

Australia Competitiveness in a Changing World

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Deglobalization

Technology dominance is not driven by individuals, but governments

Balance of power is changing, as well as the center of gravity of the world economy

Regulatory arbitrage is now more important than ever

Successful executives will be those who are able to navigate global trends better

The Concept of Competitiveness

$$\text{Productivity} = \frac{\text{Output}}{\text{Number of Employees}}$$

The Concept of Competitiveness

Inputs



Natural Resources
Geographical Position
Regulation
Infrastructure
Values and Culture
Political Choices
Education and Technology
...

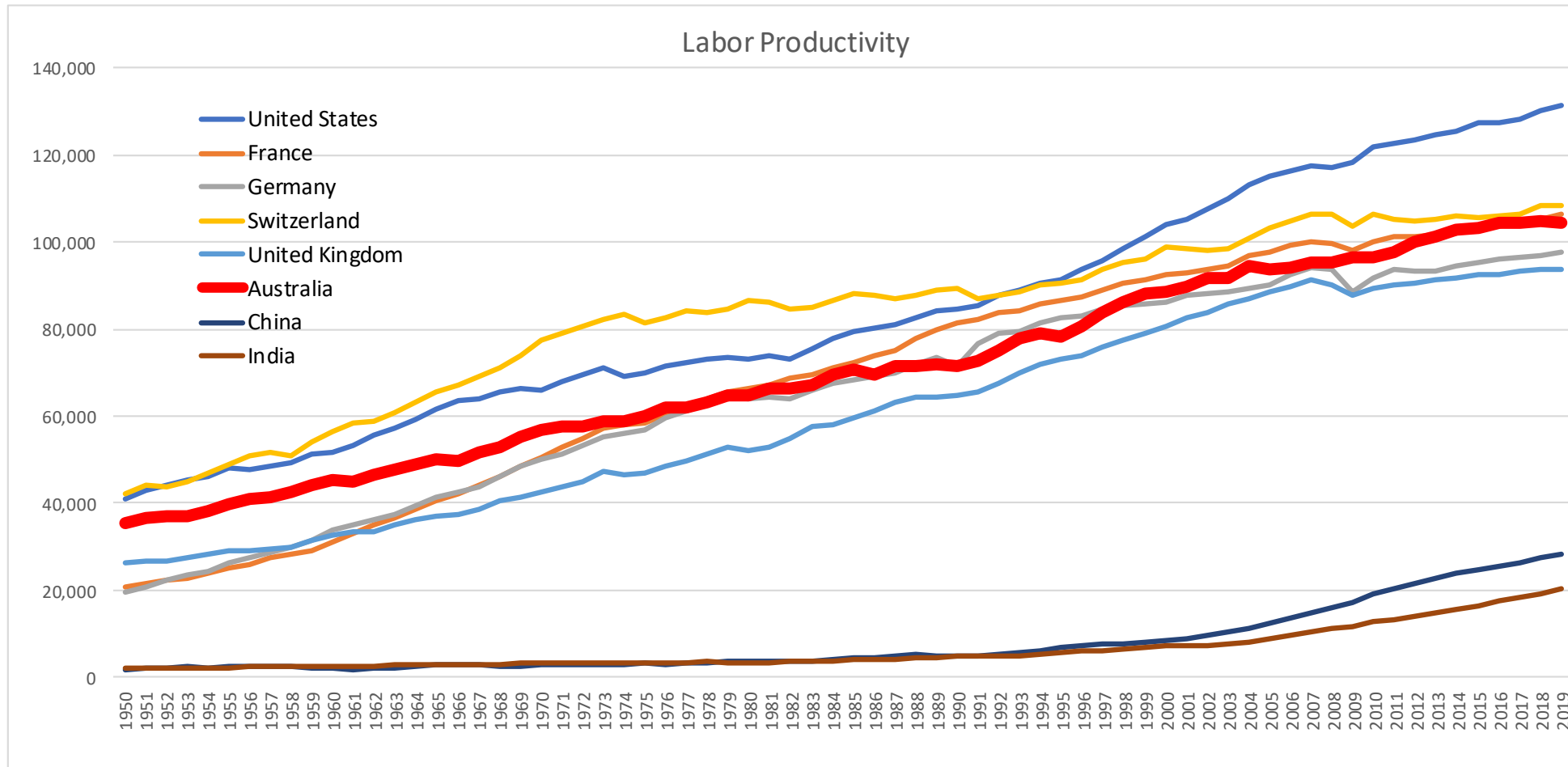
$$\text{Productivity} = \frac{\text{Output}}{\text{Number of Employees}}$$



Outputs

Wages
Taxes
Public Spending and Investing
GDP and growth
International Investment
Image abroad
Job creation
Happiness, Prosperity
...

