria is well-placed to take advantage of Vietnam's growing demand for imported goods and services in sectors such as energy, food and beverage, healthcare, consumer goods, machinery, education and training, and infrastructure.



Craig Chittick, Australia's Ambassador to Vietnam



DIRECTION FOUR

Strengthen Ties

We are committed to working together with communities, business and governments to strengthen our relationships and promote mutually beneficial trade and investment opportunities across the region



Build long-term relationships

Victoria's existing relationships across Southeast Asia are deep and strong. The Victorian Government has a committed presence in the region and recognises the economic importance of sustained and enduring connections with stakeholders, communities and individual governments.

Victorian and Southeast Asian business communities

Victorian firms continue to develop and diversify their interests in the region, demonstrating Victorian industry capabilities to a growing and increasingly informed market.

Southeast Asian businesses are looking outwardly for partnerships to help grow productivity and their own market share. Our network of VGTIs in the region will continue to lead in-market engagement to connect Victorian businesses with opportunities and strengthen business-to-business relationships.

Southeast Asian communities

Victoria has a strong bond with Southeast Asia. Southeast Asian communities are well-established in the state and are actively involved in our economic development. Their dynamic and active contribution has also helped make Melbourne one of the world's great cultural cities.

Victoria's vibrant Southeast Asian diaspora foster and support ties with the region. They provide knowledge and support for Victorian businesses seeking to expand into the region. Several community-based business groups and bilateral business councils provide invaluable support to the strengthening of two-way trade and investment ties.

Commonwealth Government

We are committed to working closely with the Commonwealth Government, in particular the Department of Foreign Affairs and Trade and Austrade, to further boost our engagement with Southeast Asia. The Commonwealth's resources and reach across the region provide additional support and strong connectivity, not only for business-to-business links, but also government-to-government relationships.



“Melbourne is one of the most liveable cities in the whole world – we moved here to have a better life for our children with the best education. We love the natural environment here and we hope that our children will have a better life and better future here. The best moment of our life was moving to live here, we are so happy.”

Anh Bui, Restaurant owner and Business Innovation and Investment visa holder

IN VICTORIA, WE WILL

Deliver flagship events

The Victorian Government recognises that across Southeast Asia, relationships are vital to building and maintaining successful economic ties. Key decision-makers and Victorian businesses must be brought together to learn about and explore opportunities to collaborate and deliver mutually beneficial trade and investment outcomes.

Platforms such as our Export Skills Program help to connect stakeholders and build knowledge.

Victoria is committed to increasing Southeast Asian representation across its trade and investment activities, including leading trade delegations and running hallmark events in Victoria.

Annual Food and Beverage Trade Week

Held in Victoria, Food and Beverage Trade Week is Australia's premier in-bound food trade mission program. It provides first-hand insights into Victoria's food and beverage industry, renowned for its high quality, safety and reliability. The program also seeks to connect in-market buyers with Victorian suppliers and exporters.

Victorian Invitation Program (VIP)

VIP, a \$12 million initiative implemented between 2014-18, brought together over 1,900 international leaders and decision-makers with knowledge about Victoria's broad industry capabilities through a program of events and meetings across Melbourne and regional Victoria. In 2018, 15 per cent of VIP delegates were from Southeast Asia.



“Trade missions are advocates for economic collaboration and local relationships are central to the strength of Victoria’s value proposition to Southeast Asia and vice versa. Victoria’s trade missions are unique in their ability to create two-way value for Victorian and local businesses because they offer a free service and this has maximised their coverage with a low cost model. Trade Victoria’s localised networks and a culturally literate and commercially capable leadership team means that market opportunities are continuously cultivated. I recommend Victoria continue with its current model and maintain the valuable networks that its trade missions have cultivated.”

