

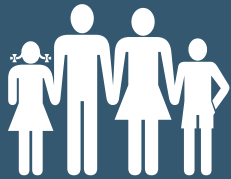
Tasmanian Economic Forum 2017

Future Opportunities for Tasmania

John Perry

OFFICE OF THE COORDINATOR-GENERAL

Some Economic Context



Population

519 128 – June qtr 2016



Unemployment

Unemployment rate – 5.9%



Education

54.8% Certificate or
above



Businesses

Highest survival rate

Further Context



17% Construction ↑

Non-residential
construction work
completed



AA+

Standard and Poors
Credit Rating.



**53% International ↑
Visitors**

International visitors
over 5 years



8.7% Exports ↑

Increase in international
exports to Sept 16

Foreign Direct Investment



\$1.06 Billion

Foreign Investment
Review Board Approvals
(up from \$30million
previous year)



Foreign Direct Investment – Global Trends



Figure 1 - Job creation

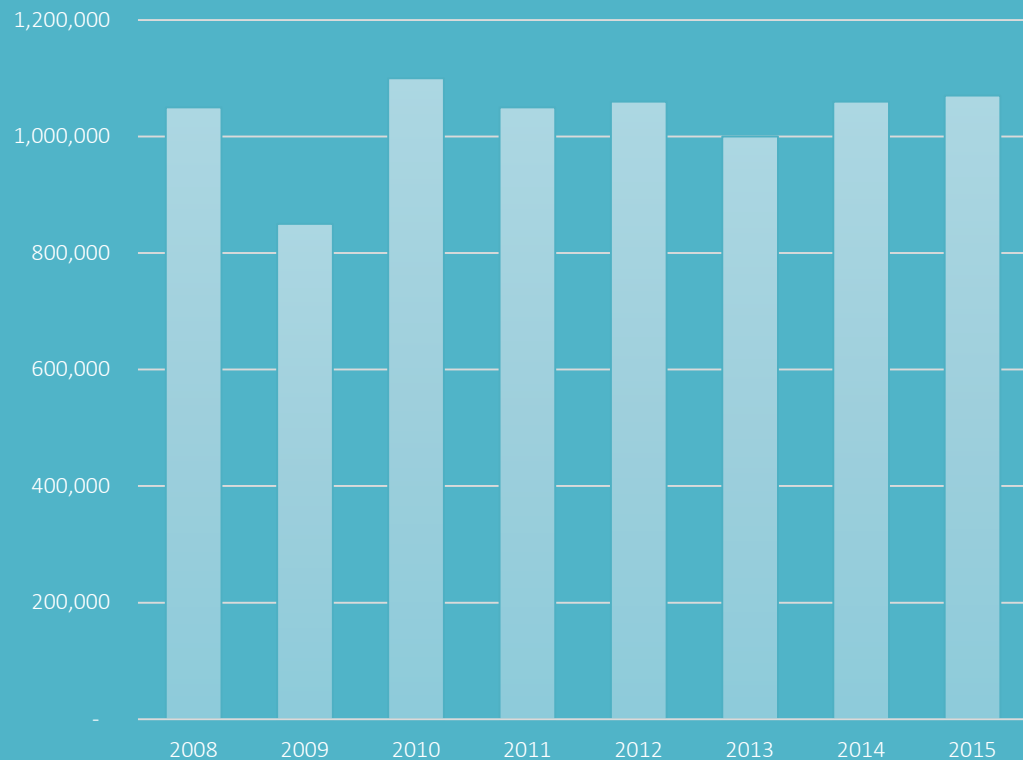
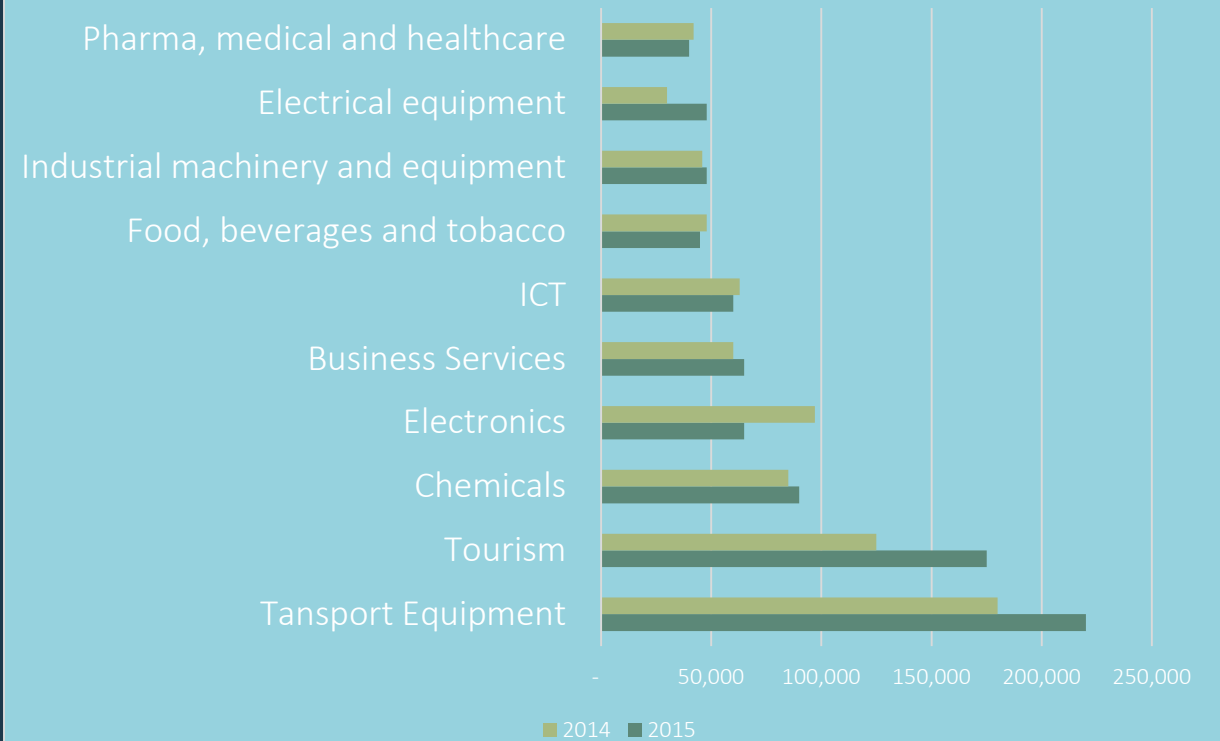


