

# AUSTRALIA

## OVERALL PERFORMANCE (63 countries)



## CHALLENGES IN 2017

- Government inertia towards completing much needed economic reform.
- Poor execution of long term infrastructure development and upgrades.
- The persistence of the Federal Budget deficit and difficulty returning to balance.
- Energy security.
- Increasing economic divide between major cities and regional areas.

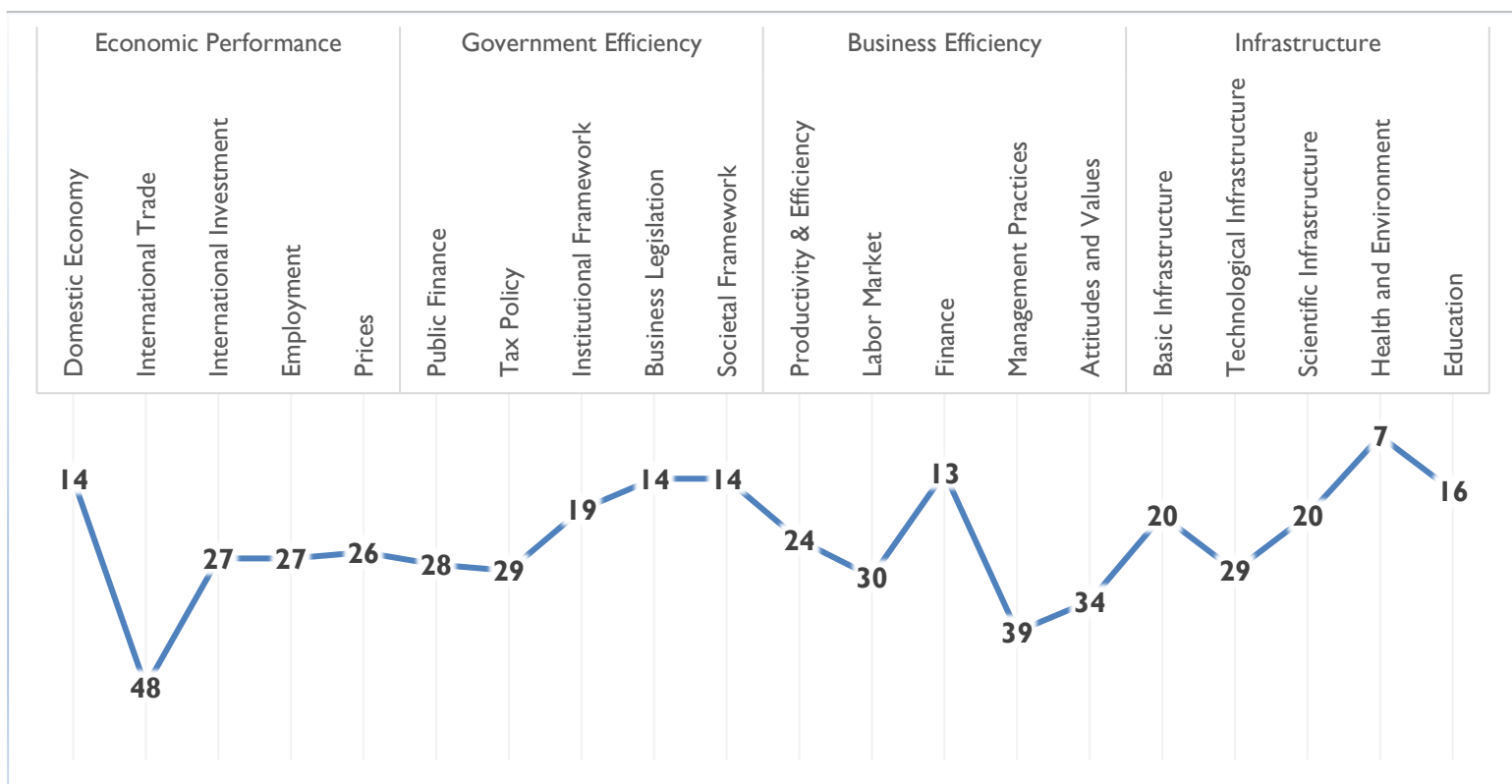
### Provided by:

