

# Why Australia

Benchmark Report 2023

Discover why Australia is a  
great investment destination



Australian Government

Australian Trade and Investment Commission



AUSTRALIA



# Ministerial foreword

Open, prosperous and talented, Australia is a hub for business. Our innovative economy attracts investment from multinationals, start-ups and research organisations from around the world. These investors are attracted by our strong, globally connected economy that is projected to grow by 1.6% in 2023. Our trade and investment relationships with the world's fastest growing economies mean we are a natural gateway for international business, with preferential access to the dynamic Asian and Indo-Pacific markets.

Our strength is in our diversity. Australia is multicultural and welcoming, with a highly educated, creative workforce. As a nation we are renowned for quality and innovation across multiple industries, including research and education, agriculture and food, health, renewable energy and technology. This reputation and our quality of life attracts and retains skilled talent from across the globe.

Our fast-growing tech sector is one of the largest in the southern hemisphere valued at over A\$167 billion. Australia was the incubator for Google Maps, wi-fi, the black box flight recorder

and the Cochlear implant. We are positioned to become a renewable energy superpower. Our critical minerals, wind, hydrogen and solar industries are powering the global clean-energy transition. The Albanese Government's strong action on climate change has put us back in lockstep with the rest of the world, making Australia among the most attractive markets for renewable energy investment as we grow to be a major exporter of renewable energy by 2030.

There is no better place to do business than Australia. The Australian Government supports investors through grants and incentives, including A\$25 billion for clean energy and renewables projects, a A\$20 billion Medical Research Future Fund as well as building an investment pipeline of more than A\$120 billion in transport infrastructure and the National Broadband Network and mobile coverage.

I am pleased to present the *Why Australia Benchmark Report 2023* that shows why Australia continues to be a top destination for global investment.



**Senator the Hon Don Farrell  
Minister for Trade and Tourism**

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# Why Australia is a great investment destination



## Global renewable energy superpower

**Top 6**  
for attracting investment for renewable energy

**Largest** producer of solar energy per capita, powering 5 million homes

**1st** country to export hydrogen

## Innovation, technology & skills



**#1** attractive place for tech companies to invest



**#1** attractive place for talent in the world



**7** institutions in the world's best 100 universities

## Economic fundamentals



**6th** largest consumer market in the world



**6** million households generate an income above US\$75,000 p.a.



**1** of the **lowest** tax rates across high-income economies

## Global ties



**29%** of Australians are born overseas



**17** Free Trade Agreements (FTAs)



**75%** of our trade is with the Asia region

# Australia: Open, prosperous and talented

## Why Australia?

Thanks to strong economic fundamentals and prudent economic management, our economy is expected to grow by 1.6% in 2023. We will again outpace other advanced economies, whose growth rates will average 1.3% in 2023.

Our workforce is talented, motivated and highly skilled. This drives our success in multiple technology-driven industries. Classified as a single industry, technology is now the third largest contributor to GDP in Australia.

Australia is well placed to become a renewable energy superpower. We have abundant solar and wind resources. We also have vast deposits of critical minerals, including lithium. Today, we are innovators right across the renewable energy supply chain. We are already the largest solar

producer per capita in the world. And we have the resources, investment and patents to stay competitive.

Australia's openness to trade and foreign investment has been central to our long-term success. We are an export-driven economy. Seventy-five per cent of our trade is with fast-growing economies in the Asia region<sup>1</sup>. We have 17 free trade agreements (FTAs) currently in force, including multiple regional trade agreements in the Asia-Pacific region.

We are also a natural platform for commercial expansion into Asian markets. With an open economy, multiple FTAs and strong cultural links with Asia, we can help businesses from around the world to grow and expand in our region.

<sup>1</sup> Asia region defined as economies located in Asia and Oceania.





# 01 Fundamentals



## A growing economy that outperforms in global rankings

While many major economies are at risk of recession in 2023, the IMF has forecast that the Australian economy will continue to grow.

Our positive outlook is built on strong recent performance. During 2021, Australia outperformed peer economies, growing by 5.2%. This solidified our position as the world's 12th largest economy in 2021.

Australia continued to outperform other advanced economies during 2022, with a growth rate of 3.7%. This compares to an estimated of 2.7% for advanced economies. Our success will likely continue. The IMF forecasts that Australia's economy will grow by 1.6% in 2023, compared to an average of 1.3% for advanced economies.

Our economic strength is based on sound fundamentals. Australia's legal and governance systems are transparent and trustworthy. We are a global leader in the protection of property rights, including intellectual property rights. Our low tax and adaptive regulatory environment make us a business-friendly nation.

For a small population, Australia is a rich consumer market. We have the highest median wealth in the world. We also have the sixth largest number of high-income households. Our US\$7.3 trillion financial sector includes the world's fifth largest pool of pension assets.

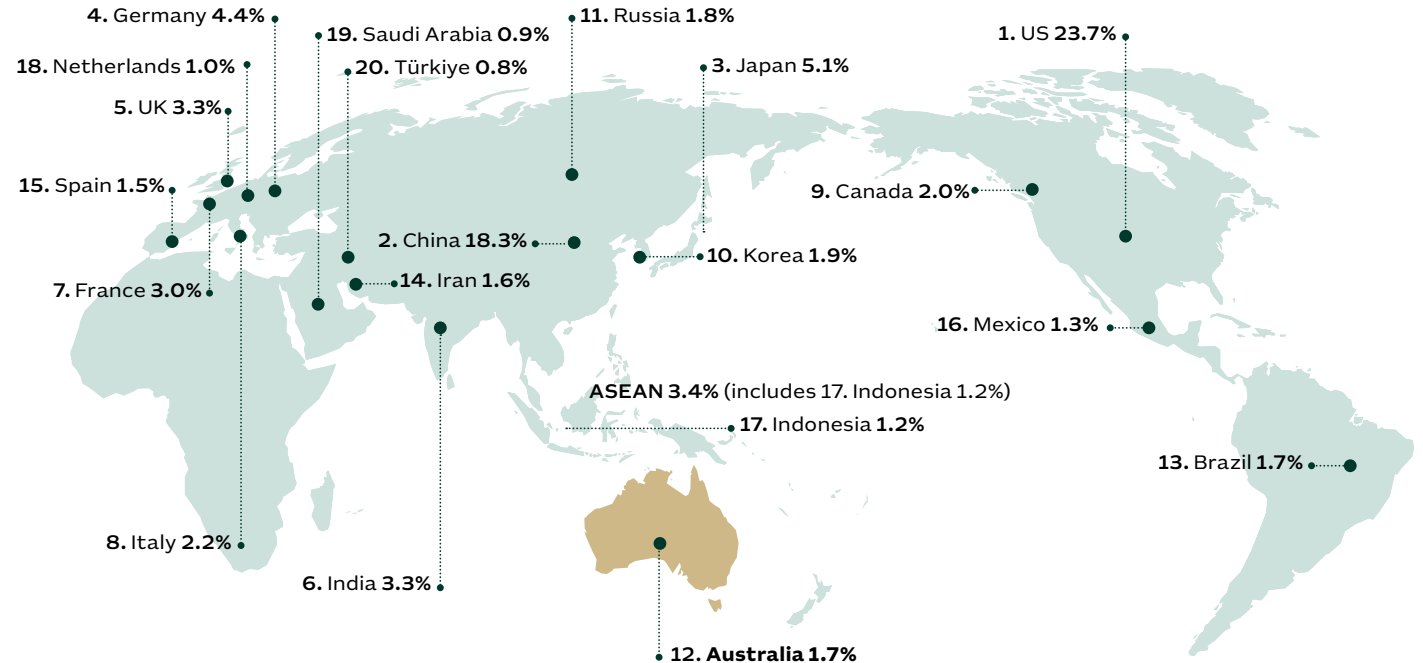
Why Australia? Thanks to our strong economy, talented workforce, renewable energy resources, and open trade and investment, Australia is well placed to lead and innovate in the Asia-Pacific region.

# The world's 12th largest economy

Strong growth in 2021 solidified Australia's position as the world's 12th largest economy in 2021. Nominal GDP was around A\$2.2 trillion (US\$1.6 trillion) in 2021. Australia is home to just 0.3% of the world's population, but accounts for 1.7% of the global economy.

## World's largest economies in 2021

Percentage share of total world nominal GDP in US\$



**Notes:** 1. Across 196 economies. 2. The GDP for the top 20 largest economies was US\$78,346 billion or 81% of the world's GDP in 2021. 3. The GDP for the rest of the world was US\$18,731 billion in 2021 or 19% of global GDP.

**Sources:** International Monetary Fund, 2022, World economic outlook, October 2022 database; Reserve Bank of Australia, 2023, Foreign exchange rates; Austrade.



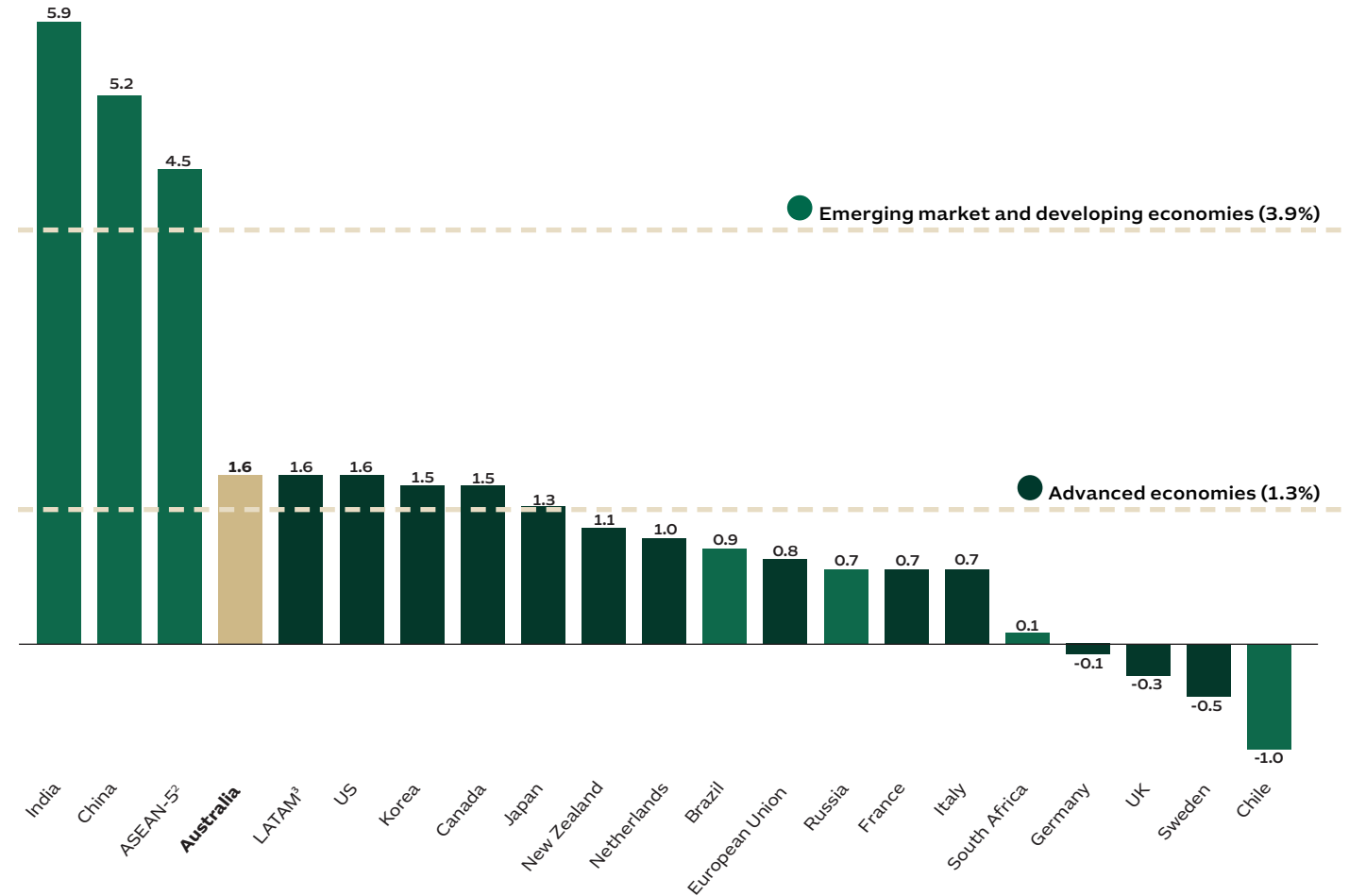
# Australia's strong relative growth

Australia's outlook remains strong. The IMF forecasts the Australian economy will grow by 1.6% in 2023. This means Australia will again outperform other advanced economies, which are expected to grow by an average of just 1.3%. This follows Australia's solid 5.2% growth in 2021 and a 3.7% in 2022. As an exporting nation, our outlook partly reflects the prosperity of our major trading partners. India, China and the ASEAN-52 economies all expect to register solid economic growth in 2023.

**Notes:** 1. Gross domestic product (GDP) is national currency and constant prices. 2. Association of Southeast Asian Nations. The forecast includes Indonesia, Malaysia, Philippines, Singapore and Thailand. Singapore is classified as an advanced economy. 3. Latin America and the Caribbean. **Sources:** International Monetary Fund, 2023, World economic outlook, April 2023 database; Austrade.

## Change in real GDP<sup>1</sup>, selected economies

Percentage change in 2023























# A nation of high-income households

Australia is a large consumer market and Australian households have a high disposable income. According to the Economist Intelligence Unit (EIU), almost 6 million households generate an income above US\$75,000 per year. This places Australia sixth in global rankings. The EIU forecasts continued growth, with 7.6 million high-income households by 2030.

**Notes:** 1. The number in brackets indicates the economy's ranking in 2022 across 59 economies. 2. Association of Southeast Asian Nations. The forecast includes Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.  
**Sources:** Economist Intelligence Unit, 2022, Number of households with disposable income of more than US\$75,000 per annum, accessed 1 December 2022; Austrade.

## Number of households with disposable income of more than US\$75,000 per annum

Selected economies<sup>1</sup>

	2022	2030
Region <sup>1</sup>		
US (1)	82.9m	98.9m
Germany (3)		
Japan (4)		
China (34)		
<b>Australia (6)</b>	 <b>5.9m</b>	 <b>7.6m</b>
ASEAN-6 <sup>2</sup>		
Sweden (23)		
Hong Kong SAR (20)		
Singapore (21)		
New Zealand (27)		

# Australia is a low-tax country

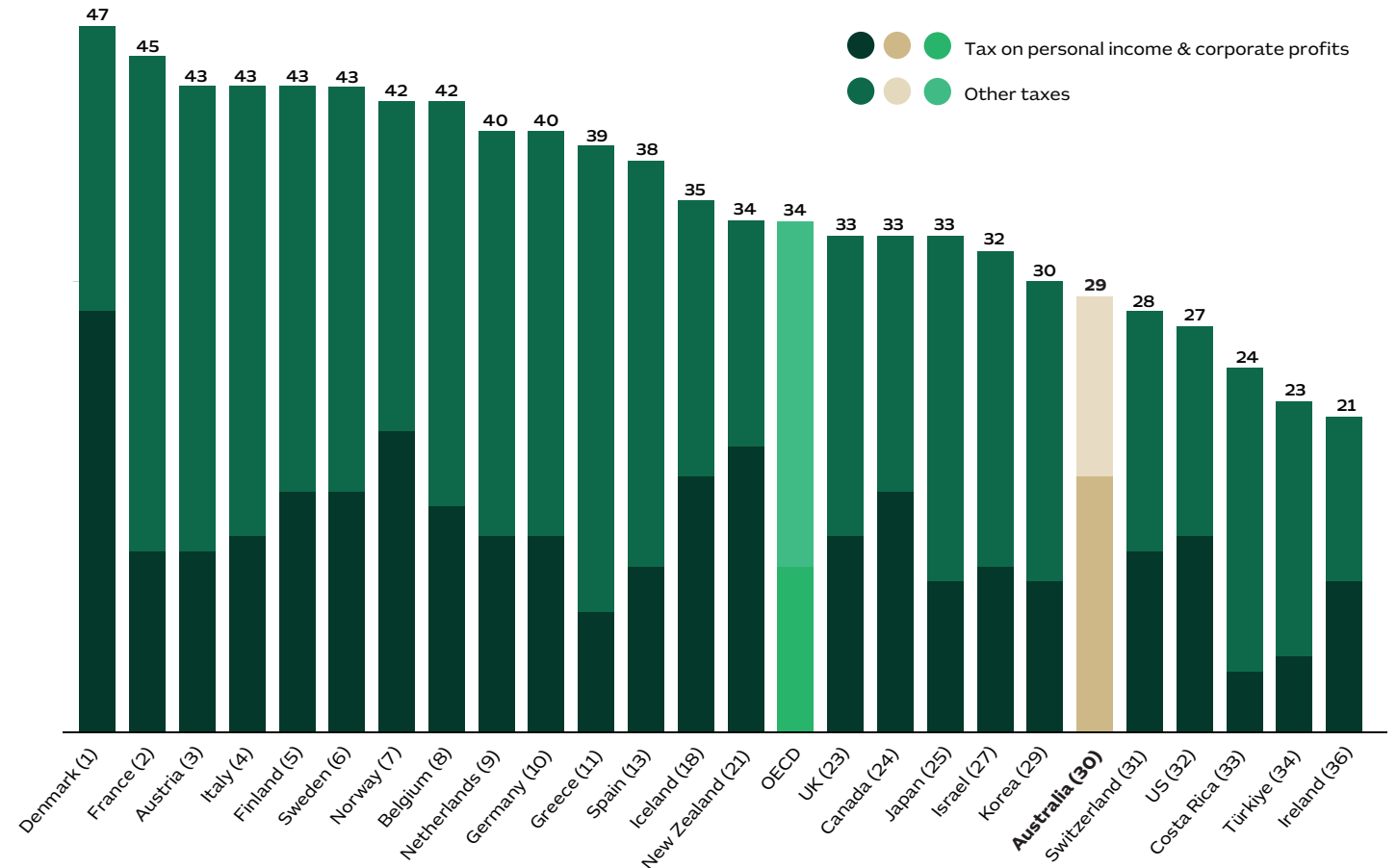
Australia has one of the lowest overall tax rates of any high-income country in the world.<sup>1</sup> Our tax revenue represents 29% of our GDP, compared to 34% across OECD countries. Australian social security taxes<sup>2</sup> represent less than 1% of GDP. The average among the 38-strong OECD countries is 9%. Taxes on goods and services represented 7% of Australia's GDP, compared to 11% across OECD countries.

