



# WHY AUSTRALIA



Australian Government  
Australian Trade and Investment Commission



# AUSTRADE, WHO WE ARE AND OUR PRIORITY SECTORS



Austrade helps companies around the world to identify and take up investment opportunities in Australia as well as to source Australian goods and services.

Our assistance includes:

- / providing insight on Australian capabilities
- / identifying potential investment projects and strategic alliance partners
- / helping you to identify and contact Australian suppliers.

The Australian Government identifies opportunities in these key priority areas:

- / Resources and Energy
- / Agricultural Science, Food Technology and Processing
- / Tourism Infrastructure
- / Major Economic Infrastructure
- / Advanced Manufacturing, Services and Technology

# AUSTRADE, WHO WE ARE AND OUR PRIORITY SECTORS

Austrade in numbers:

- 121 locations at 30 June 2017
- 83 overseas locations in 49 markets
- 15 of those locations also providing consular services.

Within Australia:

- Austrade had 10 offices, complemented by a further 28 TradeStart offices

- In Europe, Austrade has offices in 12 cities.
- In Italy, Austrade is based at the Australian Consulate General in Milan
- From Milan, Austrade coordinates all commercial activities throughout the country
- 3.5 investment staff, focused on agreed priority sectors



# ROBUST ECONOMY

Australia is in its 27th year of consecutive annual economic growth – the only developed economy in the world to achieve this distinction.

