



Investment and Trade Opportunities in Australia

Duncan Harris

President
Australia Africa Chamber of Commerce

Eastern Cape Export Symposium and Exhibition 2021

Thursday 25 March 2021

FDI – Importance to Australia

- Ranked 8th most attractive destination for FDI in 2018.
- Outperformance vs Peer Markets for more than 2 decades
- Job creation – employing over 1.2 million people
- Supporting Businesses - ¼ of Australian total assets (\$2.7 Trillion)
- ¼ of Australia's economy - \$286 B Industry value add (IVA)
- Increased productivity & exports – contributions generating 2/5th of Australia's goods and services exports

Foreign direct investment in Australia by country

Main sources of foreign direct investment stock in Australia, 2009–2019

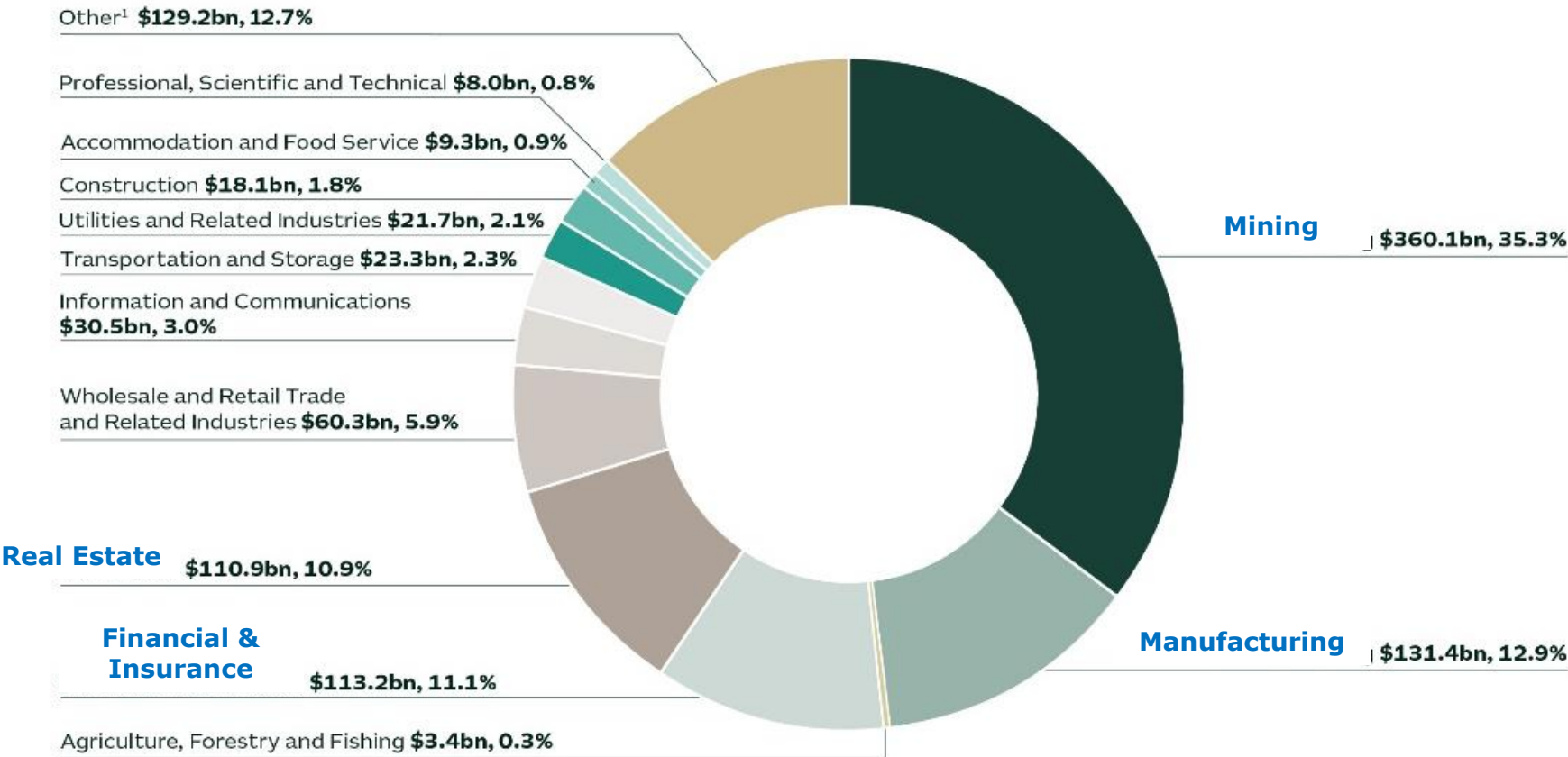
Total value in 2019: A\$1.02 trillion

Rank 2019	Country	2009 A\$ billion	2017 A\$ billion	2018 A\$ billion	2019 A\$ billion	% Share 2019	% CAGR 2009–2019	Growth (\$b) 2009–2019	% of Australian GDP, 2019
1	US	98.2	199.2	219.5	205.2	20.1	7.6	107.0	10.3
2	UK	61.0	89.4	98.8	127.1	12.5	7.6	66.2	6.4
3	Japan	45.6	97.9	109.1	116.1	11.4	9.8	70.5	5.8
4	Netherlands	31.4	55.9	52.0	54.8	5.4	5.7	23.4	2.7
5	Canada	12.2	32.6	40.4	47.1	4.6	14.4	34.9	2.4
6	China (excludes SARs and Taiwan)	9.1	38.4	41.8	46.0	4.5	17.6	36.9	2.3
7	Bermuda	9.5	42.2	44.5	41.6	4.1	15.9	32.1	2.1
8	Singapore	16.7	27.7	32.7	36.1	3.5	8.0	19.3	1.8
9	Germany	18.1	24.0	24.3	22.0	2.2	2.0	3.9	1.1
10	Virgin Islands, British	np	20.8	22.0	21.9	2.1	np	np	1.1
11	Hong Kong (SAR)	5.4	15.9	17.9	16.1	1.6	11.5	10.7	0.8
12	Malaysia	4.5	13.5	14.1	14.7	1.4	12.7	10.3	0.7
13	France	13.0	6.3	27.5	12.6	1.2	-0.3	-0.4	0.6
14	Switzerland	17.8	9.7	11.3	10.5	1.0	-5.1	-7.2	0.5
15	Luxembourg	3.2	9.4	8.4	8.1	0.8	9.6	4.8	0.4
16	Korea	1.3	5.4	6.8	7.5	0.7	19.3	6.2	0.4
	Other economies	143.1	208.5	223.2	239.5	23.5	5.3	96.3	12.0
	FDI stock – all economies	490.2	896.9	994.3	1,019.5	100.0	7.6	529.3	51.1
	OECD	327.4	547.4	618.6	630.8	61.9	6.8	303.4	31.6
	APEC	200.6	442.0	494.6	500.7	49.1	9.6	300.1	25.1
	EU	144.8	196.0	224.5	238.1	23.4	5.1	93.3	11.9
	ASEAN	22.1	46.6	52.6	56.6	5.6	9.9	34.5	2.8
	FDI stock as a percentage of GDP	38.9	49.6	52.3	51.1				

