

# Invest in Australia



**Bruce Miller**  
Australian Ambassador to Japan

## Australia offers opportunities and growth

Australia's robust and diverse economy is built on 22 years of uninterrupted annual growth, unequalled by any other developed economy<sup>1</sup>. Average real GDP growth is projected to outperform every major advanced economy for the years 2012 to 2018. Australia is rated 'triple A' by all three major global rating agencies and enjoys some of the lowest levels of public debt in the OECD. Our regulatory environment is ranked amongst the world's best, and Australia is one of the easiest places to set up a business.

Australians have one of the highest median wealth levels in the world, driven in part by connections to Asia's high growth economies. Australia also offers an outstanding quality of life that is attractive to many Asian executives and skilled workers.

A highly educated multi-ethnic workforce is able to service Asian businesses in their own language and with an understanding of their culture. All Asian nations are represented in Australia's working population.

## Australia-Japan: A long standing relationship of strength

Australia and Japan possess a strong two-way investment relationship spanning more than 50 years. Japan remains important to Australia as our

second largest trading partner, largest investor from the region, and third largest source of overall foreign investment.

Australia remains Japan's largest source of primary energy, with large resources of all energy products except oil. Australia is Japan's largest provider of coal<sup>2</sup>, and for the first time in 2012, of LNG<sup>3</sup>. As new LNG supply comes online, it is likely to take an even greater share. Australia is also Japan's largest supplier of uranium<sup>4</sup> and iron ore<sup>5</sup>.

The Australia-Japan investment relationship has always been strong. 303 Japanese corporations have established a business presence in Australia. The amount of foreign direct investment by Japanese companies in Australia almost doubled from A\$31 billion to A\$61 billion in the six years since 2007.

## Opportunities for Japanese investors

Traditionally concentrated in minerals and energy, Japanese companies also operate in the food, finance, insurance and retail sectors. Recent Japanese investments have occurred in beverage manufacturing, dairy, sustainable housing and clothing retail.

## Infrastructure

Australia's infrastructure construction market has experienced unprecedented growth over the last ten years. Australia's sophisticated world-leading public-private partnerships (PPPs) have delivered major infrastructure projects, ranging from toll roads to hospitals.

Continued demand for infrastructure projects will be underpinned by the next phase of the resource cycle, sustained population growth, continued urbanisation, rapid growth in demand for freight and passenger transport, and continued energy and food security needs. Opportunities exist to apply state-of-the-art technologies and construction expertise across all stages of the asset life cycle.



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cle, ranging from start-up to asset ownership, operation and maintenance.

This continued demand creates opportunities for companies in i) financing infrastructure projects, ii) increasing the level of competition in the construction sector, iii) the introduction of new technologies, skills and innovations and iv) addressing emerging skill shortages.

### Financial services

The strength of the Australian financial services sector is evidenced by the resilience of the Australian economy. This can be partially attributed to the strength of Australia's banking system; all four of Australia's major banks rank in the top 20 of the world's safest banks, each with AA credit ratings; but also to Australia's global best practice regulatory regime.

Also underpinning Australia's financial services strength is the growth of its investment funds sector. Valued at US\$1.7 trillion, Australia has the third largest pools of consolidated assets under management globally and the largest in Asia, valued at about A\$1.8 trillion<sup>6</sup>. This asset pool is forecast to reach almost US\$2 trillion by 2015.

### ICT (Information and communications technologies)

Australia's fast growing and advanced digital economy, backed by a skilled workforce and world-class R&D, offers compelling investment opportunities for information and communications technology (ICT) companies. Australia's ICT spending for 2013 is estimated at US\$64.2 billion and is projected to reach US\$83.9 billion by 2018,

positioning Australia as the 4<sup>th</sup> largest in the Asia Pacific.

Growth opportunities for investors exist in cloud computing and digital infrastructure, ICT innovation, advanced R&D, and in automation, simulation and visualization technologies.

### Biotechnology

Excellent research facilities, world-class scientists and a strong but flexible regulatory regime have made Australia a powerhouse of biotechnology and pharmaceutical innovation.

In 2012 - 13, the industry is expected to generate A\$6.4 billion in revenue<sup>7</sup>. The industry's 470 companies operate predominantly in human therapeutics, but also have a strong focus in agri-biotech and diagnostics. Biotech R&D expenditure for 2012 was US\$636 million. The industry has a strong drug development pipeline, with around 6,100 clinical trials registered in Australia between July 2005 and January 2012<sup>8</sup>. The clinical trials sector is worth around A\$1 billion per annum, with direct foreign investment of over A\$450 million per annum<sup>9</sup>.

Investment opportunities range from licensing agreements with research entities to setting up Australian operations and establishing R&D collaborations and centres.

Overall, Australia's track record, research credentials and commitment to innovation provide excellent opportunities for collaboration with innovative Australian companies and research institutions. Invest in Australia.

#### JOI特別会員

#### 『オーストラリア貿易促進庁 (Austrade)』のご紹介

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#### 【主なサービス】

- ・ オーストラリアにおけるビジネス環境や規制に関する情報提供
- ・ 市場戦略や投資機会に関する情報提供
- ・ 投資目的に適したロケーションやパートナーの紹介
- ・ オーストラリア政府のプログラムや承認プロセスについてのアドバイス

お問い合わせは、TEL : 03-5232-3930、メール : enquiry.joi@austrade.gov.au、URL : www.austrade.gov.auまで。

- ※ 1 : IMF World Economic Outlook Database 2012
- ※ 2 : Providing around 60% of the total share into Japan
- ※ 3 : Providing around 18% of the total share into Japan
- ※ 4 : Providing around 27% of the total share into Japan
- ※ 5 : Providing around 61% of the total share into Japan
- ※ 6 : Austrade Benchmark Report Update, June 2013, p46.
- ※ 7 : IBIS World Industry Report, Biotechnology in Australia, May 2013
- ※ 8 : Australian New Zealand Clinical Trials Registry
- ※ 9 : Australian Government Clinically Competitive: Clinical Trials Action Group Report, page 17, March 2011

