



Australian Government  
Australian Trade Commission



Australia  
UNLIMITED

# WHY AUSTRALIA

**BENCHMARK REPORT 2016**

# WHY AUSTRALIA



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GROWTH  
INNOVATION  
**TALENT**  
LOCATION  
BUSINESS

25 YEARS OF CONSECUTIVE GROWTH. A SMART, SKILLED WORKFORCE. A CULTURE OF INNOVATION. INTEGRATED WITH ASIA, EUROPE AND NORTH AMERICA. READY FOR BUSINESS.

Australia offers a powerful combination of solid economic credentials, a highly educated labour force, legal and political stability, and proximity to the fast-growing markets of Asia.

With a resilient economy, a AAA sovereign risk profile and diverse, globally competitive industries, Australia remains well placed to build on an impressive record of prosperity.

Australia has strong business and cultural ties with Asia, and longstanding trade, investment and research links in Europe and North America.

Recently completed free trade agreements will make Australia even more competitive and further increase prospects for greater two-way investment.

There are significant commercial opportunities in sectors where Australia has specific strengths and expertise, such as agribusiness, resources and energy, and financial services. Australia's north in particular offers untapped possibilities.

Australia's world-class scientific and academic institutions, and commitment to research and development encourage innovation and the commercialisation of new technologies.

There is no better partner for trade, investment and collaboration than Australia.

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# GROWTH

AUSTRALIA'S DEMONSTRATED ECONOMIC RESILIENCE AND ENVIABLE RECORD OF STEADY GROWTH PROVIDE A SAFE, LOW-RISK ENVIRONMENT IN WHICH TO DO BUSINESS.

Now in its 25th year of consecutive growth, Australia has achieved a real GDP average growth rate of 3.3 per cent per annum since 1992. Its forecast economic growth rate between 2016 and 2020 is the highest among major advanced economies.

This growth is underpinned by Australia's close ties with the dynamic Asia-Pacific region and effective national institutions. The country offers significant opportunities across a range of sectors, including agribusiness, education, tourism, mining and wealth management.

While mining remains a major contributor to Australia's international trade profile, the services sector is growing faster than any other industry. This sector generates the majority of Australia's economic output, reflecting the depth of professional expertise across the nation.

**US\$1.2**  
TRILLION GDP

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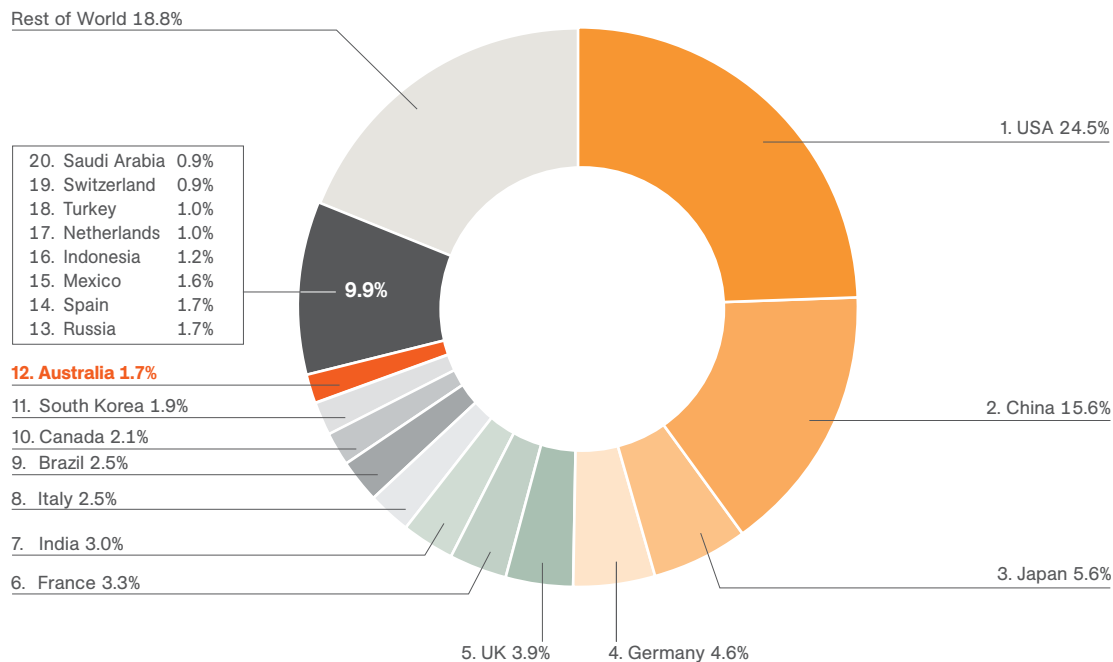


**3.3%**

**AVERAGE  
GDP GROWTH  
RATE PER ANNUM**  
1992-2015

# WORLD'S 20 LARGEST ECONOMIES – 2015<sup>E</sup>

Percentage share of total world nominal GDP in US\$



**E** = Estimate

GDP of the world's 189 economies: **US\$73,192 billion**

GDP of Asia-Pacific Economic Cooperation's 21 member economies: **US\$43,872 billion (59.9% of world's GDP)**

GDP of 20 largest economies: **US\$59,409 billion (81.2% of world's GDP)**

GDP of ASEAN-10 economies: **US\$2,459 billion (3.4% of world's GDP)**

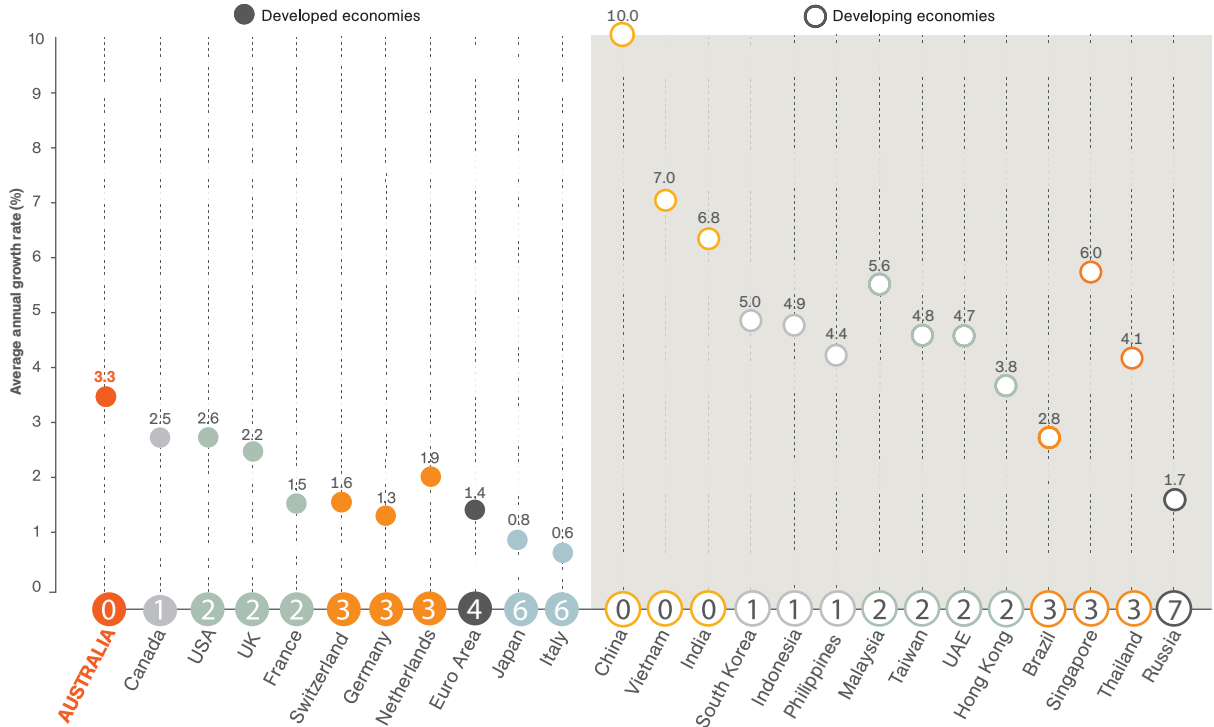
**Sources: International Monetary Fund, World Economic Outlook Database, October 2015; Austrade**

## / AUSTRALIA: AN ECONOMY OF SCALE

The Australian economy is estimated to be the 12th largest in the world in 2015, despite the fact the country is home to only 0.3 per cent of the world's population. Australia's nominal GDP is estimated at US\$1.2 trillion and accounts for 1.7 per cent of the global economy. Australia has almost doubled the value of its total production from a decade ago.

# ECONOMIC RESILIENCE – REAL GDP GROWTH

1992–2015<sup>E</sup>



**Note:** Colour circles on x-axis represent the number of years in recession.

E = Estimate

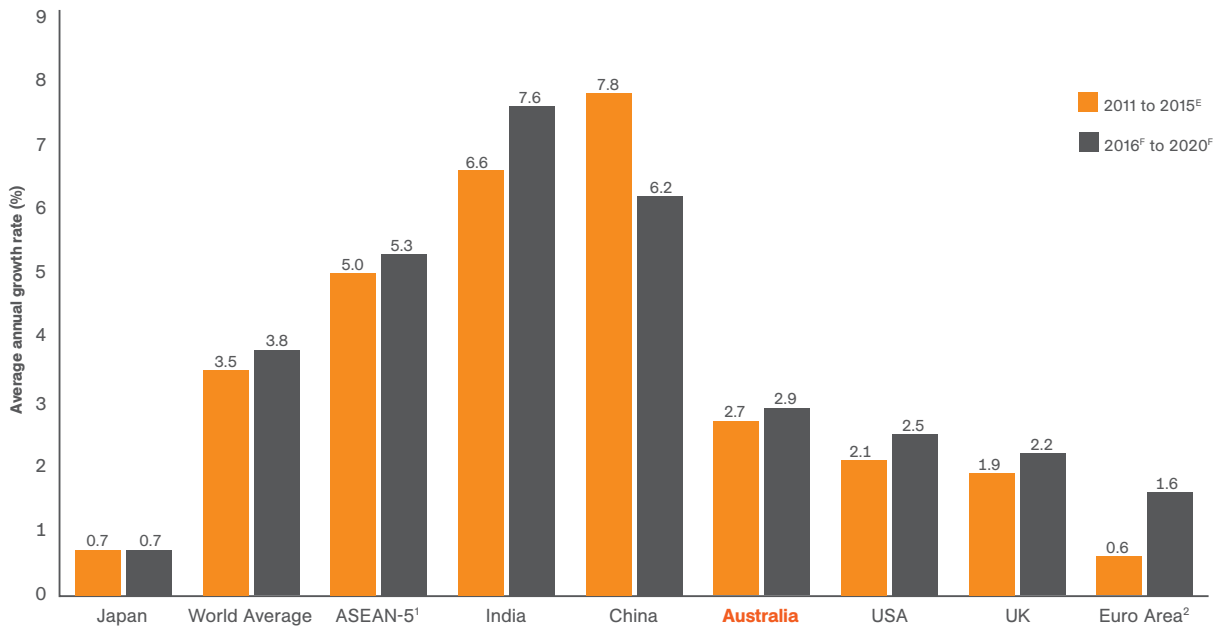
Sources: *International Monetary Fund, World Economic Outlook Database, October 2015; Austrade*

## / 25 YEARS OF UNINTERRUPTED ANNUAL ECONOMIC GROWTH

The Australian economy remains resilient; sustained by sound macroeconomic policies, strong institutions and healthy trade ties with Asia. Australia is the only major developed economy to have recorded no annual recessions from 1992 to 2015 and is now in its 25th year of consecutive growth.

# REAL GDP GROWTH BY ECONOMIC GROUPING

Average annual growth rate: 2011–15<sup>E</sup> and 2016<sup>F</sup>–20<sup>F</sup>



E = Estimate

F = Forecast

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

2. Composed of 19 economies in Europe (data for Lithuania is now included in the Euro aggregates)

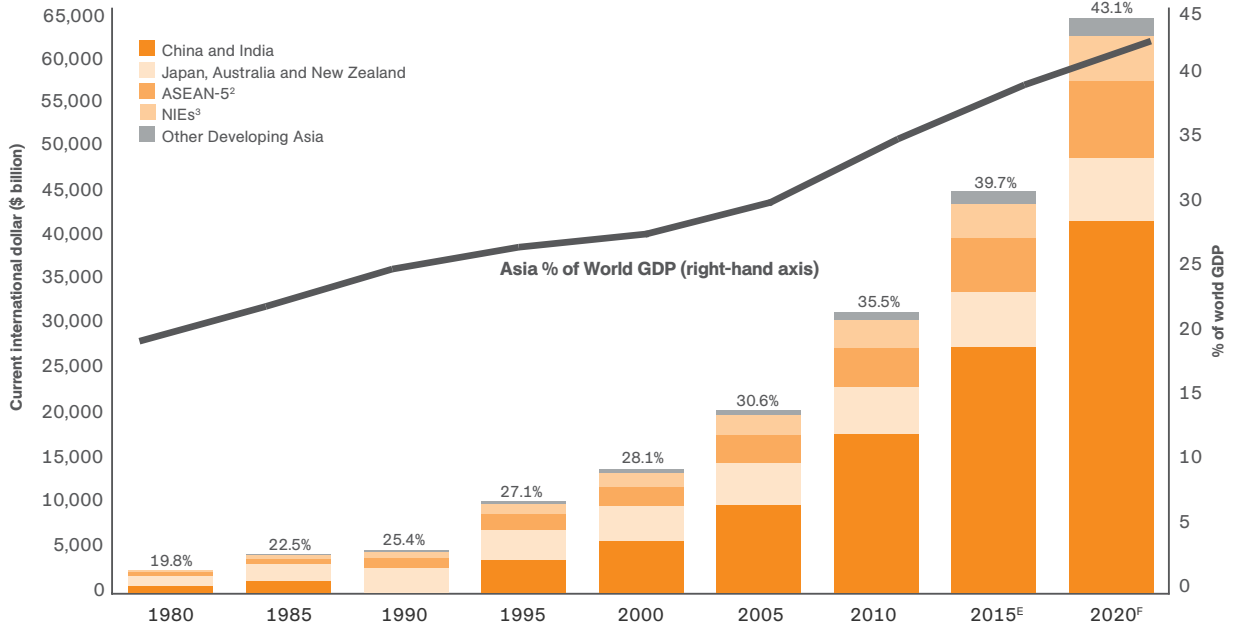
Sources: *International Monetary Fund, World Economic Outlook Database, October 2015; Austrade*

## / AUSTRALIA'S FORECAST GROWTH RATE IS THE HIGHEST AMONG MAJOR ADVANCED ECONOMIES

Australia's economic growth has outperformed its peers for the past two decades. And the fundamentals are in place for this relative success to continue. According to IMF forecasts released in October 2015, Australia is expected to realise average annual real GDP growth of 2.9 per cent between 2016 and 2020 – the highest among major advanced economies and up from an average growth rate of 2.7 per cent between 2011 and 2015.

# ASIAN ECONOMIC GROWTH

GDP based on Purchasing Power Parity valuation (PPP, current international dollar billion)<sup>1</sup>



**Note:** The number on the bar represents the Asian economy as a percentage share of world GDP (PPP).

**E** = Estimate **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 5 countries: Indonesia, Malaysia, Philippines, Thailand and Vietnam

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

**Sources:** *International Monetary Fund, World Economic Outlook Database, October 2015; Austrade*

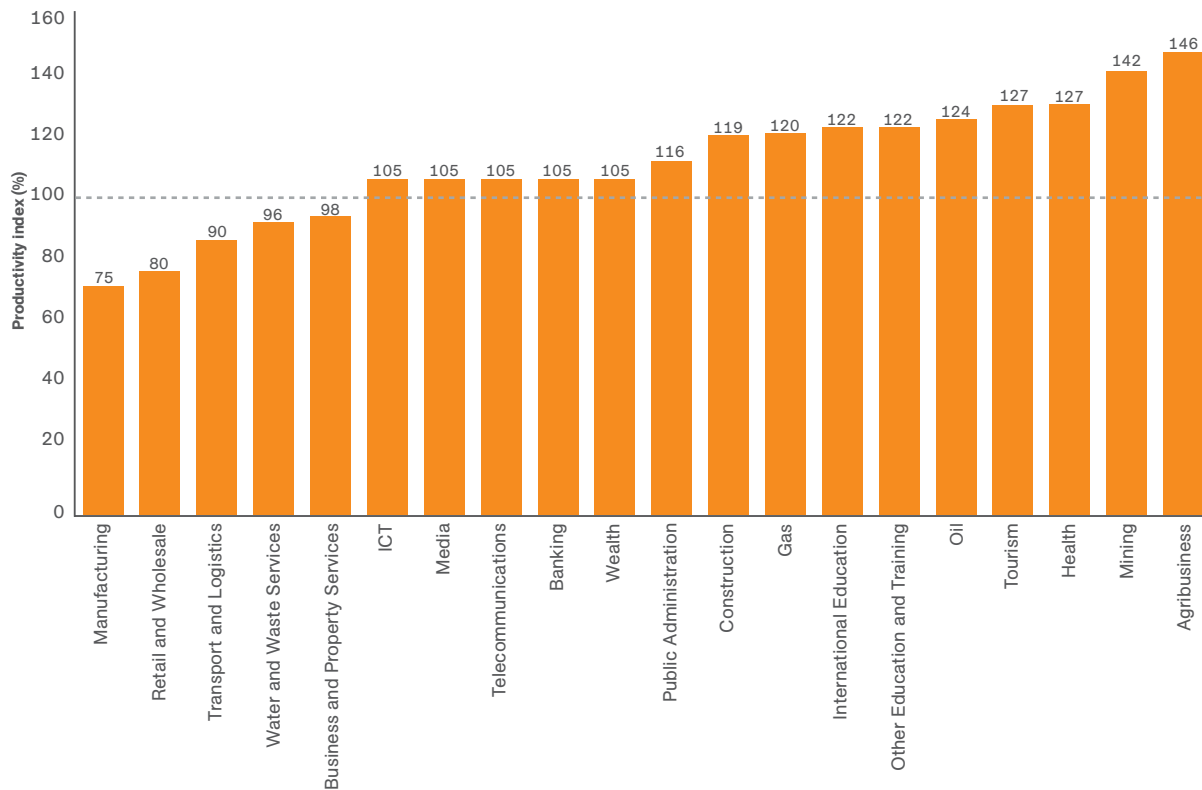
## / THE ASIAN REGION WILL ACCOUNT FOR OVER 40 PER CENT OF GLOBAL GDP BY 2020

Australia's medium- and long-term growth outlook is supported by its increasingly strong ties to the rapidly growing Asian region.

By 2020, the regional economy is expected to account for 43 per cent of global output, more than double the ratio in 1980. Over the same period, the combined economies of China and India will likely represent 28 per cent of the world's GDP, significantly up from around five per cent in 1980.



# PRODUCTIVITY OF AUSTRALIAN INDUSTRY SECTORS COMPARED WITH GLOBAL COMPETITORS



**Note:** A score of 110 means Australia is 10% more productive than the average productivity of global competitors in the industry.

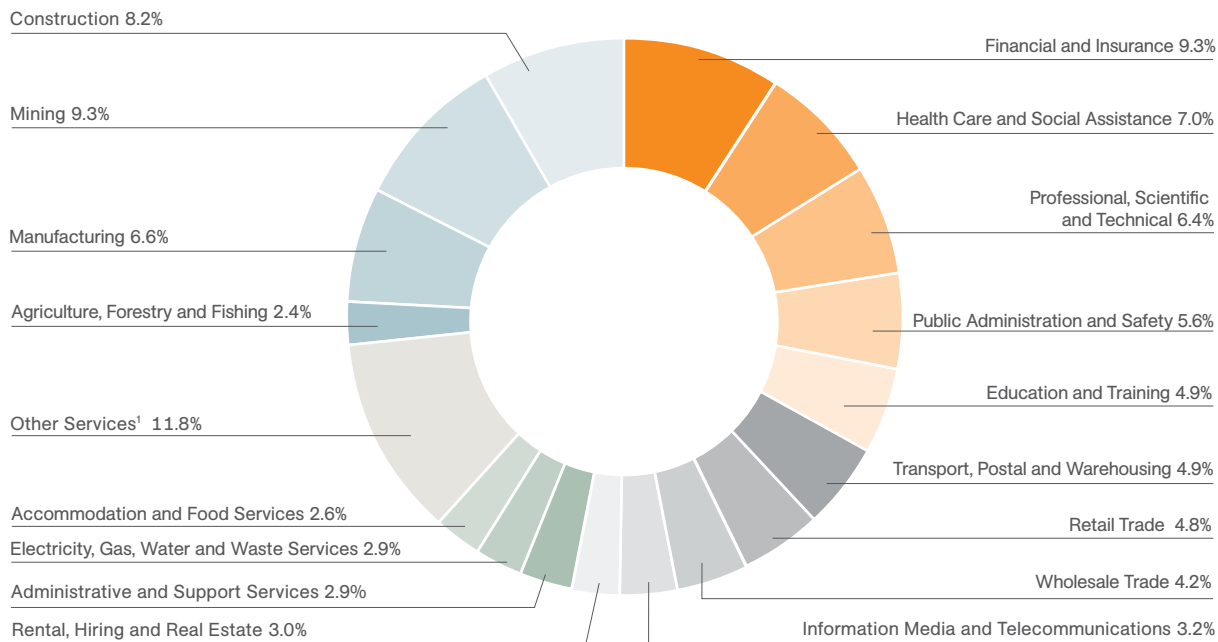
**Sources:** Deloitte Access Economics analysis, 2015. Based on data provided in The Conference Board Total Economy Database™, May 2015; Austrade

## / AUSTRALIAN PRODUCTIVITY IS HIGHLY RATED IN KEY FUTURE GROWTH SECTORS

The productivity levels of 15 out of 20 Australian industries rate above the average productivity of global competitors in the same sector. Australia is performing 20 per cent above this global average in five key growth sectors including gas, education, oil, tourism and health, and over 40 per cent in mining and agribusiness.