**Notes:** 1. Measured as a percentage of GDP. Tax systems across countries vary significantly and this makes it often difficult to make direct comparisons on a like-for-like basis. A simple measure used by the OECD, and others, is to consider the total 'tax take' of an economy. The tax take (or tax burden) is the ratio of total tax revenues to GDP, at market prices. This ratio is a broad measure of a country's taxation impost which cuts across the various bases, rates, thresholds and purposes, which distinguishes one system from another. 2. Social security contributions/taxes as "compulsory payments paid to general government that confer entitlement to receive a (contingent) future social benefit". For example, unemployment insurance or family allowances. Social security contributions are often levied on employers and not only employees. 3. The number in brackets indicates the country's ranking across OECD members.

**Sources:** Organisation for Economic Co-operation and Development, 2023, Tax revenue, accessed 6 January 2023; Austrade.

## Tax revenue as a percentage of Gross Domestic Product (GDP) by country

Percentage of GDP, 2021 or latest available





# Sophisticated financial markets and a large managed funds sector

The Australian dollar is the sixth most traded currency globally. Today, Australia is home to the world's fifth largest pool of managed funds and 11th largest stock market. Australia's US\$2.2 trillion managed funds sector is underpinned by a mandated retirement savings scheme, called superannuation. This has created the world's fifth largest pension pool.

**Note: 2.** For international comparison, the Investment Company Institute excludes funds of funds. **4.** Asia region defined as economies located in Asia and Oceania.

**Sources:** 1. Reserve Bank of Australia (RBA), 2023, Assets of financial institutions; Australian Bureau of Statistics (ABS), 2023, Managed funds; Australian Prudential Regulation Authority, 2023, Quarterly general insurance performance statistics; ABS, 2023, Assets and Liabilities of Australian Securitises; ABS, 2023, Australian national accounts: national income, expenditure and product; RBA, 2023, Foreign exchange rates, accessed via Macrobond in January 2023. **3.** Investment Company Institute, 2023, Worldwide market data. **5.** World Federation of Exchanges, 2023, Equity statistics; Saudi Stock Exchange, 2023, Exchange market statistics; London Stock Exchange, 2023, LSE market cap by sector; Center for Research in Security Prices, 2023, CRSP indices; Euronext, 2023, Euronext indices; Indonesia Stock Exchange, 2023, Jakarta stock exchange indices; Hong Kong Exchanges & Clearing Limited, 2023, HKEX market cap by sector; accessed via Macrobond on 10 January 2023. **6.** Thinking Ahead Institute, 2022, Global pension assets study. **7.** Bank for International Settlements, 2022, Triennial central bank survey of foreign exchange and OTC derivatives markets in 2022. **8.** Bank for International Settlements, 2022, Debt securities statistics; Austrade.

## Global significance of Australia's financial markets



**US\$7.3 trillion<sup>1</sup>**

Assets of Australian financial institutions\*

Five times Australia's nominal GDP

\*September 2022



**US\$2.8 trillion<sup>6</sup>**

Pension assets\*

5th largest in the world

2nd largest in the world as a percentage of GDP

\*2021



**US\$2.2 trillion<sup>2,3</sup>**

Fund assets under management\*

5th largest in the world

2nd largest in the Asia region<sup>4</sup>

\*September 2022



**US\$479 billion<sup>7</sup>**

Daily foreign exchange trade using Australian dollar across 52 countries

6th most traded currency in the world



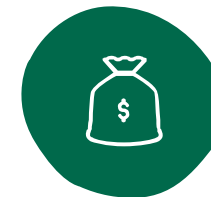
**US\$1.5 trillion<sup>4</sup>**

Stock market\*

11th largest in the world

5th largest in the Asia region<sup>4</sup>

\*October 2022



**US\$2.3 trillion<sup>8</sup>**

International and domestic debt securities outstanding\*

9th largest in the world

3rd largest in the Asia region<sup>4</sup>

\*Total outstanding value, March 2022

# Good governance, strong institutions and the rule of law

Australia's success is built on strong institutions. Our legal system is highly rated. Corruption is low. Our public service is agile, with the ability to formulate and implement sound policies. We are a global leader in the protection of property rights, including intellectual property (IP) rights. Australia's good governance gives investors confidence. We provide a secure base for multinationals that want to expand or set up new operations in the Asia-Pacific region.

Sources: 1. Economic Intelligence Unit, 2022, Viewpoint database. 2. Fund for Peace, 2022, Fragile states index. 3. The World Bank, 2022, The worldwide governance indicators. 4. Austrade.

## Global rankings of Australia's governance



### #1 Legal system

Australia has a transparent and fair legal system.<sup>1</sup>



### #1 Quality of bureaucracy

Australian public servants have the highest level of specialisation and technical qualification.<sup>1</sup>



### #1 Lowest risk of social unrest

Globally, Australia has the lowest risk of social unrest.<sup>1</sup>



### #1 External intervention

Australia's government is free from the influence and impact of external actors.<sup>2</sup>



### #4 Regulatory quality

Australia's government has a strong ability to formulate and implement sound policies and regulations.<sup>3</sup>



### #7 Factionalised elites

Australia's institutions are less likely to be fragmented by the brinkmanship and gridlock of ruling elites.<sup>2</sup>

# Transparent regulation, open markets and efficient businesses

Australia's pro-business environment attracts foreign investment and encourages new enterprise. According to the Institute for Management Development (IMD), Australia ranks highly in terms of competition legislation, number of days to start a business, judicial effectiveness and access to credit. Australia has been a leader in the *Heritage Foundation Economic Freedom Index* since its inception in 1995. Globally, we rank first for financial freedom and second for trade freedom. This reflects our strong banking system and commitment to open trade.

**Notes:** 1. Financial freedom is an indicator of banking efficiency as well as a measure of independence from government control and interference in the financial sector. 2. Trade freedom is a measure of the extent of tariff and non-tariff barriers that affect imports and exports of goods and services. 3. Number of international multilateral environmental agreements that have been met. 4. As a percentage of GDP. 5. Financial card transactions US dollars per capita. 6. Stock markets provide adequate financing to companies.

**Sources:** The Heritage Foundation, 2022, Index of economic freedom; Institute for Management Development, 2022, World competitiveness yearbook 2022; Economist Intelligence Unit, 2023, EIU overall business environment rating; Austrade.

## Business efficiency and environment, 2022

	Australia	China	India	Japan	Korea	Norway	Singapore	UK	US
<b>The Heritage Foundation, 2022 Index of Economic Freedom in:</b>									
Financial freedom <sup>1</sup>	1	160	106	37	37	37	3	3	3
Trade freedom <sup>2</sup>	2	84	93	68	86	8	1	10	70
<b>IMD World Competitiveness Yearbook 2022 Ranking in:</b>									
Country credit rating	1	26	51	28	17	1	1	20	11
Environmental agreements <sup>3</sup>	1	33	50	11	55	10	35	1	60
Investment in telecommunications <sup>4</sup>	4	34	1	32	15	33	55	50	14
Financial card transactions <sup>5</sup>	5	17	61	30	14	15	18	12	4
Number of days to start a business	5	31	51	37	26	9	2	15	9
Judicial effectiveness	6	30	29	14	42	7	7	22	26
Stock markets <sup>6</sup>	6	38	14	24	36	7	9	25	12
Competition legislation	7	31	22	8	34	14	4	24	27
Central bank policy	9	27	13	50	28	10	3	48	32
<b>EIU Business environment rankings 2022 in:</b>									
Private enterprise	6	47	41	20	22	11	9	8	1
Market opportunities	9	3	17	29	17	22	41	16	4
Overall business environment rating	10	42	46	21	23	10	1	18	2



# Australia's lifestyle cities are global drawcards

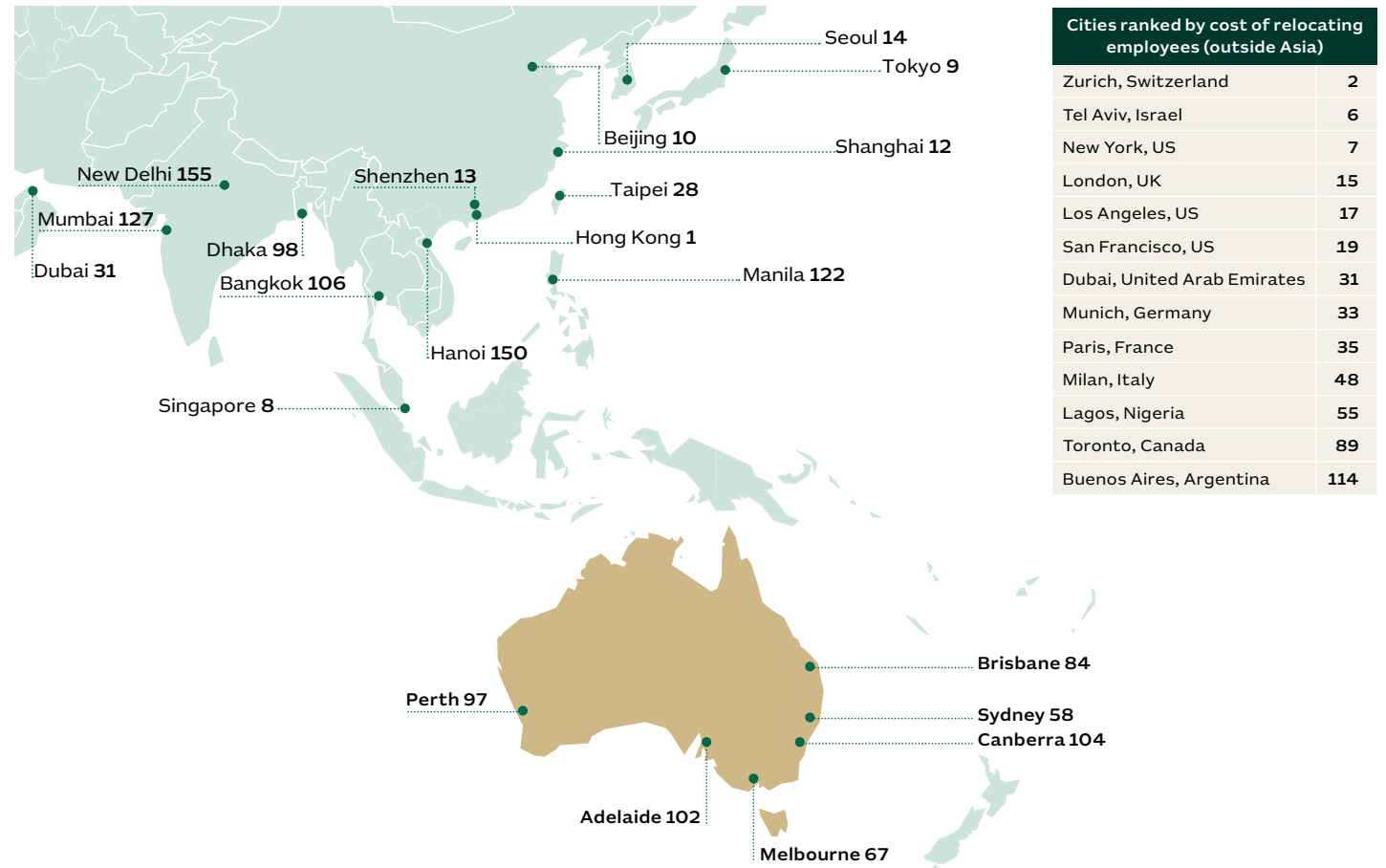
Fresh talent keeps arriving. Australia's vibrant cities offer a laid-back, outdoor lifestyle and the opportunity to expand horizons. Additionally, our cities are secure, pristine and well-managed. This attracts families. Our high quality of life is a key drawcard. Australia's state capitals have a competitive cost of living compared to most major cities in the Asia region, according to Mercer's 2022 Cost of Living Index. The index is used by companies to measure the cost of relocating employees globally.

**Notes:** 1. The Mercer Cost of Living Index measures the cost of sending an employee overseas. The index covers more than 200 goods and services, in addition to currency fluctuations, cost inflation and accommodation instability. If a country lacks infrastructure or public services, the index reflects the costs of additional compensation a company may need to provide to their employees. This includes the cost of providing security. Australian cities are cost-effective for expatriates owing to high quality infrastructure and public services. 2. A higher ranking means a lower cost of living. For example, Hong Kong has the highest cost of living across the 225 cities.

**Sources:** Mercer, 2022, Cost of living index; Austrade.

## Cost of living: City rankings in Asia and rest of world

2022 global rankings of the Mercer cost of living index









## 02 Innovation, technology & skills

### Highly skilled, tech-savvy talent that attracts global enterprise

Australia is home to a workforce that is skilled, talented and highly motivated. Seven Australian universities are among the world's top 100, and approximately 48% of employed people in Australia hold a tertiary qualification.

High levels of education and training make us one of the world's most innovative countries. Our scientific institutions rank in the world's top 1% in 15 individual fields of research. These top-ranked fields including space science, physics, computer science and clinical medicine.

The spirit of Australia attracts global talent. Investors appreciate our mix of hard work, friendliness and fair play. Our positive energy and optimistic spirit are magnets for global companies that want to re-locate employees into the region.

We are also a tech-powered economy. Classified as a single industry, Australia's outsized A\$167 billion technology sector is now the third largest contributor to GDP in Australia – ahead of health and construction. We are tech-hungry consumers who embrace innovation. This makes us early adopters who are open to change, and it also makes us a great market to trial and pioneer new digital services.

Our technical skills and technology proficiency are evident in global rankings. We rank fourth in the world for digital consumption. Fintech is an ultra-fast-growing sector: we rank second in Asia for fintech development. We score highly in science too. According to Nature, Australia is one of the top 10 countries in the world for contributions to life sciences research.

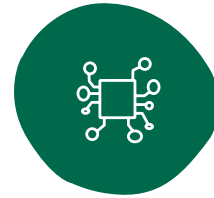


# Australia leads in niche technologies

Our entrepreneurs and academics work well together. This enables Australia to pioneer world-class technologies in agriculture, education, financial services and health. Australian success stories include the application of blockchain in finance; immersive simulation in education; robotics in medical procedures; and the Internet of Things in agriculture. Australia is also recognised as a world leader in silicon-based quantum computing research.

**Sources:** 1. Fintech Australia, 2023, What is Fintech? 2. Findexable, 2021, Global fintech rankings report, accessed January 2023. 3. AusBiotech, 2022, Biotech sector snapshot 2022. 4. Fitch Solutions, 2022, Worldwide medical devices market factbook. 5. Fitch Solutions, 2023, Australia medical devices report Q1 2023. 6. Foundation for Research on Equal Opportunity, 2023, Introducing the FREOPP world index of healthcare innovation. 7. EduGrowth, 2022, Annual report 2022. 8. Tracxn, 2023, Agritech startups in Australia, accessed 11 January 2023. 9. Department of Agriculture, Water and the Environment, 2022, Delivering Ag2030.

## Australia's tech credentials



### Over 800 fintech companies<sup>1</sup>

A\$4 billion industry<sup>1</sup>

Ranked 6th in the world<sup>2</sup>



### 577 medtech & digital health companies<sup>3</sup>

US\$176 billion spent on health

The 6th largest health expenditure per capita in the world<sup>4</sup>

US\$6.4 billion medical device market in 2022<sup>5</sup>

Ranked 2nd on quality of the healthcare system<sup>6</sup>



### 600 edtech companies<sup>7</sup>

A\$2.2 billion edtech market

13,000–strong workforce

50% of companies are early-stage startups



### 551 agritech startups<sup>8</sup>

A\$800 million invested annually through Rural R&D Corporations<sup>9</sup>

8 Innovation Hubs received more than A\$100 million investment for innovation adoption<sup>9</sup>

# Top marks for talent attraction

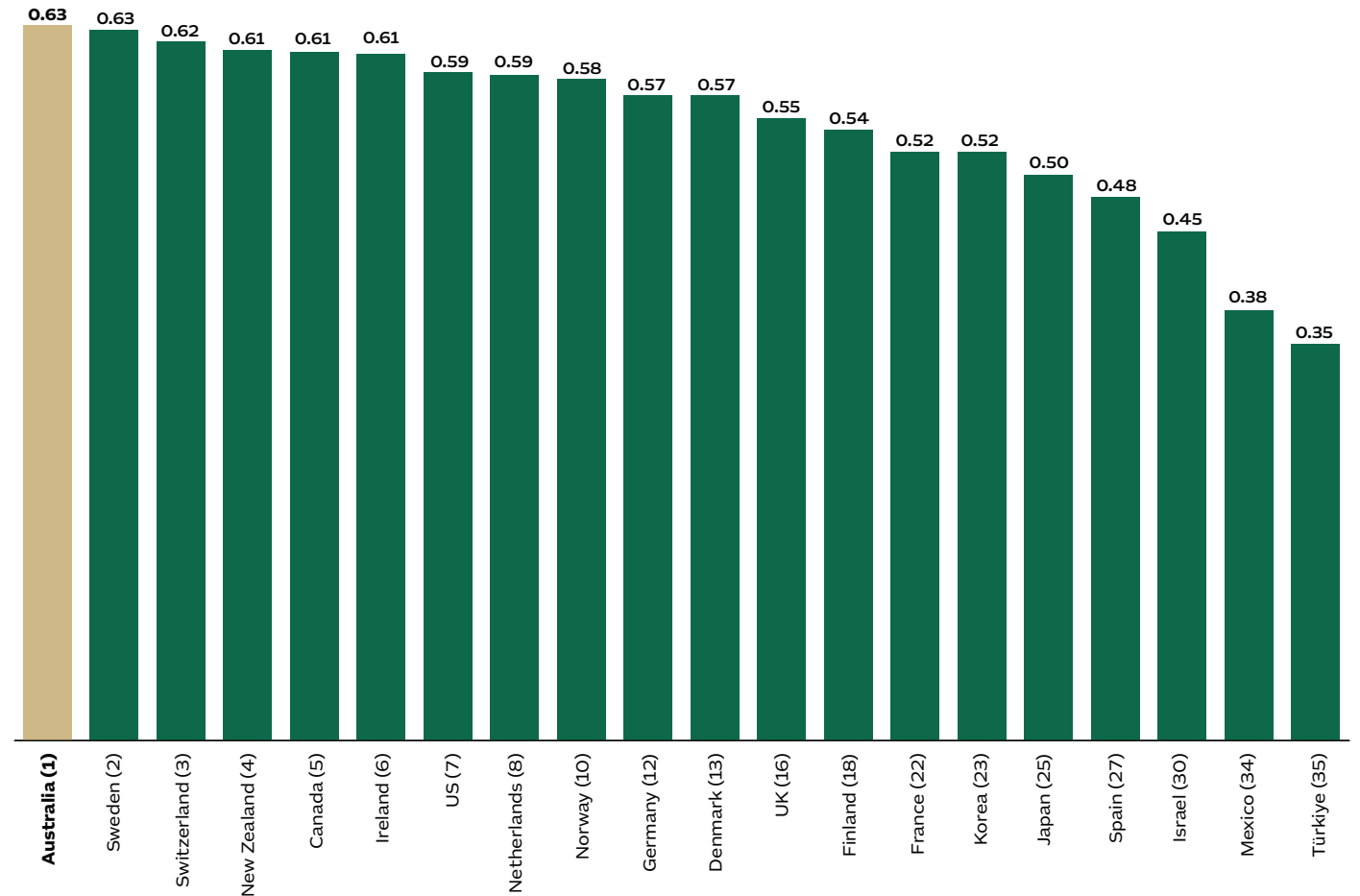
Amid intense competition, Australia stands out as one of the world's most attractive destinations for talented individuals. According to the OECD's talent attractiveness index, Australia is the most attractive country in the world for prospective talent. The index includes factors such as quality of opportunities, income and tax, future prospects, family environment, skills environment, inclusiveness and quality of life.