Figure 2 - Top-ranking sectors by estimated jobs





FDI – Some Observations



- Manufacturing footprints are changing
 - China in transformation; other export platforms emerge
 - Mexico to become the global factory?
 - Small emerging countries offer cost-attractive options
- Future Investment strongly influenced by uncertainties
 - Brexit; US under Trump
 - Direction of China, Brazil, Turkey
 - Uncertainty causes delay in investment
- Digital economy will further change footprints
 - IoT, automation, 3D printing; reduced role of labour
 - Proximity to customers & access to talent
 - Need for technology skills across industries
 - Current low cost countries face greater challenges

Challenges for Tasmania attracting foreign investment



Relative size of local market and talent pool



Comparative Infrastructure



Cost perception



Some excellent individual companies but a lack of clustering

Tourism Snapshot



ACCOMMODATION DEMAND

Annual average occupancy 82% in Hobart, over 90% Nov - Mar
Central Hobart hotel capacity to increase 40%

ALL VISITORS

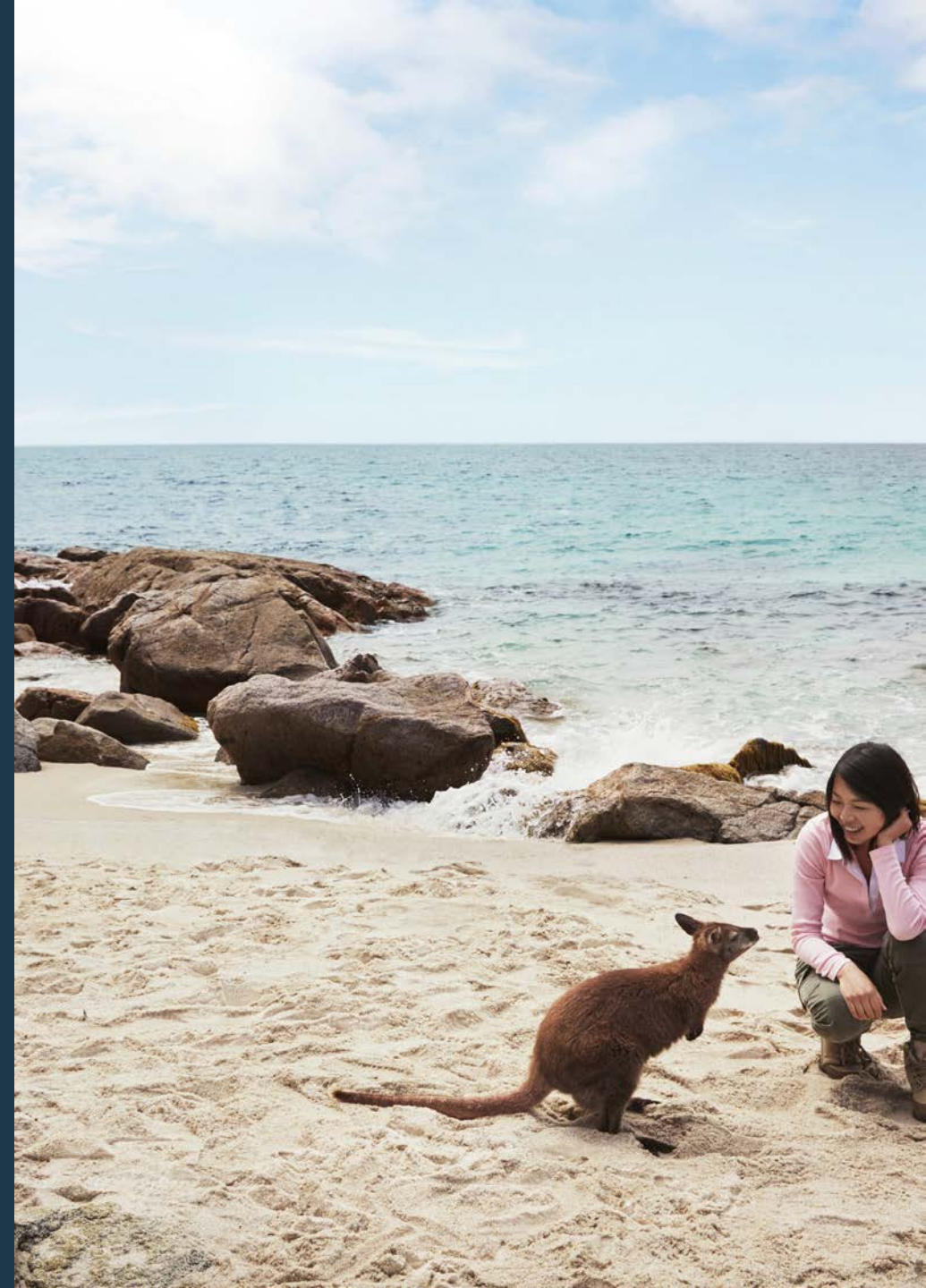
\$2.07 b visitor spend	\$1740 per person average spend
9.9% Gross State Product	
36,700 jobs across the visitor economy	15.3 % all Tasmanian jobs
1.19m visitors (cruise not incl.)	
10.58m total visitor nights	Average stay 8.9 nights per person
70% repeat visitors	30% new visitors

