

# INVESTING FOR GROWTH WHY AUSTRALIA?

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Australian Government  

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Austrade



# AUSTRALIA IS AN OPEN, RESILIENT ECONOMY

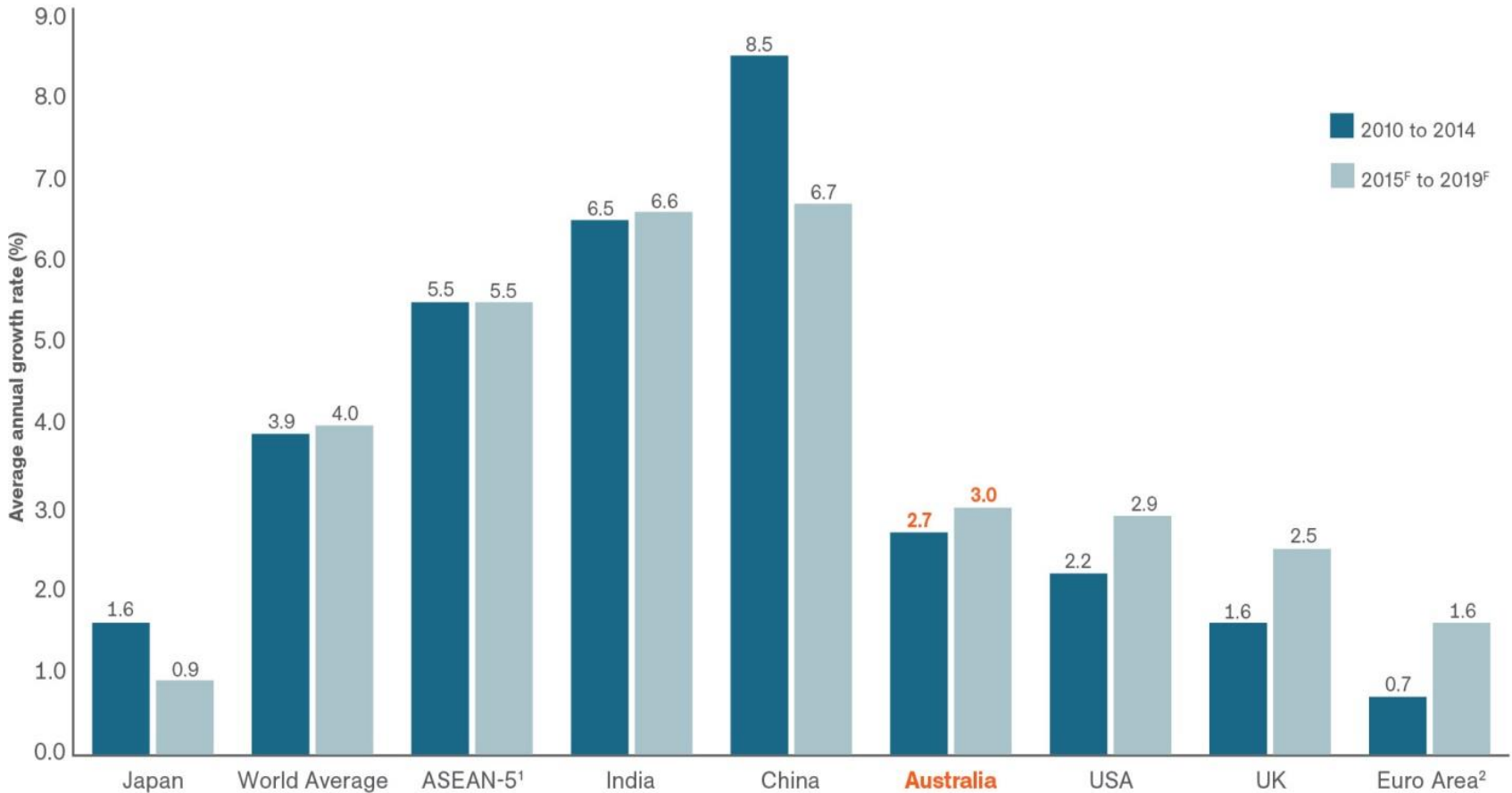
- 26 years of consecutive growth
  - “Free trade” economy (few subsidies)
  - Low sovereign risk
  - Stable institutions, sound regulatory frameworks
  - Australia welcomes foreign investment
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# AUSTRALIA IS AN OPEN, RESILIENT ECONOMY