**Note: 1.** The number in brackets indicates the economy's ranking across 35 economies.

**Sources:** Organisation for Economic Co-operation and Development, 2023, Data provided by the International Migration Division of the OECD; Austrade.

## Talent attractiveness

Index, 2019



# A #1 ranking for new technology skills

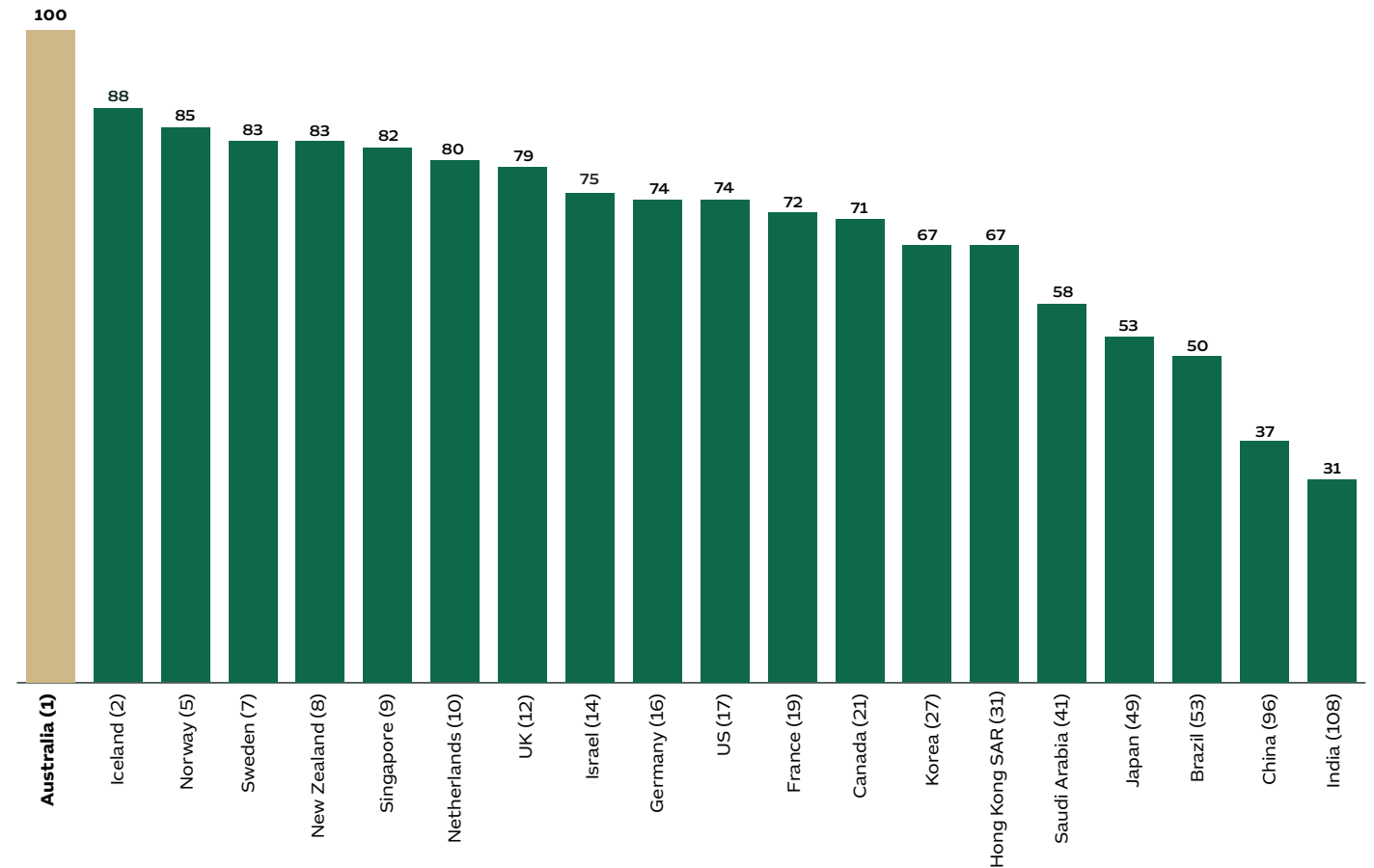
Australia is a nation of early adopters. In global rankings, Australia scores highest for the skills needed to use, adopt and adapt frontier technologies. These skills make us one of the most innovative countries in the world. Our track record is already impressive. Australia was the incubator for Google Maps, Wi-Fi, the black box flight recorder and the cochlear implant. The Economist Intelligence Unit reports that Australia is now the most attractive place in the world for tech companies to invest. Government agencies are also early adopters. Oxford Insights ranks the Australian Government among the top eight in the world in terms of ability to benefit from artificial intelligence.

**Note: 1.** The number in brackets indicates the economy's ranking across 158 economies. 2019 is the latest year available as at February 2023.

**Sources:** United Nations Conference on Trade and Development, 2022, Frontier technology readiness index, accessed 23 November 2022; Economist Intelligence Unit, 2022, Preparing for disruption technological readiness ranking; Oxford Insights, 2022, AI readiness index 2021; Austrade.

## Skills for using, adopting and adapting frontier technologies<sup>1</sup>, 2019

Index



# Our fast-growing, A\$167 billion tech sector

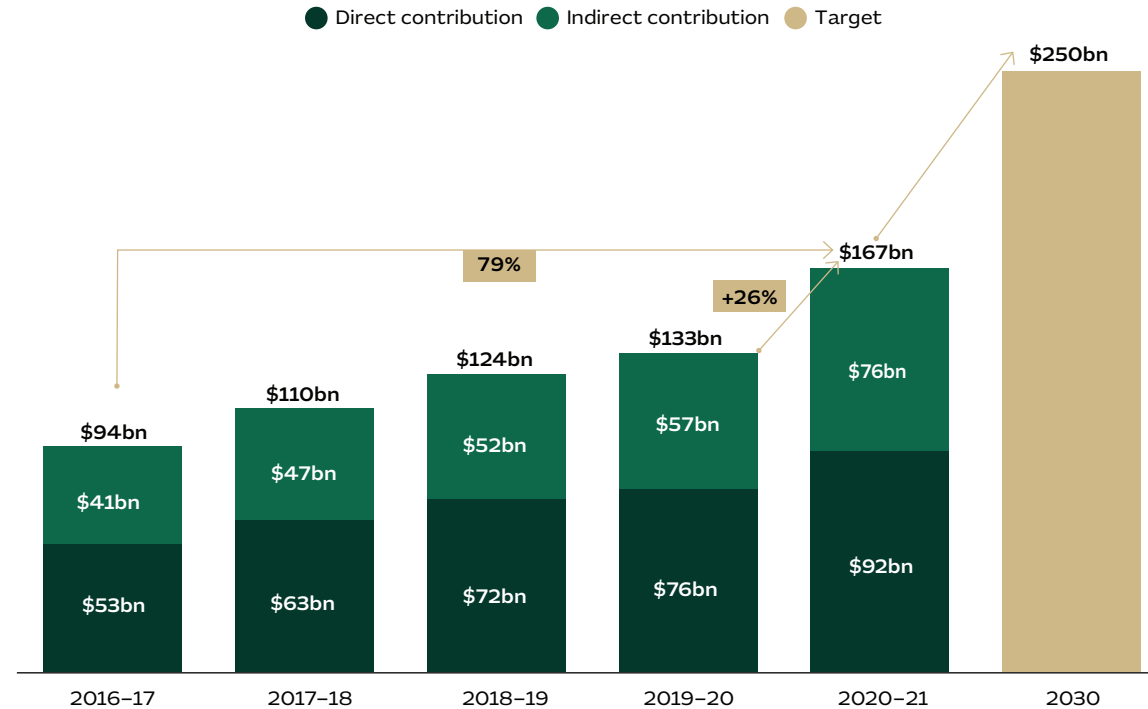
Australia has one of the biggest technology industries in the Southern Hemisphere. The sector's economic contribution to GDP has increased 79% since 2016–17, reaching A\$167 billion in 2020–21. This equates to around 8.5% of GDP. Rapid digital adoption during COVID-19 meant that Australia's technology sector grew by 26% – or A\$34 billion – in the year to June 2021. The Tech Council of Australia has set a target for technology to deliver A\$250 billion per annum to Australia's GDP by 2030. This would be the equivalent of 1.2 million jobs.

**Note:** The direct tech sector is defined as internet publishing and broadcasting, telecommunications services, internet service providers, web search portals, data processing services, and computer system design and related services.

**Sources:** Tech Council of Australia, 2021, The economic contribution of Australia's tech sector; Tech Council of Australia, 2022, Turning Australia into a regional tech hub; Austrade.

## Technology sector contribution to Australian GDP

A\$ billion



**861,000**  
persons employed

**65,000**  
jobs were created during the COVID-19 crisis

**A\$640 billion sector**  
A\$570 billion held by public firms

**98%**  
of tech firms are SMEs

# A highly skilled workforce

Australia's skilled and educated workforce fosters a culture of innovation. Australia ranks in the top five countries for university education systems according to a 2022 study by INSEAD. We rank fifth in the world on the UN's Human Development Index, which measures literacy and education. Australia's scientific publication scores are among the world's highest. We also score in the top four for scientific journal articles. Australia is rated as a 'good place' to live for immigrants. Around 29% of Australians were born overseas, and we are home to more than 270 distinct ancestries.

**Notes:** 1. Index composed by: the ratio of total tertiary enrolment to the corresponded population. 2. Based upon: Government expenditure on education as a percentage of its GDP; school life expectancy; Government funding per secondary pupil; and scores in reading maths and science from the Programme for International Student Assessment. 3. Foreign tertiary-level students per thousand inhabitants. 4. Comprises: mobile tariffs, handset prices, internet access, SMS sent by population, population covered by at least 3G, internet bandwidth, and internet access in schools. 5. Based on: deaths from interpersonal violence, perceived criminality, political killings, and transportation-related fatalities. 6. Based upon QS World University rankings. 7. The number of newly registered firms per working-age persons. 8. Index combines economic, social and educational indicators.

**Sources:** World Intellectual Property Organization, 2023, Global innovation index 2022; Institute for Management Development, 2022, World competitiveness yearbook 2022; International Graduate School of Business Administration (INSEAD), 2023, The global talent competitiveness index 2022; United Nations, 2023, Human development report 2021-22; Australian Human Rights Commission, 2023, Face the facts: Cultural diversity; Austrade.

## Skilled workforce and innovation indicators – Global rankings

	Australia	US	UK	France	Germany	Japan	Korea	China	India	Singapore
<b>The Global Innovation Index 2022 Ranking in:</b>										
School life expectancy, years	1	30	16	39	18	na	25	na	92	24
Tertiary education <sup>1</sup>	3	48	11	33	7	83	18	92	60	2
Regulatory quality	5	21	15	25	13	19	32	77	81	1
Human capital and research <sup>2</sup>	5	9	6	15	2	21	1	20	43	7
Females employed with advanced degrees	5	8	22	19	51	24	30	na	103	6
Government's online service	7	7	6	18	59	12	1	12	24	5
<b>IMD World Competitiveness Yearbook 2022 Ranking in:</b>										
Student mobility <sup>3</sup>	2	30	8	26	23	44	40	55	59	5
Foreign labour force	9	22	na	29	19	52	48	62	59	4
<b>The Global Talent Competitiveness Index 2022 Ranking in:</b>										
ICT infrastructure <sup>4</sup>	1	2	4	15	23	9	13	30	39	3
Personal safety <sup>5</sup>	4	52	24	26	11	1	7	83	87	2
Scientific journal articles	4	21	14	30	23	35	22	50	80	5
High-level skills, global knowledge	4	7	9	24	37	40	18	86	83	1
University ranking <sup>6</sup>	5	1	2	8	10	7	9	3	21	11
Tolerance of immigrants	6	11	24	59	34	71	65	65	81	16
Startups <sup>7</sup>	6	na	1	28	74	100	na	17	114	14
<b>United Nations Human Development Report 2021-22 Ranking in:</b>										
Human Development Index <sup>8</sup>	5	21	18	28	9	19	19	79	132	12

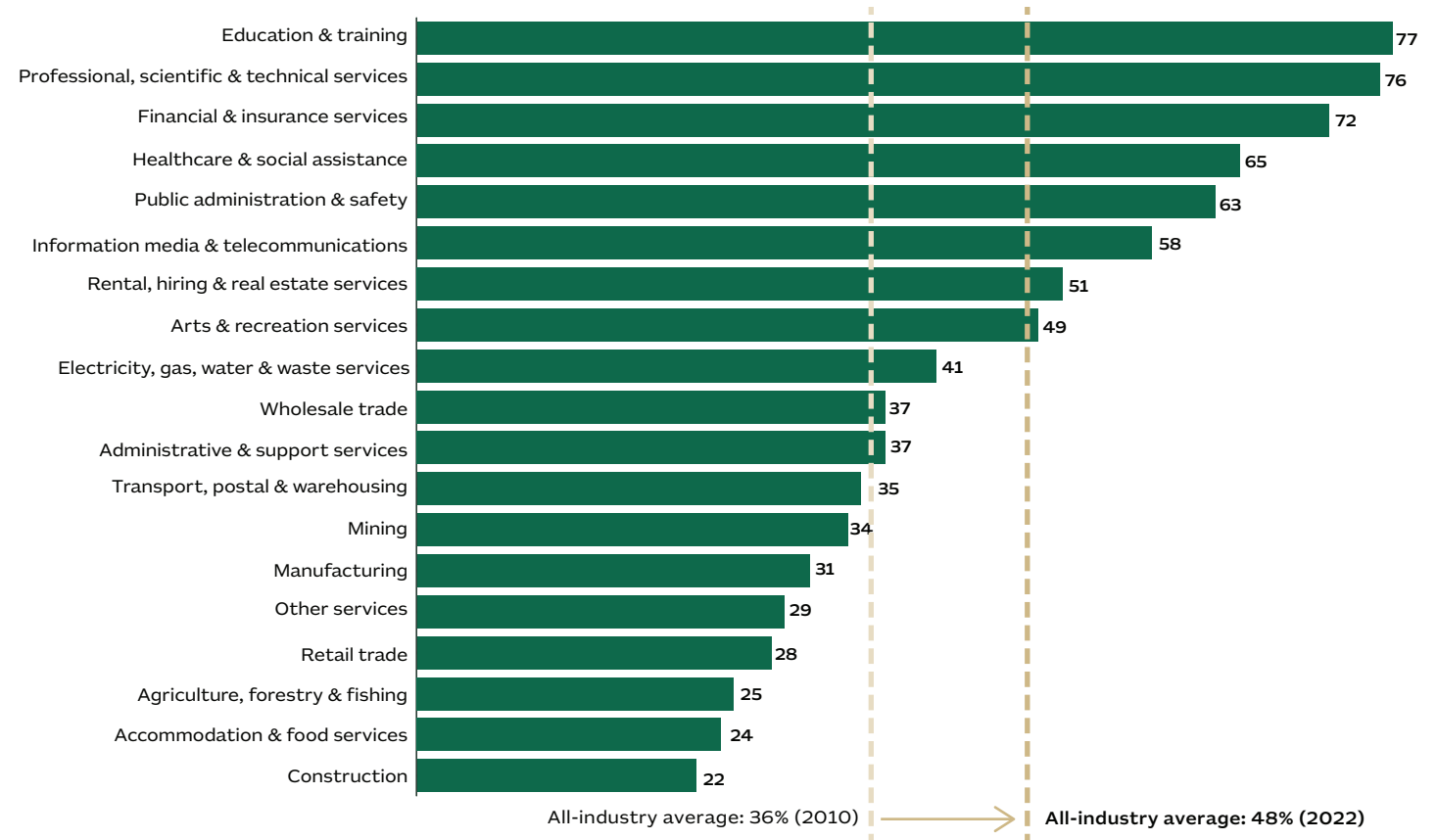


# Top grades for higher education

Australia has one of the world's most highly educated workforces. Approximately 48% of employed people hold a tertiary qualification. This ratio has increased rapidly, from just 36% in 2010. In some sectors, more than 70% of employees have a tertiary education degree. These sectors include 'education and training', 'professional scientific and technical services', and 'financial and insurance services'.

**Note: 1.** Tertiary education refers to Advanced Diploma/Diploma or higher.  
**Sources:** Australian Bureau of Statistics, 2022, Education and work, accessed 14 November 2022; Austrade.