INTERNATIONAL VISITORS

15 per cent increase from 2015 to 2016
Almost 100 000 from Asia

ACCESS

88% of visitors arrive by air
12% visitors arrive by sea (Spirit of Tasmania)
163 328 Cruise visitors (not included in 1.19M)
Est. 260 000 cruise visitors for 16/17 (est +59% over 1 yr)



Agribusiness Snapshot



Agriculture occupies 24% of Tasmania's land mass



Packed and processed value of Tasmania's food and beverages is \$3.82 billion



Gross farm gate value increased by 6.2 per cent 2014-15

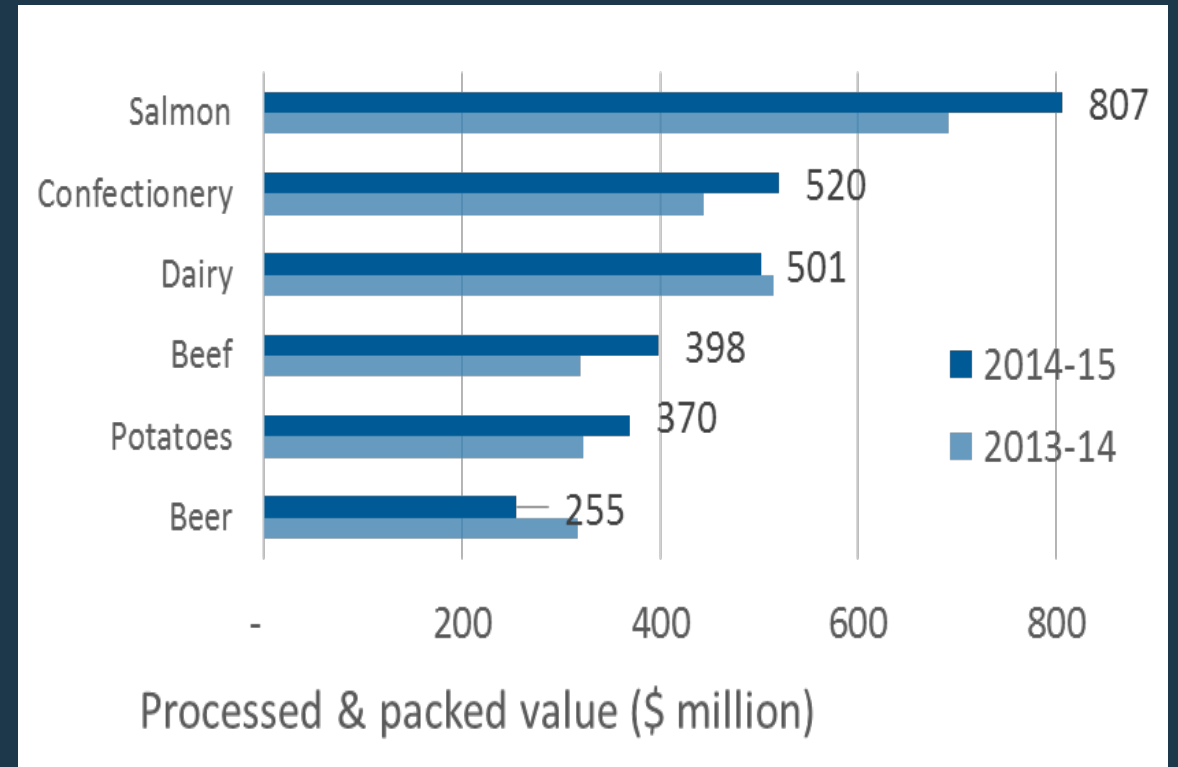


Food exports 25% of the total value of exports.