CEDA - Committee for Economic Development of Australia, Melbourne

## BASIC FACTS

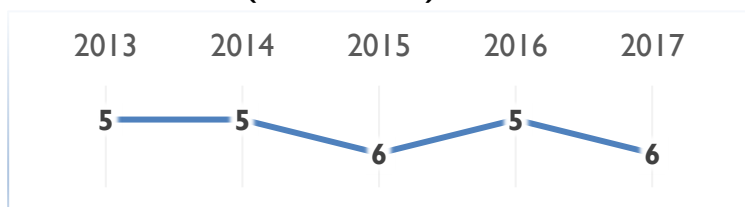
		Rank
Capital	Canberra	
Land area (square km '000)	7,741 <sup>2016</sup>	
Exchange Rate (per \$)	1.345 <sup>2016</sup>	
Population - market size (millions)	24.13 <sup>2016</sup>	28
Gross Domestic Product (GDP) (US\$ billions)	1,258.3 <sup>2016</sup>	13
GDP (PPP) per capita (US\$)	49,211 <sup>2016</sup>	13
Real GDP growth (%)	2.5 <sup>2016</sup>	25
Consumer price inflation (%)	1.30 <sup>2016</sup>	37
Unemployment rate (%)	5.72 <sup>2016</sup>	28
Labor force (millions)	12.82 <sup>2016</sup>	28
Current account balance (% of GDP)	-2.67 <sup>2016</sup>	49
Direct investment stocks inward (\$bn)	537.4 <sup>2015</sup>	11
Direct investment flows inward (% of GDP)	3.33 <sup>2016</sup>	23

## COMPETITIVENESS LANDSCAPE

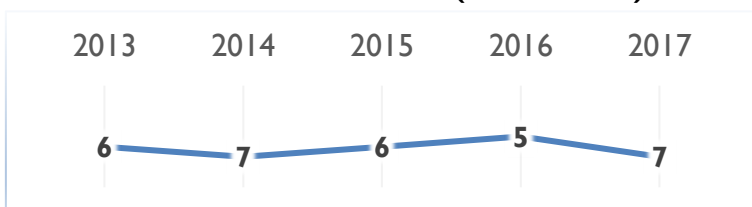


## PEER GROUPS RANKINGS

### ASIA - PACIFIC (14 countries)



### POPULATIONS > 20 MILLION (29 countries)



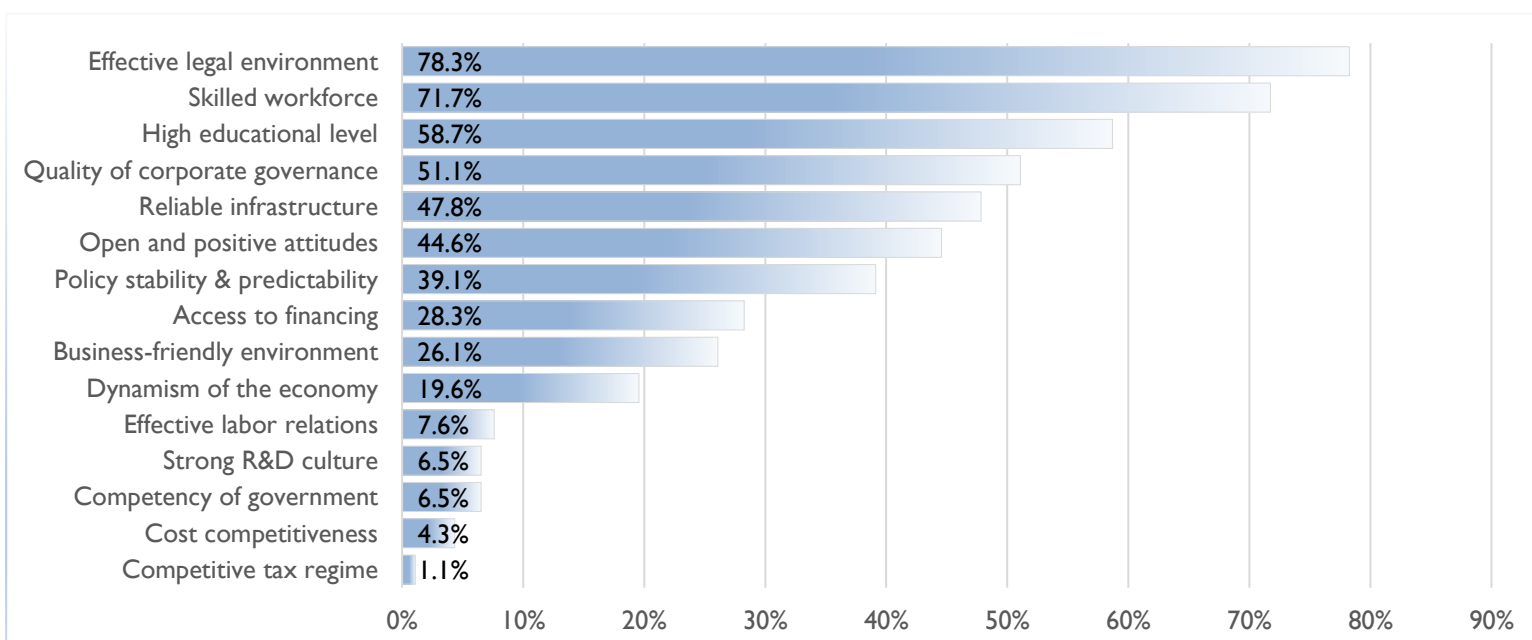
## COMPETITIVENESS EVOLUTION

The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one yearbook to the next.

