

Transcript

**“Which country invests most in Australia”
Interview with Murray Jones, Classic Hits 4CA, Cairns**

Thursday, 29 October 2020

Murray Jones: The world is in a lot of instability as a direct result of COVID-19. Getting economies back and happening again, and of course, investments - where we're getting our money from, where we're investing our money and, where we're getting some of our goods from - are changing quite dramatically.

Let's talk a little bit more about foreign investment. It sounds like a complex subject for this time of the morning. Don't worry, it's not too foreign because I've somebody who can assist us here.

David Chuter, CEO of the Innovative Manufacturing Cooperative Research Centre (IMCRC), joins us this morning. Good morning, David, how are you today?

David Chuter: Morning, Murray. Great, thanks for having me back.

Murray Jones: Nice to have you along again. We spoke a couple of weeks ago about manufacturing. And of course, there is a bit of focus on getting manufacturing back here to Australia.

But let's talk about investment. That is something that you've got a bit of a specialist knowledge in, and I'm keen to talk to you about that.

With the talk that we often get here, you know as talkback station and that type of thing, there seems to be, obviously, a bit of fear of China. I guess, this concept that China is possibly the biggest entity to invest in Australia that is not the case at all as I understand.

David Chuter: No, it's not, in fact. And everyone could be forgiven because a lot of what we buy in the shops here down in Melbourne, and yes, a lot of what you buy may come from China. But in fact, where businesses are investing and where money is flowing around partnership in business, the USA is, by quite a country-mile, our biggest partner, ahead of the UK, ahead of Japan. In fact, US investments into Australia from businesses and investment communities is ten times more than China.

We have lots and lots of American companies here that you touch day-by-day - from Apple to Boeing to Coca-Cola. They are part of our society and culture. The same goes the other way for lots of Australian companies. Almost 30 per cent of what we invest overseas, is actually being invested in America - with a very large proportion of that [investment] is in the area of manufacturing.

Murray Jones: We can talk a lot about USA, and we'll do so in just a sec. Just having a quick look at the figures, one that really surprised me is Belgium. Belgium is a big investor here in Australia, it actually comes third.

David Chuter: Yes, there are some interesting statistics, I guess, in the data that you and I have been privileged to seeing.

We have a very strong connection with Europe. We have a large migrant population all over Australia. They [the Europeans] were moving to Australia, I guess, well before a lot of the Asian communities started migrating to Australia. So, there have been some long-term partnerships in place.

The UK [investment] is very high. And that is an interesting one to watch as they not only get challenged by COVID but also as they work their way through Brexit as well. I actually think, there's lots of opportunity for Australia and the UK to work together given they are going to be a bit more disconnected with Europe.

Murray Jones: Well, look - and I guess we can ... because as I said we're going to come back to the USA - from what you're kind of suggesting there is that we can possibly, generally put them into the same basket. With what's happening - and obviously some real changes in the way they're going to be doing business - we're talking about the UK and the US - what type of opportunities are there for

Queensland businesses to get involved in some of this innovation, some of this manufacturing and some of the changes that we're currently going through?

David Chuter: Yeah, look, it is an exciting time for Queensland. A lot of the recent announcements about manufacturing and innovation have been centred around Queensland opportunities. We've seen Boeing, you know one of the world's biggest aerospace companies, invest in Australia for many years. Their most recent announcement has been to make unmanned aircrafts in Queensland. So that should create great opportunities for companies to participate in the supply chain, whether you're a city-based manufacturer or whether you're a regional manufacturer. I mean you've got companies like Cook Medical who export probably 90 per cent or more of what they produce to dozens of countries around the world.

I want to give you one example of a company that we've got to know. As a CRC [Cooperative Research Centre], we invest in companies to do manufacturing research with Australian universities. We have a partnership with a company called Vaxxas. Now, I'll just tell you a little bit about what Vaxxas does because it's quite opportune with COVID.

Vaxxas has [developed] a technology whereby they make little plastic devices that across a patch of about one centimetre have about 5000 tiny little needles. The way the process works is, they put a vaccine onto these kinds of needles and then, when the plastic device snaps [is used]; it snaps onto your skin. So, there is no [need for a] syringe. The big advantage of their device is that, in testing they've done, you only need one-sixth of the amount of vaccine to immunise a person. They're doing testing on Influenza, but we're running a program with them now to fast-track some testing given the world of COVID.

Murray Jones: Sure.

David Chuter: If you can imagine, a company that was born out of a university in Queensland in 2011 is committing and going to do their manufacturing in Queensland, has attracted, from what we can tell, more than \$50 million dollars' worth of investment from US companies, US government, Merc, the Bill and Melinda Gates Foundation, as well as organisations like us in Australia. It's absolutely possible for innovative companies anywhere in Australia, including in Queensland, to find ways into the global supply chain. I think that's the real opportunity that we've got.

Murray Jones: And you know now is the time to do it. You know we're certainly at a point where we have to innovate, we have to change. Some people want to hold onto the past, but you know as we've seen just from the last 12 months worldwide things certainly have to change. And I guess it's those people that grasp these opportunities that can be ahead of the pack.

Really interesting and it's great to get some of those details about exactly what the breakdown is when it comes to foreign investment.

I've got to get to the News, but look, David, we're sure to talk again. Always great to talk to you. David Chuter is the CEO of the IMCRC. I won't go through the whole title or we won't get to the News. But David, always great to talk to you and I look forward to having a bit of a chat to you again soon.

David Chuter: That's great, Murray. Thank you.