## Percentage of employed persons with tertiary education by industry<sup>1</sup> – 2022



# Australia is a big investor in education

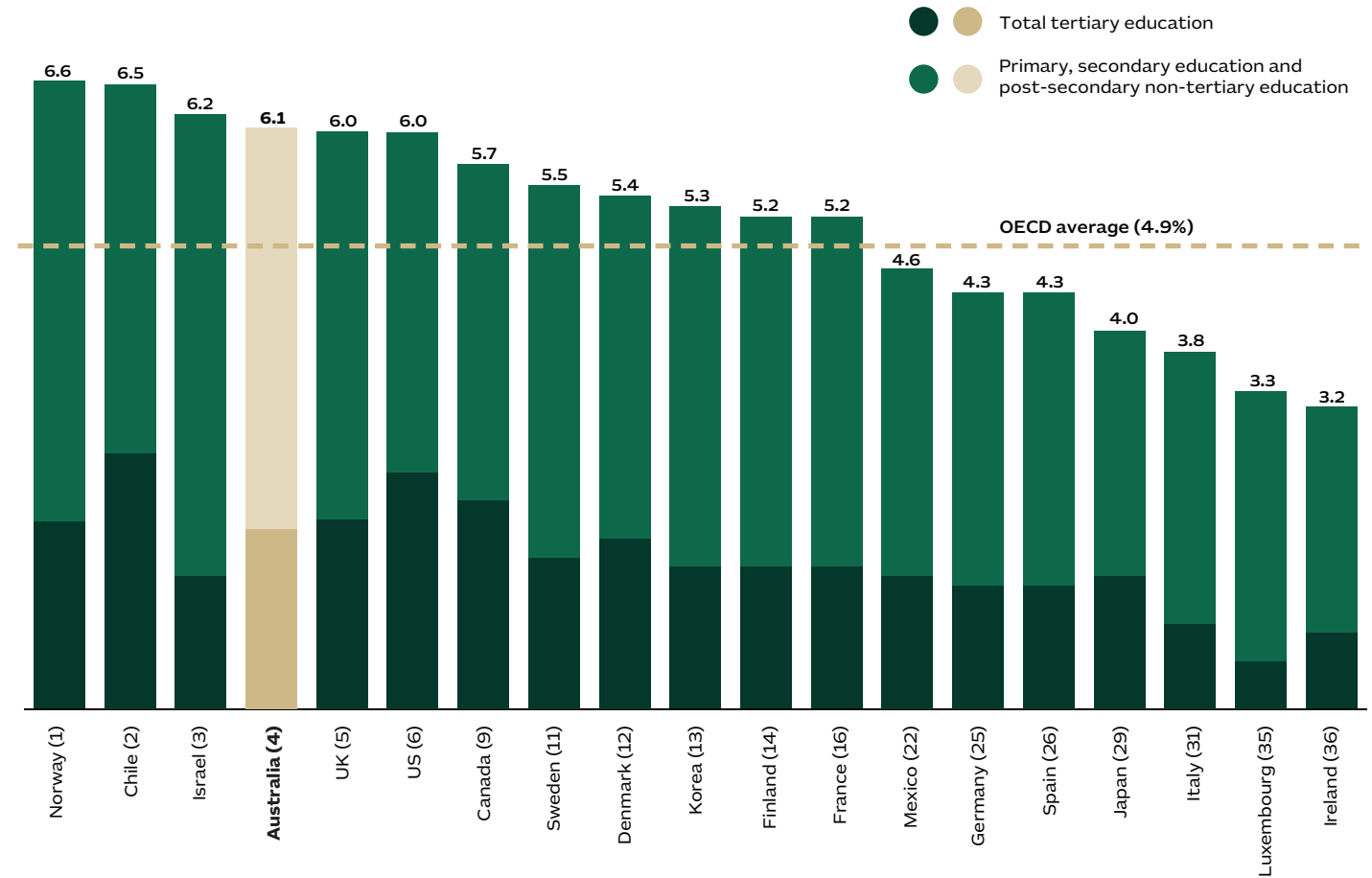
Australia ranks fourth for spending on educational institutions among members of the OECD. At 6.1% of GDP, spending on education institutions in Australia exceeds the OECD average of 4.9%. Spending on tertiary education increased from 1.5% of GDP in 2005 to 1.9% in 2019. This raised Australia to sixth place among OECD countries.

**Notes:** 1. Expenditure on all public and private institutions. Values of expenditure are expressed in US dollar-equivalent, after converting local currencies using purchasing-power parity (PPP) conversion factors. 2. Latest data available from OECD database do not include data from Costa Rica and Switzerland.

**Sources:** Organisation for Economic Co-operation and Development, 2022, OECD.Stat; Austrade.

## Expenditure on educational institutions across OECD countries<sup>1</sup>

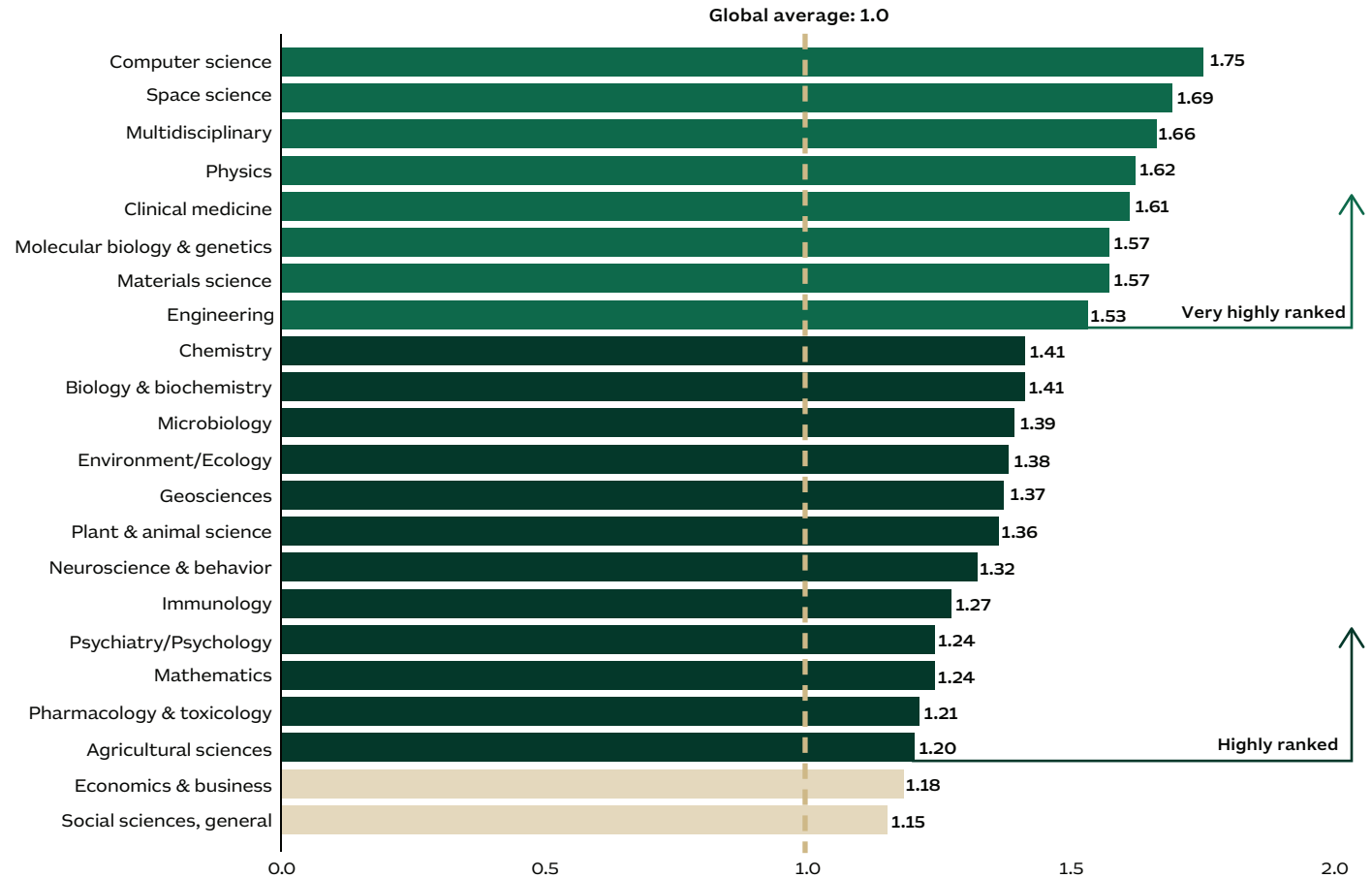
As a percentage of gross domestic product, 2019



# High-impact research across multiple fields

Our scientific research is highly ranked internationally. Australian research publications achieve an impact that is at least 20% above the global average in 20 out of 22 fields of academic research across a wide variety of disciplines. Australia's six strongest categories of published research are in computer science, space science, multidisciplinary research, physics, clinical medicine, and molecular biology and genetics. The 20 academic categories where Australia outscores the global average show a wide diversity of disciplines and topics.

Relative impacts of Australian scientific publications by research field, 2017–21



Sources: InCites™, Clarivate Analytics, 2022, InCites dataset, accessed 22 November 2022; Austrade.

# Australia's top-ranking academic institutions

Seven Australian institutions rank among the world's top 100 universities.<sup>1</sup> Our rankings are consistently improving. In 2004, just 14 Australian universities appeared in the top 500, while in 2022, 24 Australian universities made the grade.<sup>2</sup> Australia's top-performing rankings are: the University of Melbourne, the University of Queensland, the University of Sydney, the University of New South Wales, Monash University, the Australian National University, and the University of Western Australia.

**Notes:** 1. According to the 2022 Academic Ranking of World Universities (ARWU), published by the Shanghai Ranking Consultancy. Economies were ranked according to the number of universities in the top 100. For evenly ranked economies, the number of universities in the top 200, top 300, top 400 and top 500 was used as a tiebreaker.

**Sources:** Shanghai Ranking Consultancy, 2022, The academic ranking of world universities; accessed 10 October 2022; Austrade.

## Academic ranking of world universities, 2022

	Economies	Top 100	Top 200	Top 300	Top 400	Top 500	501 to 1000	Top 1 to Top 1000
1	US	39	62	85	106	127	69	196
2	China	9	30	46	66	83	102	185
3	UK	8	21	25	33	38	25	63
4	<b>Australia</b>	<b>7</b>	<b>8</b>	<b>18</b>	<b>22</b>	<b>24</b>	<b>9</b>	<b>33</b>
5	Canada	5	8	12	17	19	7	26
6	Germany	4	9	19	25	31	16	47
7	France	4	8	12	16	16	12	28
8	Switzerland	4	7	7	7	7	2	9
9	Netherlands	3	9	10	11	12	1	13
10	Sweden	3	5	6	8	10	3	13
11	Israel	3	4	4	5	6	1	7
12	Japan	2	6	8	10	13	19	32
13	Belgium	2	3	5	7	7	2	9
14	Denmark	2	3	4	5	5	1	6
15	Singapore	2	2	2	2	2	1	3
16	Norway	1	2	2	3	3	4	7
17	Korea	1	1	7	8	11	19	30
18	Finland	1	1	1	2	5	2	7
19	Italy	0	4	8	11	17	29	46
20	Saudi Arabia	0	2	3	3	5	2	7
21	Spain	0	1	5	8	11	29	40
22	Austria	0	1	2	4	6	7	13
23	Ireland	0	1	1	3	3	4	7
24	Brazil	0	1	1	2	6	15	21
25	Russia	0	1	1	2	2	8	10
	<b>Top 1 to 25 economies</b>	<b>100</b>	<b>200</b>	<b>294</b>	<b>386</b>	<b>469</b>	<b>389</b>	<b>858</b>
	<b>Top 26 to 62 economies</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>14</b>	<b>31</b>	<b>111</b>	<b>142</b>
	<b>Total</b>	<b>100</b>	<b>200</b>	<b>300</b>	<b>400</b>	<b>500</b>	<b>500</b>	<b>1,000</b>

# Our universities aid sustainable development

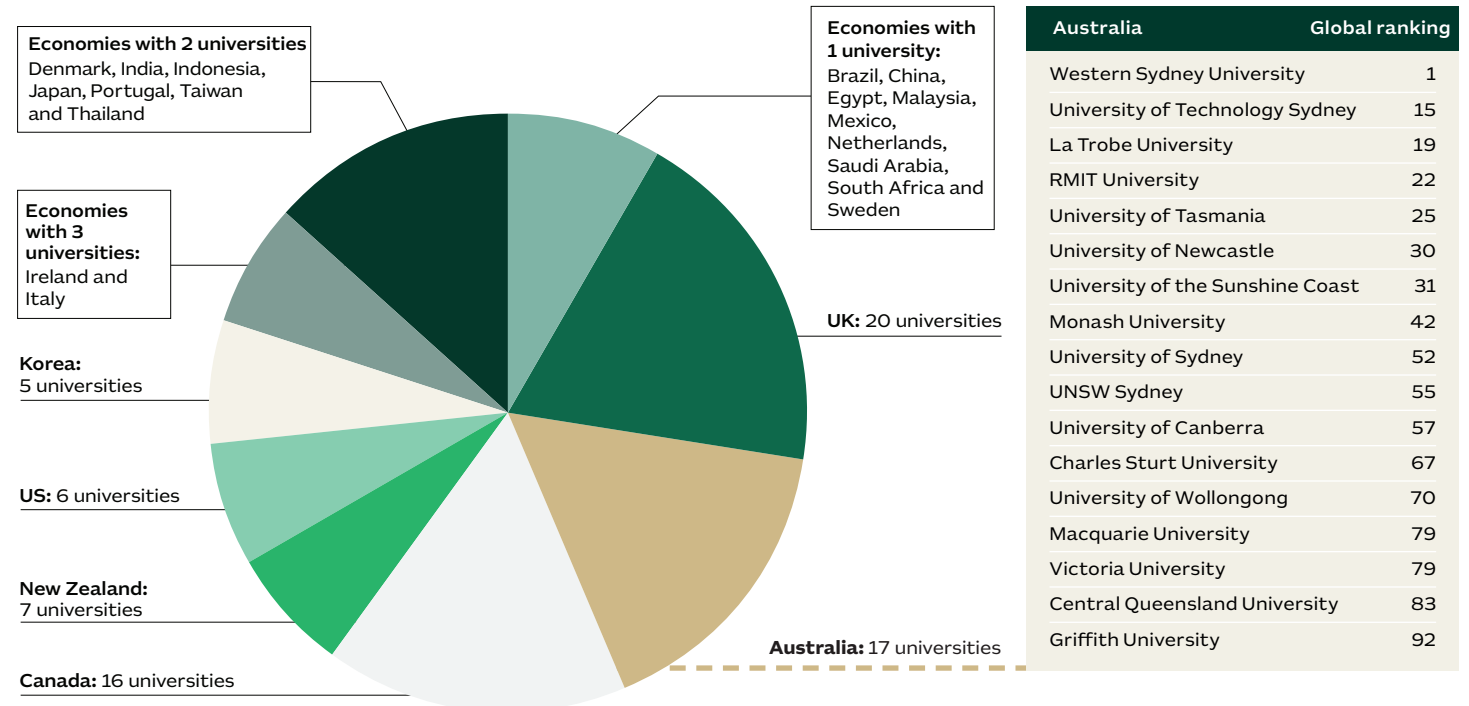
Australian universities are good global citizens when it comes to tackling poverty, gender equality and climate change. This makes Australian universities attractive partners for collaborative research into sustainability and global development. It also encourages overseas students to apply to Australian universities. According to the UK's Times Higher Education Impact Rankings, 17 Australian universities made it into the top 100 for having an impact on UN Sustainable Development Goals. Australia now has the second largest number of universities in this top 100 category, surpassed only by the United Kingdom (with 20).

**Note: 1.** To put together the ranking, the Times Higher Education mapped how universities around the world are implementing the United Nations' 17 Sustainable Development Goals (SDGs). The SDGs are a global call to action to tackle poverty, climate change and inequality. Universities were invited to submit data on how they were progressing on the SDGs. The 2022 Impact Rankings is the third edition and the overall ranking includes 1,406 universities from 106 economies.

**Sources:** The Times Higher Education, 2022, Impact rankings; Austrade.

## Top 100 Universities Times Higher Education Impact Rankings, 2022

Implementing the United Nations Sustainable Development Goals (SDGs)<sup>1</sup>





# A magnet for ambitious talent

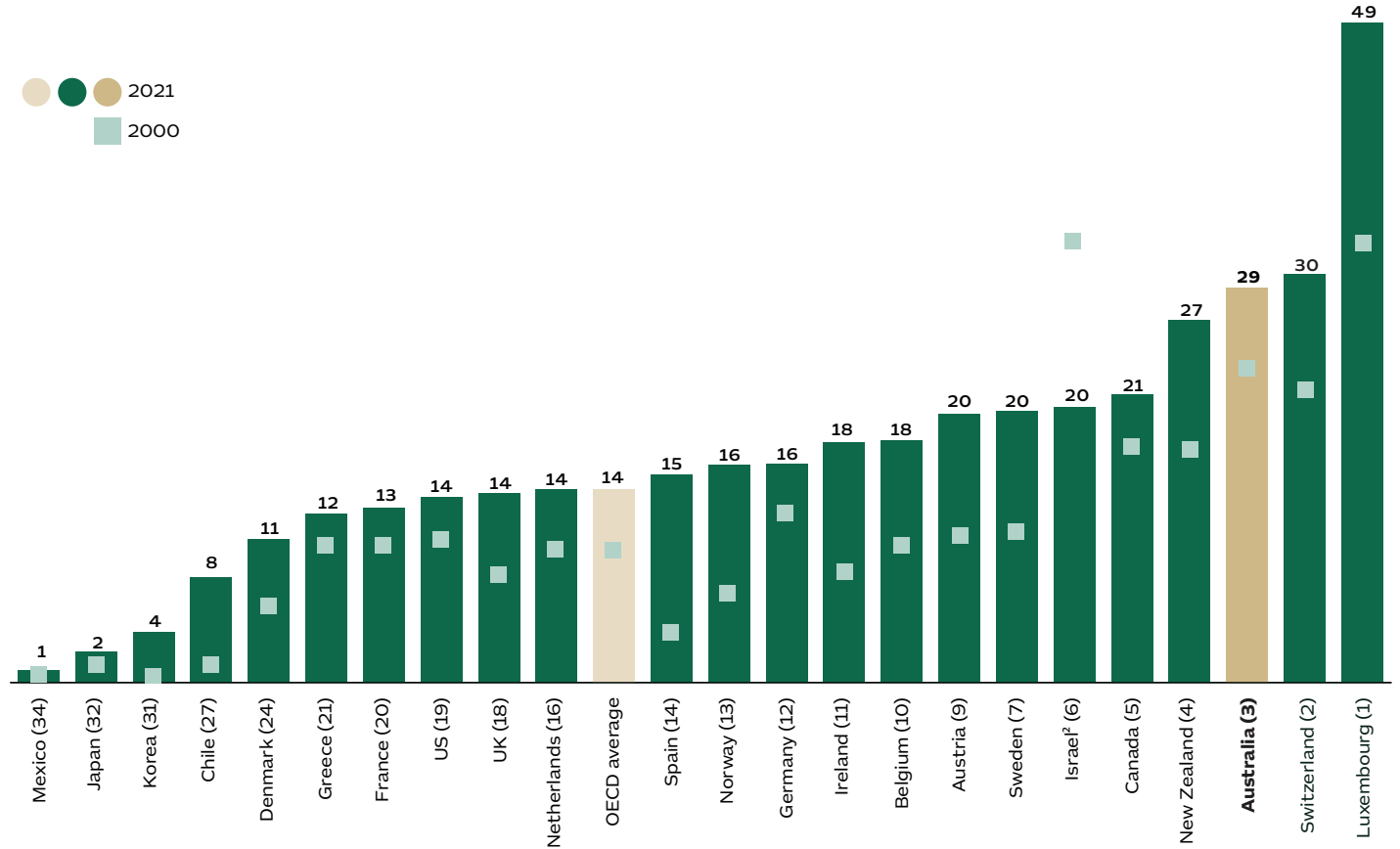
Australia has the third highest proportion of foreign-born citizens among countries in the OECD. Approximately 29% of our population was born overseas. This is twice the average for OECD countries. Migrants and diaspora communities contribute directly to Australian trade via knowledge of overseas markets and vital language skills. Citizens with links to Asia also help Australian businesses expand trade across the Asia-Pacific region.