- An economy underpinned by services
    - wealth management
    - healthcare
    - education
    - tourism
    - business services
  - Yet abundant in natural resources and energy sources
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# REAL GDP GROWTH BY ECONOMIC GROUPING

Average annual growth rate: 2010–14 and 2015<sup>F</sup>–19<sup>F</sup>



F = Forecast

1. ASEAN-5 = Indonesia, Malaysia, Philippines, Thailand and Vietnam

2. Composed of 18 economies in Europe

Source: International Monetary Fund, World Economic Outlook Database, October 2014; Austrade

## KEY INDICATORS OF EASE OF DOING BUSINESS<sup>1</sup>

Ease of Doing Business		Starting a Business			Dealing with Construction Permits			Getting Credit			Enforcing Contracts		
Overall Ranking Out of 190 Economies	Rank	Procedures (number)	Time (days)	Rank	Procedures (number)	Time (days)	Rank	Strength of Legal Rights Index (0–12)	Depth of Credit Information Index (0–8)	Rank	Time (days)	Quality of Judicial Processes Index (0–18)	
													New Zealand
Singapore	2	6	3	2.5	10	9	48	20	8	7	2	164	15.0
Denmark	3	24	4	3.0	6	7	64	32	8	6	24	380	11.0
Hong Kong	4	3	2	1.5	5	11	72	20	8	7	21	360	11.0
South Korea	5	11	2	4.0	31	10	28	44	5	8	1	290	14.5
Norway	6	21	4	4.0	43	11	110.5	75	5	6	4	280	11.0
UK	7	16	4	4.5	17	9	86	20	7	8	31	437	15.0
USA	8	51	6	5.6	39	16	80.6	2	11	8	20	420	13.8
Sweden	9	15	3	7.0	25	7	116	75	6	5	22	321	12.0
Macedonia	10	4	2	2.0	11	9	89	16	9	7	36	634	14.0
Taiwan	11	19	3	10.0	3	10	93	62	4	8	14	510	13.0
<b>Australia</b>	<b>15</b>	<b>7</b>	<b>3</b>	<b>2.5</b>	<b>2</b>	<b>10</b>	<b>112</b>	<b>5</b>	<b>11</b>	<b>7</b>	<b>3</b>	<b>395</b>	<b>15.5</b>
Germany	17	114	9	10.5	12	8	96	32	6	8	17	499	12.0
Canada	22	2	2	1.5	57	12	249	7	9	8	112	910	9.5
Malaysia	23	112	9	18.5	13	15	79	20	7	8	42	425	12.0
France	29	27	5	3.5	20	9	183	82	4	6	18	395	11.0
Japan	34	89	8	11.2	60	12	197	82	4	6	48	360	7.5
Thailand	46	78	5	25.5	42	17	103	82	3	7	51	440	7.5
China	78	127	9	28.9	177	22	244.3	62	4	8	5	453	14.3
Vietnam	82	121	9	24.0	24	10	166	32	7	7	69	400	6.5
Indonesia	91	151	11	24.9	116	17	200.2	62	6	6	166	471	7.8
Philippines	99	171	16	28.0	85	24	98	118	3	5	136	842	7.5
India	130	155	13	26.0	185	35	190	44	6	7	172	1,420	9.0

**1. Doing Business 2017** is the 14th in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. Doing Business measures aspects of regulation affecting 11 areas in the life of a business. Ten of these areas are included in this year's ranking on the ease of doing business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. Doing Business also measures features of labour market regulation, which is not included in the ranking. Data in Doing Business 2017 is current as of 1 June 2016. The indicators are used to analyse economic outcomes and identify what reforms of business regulation have worked, where and why. The city covered in Australia by the Doing Business report is Sydney.