# AUSTRALIA'S REAL GROSS VALUE ADDED BY INDUSTRY

Annual total ending June 2014–15, as a percentage of total industry



**Note:** Gross value added measures the contribution to the economy of each individual producer, industry or sector.

**1.** Other Services include: Ownership of Dwellings (9.0%), Arts and Recreation Services (0.8%) and other (1.9%)

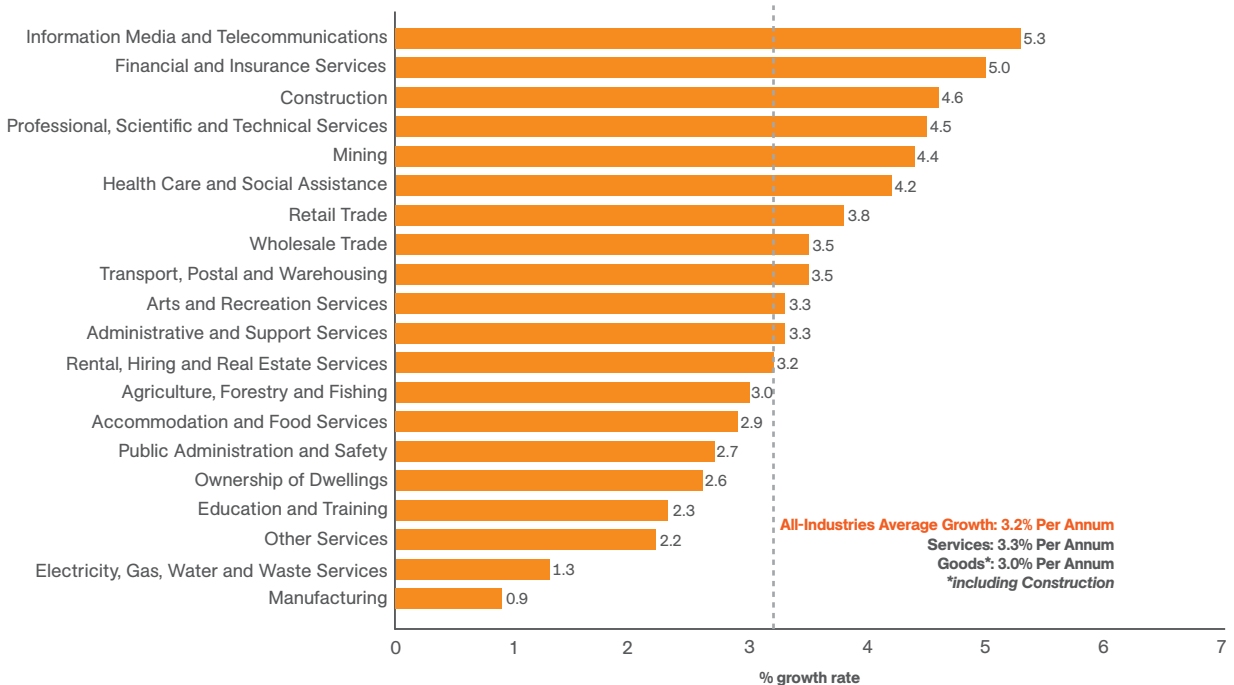
**Sources:** Australian Bureau of Statistics, Cat. No. 5206.0 Australian National Accounts: National Income, Expenditure and Product (released 2 September 2015), Table 37. Industry Gross Value Added, Chain Volume Measures, Annual; Austrade

## / AUSTRALIA: A DIVERSIFIED, SERVICES-BASED ECONOMY

Australia's services sector (excluding construction) accounts for more than 70 per cent of real gross value added (GVA). The country's sophisticated financial services industry is the largest contributor to its economy, generating 9.3 per cent of total GVA. Professional, scientific and technical services, education and training, and information media and telecommunications together make up almost 15 per cent of total output, reflecting Australia's highly skilled, well-educated and innovative workforce.

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

Average annual % growth rate 1991–92 to 2014–15



**Note:** Mining sector gross value added (GVA) measures the production side of national accounts. This data does not capture the full value of output related to mining production. Expenditure-based estimates, which combine exports and investment by the mining sector (minus the imported component of mining investment), suggest the sector realised real-term annual growth for the period from 1981 to 2011 of 5.5 per cent as compared with three per cent for the non-mining sector. (Source: Reserve Bank of Australia, *Statement of Monetary Policy, August 2011, page 49*).

1. Annual total to June quarter each year

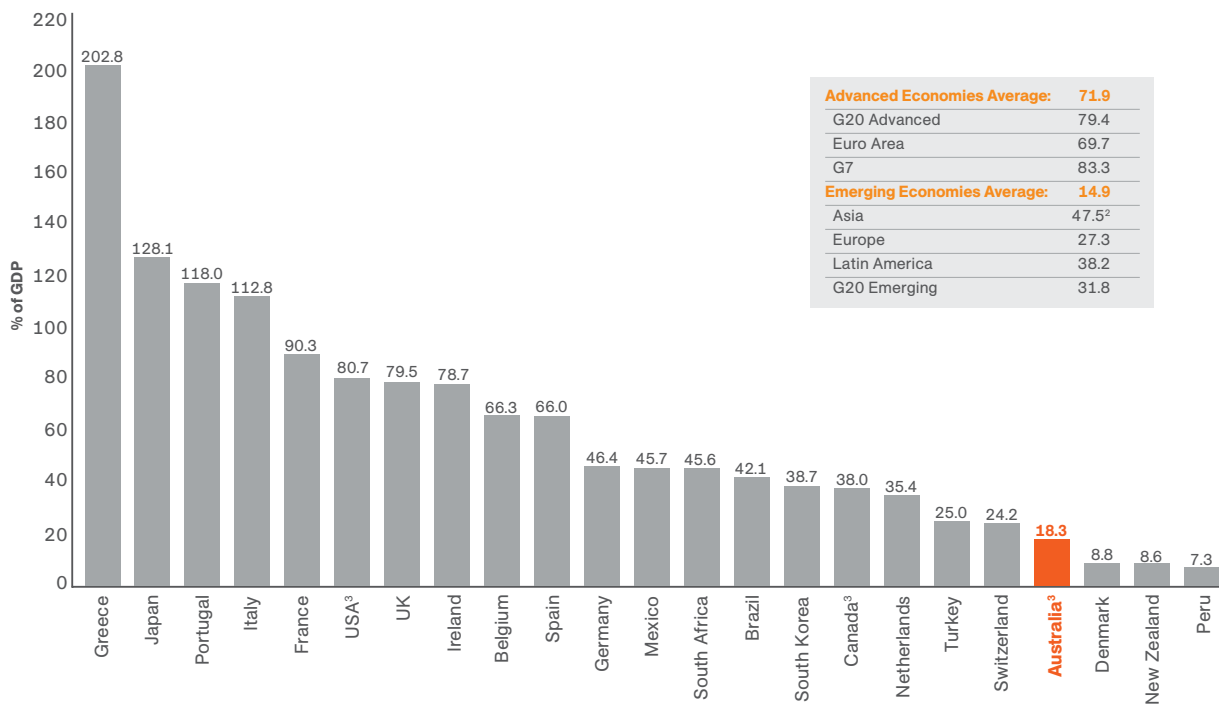
**Sources:** Australian Bureau of Statistics, Cat. No. 5206.0 *Australian National Accounts: National Income, Expenditure and Product* (released 2 September 2015), Table 37. *Industry Gross Value Added, Chain Volume Measures, Annual*; Austrade

## / AUSTRALIAN SERVICES SECTOR CONTINUES TO EXPAND

Australia continues to see strong annual growth in key industries, including information media and telecommunications, financial and insurance services, construction, and professional, scientific and technical services. Overall, Australia's services sector has expanded by an average of 3.3 per cent per annum.

# GENERAL GOVERNMENT NET DEBT<sup>1</sup> – 2016<sup>F</sup>

As a percentage of GDP



F = Forecast

1. IMF staff estimates and projections. Projections are based on staff assessment of current policies

2. Gross debt as a percentage of GDP (Source: IMF, *Fiscal Monitor October 2015*, Statistical Table A15)

3. For cross-country comparability, gross and net debt levels reported by national statistical agencies for countries that have adopted the 2008 System of National Accounts (Australia, Canada and USA) are adjusted to exclude unfunded pension liabilities of government employees' defined benefit pension plans

Sources: *International Monetary Fund, Fiscal Monitor October 2015, Statistical Tables A8 and A16; Austrade*

## / AUSTRALIAN GOVERNMENT DEBT IS ONE OF THE WORLD'S LOWEST

In its October 2015 *Fiscal Monitor*, the International Monetary Fund estimated that the Australian Government's net debt would be just 18.3 per cent of GDP in 2016, well below the 71.9 per cent forecast for advanced economies as a group. The low level of public sector debt reinforces the Australian Government's healthy financial position and sound economic credentials, and underpins its strong sovereign ratings.

# AUSTRALIA'S GLOBALLY SIGNIFICANT INDUSTRIES

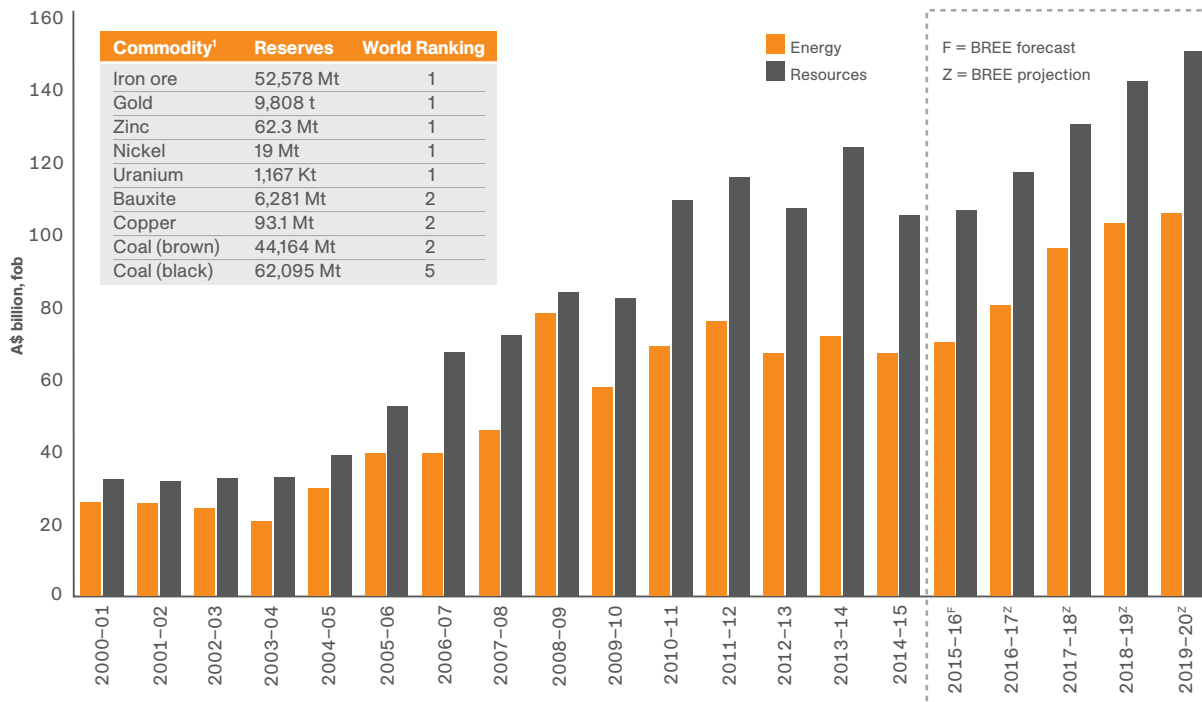


## / AUSTRALIA: AN IMPORTANT CONTRIBUTOR TO THE GLOBAL GROWTH SECTORS OF THE FUTURE

Australia is globally successful in five significant and diverse sectors: agribusiness, education, tourism, mining and wealth management. Ongoing demand across these sectors is expected to drive trade and investment in Australia and internationally.

# AUSTRALIA'S ENERGY AND RESOURCES SECTOR

Value of exports



1. Information correct as at December 2013. Source: Geoscience Australia, Australia's Identified Mineral Resource Assessment 2014

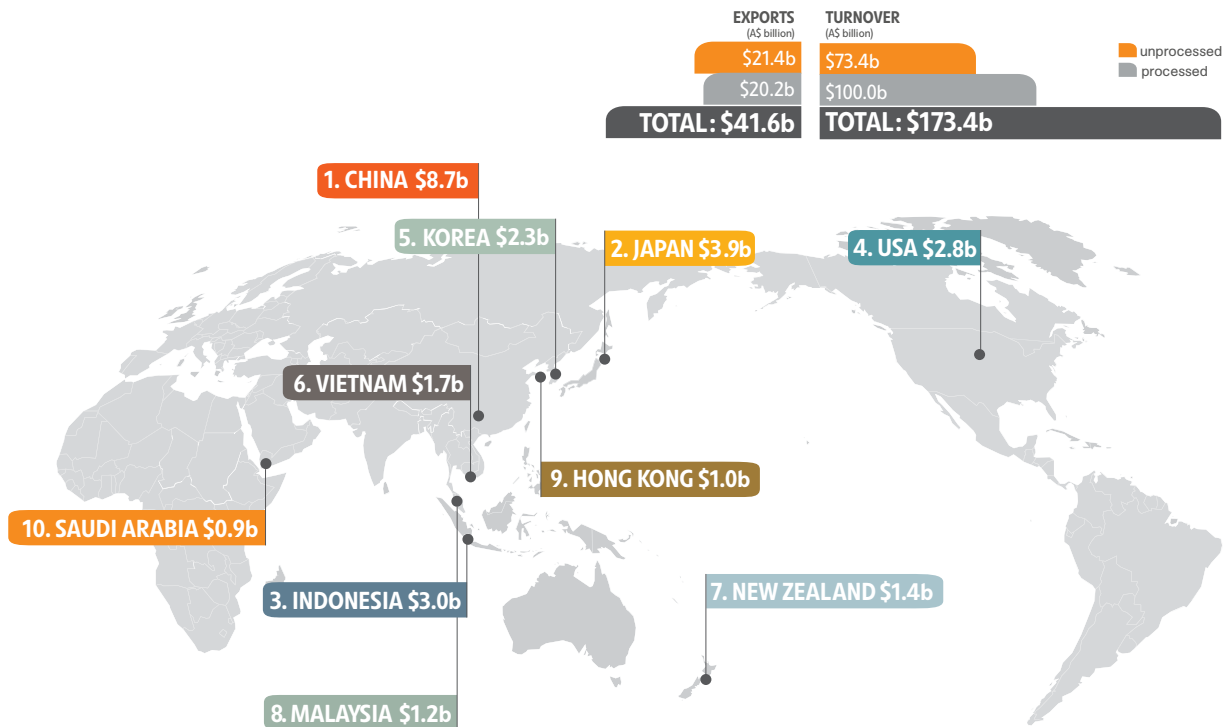
Sources: Bureau of Resources and Energy Economics (BREE), Resources and Energy Quarterly, September Quarter 2015, page 17, Table 1.3: Outlook for Australia's resources and energy commodities; Austrade

## / A GLOBAL LEADER IN RESOURCES AND ENERGY

Australia's abundant resources and proximity to Asia underpin its position as a major global exporter of minerals and energy resources and products. From 2004-05 to 2014-15, the country's total resources and energy exports increased about two and a half-fold to A\$172 billion, with the majority of these exports going to Asian countries including China, Japan and South Korea. Australia has the world's largest share of iron ore, gold, zinc, nickel and uranium reserves.

# TOP 10 EXPORT DESTINATIONS FOR AUSTRALIAN FOOD AND FIBRE

A\$ billion

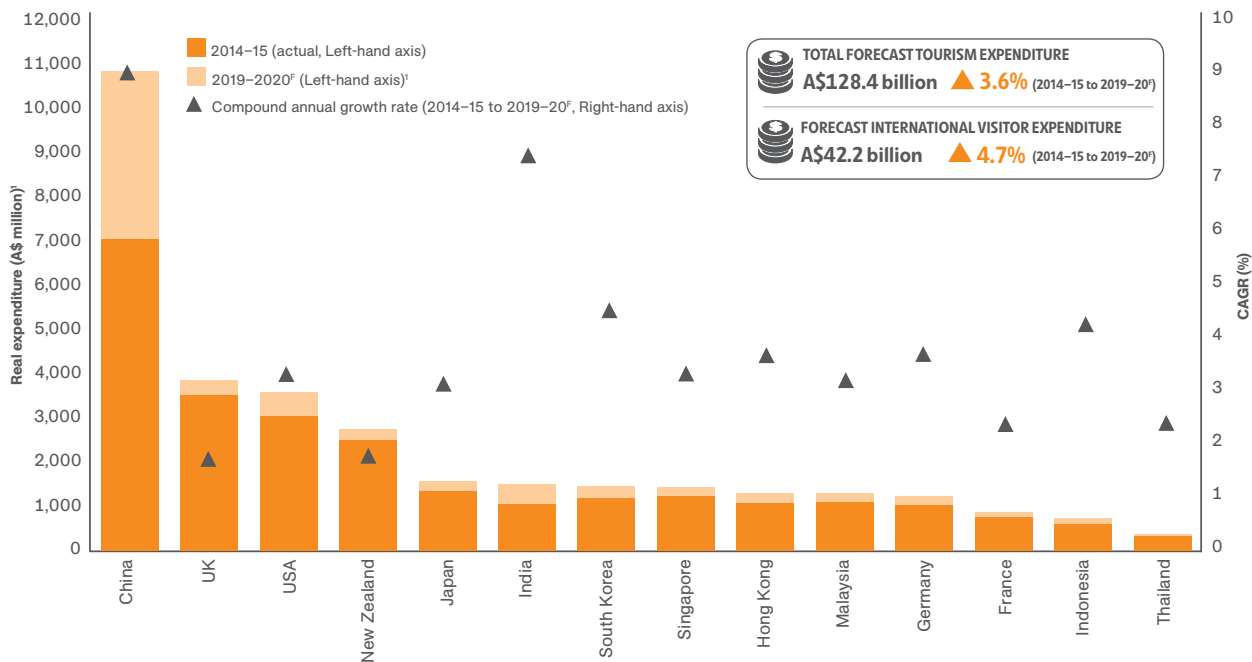


Sources: Exports by country based on DFAT, Country and Commodity pivot table – FY2005 to FY2014; turnover based on ABS Catalogue 8155.0 Australian Industry 2013–14, June 2015 (released 29 June 2015); exports of processed and unprocessed food and fibre based on DFAT, Composition of Trade 2013–14; Austrade

## / CLEAN, GREEN AND SAFE SOURCE OF AGRICULTURAL AND FOOD EXPORTS

Australian food and fibre exports rose to almost A\$42 billion in 2014, with eight of the top 10 destination markets (56 per cent of exports) in Asia. According to the OECD Development Centre, the number of middle-class consumers in the Asia-Pacific region is forecast to grow to approximately 3.2 billion by 2030. Australia's proximity to Asia and reputation as a safe and reliable source of quality produce and premium products ensure the country is well placed to capitalise on this growth.