Productivity in the last 70 years

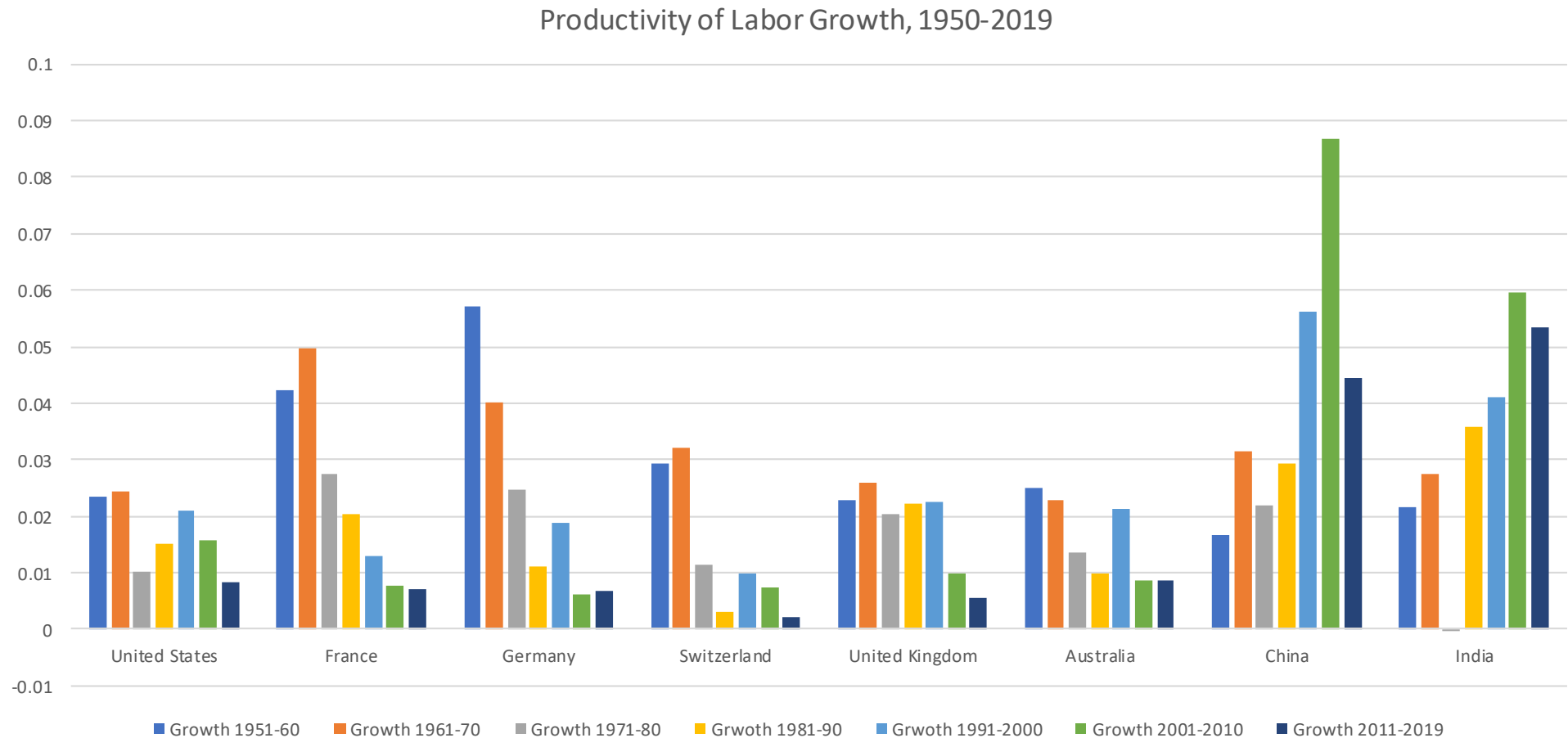


Source: Conference Board

Why?

