

**HD**      **The industries set to fly and fall during 2014: IBISWorld**  
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As Australian companies usher in the new year, IBISWorld reveals the five industries expected to soar and the five expected to sink.

Diamond and gemstone **mining** tops the list of growth industries in Australia, with an impressive 24.0% rise anticipated for 2014, followed by superannuation funds, organic farming, online shopping and internet publishing and broadcasting.

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Meanwhile, other industries are probably not as celebratory about the new year, with revenue from video and DVD hire, sugar cane growing, mineral exploration, newspaper publishing and horse and dog racing forecast to decline in 2014.

Industries set to fly

Diamond and gemstone **mining**

IBISWorld forecasts the diamond and gemstone **mining** industry will grow by 24.0% over 2014 to \$821.9 **million**, identifying the industry as the top performer. Growth will be underpinned by output from the underground Argyle Diamond Mine in Western Australia, which was previously under development.

Australia's diamond and gemstone production and exports are expected to increase significantly over the course of 2014.

This reflects fresh production capacity coming online and strong demand from South-East Asia due to rising median incomes.

High quality stones as a share of total output is expected to increase, which will have a positive impact on total industry revenue.

A continued weakening of the Australian dollar from record highs will also support revenue generated from US-denominated sales of diamonds.

Superannuation funds

Revenue in the Australian superannuation sector is forecast to rise in 2014, as sharemarkets worldwide return to levels similar to those prior to the global financial crisis. IBISWorld expects the industry to grow by 23.0% over the year to take revenue to \$356.6 **billion**.

In July 2013, the federal government increased the super guarantee charge percentage to 9.25%, which will rise by a further 0.25% in July 2014. This will continue to positively affect the sector by increasing contributions income.

A stable Australian labour market is a key factor driving growth in the industry.

Characterised by a growing labour force, the conditions in our employment market mean more people are contributing to superannuation than before.

Organic farming

IBISWorld anticipates revenue for Australia's organic farming to increase by 13.7% over 2014 on the back of strong consumer demand, with revenue expected to reach \$707.7 **million**.

Increased demand for the sector's produce will be driven by higher levels of household disposable income, health consciousness among consumers and increasing environmental awareness.

Production is anticipated to increase because of supply chain improvements, more refined processing capabilities and increased variety in the sector.

A broader selection of organic foods in supermarkets, independent retailers and markets should assist in increasing sales and driving revenue for primary producers. This will include more private-label organic products available at lower price points.

#### Online shopping

Forecast to grow by 12.3% in 2014 to reach \$13.2 **billion** in revenue, the online shopping sector will offer consumers more choice and more competitive prices than ever before.

As there are no geographical boundaries, parallel imports, increased competition and global sourcing will reduce the cost of online shopping to the end user, driving its appeal."

Australian consumers are price-conscious going into 2014 and online shopping allows them to hunt for the greatest bargains from retailers both locally and abroad.

Increasing internet penetration, particularly in rural areas, is expected to bring more consumers to the online marketplace – partly facilitated by the rollout of the National Broadband Network (NBN).

More traditional retailers are beginning to join the online sphere in order to remain competitive, with their shop fronts acting as convenient locations for pick-up and returns.

#### Internet publishing and broadcasting

IBISWorld forecasts that the internet publishing and broadcasting industry will grow by 11.4% in 2014 to reach \$1.7 **billion**.

Key factors tipped to drive this growth include increasing internet penetration, developments in internet technology and the ongoing rollout of the NBN, which will increase accessibility to video and audio content.

Higher consumer and business expenditure is expected to **lead** to more revenue from subscriptions, which is the most successful model to date.

The ease of setting up **operations** makes it viable for current publishers to transition print models to online or combine the two, and for new publishers to start the journey in the online world.

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#### Industries set to fall

##### Video and DVD hire outlets

IBISWorld predicts video and DVD hire outlets will be affected by significant competition from pay TV, the internet and new online entrants to the market, such as streaming services. This will negatively affect growth, with revenue predicted to fall by 14.8% in 2014 to \$534.2 **million**.

Other retailers of DVDs and videos, such as speciality technology and department stores, will continue to channel revenue away from the industry into growth sectors servicing trends in the digital space.

Traditional video and DVD hire from rental outlets has been on a significant declining trend for some time. Improvements in technology will continue to make it easier and cheaper for end users to **purchase** movies and other media over the internet.

##### Sugar cane growing

Revenue for the sugarcane industry has been negatively affected by adverse growing conditions, particularly those attributable to extreme weather patterns over the past five years. IBISWorld predicts that industry revenue will slump by 11.4% in 2014 to \$1.1 **billion**.

Volatile fluctuating prices and global production had intensified industry revenue volatility.

The high Australian dollar reduced the industry's international competitiveness and choked export markets in developing countries and established partner nations.

#### Mineral exploration

IBISWorld forecasts that the mineral exploration industry will contract by 7.7% over 2014 for the mineral exploration sector in Australia, with the industry affected by increasing global mineral output and a slowing **Chinese** economy.

These adverse global conditions have suppressed world prices for the major commodity groups upon which the exploration industry depends.

The fall in investment in exploration also follows established miners shifting their focus from exploration to production.

#### Newspaper publishing

Consistent with expectations and the long-term trend, readership of print publications will continue to decline as consumers turn to alternative news and information sources, particularly the internet. IBISWorld predicts that in 2014 the industry's revenue will fall by 6.3% to \$4.0 **billion**.

The industry, which services the domestic market, is facing higher competition from overseas mastheads, particularly from Fleet Street and the American press, which offer both global and domestic perspectives.

#### Horse and dog racing

IBISWorld forecasts that the horse and dog racing industry will slump 3.7% to generate revenue of \$1.6 **billion** in 2014.

Tightening government regulations and restrictions have resulted in fewer quality horse imports into Australia, negatively affecting betting revenue and attendance figures. Coupled with unfavourable red tape, interest in racing events by Australian consumers is also in decline, making the current and medium-term environment challenging for the sector.

Falling attendance by regular racegoers is further hampering the industry. Groups like Tabcorp offer convenient gambling to the public, but the proliferation of corporate bookmaker services available online and on smartphones is leading to drops in attendances, which is further stifling the industry.

As wagering revenue has moved away from previously state-owned TABs, racing authorities have been unable to gain complete access to all industry-related betting activity and this has further reduced revenue.

For more information on these, or any of Australia's 500 industries, log onto [www.ibisworld.com.au](http://www.ibisworld.com.au), or follow IBISWorldAU on Twitter.

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