**Sources:** World Bank Group, *Doing Business 2017: Equal Opportunity for All* (released 26 October 2016); Austrade

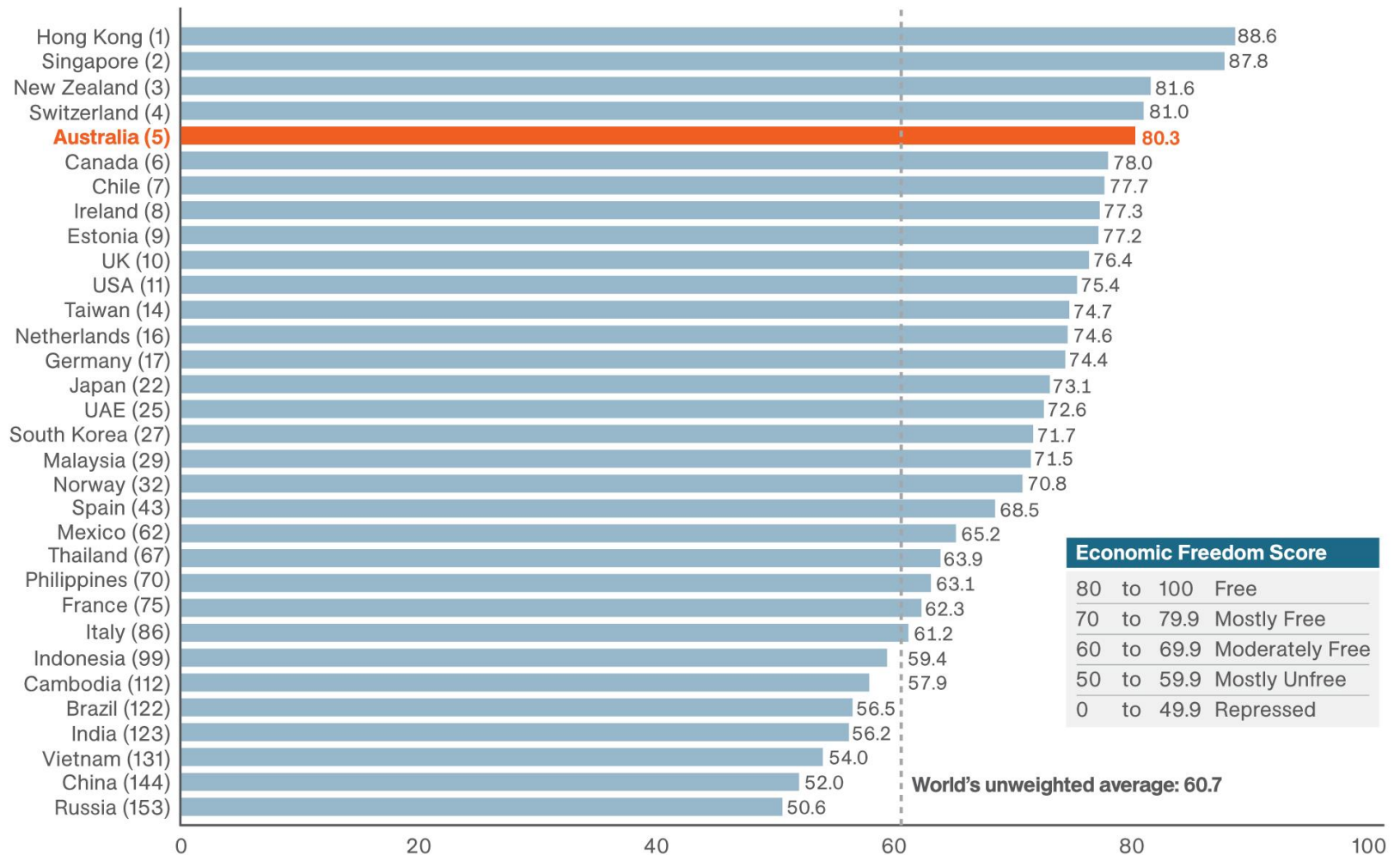
## WORLDWIDE GOVERNANCE INDICATORS<sup>1</sup>