# AUSTRALIA'S INTERNATIONAL VISITOR EXPENDITURE BY MARKET



F = Forecast  
 1. Real, base = Quarter 2, 2015

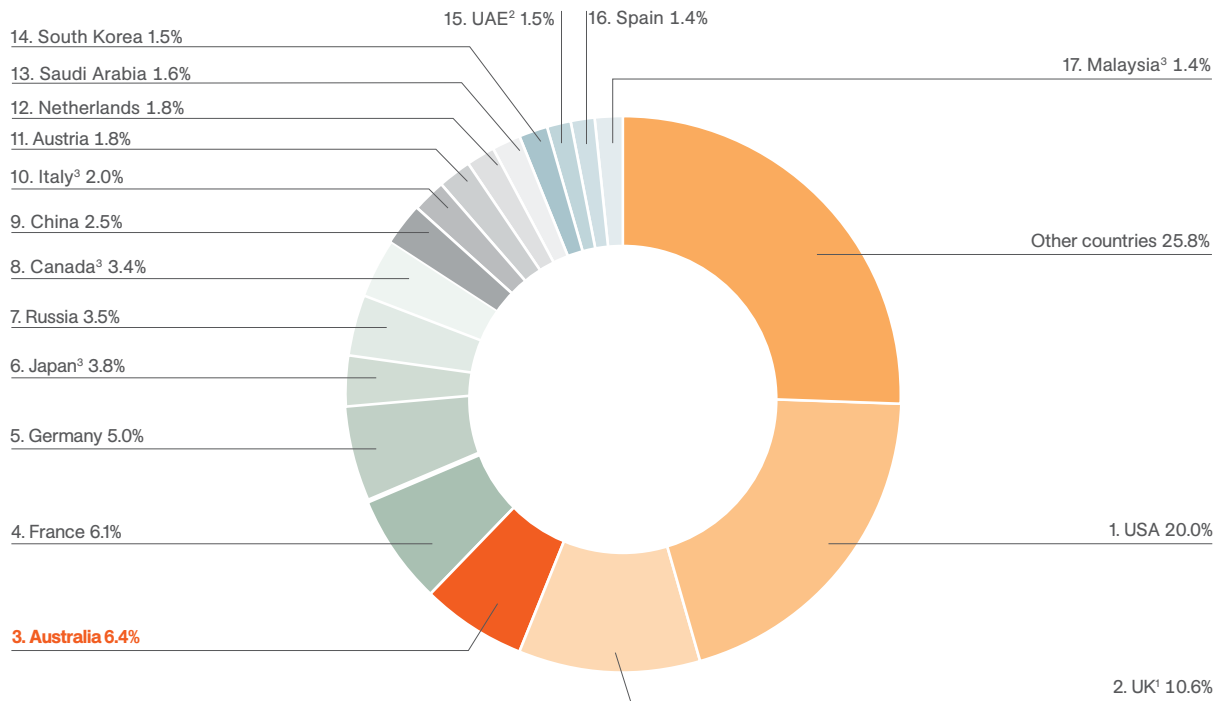
Sources: Tourism Research Australia, Tourism Forecasts 2015 (released 2 November 2015); Austrade

## INTERNATIONAL TOURISM EXPENDITURE SURGED

Australia experienced record inbound tourism expenditure in 2014-15, driven by strong growth from Asian markets such as China, Hong Kong, Singapore and India. Traditional markets such as the USA and New Zealand also performed well, up 12.5 per cent and 3.6 per cent respectively. The outlook to 2019-20 remains robust, with international visitor spending expected to rise by 4.7 per cent per annum to reach A\$42 billion (in real terms). China, India and other Asian nations are anticipated to account for the majority of this forecast growth. Total visitor spending is projected to increase to A\$128 billion by 2019-20.



## DISTRIBUTION OF FOREIGN STUDENTS IN TERTIARY EDUCATION BY COUNTRY OF DESTINATION – 2013



1. United Kingdom of Great Britain and Northern Ireland

2. United Arab Emirates

3. 2012 data

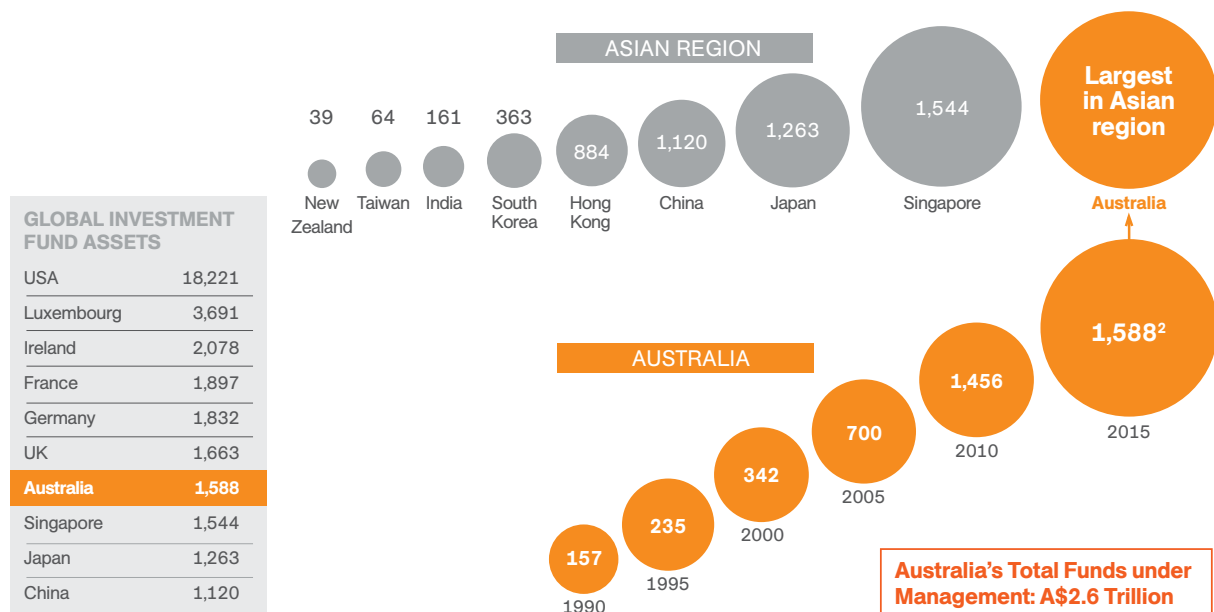
Sources: United Nations Educational, Scientific and Cultural Organization (UNESCO), Institute for Statistics, Education, Total inbound internationally mobile students, both sexes (data extracted on 12 October 2015); Austrade

### / AUSTRALIA IS A TOP THREE DESTINATION FOR INTERNATIONAL STUDENTS

Australia is the third most popular destination for students choosing to study overseas, attracting more international students than much larger economies like Japan, Germany and France. Education services are one of Australia's leading exports, worth A\$18.1 billion in 2014–15.

# GLOBAL SIGNIFICANCE OF AUSTRALIA'S INVESTMENT FUND ASSETS POOL

Investment fund assets<sup>1</sup>, US\$ billion, June quarter, 2015



**Note: Circles are not to scale. Data between countries is not strictly comparable.**

1. Refers to home domiciled funds, except Hong Kong and New Zealand, which include home and foreign-domiciled funds. Funds of funds are not included, except for France, Germany, Italy and Luxembourg. In this statistical release, 'investment fund' refers to a publicly offered, open-end fund investing in transferable securities and money market funds. It is equivalent to 'mutual fund' in the USA and 'UCITS' (Undertakings for the Collective Investment of Transferable Securities) in the European Fund and Asset Management Association's statistics on the European investment fund industry.

2. Australia's investment funds in the Investment Company Institute survey only include consolidated assets of domestic collective investment institutions.

**Sources:** Investment Company Institute, *Worldwide Mutual Fund Assets and Flows, second quarter 2015* (released 30 September 2015); Hong Kong's data (non-REIT assets under management managed in Hong Kong, excluding business sub-contracted or delegated to other offices or third parties overseas for management) sourced from *Securities and Futures Commission Activities Survey 2014* (released July 2015); Singapore's data sourced from *Monetary Authority of Singapore, 2014 Singapore Asset Management Survey* (Singapore's total assets under management in the chart, excluding alternative assets under management, is estimated to be S\$2,040 billion (US\$1,544 billion in 2014); Austrade

## / THE LARGEST POOL OF FUNDS UNDER MANAGEMENT IN ASIA

Australia's pool of funds under management (FUM) is the seventh largest in the world and the largest in the Asian region, according to the Investment Company Institute's *Worldwide Mutual Fund Assets and Flows* data. The significance of Australia's FUM and the maturity of its funds industry underscore its potential to further develop as a regional funds management centre. A major driver of Australia's funds management industry is its pension system, the fourth largest in the world.

SECTION  
02

# INNOVATION

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# INNOVATION

AUSTRALIA IS COMMITTED TO INNOVATION AND SCIENCE, RECOGNISING THAT IT UNDERPINS THE COUNTRY'S GROWTH, ECONOMIC PROSPERITY AND JOB CREATION.

The country's intellectual capital, commercial focus and collaborative approach make it an ideal partner for business and investment activities.

Australia is rated fifth in a ranking of the world's top 200 universities by five key subject fields.

Australian researchers are driving or collaborating on cutting-edge research and regularly publish their findings in many of the world's most cited publications.

There is strong support for research and development (R&D) in Australia, with significant funding from public and private sector organisations and generous R&D tax incentives.

International organisations have numerous opportunities to collaborate with Australian research institutions, invest in or incorporate Australian solutions into existing products, or enter into joint ventures to take them to the global market.



AUSTRALIA'S  
CSIRO  
RANKS IN THE  
**TOP 1%**  
OF THE WORLD'S  
SCIENTIFIC  
INSTITUTIONS  
**IN 15**  
RESEARCH FIELDS

# HOW AUSTRALIA COMPARES WITH LEADING OECD COUNTRIES: KEY INNOVATION INDICATORS

		Australia	Canada	France	UK	Germany	Japan	South Korea	Sweden	USA
<b>High levels of innovation investment</b>										
(a) Gross Domestic Expenditure on R&D (GERD, % of GDP) <sup>1</sup>	2013	<b>2.13</b>	1.62	2.23	1.63	2.85	3.47	4.15	3.30	2.73
(a) Higher Education Expenditure on R&D (HERD, % of GDP) <sup>1</sup>	2013	<b>0.63</b>	0.65	0.46	0.43	0.51	0.47	0.38	0.90	0.39
(a) Business Expenditure on R&D (BERD, % of GDP) <sup>1</sup>	2013	<b>1.23</b>	0.82	1.44	1.05	1.91	2.64	3.26	2.28	1.92
<b>Skilled workforce</b>										
(b) Proportion of population aged 25–64 attaining tertiary education	2013	<b>39.5</b>	53.2	32.1	41.9	28.5	47.3	43.1	37.0	43.9
(c) Employment in knowledge-intensive services (% of workforce)	2013	<b>43.8</b>	44.2	44.4	47.7	42.9	24.3	21.3	49.4	38.0
(d) Doctorate holders in the working age population (men & women, per thousand population aged 25–64) <sup>2</sup>	2012	<b>8.2</b>	8.1	7.7	11.8	12.8	NA	6.9	13.6	14.0
<b>World-class research</b>										
(c) Scientific and technical publications <sup>3</sup>	2014	<b>47.7</b>	37.4	25.7	41.5	26.0	15.7	29.8	53.7	20.6
(c) Citable documents H index <sup>4</sup>	2013	<b>583</b>	725	742	934	815	694	375	567	1,518
(e) Quality of scientific research institutions scores	2015–16	<b>5.8</b>	5.4	5.6	6.3	5.8	5.8	4.8	5.7	6.1
(c) Average score top 3 universities index <sup>5</sup>	2014	<b>86.8</b>	88.8	80.5	99.3	80.2	83.7	79.8	73.5	99.2
<b>Entrepreneurship</b>										
(f) Administrative burden on start-ups (0 = best) <sup>6</sup>	2013	<b>0.31</b>	0.44	0.72	0.45	0.54	0.51	0.62	0.48	0.53
(g) Global Entrepreneurship Index <sup>7</sup>	2015	<b>77.6</b>	81.5	67.3	72.7	67.4	49.5	54.1	71.8	85.0
<b>World-class ICT infrastructure</b>										
(c) Information & communication technologies (ICT) score <sup>8</sup>		<b>86.0</b>	80.0	87.5	89.1	72.9	88.1	92.4	75.8	84.9
(d) ICT Investment (% of gross fixed capital formation) <sup>9</sup>	2013	<b>9.3</b>	9.2	13.6	12.7	8.5	15.7	7.2	14.8	16.4

1. Australia's GERD & BERD represent 2011 and HERD 2012; 2. Data for Australia and Canada represent 2011 and Germany 2013; 3. Number of journal articles (per billion PPP\$ GDP); 4. The H index is the economy's number of published articles (H) that have received at least H citations in the period 1996–2013; 5. Average score of the top 3 universities at the QS world university ranking; 6. USA figure represents 2007; 7. The Global Entrepreneurship Index is an index made up of three sub-indices, Attitudes, Abilities and Aspirations; 8. Average score of ICT access, ICT use, government's online service and e-participation; 9. Swedish figure represents 2012; NA = Not available for publication

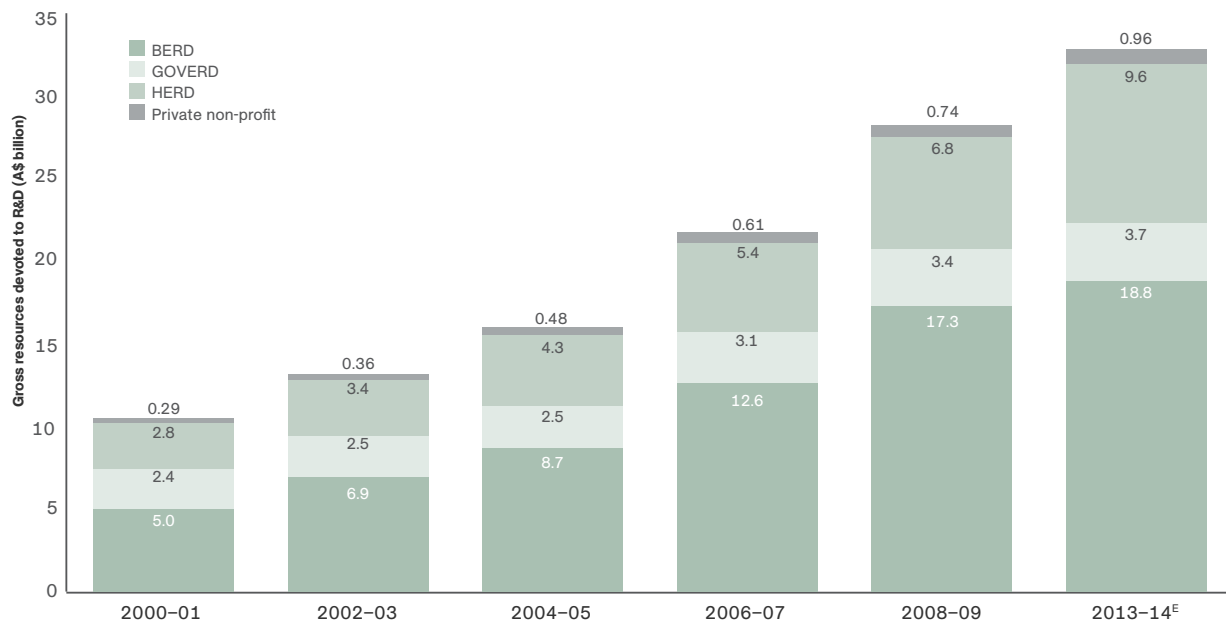
Sources: (a) OECD, *Dataset: Main Science and Technology Indicators (data extracted 2 November 2015)*; (b) OECD, *Education at a Glance Interim Report, January 2015, Table 1.4*; (c) Cornell University, INSEAD, and the World Intellectual Property Organization, *The Global Innovation Index 2015*; (d) OECD, *Science, Technology and Industry Scoreboard 2015, Figure 2.4.1, Doctorate Holders and Figure 2.1.3, ICT Investment by Asset 2013 (last updated 5 Oct 2015)*; (e) WEF, *Global Competitiveness Report 2015–16*; (f) OECD *Science, Technology and Industry Scoreboard 2015, Chapter 4 Barriers to Entrepreneurship 2013 (last updated 5 Oct 2015)*; (g) *The Global Entrepreneurship and Development Institute, Washington, D.C., USA. Global Entrepreneurship Index 2015, Table 1.2; Austrade*

## / A STRONG RECORD OF INNOVATION

Australia ranks in the top 10 countries for scientific and technical articles published, adjusted for GDP in terms of Purchasing Power Parity. The country also has a higher percentage of employed persons in knowledge-intensive services than the USA, Germany, Japan and South Korea. Australia's quality-enabling ICT infrastructure and significant government and private sector R&D investment underpin its strong innovation record.

# AUSTRALIA'S GROSS EXPENDITURE ON RESEARCH AND DEVELOPMENT

A\$ billion by category



**BERD** = Business expenditure on research & development (R&D); **GOVERD** = Government expenditure on R&D; **HERD** = Higher education expenditure on R&D; **Private non-profit** = Private non-profit expenditure on R&D

**E** = Data for BERD on FY2013-14, GOVERD on FY2012-13, HERD on 2012 and Private non-profit on FY2012-13

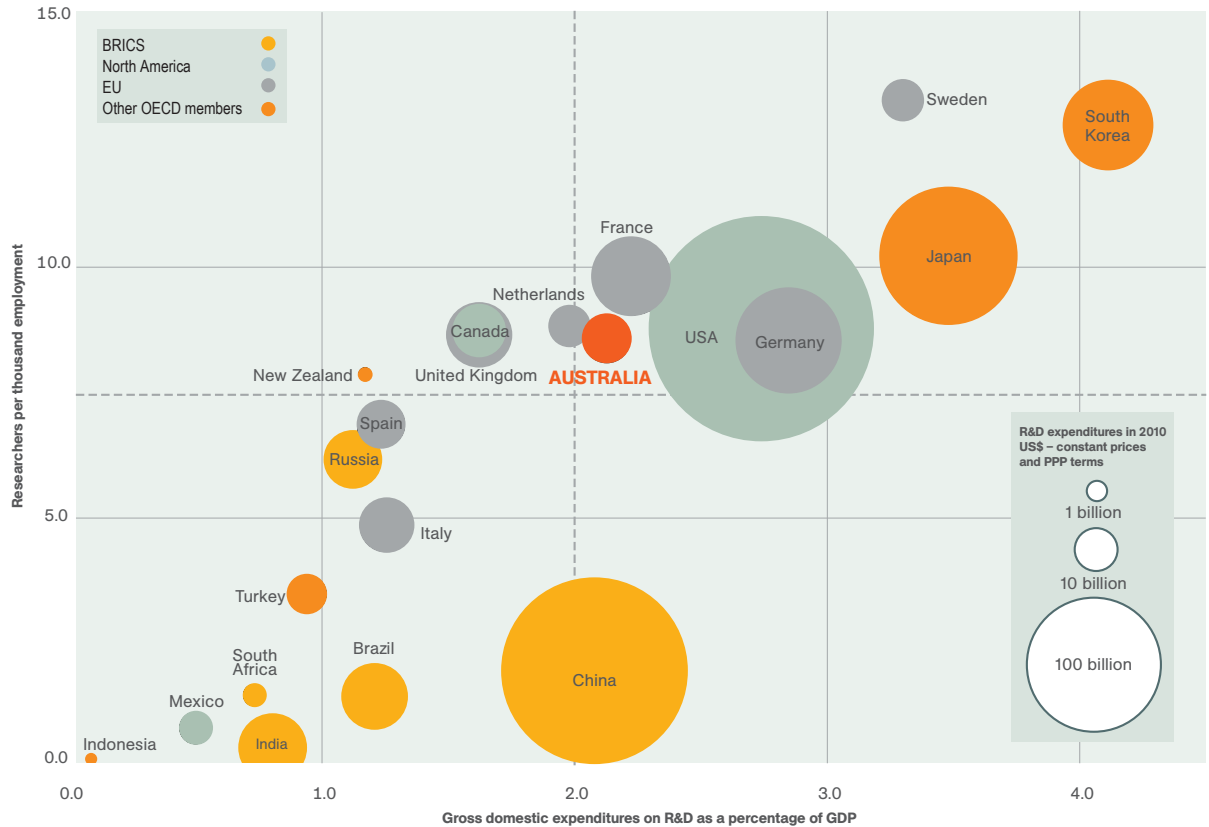
Sources: Australian Bureau of Statistics, Cat. No. 81040DO001\_201314 Research and Experimental Development, Businesses, Australia, 2013-14 (released 4 September 2015); ABS Cat. No. 8109DO001 and ABS Cat. No. 8109DO005\_201213 Research and Experimental Development, Australia, Government and Private Non-Profit Organisations (released 9 July 2014); ABS Cat. No. 81110DO001\_2012 Research and Experimental Development, Higher Education Organisations, Australia, 2012 (released 20 May 2014); Austrade

## / AUSTRALIAN INDUSTRY: A SIGNIFICANT SOURCE OF R&D EXPENDITURE

Australia's annual gross R&D expenditure rose by 9 per cent per annum between 2000-01 and 2013-14 to reach A\$33 billion. Business Expenditure on R&D accounts for 57 per cent of Australia's total R&D expenditure, expanding from A\$5 billion in 2000-01 to A\$19 billion in 2013-14. This represents a compound annual growth rate of 11 per cent, well above Australia's nominal GDP growth rate of 6.4 per cent.