Foreign direct investment in Australia

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

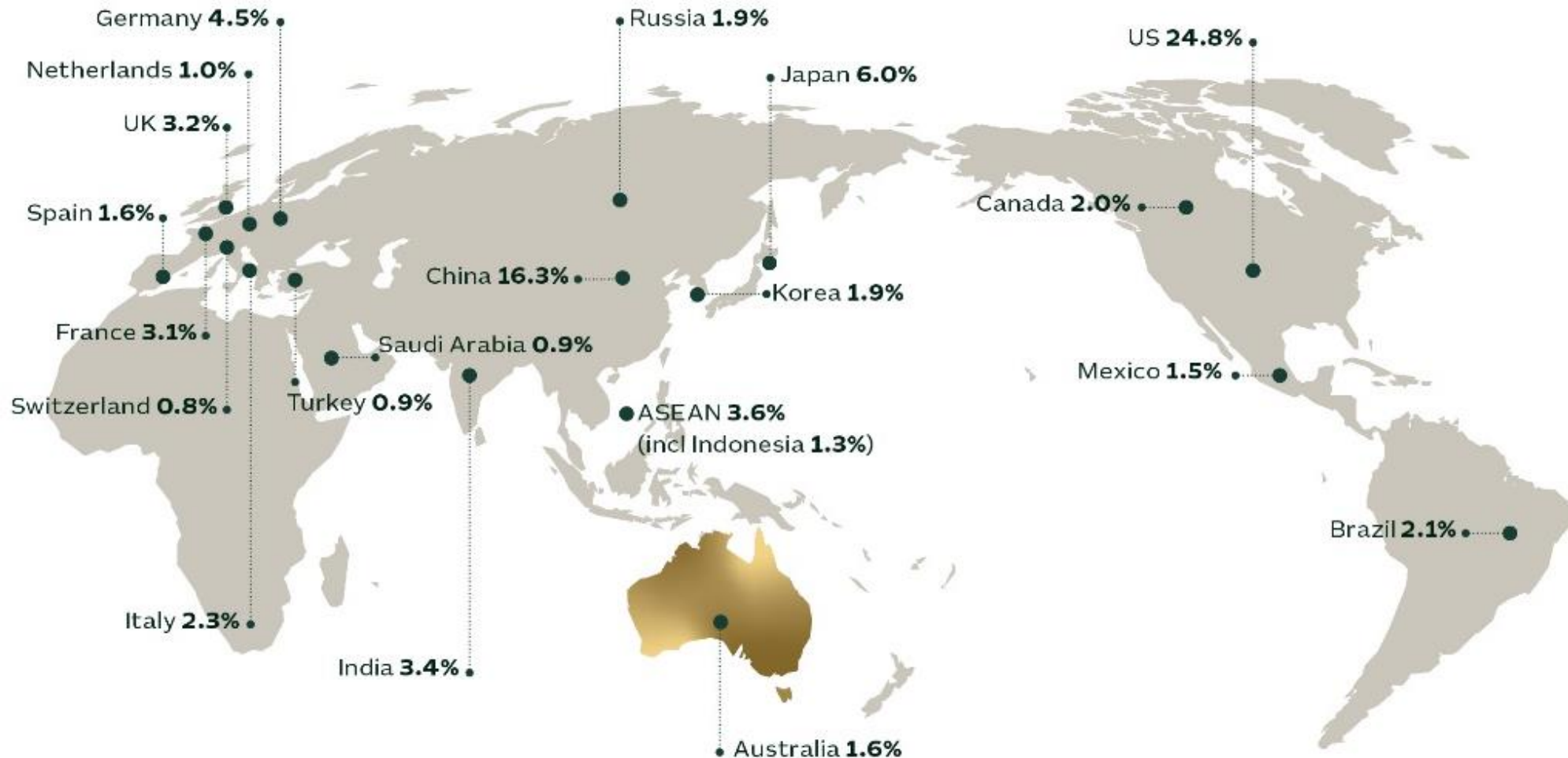
Total value: A\$1,019 billion in 2019



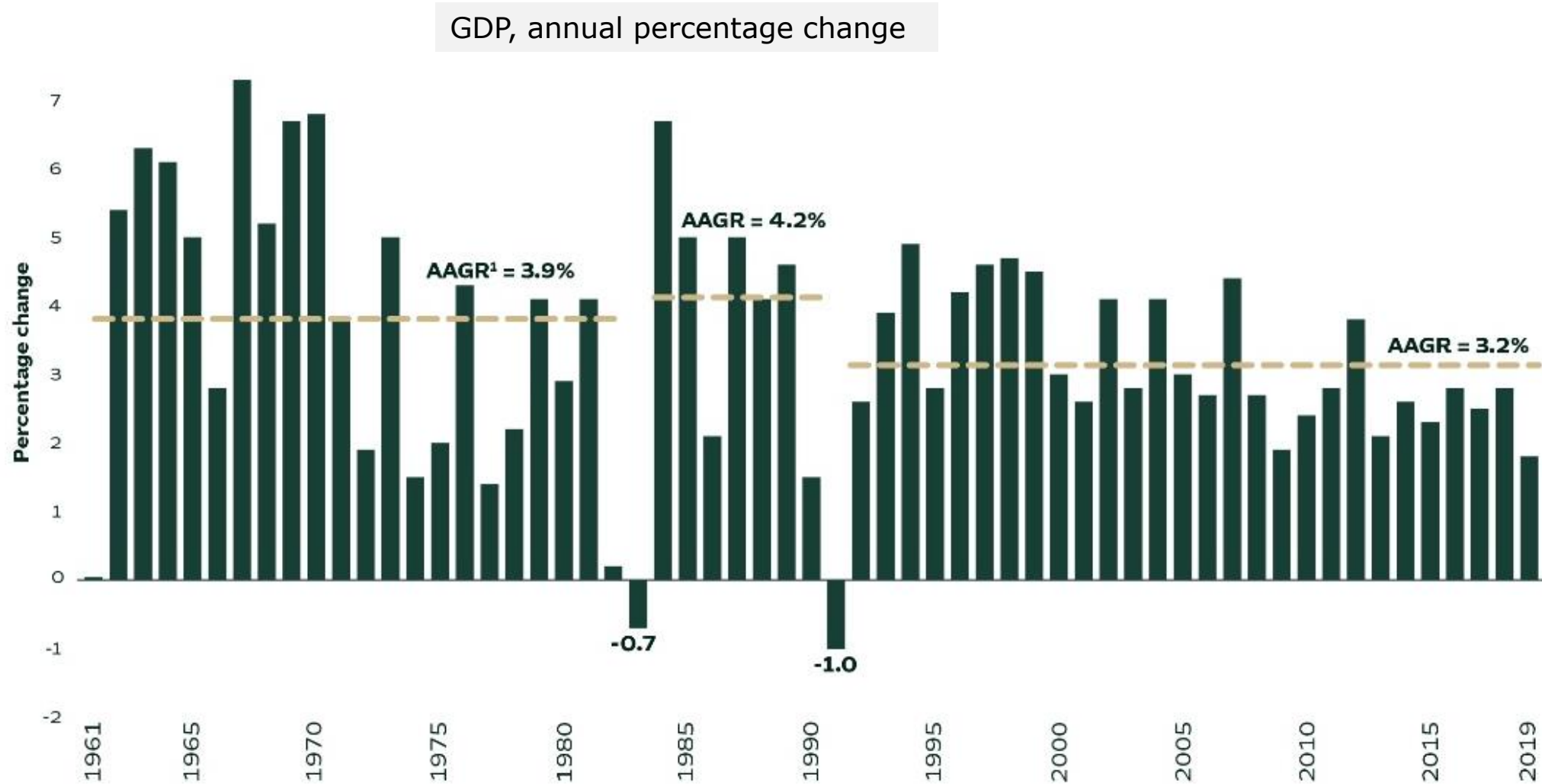
Rank in 2019	Economy
1	United States
2	United Kingdom
3	Belgium
4	Japan
5	Hong Kong (SAR of China)
6	Singapore
7	Netherlands
8	Luxembourg
9	China
10	New Zealand

GDP - Top 20 world economy, 2019

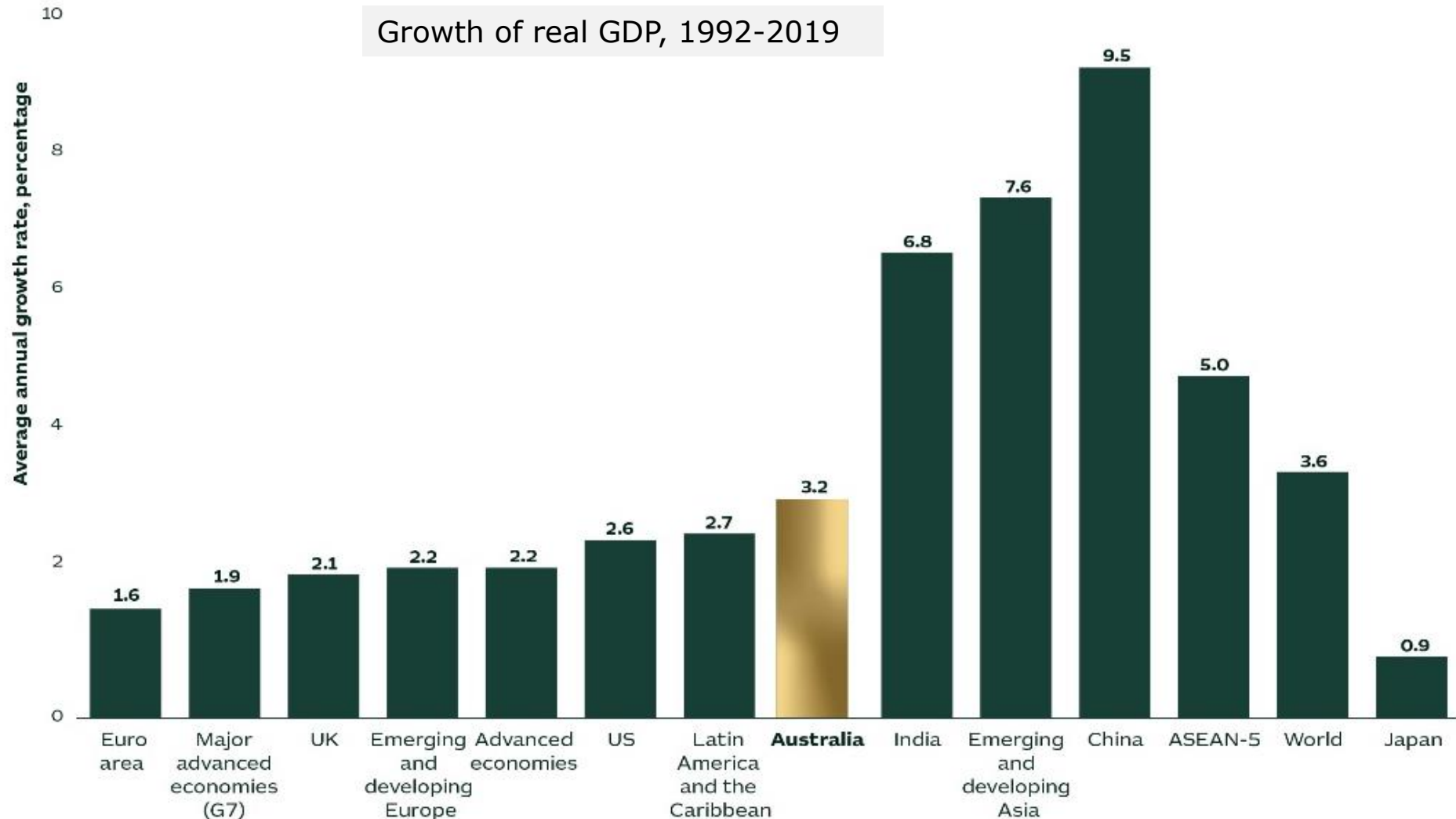
Percentage share of total world nominal GDP in US\$