**Notes:** 1. Data refers to 2000 or the closest available year, and to 2021 or the most recent available year. The OECD information is the simple average based on rates presented. For Japan and Korea, the data refers to the foreign population rather than the foreign-born population. 2. Israel's high fertility rate and lower net migration rate reduced its percentage of foreign-born population.

**Sources:** Organisation for Economic Co-operation and Development, 2022, International migration outlook; Boston Consulting Group, 2022, Decoding global talent, onsite and virtual; Austrade.

## Foreign-born population across OECD countries, 2000 and 2021<sup>1</sup>

As a percentage of total population



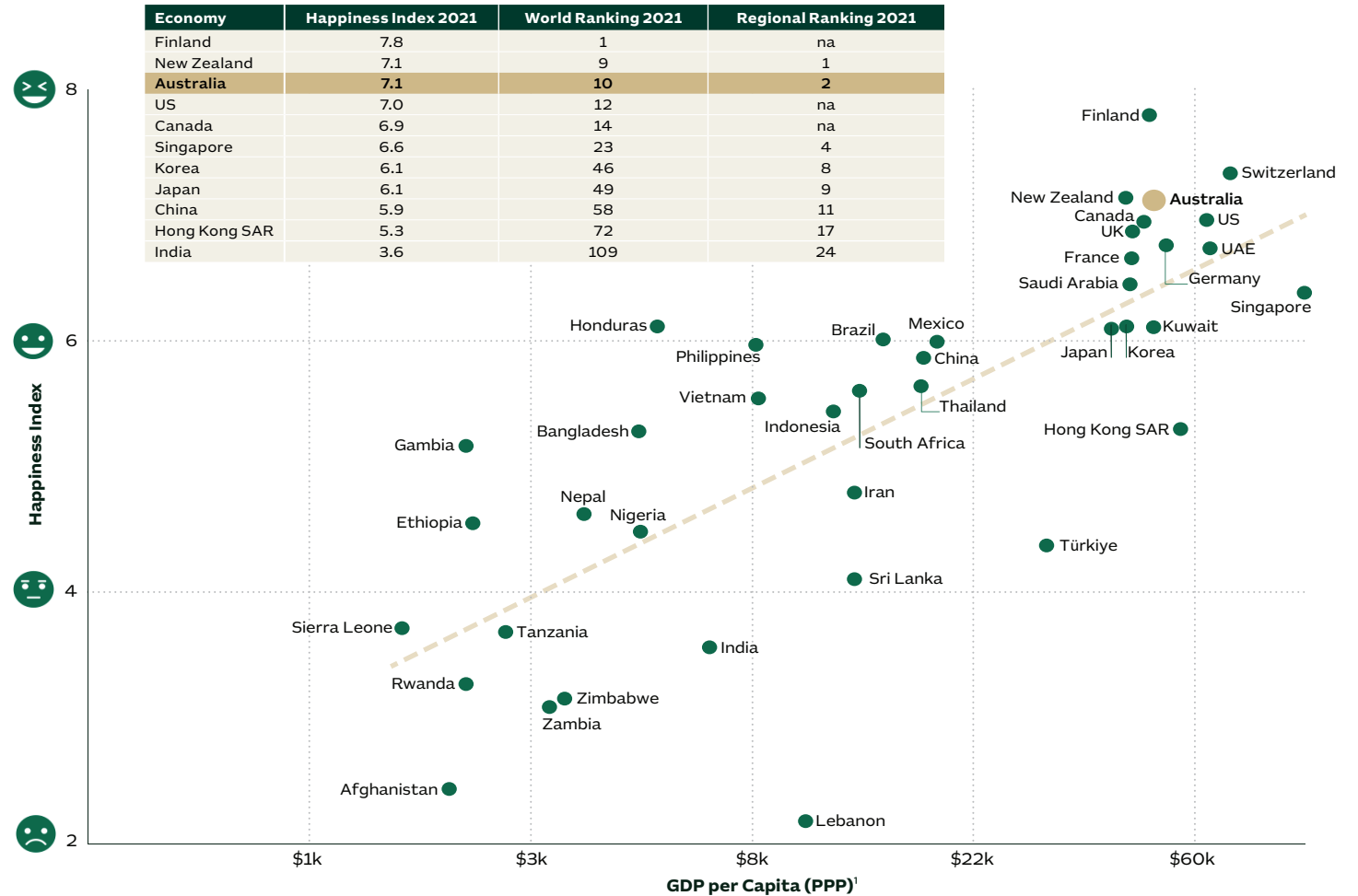
# No worries, we're happy!

Australia was the second happiest country in the Asia region<sup>2</sup> in 2021, according to a World Happiness Index published in 2022. High incomes help. Other factors include a sense of personal freedom, a spirit of generosity, trust in institutions and income equality. Australia's lifestyle – plus our positive and optimistic spirit – are major factors for global companies that want to re-locate employees and families into the Asia-Pacific region. In global terms, Australia holds a similar ranking to Canada, New Zealand and Switzerland, and is ahead of Singapore, Korea and Japan.

**Notes:** 1. The GDP per capita, adjusted to constant 2017 international dollars in terms of purchasing power parity (PPP), is measured on a natural logarithm scale. 2. The Asia region is defined as economies located in Asia and Oceania, and excludes the Middle East region.

**Sources:** John F. Helliwell, Richard Layard, Jeffrey Sachs, and Jan-Emmanuel De Neve, eds. 2022, World happiness report 2022, accessed November 2022; Austrade.

## Happiness Index and GDP per capita, 2021





# 03 A renewable energy superpower

## Powering the world's transition to net zero

Australia is set to become a renewable energy superpower. This is thanks to vast solar and wind resources, and an abundance of rare earth and other minerals. These resources make us an ideal destination for investors who want to export renewable energy.

We have enormous reserves of the minerals that the world needs to transition to net zero. These include the largest known reserves of zinc, nickel and tantalum. We also have the second largest reserves of lithium and cobalt, with abundant rare earth minerals.

With a vast coastline and immense open spaces, Australia has some of the best wind resources in the world and the second highest potential for solar power. The combination of huge wind and solar resources is helping us forge ahead in the development of reliable renewable energy.

Australia's advanced resources industry is at the forefront of our endeavours to decarbonise the economy. It is helping us convert natural endowments into renewables success. Australia is already the largest per-capita producer of solar energy in the world. Per head, we rank seventh in the world for renewable energy patents.

Australia welcomes foreign investment in renewables. It will help us meet commitments to reduce carbon emissions and become a renewable energy exporter. Access to renewable resources – plus local ingenuity and a supportive policy environment – makes Australia an attractive destination for renewable energy investment.



# A renewable energy superpower



**#2**  
for solar  
power  
potential in the world



**3 million+**  
households  
(around 30%) have rooftop  
solar PV power



**#6**  
for solar  
production  
largest producer of solar  
electricity in 2021



**3rd**  
lowest cost  
for generating solar  
power among major  
solar-power producers



**Highest**  
ratios  
of renewable energy patents  
in the world – on par with the  
US and Germany



**1st**  
country  
to export hydrogen



**6th**  
most attractive  
country  
for renewable energy investment



**Largest**  
producer  
of lithium in the world

# A natural leader in clean energy

Australia is a leader in renewable energy. We have vast natural resources. Our cloudless skies and vast, empty plains make a perfect environment for generating solar power. Also, Australia's strong offshore wind resources are positioned conveniently close to energy demand centres. These two factors make Australia an increasingly attractive investment destination for solar and wind power. Australia is taking action on climate change by legislating an ambitious emissions reduction target of 43% by 2030 and to net zero by 2050. This provides investors with certainty on our transition to net zero.

**Sources:** 1. Reuters, 2022, World's first hydrogen tanker to ship test cargo to Japan from Australia. 2. Geoscience Australia, 2022, Australian Hydrogen projects dataset, September 2022. 3. The World Bank, 2023, Global photovoltaic power potential by country. 4. International Energy Agency, 2023, Levelised cost of electricity calculator. 5. Geoscience Australia, 2023, Australia's solar energy resources and production. 6. US Office of Energy Efficiency and Renewable Energy, 2023, How much power is 1 gigawatt? 7. The world bank, 2022, The world bank open data. 8. Worldometer, 2022, Population by country. 9. U.S. Energy Information Administration, 2022, Electricity data. 10. Frontier Economics, 2020, Residential energy consumption benchmarks. 11. IRENA, 2022, Patents evolution. 12. Worldometer, 2022, Population by country. 13. Geoscience Australia, 2021, Australia's identified mineral resources. 14. US Department of the Interior, 2022, Mineral Commodity. 15. EY, 2022, Renewable energy country attractiveness index. 16. Department of Climate Change, Energy, the Environment and Water, 2022, Government backs next-generation renewable technology; Austrade.

## Australia's renewable energy credentials



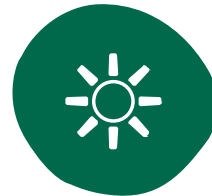
### 1st country to export hydrogen<sup>1</sup>

With over 100 hydrogen projects in the pipeline, Australia is increasing its export capacity<sup>2</sup>



### Almost 40,000 renewable energy patents in 2 decades<sup>11</sup>

7th for renewable energy patents per head<sup>7,11,12</sup>  
10,000 patents in solar technologies<sup>11</sup>  
4,000 patents in wind technologies<sup>11</sup>  
4,000 patents in bioenergy technologies<sup>11</sup>



### 2nd highest potential for solar power<sup>3</sup>

3rd lowest cost for solar power<sup>4</sup>  
5.8 gigawatts generated by solar farms, equivalent to 18 million solar PV panels<sup>5,6</sup>



### Largest producer of lithium in the world

Largest reserves of nickel, zinc and tantalum  
2nd largest reserves of lithium, copper and cobalt<sup>13,14</sup>



### Largest producer of solar energy per capita<sup>7,8,9</sup>

6th in absolute terms<sup>9</sup>  
Enough to power 5 million homes<sup>10</sup>



### 6th most attractive country for renewable energy investment<sup>15</sup>

29% of electricity from renewables<sup>9</sup>, target is 82% by 2030<sup>16</sup>  
22% of electricity generated by wind and solar power<sup>9</sup>

# Australia's power surge in wind and solar

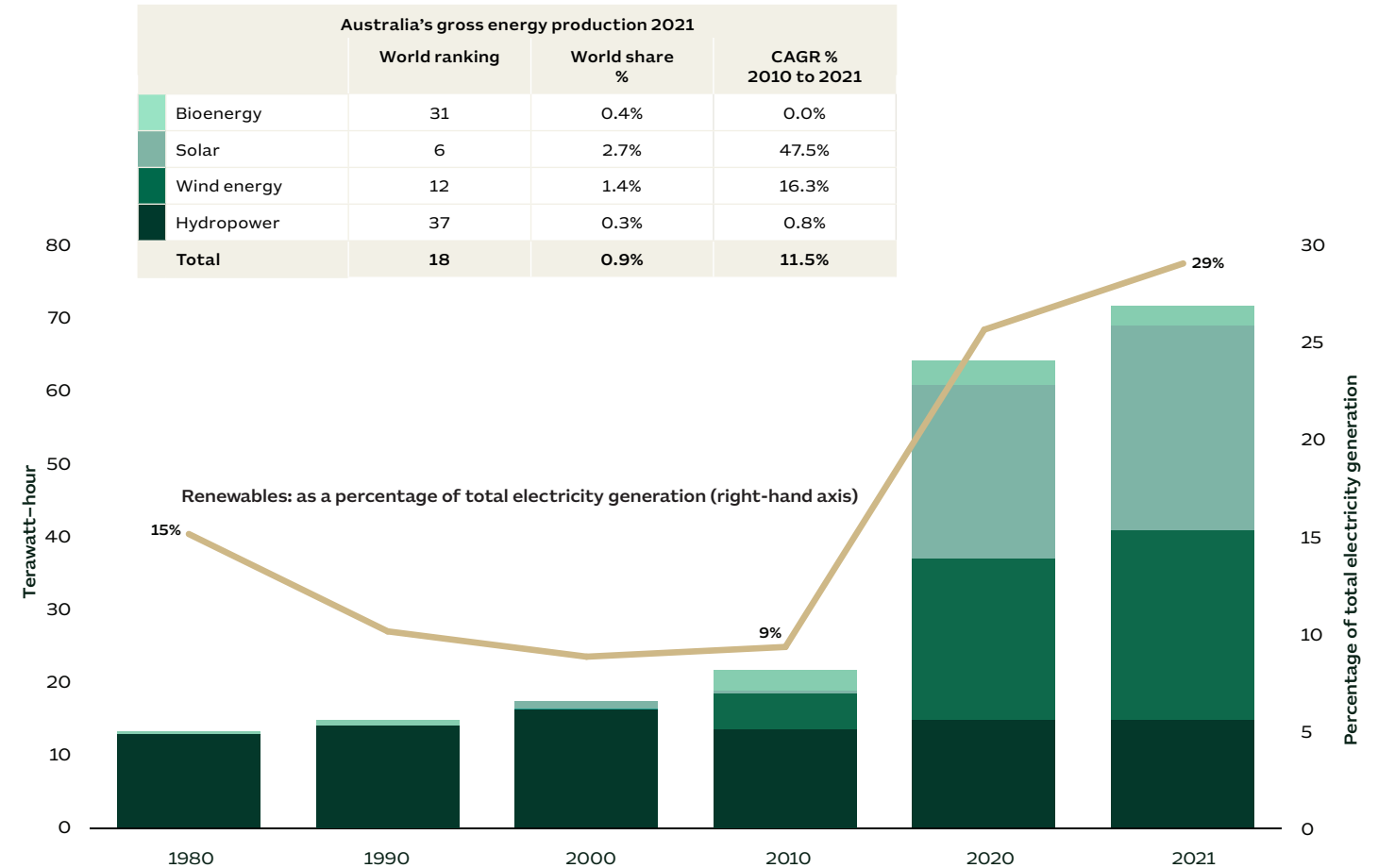
Renewables deliver a fast-growing share of Australian energy production. They accounted for a record 29% of total electricity generation in 2021. The Australian Government aims to generate 82% of electricity from renewables by 2030. Given our natural resources, wind and solar are Australia's main renewable generators, making us the world's sixth largest producer of solar energy. Innovation in solar energy has attracted significant investment. For instance, Lightsource bp is developing two new solar projects that aim to deliver 2 GW of solar-generating capacity in Australia this decade. This is enough to power approximately 1.5 million homes.

**Note: 1.** CAGR = compound annual growth rate.

**Sources:** U.S. Energy Information Administration, 2022, International energy statistics; Department of Climate Change, Energy, the Environment and Water, 2022, Government backs next-generation renewable technology; Australian Financial Review, 2022, Lightsource bp secures \$540m funding for solar developments, December 2022; Austrade.