Technology of course

Productivity Puzzle



- % Increases in Labor productivity per person employed in 2016 US\$ (Annualized)
- Source: Corporate Board

In Summary

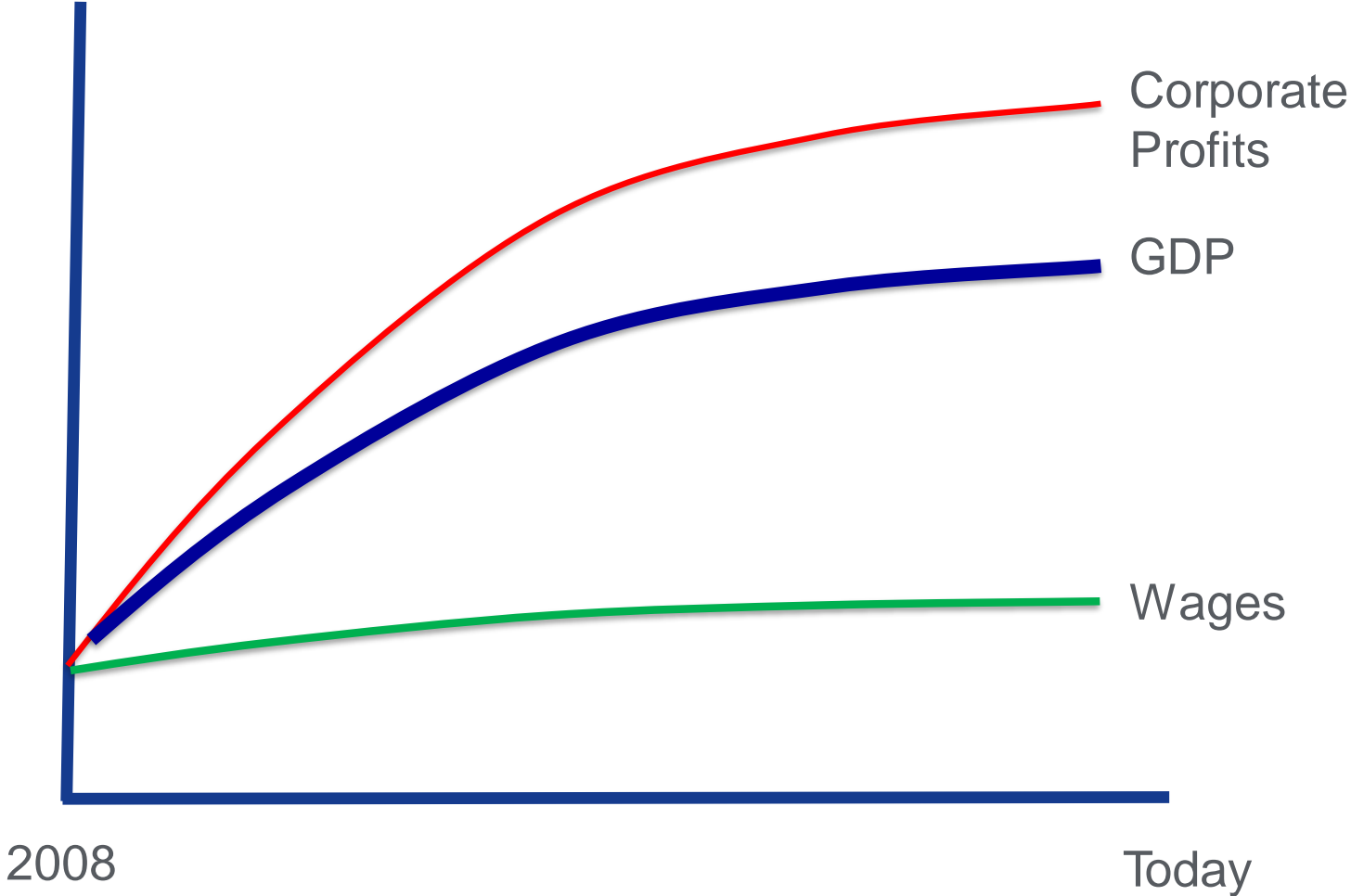
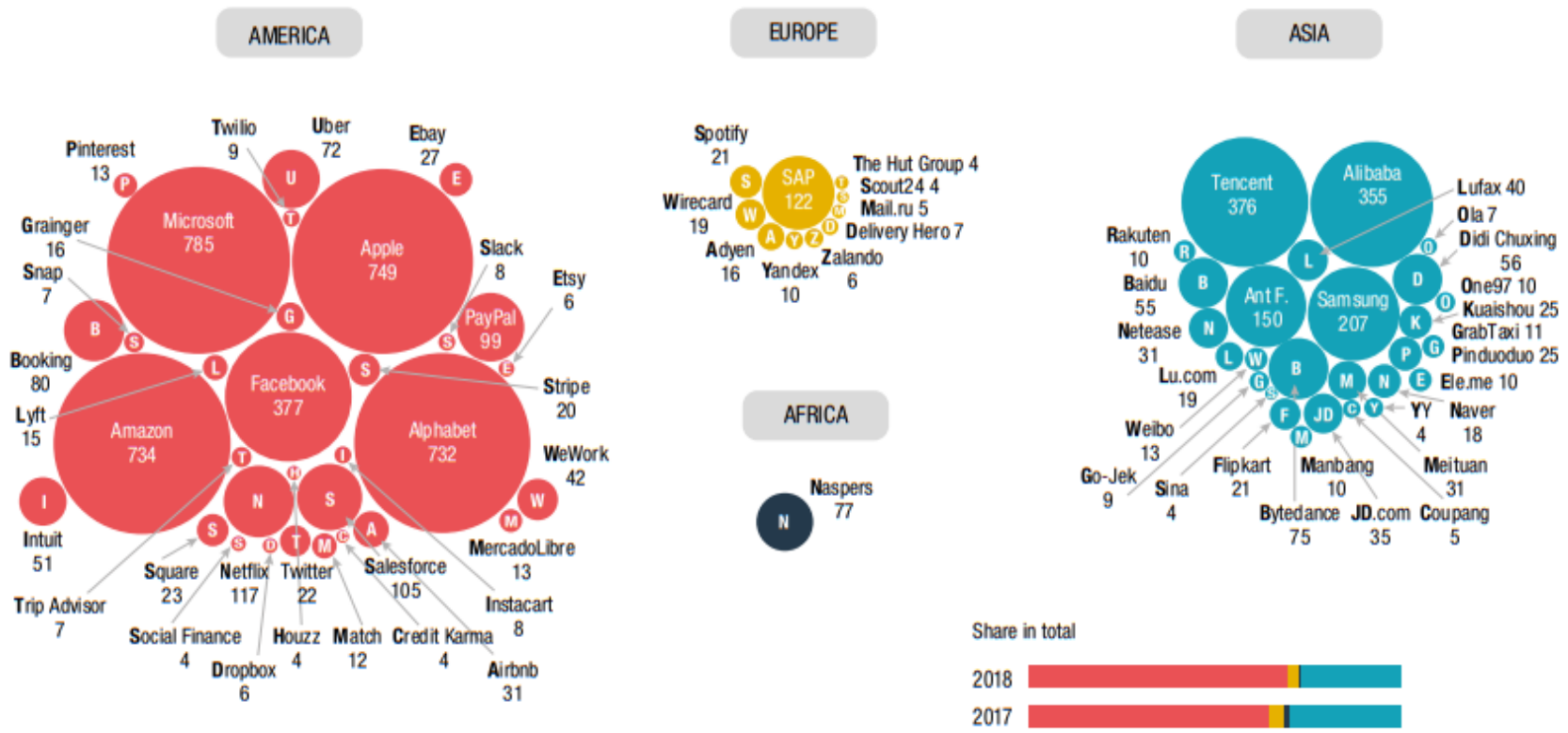