2018 growth: 3.1%

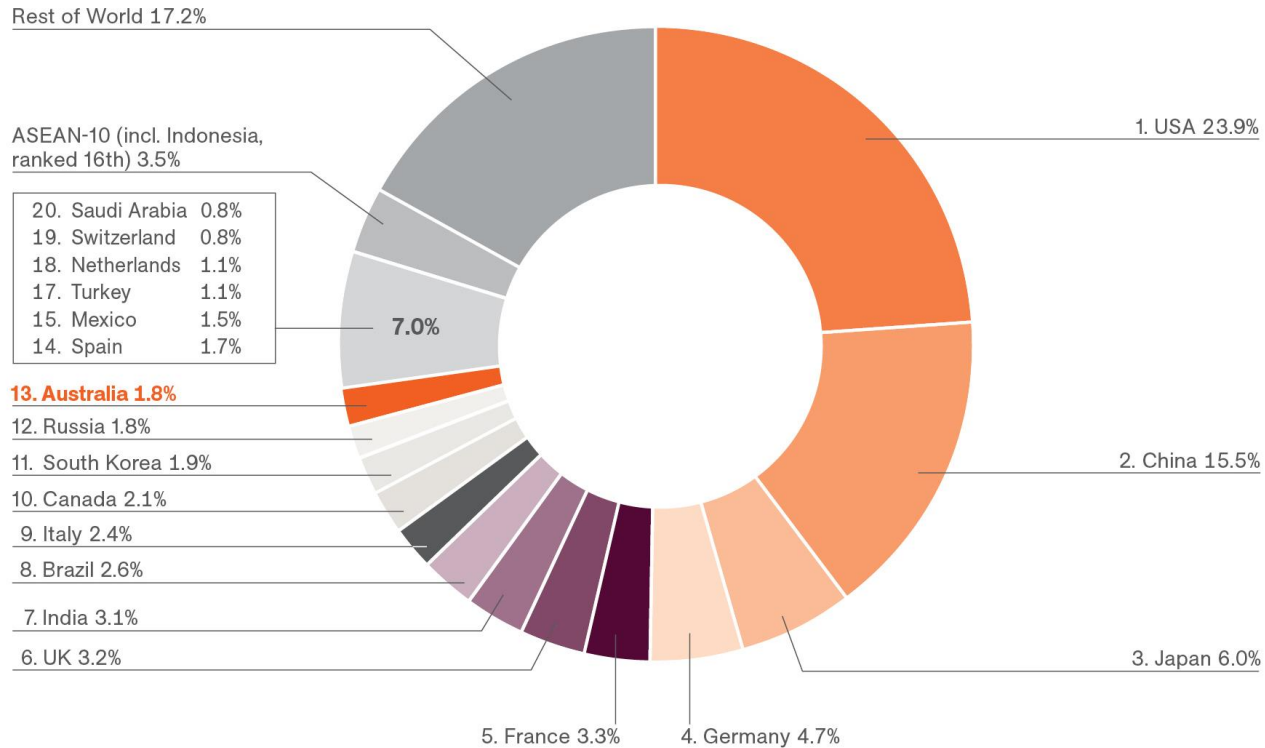
Average growth over 27 years: 3%



# WORLD'S 13TH LARGEST ECONOMY

## WORLD'S 20 LARGEST ECONOMIES – 2018<sup>F</sup>

Percentage share of total world nominal GDP in US\$



F = Forecast

GDP of the world: **US\$84,375 billion**

GDP of 20 largest economies: **US\$67,988 billion (80.6% of world's GDP)**

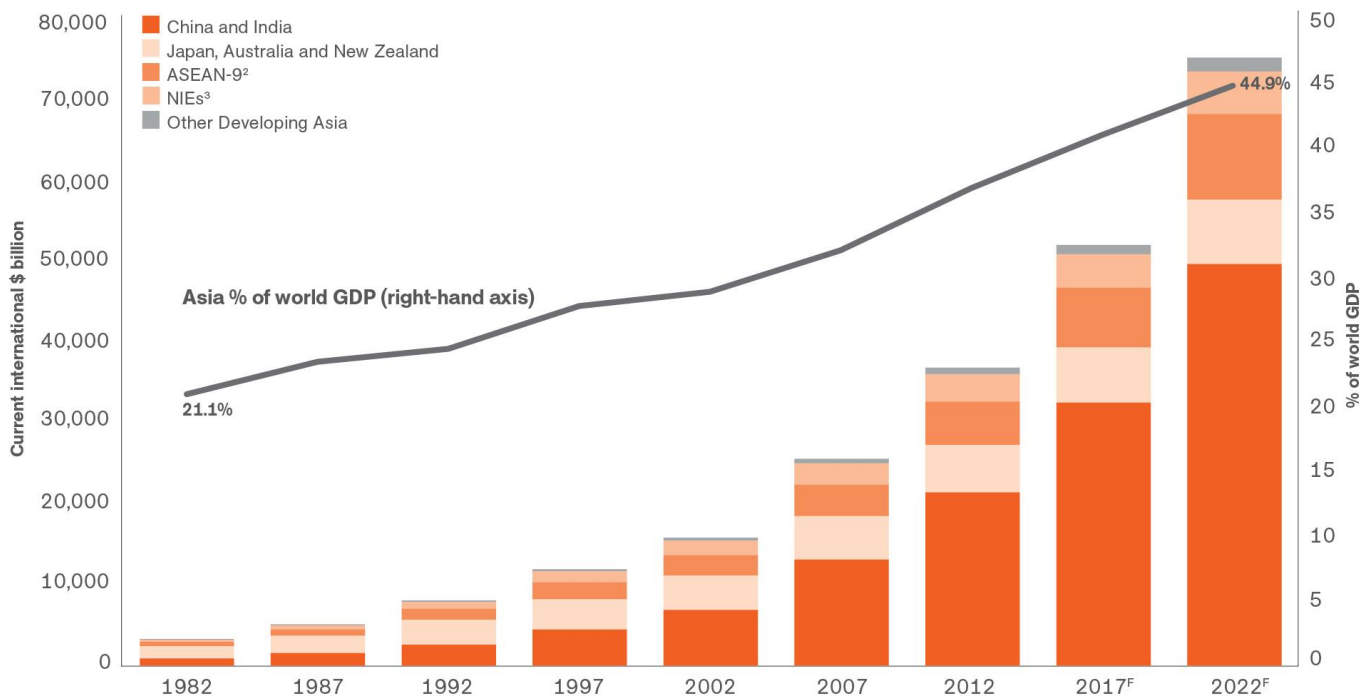
GDP of ASEAN-10 economies: **US\$2,938 billion (3.5% of world's GDP)**

Sources: *International Monetary Fund, World Economic Outlook Database, October 2017; Austrade*

# STRONG TIES TO ASIA SUPPORT LONG-TERM GROWTH

## ASIAN ECONOMIC GROWTH

GDP based on purchasing power parity valuation (PPP, current international dollar billion)<sup>1</sup>



**Note:** The bars represent the value of the regional GDP.

**F** = Forecast

1. An international dollar would buy in the cited country a comparable amount of goods and services a US dollar would buy in the United States. Local currency values are converted into international dollars using PPP exchange rates.

2. Composed of 9 countries: Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Thailand and Vietnam.

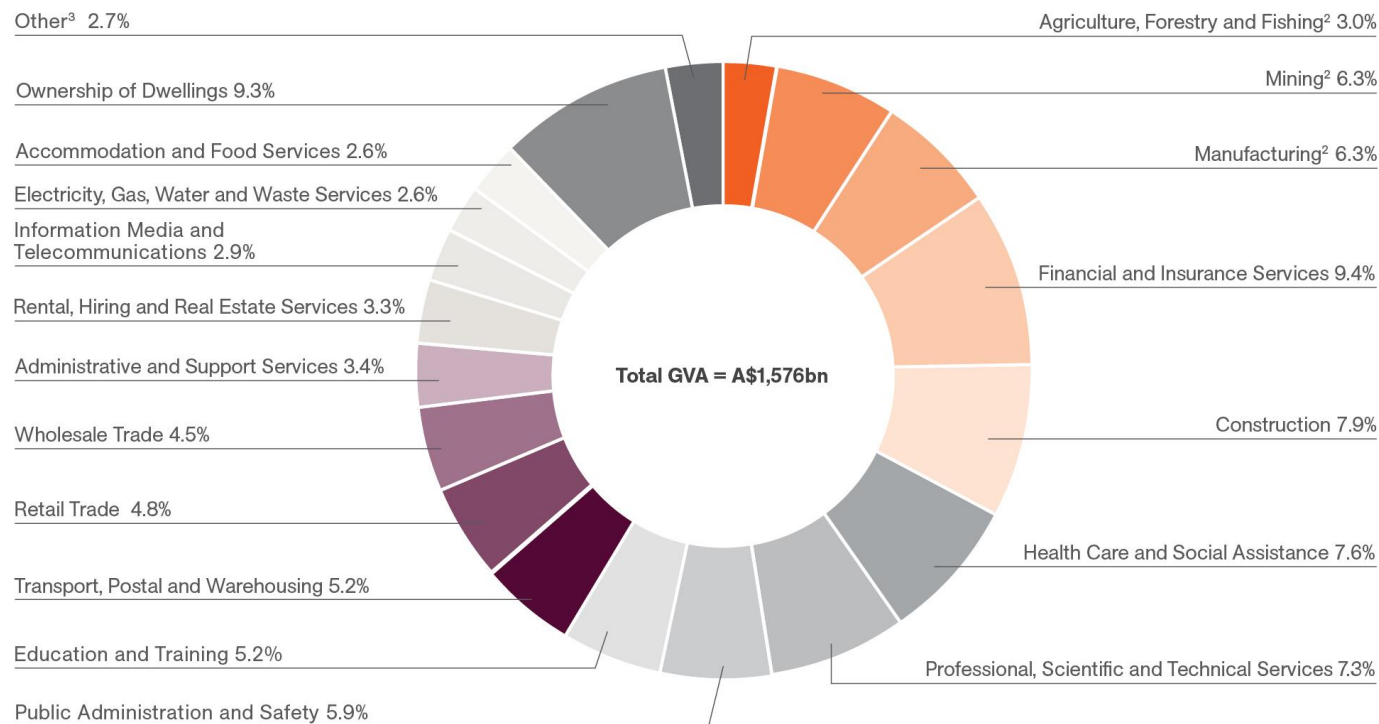
3. Newly Industrialised Economies: Singapore, Hong Kong SAR, South Korea and Taiwan.

**Sources:** *International Monetary Fund, World Economic Outlook Database, October 2017; Austrade*

# DIVERSIFIED, SERVICES-BASED ECONOMY

## AUSTRALIA'S REAL GROSS VALUE ADDED<sup>1</sup> BY INDUSTRY

Annual total ending June 2016–17, as a percentage of total industry



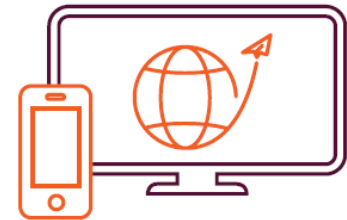
1. Gross value added (GVA) measures the contribution to the economy of each individual producer, industry or sector. 2. Goods comprise Agriculture, Mining and Manufacturing. 3. Other includes: Arts and Recreation Services (0.9%) and Other Services (1.8%).