# WORLD OF RESEARCH AND DEVELOPMENT

Size of circle reflects the relative amount of annual R&D spending (in 2010 US\$ in constant prices and Purchasing Power Parity terms)



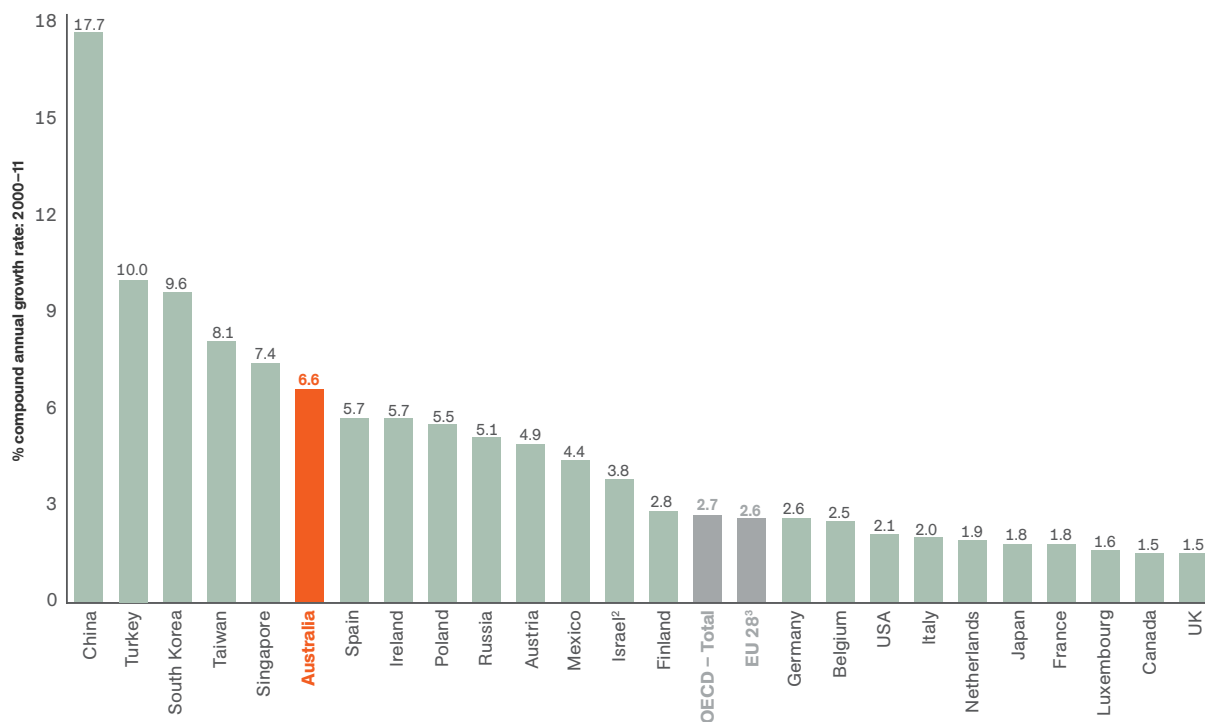
**Note:** Researchers data is in full-time units and refer to 2013 except for Australia (2008), Brazil and India (2010), Canada and the United States (2012), and Mexico (2011). For Brazil, India and Indonesia, data is provided by the UNESCO Institute for Statistics. For Indonesia, data refers to 2009. For United States, data for researchers has been estimated based on contemporaneous data on business researchers and past data for other sectors.

**Sources:** OECD, *Main Science and Technology Indicators Database*, [www.oecd.org/sti/msti.htm](http://www.oecd.org/sti/msti.htm) and UNESCO Institute for Statistics, June 2015; Austrade

## / AUSTRALIA IS WELL PLACED AMONG LEADING INNOVATIVE ECONOMIES

With strong R&D expenditure as a percentage of GDP in Purchasing Power Parity terms and a high proportion of researchers, Australia's R&D spend places it among the leading innovative countries in the world, including the USA, Japan, France, Germany and South Korea.

# GROSS DOMESTIC EXPENDITURE ON RESEARCH AND DEVELOPMENT<sup>1</sup> – 2000–11



1. Based on gross domestic expenditure on R&D (GERD) at 2010 prices and Purchasing Power Parity terms 2. Information on data for Israel: <http://dx.doi.org/10.1787/888932315602> 3. OECD estimate and also see detailed standard footnotes for individual economies on page 11, OECD (2015), Main Science and Technology Indicators Volume 2015 Issue 1

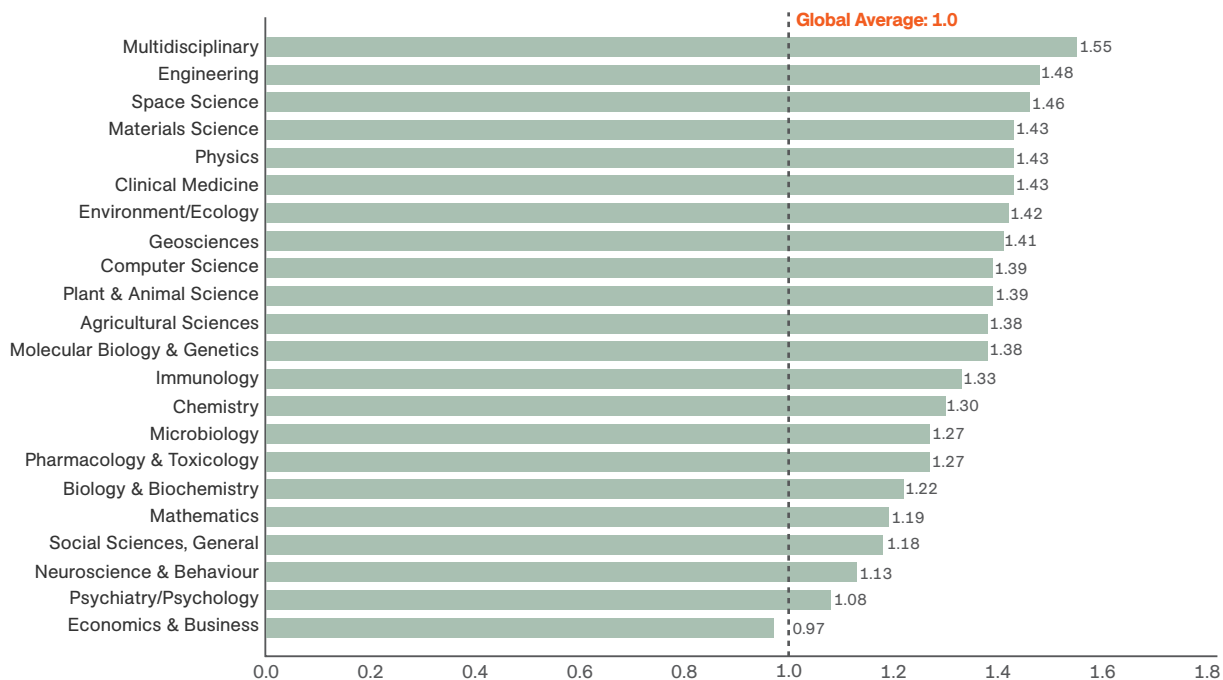
Sources: OECD (2015), *Main Science and Technology Indicators Volume 2015 Issue 3*, OECD Publishing, Table 3, page 22; Austrade

## / AUSTRALIA IS ONE OF THE FASTEST-GROWING R&D SPENDING ECONOMIES

Gross R&D expenditure in Australia has increased on average by 6.6 per cent a year in real terms between 2000 and 2011, well above the OECD average growth rate of 2.7 per cent. Australia's expenditure on R&D is one of the fastest growing in the world, reflecting the country's ongoing commitment to innovation.



## RELATIVE IMPACTS OF AUSTRALIAN SCIENTIFIC PUBLICATIONS BY RESEARCH FIELD



Sources: InCites™, Thomson Reuters, data as at 17 November 2015; Austrade

### / AUSTRALIAN SCIENTIFIC RESEARCH HAS A MAJOR IMPACT

Across 22 scientific research fields, almost 80 per cent of Australia's major scientific research publications have a relative impact of at least 20 per cent above the global average. Among Australia's strongest categories of published research are multidisciplinary, engineering, space science, materials science, physics, clinical medicine, environment/ecology, and geosciences.

# AUSTRALIAN UNIVERSITIES' ACADEMIC RANKING IN FIVE BROAD SUBJECT FIELDS – 2015

World's Top 200 Universities' Ranking						
Country	Natural Sciences and Mathematics	Engineering/Technology and Computer Sciences	Life and Agriculture Sciences	Clinical Medicine and Pharmacy	Social Sciences	Five Broad Subject Fields Total
USA	68	54	81	79	100	382
UK	17	12	21	20	26	96
China	16	46	7	8	8	85
Germany	15	5	13	16	5	54
<b>Australia</b>	<b>8</b>	<b>10</b>	<b>11</b>	<b>7</b>	<b>9</b>	<b>45</b>
Canada	5	6	8	12	13	44
Netherlands	6	3	7	8	11	35
France	11	8	9	6	–	34
Japan	9	7	6	4	–	26
Sweden	3	5	7	5	5	25
Italy	8	5	1	8	–	22
Switzerland	6	2	6	4	3	21
Belgium	3	3	3	4	4	17
Spain	4	4	3	2	2	15
Denmark	3	2	3	3	3	14
South Korea	3	7	1	2	–	13
Israel	4	2	2	1	3	12
Austria	2	1	2	3	1	9
Singapore	2	2	1	1	2	8
Norway	–	1	2	3	2	8
Other countries	7	15	6	4	3	35
<b>Total</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>1000</b>

**Note:** *The Academic Ranking of World Universities (ARWU)* uses six objective indicators to rank world universities, including the number of alumni and staff winning Nobel Prizes and Fields Medals, number of highly cited researchers selected by Thomson Reuters, number of articles published in journals of Nature and Science, number of articles indexed in Science Citation Index – Expanded and Social Sciences Citation Index, and per capita performance of a university. More than 1,200 universities are actually ranked by ARWU every year and the best 500 are published.

**Sources:** *The Academic Ranking of World Universities, The Center for World-Class Universities at Shanghai Jiao Tong University (CWCU)* (<http://www.ShanghaiRanking.com>); *Austrade*

## / AUSTRALIA'S ACADEMIC AND RESEARCH INSTITUTIONS ARE AMONG THE BEST IN THE WORLD

In a ranking of the world's top 200 universities by five key subject fields, Australia was the fifth highest ranked country overall, with particularly strong performances in Life and Agriculture Sciences, and Engineering/Technology and Computer Sciences.

SECTION  
03

# TALENT

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# TALENT

AUSTRALIA HAS ONE OF THE MOST EDUCATED, MULTICULTURAL AND MULTILINGUAL LABOUR FORCES IN THE WORLD.

Ranked in the world's top 10 for the talent of its people, Australia's education system, research expertise and excellence in attracting and retaining human capital is among the best in the world.

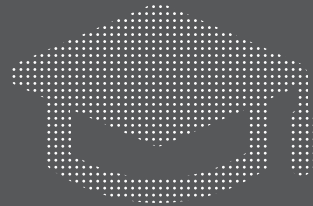
Australia's higher education enrolment rate is ranked in the world's top 10. The nation is the third most popular destination for international students, the majority of whom are enrolled in business and technology-related courses.

Almost 30 per cent of Australia's workers were born overseas. Around 2.1 million Australians speak an Asian language and 1.3 million speak a European language in addition to English.

With a ready supply of skilled workers, businesses will find easy access to a smart and culturally aware workforce in Australia.

**ALMOST 40%**  
**OF AUSTRALIA'S WORKFORCE**  
**HOLDS A TERTIARY QUALIFICATION**

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## WORKFORCE SKILL BASE COMPARISONS – 2015

	Australia	USA	UK	China	Japan	South Korea	India	Hong Kong	Singapore
<b>Global Competitiveness Report 2015–16 Ranking<sup>(a)</sup> in:</b>									
Secondary Education Enrolment Rate	1	61	54	74	24	48	105	37	17
Tertiary Education Enrolment Rate	5	3	37	83	40	2	86	30	9
Quality of Scientific Research Institutions	8	4	2	42	7	27	45	29	12
Higher Education and Training	8	6	18	68	21	23	90	13	1
Availability of Specialised Training Services	10	11	7	63	19	48	68	15	8
<b>World Competitiveness Yearbook 2015 Ranking<sup>(b)</sup> in:</b>									
Foreign Labour Force	5	9	19	NA	32	27	NA	NA	4
Finance Skills	5	11	14	47	35	33	30	7	18
Skilled Labour	7	25	31	40	49	23	38	22	32
Foreign High-skilled People	9	3	6	18	50	37	36	10	5
Educational System	10	19	18	40	36	25	33	15	3
Ethical Practices	12	11	18	37	10	39	46	16	20
<b>UNDP's Human Development Report 2014 Ranking<sup>(c)</sup> in:</b>									
Human Development Index	2	5	14	91	17	=15	135	=15	9

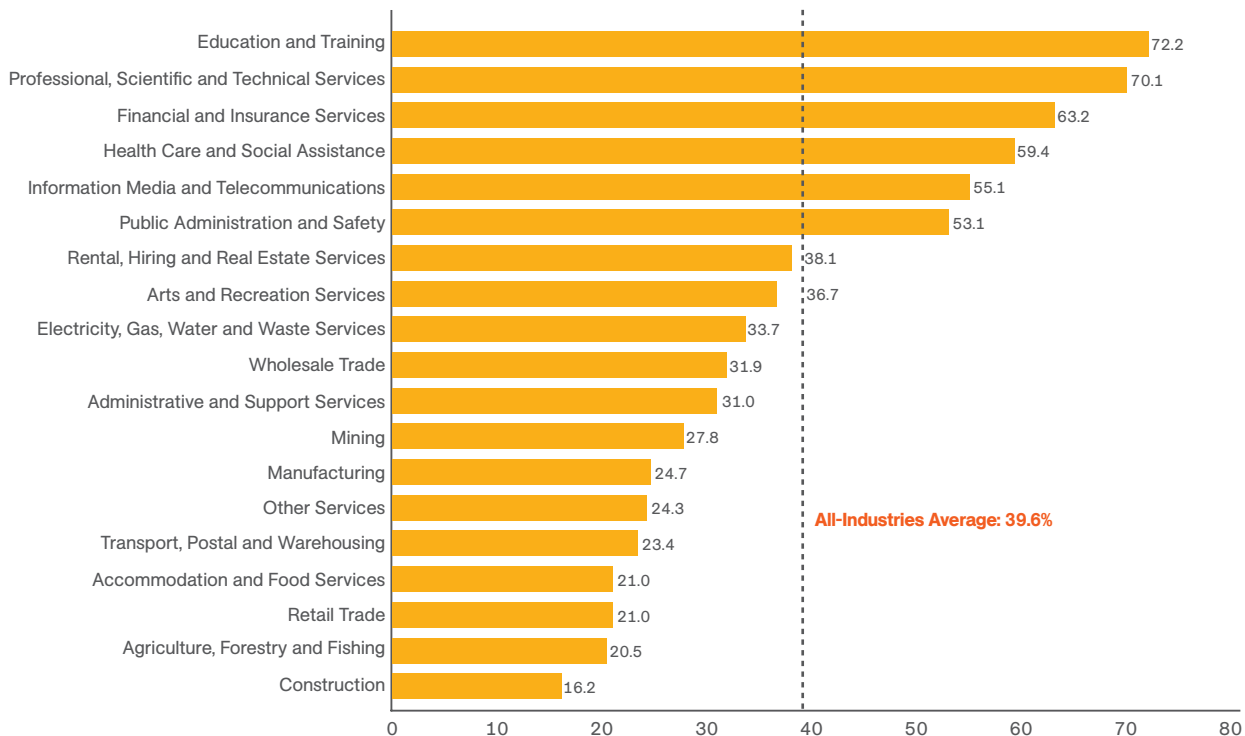
NA = not available for publication

Sources: (a) World Economic Forum, Switzerland and Harvard University, *Global Competitiveness Report 2015–16* (September 2015, 144 economies); (b) International Institute for Management Development (IMD), Switzerland, *IMD World Competitiveness Yearbook 2015* (May 2015, 61 economies); (c) The United Nations Development Programme (UNDP), *Human Development Report 2014* (published July 2014, 187 economies), Table 1; Austrade

### / WORLD'S HIGHEST SECONDARY EDUCATION ENROLMENT RATE

International studies recognise the high levels of skill and education that make up Australia's workforce. According to the World Economic Forum's *Global Competitiveness Report 2015–16*, Australia's secondary education enrolment rate is the world's highest and the tertiary education enrolment rate the fifth highest. Australia also ranks second in the United Nations Development Programme's *Human Development Report 2014*, which measures a country's human, physical and educational wellbeing based on years of schooling, life expectancy and income.

# PERCENTAGE EMPLOYED PERSONS WITH TERTIARY EDUCATION BY INDUSTRY<sup>1</sup> – 2014



1. In this statistical release, tertiary education refers to Advanced Diploma/Diploma or higher

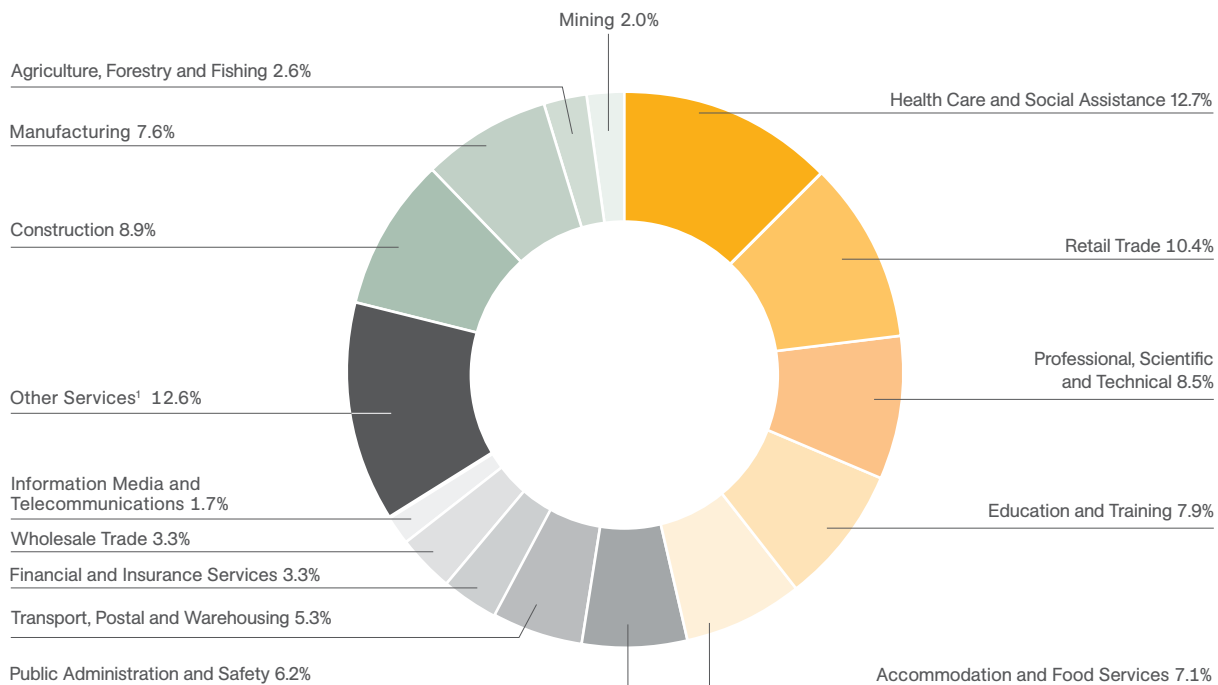
Sources: Australian Bureau of Statistics, Cat. No. 62270DO001\_201405 Education and Work, Australia, May 2014, Table 10 (released 12 December 2014); Austrade

## / AUSTRALIA OFFERS SMART, SKILLED WORKERS

Australia has one of the most highly educated workforces in the world, with almost 40 per cent of workers on average holding a tertiary qualification. In six major sectors, including education and training; professional, scientific and technical services; financial and insurance services; healthcare; information media and telecommunications; and public administration, over half the workforce has a tertiary qualification or higher.