Figure I.17. Geographical distribution of the main global platforms in the world, 2018
(Market capitalization in billions of dollars)



Outlook

Taxes



Increase Productivity



Protectionism



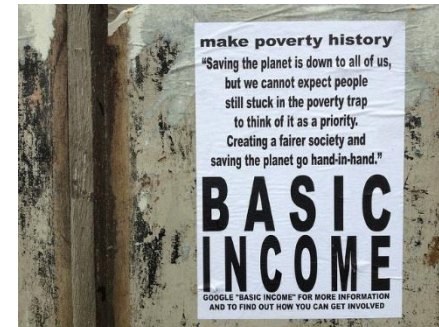
Subsidies



Focus on job creation



Minimum Guaranteed Income



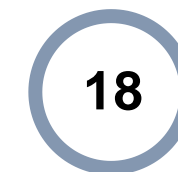
IMD World Competitiveness Ranking 2019

Assesses the extent to which an economy is able to foster an environment in which enterprises can generate sustainable value creation.

Top Three

- 1st  Singapore
- 2nd  Hong Kong
- 3rd  USA

Australia



IMD World Digital Competitiveness Ranking 2019

Assesses the capacity of an economy to adopt and explore digital technologies leading to transformation in government practices, business models and society in general.

Top Three

- 1st  USA
- 2nd  Singapore
- 3rd  Sweden

Australia



IMD World Talent Ranking 2019

Assesses the extent to which nations develop, attract and retain talent for enterprises operating in those economies.

Top Three

- 1st  Switzerland
- 2nd  Denmark
- 3rd  Sweden

Australia



Every year we ask our Partner Institutes in each country to provide the five competitiveness challenges that the economy faces.