Sources: Australian Bureau of Statistics Cat. No. 5204.0 Australian System of National Accounts, Table 5, Gross Value Added (GVA) by Industry, Chain volume measures (released 27 October 2017); Austrade

# DYNAMIC INDUSTRIES

Australia has the capacity and capabilities to provide high-quality natural resources, food, education, tourism and financial services to the world.

**GLOBALLY  
SUCCESSFUL IN** **5**  
**KEY INDUSTRIES**



RESOURCES & ENERGY  
AGRIBUSINESS  
FINANCIAL SERVICES  
EDUCATION  
TOURISM



# RESOURCES AND ENERGY

**Australia is a global leader in resources and energy, which accounts for around 14 per cent of GDP and export earnings forecast to reach A\$214 billion.**

## **Mining**

- / Top three global ranking in resource - commodities (lithium, nickel, cobalt) used in the energy storage value chain.
- / Top four global ranking in resource - traditional power generation and advanced manufacturing inputs.

## **Oil and gas**

- / World's second largest LNG exporter (soon to be n.1)
- / Eight operating and two LNG projects under construction (\$200 billion of CAPEX), requiring up to 50 years of operations and maintenance.
- / Under explored onshore gas resources

## **Opportunities:**

- / Exploration and development
- / Operations and maintenance



# RENEWABLE ENERGY

## Renewable Energy Target (RET)

- / On track to deliver 23.5 per cent of Australia's energy needs from renewable sources in 2020.

## Australian states and territories are proactive in the adoption of renewables:

- / ACT has a target of 100% by 2020
- / SA has a target of 50% by 2025 (achieved)
- / VIC has a target of 25% by 2020 & 40% by 2025
- / QLD has a target of 50% by 2030
- / NT committed to adopt a target of 50% by 2030

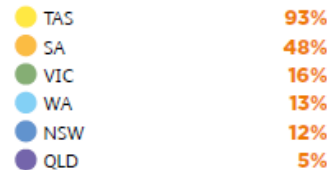
## National Energy Guarantee (NEG)

- / Introduced by the Australian Government in October 2017
- / Addresses Australia's energy challenges: security/reliability; affordability; sustainability
- / Despatchable power requirements mean opportunities for energy sources that can satisfy reliability and emissions objectives

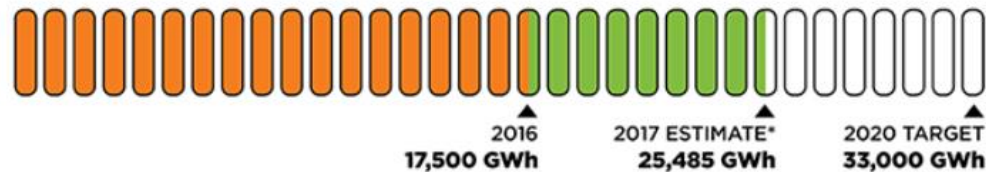
## Opportunities

- / Energy storage given despatchable power focus
- / Generation – large scale and commercial
- / Smart grid – utilising existing infrastructure

## PENETRATION OF RENEWABLE ENERGY BY STATE<sup>2</sup>



## PROGRESS TOWARDS THE RENEWABLE ENERGY TARGET



Figures as at 30 May 2017

\*This figure represents projects that are underway, have been completed or will start in 2017

# AGRICULTURE AND FOOD



**A\$186.1 billion agrifood sector**

**Global top seven food producer for beef, wheat and cotton, with over half of all agricultural and food production is exported**

**Australia is known for:**

- / producing safe, traceable and healthy food;
- / world-leading R&D backed by a highly skilled workforce;
- / access to and understanding of fast-growing Asian markets.

**Opportunities:**

- / aquaculture, beef, grains, dairy and horticulture.
- / strong R&D in agriculture and food, including improving the efficiency of ag production and innovative functional food technologies.

# TOP AGRIBUSINESS AND FOOD EXPORTER

## TOP 10 EXPORT DESTINATIONS FOR AUSTRALIAN FOOD AND FIBRE

A\$ billion, 2016

	Exports (A\$ billion) 2016	Turnover (A\$ billion) 2015–16
Unprocessed	21.2 <sup>1</sup>	84.7
Processed	23.8	103.4
<b>Total</b>	<b>45.0<sup>2</sup></b>	<b>193.9<sup>3</sup></b>



1. Includes all unprocessed food and live animals; raw hides, skins and fur skins; and all unprocessed textile fibres. 2. Export value of Australian food and fibre is defined as the total export value of primary products (unprocessed – food & live animals total); primary products (unprocessed – Other – Hides skins & fur skins raw); primary products (unprocessed – Other – Textile fibres unprocessed & waste); and primary products (processed – food total). 3. Including sales and service income for agriculture, forestry and fishing support services (A\$5.8bn).