# AUSTRALIA'S EMPLOYED PERSONS BY INDUSTRY – 2015

August 2015, trend terms



<sup>1</sup> Including Administrative and Support Services (3.5%), Arts and Recreation Services (2.0%), Rental, Hiring and Real Estate Services (1.7%), Electricity, Gas, Water and Waste Services (1.2%) and Other (4.1%)

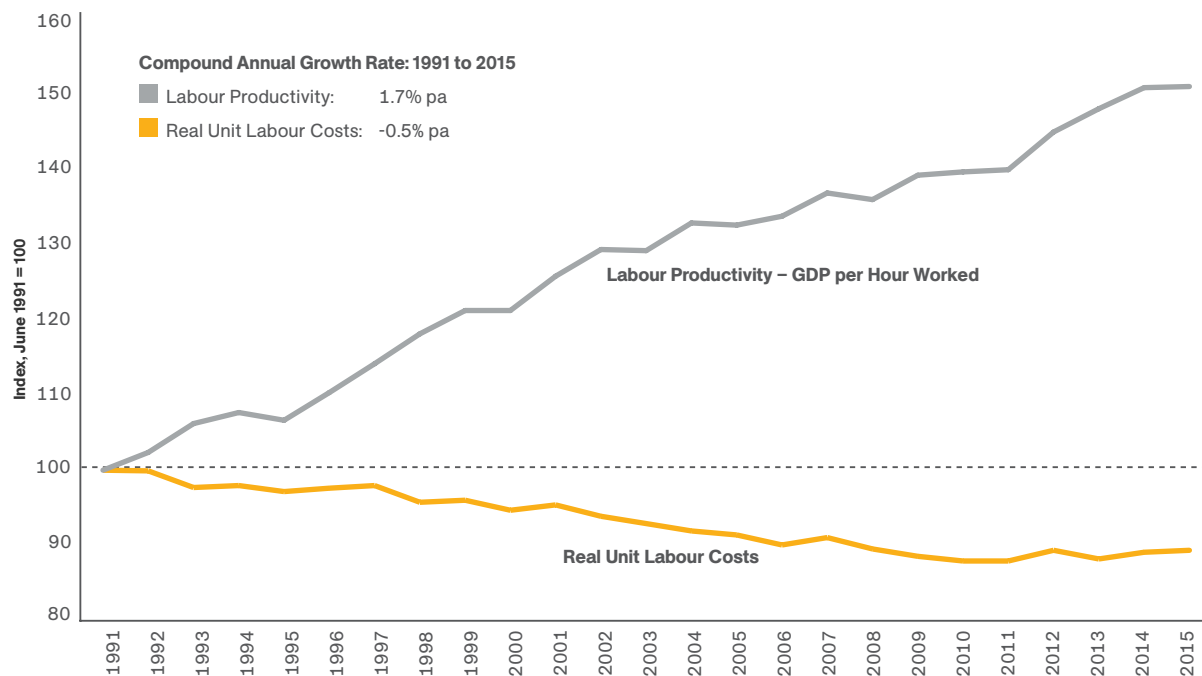
Sources: Australian Bureau of Statistics, Cat. No. 6291.0.55.003 Labour Force, Australia, Detailed, Quarterly, Table 04. Employed persons by Industry division of main job (ANZSIC) – Trend, Seasonally Adjusted and Original Time Series Workbook (released 17 September 2015); Austrade

## / A HIGHLY DIVERSE WORKFORCE

Around 80 per cent of Australians are employed in the services sector. Forty per cent of people work in sectors where tertiary education is standard for many employees, including education and training; professional, scientific and technical services; financial and insurance services; healthcare; information media and telecommunications; and public administration.

# AUSTRALIA'S LABOUR PRODUCTIVITY AND COSTS – 1991–2015

As at 30 June each year, trend terms



Sources: Australian Bureau of Statistics, Cat. No. 5206.0 – Australian National Accounts: National Income, Expenditure and Product, Table 1. Key National Account Aggregates, Time Series Workbook (released 2 September 2015); Austrade

## / GROWTH IN PRODUCTIVITY OUTPACING LABOUR COSTS

Australia has enjoyed a sustained period of labour productivity growth exceeding growth in real wages. The country's labour productivity has recorded a compound annual growth rate of 1.7 per cent per annum since 1991, while real unit labour costs have fallen by 0.5 per cent each year. Australia has experienced a 7.2 per cent increase in average labour productivity between 2011 and 2015, while real unit labour costs have broadly remained stable, indicating that the effective cost of labour has remained in line with productivity improvements.



# GLOBAL TALENT COMPETITIVENESS RANKING – 2014

	Overall Index		Sub-index Global Ranking					
			Input				Output	
	Score	Global Rank (out of 93 economies)	Enablers	Attract	Grow	Retain	Labour & Vocational Skills	Global Knowledge
Switzerland	71.5	1	2	9	3	2	5	5
Singapore	70.7	2	1	1	13	9	7	2
Luxembourg	70.2	3	24	2	16	1	6	1
USA	68.3	4	9	11	2	3	13	4
Canada	66.5	5	4	7	4	5	20	16
Sweden	65.7	6	5	10	6	18	9	10
UK	64.7	7	10	13	8	21	10	6
Denmark	64.1	8	3	15	5	25	18	7
<b>Australia</b>	<b>64.0</b>	<b>9</b>	<b>18</b>	<b>5</b>	<b>7</b>	<b>4</b>	<b>38</b>	<b>12</b>
Ireland	63.7	10	6	6	11	19	32	15
Norway	63.6	11	14	8	10	7	19	19
Netherlands	63.3	12	15	14	1	13	22	13
Germany	61.8	14	19	18	19	6	3	25
New Zealand	60.6	16	7	12	14	40	44	8
Japan	58.0	20	13	54	27	11	8	17
UAE	56.7	22	11	4	24	32	31	52
France	56.5	23	33	28	17	23	11	21
South Korea	52.2	29	26	65	31	35	28	18
Spain	51.3	30	45	29	22	16	50	33
Malaysia	49.9	35	22	44	38	52	26	38
Italy	49.5	36	55	58	30	28	14	40
China	45.2	41	52	61	33	65	47	24
Brazil	42.8	49	57	33	49	33	68	76
Philippines	41.6	54	70	57	44	72	69	29
Thailand	40.2	61	47	78	35	66	80	54
Vietnam	36.5	75	60	79	83	77	76	48
India	34.1	78	69	82	75	89	66	64
Indonesia	31.1	86	87	85	79	82	84	83

**Note:** The Global Talent Competitiveness Index (GTCI) is produced jointly by INSEAD, Singapore's Human Capital Leadership Institute and the Adecco Group. All scores range between 0 and 100. The GTCI is composed of Input and Output indexes. The Input sub-Index is composed of four pillars, describing the policies, resources and efforts that a particular country can harness to foster its talent competitiveness. Enablers (Pillar 1) reflects the extent to which the regulatory, market and business environments create a favourable climate for talent to develop and thrive. The other three pillars describe the three levers of talent competitiveness, which focus respectively on what countries are doing to Attract (Pillar 2), Grow (Pillar 3) and Retain (Pillar 4) talent. The Output sub-index, which aims to describe and measure the quality of talent, includes two pillars, describing the current situation of a particular country in terms of Labour and Vocational and Global Knowledge skills.

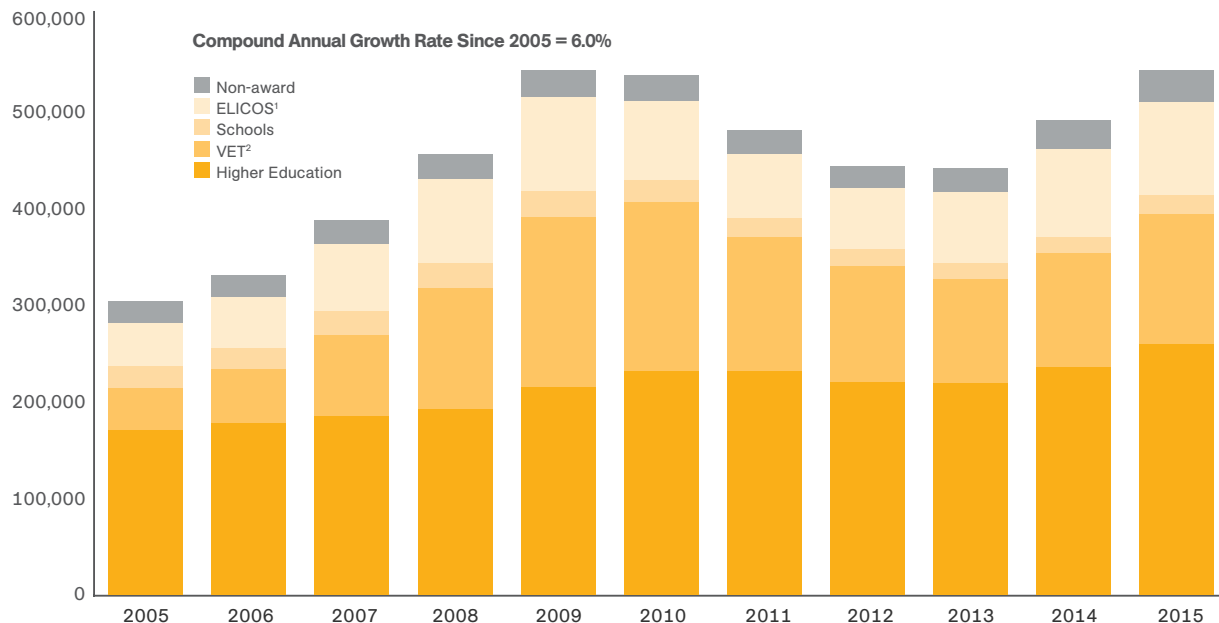
**Sources:** *The Global Talent Competitiveness Index 2014, Growing talent for today and tomorrow, 2014; Austrade*

## / AUSTRALIA'S TALENT RANKING IS AMONG THE WORLD'S HIGHEST

According to the Global Talent Competitiveness Index, Australia is in the world's top 10 for the talent of the people it produces, attracts and retains. Australia is ranked 9th out of 93 countries, up from 15th place in 2013. The country is ranked first for education; and also placed highly for its openness to foreign investment, excellence in retaining talent, and research quality.

# INTERNATIONAL STUDENT ENROLMENTS IN AUSTRALIA BY SUB-SECTOR – 2005–15

In the year to July



**Note:** A student attending two different courses in the same reference period (for example, ELICOS and Bachelor degree) will have both enrolments counted.

1. English Language Intensive Courses for Overseas Students

2. Vocational Education and Training

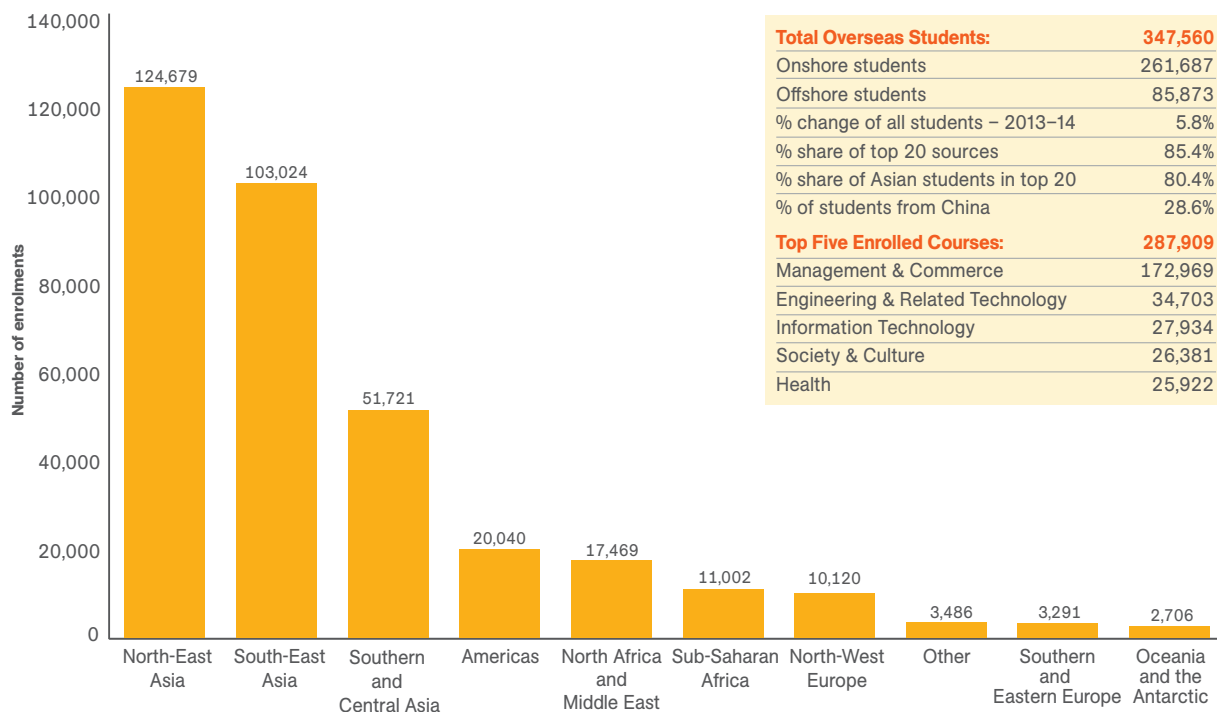
Sources: Department of Education, *International Student Data* ([https://internationaleducation.gov.au/research/International-Student-Data/Pages/International-StudentData2015.aspx#Detailed\\_Monthly](https://internationaleducation.gov.au/research/International-Student-Data/Pages/International-StudentData2015.aspx#Detailed_Monthly)); Austrade

## / A BROAD AND GROWING INTERNATIONAL EDUCATION SECTOR

Australia's international education sector experienced strong increases in student enrolments across all sub-sectors, including higher education. The total number of enrolled students in Australia reached more than half a million in the year to July 2015, a 6 per cent compound annual growth rate since 2005. About half of all foreign students attended universities and other higher education institutions in 2015.

# ALL OVERSEAS STUDENTS BY REGIONAL GROUPING<sup>1</sup>

Enrolled in Australian Higher Education Courses<sup>2</sup> – Onshore and Offshore, Full-Year 2014



<b>Total Overseas Students:</b>	<b>347,560</b>
Onshore students	261,687
Offshore students	85,873
% change of all students – 2013–14	5.8%
% share of top 20 sources	85.4%
% share of Asian students in top 20	80.4%
% of students from China	28.6%
<b>Top Five Enrolled Courses:</b>	<b>287,909</b>
Management & Commerce	172,969
Engineering & Related Technology	34,703
Information Technology	27,934
Society & Culture	26,381
Health	25,922

1. All Overseas Students by Country of Permanent Home Residence are all students not classified as Domestic

2. This series – 'Students: Selected Higher Education Statistics' – contains statistics relating to students enrolled in higher education courses in each Australian Higher Education Provider

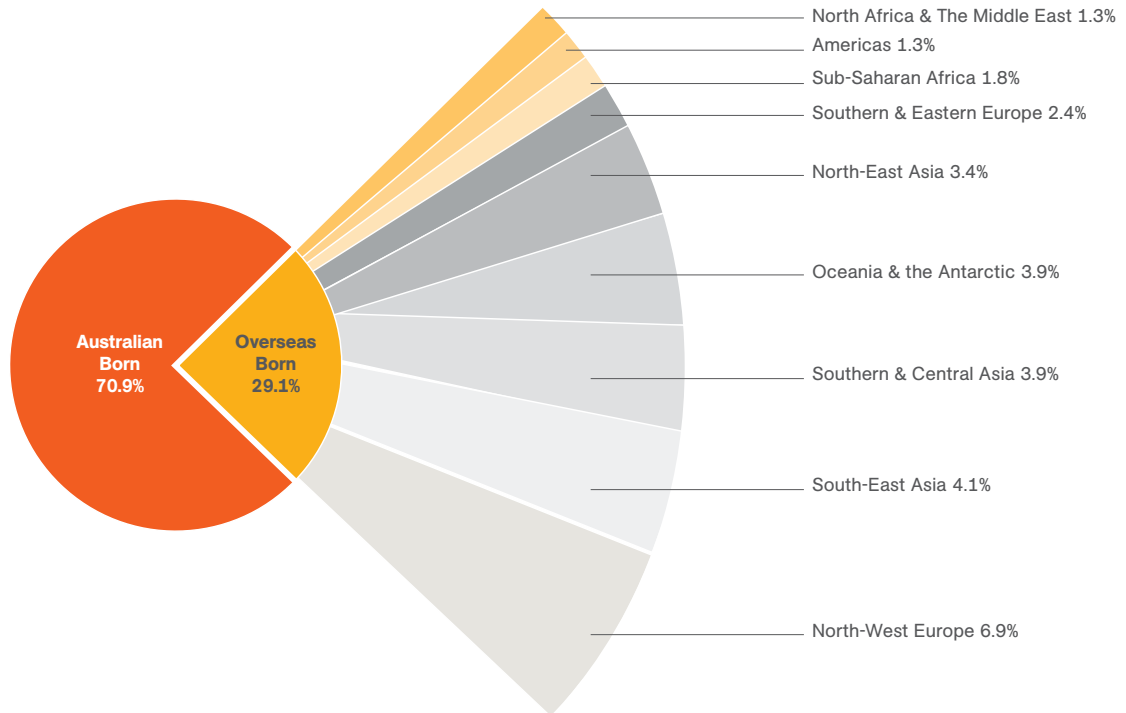
Sources: Department of Industry, Student 2014 Full Year: Selected Higher Education Statistics Publication, Tables 7.2, 7.4 and 7.5; Austrade

## / A FIRST CHOICE HIGHER EDUCATION DESTINATION

Australia is a 'first choice' education destination across the Asian region. With around 70 per cent of the almost 350,000 international students in Australia studying management, commerce, engineering or information technology, the country is a hub for business and technology-related education in the region.

# AUSTRALIA'S LABOUR FORCE BY BIRTHPLACE – 2015

Total labour force as at September 2015: 12,517,100



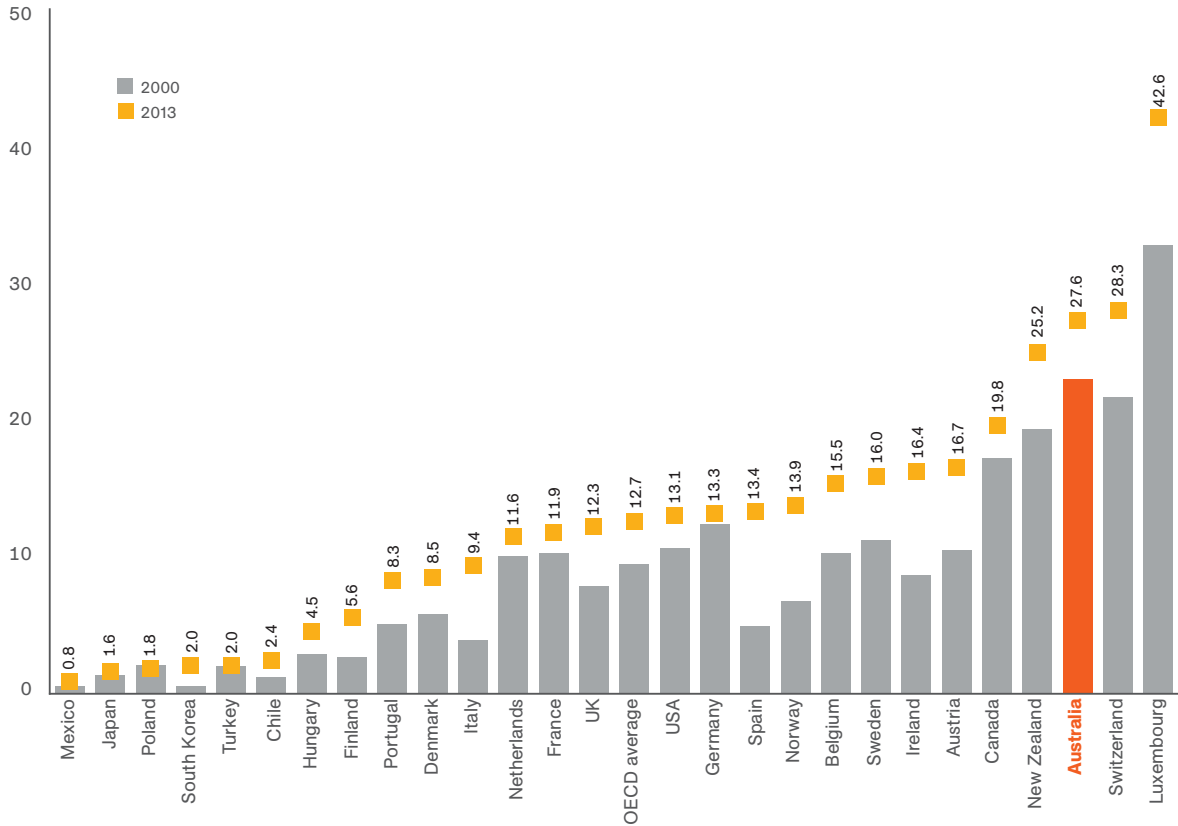
Sources: Australian Bureau of Statistics, Cat. No. 6291.055.001 – Labour Force, Australia, Detailed – Electronic Delivery, September 2015, data cubes LM5 (released 22 October 2015); Austrade

## / A CULTURALLY DIVERSE LABOUR FORCE

Almost 30 per cent of Australia's labour force of 12.5 million people was born overseas. Many foreign-born workers are from Asia or Europe, enriching Australia's reputation for multilingual, multicultural workplaces.

# FOREIGN-BORN POPULATION

As a percentage of the total population, 2000 and 2013



**Note:** Data refers to 2000 or to the closest year with available data and to 2013 or most recent available year.

**Sources:** OECD International Migration Database; Austrade

## / A CULTURALLY DIVERSE COUNTRY

Australia is one of the most culturally diverse countries in the OECD. Around 2.1 million Australians speak an Asian language and 1.3 million speak a European language in addition to English, providing companies with access to a workforce that is well equipped with the cultural understanding and language capabilities to service international businesses in their own languages.

SECTION  
04

# LOCATION

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# LOCATION

AUSTRALIA IS WELL PLACED AS A TRADE AND INVESTMENT BASE FOR ASIAN EXPANSION. TEN OF THE NATION'S TOP 12 EXPORT MARKETS ARE WITHIN THIS RAPIDLY GROWING REGION.

Existing and new trade agreements are set to drive the flow of goods, services and investments between Australia and its major trading partners in Asia, Europe and North America.

Australia remains a favoured destination for international investment and tourism, with Asia a fast-growing source of foreign direct investment and overseas visitors.