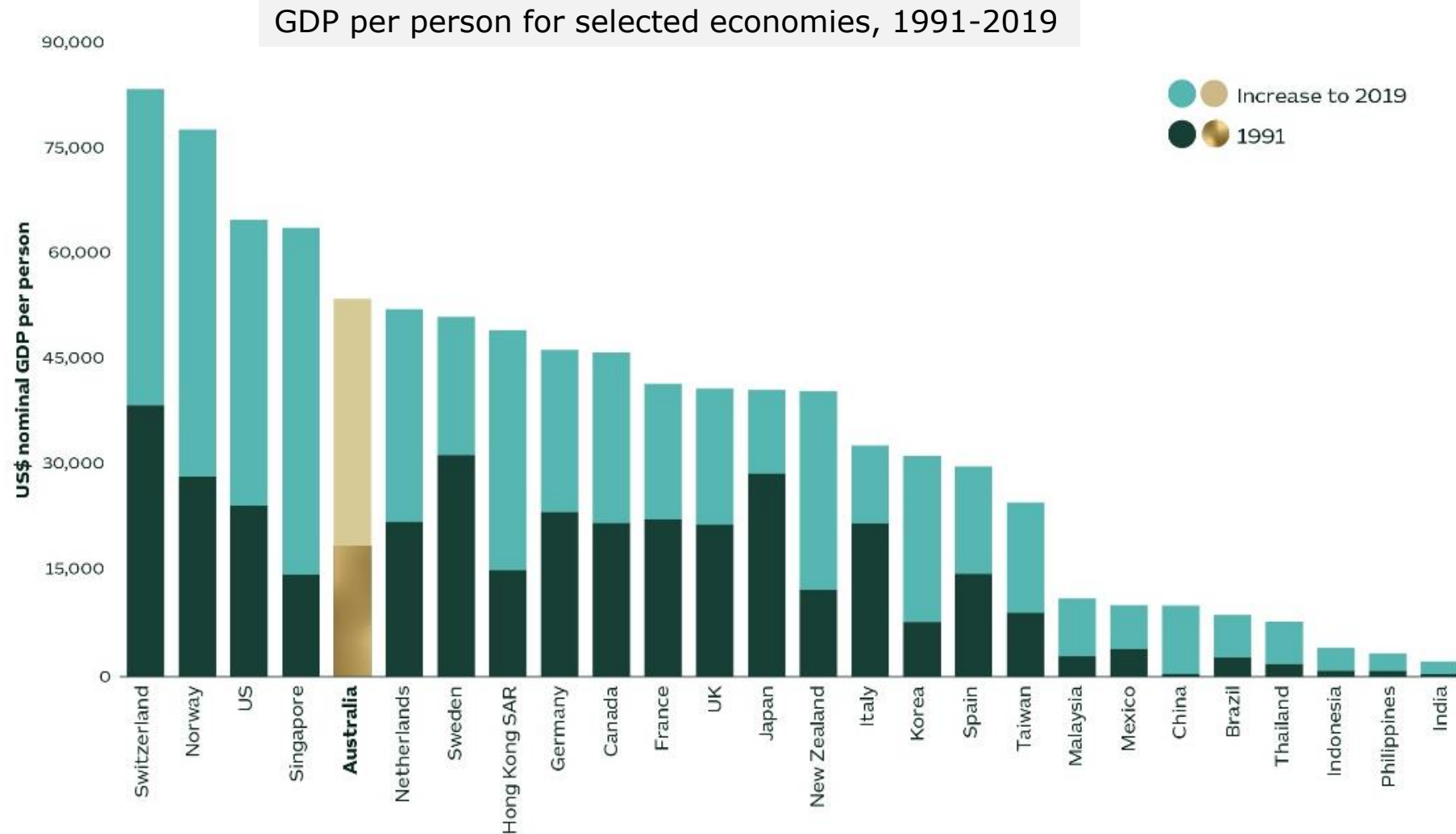
GDP - Economic growth since 1961



GDP - Economic growth by country/region



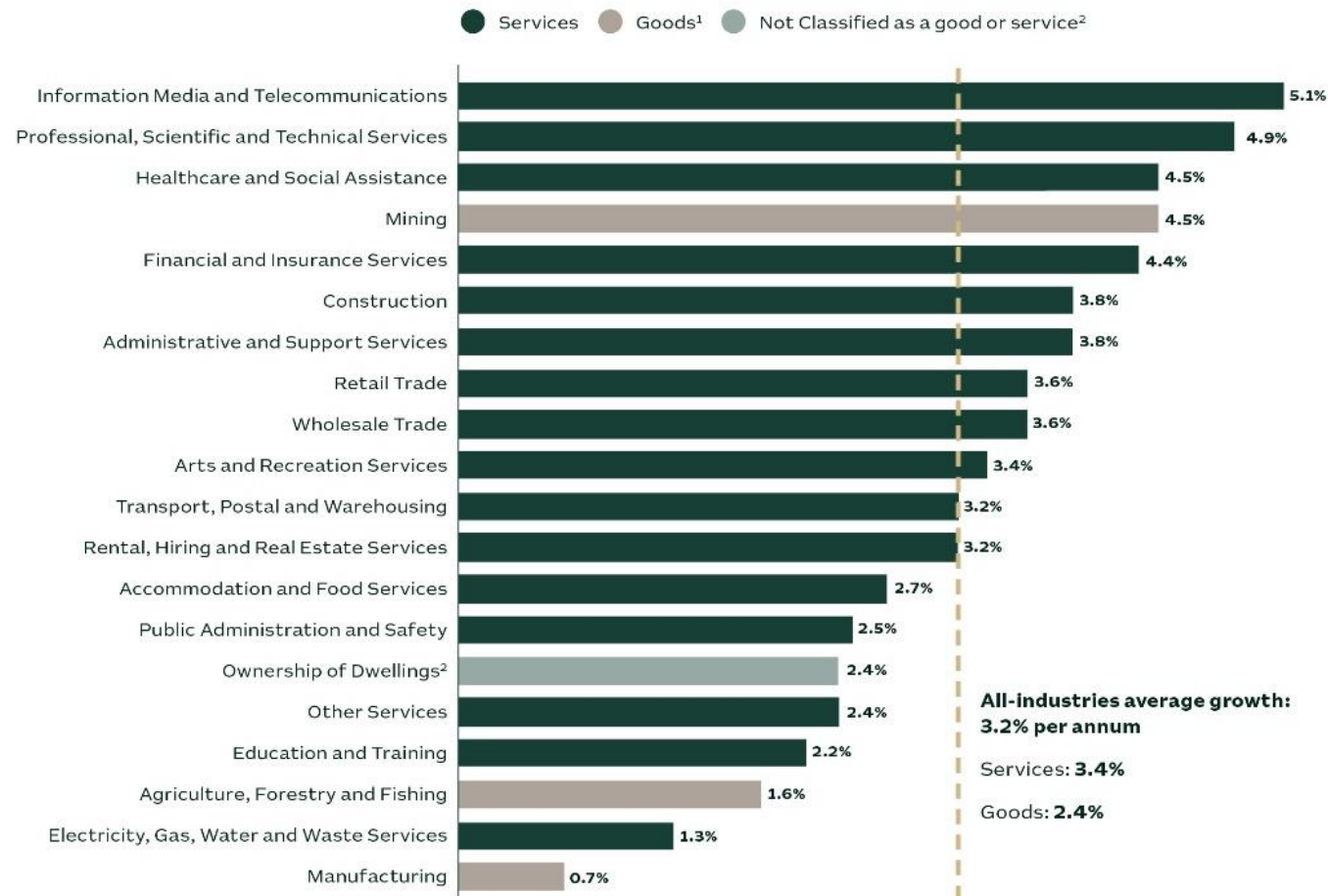
GDP - High economic output per capita



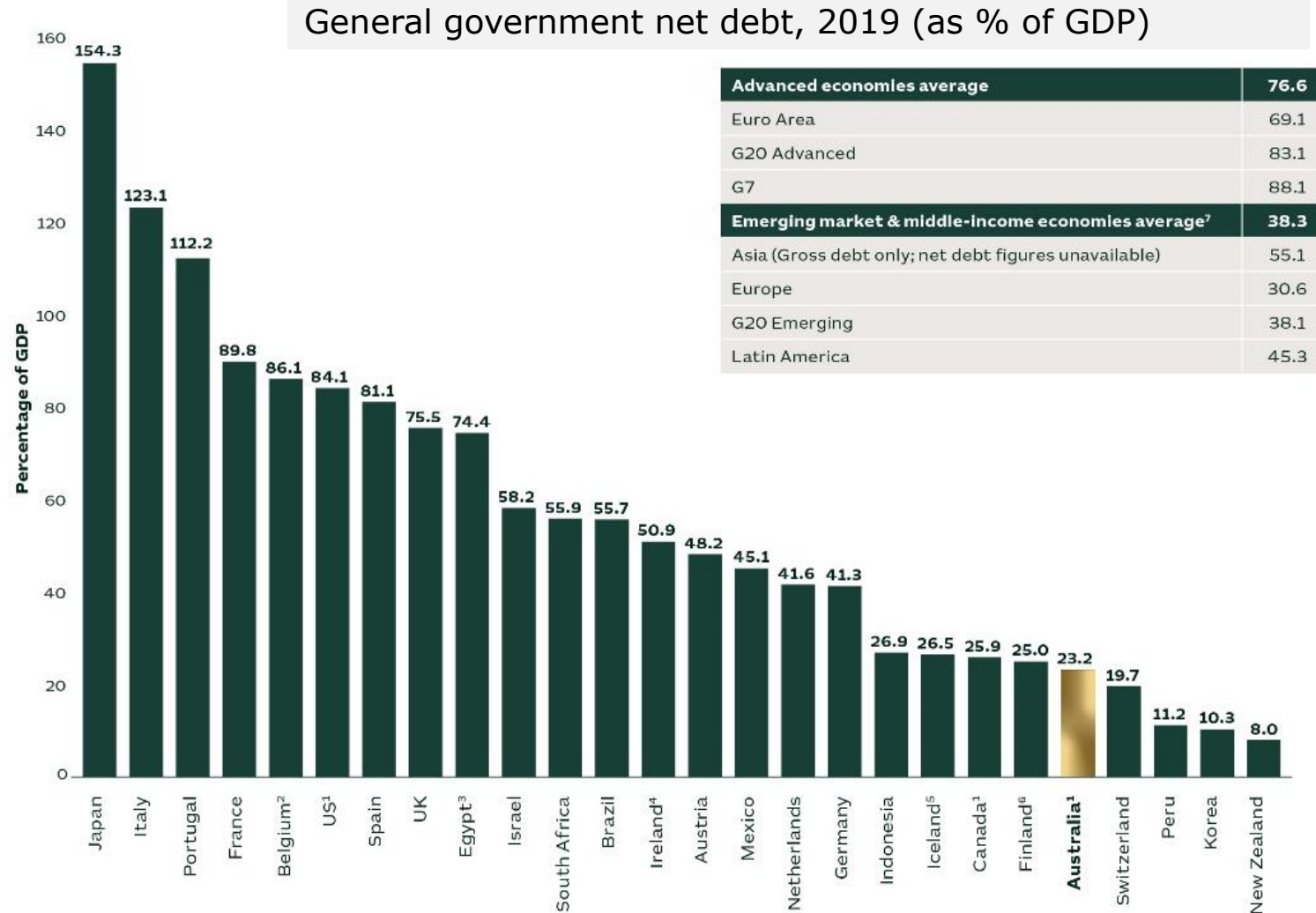
Diversity of GDP growth across sectors

Strong services growth

Growth by Industry in Australia's real gross value added,
Compound annual growth rate, 1991-2019



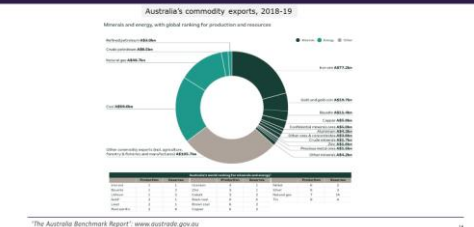
Low debt to GDP level (Pre-covid)