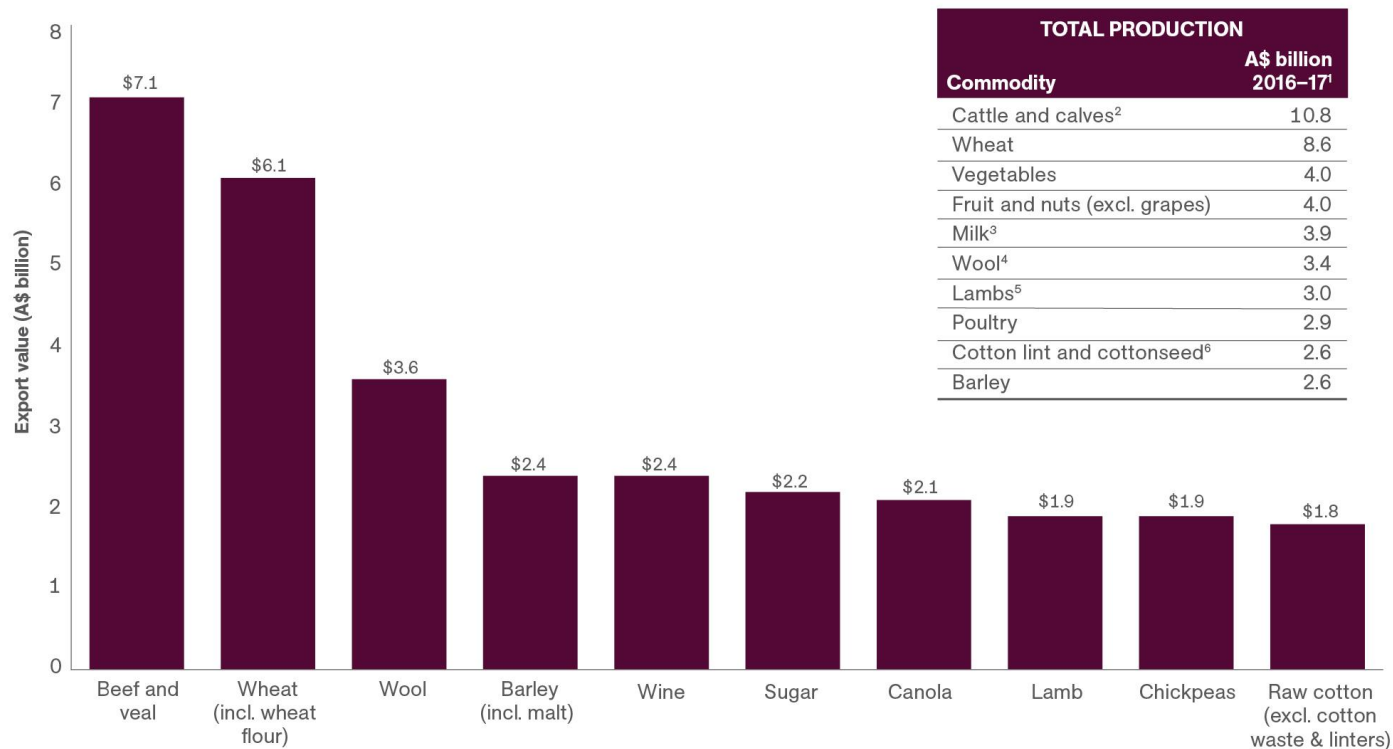
**Note:** The Asian region is defined as Asia, ASEAN and Oceania.

**Sources:** Exports by country data based on the DFAT publication "Composition of Trade" using country and TRIEC pivot table 1990 to 2016; turnover figures based on ABS Cat. No. 8155.0 Australian Industry 2015–16 (released 26 May 2017); Austrade

# CLEAN, GREEN AND SAFE SOURCE OF AGRIBUSINESS AND FOOD

## AUSTRALIA'S TOP AGRICULTURAL COMMODITIES

Top 10 exports, 2016–17



TOTAL PRODUCTION	
Commodity	A\$ billion 2016–17 <sup>1</sup>
Cattle and calves <sup>2</sup>	10.8
Wheat	8.6
Vegetables	4.0
Fruit and nuts (excl. grapes)	4.0
Milk <sup>3</sup>	3.9
Wool <sup>4</sup>	3.4
Lambs <sup>5</sup>	3.0
Poultry	2.9
Cotton lint and cottonseed <sup>6</sup>	2.6
Barley	2.6

1. The gross value of production is the value placed on recorded production at the wholesale prices realised in the marketplace. ABARES estimates. 2. Includes dairy cattle slaughtered and excludes skin and hide values. 3. Milk intake by factories and valued at the farm gate. 4. Shorn, dead and fellmongered wool, and wool exported on skins. 5. Excludes skin and hide values. 6. Value delivered to gin.

Sources: Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), *Agricultural commodities: September Quarter 2017 – Statistics – data tables – MS Excel* (released 20 September 2017), Tables 13 and 17; Austrade

# MAJOR INFRASTRUCTURE AND URBAN DEVELOPMENT

## Major infrastructure industries account for 10 per cent of the economy

- / Australian Government to spend A\$75 billion on infrastructure in the coming 10 years.
- / Australia's population is expected to grow at 1.3 per cent a year to 2055 – an increase of 60 per cent.
- / Strong pipeline of large road and rail projects requiring tunneling in major cities
- / Congestion estimated to cost the economy as much as \$37 billion by 2031.

### Opportunities:

- / road and rail
- / airport
- / tunneling
- / major urban developments
- / technologies in transport and construction