IMPROVEMENTS	WCY	WCY	DECLINES	WCY	WCY
	2016	2017		2016	2017
2.3.08 Exchange rate stability	0.183	0.106	4.1.20 Energy infrastructure	6.79	4.72
1.2.02 Current account balance	-4.58	-2.67	2.3.11 Government decisions	4.74	3.76
1.5.02 Adjusted consumer price inflation	0.58	0.43	2.3.10 Adaptability of government policy	4.54	3.63
4.2.10 Internet bandwidth speed	8.2	10.1	3.2.10 Apprenticeships	4.94	4.00
1.1.15 Real GDP growth per capita	1.24	1.51	4.2.21 Cyber security	6.04	5.12
2.1.02 Government budget surplus/deficit (%)	-3.13	-2.51	2.3.13 Bureaucracy	4.33	3.68
4.2.03 Mobile Telephone costs	40.1	33.2	3.5.01 Attitudes toward globalization	6.88	5.87
2.3.07 Foreign currency reserves per capita	2,057	2,333	3.1.09 Large corporations	6.50	5.63
4.4.18 Renewable energies (%)	6.0	6.5	3.1.08 Workforce productivity	5.73	4.99
2.4.01 Tariff barriers	2.72	2.50	2.2.13 Real corporate taxes	5.32	4.63
1.2.25 Tourism receipts	2.22	2.40	4.2.13 Technological cooperation	6.09	5.32
1.4.07 Long-term unemployment	1.43	1.31	3.5.05 Need for economic and social reforms	6.11	5.35
1.5.03 Cost-of-living index	87.00	80.60	3.4.10 Entrepreneurship	5.41	4.76
4.4.24 Pollution problems	7.39	7.91	3.2.11 Employee training	5.98	5.27
4.2.02 Mobile Broadband subscribers	81.2	86.7	2.5.05 Risk of political instability	8.04	7.10

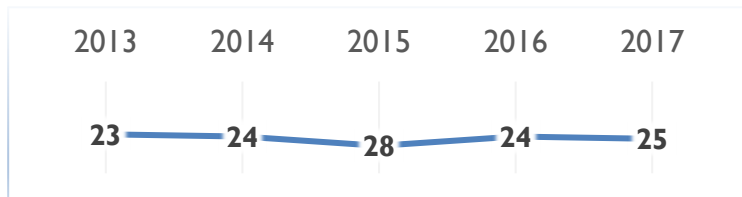
## KEY ATTRACTIVENESS INDICATORS

From a list of 15 indicators, respondents of the Executive Opinion Survey were asked to select 5 that they perceived as the key attractiveness factors of their economy. The chart shows the percentage of responses per indicator from the highest number of responses to the lowest.



# AUSTRALIA

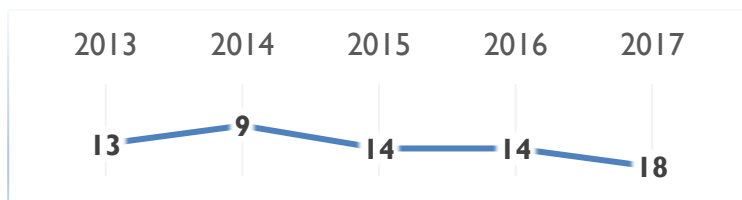
## ECONOMIC PERFORMANCE



### Sub-Factor Rankings :

	2016	2017
Domestic Economy	12	14
International Trade	54	48
International Investment	19	27
Employment	18	27
Prices	27	26

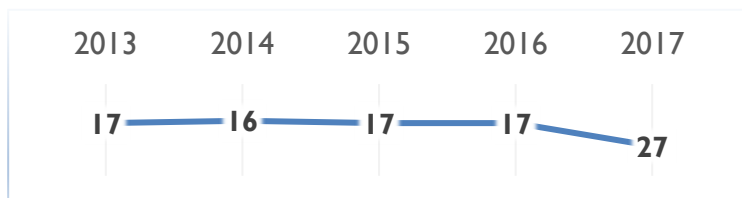
## GOVERNMENT EFFICIENCY



### Sub-Factor Rankings :

	2016	2017
Public Finance	26	28
Tax Policy	25	29
Institutional Framework	19	19
Business Legislation	10	14
Societal Framework	13	14