Identified strengths in food processing

Key contributors to Gross Value packed and processed



Source: Tasmanian Food and Beverage Industry Scorecard Snapshot 2014-15



Renewable Energy Snapshot



Over 100 years of experience in renewables and over 90% of Tasmania's electricity can be generated from renewables



92 percent reduction in Greenhouse gas emissions since 1990



Renewable credentials as a platform



Opportunities in bio-based advanced manufacturing



Specialised Transport and Advanced Manufacturing



Elphinstone



InCat

Technology and Smart Cities



Launceston – one of 3 City Deals for Australia. Smart City trends



LoRa pilot - To become the first Australian city to be covered by an Internet of Things (IoT) network



Enterprise and startup support





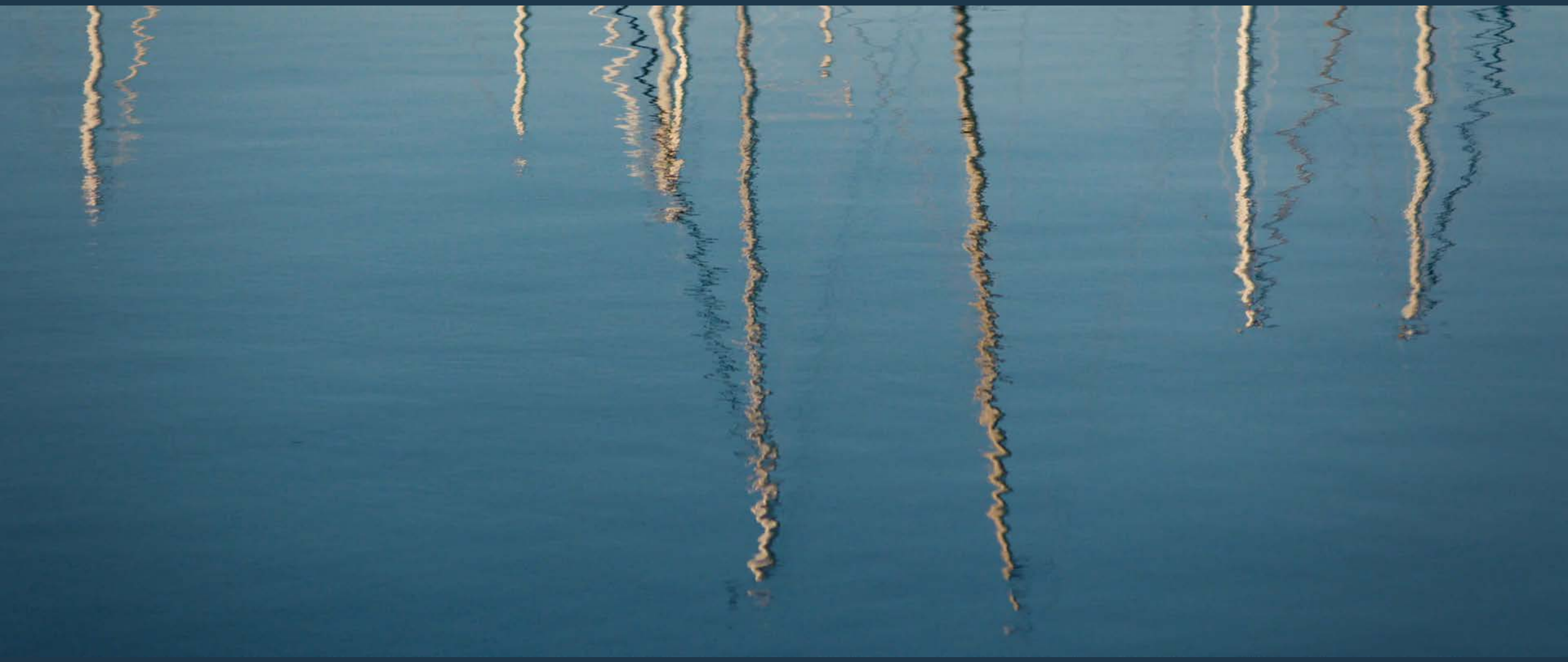
Data Centres



Data Centre Action Strategy
released 2015



First Tier 3 Data Centre for
Tasmania - plans confirmed
2016



The Office of the Coordinator-General will continue to focus on attracting investment into Tasmania, to grow and further diversify the State's economy

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