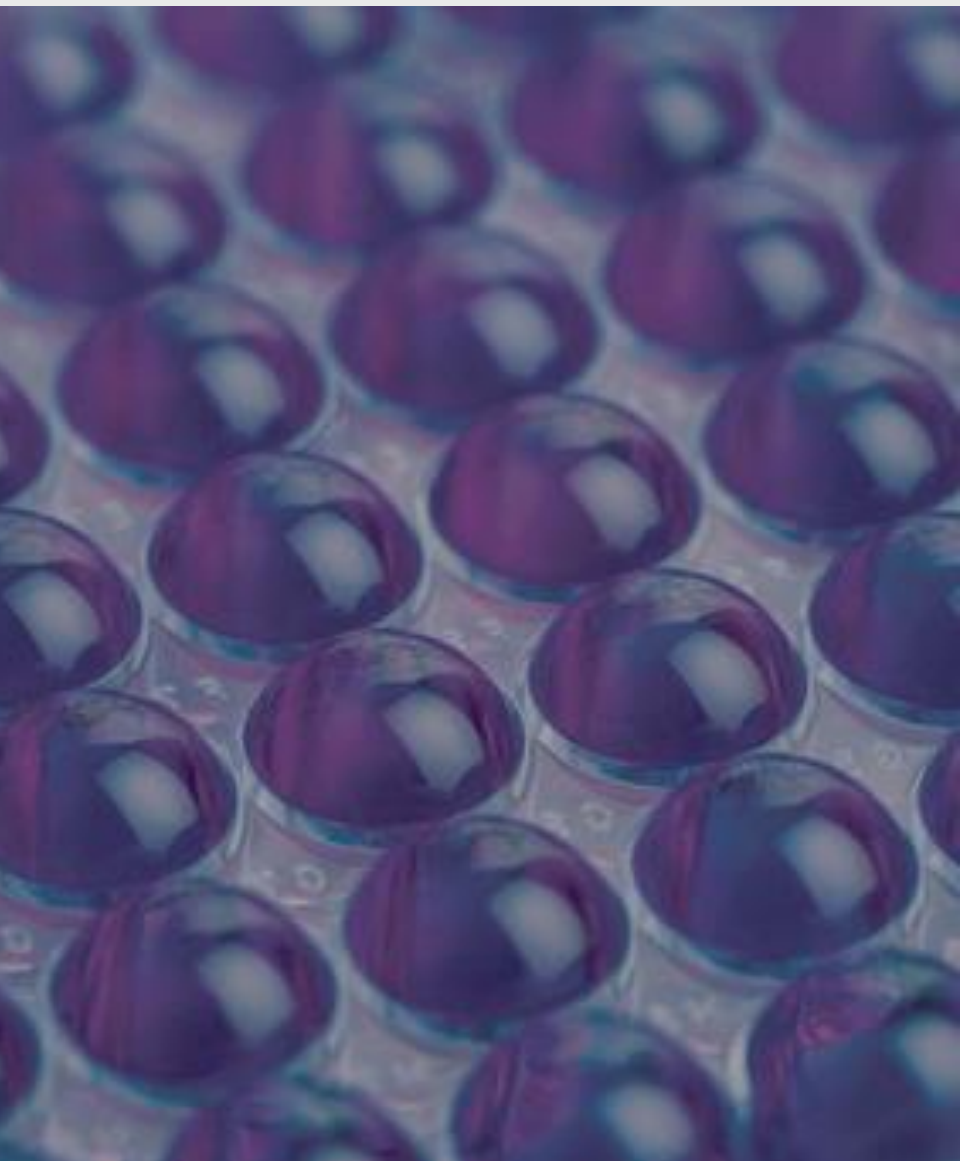
# MEDICAL TECHNOLOGIES

## Australia's medtech sector generates A\$4.9 billion gross value added to the Australian Economy in 2016

- / The medtech sector is the 10<sup>th</sup> largest export in Australia (\$5.2 billion)
- / \$1.4 billion R&D investment in 2016
- / Ranked top 5 in biotech innovation three years running in Scientific American's Worldview
- / A\$500 million Biomedical Translation Fund (BTF) and

### Opportunities:

- / collaborative research with quality universities, public and private research institutions
- / clinical trials, prototyping and testing new products
- / World-class research infrastructure and clinical environment in drug discovery, medical devices, nutrition health, digital health



# INNOVATION AND SKILLS

Australia's highly educated, multicultural and multilingual workforce has the smarts and skills to drive innovation and grow international businesses.





# RECORD OF INNOVATION

## AUSTRALIA'S INNOVATION CREDENTIALS



**3RD HIGHEST**

NUMBER OF UNIVERSITIES  
IN THE **WORLD'S TOP 100**<sup>1</sup>



CSIRO RANKS IN THE

**TOP 1%**

OF THE WORLD'S  
**SCIENTIFIC INSTITUTIONS**  
IN 14 RESEARCH FIELDS<sup>4</sup>



**RANKED 6TH**

FOR ABILITY TO  
**COMPETE FOR TALENT**<sup>2</sup>



**AROUND 45%**

OF AUSTRALIAN FIRMS ARE  
**INNOVATION-ACTIVE**<sup>5</sup>



**RANKED 7TH**

FOR GLOBAL  
**ENTREPRENEURSHIP**<sup>3</sup>



**OVER 40%**

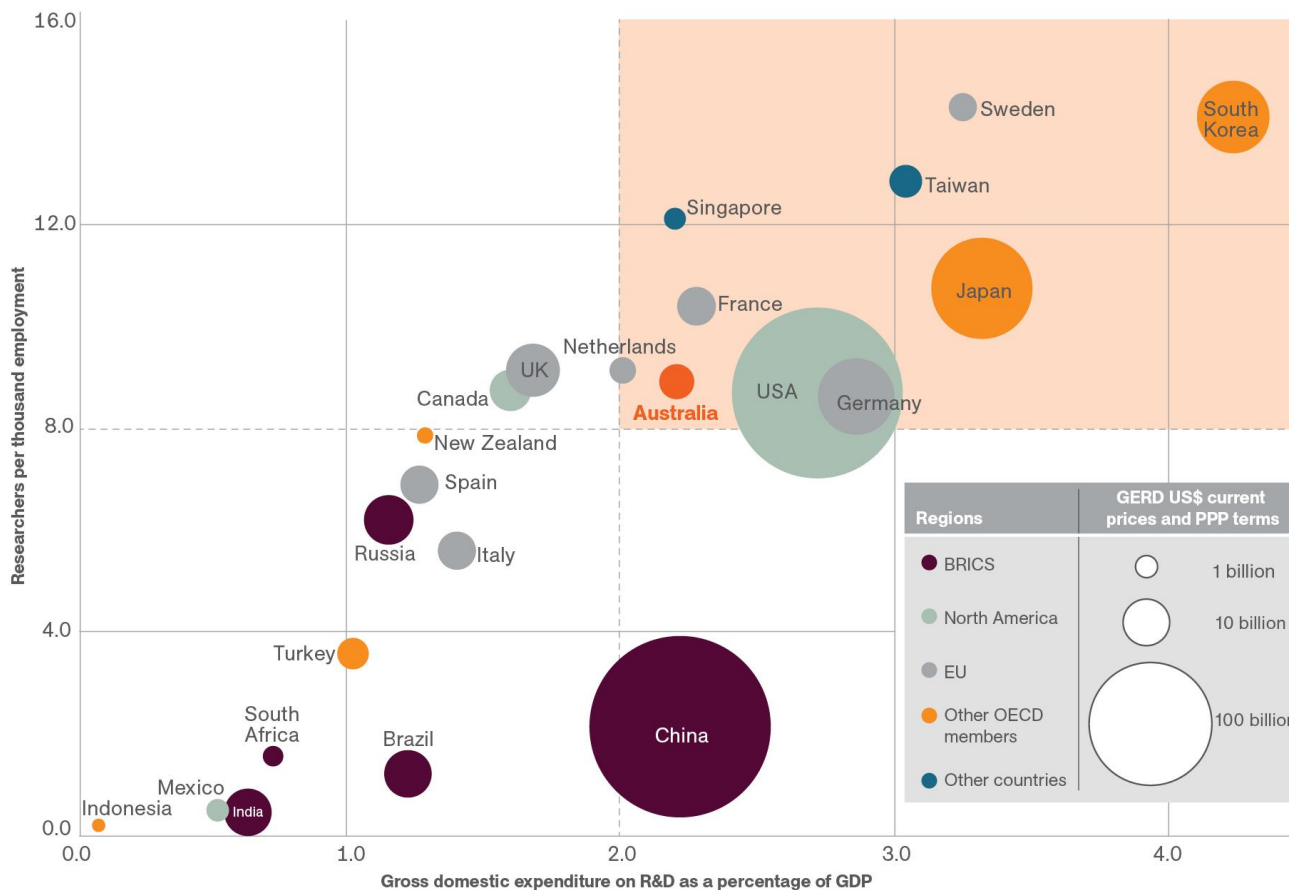
OF AUSTRALIA'S WORKFORCE  
HAS A **TERTIARY QUALIFICATION**<sup>6</sup>