Australia's globally significant and dynamic industries



Strong exports of minerals



Top 15 global tourism receipts (2019 US\$) - markets



Global significance of Australia's financial markets



US\$6,645 billion¹

Assets of Australian financial institutions*

4.8 times Australia's nominal GDP

*December 2019



US\$2,077 billion⁴

Pension assets*

4th largest in the world

2nd largest in the Asian region

*2019



US\$2,201 billion²

Fund assets under management*

5th largest in the world

*December quarter 2019



US\$119 billion⁵

OTC foreign exchange daily average turnover*

10th largest in the world

5th largest in the Asian region

*April 2019



US\$1,231 billion³

Stock market*

9th largest in the world

3rd largest in the Asian region

*Market capitalisation of freely floating stocks, December 2019



US\$1,959 billion⁶

International and domestic debt securities outstanding*

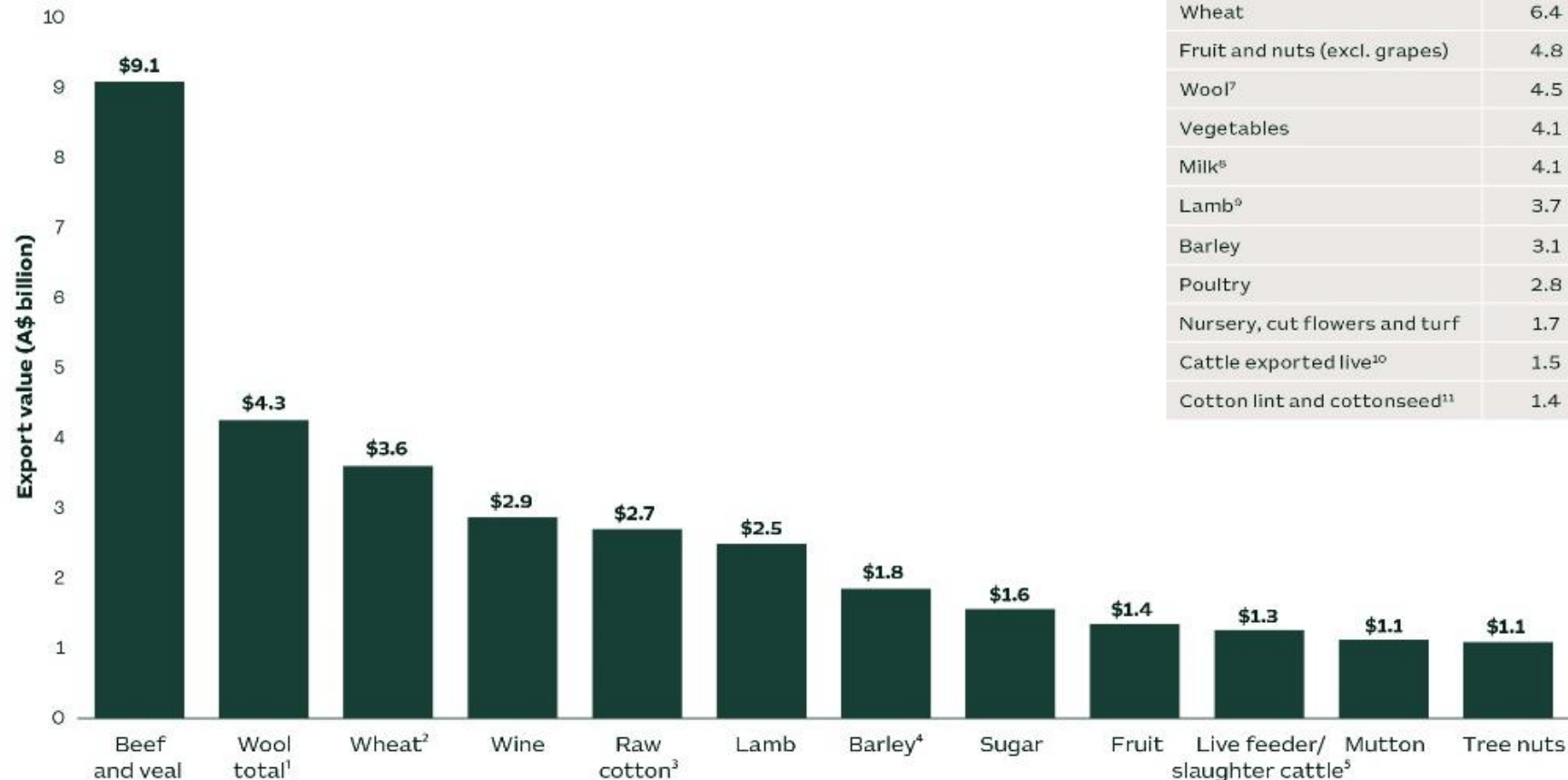
11th largest in the world

3rd largest in the Asian region

*Total outstanding value, December quarter 2019

Strong exports of goods

Australia's major agricultural commodity export, 2018-19

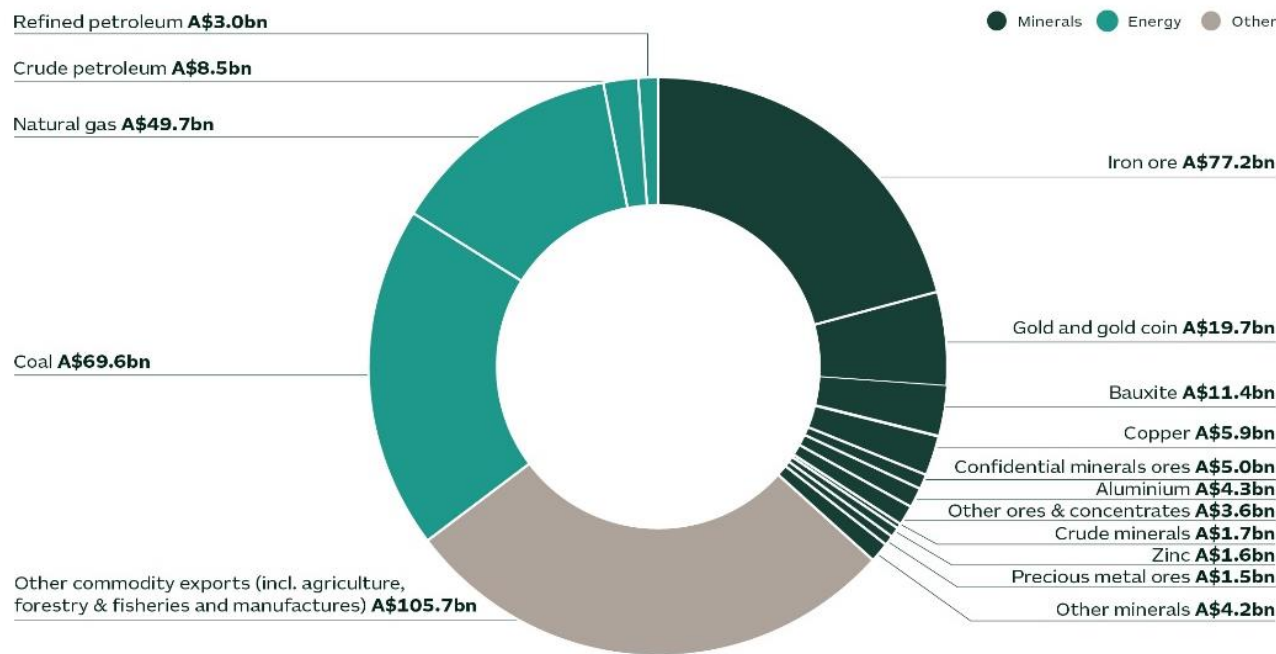


Total Production	
Commodity	A\$ billion 2018-19 ⁶
Cattle and calves ⁶	11.1
Wheat	6.4
Fruit and nuts (excl. grapes)	4.8
Wool ⁷	4.5
Vegetables	4.1
Milk ⁸	4.1
Lamb ⁹	3.7
Barley	3.1
Poultry	2.8
Nursery, cut flowers and turf	1.7
Cattle exported live ¹⁰	1.5
Cotton lint and cottonseed ¹¹	1.4