Australia's location also bridges the world's major time zones, offering 24-hour access for organisations with round-the-clock operations.



**TOP  
TRADING  
PARTNERS**

**CHINA JAPAN USA  
SOUTH KOREA  
SINGAPORE**

# AUSTRALIA'S TRADE BY BROAD SECTOR AND TOP FIVE COMMODITIES

Australia's Trade by Broad Sector <sup>1</sup>				Top 5 Commodities (Goods and Services) <sup>1</sup>			
	2013–14 A\$ billion	2014–15 A\$ billion	Change %		2013–14 A\$ billion	2014–15 A\$ billion	Change %
<b>Exports of Goods and Services</b>	<b>331.2</b>	<b>318.4</b>	<b>-3.9</b>	<b>Exports of Goods and Services</b>			
<b>Goods Exports</b>	<b>272.9</b>	<b>254.3</b>	<b>-6.8</b>	1 Iron ore and concentrates	74.7	54.4	-27.1
Primary product – Food	35.7	38.9	8.8	2 Coal	40.0	37.9	-5.1
Unprocessed food	15.5	15.3	-1.2	3 Education services <sup>4</sup>	15.9	18.2	14.5
Processed food	20.2	23.6	16.5	4 Natural gas	16.3	16.9	3.8
Primary products – Resources <sup>2</sup>	167.5	144.3	-13.9	5 Personal travel (excl. edu) <sup>5</sup>	13.9	14.4	3.9
Minerals	96.5	78.1	-19.1				
Fuels	71.0	66.2	-6.8	<b>Imports of Goods and Services</b>			
Other primary	7.7	7.4	-3.9	1 Personal travel (excl. edu) <sup>5</sup>	25.5	24.3	-4.7
Manufactured products	42.1	43.4	3.2	2 Passenger motor vehicles	17.8	18.7	4.9
Other goods (incl. gold)	19.9	20.4	2.0	3 Refined petroleum	19.2	18.1	-5.9
<b>Services Exports</b>	<b>57.4</b>	<b>62.4</b>	<b>8.8</b>	4 Crude petroleum	21.6	14.7	-31.9
BOP adjustment <sup>3</sup>	1.0	1.6	64.9	5 Telecom equipment and parts	9.1	11.0	21.8
<b>Imports of Goods and Services</b>	<b>339.1</b>	<b>341.1</b>	<b>0.6</b>				
<b>Two-way Trade</b>	<b>670.3</b>	<b>659.6</b>	<b>-1.6</b>				

1. Goods on a recorded trade basis, services on balance of payment basis, original data 2. Primary products include the ABS adjustment for coal (refer ABS Cat. No. 5368.0 value adjustments, August 2015) 3. BOP adjustment includes low-value goods for imports and timing and valuation adjustments 4. Education-related travel services 5. Mainly recreational travel services

Sources: Department of Foreign Affairs and Trade (DFAT), Trade and economic statistics, Monthly Trade Data – August 2015, Table 1 (last updated 8 October 2015); ABS Cat. No. 5386.0 International Trade in Goods and Services, Australia, Tables 11a and 11b; DFAT, Trade and economic statistics, Trade time series data, Country and commodity pivot table 2005–06 to 2014–15 (last updated: September 2015 using ABS catalogue 5368.0, July 2015 data); Austrade

## / AUSTRALIA'S EXPORTS ARE IN DEMAND

While export volumes of commodities such as iron ore continued to grow strongly last year, food exports rose 9 per cent in 2014–15 to account for more than 15 per cent (almost A\$39 billion) of Australia's total merchandise exports. Australia's services sector contributed A\$62 billion to export earnings in 2014–15, thanks to the country's world-class education and tourism sectors.



# AUSTRALIA'S TRADE IN GOODS AND SERVICES BY TOP 15 PARTNERS<sup>1</sup>

Rank	Selected Economies	A\$ billion						% Share of Total	Cumulative Share % 2014	% Change 2013 to 2014	CAGR % <sup>3</sup> 2009 to 2014
		2009	2010	2011	2012	2013	2014				
1	China	85.2	105.3	121.5	125.7	151.0	152.5	23.0	23.0	1.0	12.4
2	Japan	59.4	66.4	72.7	71.4	71.0	70.2	10.6	33.5	-1.0	3.4
3	USA	49.4	49.6	54.6	56.8	55.4	60.4	9.1	42.7	9.1	4.1
4	South Korea	24.4	30.1	32.6	32.0	32.0	34.6	5.2	47.9	8.1	7.2
5	Singapore	23.1	21.7	27.8	29.3	27.4	30.2	4.5	52.4	10.2	5.5
6	New Zealand	20.6	21.1	21.5	21.1	21.7	23.5	3.5	56.0	7.9	2.6
7	UK	24.3	22.9	23.8	23.0	20.4	20.8	3.1	59.1	2.0	-3.0
8	Malaysia	13.3	15.4	15.9	17.6	18.2	20.6	3.1	62.2	13.2	9.1
9	Thailand	19.1	19.8	18.4	18.4	19.6	19.0	2.9	65.0	-3.1	-0.2
10	Germany	14.4	14.8	15.3	15.9	16.5	16.7	2.5	67.6	1.5	3.1
11	India	20.6	22.2	20.8	17.9	15.3	15.8	2.4	69.9	3.5	-5.1
12	Indonesia	11.3	12.8	14.7	14.6	14.7	15.7	2.4	72.3	6.4	6.8
13	Taiwan	10.7	12.8	13.7	12.7	12.4	12.7	1.9	74.2	2.6	3.6
14	Vietnam	5.9	6.2	6.5	6.6	7.8	10.0	1.5	75.7	28.5	11.2
15	Italy	7.1	7.5	8.0	7.7	8.3	8.7	1.3	77.0	4.0	4.0
	Other	118.5	130.8	147.9	155.1	156.7	152.4	23.0	100.0	-2.8	5.2
	<b>All Economies</b>	<b>507.2</b>	<b>559.4</b>	<b>615.9</b>	<b>625.7</b>	<b>648.5</b>	<b>663.8</b>	<b>100.0</b>	-	<b>2.4</b>	<b>5.5</b>
	<b>APEC</b>	<b>349.1</b>	<b>389.7</b>	<b>432.4</b>	<b>439.3</b>	<b>463.2</b>	<b>482.5</b>	<b>72.7</b>	-	<b>4.2</b>	<b>6.7</b>
	<b>ASEAN</b>	<b>76.4</b>	<b>80.0</b>	<b>88.2</b>	<b>91.7</b>	<b>92.8</b>	<b>101.5</b>	<b>15.3</b>	-	<b>9.3</b>	<b>5.8</b>
	<b>EU<sup>2,3</sup></b>	<b>78.7</b>	<b>80.0</b>	<b>85.0</b>	<b>84.0</b>	<b>81.4</b>	<b>84.0</b>	<b>12.7</b>	-	<b>3.2</b>	<b>1.3</b>
	<b>OECD</b>	<b>247.9</b>	<b>263.0</b>	<b>285.1</b>	<b>284.6</b>	<b>280.9</b>	<b>291.3</b>	<b>43.9</b>	-	<b>3.7</b>	<b>3.3</b>

CAGR = compound annual growth rate

1. All data is on a balance of payments basis, except for goods by country which are on a recorded trade basis. Excludes selected confidential export commodities from partner country totals from June 2013 onwards as well as for the country groups. Therefore movements in the confidential country totals may not reflect the true pattern of trade. Excludes selected confidential import commodities from partner country totals from September 2008 onwards as well as for the country groups. Therefore movements in the confidential country totals may not reflect the true pattern of trade 2. Services data is EU27 from 2007 to 2012, EU28 from September 2013 3. Includes DFAT estimate for France. See footnote 4. DFAT estimate for France from 2009 to 2014

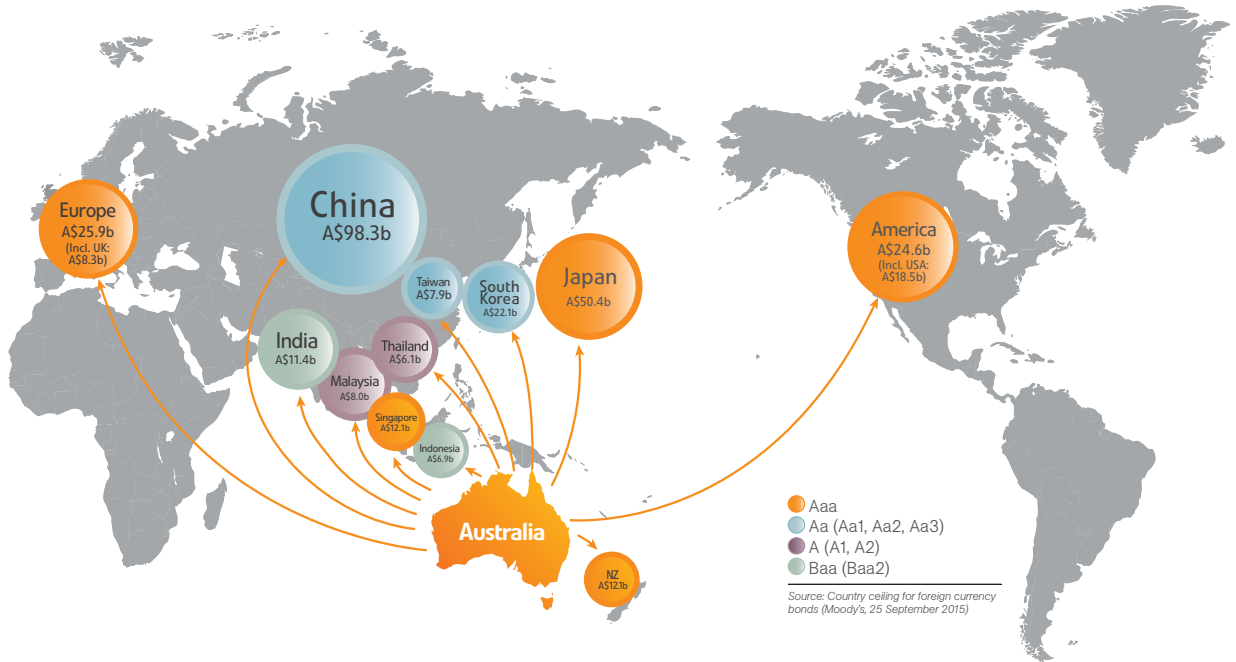
Sources: Department of Foreign Affairs and Trade (DFAT). Data was based on DFAT STARS database, ABS catalogues 5368.0 (March 2015) and 536830.55.004, and unpublished ABS data; Austrade

## / AUSTRALIA: A SUCCESSFUL TRADING ECONOMY

Australia's two-way trade in goods and services in 2014 totalled A\$664 billion, making up about 42 per cent of GDP. Australia's trade with Asia-Pacific Economic Cooperation countries remained strong, with a total value of around A\$483 billion, or 73 per cent of Australia's total trade. The ASEAN region is becoming a significant market, with total export values reaching over A\$100 billion, or 15 per cent of Australia's two-way trade, in 2014.

# AUSTRALIA: A PARTNER FOR GROWTH IN ASIA

Ten of Australia's top 12 goods and services export markets were in the Asian region in 2014



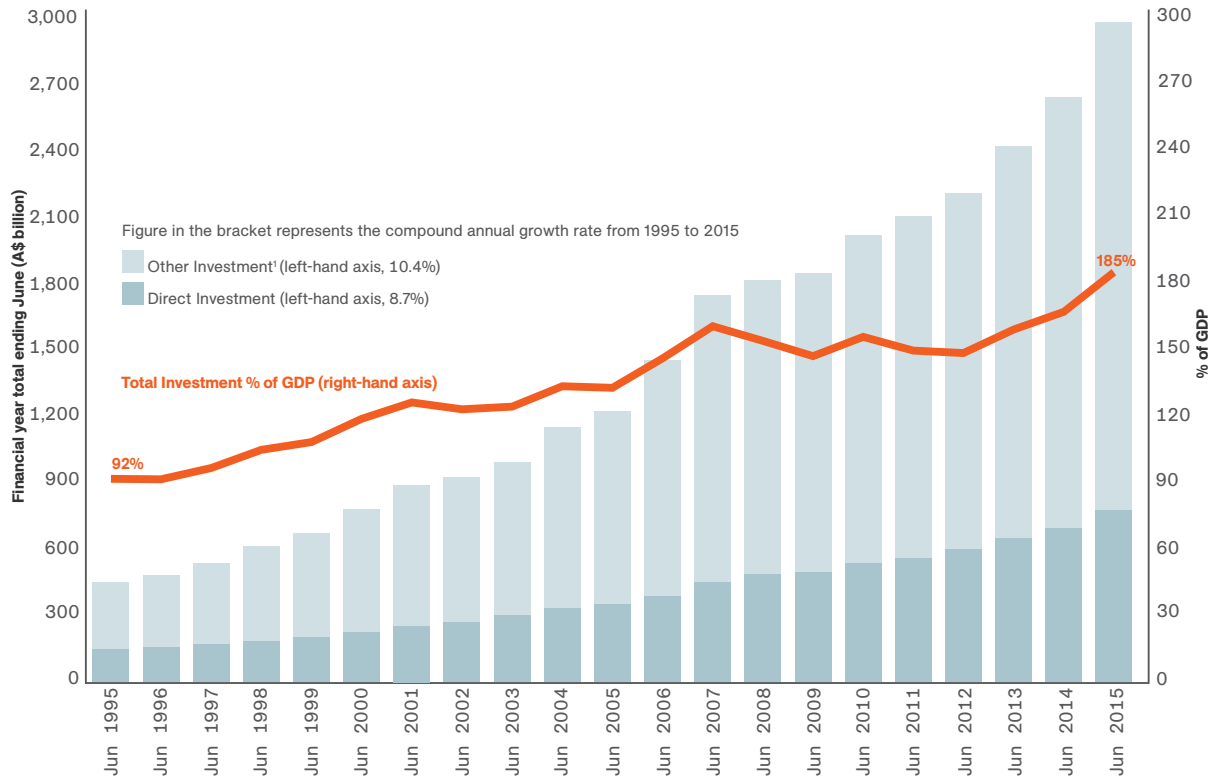
**Note:** Country ceiling for Europe and North America only reflect the UK and the USA.

**Sources:** Department of Foreign Affairs and Trade, *Composition of Trade 2014*, pages 43 and 46 (released 4 August 2015); Austrade

## / ASIAN DEMAND DRIVING TRADE GROWTH

Australia's integration with the dynamic Asian region is driving wealth creation and overall growth. Australia's goods and services exports totalled A\$327 billion in 2014. Of the top 12 export markets in 2014, 10 were in the Asian region and all were rated above investment-grade. Their combined value was around A\$235 billion, making up about 72 per cent of Australia's total export earnings in 2014.

# TOTAL FOREIGN INVESTMENT STOCK IN AUSTRALIA – 1995–2015



1. Other investment is the balance of Total Investment less Direct Investment. As such, it represents Portfolio Investment, Financial Derivatives and Other Investment categories from the source ABS data

Sources: Australian Bureau of Statistics, Cat. No. 5302.0 Balance of Payments and International Investment Position, Australia, Table 79. International Investment: Levels of Foreign Liabilities – Financial Year (latest issue released 02 September 2015); ABS Cat. No. 5206.0 Australian National Accounts: National Income, Expenditure and Product, Table 34. Key Aggregates and analytical series, Annual; Austrade

## / A HIGH-GROWTH DESTINATION FOR FOREIGN INVESTMENT

Australia presently hosts almost A\$3 trillion of foreign investment stock. Both foreign direct investment and other investment (including portfolio investment) have recorded strong growth, up 8.7 per cent and 10.4 per cent each year respectively since 1995. As a percentage of GDP, Australia's total value of foreign investment stock reached 185 per cent in June 2015, double that of two decades ago.

# AUSTRALIA'S SHARE OF GLOBAL FOREIGN DIRECT INVESTMENT STOCK – 2004–14

Economy	Inward FDI Stock (US\$ billion)		Inward FDI Stock as % of GDP		Inward FDI Stock % of Market Share		% Change		% CAGR
	2004	2014	2004	2014	2004	2014	2004–09	2009–14	2004–14
<b>World</b>	<b>10,192</b>	<b>26,039</b>	<b>23.7</b>	<b>33.6</b>	<b>100.0</b>	<b>100.0</b>	<b>72.8</b>	<b>47.9</b>	<b>9.8</b>
<b>Developed economies</b>	<b>7,755</b>	<b>17,004</b>	<b>23.6</b>	<b>37.4</b>	<b>76.1</b>	<b>65.3</b>	<b>56.3</b>	<b>40.3</b>	<b>8.2</b>
<b>Developing economies</b>	<b>2,256</b>	<b>8,310</b>	<b>24.0</b>	<b>28.3</b>	<b>22.1</b>	<b>31.9</b>	<b>117.4</b>	<b>69.4</b>	<b>13.9</b>
South-East Asia (ASEAN)	373	1,687	43.9	68.1	3.7	6.5	139.3	89.1	16.3
<b>Transition economies</b>	<b>181</b>	<b>725</b>	<b>22.7</b>	<b>27.8</b>	<b>1.8</b>	<b>2.8</b>	<b>224.1</b>	<b>23.7</b>	<b>14.9</b>
USA	2,717	5,410	22.1	31.1	26.7	20.8	10.2	80.6	7.1
UK	740	1,663	32.2	56.5	7.3	6.4	42.1	58.1	8.4
Hong Kong	427	1,550	252.5	535.1	4.2	6.0	111.8	71.4	13.8
China	245	1,085	12.6	10.5	2.4	4.2	92.7	129.4	16.0
Singapore	216	912	189.1	296.2	2.1	3.5	135.2	79.6	15.5
Brazil	161	755	24.1	32.1	1.6	2.9	148.5	88.3	16.7
Germany	512	744	18.2	19.3	5.0	2.9	36.9	6.0	3.8
France	403	729	19.0	25.6	4.0	2.8	60.6	12.5	6.1
Spain	407	722	38.0	51.3	4.0	2.8	55.2	14.2	5.9
Switzerland	198	682	50.3	95.8	1.9	2.6	152.7	36.5	13.2
Netherlands	545	664	84.3	76.7	5.3	2.6	30.3	-6.5	2.0
Canada	315	631	31.0	35.3	3.1	2.4	73.9	15.1	7.2
<b>Australia</b>	<b>291</b>	<b>565</b>	<b>44.3</b>	<b>39.1</b>	<b>2.9</b>	<b>2.2</b>	<b>51.0</b>	<b>28.5</b>	<b>6.9</b>
Russia	122	379	20.7	20.4	1.2	1.5	209.8	-0.1	12.0
Italy	232	374	12.9	17.4	2.3	1.4	57.2	2.6	4.9
Indonesia	16	253	5.7	28.5	0.2	1.0	586.1	132.6	31.9
India	38	252	5.3	12.3	0.4	1.0	349.9	47.4	20.8
Thailand	54	199	33.4	53.3	0.5	0.8	98.5	86.4	14.0
South Korea	88	182	11.5	12.8	0.9	0.7	38.9	49.3	7.6
Japan	97	171	2.1	3.7	1.0	0.7	106.4	-14.8	5.8
Malaysia	43	134	34.5	40.9	0.4	0.5	83.5	69.3	12.0
Vietnam	20	91	41.4	48.9	0.2	0.3	139.2	85.7	16.1
New Zealand	44	77	43.6	38.8	0.4	0.3	27.9	35.5	5.7
Taiwan	38	69	11.0	13.0	0.4	0.3	45.4	23.3	6.0
Philippines	13	57	13.9	20.0	0.1	0.2	80.0	149.0	16.2

CAGR = compound annual growth rate

Sources: United Nations Conference Trade and Development (UNCTAD), FDI/TNC database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)), Web tables 3 and 7; Austrade

## / AN ATTRACTIVE DESTINATION FOR FDI

Australia remained one of the top 15 destinations for global foreign direct investment (FDI) stock in 2014, with a 2.2 per cent share of the global stock of FDI. Australia received US\$565 billion in FDI in 2014, up from US\$291 billion in 2004. As a percentage of GDP, FDI in Australia remained strong at 39 per cent on the back of continued economic expansion and integration with trading partners, particularly the Asian region.