2015 Rank by Economy	Voice and Accountability	Political Stability & Absence of Violence/Terrorism	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption
New Zealand	98.5	99.0	98.6	99.0	98.1	100.0
Switzerland	99.0	95.2	99.5	95.7	97.6	97.6
Finland	97.0	87.1	96.6	98.1	100.0	99.5
Norway	100.0	89.5	98.1	92.3	98.6	99.0
Luxembourg	96.6	97.6	93.3	93.8	96.2	96.6
Sweden	99.5	81.4	96.2	97.1	99.5	98.6
Canada	96.1	93.8	95.2	94.2	95.2	93.8
Denmark	97.5	76.2	97.6	94.7	99.0	98.1
Netherlands	98.0	78.6	97.1	96.2	97.1	94.7
<b>Australia</b>	<b>93.1</b>	<b>76.7</b>	<b>92.3</b>	<b>96.6</b>	<b>94.2</b>	<b>95.2</b>
Ireland	92.6	78.1	91.3	97.6	93.3	91.8
Germany	95.6	70.0	94.2	93.3	92.8	93.3
UK	92.1	62.4	93.8	98.6	93.8	94.2
Hong Kong	63.5	83.3	99.0	99.5	94.7	92.3
Singapore	42.9	93.3	100.0	100.0	96.6	97.1
Japan	79.3	82.4	95.7	85.1	89.4	91.3
Belgium	94.1	65.2	88.9	87.5	88.9	90.9
USA	81.3	69.5	89.9	88.5	90.4	89.9
France	86.2	56.7	89.4	83.7	88.5	88.0
Taiwan	73.4	72.9	88.0	88.9	85.1	76.9
Spain	78.8	57.1	85.1	75.0	78.4	69.2
South Korea	69.5	52.4	80.3	84.1	80.8	69.7
United Arab Emirates	19.7	71.4	91.8	82.7	75.0	82.7
Italy	77.3	58.1	69.2	73.6	64.4	57.2
Malaysia	36.5	54.3	76.9	74.5	71.6	65.9
Brazil	60.1	34.3	47.6	46.6	50.0	41.3
India	60.6	16.7	56.3	39.9	55.8	44.2
Philippines	51.7	21.0	57.7	52.9	42.3	41.8
Thailand	23.6	15.7	65.9	63.5	53.8	43.8
Indonesia	52.2	24.8	46.2	47.1	39.9	38.5
China	4.9	27.1	68.3	44.2	43.8	50.0
Vietnam	10.8	48.6	55.3	33.7	46.2	39.4

1. The *Worldwide Governance Indicators* reports aggregate and individual governance indicators for 214 economies over the period 1996–2015, for six dimensions of governance in the above table. They are based on over 30 individual data sources. Economy scores are reported as percentile ranks, with higher values indicating better governance ratings.

Sources: *The World Bank, Worldwide Governance Indicators 2016 (released 23 September 2016)*; *Austrade*

## INDEX OF ECONOMIC FREEDOM WORLD RANKING – 2016<sup>1</sup>



1. The 2016 *Index of Economic Freedom* covers 186 economies and measures 10 components of economic freedom (Business Freedom, Trade Freedom, Fiscal Freedom, Government Spending, Monetary Freedom, Investment Freedom, Financial Freedom, Property Rights, Freedom from Corruption and Labour Freedom). The 10 component scores are equally weighted and averaged to get an overall economic freedom score for each economy. The number in brackets in the chart indicates the country's world ranking.

Sources: *The Wall Street Journal* and *The Heritage Foundation*, 2016 *Index of Economic Freedom*; Austrade