Strong exports of minerals

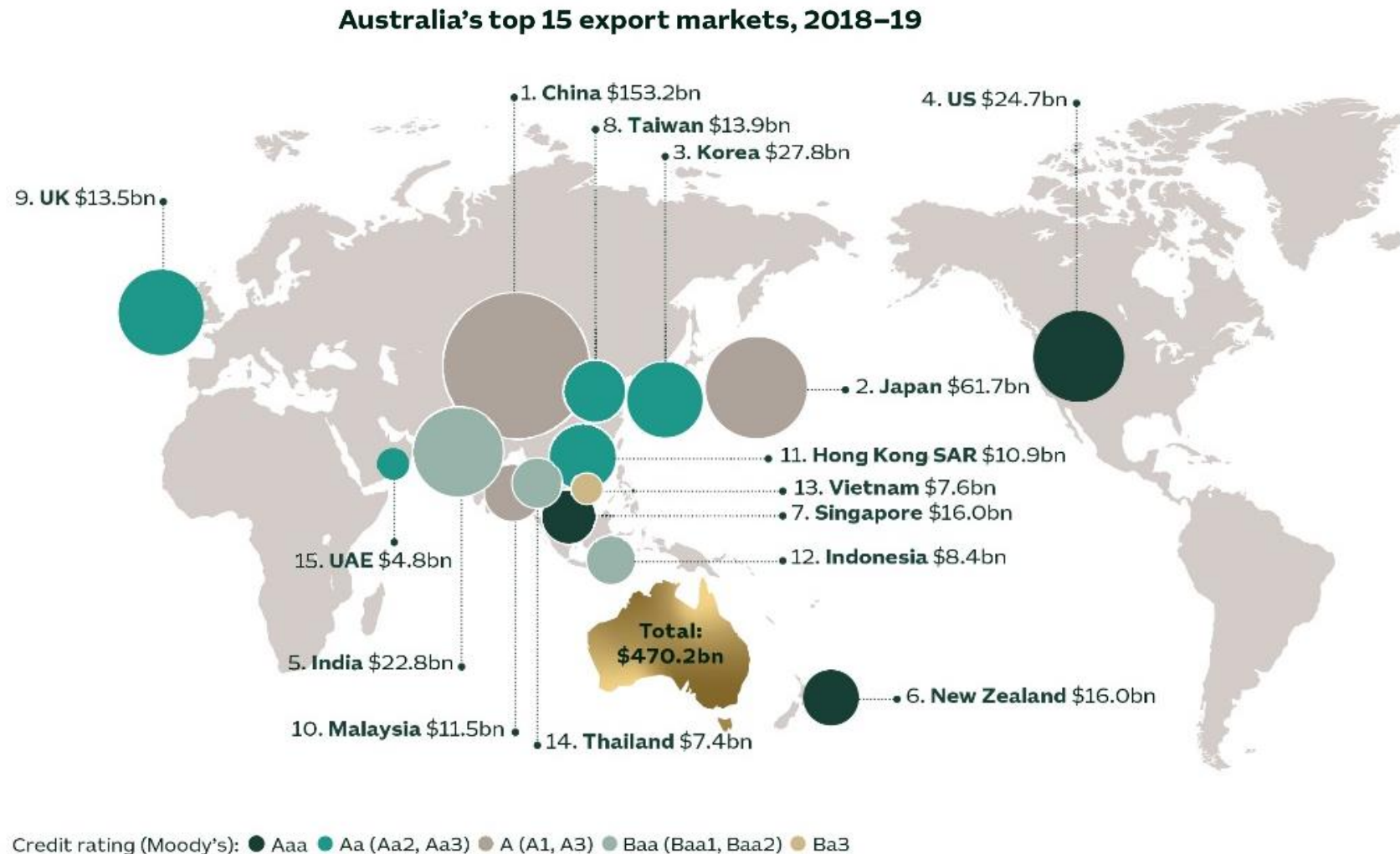
Australia's commodity exports, 2018-19

Minerals and energy, with global ranking for production and resources

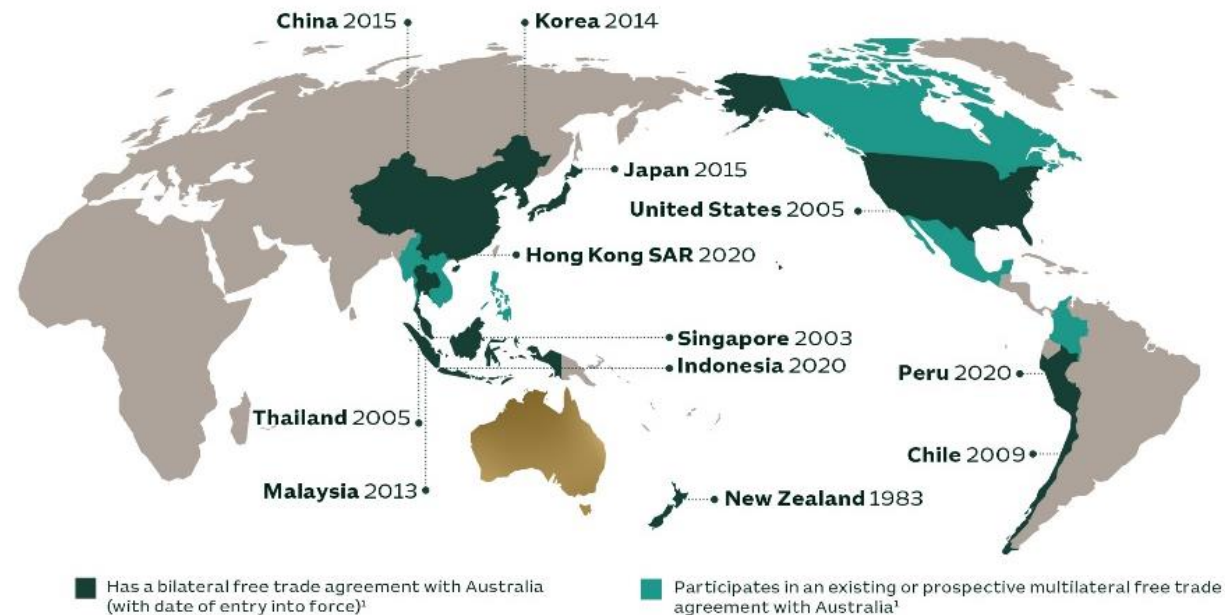


Australia's world ranking for minerals and energy ²								
	Production	Reserves		Production	Reserves		Production	Reserves
Iron ore	1	1	Uranium	3	1	Nickel	6	2
Bauxite	1	2	Zinc	3	1	Silver	6	3
Lithium	1	2	Cobalt	3	2	Natural gas	7	14
Gold ³	2	1	Black coal	4	4	Tin	8	4
Lead	2	1	Brown coal	6	2			
Rare earths	2	6	Copper	6	2			

Top 15 export markets



Australia's Free Trade Agreements



AUSTRALIA'S MULTILATERAL FREE TRADE AGREEMENTS	New Zealand	Indonesia	Brunei	Singapore	Malaysia	Thailand	Vietnam	Cambodia	Laos	Myanmar	China	Korea	Japan	Philippines	Canada	Mexico	Colombia	Peru	Chile
AANZFTA (2010-11) ASEAN-Australia-New Zealand Free Trade Area	•	•	•	•	•	•	•	•	•	•				•					
CPTPP (2018-19) Comprehensive and Progressive Agreement for Trans-Pacific Partnership	•		•	•	•	•							•		•	•		•	•
RCEP (under negotiation) Regional Comprehensive Economic Partnership	•	•	•	•	•	•	•	•	•	•	•	•	•	•					
PACIFIC ALLIANCE (under negotiation)																•	•	•	•

Innovation Credentials



Ranked 1st

For technological readiness¹



CSIRO ranks in the

Top 1%

of the world's scientific institutions
in 14 of 22 research fields⁴



3rd highest

Number of universities in the
world's top 100²



About 50%

of Australian firms are
innovation-active⁵



Ranked 5th

Global entrepreneurship³



Around 44%

of Australia's workforce has a
tertiary qualification⁶

Australia's tech credentials



800 fintech companies¹

US\$600 million invested across 28 deals (2018)²

Seven fintech companies in the world's top 100³



500 medtech companies