Edward Buckingham, Director of Engagement, Monash Business School

IN SOUTHEAST ASIA, WE WILL

Support trade missions and in-market engagement

Inbound and outbound trade missions build relationships, collaboration and knowledge and lead to export outcomes. The Victorian Government has supported a range of outbound trade missions to Southeast Asia, including a water infrastructure mission and a healthcare services mission. We have supported business attendance at Food and Hotel Asia and CommunicAsia, which are the leading industry-specific events in Southeast Asia. Food and Hotel Asia attracts over 78,000 delegates from over 100 countries, and over 30,000 delegates attend CommunicAsia annually.

Support for Victorian education providers

The Victorian Government has led a number of ministerial visits to Southeast Asia over recent years to support the state's international education sector. Our universities, TAFEs and private providers have actively participated in these visits. Our network of Education Services Managers will assist Victorian institutions to understand new markets, connect with potential partners and facilitate business opportunities across the region.

We will continue to promote the Study Melbourne brand across the region, including through digital marketing campaigns.

Foster networks

The Victorian Government is committed to helping businesses foster and enhance their networks across Southeast Asia. Networks are the first step in establishing strong economic relationships in the region – they help businesses to expand their knowledge, learn from the success of others, create new partnerships and promote products and services.

Southeast Asian professionals and alumni

Skilled professionals, international students and leisure travellers from countries such as Singapore, Malaysia, Thailand, Vietnam and Indonesia make long lasting connections during their stay in Victoria.

Our Education Services Managers across our network of Southeast Asian VGTI offices play a big role in connecting and collaborating with these groups when they return to their home countries. Many Victorian alumni lead promising careers in business, government and civil society, acting as champions for Victoria in their respective countries. Our in-market representatives will continue to foster strong networks with and between these groups.

Victorian alumni networks

There is a vibrant and diverse community of alumni from Victorian education institutions across Southeast Asia. This community maintains strong ties with Victoria and are the future business, government and community leaders of the region. They are natural ambassadors for the State of Victoria.

The Victorian Government will establish a formal network of regional alumni who are studying or have studied at Victorian institutions. Through a series of events, conferences, workshops and training opportunities, Victoria will harness the influence and relationships of our alumni to improve our two-way ties.

The establishment of such a network will not only encourage and deepen connections between Victorian businesses and key decision-makers in Southeast Asia, but also provide industry with insight that will contribute to new policy thinking and program development across our priority sectors.

Business councils and chambers of commerce

Business councils and bilateral chambers use insights and their extensive networks of member businesses and organisations to seek out and promote opportunities for commerce and better cultural awareness.

These organisations play a crucial role in not only helping Victorian businesses gain critical insights into doing business in the region but also in connecting and matching these businesses with interested parties.

Victoria supports bilateral business councils and chambers of commerce through the International Chamber House (ICH) initiative. ICH is a unique Australia-first program that provides unparalleled support to bilateral business councils. The Australia Indonesia Business Council is a key partner of ICH, collaborating with the Victorian Government on a range of strategic business initiatives.



“The Australia Indonesia Business Council (AIBC) is the peak, non-profit business association promoting and facilitating trade and investment between Australia and Indonesia. AIBC’s national office is in Melbourne, with branches across Australia. AIBC’s members include national firms, SMEs, individuals, young professionals and students. AIBC is pleased to support the Victorian Government to develop and strengthen the bilateral relationship and create business opportunities.”

Jared Heath, Chair, AIBC Victoria

Promote cultural exchanges and awareness

Cultural exchanges and awareness support strong and collaborative relationships at all levels, between communities, between businesses and between governments. The Victorian Government is committed to deepening cultural understanding to further strengthen our economic relationships across the region.

Southeast Asian diaspora

Victoria is home to Australia's second largest Southeast Asian community with around 265,000 Victorians of Southeast Asian descent. Within this vibrant cultural mix, there is strong representation from Vietnam, Malaysia, Indonesia, Myanmar and the Philippines.