- “
- ◆ Shrugging off economic complacency and progressing with structural reform.
 - ◆ Balancing affordability, reliability and emissions reduction in Australia's energy system.
 - ◆ Getting better value for money from government services and programs.
 - ◆ Building public infrastructure projects that have the highest net benefit.
 - ◆ Having the know-how to apply technologies that make Australia more competitive.
- ”

*CEDA - Committee for Economic Development of Australia
Australia*

Biggest risk for Australia is trade concentration on a single partner

Focus on domestic market, attraction of talent and people

Private sector weaknesses: lack of entrepreneurship, governance, attitudes

Build partnerships between the private and the public sector

Significant lack of agility that facilitates digital business transformation

Overall, the country needs stability of policies, which is not the same as political stability

Thank you

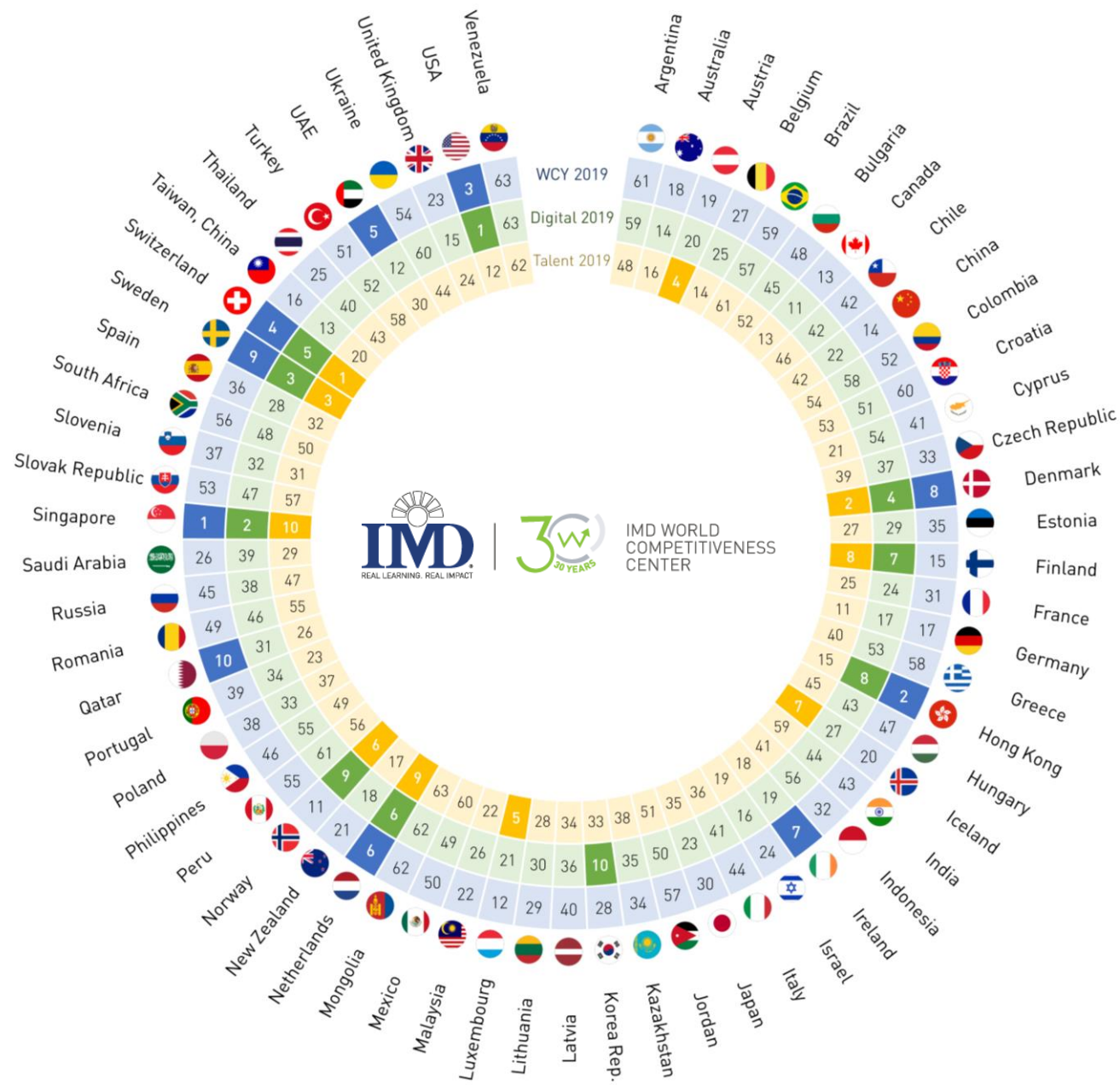


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IMD World Competitiveness Center Rankings



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- 1st 🇸🇬 Singapore
- 2nd 🇭🇰 Hong Kong
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