# MAIN SOURCES OF FOREIGN DIRECT INVESTMENT STOCK IN AUSTRALIA – 2009–14

	Economy	A\$ billion						% Share 2014	% Change		% CAGR 2009–14
		2009	2010	2011	2012	2013	2014		2013–14	2009–14	
1	USA	98.2	110.3	113.5	125.5	144.9	163.4	23.7	12.8	66.4	10.7
2	UK	61.0	53.7	68.2	78.8	87.6	87.4	12.7	-0.3	43.3	7.5
3	Japan	45.6	51.1	54.1	62.2	64.4	66.1	9.6	2.7	44.9	7.7
4	Netherlands	31.4	27.6	29.7	29.7	29.1	38.4	5.6	32.1	22.4	4.1
5	China	9.1	12.9	14.4	16.4	23.4	30.0	4.4	28.3	230.9	27.0
6	Singapore	16.7	18.7	19.9	22.4	23.3	28.0	4.1	20.2	67.5	10.9
7	Canada	12.2	14.9	19.0	21.0	16.8	23.6	3.4	40.7	92.9	14.0
8	Switzerland	17.8	20.9	22.9	22.5	19.4	19.0	2.8	-1.8	7.0	1.4
9	Germany	18.1	16.8	14.1	13.6	13.5	15.8	2.3	16.8	-13.0	-2.7
10	UAE	np	np	np	np	np	14.6	2.1	na	na	na
11	Hong Kong	5.4	6.6	7.6	7.4	7.9	11.5	1.7	44.5	110.8	16.1
12	Malaysia	4.5	3.7	–	7.1	9.1	9.6	1.4	4.8	114.7	16.5
13	Bermuda	9.5	7.5	5.8	6.4	9.8	9.2	1.3	-6.1	-3.2	-0.6
14	France	13.0	13.0	7.2	6.9	5.5	5.8	0.8	5.1	-55.3	-14.9
15	New Zealand	6.2	6.4	5.6	4.5	5.4	5.4	0.8	-0.8	-13.0	-2.7
16	Thailand	np	np	np	np	4.6	4.6	0.7	-1.7	na	na
17	Belgium	5.6	6.2	5.7	4.5	4.8	4.3	0.6	-8.7	-22.7	-5.0
18	South Korea	1.3	2.1	–	2.6	2.9	3.2	0.5	7.2	144.9	19.6
<b>Total all countries</b>		<b>489.9</b>	<b>518.6</b>	<b>545.4</b>	<b>587.3</b>	<b>633.4</b>	<b>688.4</b>	<b>100.0</b>	<b>8.7</b>	<b>40.5</b>	<b>7.0</b>
<b>EU</b>		<b>144.8</b>	<b>133.8</b>	<b>140.1</b>	<b>149.9</b>	<b>155.9</b>	<b>169.6</b>	<b>24.6</b>	<b>8.8</b>	<b>17.2</b>	<b>3.2</b>
<b>ASEAN</b>		<b>22.1</b>	<b>25.8</b>	<b>28.0</b>	<b>32.7</b>	<b>37.1</b>	<b>42.3</b>	<b>6.1</b>	<b>13.9</b>	<b>91.7</b>	<b>13.9</b>

ASEAN = The Association of Southeast Asian Nations; CAGR = compound annual growth rate from 2009 to 2014; np = not available for publication but included in totals where applicable, unless otherwise indicated; na = not applicable; UAE = United Arab Emirates

Sources: Australian Bureau of Statistics, Cat. No. 5352.0 – International Investment Position, Australia: Supplementary Statistics, 2014 (released 8 May 2015), Table 2. Foreign Investment in Australia: Level of Investment by Country and Country Groups by type of investment and year (\$million); Austrade

## / TRADITIONAL MARKETS STILL STRONGEST, BUT INVESTMENT FROM ASIA IS INCREASING

Australia's inward FDI stock reached A\$688 billion in 2014, up 40 per cent from 2009 figures. The European Union (including the UK) and the United States remain dominant sources of FDI, with totals of A\$170 billion and A\$163 billion respectively. Major Asian nations are fast-growing sources of FDI, with China FDI stock recording a compound annual growth rate over the past five years of 27 per cent, followed by South Korea (20 per cent), Malaysia (17 per cent) and Hong Kong (16 per cent).

# AUSTRALIA'S INTERNATIONAL VISITORS AND TOTAL TRIP EXPENDITURE BY COUNTRY OF RESIDENCE<sup>1</sup> – 2014–15

Country of Residence	Year Ending June 2015 Visitors ('000)	% of Visitors <sup>2</sup>	% Change Year Ending June 2014 to Year Ending 2015	Year Ending June 2015 Trip Expenditure (A\$m)	% of Trip Expenditure <sup>2</sup>	% Change Year Ending June 2014 to Year Ending 2015
<b>Total</b>	<b>6,567</b>	<b>100.0</b>	<b>6.6</b>	<b>33,422</b>	<b>100.0</b>	<b>10.4</b>
New Zealand	1,154	17.6	3.5	2,493	7.5	5.4
China	864	13.2	21.7	6,996	20.9	32.1
UK	629	9.6	0.4	3,507	10.5	-2.0
USA	544	8.3	8.7	3,028	9.1	14.5
Singapore	325	5.0	2.1	1,216	3.6	12.5
Japan	297	4.5	-0.2	1,337	4.0	-1.3
Malaysia	293	4.5	5.7	1,100	3.3	7.5
India	207	3.2	19.9	1,041	3.1	38.9
South Korea	197	3.0	7.4	1,179	3.5	6.6
Hong Kong	186	2.8	2.9	1,074	3.2	14.1
Germany	181	2.8	4.6	1,015	3.0	-1.7
Indonesia	137	2.1	2.7	593	1.8	-7.7
Canada	135	2.1	5.7	818	2.4	6.5
Taiwan	114	1.7	4.6	708	2.1	13.4
France	113	1.7	3.7	755	2.3	5.3
Scandinavia	95	1.4	1.3	596	1.8	9.9
Thailand	70	1.1	-2.4	325	1.0	-13.8
Italy	70	1.1	-1.8	469	1.4	-9.6
Switzerland	51	0.8	9.1	366	1.1	16.0
Netherlands	43	0.7	-4.6	241	0.7	-8.7
Other countries	435	6.6	7.9	2,217	6.6	9.2
Other Asia	216	3.3	16.4	1,083	3.2	10.3
Other Europe	211	3.2	1.1	1,264	3.8	-3.3

1. Estimates are for international visitors aged 15 years and over 2. Individual percentages may not add to 100 due to rounding

Sources: *Tourism Research Australia: International Visitors Survey; Austrade*

## / RECORD NUMBER OF VISITORS PROVIDES GREATER OPPORTUNITY FOR INVESTMENT

Australia's international visitor numbers rose by 7 per cent to a new high of 6.6 million in 2014–15. These visitors spent a record A\$33.4 billion, a 10 per cent increase on the previous year. Visitors from the Asian region accounted for more than 60 per cent of Australia's total number of tourists. There were 864,000 Chinese visitors in 2014–15, up 22 per cent on the previous year. There was also strong growth in visitors from the United States (up 9 per cent to 544,000).

SECTION  
05

# BUSINESS

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# BUSINESS

AUSTRALIA'S POLITICAL STABILITY, TRANSPARENT REGULATORY SYSTEM, AND SOUND GOVERNANCE FRAMEWORKS PROVIDE A SECURE SETTING FOR TRADE AND INVESTMENT.

For the seventh year in a row, Australia is ranked in the global top five on the *Index of Economic Freedom*. Remuneration rates for professionals and the cost of prime office space is among the most competitive in the world.

Australia has a sophisticated financial sector that offers access to one of the Asia-Pacific region's largest pools of bank assets, as well as the world's fourth largest pension assets pool.

These credentials attract some of the world's largest organisations to Australia. Eighteen of the Top 20 FT Global 500 companies and eight of the Top 10 Fortune 100 have operations in Australia. One in four businesses in Australia with more than 200 employees is at least 50 per cent foreign-owned.

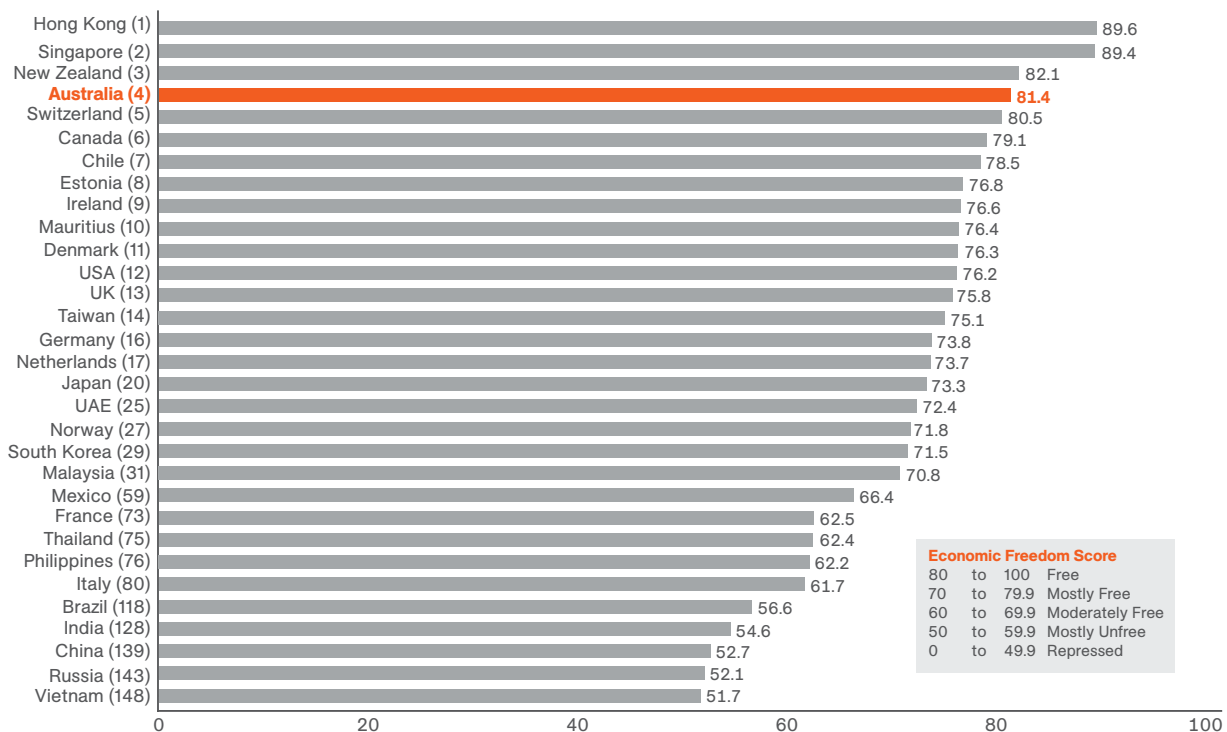
**MORE THAN**  
**21,000**  
FOREIGN COMPANIES



**REGISTERED IN**  
**AUSTRALIA**



# INDEX OF ECONOMIC FREEDOM WORLD RANKING – 2015<sup>1</sup>



1. The 2015 *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, 2015 Index of Economic Freedom; Austrade*

## / AUSTRALIA'S POLICIES CREATE AN ENVIRONMENT OF ECONOMIC FREEDOM

Australia ranks fourth in the 2015 *Index of Economic Freedom*. The survey states that 'regulatory efficiency remains firmly institutionalised, and well-established open-market policies sustain flexibility, competitiveness, and large flows of trade and investment'.

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

Ease of Doing Business		Starting a Business			Getting Credit			Enforcing Contracts			Resolving Insolvency		
Overall Ranking Out of 189 Economies	Rank	Procedures (number)	Time (days)	Rank	Strength of Legal Rights	Depth of Credit	Rank	Time (days)	Quality of Judicial Processes Index (0-18)	Rank	Recovery Rate (cents in the dollar)		Time (years)
					Index (0-12)	Information Index (0-8)					Rank	Rate	
Singapore	1	10	3	2.5	19	8	7	1	150	15.5	27	89.7	0.8
New Zealand	2	1	1	0.5	1	12	8	15	216	11.0	31	83.3	1.3
Denmark	3	29	4	3.0	28	8	6	37	410	10.0	9	87.8	1.0
South Korea	4	23	3	4.0	42	5	8	2	230	13.5	4	83.6	1.5
Hong Kong	5	4	2	1.5	19	8	7	22	360	11.0	26	87.2	0.8
UK	6	17	4	4.5	19	7	8	33	437	15.0	13	88.6	1.0
USA	7	49	6	5.6	2	11	8	21	420	13.8	5	80.4	1.5
Sweden	8	16	3	7.0	70	6	5	24	321	12.0	19	76.6	2.0
Norway	9	24	4	4.0	70	5	6	8	280	10.0	6	92.5	0.9
Finland	10	33	3	14.0	42	7	6	30	375	9.0	1	90.1	0.9
Taiwan	11	22	3	10.0	59	4	8	16	510	13.0	21	81.8	1.9
<b>Australia</b>	<b>13</b>	<b>11</b>	<b>3</b>	<b>2.5</b>	<b>5</b>	<b>11</b>	<b>7</b>	<b>4</b>	<b>395</b>	<b>15.5</b>	<b>14</b>	<b>82.1</b>	<b>1.0</b>
Malaysia	18	14	3	4.0	28	7	7	44	425	12.0	45	81.3	1.0
Japan	34	81	8	10.2	79	4	6	51	360	7.5	2	92.9	0.6
Thailand	49	96	6	27.5	97	3	6	57	440	6.5	49	42.5	2.7
China	84	136	11	31.4	79	4	6	7	453	14.1	55	36.2	1.7
Vietnam	90	119	10	20.0	28	7	7	74	400	6.5	123	20.1	5.0
Philippines	103	165	16	29.0	109	3	5	140	842	7.5	53	21.4	2.7
Indonesia	109	173	13	47.8	70	5	6	170	471	6.3	77	31.2	1.9
India	130	155	13	29.0	42	6	7	178	1,420	7.5	136	25.7	4.3

**Note:** Australia's 2015 ranking was changed from the 10th position to the 12th because of changes to the methodology and data revisions due to new information.

**1. Doing Business 2016** is the 13th in a series of annual reports measuring the regulations that enhance business activity and those that constrain it. All *Doing Business 2015* rankings have been recalculated to reflect changes to the methodology and revisions of data due to new information. *Doing Business* measures regulations affecting 11 areas of 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. Data in *Doing Business 2016* is current as of 1 June 2015

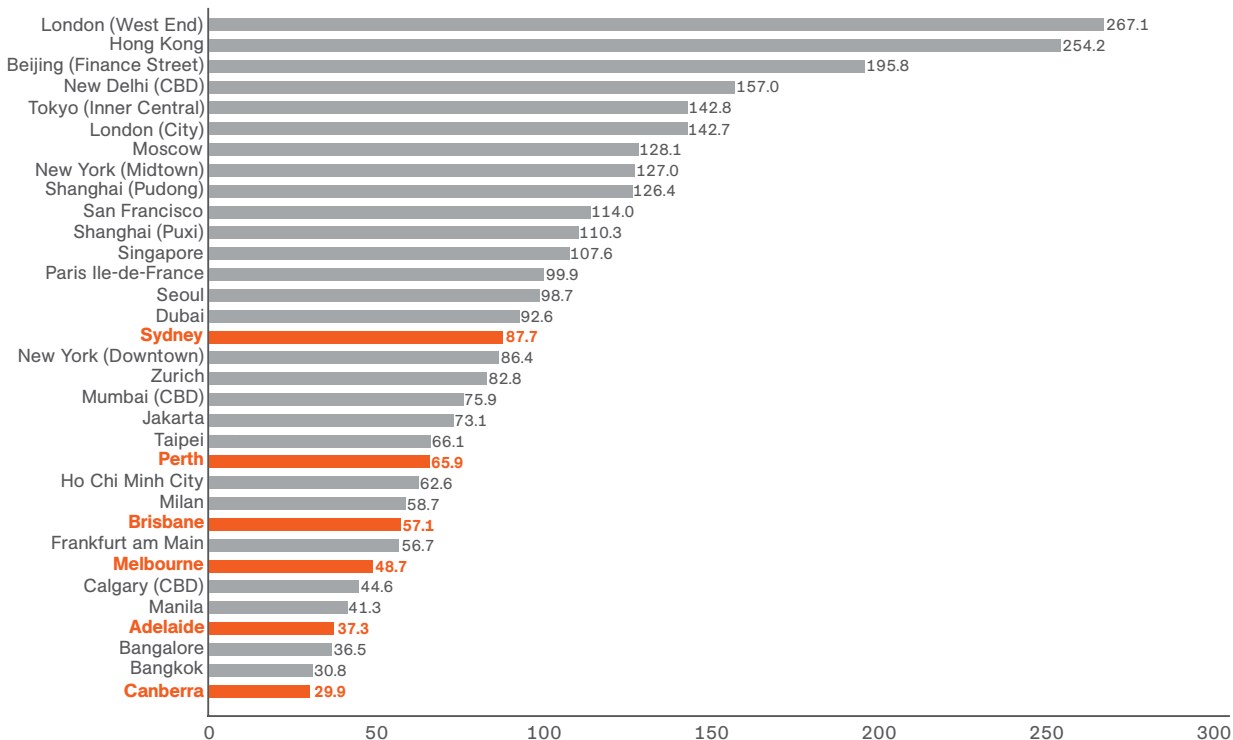
**Sources:** World Bank Group, *Doing Business 2016: Measuring Regulatory Quality and Efficiency*. Washington, DC: World Bank Group (released 27 October 2015); Austrade

## / A GOOD PLACE TO DO BUSINESS

Australia is ranked 13th out of 189 economies for ease of doing business, and fifth when compared to economies with a similar or larger population. The country's quality of judicial processes index is rated the world's best. Australia also ranks well for enforcing contracts (4th out of 189 economies) and in the ease of getting credit (5th out of 189 economies).

# GLOBAL PRIME OFFICE OCCUPANCY COSTS – 2015

US\$ per square feet/annum



**Note:** Occupancy costs include service charges and taxes and are standardised on a net internal area basis.

**Sources:** CB Richard Ellis Research, June 2015 Global Prime Office Occupancy Costs; Austrade

## / A COST-COMPETITIVE LOCATION FOR OFFICE SPACE

The cost of prime office space in Australia (using an average of all major cities) is among the most competitively priced in the world, and compares favourably to global and regional business centres. The cost of prime office space in Sydney is a third of the cost of London (West End) and Hong Kong, and half of that in Beijing.

# REMUNERATION OF MANAGEMENT

Total base salary plus bonuses and long-term incentives, US\$'000

	CEO	Engineer	Director Manufacturing	Human Resources Director
	2014	2014	2014	2014
Switzerland	857	198	360	343
USA	757	112	321	267
Germany	602	165	275	270
UK	642	110	208	211
France	578	120	235	208
Italy	526	124	234	219
Netherlands	487	143	219	212
Japan	456	141	209	237
Singapore	459	97	249	236
Sweden	372	127	344	185
HongKong	456	100	233	212
Spain	406	93	219	176
SouthKorea	430	102	177	174
Canada	387	105	195	194
Mexico	362	69	219	187
<b>Australia</b>	<b>348</b>	<b>88</b>	<b>180</b>	<b>145</b>
NewZealand	383	55	117	189
UAE	303	90	150	190
Norway	274	122	157	156
Brazil	310	72	136	124
Taiwan	274	76	143	133
Thailand	277	55	132	138
Philippines	188	55	160	123
China	184	63	107	131
Malaysia	179	48	108	101
India	171	43	74	72
Indonesia	142	33	76	64

Sources: IMD World Competitiveness Online 1995–2015; Austrade

## / COMPETITIVE REMUNERATION RATES FOR PROFESSIONALS

Australia offers a highly skilled, multilingual and competitively priced domestic workforce. Salary levels in Australia for skilled professionals are generally competitive relative to major centres around the world, due to moderate wage growth over the past three years and a depreciating Australian dollar.

## BUSINESS EFFICIENCY AND ENVIRONMENT – 2015

	Australia	USA	UK	China	Japan	South Korea	India	Hong Kong	Singapore
<b>Global Competitiveness Report 2015–16 Ranking<sup>(a)</sup> in:</b>									
Inflation, Annual % Change	=1	=1	=1	=1	=1	=1	105	93	=1
Soundness of Banks	3	39	63	78	28	113	100	7	5
Legal Rights Index	=4	=4	24	=80	=80	63	44	24	17
Number of Days to Start a Business	=4	27	28	117	58	10	110	=4	=4
Efficacy of Corporate Boards	9	15	16	105	22	120	96	26	6
Strength of Auditing and Reporting Standards	9	23	15	80	14	72	95	6	7
No. of Procedures to Start a Business	9	=57	=57	123	93	=9	129	=9	=9
Intensity of Local Competition	9	4	3	36	1	13	101	2	21
Regulation of Securities Exchanges	10	24	21	52	11	78	69	4	3
<b>World Competitiveness Yearbook 2015 Ranking<sup>(b)</sup> in:</b>									
Finance Management – Corporate Debt	3	7	21	43	20	51	35	6	15
Business Legislation – Openness – Tariff on Imports	4	6	15	54	12	57	60	1	2
Stock Market Efficiency – Stock Markets	5	4	19	38	9	35	24	1	15
Stock Market Efficiency – Shareholders' Rights	6	13	16	52	41	57	36	14	19
Bank Efficiency – Finance and Banking Regulation	7	23	38	40	39	51	29	2	1
Bank Efficiency – Regulatory Compliance (Banking Laws)	7	21	39	55	13	50	33	3	4
Business Legislation – Competition Legislation	7	23	12	46	22	31	42	16	4
Societal Framework – Justice	8	17	12	43	16	39	34	5	13
Institutional Framework – Rule of Law	8	19	=11	48	=11	14	45	15	10

Sources: (a) World Economic Forum, Switzerland and Harvard University, *Global Competitiveness Report 2015–16* (released September 2015, 144 economies); (b) Institute for Management Development (IMD), Switzerland, *World Competitiveness Yearbook 2015* (released May 2015, 61 economies); Austrade

### / A STABLE, FRIENDLY AND EFFICIENT ENVIRONMENT FOR DOING BUSINESS

Australia has one of the world's most robust regulatory environments and is rated among the most business-friendly economies. The country ranks highly in terms of the soundness of its banks, legal rights and corporate debt. Australia also has one of the world's most efficient stock markets, and strongest finance and banking regulation and competition legislation.