## Australia's renewable energy generation volumes and world rankings

1980 to 2021, TWh



# Local ingenuity and Australia's clean energy revolution

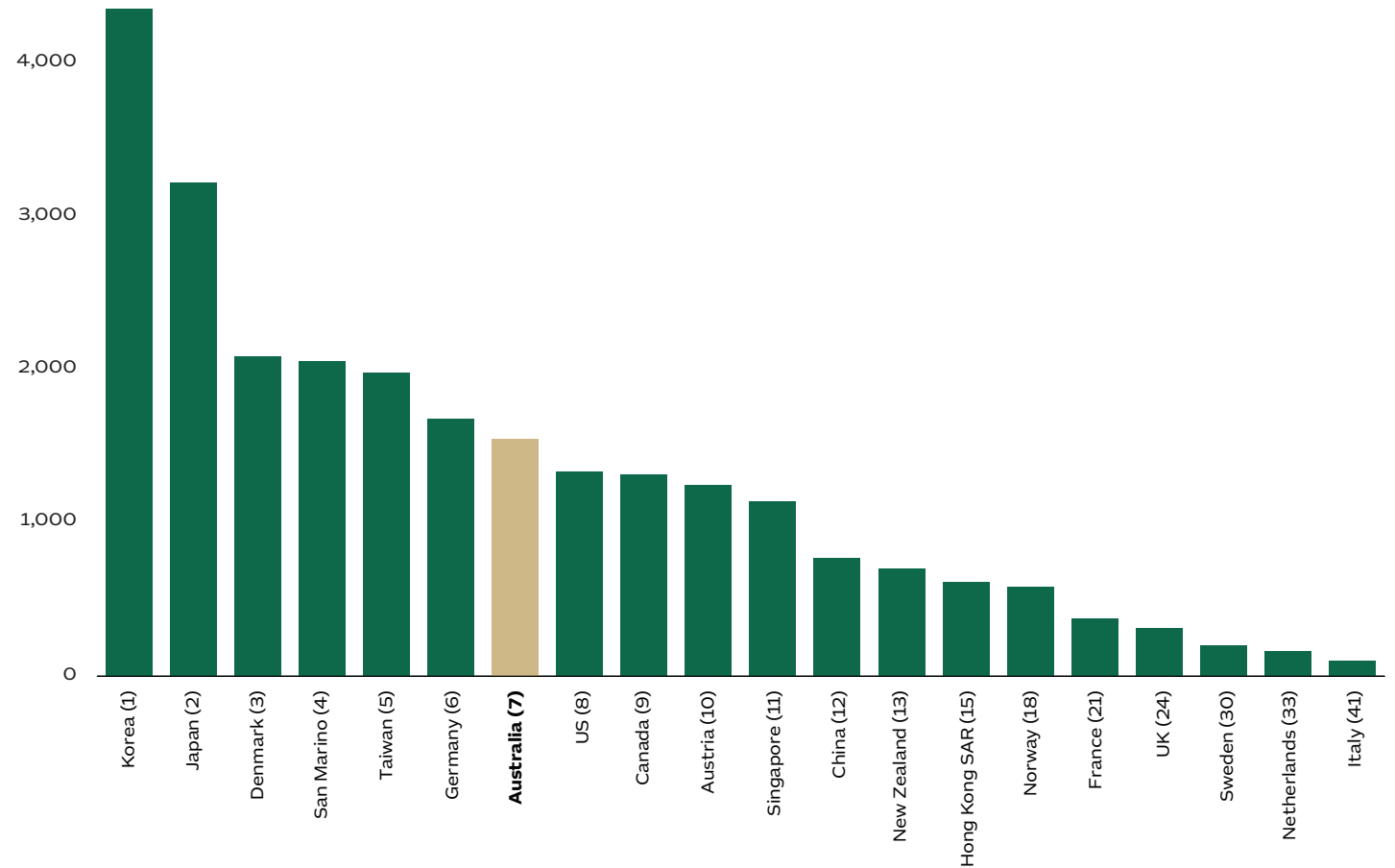
Approximately 4,000 patents in wind-powered energy have been registered in Australia. And around 10,000 patents in solar technologies were registered in Australia from 2000 to 2021. Per size of population, this means Australia has one of the highest ratios of renewable energy patents in the world – on par with the US and Germany. This achievement reflects the strength of research and innovation in Australia's renewable sector, and will help Australia build a global-scale renewables industry.

**Note: 1.** Includes biofuels, fuel from waste, geothermal, heat pumps, hydropower, marine, PV-thermal hybrid, solar photovoltaic, solar thermal, and wind, as defined by IRENA.

**Sources:** The World Bank, 2022, Population; Worldometer, 2022 Population by country; IRENA, 2022, Patents evolution; accessed December 2022; Austrade.

## Renewable energy patents<sup>1</sup> by economy

Patents per million persons, 2000–2021



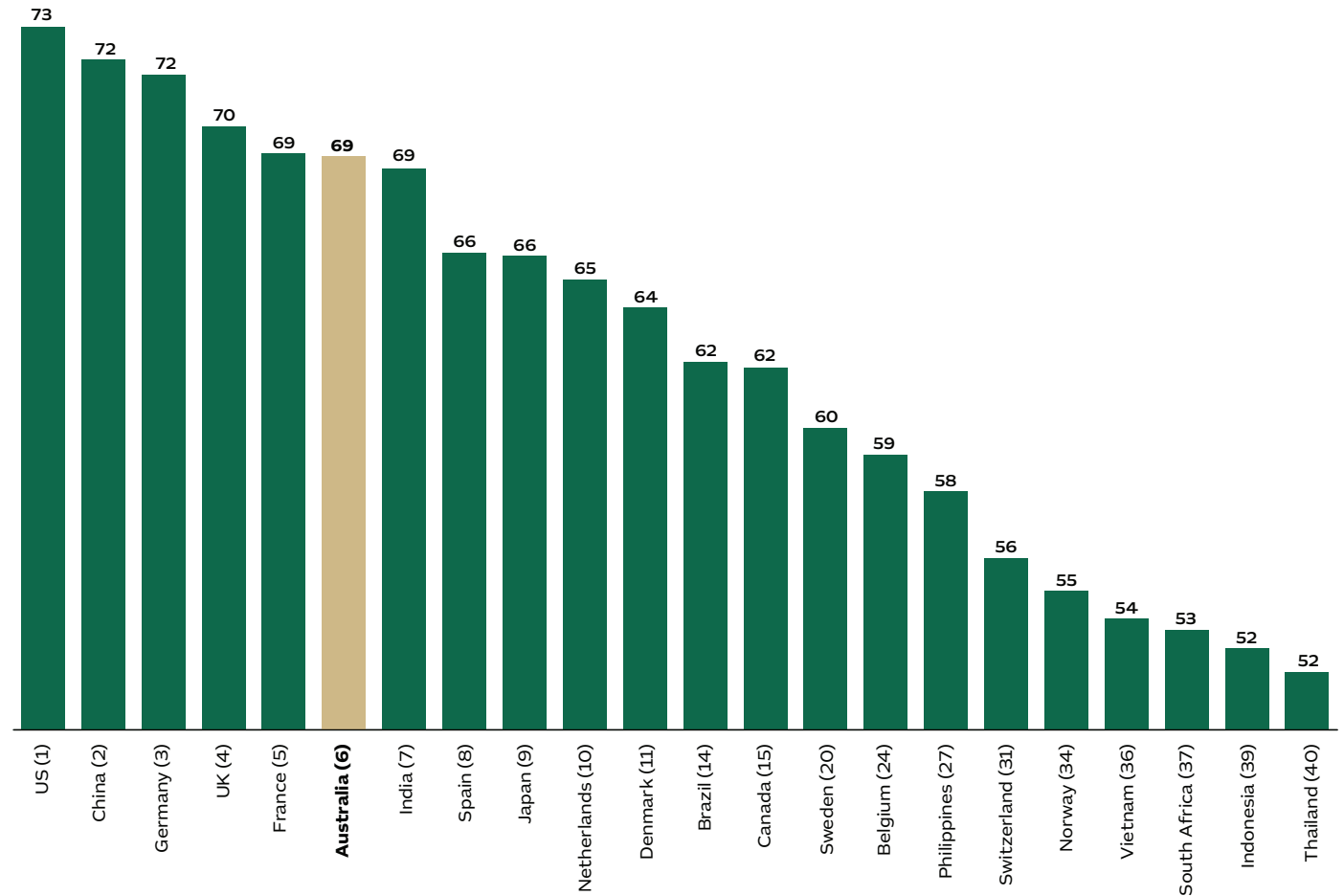
# A top destination for investment in renewables

Globally, Australia ranks sixth on the renewable energy attractiveness index, developed by EY. The index considers factors such as energy imperatives, policy stability, project delivery capabilities and the diversity of natural resource. Australia aims to become a major exporter of renewable energy by 2030. This strategic national goal creates significant potential for investment. Capacity is increasing in three principal sectors: solar, wind and green hydrogen.

Sources: EY, 2022, Renewable energy country attractiveness index, accessed January 2023, Austrade.

## Renewable energy country attractiveness

Index, 2022





# Australia is a solar powerhouse

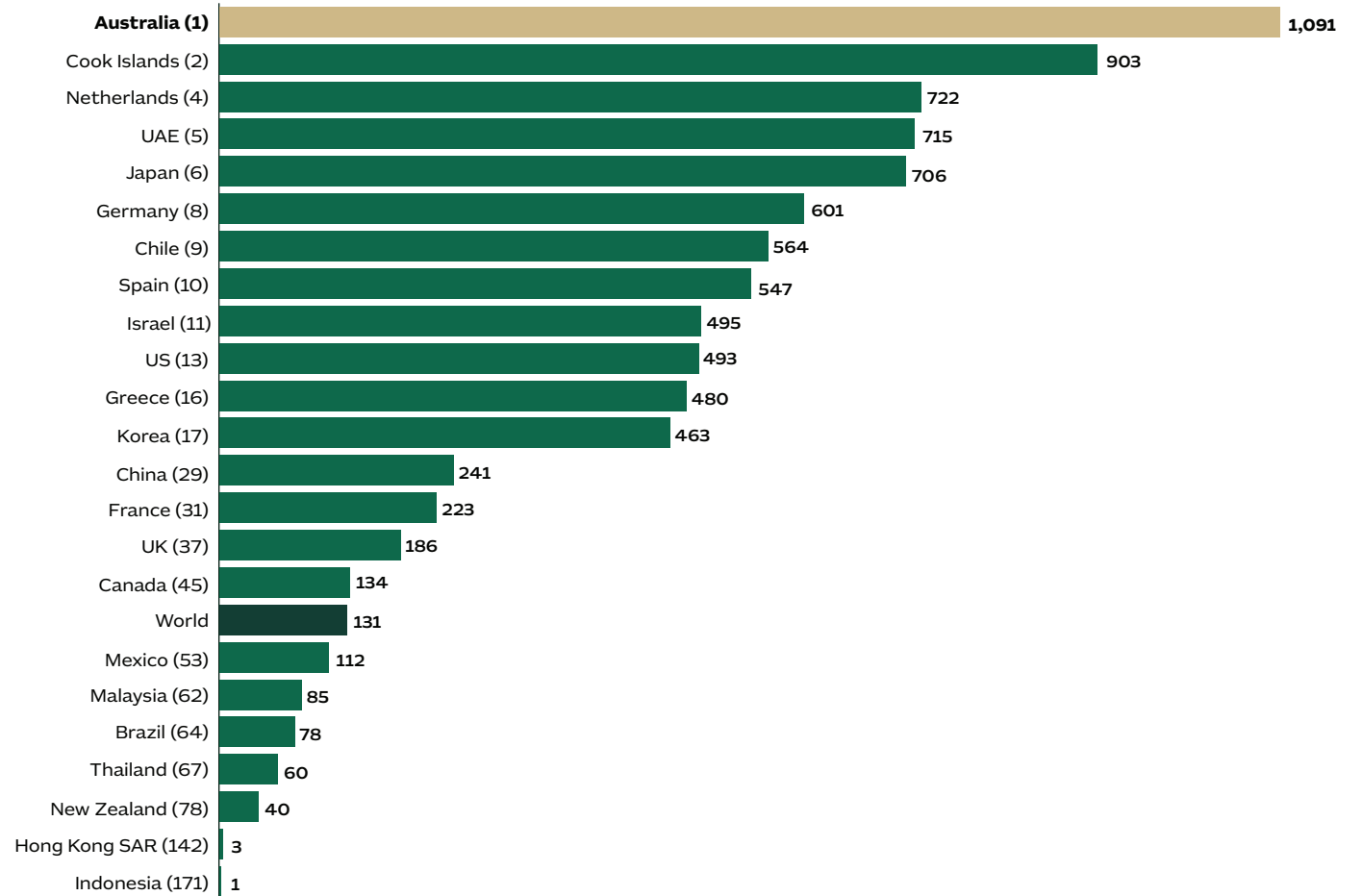
In terms of population size, Australia was the largest producer of solar electricity in 2021. We generated 1,091 kilowatt-hours (kWh) of solar power per head. Australia is also a leader in absolute terms. In 2021, we generated 28 billion kWh of solar power, making us the world's sixth largest producer. This means that we generate nearly twice as much solar power as France, Mexico, the UK, or the Netherlands. Major projects are attracting investment from around the world. The 26 GW Australian Renewable Energy Hub (AREH) in the Pilbara region of Western Australia is a hybrid wind and solar project designed to produce green hydrogen for export. The AREH site is expected to extend across 6,500 km<sup>2</sup>. This is roughly four times the size of London.

**Note: 1.** The number in brackets indicates the economy's ranking across 177 economies.

**Sources:** The World Bank, 2022, The world bank open data; U.S. Energy Information Administration, 2022, Electricity data; Worldometer, 2022, Population by country; all accessed on 9 January 2023, Austrade.

## Electricity generated by solar energy – selected regions

kWh per capita, 2021



# Huge reserves of minerals to power the transition to net zero

Australia is a secure and reliable source of minerals that are in global demand as multiple industries transition to net zero. With vast reserves, Australian mining can continue to supply these minerals well into the future. Demand for lithium is particularly strong because of rising demand for the lithium-ion batteries used in electric vehicles (EVs). Australia is already a leading global producer of lithium. Investment is set to surge as customers look for secure supplies to feed transnational EV battery supply chains. Australia also has the world's largest reserves of zinc, nickel and tantalum.

Sources: Geoscience Australia, 2021, Australia's identified mineral resources; US Department of the Interior, 2022, Mineral commodity; Austrade.

## Australia's minerals, 2021

Global ranking for production and reserves

Minerals for clean technologies	Production	Reserves
Lithium	1	2
Zinc	2	1
Graphite	na	8
Cobalt	3	2
Manganese ore	3	4
Rare earths	4	6
Nickel	5	1
Tantalum	5	1
Copper	6	2
Aluminium	6	na
Silicon	16	na
Molybdenum	na	7

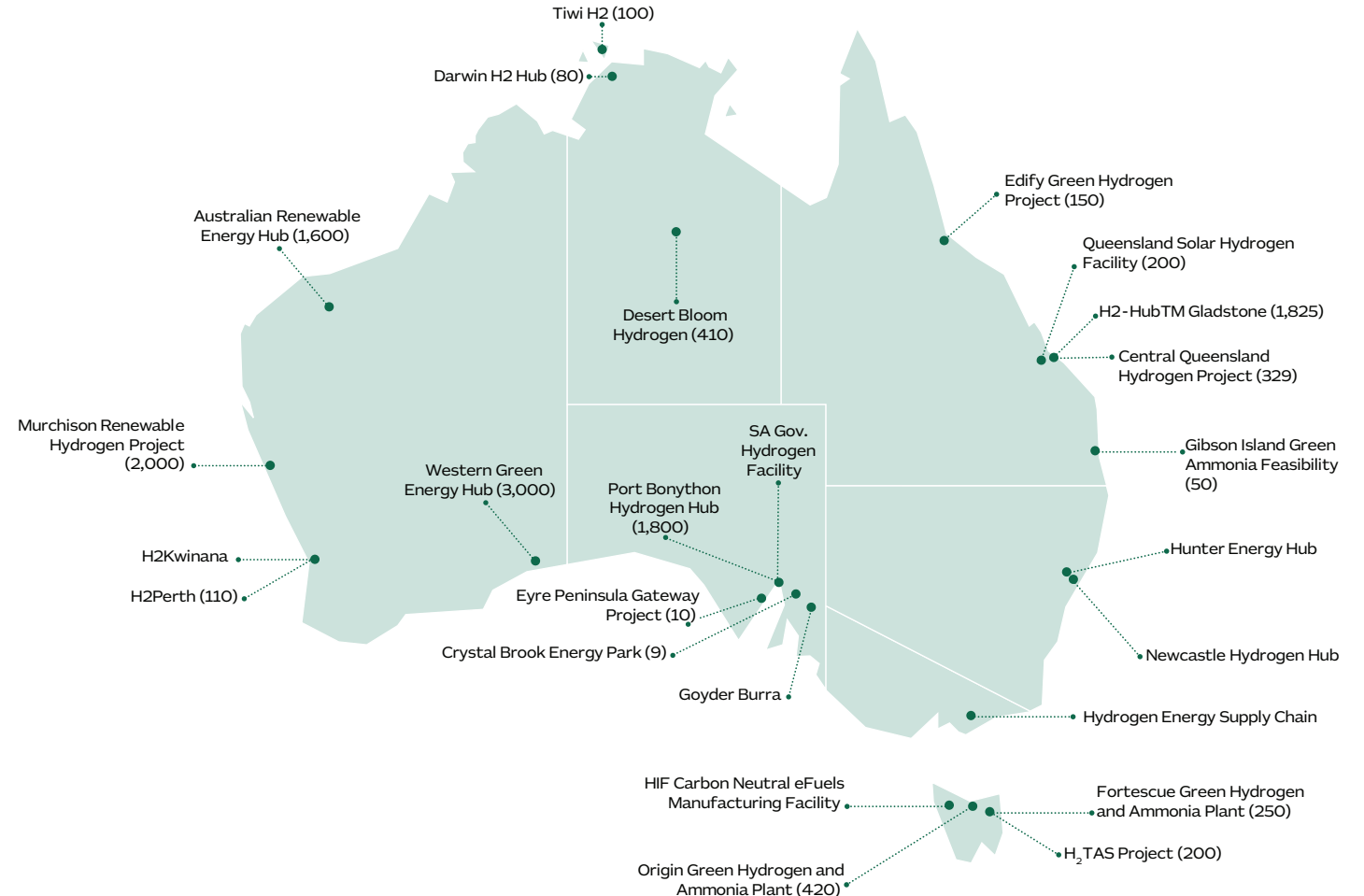
# A leader in industrial-scale hydrogen

Australia became a pioneer in hydrogen when we sent the world's first shipment of liquified hydrogen to Japan. We remain at the forefront of hydrogen production with over 100 hydrogen projects in the pipeline. The International Energy Agency says that Europe and Australia are leading the way in hydrogen production projects. This means Australia will have the capacity to export hydrogen to high-demand centres in Asia, including Japan, Singapore, India and Korea.

**Note: 1.** The number in brackets indicate the project's potential capacity in gigagrams per year.

**Sources:** Reuters, 2022, World's first hydrogen tanker to ship test cargo to Japan from Australia; International Energy Agency, 2022, Global hydrogen review 2022; CSIRO, 2023, Hydrogen map; Geoscience Australia, 2022, Australian hydrogen projects dataset, September 2022; Government of South Australia, 2023, Port Bonython export hub; Goyder renewables zone, 2023, Renewable energy for South Australia; Austrade.