US\$1.8 billion digital health market⁷

World top 20 for medtech patents⁸

A\$20bn Medical Research Future Fund



350 edtech companies

1,100 online education providers⁴

A\$1.7 billion edtech market by 2022

Fastest-growing startup sector⁵

Second largest startup vertical after fintech²



400 agtech & foodtech companies⁹

15 agtech incubators/accelerators¹⁰

A\$90.4 million invested in Australian agtech sector (2019)¹¹

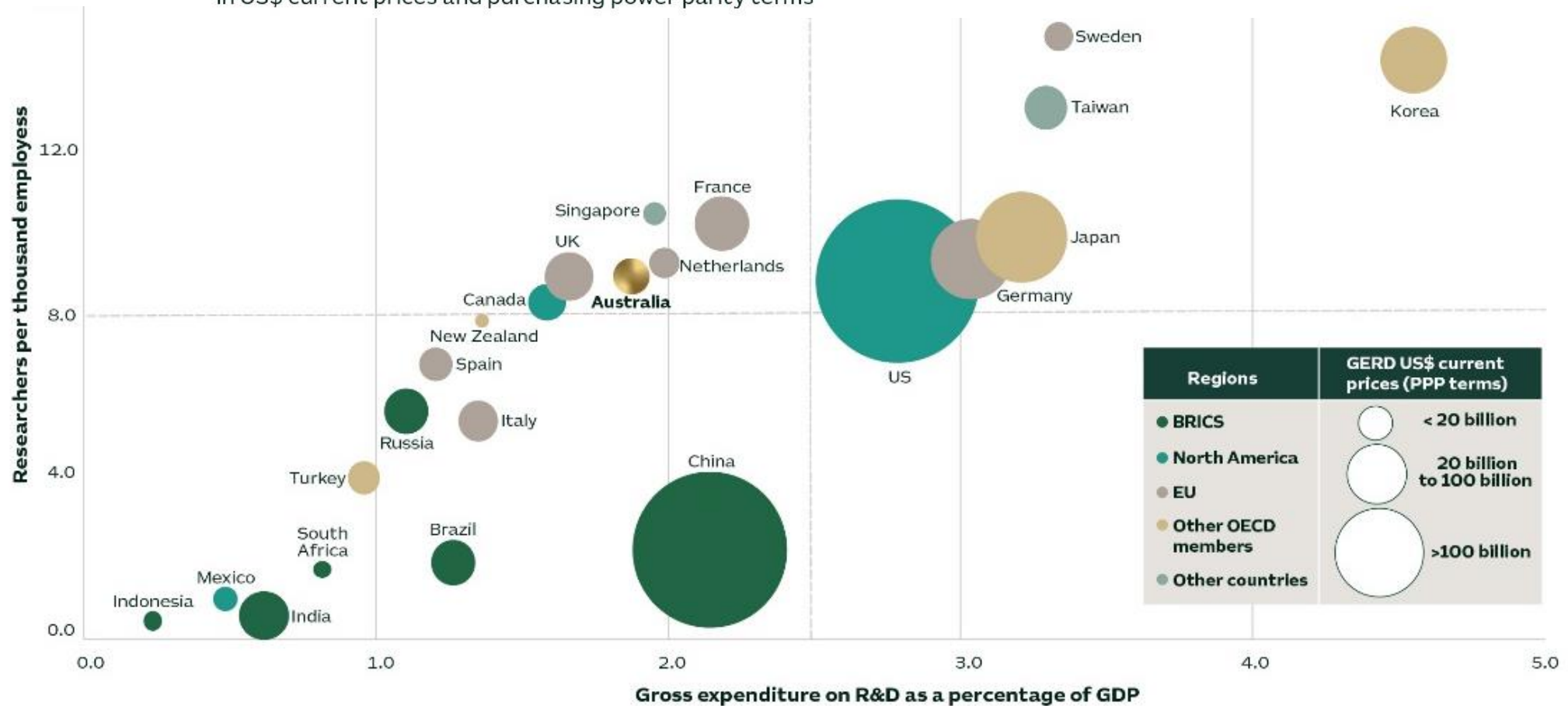
A\$600 million invested annually through 15 Rural R&D Corporations

A\$20 billion lift in industry value

Innovation and Skills

World of research and development

Size of circle reflects the relative amount of annual Gross Domestic Expenditure on R&D (GERD) in US\$ current prices and purchasing power parity terms



Very high academic rankings

Academic ranking of world universities, 2020

	Economies	Top 100	Top 200	Top 300	Top 400	Top 500	501 to 1000	Top 1 to Top 1000
1	USA	41	65	94	114	133	73	206
2	UK	8	20	28	34	36	29	65
3	Australia	7	8	15	22	23	11	34
4	China–Mainland	6	22	32	49	71	73	144
5	France	5	8	12	16	17	13	30
6	Switzerland	5	7	7	7	8	1	9
7	Germany	4	10	19	24	30	19	49
8	Canada	4	9	12	18	19	9	28
9	Netherlands	4	9	10	10	12	1	13
10	Japan	3	7	8	10	14	26	40
11	Sweden	3	5	6	9	11	3	14
12	Belgium	2	4	5	7	7	1	8
13	Denmark	2	3	3	5	5	1	6
14	Singapore	2	2	2	2	2	2	4
15	Israel	1	4	4	4	6	1	7
16	Norway	1	2	2	3	3	2	5
17	Russia	1	1	1	2	3	8	11
18	Finland	1	1	1	2	3	5	8
19	Italy	—	3	7	10	17	29	46
20	China–Hong Kong	—	2	4	5	5	2	7
21	Saudi Arabia	—	2	3	3	4	—	4
22	South Korea	—	1	6	9	11	21	32
23	Spain	—	1	5	9	13	27	40
24	Austria	—	1	3	5	7	7	14
25	Brazil	—	1	1	3	6	16	22
	Top 1 to 25 economies	100	198	290	382	466	380	846
	Top 26 to 63 economies	0	2	10	18	34	120	154
	Total	100	200	300	400	500	500	1,000