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

2014 Rank by Economy	Voice and Accountability	Political Stability & Absence of Violence/Terrorism	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption
New Zealand	97.5	99.0	98.6	99.0	98.6	100.0
Finland	98.0	95.6	99.0	98.6	100.0	98.1
Switzerland	99.0	93.7	99.5	96.6	98.1	98.6
Norway	100.0	90.3	96.6	92.3	99.0	99.0
Sweden	99.5	86.9	95.7	96.2	97.6	97.6
Luxembourg	96.6	98.1	93.3	92.8	95.7	96.6
Netherlands	98.5	85.9	97.6	95.7	97.1	95.7
Canada	95.6	91.3	95.2	97.6	94.7	93.8
Denmark	97.0	79.6	96.2	94.7	99.5	99.5
<b>Australia</b>	<b>93.6</b>	<b>87.4</b>	<b>91.8</b>	<b>98.1</b>	<b>96.2</b>	<b>95.2</b>
Germany	96.1	79.1	94.7	94.2	93.3	94.7
Ireland	92.6	86.4	92.3	95.2	92.8	91.8
Hong Kong	65.0	89.8	98.1	99.5	93.8	92.3
Singapore	45.3	92.2	100.0	100.0	95.2	97.1
UK	92.1	60.7	92.8	97.1	94.2	92.8
Japan	79.3	84.5	97.1	84.1	89.4	93.3
USA	79.8	67.0	89.9	88.5	89.9	89.4
France	89.2	59.2	88.9	82.2	88.5	88.0
Taiwan	72.9	75.2	88.0	88.9	85.6	77.4
Spain	77.3	58.3	84.6	75.5	79.8	70.2
South Korea	69.0	53.9	86.5	83.7	80.8	69.7
UAE	19.2	75.7	90.4	80.3	76.4	84.1
Italy	75.9	64.1	66.8	72.6	66.8	55.3
Malaysia	36.9	58.7	83.7	76.0	75.0	68.3
Brazil	60.6	45.1	47.1	50.5	55.3	44.2
Philippines	52.7	22.8	61.5	51.9	43.3	39.9
Indonesia	53.2	31.1	54.8	49.0	41.8	34.1
Thailand	25.6	16.5	65.9	62.0	51.4	42.3
India	61.1	13.6	45.2	34.6	54.3	38.9
China	5.4	29.6	66.3	45.2	42.8	47.1
Vietnam	9.9	46.1	52.4	30.3	44.7	37.5

1. Country scores are reported as percentile ranks, with higher values indicating better governance ratings. Percentile ranks indicate the percentage of countries worldwide that score below that country. There are 215 economies surveyed in the report. The six aggregate indicators are based on over 30 underlying data sources reporting the governance perceptions of survey respondents and expert assessments worldwide

Sources: *The World Bank, Worldwide Governance Indicators 2015 (released 25 September 2015); Austrade*

## / STRONG GOVERNANCE PROVIDES A STABLE BASE FOR BUSINESS AND INVESTMENT

The quality of governance in Australia ranks among the best in the world. Strong governance and healthy institutions are key to sustaining economic growth and security, providing a drawcard for multinationals expanding their businesses or considering Australia as a base in the Asian region.

# ASSETS OF AUSTRALIAN FINANCIAL INSTITUTIONS

A\$ billion

Year Ending June	All Financial Systems (AFS) <sup>1</sup>	Reserve Bank of Australia (RBA)	Authorised Deposit-taking Institutions <sup>2</sup> and Registered Financial Corporations	Managed Fund Sources – Consolidated			Other Financial Institutions <sup>4</sup>
				Total Managed Funds Industry	Total Life Offices and Superannuation	Other Domestic Managed Funds <sup>3</sup>	
Jun-1995	982	38	561	336	241	95	47
Jun-2000	1,787	55	900	707	455	252	124
Jun-2005	3,100	84	1,579	1,149	662	487	287
Jun-2010	4,953	86	2,855	1,734	1,041	693	279
Jun-2015	7,092	165	3,995	2,622	1,734	888	309
% of AFS assets	100.0	2.3	56.3	37.0	24.5	12.5	4.4
% of nominal GDP	440.2	10.3	248.0	162.8	107.7	55.1	19.2
% CAGR since 1995	10.4	7.7	10.3	10.8	10.4	11.8	9.8

**CAGR** = compound annual growth rate

**Note:** The US\$/A\$ exchange rate was US\$0.768 as at 30 June 2015 (sourced from RBA statistics, Table F11); the nominal value of Australia's GDP in the year to June quarter 2015 was A\$1,611 billion.

1. The sum may not be accurate due to rounding errors

2. The combined assets of banks, building societies and credit unions

3. The combined assets of public unit trusts, cash management trusts, common funds, friendly societies and funds managed by Australian investment managers on behalf of Australian entities other than collective investment institutions, and overseas investors

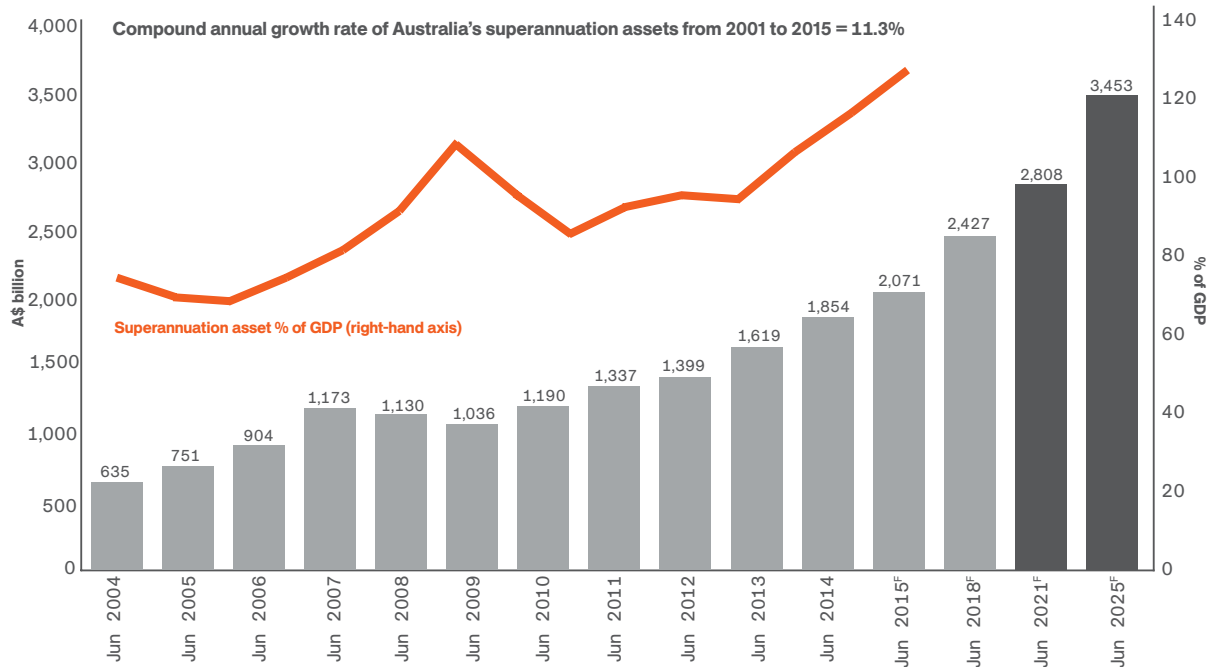
4. The combined assets of general insurance offices and securitisation vehicles

**Sources:** Reserve Bank of Australia Statistics, B1 Assets of Financial Institutions (updated 1 October 2015); RBA Statistics, B18 Managed Funds (updated 28 August 2015); Australian Bureau of Statistics, Cat. No. 5206.0 – Australian National Accounts: National Income, Expenditure and Product, June 2015 (released 2 September 2015), Table 34; Austrade

## / SUBSTANTIAL FINANCE SECTOR PROVIDES ACCESS TO CAPITAL

Australia's sophisticated financial services sector has significant depth with assets of more than A\$7 trillion – over four times the country's nominal GDP. The sector has grown 10 per cent a year over the past two decades, making it Australia's largest contributor to gross value added and one of its highest growth sectors.

# AUSTRALIA'S SUPERANNUATION ASSETS – TRENDS AND PROJECTIONS – 2004–25<sup>F</sup>



F = KPMG projections

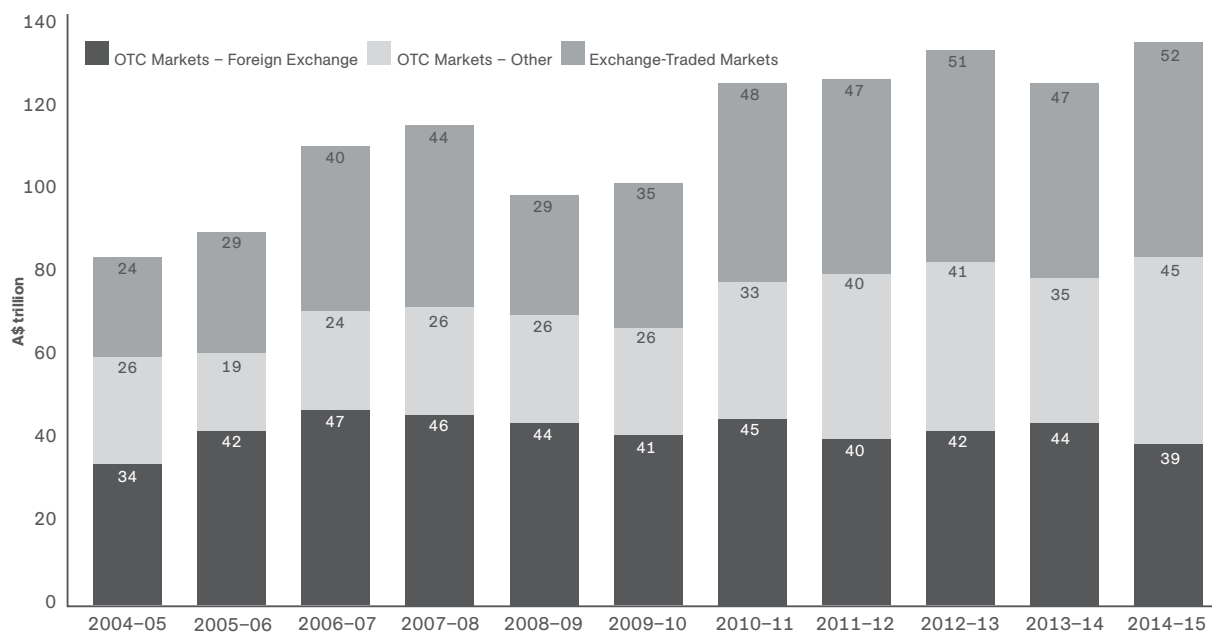
Sources: Australian Prudential Regulation Authority (APRA) Statistics – Annual Superannuation Bulletin June 2013, APRA Statistics – Quarterly Superannuation Performance, June 2015; asset projections for 2015 to 2025 by KPMG in the publication *Supertrends* (released May 2015), Figure 1, Page 8; Australia's GDP figures were sourced from Australian Bureau of Statistics, Cat. No. 5206.0 Australian National Accounts: National Income, Expenditure and Product; Austrade

## / LONG-TERM PENSION POOL GROWTH SUPPORTS FUTURE INVESTMENT OPPORTUNITIES

Australia's pension (superannuation) system is the fourth largest in the world, according to Towers Watson's *Global Pension Assets Study 2015*. Australia's A\$2.1 trillion superannuation system is a major driver behind its globally significant funds management industry. This pool of assets is expected to grow to A\$3.5 trillion over the next decade.



## AUSTRALIAN FINANCIAL MARKETS ANNUAL TURNOVER – 2015



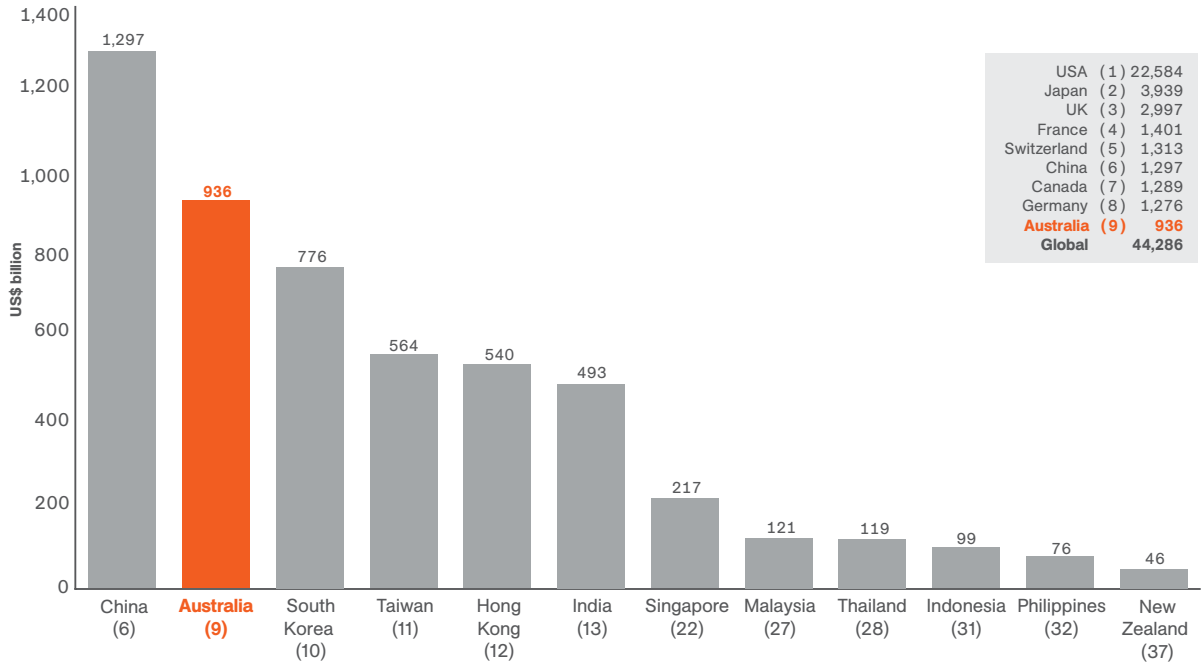
Sources: Australian Financial Markets Association, 2015 Australian Financial Markets Report; Austrade

### / AUSTRALIA'S FINANCIAL MARKETS ARE AMONG THE LARGEST AND MOST SOPHISTICATED IN THE ASIAN REGION

Over the five years to June 2015, Australia's financial markets have expanded, with total annual turnover (over-the-counter and exchange traded) rising 32 per cent to A\$135 trillion. The latest figure is 84 times the size of Australia's nominal GDP, reflecting the depth of the country's financial markets.

# SIZE OF KEY GLOBAL STOCK MARKETS – 2015

Market capitalisation of free-floating stocks (US\$ billion, 30 October 2015)



**Note:** The number in brackets is the world ranking of each country or economy (out of 47). Standard & Poor's capitalisation-weighted indices are float adjusted. Under float adjustment, the share counts used in calculating the indices reflect only those shares available to investors rather than all of a company's outstanding shares. Float adjustment excludes shares that are closely held by control groups, other publicly traded companies or government agencies.

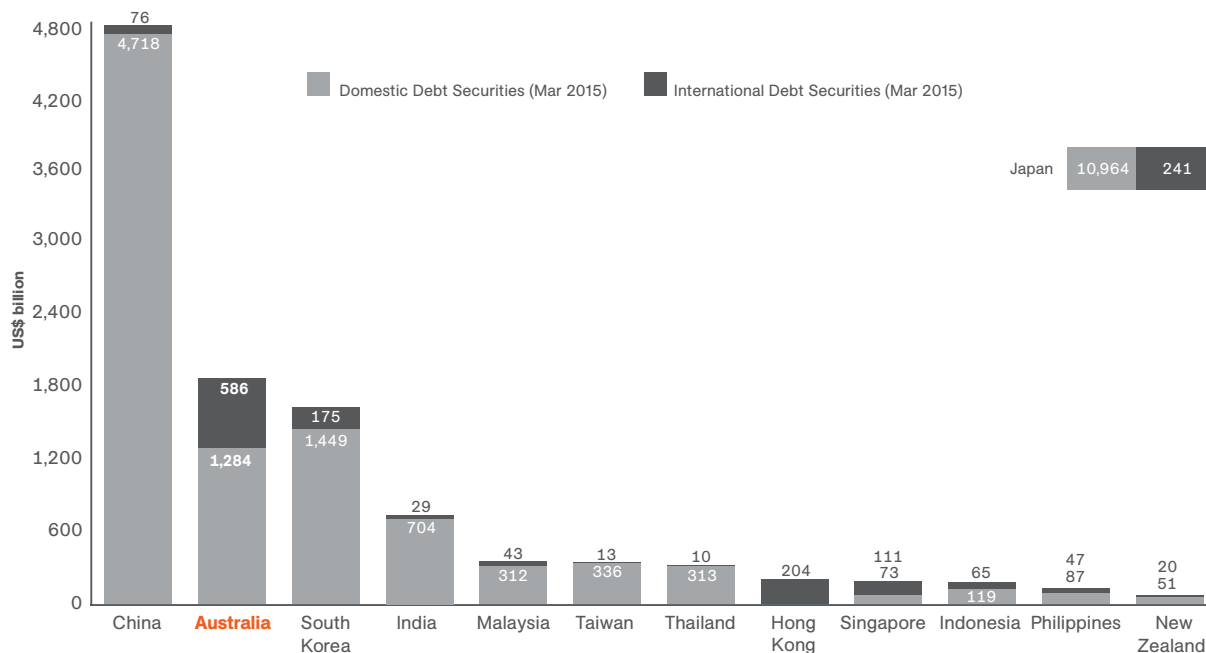
**Sources:** Standard & Poor's, S&P Dow Jones Indices World-By-Numbers: October 2015; Austrade

## / AUSTRALIA HAS THE THIRD LARGEST STOCK MARKET IN THE ASIAN REGION

Australia is home to the third largest liquid stock market after Japan and China in the Asian region. It is the ninth largest in the world with total capitalisation value of over US\$900 billion. Australia's market capitalisation of free-floating shares is greater than South Korea's US\$776 billion, almost 75 per cent larger than Hong Kong's US\$540 billion and over four times the market capitalisation of Singapore's at US\$217 billion.

# INTERNATIONAL AND DOMESTIC DEBT SECURITIES IN ASIA-PACIFIC REGION

Amount outstanding – residence of issuer, US\$ billion



Sources: Bank for International Settlements, Debt Security Statistics, Table C1 Summary of Debt Securities Outstanding; Austrade

## / REGIONAL LEADER IN THE ISSUANCE OF INTERNATIONAL AND DOMESTIC DEBT SECURITIES

Australia's debt securities market remains the third largest in the Asian region with total amounts outstanding of around US\$1.9 trillion in 2015, behind Japan's US\$11.2 trillion and China's US\$4.8 trillion. Australia is a regional leader in the issuance of both international and domestic debt securities. The country has more international debt securities outstanding than any other Asian nation and ranks fourth in the region in terms of domestic securities.

# AUSTRALIAN TRADE COMMISSION **LOCATIONS**

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## **AUSTRALIA**

Adelaide  
Brisbane  
Canberra  
Darwin  
Hobart  
Melbourne  
Newcastle  
Perth  
Sydney  
Wollongong

## **EAST ASIAN GROWTH MARKETS**

Bandar Seri Begawan  
Bangkok  
Beijing  
Chengdu  
Guangzhou  
Hanoi  
Ho Chi Minh City  
Hong Kong  
Jakarta  
Kuala Lumpur  
Kunming  
Manila  
Nanjing  
Qingdao  
Shanghai  
Shenyang  
Shenzhen  
Singapore  
Taipei  
Wuhan  
Yangon

## **ESTABLISHED MARKETS**

Auckland  
Chicago  
Frankfurt  
Fukuoka  
Houston  
Istanbul  
London  
Madrid  
Milan  
New York  
Osaka  
Paris  
Port Moresby  
Prague  
San Francisco  
Sapporo  
Seoul  
Stockholm  
Suva  
Tel Aviv  
Tokyo  
Toronto  
Ulaanbaatar  
Vancouver  
Warsaw  
Washington DC  
Zurich

## **GROWTH AND EMERGING MARKETS**

Abu Dhabi  
Accra  
Ahmedabad  
Bangalore  
Bogota  
Buenos Aires  
Chandigarh  
Chennai  
Colombo  
Dhaka  
Dubai  
Hyderabad  
Islamabad  
Jaipur  
Jeddah  
Johannesburg  
Karachi  
Kochi  
Kolkata  
Kuwait  
Lahore  
Lima  
Mexico City  
Moscow  
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