

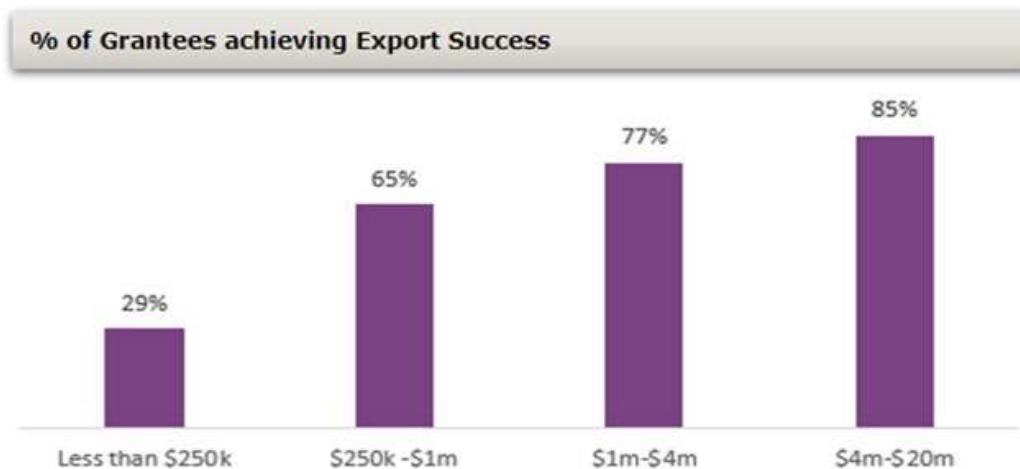


Assessment on the value of EMDG

This analysis is produced by the Office of the Chief Economist at Austrade and provides an assessment of the performance of EMDG firms using data from EMDG administration data and Australian Bureau of Statistics' Business Longitudinal Analysis Data Environment ([BLADE](#)).

Larger EMDG recipients have better outcomes

Analysis shows that larger firms are more likely to achieve success in exporting than smaller firms. The following chart shows the percentage of EMDG grant recipients that achieved Export Success, as defined by their export revenue exceeding their marketing expenditure. These results are available by firm size (based on firms' turnover) between fiscal years 2013 to 2022.



Export Success is substantially higher for firms above the \$250,000 turnover threshold. Only 29% of firms with a turnover threshold less than \$250,000 had an Export Success. This is in contrast to Export Success values of 65%, 77% and 85% for the larger turnover groups, indicating the smallest cohort of EMDG recipients were substantially less likely to have export revenue exceed their marketing expenditure.

EMDG merchandise exporters have better outcomes than other exporters

To assess the impact of EMDG on recipients, we use the Australian Bureau of Statistics' Business Longitudinal Analysis Data Environment ([BLADE](#)) to compare the export outcomes of EMDG recipients with other exporters that did not receive a grant. The export outcomes we assess include the relative turnover growth of the businesses, and the likelihood to continue exporting.

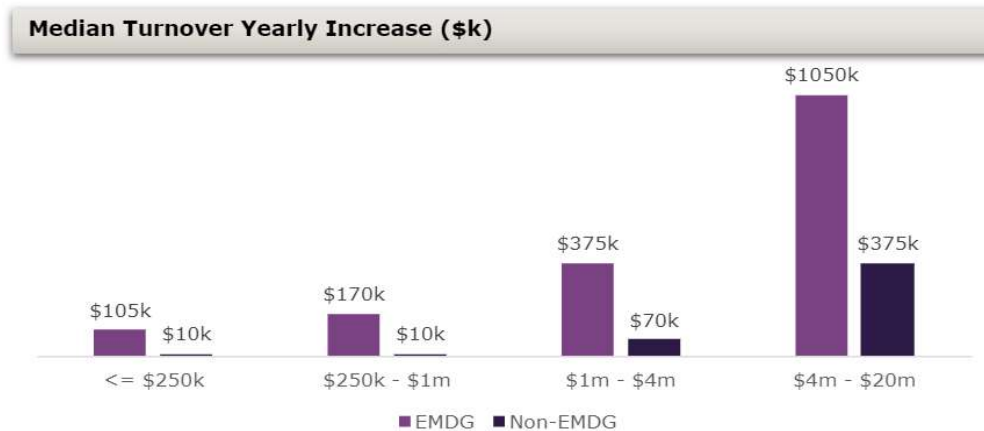
To be included in this analysis, the two requirements needed to be met:

- Firms must have submitted a Business Activity Statement (BAS)
- Firms must have merchandise exports data recorded in BLADE, as only merchandise exports data is available, not services exports data

Approximately 40% of EMDG recipients have merchandise exports data available in BLADE, hence the analysis is not fully representative of all EMDG recipients. However, it still provides a useful way to compare firms who received an EMDG grant to those who did not.

EMDG recipients have better turnover growth

The chart below shows the increase in median annual turnover for EMDG recipients after receiving a grant and compares with similar sized businesses that did not receive EMDG, between fiscal years 2013 to 2022.



The increase in annual turnover is larger for a typical EMDG participant than businesses that did not receive EMDG. This difference in median turnover also increases as firm size increases. For firms with turnover less than \$250,000, the difference is \$95,000 where for firms with turnover between \$4m-\$20m is \$675,000.

EMDG recipients are more likely to continue exporting

The following chart shows the percentage of EMDG recipients that continued to export merchandise goods one year after receiving a grant, versus businesses of similar firm size that did not receive a grant between fiscal years 2013 to 2022.

% Firms Exporting Goods for two consecutive years



There are two key findings from the above chart:

- EMDG recipients are more likely to continue exporting in two consecutive years than businesses that did not receive an EMDG grant. Across all firm sizes EMDG recipients had better exporter continuity rates than other businesses.
- Larger firms are more likely to continue exporting in two consecutive years than smaller firms.

Final remarks

The analysis undertaken finds larger sized EMDG recipients outperform smaller sized EMDG recipients across all metrics used including Export Success, turnover growth and likelihood to continue exporting. Firms with a turnover less than \$250,000 saw a particular difference with respect to their Export Success.

The analysis also shows that EMDG recipients outperform exporters that did not receive a grant, suggesting the program drives benefits for its participants in terms of their turnover growth, and their likelihood of continuing to export.

To assess the impact of EMDG in further detail, Austrade are currently in the process of considering research options for a more comprehensive evaluation of the program. These options involve more rigorous approaches and may allow the value of the EMDG program to be better quantified.