## Key hydrogen projects in Australia



# The world's second highest potential for solar power

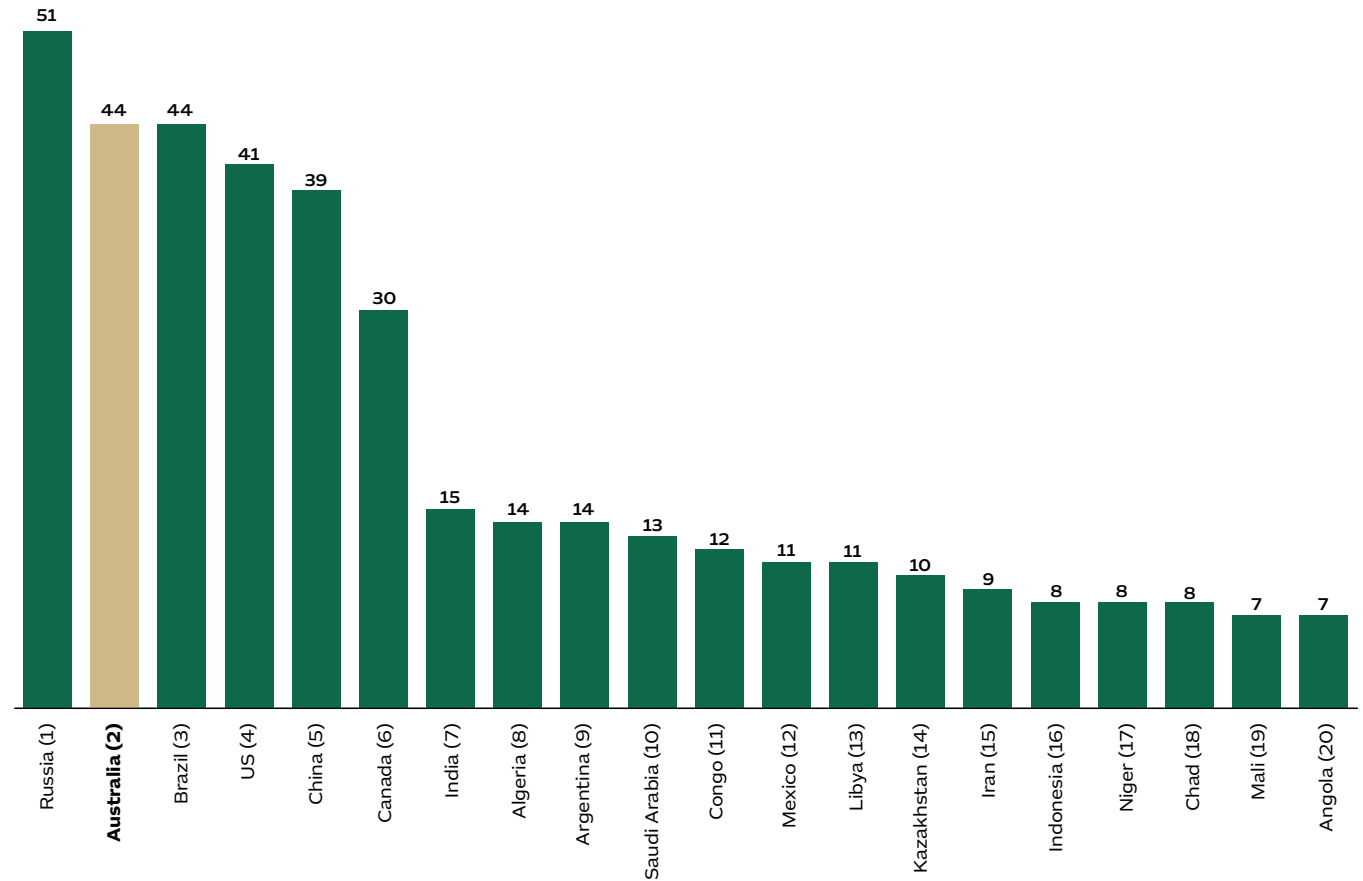
When it comes to solar power, we have nature on our side. Australia's cloudless skies plus vast empty plains make us the country with the second greatest potential for solar power<sup>1</sup> in the world. In June 2022, large-scale solar farms operating in Australia had the capacity to generate over 5.8 GW of electricity. This is roughly equivalent to 18 million solar photovoltaic (PV) panels. More than three million (around 30%) of Australian households now have rooftop solar PV power.

**Note: 1.** Measured by the theoretical potential solar photovoltaic power.

**Sources:** The World Bank, 2023, Global photovoltaic power potential by country; Geoscience Australia, 2023, Australia's solar energy resources and production; US Office of Energy Efficiency and Renewable Energy, 2023, How much power is 1 gigawatt?; Austrade.

## Solar power potential<sup>1</sup>, top 20 regions

Terawatts per day



# A low-cost country for solar power generation

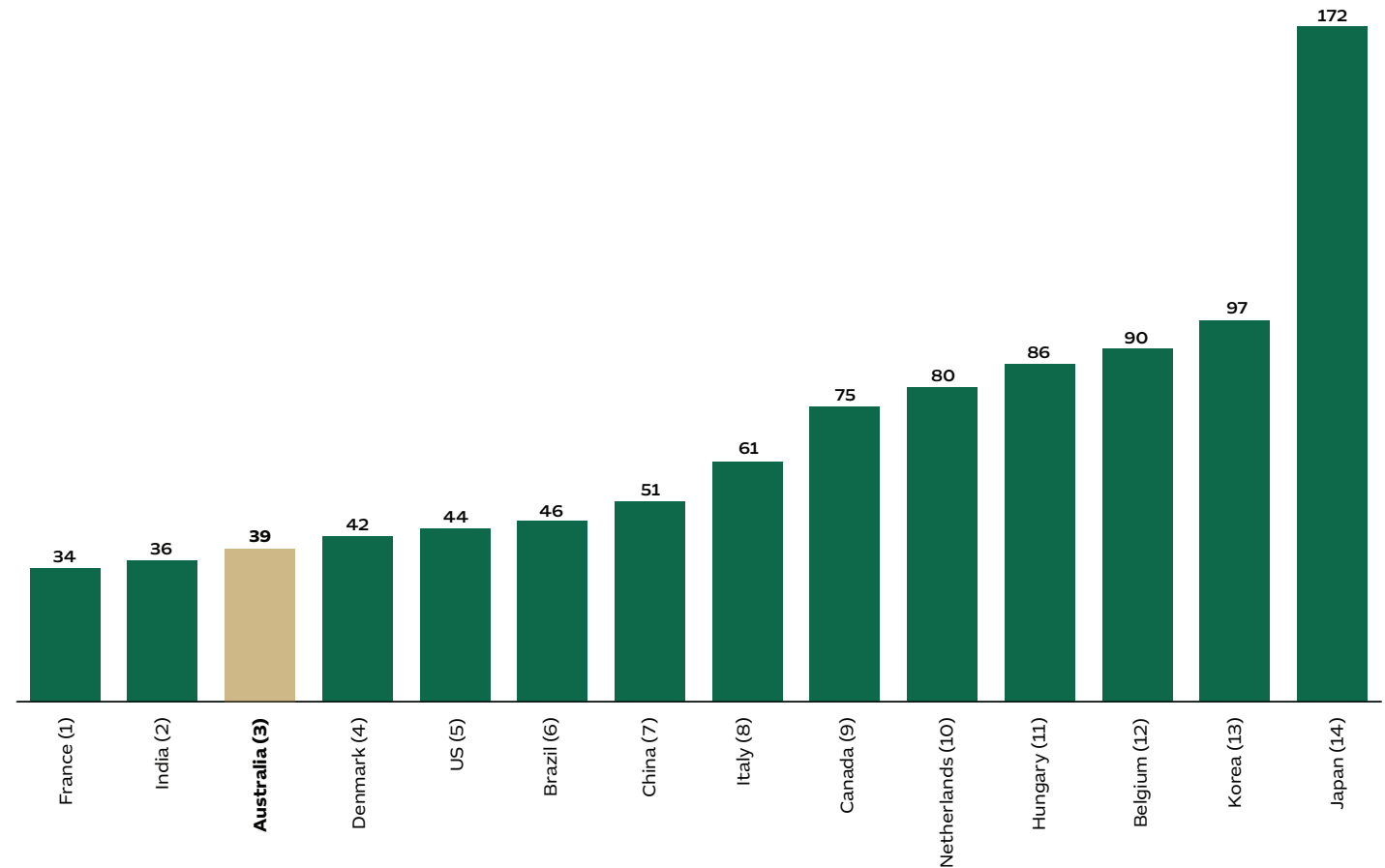
Australia is one of the most cost-efficient investment destinations for solar power generation. This is thanks to a combination of ideal geography and a supportive legal and economic environment. According to the International Energy Agency, Australia has the third lowest cost for generating solar power among major solar-power producers.

**Note: 1.** The ranking is based on the average levelised cost of energy (LCOE) from a solar photovoltaic (PV) utility-scale plant. The LCOE measures the cost of producing a unit of energy, taking into account the cost of the PV technology, capital expenditure, operation costs, and the discount rate over the typical PV plant lifetime.

**Sources:** International Energy Agency, 2023, Levelised cost of electricity calculator; Austrade.

## Cost of solar power generation by region<sup>1</sup>, 2020

US\$ per megawatt-hour







## 04 Global ties

### An open economy with worldwide connections

Global ties help make our nation prosperous. Our success comes from being an open and adaptable trading nation that is deeply connected to the global economy. Trade contributes over 40% of Australia's GDP, with services and digital trade emerging as important areas of trade growth.

Australian trade is hard-wired into the fastest-growing countries. Seventy-five per cent of our trade is with dynamic economies in the Asia region. Preferential access to Asian markets also makes us a natural springboard for global companies.

We are a migrant nation. This helps us stay engaged with all parts of the world. Around 29% of people in Australia were born overseas, and nearly half of Australians say that at least one parent was born overseas. Over a fifth of Australians speak a language other than English at home.

While Australia has been a net-capital exporter in recent years, foreign investment continues to power our major industries. Foreign direct investment (FDI) has grown by approximately 7% per year over the last decade and has now topped A\$1 trillion.

Australia actively seeks new trading opportunities. We have 17 free trade agreements (FTAs) and have led the formation of multiple, regional trade agreements in the Asia-Pacific, including the Regional Comprehensive Economic Partnership (RCEP).

We haven't stopped there. Our newest agreement – the Australia-India Economic Cooperation and Trade Agreement – connects Australia with one of the world's fastest-growing economies. Arriving shortly is a comprehensive FTA with the UK, which expands opportunities for trade and investment with a historical trading partner.

# Asian markets drive export success

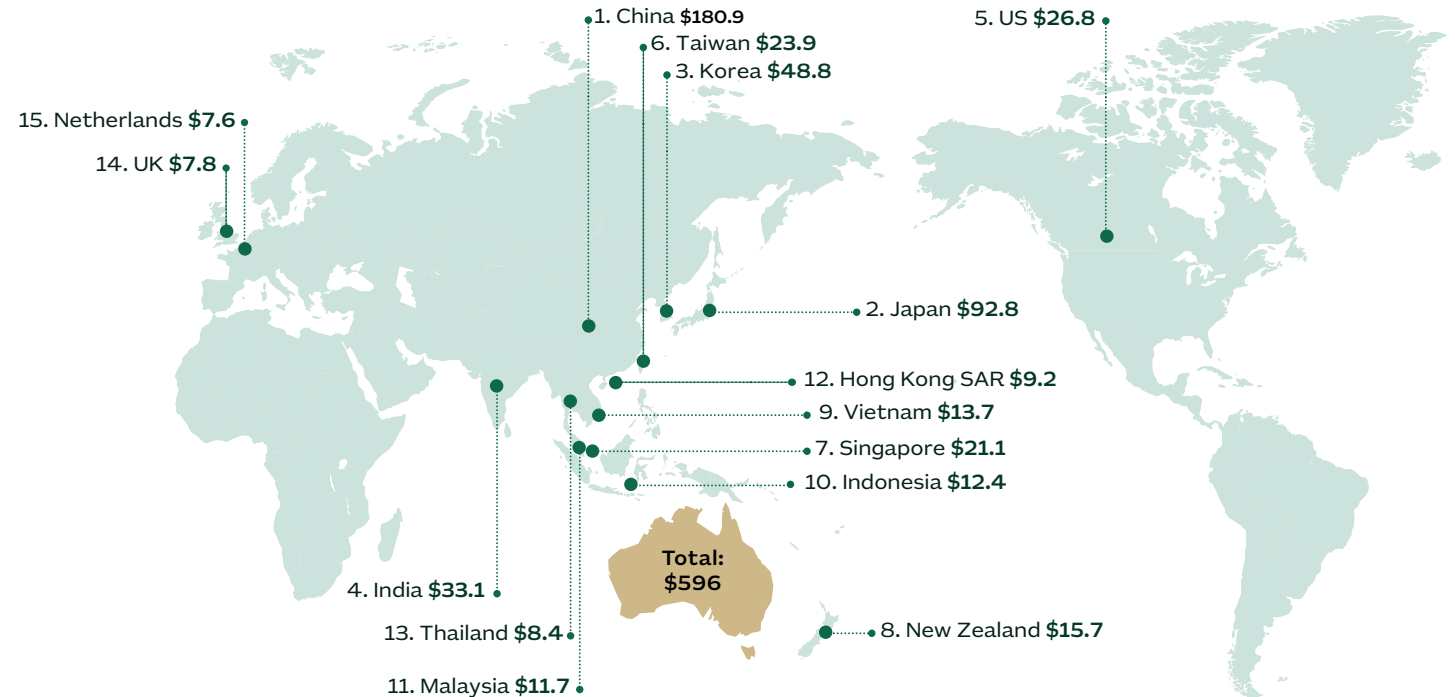
Close integration with dynamic economies in Asia drives wealth creation in Australia. Twelve of Australia's top 15 export markets are in the Asia region<sup>1</sup>. They attracted exports worth A\$472 billion in 2021–22. This represents almost 80% of Australia's total exports of goods and services. China currently receives around 30% of our goods and services exports. More than 40% of our exports go to Japan, Korea, India, the US, Taiwan and Singapore. The Association of Southeast Asian Nations (ASEAN) is also a significant bloc for Australian trade. It accounts for 12% of Australia's total exports.

**Note:** 1. The Asia region is defined as economies located in Asia and Oceania, and excludes the Middle-East region.

**Sources:** Department of Foreign Affairs and Trade, 2023, Trade statistics, Australia's trade in goods and services: 2021–22, accessed 18 January 2023; Austrade.

## Australia's top 15 export markets, 2021–22

A\$ billion





# Trade tops A\$1 trillion

Australia is a highly globalised economy. Trade represents around 45% of Australia's economy. Our partners in the Asia region accounted for almost 75% of our total goods and services trade in 2021–22<sup>5</sup>. This reflects Australia's geographical good fortune and our trade agreements with regional economies. China remained Australia's largest trading partner in 2021–22, accounting for 27% of our two-way trade. Japan and Korea account for a further 18%. Many Australian companies are diversifying their export markets, and the ASEAN region now accounts for 14% of total trade. Meanwhile, Australia maintains strong links with traditional partners. The EU and the UK accounted for 11% of total trade in 2021–22, and the US for 7%.

**Notes:** 1. Totals may not always add up exactly due to rounding. Refer to the DFAT website ([www.dfat.gov.au/trade/Pages/trade-and-investment](http://www.dfat.gov.au/trade/Pages/trade-and-investment)) for more information. 2. Asia Pacific Economic Cooperation. 3. Regional Comprehensive Economic Partnership. 4. Association of Southeast Asian Nations. 5. DFAT define the Asia region as economies located in Asia and Oceania, including the Middle-East region. For more information visit [www.dfat.gov.au/trade/resources/trade-statistics/Pages/trade-time-series-data](http://www.dfat.gov.au/trade/resources/trade-statistics/Pages/trade-time-series-data).

CAGR = Compound annual growth rate.

SAR = Special administrative region of China.

**Sources:** Department of Foreign Affairs and Trade, 2023, Trade time series data; Australian Bureau of Statistics, 2023, Australian national accounts: national income, expenditure and product, Table 3; Austrade.

## Australia's exports and imports of goods and services

Current prices (A\$ billion)

Rank	Selected economies	2019–20	2020–21	2021–22	Percentage of GDP in 2021–22	Share (%) of total in 2021–22	5 year CAGR (%)
1	China	251.0	267.0	284.8	12.3	27.0	10.3
2	Japan	79.1	66.9	117.2	5.1	11.1	11.3
3	US	80.9	67.5	76.4	3.3	7.2	2.8
4	Korea	38.9	39.5	68.7	3.0	6.5	12.2
5	Singapore	31.2	28.3	46.8	2.0	4.4	13.6
6	India	26.2	27.1	46.3	2.0	4.4	12.4
7	Taiwan	18.9	17.2	33.8	1.5	3.2	18.1
8	Malaysia	21.6	21.1	26.8	1.2	2.5	6.2
9	Germany	22.1	22.2	26.5	1.1	2.5	4.9
10	New Zealand	28.6	23.6	25.5	1.1	2.4	-0.8
11	Thailand	21.6	20.9	24.6	1.1	2.3	2.4
12	Vietnam	15.2	15.8	22.1	1.0	2.1	13.2
13	UK	36.8	28.6	22.0	1.0	2.1	-4.6
14	Indonesia	16.1	14.1	18.3	0.8	1.7	2.0
15	Hong Kong SAR	13.2	11.1	14.1	0.6	1.3	-6.5
	Other economies	174.0	158.5	202.6	8.8	19.2	4.9
	<b>Total all economies<sup>1</sup></b>	<b>875.6</b>	<b>829.5</b>	<b>1,056.6</b>	<b>45.8</b>	<b>100.0</b>	<b>7.4</b>
	<b>By regions and groups</b>						
	<b>APEC<sup>2</sup></b>	<b>645.2</b>	<b>617.7</b>	<b>790.0</b>	<b>34.2</b>	<b>74.8</b>	<b>8.4</b>
	<b>RCEP<sup>3</sup></b>	<b>511.5</b>	<b>505.8</b>	<b>647.1</b>	<b>28.0</b>	<b>61.2</b>	<b>9.6</b>
	<b>ASEAN<sup>4</sup></b>	<b>113.8</b>	<b>108.8</b>	<b>150.9</b>	<b>6.5</b>	<b>14.3</b>	<b>8.3</b>
	<b>EU plus UK</b>	<b>116.0</b>	<b>106.4</b>	<b>119.0</b>	<b>5.2</b>	<b>11.3</b>	<b>3.3</b>