*Sources: 1. Shanghai Ranking Consultancy, Academic Ranking of World Universities 2017; 2. INSEAD, Global Talent Competitiveness Index 2017, January 2017; 3. Global Entrepreneurship and Development Institute, Global Entrepreneurship Index 2017, November 2016; 4. CSIRO Annual Report 2016-17; 5. Department of Innovation, Industry and Science, Australian Innovation System Report, November 2016; 6. Australian Bureau of Statistics, Cat. No. 62270DO001\_201505 Education and Work, Australia, May 2016, Table 10 (released 29 November 2016)*

# LEADING ECONOMY FOR R&D EXPENDITURE

## WORLD OF RESEARCH AND DEVELOPMENT

Size of circle reflects the relative amount of annual gross domestic expenditure on R&D (GERD) in US\$ current prices and purchasing power parity terms



**Note:** GERD % of GDP and GDP PPP refer to 2015 except for Australia, Indonesia and South Africa (2013), Brazil, Canada, Singapore and Turkey (2014). Researchers' data is full-time unit and refer to 2015 except for Indonesia (2009), Australia and Brazil (2010), Canada, Mexico, New Zealand, South Korea and South Africa (2013), France, Singapore, Turkey and USA (2014). For Taiwan, data is provided by the OECD, Main Science and Technology Indicators Database.

**Sources:** UNESCO Institute for Statistics, Science, Technology and Innovation Database, July 2017, UIS.Stat (<http://data.uis.unesco.org/>); Austrade

# GLOBAL TIES

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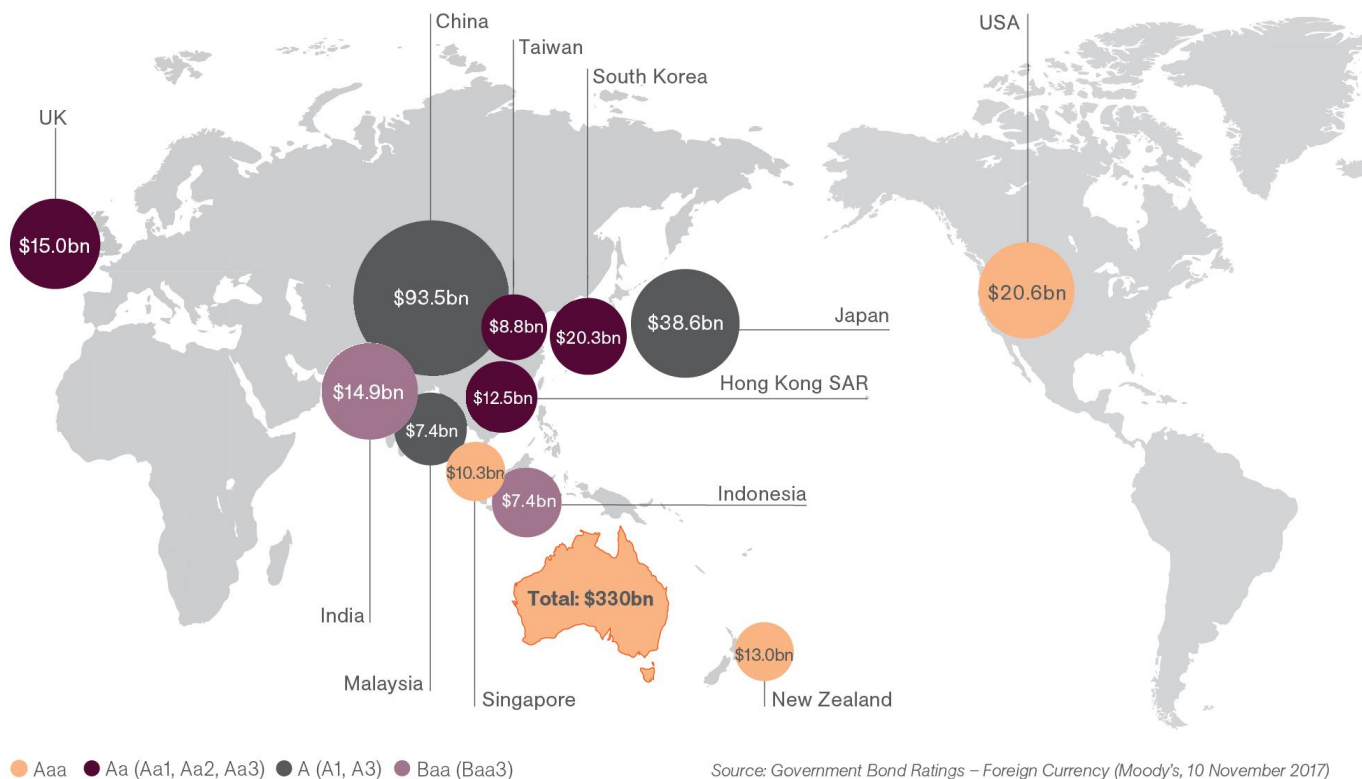
Australia is a globally integrated economy. The country continues to play an integral role in Asia's dynamic economic growth and is a trusted economic partner globally.



