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Name of Firm: Aerosail Engineered Fabric Structures

Number of employees: 12

Turnover: \$1,500,000 to \$2,000,000

Products and/or services provided Shade sails, Waterproof Fabric canopies, Resort Tents, Structural Umbrellas

- Target market – 60% Domestic 40% export (SE Asia, North America)

Aerosail have been exporting since 2000 initially to SE Asia and more recently to North America. Our industry operates in an environment where the technical knowledge is limited and good design characteristics are still being developed. Product behaviour under various weather conditions is largely uncertain. Our business has specialised in our type of product for over 20 years and the design techniques we use are based on our own proprietary knowledge which has largely evolved through a process of trial and error.

Whilst we have been reasonably successful with our exports, there are significant risks associated with using designs based on trial and error data. Accordingly we confine ourselves to small projects which limit's our growth prospects.

The EEC funded a project to develop a design code for fabric structures. The budget was 2M Euros over 3 years and that has been very useful for the industry. Unfortunately for Australian manufacturers the research was based on impermeable materials whereas most Australian manufacturers use permeable materials and the data is of limited value.

We see an opportunity for Australian manufacturers to become significant exporters of this type of product if we can get the technical knowledge up to a satisfactory standard and so reduce the commercial risks. Internationally, Australian products are perceived to be quality items. As an industry we have been working with these materials for over 20 years and in relation to permeable materials do have a first to market advantage. However we must improve our skills to set the standards if we are to maintain this advantage.

Historically, Government support for the TCF industry has been too little and too late. It has tended to go to businesses that were trying to "hang on" which I am sure history will show most eventually failed. It is about time Government support went to businesses that do have a competitive advantage who are seeking to become internationally significant.

The European textile industry and to a lesser extent the US textile industry have weathered the ferocious competition from Asia reasonably well because they invested in technology and developing export markets 20 years ago, thus creating critical mass. Our company willingly pay's 3 times more for product from Europe because of quality and predictability than we do for product from Asia.

In my view, whilst there is no doubt the rise of China, India and various other countries has raised the competition level, TCF in Australia has largely failed over the past 30 years because it did not adapt by investing in technology and critical mass by entering export markets with quality products. We tried to compete against competitors where failure was a certainty.

Last year Aerosail tried to apply for funding to help us improve our technical knowledge to expand exports. After many attempts to demonstrate why we would like to apply we were told not to waste your time. This funding is for segments of the industry that are in trouble. It will be interesting to see how many of those businesses that received funding, actually survive the next 3 years.



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