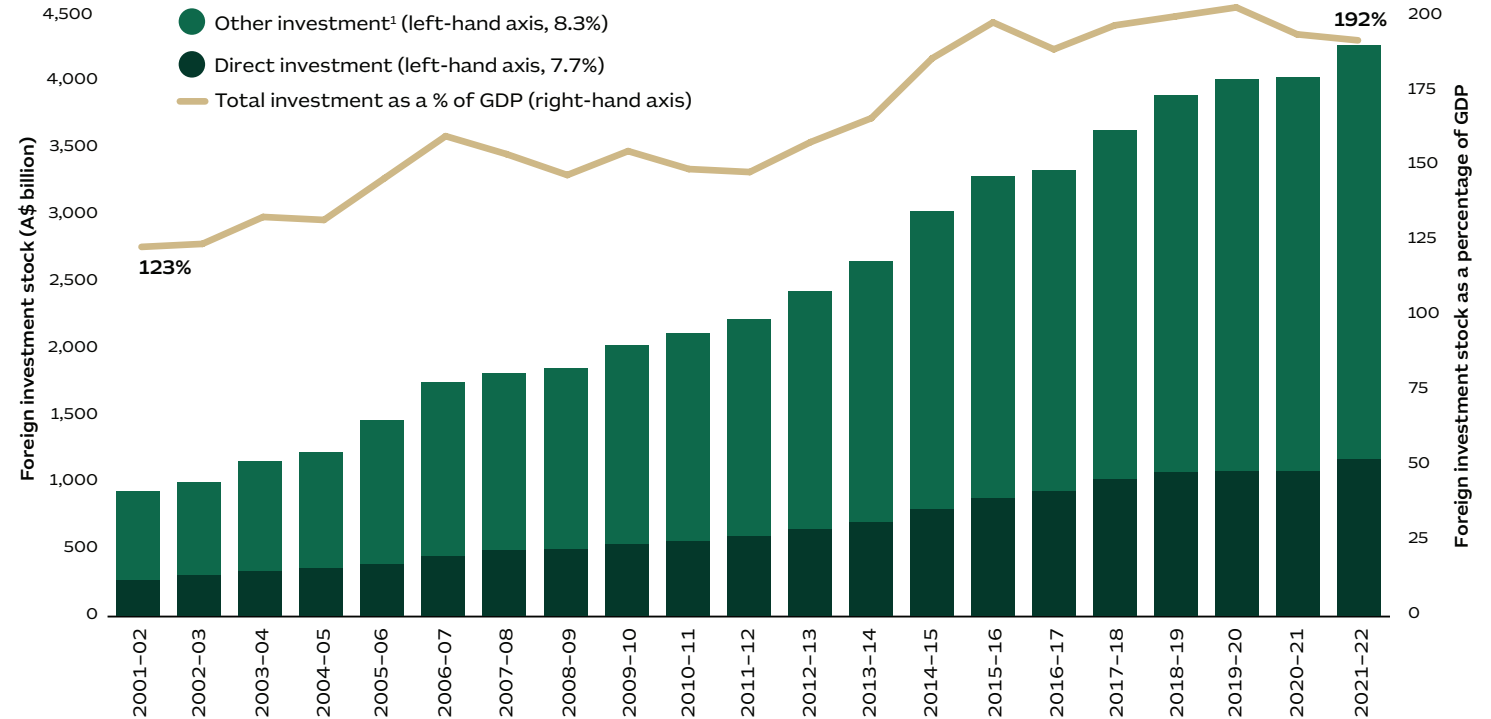
# A high-growth destination for A\$4.4 trillion of foreign investment

Foreign direct investment (FDI) in Australia is growing fast. The total stock of FDI in Australia has risen by an average 8.1% per year since 2001–02. Other forms of foreign investment – including portfolio investment – grew by 8.3% per year on average during the same period. This has taken the level of total foreign investment in Australia to A\$4.4 trillion. Investment is becoming more important to the Australian economy. As a percentage of GDP, the total value of foreign investment stock grew from 123% in 2001–02 to almost 200% in 2021–22.

**Note: 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 (ABS), 2023, Balance of payments and international investment position, Table 15; ABS, 2023, Australian national accounts: national income, expenditure and product, Table 3; Austrade.

## Total foreign investment stock in Australia, 2001–02 to 2021–22

Total value in June 2022: A\$4.4 trillion





# A magnet for investment from North America, Europe and Asia

Australia attracts investment from around the world. Over the past decade, foreign direct investment (FDI) from China has risen on average by 12% each year; from Canada by 12%; from Japan by 9%; and from Singapore by 9%. Australia's top three overseas investors are the US, Japan and the UK, with stock holdings equivalent to 17%, 13% and 12% of total FDI respectively. Over the same period, investment activities from ASEAN countries – mainly Singapore and Malaysia – have grown by an average of 9% per annum to A\$66 billion. The ASEAN bloc is now the fourth largest source of FDI in Australia.

**Notes:** ASEAN = The Association of Southeast Asian Nations. CAGR = compound annual growth rate. SAR = Special administrative region of China.

**Sources:** Australian Bureau of Statistics (ABS), 2022, International investment position, Australia: supplementary statistics 2021, Table 2; ABS, 2022, Australian national accounts: national income, expenditure and product, Table 3; Austrade.

## Australia's main sources of foreign direct investment stock, 2011–21

Total value in 2021: A\$1 trillion

Rank 2021	Economy	2011 A\$ billion	2020 A\$ billion	2021 A\$ billion	% Share 2021	% Change 2020–2021	% CAGR 2011–2021	% of Australian GDP, 2021
1	US	116	194	185	17.4	-4.8	4.8	8.5
2	Japan	55	132	134	12.6	1.2	9.3	6.2
3	UK	66	123	128	12.0	3.5	6.8	5.9
4	Canada	19	46	58	5.5	24.8	11.8	2.7
5	Netherlands	30	53	55	5.2	4.9	6.4	2.5
6	China	14	46	46	4.4	1.6	12.3	2.1
7	Singapore	20	40	46	4.4	16.6	8.8	2.1
8	Bermuda	6	40	40	3.8	0.6	21.3	1.9
9	Virgin Islands, British	np	22	22	2.1	0.4	np	1.0
10	Germany	14	22	20	1.9	-7.5	3.7	0.9
11	Hong Kong SAR	8	16	17	1.6	3.5	8.3	0.8
12	Malaysia	np	np	14	1.3	np	np	0.6
13	Switzerland	23	12	13	1.2	6.6	-5.7	0.6
14	France	7	12	12	1.1	-2.8	5.1	0.5
15	Luxembourg	3	11	10	0.9	-13.9	11.0	0.4
16	Korea	np	7	7	0.7	9.0	np	0.3
	Other economies	166	255	255	24.0	-0.3	4.3	11.7
	<b>FDI stock – all economies</b>	<b>547</b>	<b>1,032</b>	<b>1,062</b>	<b>100.0</b>	<b>2.9</b>	<b>6.9</b>	<b>48.8</b>
	OECD	359	640	650	61.3	1.7	6.1	29.9
	APEC	248	506	518	48.8	2.4	7.7	23.8
	EU	72	118	120	11.4	1.8	5.3	5.5
	ASEAN	28	58	66	6.2	12.6	8.9	3.0
	<b>FDI stock as a percentage of GDP</b>	<b>37.3</b>	<b>52.4</b>	<b>48.8</b>				

## FDI powers growth in Australia's services sector

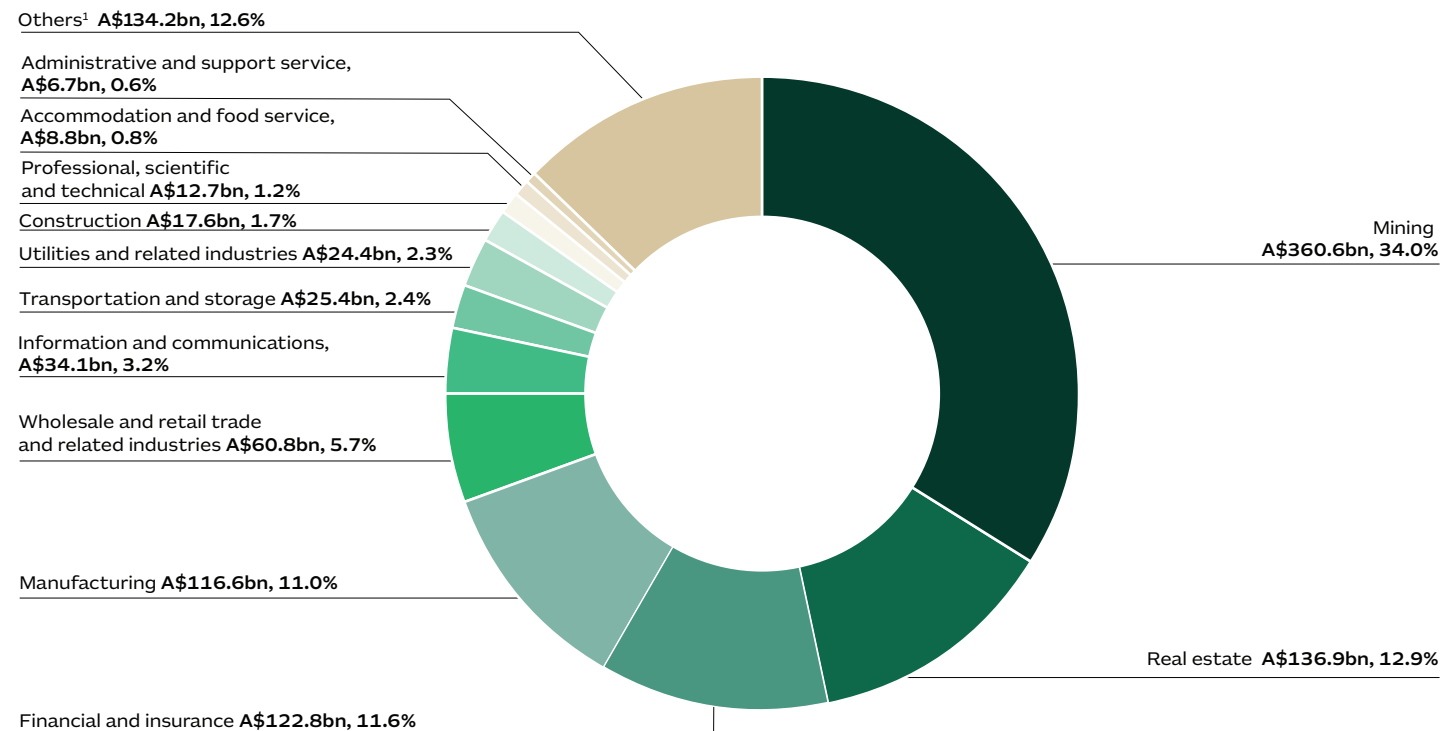
Investment powers productivity growth in Australia's domestic and export industries. Services take about half of all foreign direct investment (FDI). From 2017–2021, FDI in real estate and financial services – the two largest recipients in the services sector – rose by 11% and 12% per year respectively. This growth is more than double the average (4%) across all industries. FDI in the professional, scientific and technical sector has also grown rapidly, at 17% per year since 2017. Australia's export-focused mining sector is the biggest primary-industry beneficiary of investment, accounting for 34% of total FDI, or A\$361 billion.

**Notes:** np = not available for publication but included in totals where applicable. 1. Other includes Agriculture, forestry and fishing (\$3.9 billion); Public administration; Activities of households and of extraterritorial organisations (np); Education (np); Human health and social work activities (\$5.2 billion); Arts, entertainment and recreation (np); Other service activities (np); and Unallocated (\$121 billion).

**Sources:** Australian Bureau of Statistics, 2022, International investment position, 2021, Australia: supplementary statistics, Table 15; Austrade.

## Foreign direct investment stock in Australia by industry – value and percentage share

Total value: A\$1 trillion in 2021



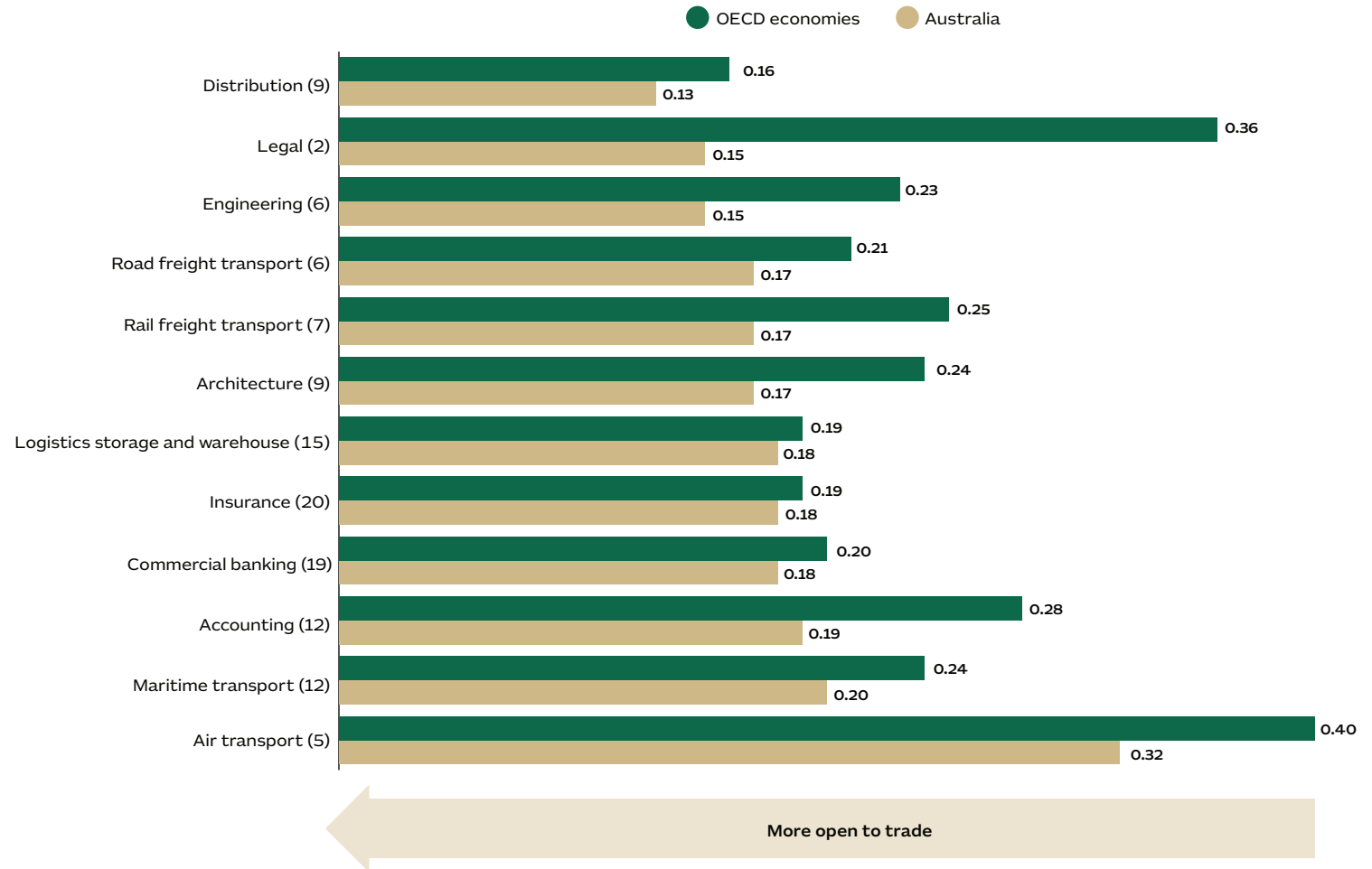
# An open trading economy for services

Australia is an open market for trade in services. According to the OECD's Services Trade Restrictiveness Index (STRI), Australia scored 0.19 across 22 sectors in 2021. This was lower than the OECD average (0.23)<sup>1</sup> and indicates a high level of openness to trade. The index ranked Australia as the second most open economy for legal services, and the fifth most open for air transport. Trade in services is growing strongly. Two-way trade reached around A\$133 billion in 2021–22, representing an increase of 20% from 2020–21.

**Notes:** 1. Unweighted STRI average of 38 OECD countries. 2. The number in brackets indicates Australia's global ranking across 38 OECD countries.  
**Sources:** Australian Bureau of Statistics, 2022, International trade in goods and services; Organisation for Economic Co-operation and Development, 2022, Services trade restrictiveness index, accessed January 2023; Austrade.

## Services trade restrictiveness index by sector, Australia vs OECD average

The lower the score, the more open to trade



# A broad network of trade agreements

Australia has 17 Free Trade Agreements (FTAs), including agreements with the United States, China, Korea, Japan and Singapore. Australia is also a member of regional multi-party trade agreements, including the Regional Comprehensive Economic Partnership Agreement (RCEP) and the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA). During 2022, the Australia-India Economic Cooperation and Trade Agreement (ECTA) came into force. Australia and India are in the process of concluding a Comprehensive Economic Cooperation Agreement, which will build on ECTA's market access outcomes. In 2021, we agreed the Australia-United Kingdom Free Trade Agreement (A-UKFTA) which will likely be implemented during 2023.

**Notes:** 1. Information on the status of FTA negotiations can be found here: <https://www.dfat.gov.au/trade/agreements/trade-agreements> 2. The Pacific Agreement on Closer Economic Relations Plus entered into force in 2020. Australia, New Zealand, Samoa, Kiribati, Tonga, Solomon Islands, Niue and Cook Islands are parties to the Agreement.  
**Sources:** Department of Foreign Affairs and Trade, 2023, Australia's free trade agreements; Austrade.

## Australia's free trade agreements



Australia's multi-party free trade agreements	New Zealand	Indonesia	Brunei	Singapore	Malaysia	Thailand	Philippines	Vietnam	Cambodia	Laos	Myanmar	China	Korea	Japan	Canada	Mexico	Peru
ASEAN-Australia-New Zealand Free Trade Area (2010-11)	●	●	●	●	●	●	●	●	●	●							
Comprehensive and Progressive Agreement for Trans-Pacific Partnership (2018-19)	●			●	●			●						●	●	●	●
Regional Comprehensive Economic Partnership (2022)	●	●	●	●	●	●	●	●	●	●	●	●	●				

# About Austrade

The Australian Trade and Investment Commission (Austrade) is Australia's leading trade and investment agency.

We are experts in connecting Australian businesses to the world and the world to Australian businesses.

Austrade is the national point-of-contact for investors. We partner with state and territory governments to provide the information and contacts you need to establish or expand a business in Australia.

We help companies around the world to identify and take up investment opportunities in Australia as well as to source Australian goods and services for their global supply chains.

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## Acknowledgement of country

In the spirit of reconciliation we acknowledge the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

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