# AUSTRALIA'S TOP 12 EXPORT MARKETS

## AUSTRALIA'S TOP 12 GOODS AND SERVICES EXPORT MARKETS – 2016

A\$, as at 2016



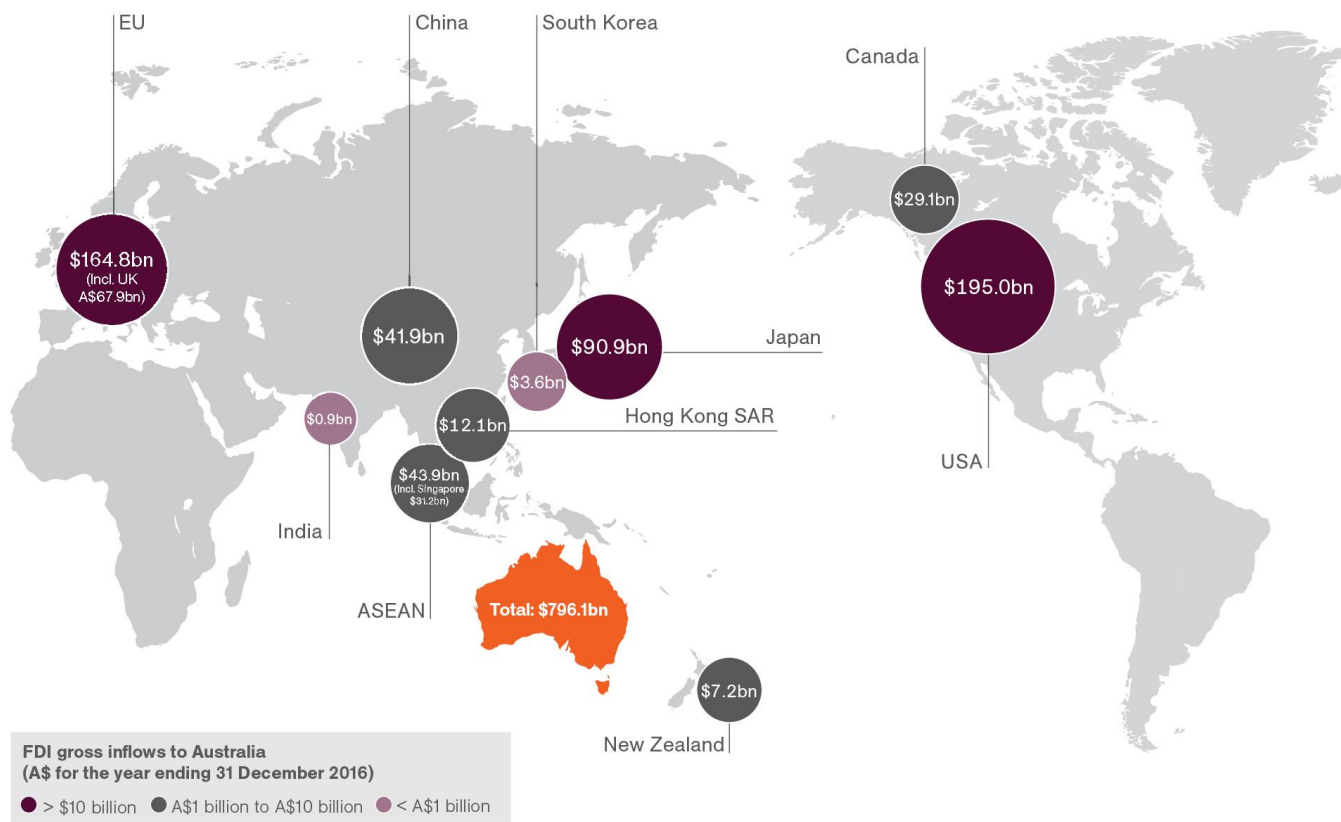
**Note:** The Asian region is defined as Asia, ASEAN and Oceania.

**Sources:** Department of Foreign Affairs and Trade, Trade, investment and economic statistics, Australia's trade in goods and services; Austrade

# LARGE FOREIGN DIRECT INVESTMENT STOCK

## FOREIGN DIRECT INVESTMENT STOCK IN AUSTRALIA

A\$, as at December 2016



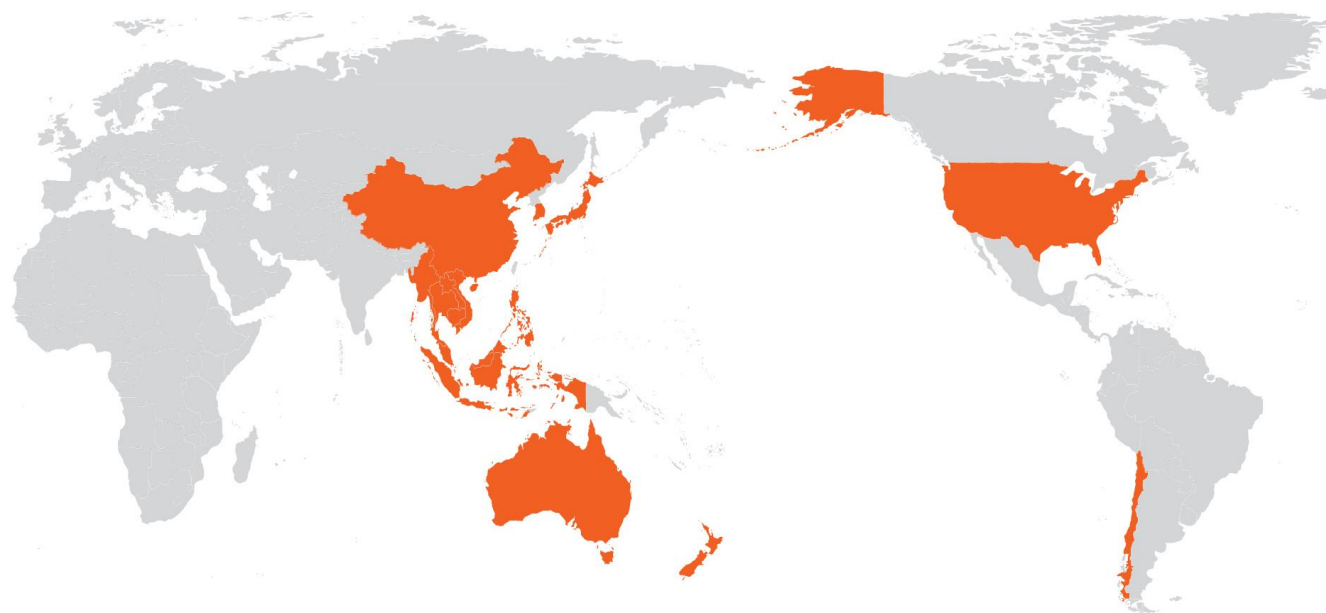
**Note:** FDI stock measures the total level of direct investment into Australia from a given country as at 31 December 2016. Gross FDI flows represent the quantum of new investment received during 2016 through cross-border direct investment transactions and reinvested earnings from existing investors.