Highly skilled and innovative workforce

Skilled workforce and innovation indicators – Global rankings, 2019

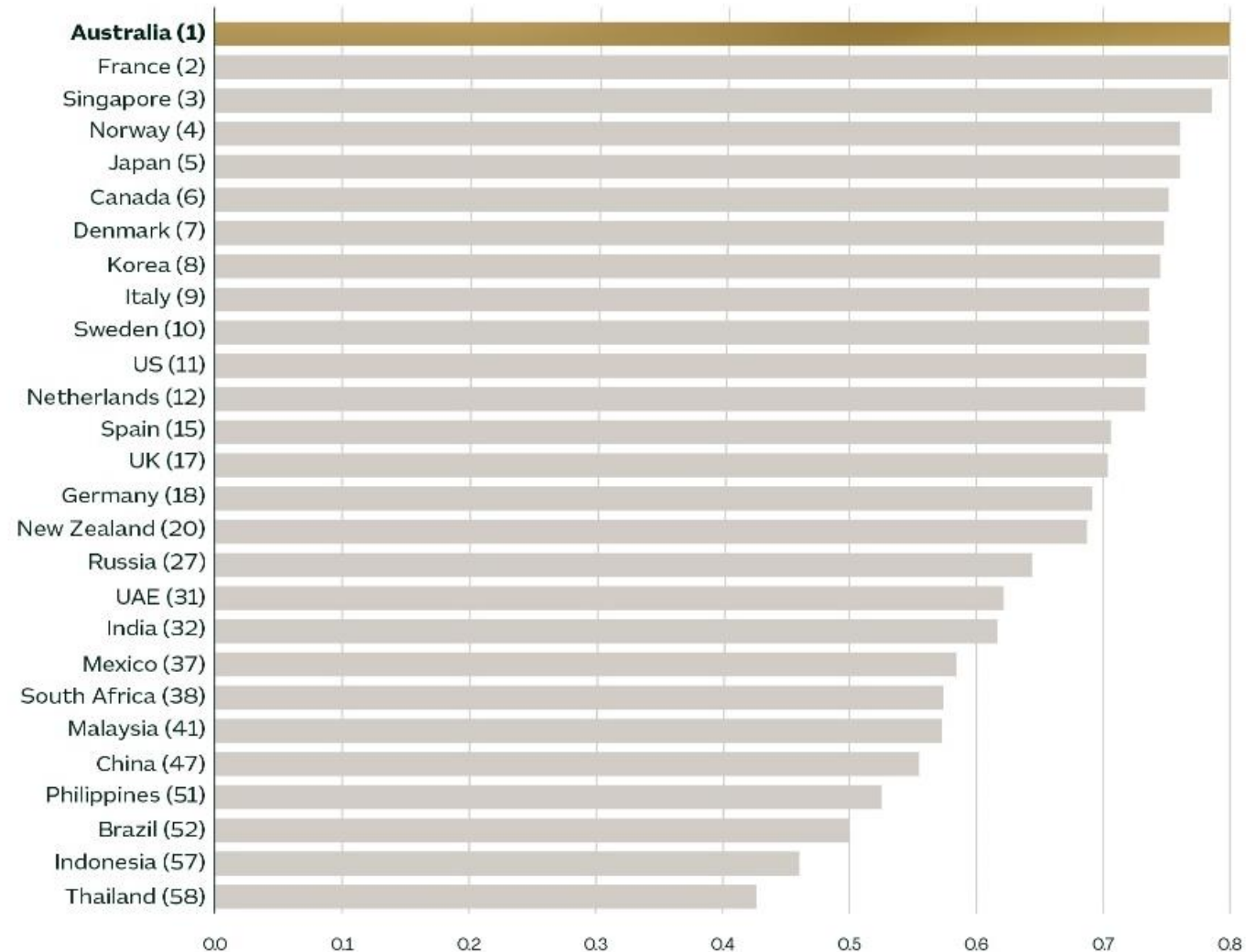
	Australia	US	UK	France	Germany	Japan	Korea	China	India	Singapore
WEF Global Competitiveness Report 2019 Ranking (141 economies)^(a) in:										
School Life Expectancy Years	1	30	6	39	17	49	25	76	88	27
Diversity of Workforce	3	7	14	65	16	106	86	78	80	1
Reliance on Professional Management	6	10	26	32	25	12	54	51	41	3
Willingness to Delegate Authority	8	7	22	42	16	27	85	57	71	17
Ratio of Wage and Salaried Female Workers/ Male Workers	10	39	12	23	27	62	59	56	128	31
Mobile-Broadband Subscriptions ¹	10	7	34	42	58	2	21	36	116	6
Scientific Publications Scores	10	1	2	5	3	6	18	13	21	23
Critical Thinking in Teaching	11	9	14	36	10	87	82	25	55	21
IMD World Competitiveness Yearbook 2019 Ranking (63 economies)^(b) in:										
Student Mobility Inbound ²	1	25	7	22	26	47	45	57	60	3
Availability of Skilled Labour	10	25	35	37	49	44	34	27	17	16
Availability of Foreign Highly-skilled Personnel	10	7	22	30	18	51	49	27	40	2
The Global Innovation Index 2019 Ranking (129 economies)^(c) in:										
Entertainment & Media market ³	7	1	9	15	12	6	19	42	60	20
Human Capital and Research ⁴	10	12	9	11	3	21	1	25	53	5
Citable Documents H-index ⁵	10	1	1	5	3	6	18	13	21	23
Generic Top-level Domains (TLDs) ^{6,7}	10	1	12	18	14	31	43	75	98	23

Global competitiveness ranking

Business efficiency and environment, 2019

	Australia	US	UK	China	India	Japan	Korea	Hong Kong SAR	Singapore
WEF Global Competitiveness Report 2019 Ranking^(a) in:									
Debt dynamics ¹	=1	38	=1	41	43	42	=1	=1	39
Social capital ²	2	6	8	119	93	90	72	47	15
Trade openness ³	3	14	25	71	131	9	67	2	1
Soundness of banks	5	25	52	95	89	33	62	3	2
E-participation	=5	=5	=5	29	15	=5	1	n/a	13
Time to start a business (days)	6	31	21	56	90	70	14	=2	=2
Energy efficiency regulation	7	12	8	21	33	31	3	n/a	19
Property rights	9	22	25	58	65	5	39	4	3
Non-performing loans % of gross total loans	10	14	8	26	106	15	3	6	17
Judicial independence	10	25	26	47	51	5	69	8	14
IMD World Competitiveness Yearbook 2019 Ranking^(b) in:									
State ownership of enterprises is not a threat to business activities	4	8	17	47	29	14	49	15	27
Strong resilience of the economy to economic cycles	5	12	29	3	16	50	40	13	18
Public sector contracts are sufficiently open to foreign bidders	5	40	13	47	34	58	41	6	8
Unemployment legislation provides an incentive to look for work	7	5	14	23	30	27	40	4	1
Justice is fairly administered	7	23	18	30	31	20	49	8	10
Stock markets provide adequate financing to companies	7	1	6	40	26	18	34	3	14
Government protectionism does not impair business conduct	8	43	22	37	34	40	54	7	10
Competition legislation is efficient and prevents unfair competition	8	20	16	37	35	12	48	15	10
Central bank policy has a positive impact on the economy	9	23	24	36	32	50	35	19	2

Digital Quality of Life – global rankings 2019



Strong worldwide governance indicators, 2019

Economy	Voice and accountability	Political stability and absence of violence/terrorism	Government effectiveness	Regulatory quality	Rule of law	Control of corruption
New Zealand	99.5	99.0	93.8	98.6	98.1	99.5
Switzerland	99.0	95.2	99.5	96.6	99.0	96.6
Norway	100.0	90.5	97.6	95.7	99.5	97.6
Sweden	97.5	80.5	96.2	97.6	98.6	98.1
Netherlands	97.0	78.1	96.6	99.0	96.2	96.2
Canada	96.1	84.8	94.7	93.8	94.7	94.7
Australia	95.6	82.9	92.8	98.1	92.8	92.8
Ireland	92.1	86.2	89.9	92.8	89.9	90.9
Germany	95.1	66.7	93.3	94.7	91.3	95.2
Singapore	41.9	98.6	100.0	99.5	97.1	99.0
Japan	80.3	88.1	94.2	88.0	90.4	89.4
Hong Kong SAR	62.1	74.8	98.1	100.0	95.2	92.3
UK	93.6	48.1	88.0	96.2	91.8	93.3
US	81.3	61.9	92.3	92.3	89.4	88.5
Taiwan	78.8	75.7	88.5	89.4	83.2	82.2
France	88.2	51.9	91.8	83.7	88.9	88.0
Korea	73.9	65.2	84.1	82.2	86.1	72.1
Spain	82.8	55.2	79.3	80.3	80.3	72.6
Italy	81.8	57.6	68.3	73.6	61.5	62.0
Malaysia	41.4	54.3	81.3	74.0	74.5	63.9
India	60.1	14.8	63.9	46.6	55.3	49.5
Indonesia	52.2	27.6	59.1	51.0	42.8	46.2
Thailand	20.2	19.5	66.8	59.6	54.8	40.9
China	8.9	36.7	69.7	48.1	48.1	45.7
Brazil	60.6	31.9	36.1	39.9	44.2	40.4
Vietnam	9.4	53.8	53.4	36.5	54.3	38.0
Philippines	47.8	12.9	55.3	56.7	34.1	34.1