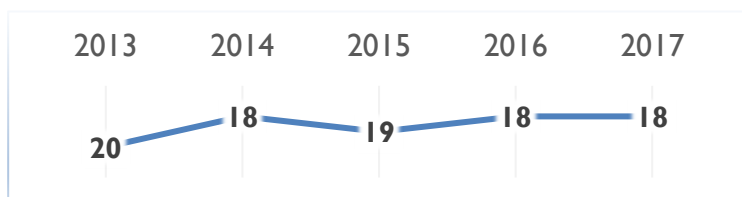
## BUSINESS EFFICIENCY



### Sub-Factor Rankings :

	2016	2017
Productivity & Efficiency	20	24
Labor Market	21	30
Finance	10	13
Management Practices	25	39
Attitudes and Values	20	34

## INFRASTRUCTURE



### Sub-Factor Rankings :

	2016	2017
Basic Infrastructure	18	20
Technological Infrastructure	26	29
Scientific Infrastructure	19	20
Health and Environment	11	7
Education	14	16

## AUSTRALIA

## STRENGTHS

Economic Performance	Rank
1.5.06 Food costs	7
1.1.20 GDP per capita	10
1.3.07 Direct investment stocks inward (\$bn)	11
1.3.05 Direct investment flows inward (\$bn)	11
1.1.09 Gross fixed capital formation (%)	11
1.1.21 GDP (PPP) per capita	13
1.1.19 Resilience of the economy	14
1.3.03 Direct investment stocks abroad (\$bn)	16
1.5.02 Adjusted consumer price inflation	18
1.4.02 Employment (%)	18

Government Efficiency	Rank
2.4.15 Start-up days	4
2.4.01 Tariff barriers	5
2.4.16 Start-up procedures	5
2.2.10 Employee's social security contribution rate	10
2.4.03 Protectionism	10
2.3.04 Country credit rating	11
2.3.15 Rule of law	11
2.2.09 Consumption tax rate	12
2.4.10 State ownership of enterprises	12
2.3.05 Central bank policy	12

Business Efficiency	Rank
3.2.22 Foreign highly-skilled personnel	8
3.3.04 Investment risk	11
3.3.08 Regulatory compliance (banking laws)	11
3.3.20 Corporate debt	13
3.3.11 Stock market capitalization (%)	14
3.3.09 Stock markets	14
3.2.13 Labor force (%)	14
3.3.17 Credit	15
3.1.04 Labor productivity (PPP)	16
3.1.01 Overall productivity (PPP)	16

Infrastructure	Rank
4.5.09 Student mobility inbound	1
4.4.17 Exposure to particle pollution	1
4.4.10 Human development index	3
4.4.24 Pollution problems	7
4.3.19 Value added of KTI industries	8
4.2.02 Mobile Broadband subscribers	8
4.2.01 Investment in Telecommunications	9
4.2.09 Broadband subscribers	9
4.4.05 Life expectancy at birth	9
4.4.08 Medical assistance	11

## WEAKNESSES

Economic Performance	Rank
1.2.17 Export concentration by partner	58
1.3.01 Direct investment flows abroad (\$bn)	57
1.3.02 Direct investment flows abroad (% of GDP)	57
1.2.23 Trade to GDP ratio	56
1.3.14 Relocation threats of R&D facilities	56
1.5.05 Office rent	55
1.2.09 Exports of goods (%)	54
1.3.13 Relocation threats of production	54
1.2.13 Exports of commercial services (%)	50
1.2.02 Current account balance	49

Government Efficiency	Rank
2.2.08 Corporate tax rate on profit	50
2.2.07 Effective personal income tax rate	44
2.5.14 Disposable Income	43
2.2.13 Real corporate taxes	42
2.4.17 Labor regulations	41
2.3.11 Government decisions	40
2.1.02 Government budget surplus/deficit (%)	40
2.4.08 Government subsidies	39
2.3.10 Adaptability of government policy	38
2.2.12 Real personal taxes	38

Business Efficiency	Rank
3.4.10 Entrepreneurship	59
3.2.03 Remuneration in services professions	58
3.4.01 Agility of companies	56
3.4.03 Opportunities and threats	56
3.2.01 Compensation levels	54
3.1.09 Large corporations	51
3.2.10 Apprenticeships	51
3.1.08 Workforce productivity	48
3.5.06 Digital transformation in companies	47
3.2.07 Labor relations	44

Infrastructure	Rank
4.1.20 Energy infrastructure	56
4.2.04 Communications technology	54
4.2.03 Mobile Telephone costs	51
4.2.05 Connectivity	49
4.5.06 Secondary school enrollment	47
4.4.18 Renewable energies (%)	45
4.2.11 Digital/Technological skills	45
4.5.03 Public expenditure on education per pupil	44
4.2.20 ICT service exports	42
4.1.04 Access to water	42