



## **Ten Good Reasons to Invest in Australia**

### **Growing foreign direct investment**

- Over the five years to June 2007, the stock of foreign direct investment in Australia increased by 155% to US\$279 billion. There was a 29% increase in 2006-07 (ABS 2007).
- Over the decade to 2006, Australia was the fifth largest net recipient of FDI in the OECD (OECD, 07).

### **Strong economic credentials**

- Australia has been ranked the most resilient economy in the world for 5 of the past 6 years (IMDWCY 2007)
- The OECD forecasts Australia's economic growth to be 3.3% in 2007 and 2008, well above a forecast average OECD growth rate of 2.7% in both years.
- Australia has been ranked in the top three countries in the Asia Pacific region for its economic competitiveness (IMD WCY 2007).

### **Strategic location**

- Asia's economies are forecast to account for 45% of world GDP by 2015 (purchasing power parity), significantly more than the US and Europe combined. (Consensus Eco, IMF, Eco @ ANZ).
- Australia's unique time zone advantages, its cultural affinity with Asia, and its American/European business environment make it a perfect business bridge to Asia or western locations. Companies can benefit from 'follow-the-sun' operations.
- Japan and China are Australia's top two trading partners. Australia has FTAs in place with the US, Singapore, Thailand and New Zealand. It is negotiating FTAs with China, Japan, Malaysia, ASEAN, the Gulf Cooperation Council and Chile.
- Between 2002 & 2006, services exports to China increased by more than 110%, to India by 230% and to Korea by about 60% (ABS 2007).

### **Democratic and politically stable**

- Australia has the lowest risk of political instability in the region and 4th lowest in the world (WCY 2007).
- Australia is ranked third in the world by political parties for understanding of today's economic challenges (WCY 2007).
- Australia's justice system has been rated second best in the region (WCY 2007) and its competition legislation has been ranked fifth best in the world for facilitating competitive business (WCY 2007).

### **Business friendly regulatory environment**

- Australia is the fastest place in the world to start a business with regulatory procedures taking just two days compared to OECD average of 15 days (World Bank 2007).
- Of the 30 OECD countries, Australia has been identified as having the fewest restrictions on product markets, the least public ownership of business and the least restrictive impact of business regulation on economic behaviour (OECD 2007).
- Australia ranks second in the world for the effective supervision of the management of companies by corporate boards (WCY 2007).
- Australia ranks first in region and third globally in managing shareholder value efficiently. It also ranks third in the world for the ethical practices of companies (WCY 2007).

### **Highly skilled and multilingual workforce**

- Australia ranks first in the Asia Pacific for labour, agricultural and industrial productivity per person employed (purchasing power parity) (WCY 2007).
- Australia is home to one of the most multilingual workforces in the Asia Pacific region, with citizens from over 200 countries. About 3 million of Australia's population of 20 million speak a language other than English at home (ABS 2007).
- The number of working days lost per thousand employees has declined from 265 in 1988 to 15 in 2006, a reduction of 94% (ABS 2007).
- On average across all industry sectors, over 30% of the Australian workforce has tertiary qualifications (ABS 2006).

### **Cost competitive location**

- In a recent survey of 128 cities in ten countries, Australia ranked as the second most cost competitive nation, with a cost advantage of 8% over the United States. Business costs were lower in Australia than in Germany, Japan, the US, UK, Italy, France, and the Netherlands (KPMG 2006).
- Cost of prime office space in Sydney is 70% less than in London, 70% less than in Tokyo, 50% less than in Hong Kong and 65% less than in Mumbai (CB Richard Ellis, GMR, May 2007).
- Australia is the eighth lowest taxing country in the 30 member OECD, with its tax revenue as a percentage of GDP being 31.2%, compared to an OECD average of 35.9% (OECD 2006).
- Electricity costs per kilo-watt hours for industrial clients (US\$0.060) are cheaper in Australia than in the UK, Singapore, Germany, Hong Kong and Japan. International fixed telephone costs (US\$0.64 per 3 minute peak hour call to USA) are cheaper in Australia than in the UK, Singapore, Malaysia, Hong Kong, Japan or China (WCY 2007).

### **Innovative with excellent R&D and IT infrastructure**

- The Australian Government is implementing a A\$8.3 billion innovation strategy, including substantial R&D tax concessions of up to 175 per cent.
- In 2005-06, business expenditure on research and development increased for the 7th consecutive year to a record \$10.1 billion, effectively doubling over the past five years (ABS 2007).
- Australia has been ranked first as a location to conduct clinical trials when benchmarked against the UK, the US, Germany, India, Japan and Singapore (EIU Pharm Benchm'g Study Nov 2005).
- Australia ranks 4th in the world for IT infrastructure and skills, and 5th for IT industry competitiveness and productivity (EIU 2007).
- Australia ranks third in the Asia Pacific for e-readiness (EIU 2007) and for providing a supportive legal environment for scientific research (WCY 07).
- Australia ranks fourth in the world for internet use (743 per 1,000 people) and in the top eight countries in the world for per capita computer use (762 per 1,000 people) (WCY 2007).
- Australia has a strong Cooperative Research Centre (CRC) program, which combines the research efforts of the public and private sectors, across more than 70 CRCs operating in a wide range of industry sectors.

### **Strong and sophisticated financial services sector**

- Financial services had an average annual growth rate of 4.8 per cent between 1986 and 2006, measured by real gross value added (ABS 2007).
- At end June 2007, Australia had the fourth largest investment fund asset pool in the world at US\$1.1 trillion (ABS 2007).
- Australia's stock market is the largest in Asia ex- Japan, and ranks 8th in the world. Australia's market capitalisation (by floating stocks) is US\$1,027 billion, almost triple the size of Hong Kong market and five times larger than Singapore (S&P/Citigroup, Jul 2007).
- In terms of global turnover, Australia's foreign exchange market is the seventh largest in the world, the Australian dollar is the six most traded currency and the A\$/US\$ is the fourth most traded currency pair globally (BIS, Triennial Central Bank Survey in 2007).
- Australia is a regional leader in the issuance of international and domestic debt securities and has more international debt securities (US\$475 billion) than any other Asia Pacific nation (BIS, Sep 07).

### **Excellent quality of life**

- Australia's quality of life is ranked first in the Asia Pacific (WCY 2007). Five Australian capital cities are ranked in the top eleven liveable cities in the world (EIU 2005).
- Australia's human development index (HDI) is the third best in the world, behind only Norway and Ireland (WCY 2007).