The Southeast Asian community in Victoria also includes business and investor migrants, skilled migrants, students and travellers. The number of Southeast Asian students studying in Victoria has grown nearly 104 per cent over the last decade.

Celebrating our cultural diversity

Victoria is home to one of the most culturally diverse societies in the world, and is among the fastest-growing and most diverse states in Australia. Diverse and vibrant communities from Southeast Asia contribute to our reputation as Australia's cultural capital.

Victoria will continue to enhance this reputation by deepening our creative and artistic connections with the region. We will support Victoria's creative industries to strengthen our connections with countries across Southeast Asia, giving local audiences a better appreciation of Victoria as a cultural hub and greater insight in the benefits of cultural diversity.

Renowned internationally

Victoria's reputation as an attractive place to live, work and do business is underpinned by a vibrant, dynamic and multicultural community. With Victorian government support, Multicultural Arts Victoria works with many of these diaspora communities to celebrate their distinctive culture in local festivals and showcase events.

Events such as the world leading Asia Triennial of Performing Arts (Asia TOPA), supported by the Victorian Government, showcase a new strategic approach to promoting creative collaborations and awareness by featuring contemporary Asian performing arts. Asia TOPA breaks down cultural barriers and encourages participation in the arts by creating opportunities for community engagement and a better understanding of the different and evolving cultural traditions of the region.

Sports diplomacy

There are opportunities for Victoria's globally competitive sports ecosystem to develop collaborative frameworks and build connections with the growing sports landscape of Southeast Asia. Our expertise in major sports event management, sports medicine and sports science, sports tourism, venue design and fan engagement all provide pathways for a stronger two-way relationship with the region.



In 2017, the Melbourne Symphony Orchestra (MSO) established a partnership with the Government of the Special Region of Yogyakarta in Indonesia. Under this partnership, the MSO and musicians from Yogyakarta have collaborated on a world premiere of *Satan Jawa* in Melbourne in February 2017 as part of Asia TOPA, a world first concert at the UNESCO world-heritage Prambanan Temple in Yogyakarta in August 2017.

MSO's Managing Director Sophie Galaise said the Indonesian tour was important for building strong cultural connections across Asia and it was a "wonderful opportunity to unite two distinct cultures through the arts. We are thrilled to be representing Victoria as a cultural ambassador on tour, presenting international audiences with unique Australian insights into the classical canon."

The Victorian Government will:

Strengthen and deepen relationships and networks across the region

Grow networks with key stakeholders in Southeast Asia to generate and capitalise on trade and investment opportunities and to signal Victoria's commitment to the region.

Support activities that foster collaboration and build knowledge

Identify events, workshops and other platforms, both locally and across Southeast Asia, that bring together business leaders, key decision-makers and thought leaders.

Foster and support a Victorian and Southeast Asian alumni network

Through the facilitation of events and workshops, support the establishment of a formal alumni network to connect and encourage Southeast Asia's future leaders to become ambassadors for Victoria.

Support missions that align with Victoria's priority and emerging sectors

Identify opportunities to undertake trade and knowledge-building missions that support stronger engagement in the region, focusing on sectors where Victoria has the greatest capability.

Continue to support creative and cultural industry exchange and collaboration

Support and encourage our creative industries to seek opportunities to work with partners and presenters across Southeast Asia, and exchange and promote new and diverse content to Victorian audiences.



VicRoads in Southeast Asia

VicRoads has been working internationally for more than 30 years, strengthening Victoria's engagement globally and across Southeast Asia.

VicRoads was engaged by the Thai and Philippines governments to deliver training programs designed to improve road safety knowledge. The training, carried out in both countries, was developed by VicRoads to be considerate of local and cultural needs. There was strong engagement by program participants which has led to increased knowledge and understanding of best practice road safety techniques.



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Victoria's international office locations



- Trade and Investment Victoria head office
- Victorian Government Trade and Investment and Visit Victoria overseas offices
- Victorian Government Trade and Investment office
- Visit Victoria overseas office