# DIVERSIFIED WORKFORCE

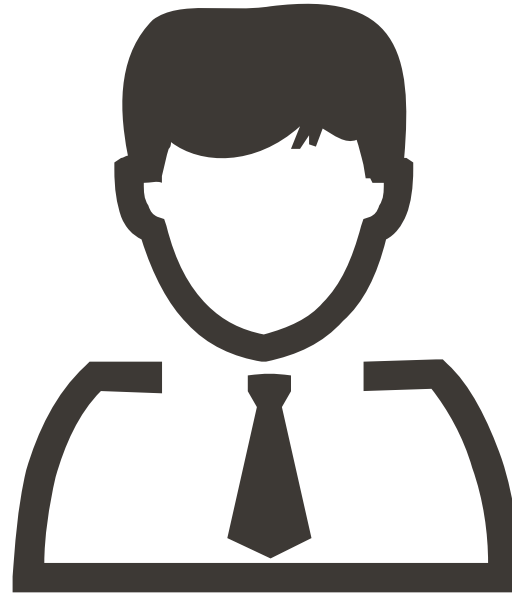


Almost

**30%**

of Australia's labour force was  
born

**OVERSEAS**



**1 in 10**

Australians speak an  
Asian language at  
home

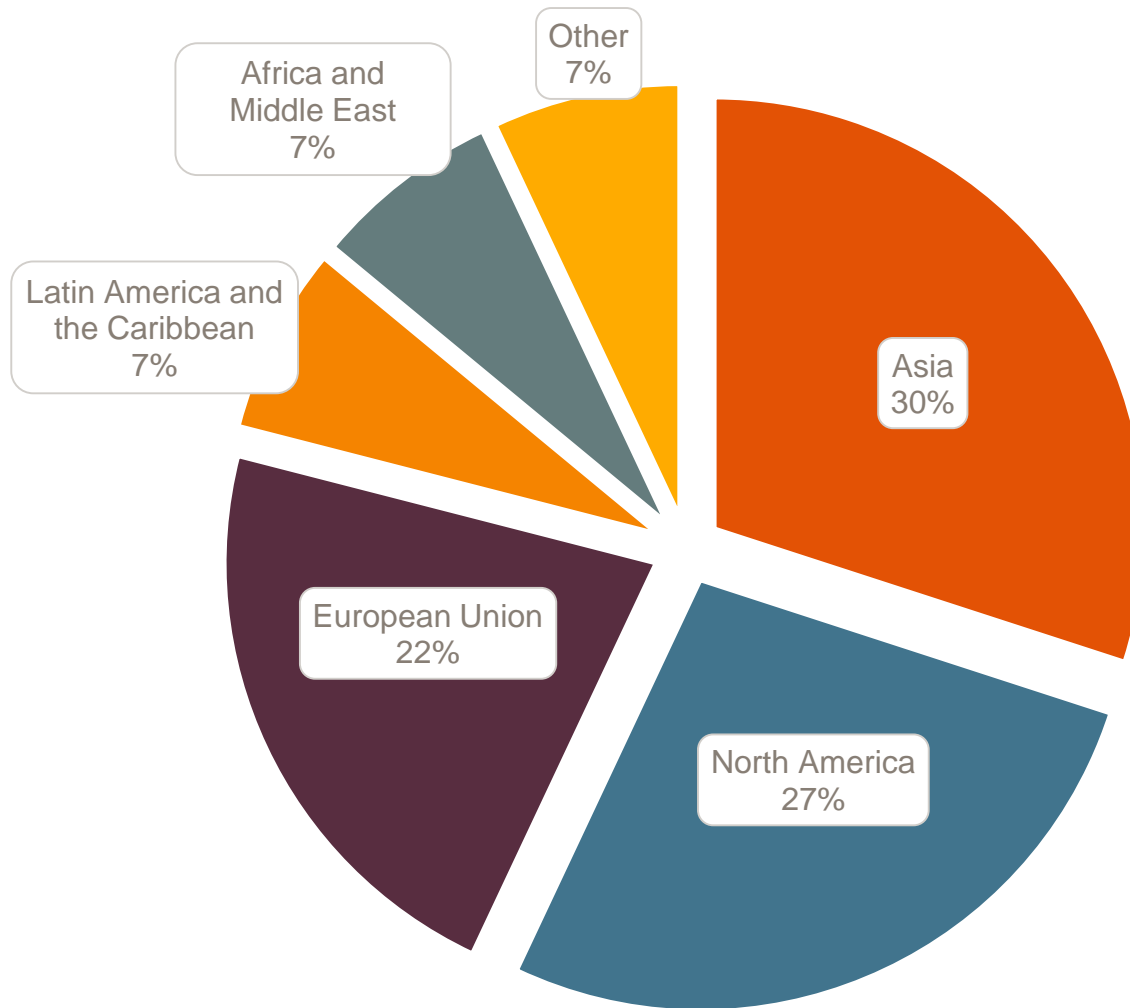


# GATEWAY TO ASIA

- “Testing ground” for products and services
- Strong business, cultural and political ties to Asia
- Trusted



# ASIA HAS THE GREATEST SHARE OF GLOBAL GDP



Source: IMF World Economic Outlook database, April 2016; Austrade

# EXTENSIVE SET OF FREE TRADE AGREEMENTS

NEW ZEALAND 1983	HONG KONG 1993	SINGAPORE 2003	THAILAND 2005	USA 2005	CHILE 2009	ASEAN 2010	MALAYSIA 2013	KOREA 2014	JAPAN 2015	CHINA 2015
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and

INDONESIA	INDIA	TPP	UK	EUROPEAN UNION
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(under active scoping or consideration)

# PEOPLE: PRODUCTS: PLACES

## People

- High productivity; resilient
- Highly educated workforce
- Excellent research institutions
- Early adapters and innovators

## Places

- Proximity to Asia
- FTAs
- Sophisticated domestic market as a base to scale up into Asia
- Stability

## Products

- Direct access to quality inputs
- Abundant land and natural resources
- Biosecurity bonus; traceability
- Sustainability and health credentials



# INVESTMENT OPPORTUNITIES IN AUSTRALIA, BY INDUSTRY SECTOR

- Agribusiness and food
  - Infrastructure
    - Renewables
  - Technologies
    - financial services
    - agriculture
    - education
    - transport
    - healthcare and health information
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# AUSTRADE'S ROLE IN INVESTMENT