Key indicators of ease of doing business

	Ease of doing business	Getting credit			Enforcing contracts			Starting a business			Dealing with construction permits		
Economy	Overall ranking out of 190 economies	Rank	Strength of legal rights index (0-12)	Depth of credit information index (0-8)	Rank	Time (days)	Quality of judicial processes index (0-18)	Rank	Procedures (number)	Time (days)	Rank	Procedures (number)	Time (days)
New Zealand	1	1	12	8	23	216	9.5	1	1	0.5	7	11	93
Singapore	2	37	8	7	1	164	15.5	4	2	1.5	5	9	35.5
Hong Kong SAR	3	37	8	7	31	385	10.0	5	2	1.5	1	8	69
Denmark	4	48	8	6	14	485	14.0	45	5	3.5	4	7	64
Korea	5	67	5	8	2	290	14.5	33	3	8	12	10	27.5
US	6	4	11	8	17	444	14.6	55	6	4	24	16	81
UK	8	37	7	8	34	437	15.0	18	4	4.5	23	9	86
Malaysia	12	37	7	8	35	425	13.0	126	8	17	2	9	41
Australia	14	4	11	8	6	402	15.5	7	3	2	11	11	120.5
Taiwan	15	104	2	8	11	510	14.0	21	3	10	6	10	82
UAE	16	48	6	8	9	445	14.0	17	2	3.5	3	11	47.5
Thailand	21	48	7	7	37	420	8.5	47	5	6	34	14	113
Germany	22	48	6	8	13	499	12.5	125	9	8	30	9	126
Canada	23	15	9	8	100	910	11.0	3	2	1.5	64	12	249
Japan	29	94	5	6	50	360	7.5	106	8	11	18	12	108
China	31	80	4	8	5	496	16.5	27	4	9	33	18	111
France	32	104	4	6	16	447	12.0	37	5	4	52	9	213
Italy	58	119	2	7	122	1120	13.0	98	7	11	97	14	189.5
India	63	25	9	7	163	1445	10.5	136	10	17.5	27	15	106
Vietnam	70	25	8	8	68	400	7.5	115	8	16	25	10	166
Indonesia	73	48	6	8	139	403	8.9	140	11	13	110	18	200
South Africa	84	80	5	7	102	600	8.5	139	7	40	98	20	155
Philippines	95	132	1	7	152	962	7.5	171	13	33	85	22	120

Top 15 global tourism receipts (2019 US\$) - markets



Foreign Direct Investment – Guide to Investing

- Australia **welcomes productive foreign direct investment**
 - Levels of government in Australia - Federal, state and territory, and local
 - Australia's foreign investment policy framework comprises the Foreign Acquisitions and Takeovers Act 1975, its related regulations, and **Australia's Foreign Investment Policy**
 - Australia's Foreign Investment Policy provides guidance on factors such as national security, competition, environmental policy, the impact on economy, community, and character of investor
 - Investment by a foreign entity in Australia may require the formal submission and approval of a proposal by the **Australian Foreign Investment Review Board (FIRB)**
 - Investor obligations - Investors are expected to understand Australia's regulatory environment
-

The opportunities



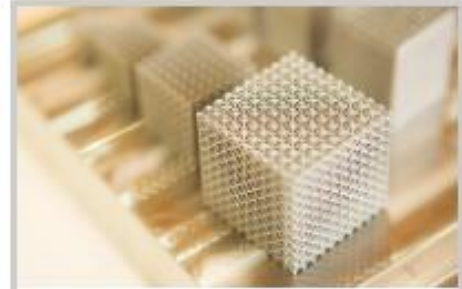
Agribusiness and
Food



Digital economy and
ICT



Major infrastructure



Materials science &
technology



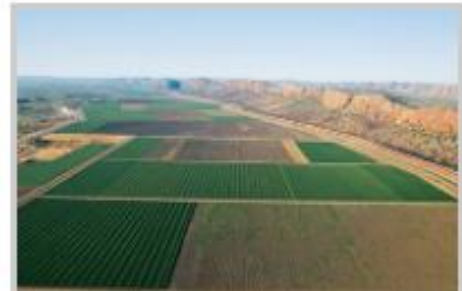
Medical science &
technology



Resources and
energy

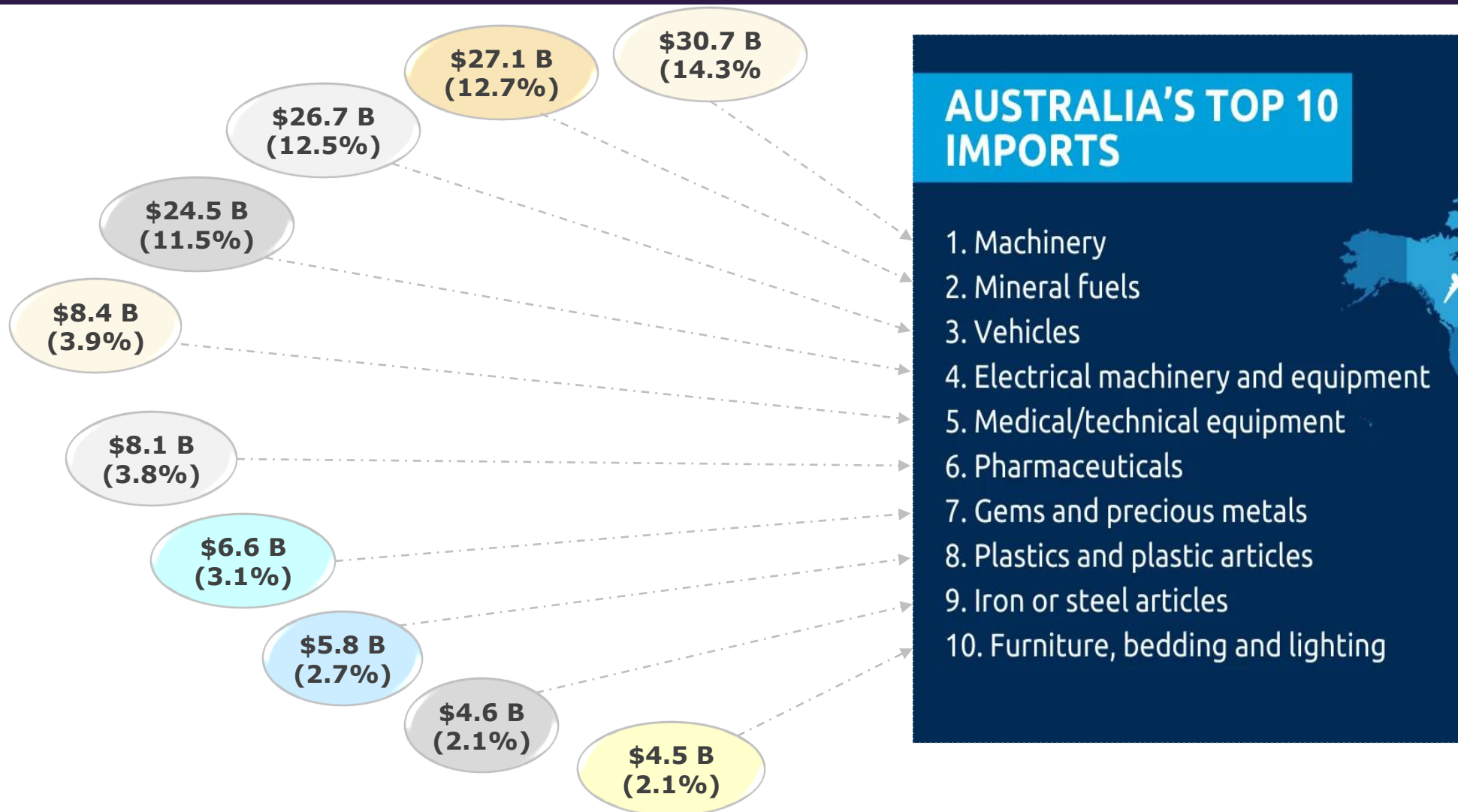


Tourism
infrastructure



Northern Australia

Australian imports (USD)



South African Investors in Australia

Retail



FMCG



Property



Approximately **200,000** South African-born people were living in Australia, growth of 36.9 per cent over last 10 years.

Australia Africa Chamber of Commerce

Duncan Harris – President



AUSTRALIA AFRICA
CHAMBER OF COMMERCE

E: duncan.harris@australiaafrica.com

M: +61 419 442 123

E: support@australiaafrica.com

W: www.australiaafrica.com
