Introduction

Australia is a country in Oceania bordering the Indian Ocean and the Southern Pacific Ocean. Australia is comprised of mainland Australia, the island of Tasmania, and several small islands in the Indian and Pacific Oceans. The terrain is mostly low plateau with deserts. The government system is a federal parliamentary democracy and a commonwealth realm. The chief of state is the queen and the head of government is the prime minister. Australia has a mixed economic system in which the economy includes a variety of private freedom, combined with centralized economic planning and government regulation. Australia is a member of Asian Pacific Economic Cooperation (APEC) and the Trans-Pacific Partnership (TPP).

Country Memo Provided by: globalEDGE.msu.edu and EXPORT.GOV

Risk Assessment (Provided by Coface)

Country rating: A2 - The political and economic situation is good. A basically stable and efficient business environment nonetheless leaves room for improvement. Corporate default probability is low on average.

Business Climate rating: A1 - The business environment is very good. Corporate financial information is available and reliable. Debt collection is efficient. Institutional quality is very good. Intercompany transactions run smoothly in environments rated A1.

Strengths

- Proactive economic policy and exchange rate flexibility
- Geographic proximity to booming economies in Asia
- Attractive quality of life with immigration contributing to population growth
- Rich endowment of mineral resources
- Moderate levels of public debt
- High tourism potential

Weaknesses

- Exposed to commodity price volatility (specifically iron ore and coal)
- Economy remains dependent on Chinese demand
- Substantial household debt (185% of gross disposable income)
- Shortage of infrastructure relative to the country’s vast territory
- Disparity between federated states

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Key Economic Facts

Income Level (by per capita income)

High Income: $51,601.78 (2018)

Level of Development:

Developed

GDP, PPP (current international $):

$1,289.65 billion (2018)

GDP growth (annual %):

2.83% (2018)

GDP per capita, PPP (current international $):

$51,601.78 (2018)

Manufacturing, value added (% of GDP):

5.78% (2018)

Current account balance (BoP, current US$):

-$29.06 billion (2018)

Inflation, consumer prices (annual %):

1.91% (2018)

Labor force, total:

13,133,575 (2018)

Unemployment, total (% of total labor force) (modeled ILO estimate):

5.39% (2018)

Imports of goods and services (current US$):

$305.31 billion (2018)

Exports of goods and services (current US$):

$310.57 billion (2018)

GDP Composition %

Agriculture 67
Services 24
Industry 3
Manufacturing 6

*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.

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Key Websites

Main Government Page: australia.gov.au
Commerce Ministry: dfat.gov.au
Export Promotion Agency: austrade.gov.au

Investment Promotion Agency: austrade.gov.au

Key Websites

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