

Hopes of US trade recovery for SA

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Philmac's Elliott Burke.

EXPORTS of goods from South Australia to the US dropped below \$1bn last year for the first time since 2012 and only the third time in the past 20 years, leaving local businesses keenly awaiting next week's US election result.

To reinvigorate trade, the State Government in August appointed a regional director based in New York following SA opening an office in Houston in March. These offices were "focused on driving SA's presence in the US market to

help businesses recover", Trade and Investment Minister Stephen Patterson said.

"The US remains our second-largest market and is a significant economic partner for South Australia," he said. "No matter the outcome of the election, we will remain focused on our efforts to increase business opportunities in the US."

Last year, merchandise SA exports to the US totalled \$914m and look unlikely to exceed \$1bn this year. Exports peaked in 2008 at \$2.2bn when SA shipped Holdens to the US.

Opposition trade spokeswoman Zoe Bettison said the Trump presidency had "created challenges for SA exporters beyond just what we sell and receive directly from the US".

"His presidency has led to a level of uncertainty in economic markets worldwide and a heightened tension with China, which has in turn had an impact on SA's exports to China."

Business SA chief executive Martin Haese said the threats of tariffs by China emphasised the importance of a healthy trade with the US.

Exports of meat from SA remain strong at about \$300m a year, with companies such as Thomas Foods International retaining strong US ties.

SA sold \$160m of alcoholic beverages to the US in the year to June, more than 90 per cent of which was premium wine. The State Government is offering to help fund wineries to enter the US market.

Innovative manufacturers are defying the downward trend. North Plympton company Philmac, which makes plastic fittings for irrigation and gas, is on track for a 25 per cent lift in US sales this year.

"We have been exporting to the US for around 10 years but 2020 has been our strongest year yet," said executive general manager Elliott Burke.

He said plastic was replacing metal fittings in the US and households were investing in renovations during COVID-19.

Redarc, which makes equipment for recreational vehicles from its Lonsdale plant, has enjoyed an 80 per cent surge in US sales. "North America is our number one strategic focus for growth," managing director Anthony Kittel said.

Redarc hired a dedicated US sales force this month.