**Sources:** Department of Foreign Affairs and Trade, *International Investment Australia, 2016*; Australian Bureau of Statistics, *Cat.No. 5352.0 – International Investment Position, Australia; Supplementary Statistics, 2016 (released 10 May 2017)*; Austrade

# EXPANDING NETWORK OF FREE TRADE AGREEMENTS

## AUSTRALIA'S FREE TRADE AGREEMENTS IN FORCE

■ FTAs in force



**Notes:** 1. As at November 2017, Australia's FTA negotiating agenda included: Australia-Gulf Cooperation Council FTA, Australia-Hong Kong FTA, Australia-India Comprehensive Economic Cooperation Agreement, Environmental Goods Agreement, Indonesia-Australia Comprehensive Economic Partnership Agreement, Pacific Alliance FTA, Regional Comprehensive Economic Partnership and Trade in Services Agreement. Information on the status of FTA negotiations can be found at <http://dfat.gov.au/trade/agreements/Pages/status-of-fta-negotiations.aspx>. 2. The Trans-Pacific Partnership Agreement, Pacific Agreement on Closer Economic Relations (PACER) Plus and Peru-Australia FTA have been concluded but were not in force at time of publication.

**Source:** Department of Foreign Affairs and Trade

# STRONG FOUNDATIONS

In unpredictable times, Australia's sound governance and solid democratic institutions provide certainty for international companies seeking an easy, low-risk location to do business.



IN THE WORLD FOR  
**ECONOMIC  
FREEDOM**

# AN ATTRACTIVE PLACE TO DO BUSINESS

## 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	1	1	1	0.5	3	11	93	1	12	8	21	216	9.5		
Singapore	2	6	3	2.5	16	10	54	29	8	7	2	164	15.0		
Denmark	3	34	5	3.5	1	7	64	42	8	6	32	485	11.0		
South Korea	4	9	2	4.0	28	10	28	55	5	8	1	290	14.5		
Hong Kong SAR	5	3	2	1.5	5	11	72	29	8	7	28	385	10.0		
USA	6	49	6	5.6	36	15.8	81	2	11	8	16	420	13.8		
UK	7	14	4	4.5	14	9	86	29	7	8	31	437	15.0		
Norway	8	19	4	4.0	21	11	111	77	5	6	8	400	11.0		
<b>Australia</b>	<b>14</b>	<b>7</b>	<b>3</b>	<b>2.5</b>	<b>6</b>	<b>11</b>	<b>121</b>	<b>6</b>	<b>11</b>	<b>7</b>	<b>3</b>	<b>402</b>	<b>15.5</b>		
Taiwan	15	16	3	10.0	4	10	93	90	2	8	10	510	14.0		
Canada	18	2	2	1.5	54	12	249	12	9	8	114	910	9.5		
Germany	20	113	9	10.5	24	9	126	42	6	8	22	499	11.0		
Malaysia	24	111	9	18.5	11	14	78	20	8	8	44	425	12.0		
Thailand	26	36	5	4.5	43	18	104	42	7	7	34	420	8.5		
France	31	25	5	3.5	18	9	183	90	4	6	15	395	11.0		
Japan	34	106	9	12.2	50	12	197	77	5	6	51	360	7.5		
Italy	46	66	6	6.5	96	12	228	105	2	7	108	1,120	13.0		
Vietnam	68	123	9	22.0	20	10	166	29	8	7	66	400	6.5		
Indonesia	72	144	11	23.1	108	17	200	55	6	7	145	403	7.9		
China	78	93	7	22.9	172	23	247	68	4	8	5	496	15.1		
India	100	156	12	29.8	181	30.1	144	29	8	7	164	1,445	10.3		
Philippines	113	173	16	28.0	101	23	122	142	1	5	149	962	7.5		

**1. Doing Business 2018** is the 15th in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. The report 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. The report also measures features of labour market regulation, which is not included in this year's ranking. Data in Doing Business 2018 is current as of 1 June 2017. The indicators are used to analyse economic outcomes and identify what reforms of business regulation have worked, where and why. The Australian city covered by the 2018 report is Sydney.

Sources: World Bank Group, *Doing Business 2018: Reforming to Create Jobs* (released 1 November 2017); Austrade



# STABLE, FRIENDLY AND EFFICIENT BUSINESS ENVIRONMENT

## BUSINESS EFFICIENCY AND ENVIRONMENT – 2017

	Australia	USA	UK	China	India	Japan	South Korea	Hong Kong SAR	Singapore
<b>WEF Global Competitiveness Report 2017–18 Ranking<sup>(a)</sup> in:</b>									
Inflation, Annual % Change	=1	=1	=1	=1	93	63	=1	=1	76
Legal Rights Index	=4	=4	30	85	49	85	69	22	22
Soundness of Banks	4	24	59	82	78	21	91	7	6
Time to Start a Business (Days)	=4	28	19	116	110	71	12	2	=4
Regulation of Securities Exchanges	7	18	20	60	64	12	71	5	1
Intensity of Local Competition	8	6	15	33	98	1	4	3	16
Efficacy of Corporate Boards	8	15	17	126	97	18	109	23	10
Judicial Independence	8	25	6	46	53	15	72	13	19
<b>IMD World Competitiveness Yearbook 2017 Ranking<sup>(b)</sup> in:</b>									
Business Legislation – Tariff on Imports	5	6	14	55	60	7	63	1	2
Business Legislation – Protectionism	10	41	17	54	42	32	53	5	19
Gross Fixed Capital Formation (% of GDP)	10	44	55	1	7	21	5	30	11
Finance – Regulatory Compliance (Banking Laws)	11	30	26	55	42	17	49	1	4
Investment Risk	11	16	20	37	46	28	22	14	3

Sources: (a) World Economic Forum, Switzerland and Harvard University, Global Competitiveness Report 2017–18 (released September 2017, 137 economies); (b) Institute for Management Development, Switzerland, World Competitiveness Yearbook 2017 (released May 2017, 62 economies); Austrade

# Grazie

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