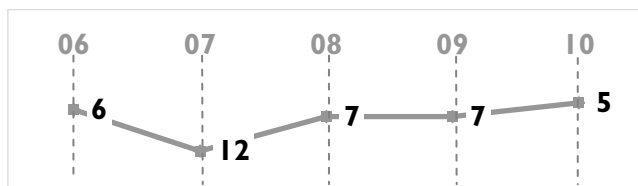


AUSTRALIA

OVERALL PERFORMANCE



CHALLENGES IN 2010

- Efficient and competitive health funding with sound mix of private and government finance.
- Irrigation savings through technology, trading and pricing; ending city rationing, expanding agriculture.
- More internationally competitive tertiary education, private and public, with mixed financing.
- Lift workforce productivity, re-training and participation for an ageing and larger population.
- Review and possibly reform financial and security systems for a more e-connected world jurisdictions.

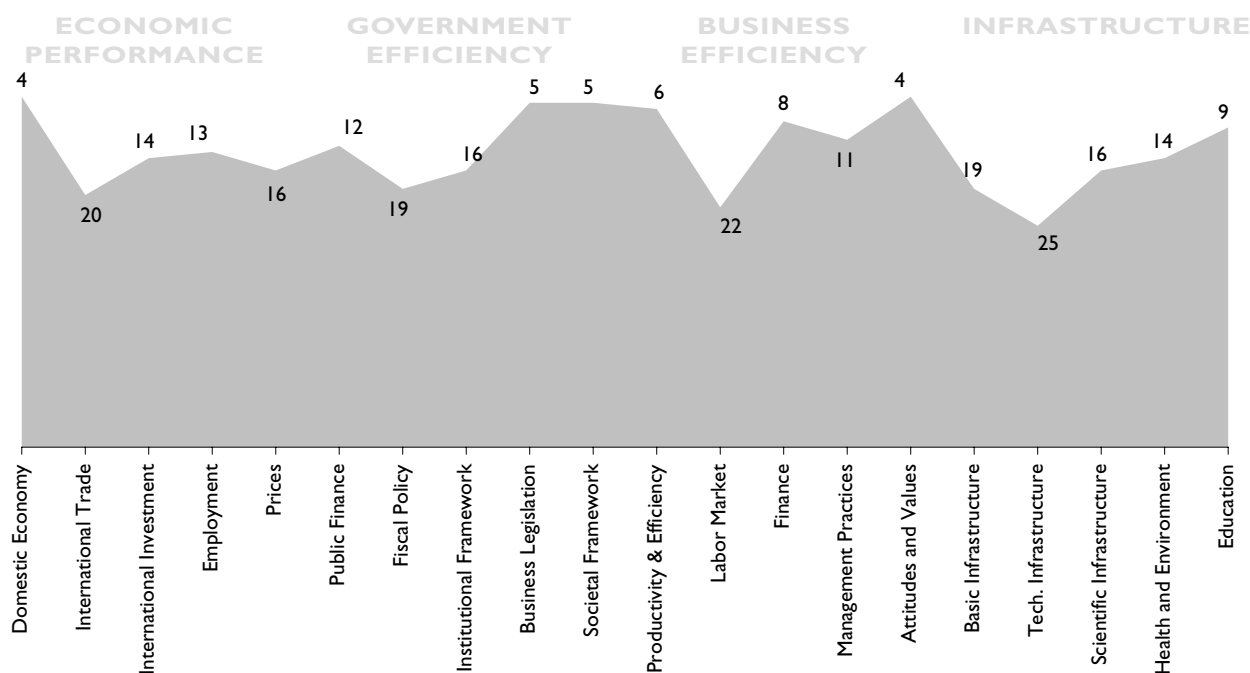
Provided by :

Committee for Economic Development of Australia (CEDA), Melbourne, Victoria

BASIC FACTS

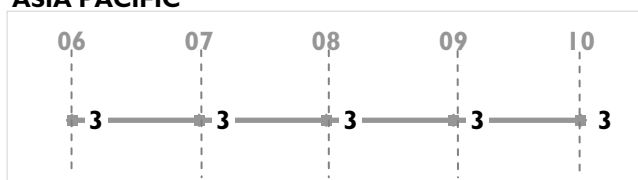
		Rank
Capital	Canberra	
Land area (km ² '000)	7,741.2 (2008)	-
Exchange rate (per \$)	1.28 (2009)	-
Population (millions)	22.07 (2009)	28
GDP (\$ billions)	982.9 (2009)	13
GDP (PPP) per capita (\$)	38,170 (2009)	10
Real GDP growth (%)	1.3 (2009)	7
Consumer Price Inflation (%)	1.8 (2009)	32
Unemployment rate (%)	5.7 (2009)	16
Labor force (millions)	11.45 (2009)	27
Current Account Balance (%)	-4.1 (2009)	50
Direct Investment		
Stocks Inward (\$ billions)	272.2 (2008)	16
Flows Inward (% of GDP)	2.7 (2009)	20

COMPETITIVENESS LANDSCAPE

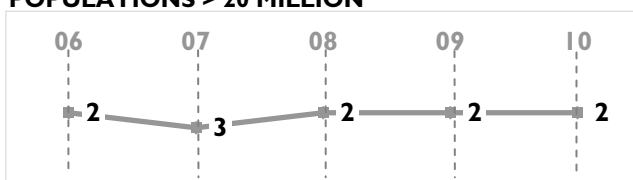


PEER GROUP RANKINGS

ASIA PACIFIC



POPULATIONS > 20 MILLION



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 year to the next.

IMPROVEMENTS

		WCY 2009	WCY 2010
2.4.21	Labor market flexibility Index on rigidity of employment (index 0-100)	3	0
1.5.01	Consumer price inflation Average annual rate	4.4	1.8
2.3.06	Foreign currency reserves US\$ billions	32.93	41.72
1.5.02	Cost-of-living index Index of a basket of goods & services in major cities, including housing (NY City = 100)	91.28	67.44
2.1.09	Management of public finances over the next two years is likely to improve (Survey)	4.34	5.44
3.3.16	Credit is easily available for businesses. (Survey)	4.73	5.82
3.3.17	Venture capital is easily available for businesses. (Survey)	3.83	4.70
1.1.19	Resilience of the economy to economic cycles is strong (Survey)	5.83	7.04
3.3.18	Corporate debt does not restrain the ability of enterprises to compete. (Survey)	5.55	6.56
3.3.08	The risk factor in the financial system is adequately addressed. (Survey)	6.20	7.20
4.1.19	Future energy supply is adequately ensured. (Survey)	4.90	5.58
3.3.09	Stock markets provide adequate financing to companies. (Survey)	6.31	7.08
3.4.01	Adaptability of companies to market changes is high (Survey)	6.00	6.71
4.3.05	Business expenditure on R&D % of GDP	1.08	1.21
3.3.15	Shareholders' rights are sufficiently implemented. (Survey)	6.54	7.25

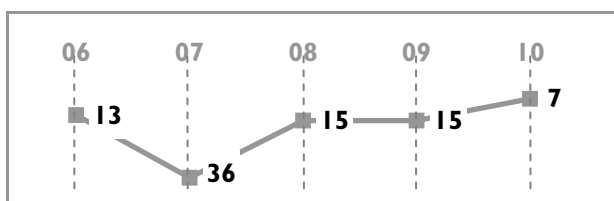
DECLINES

		WCY 2009	WCY 2010
2.1.02	Government budget surplus/deficit % of GDP	-0.40	-4.87
1.1.15	Real GDP Growth per capita % change, based on national currency in constant prices	0.21	-0.25
3.3.11	Stock market capitalization % of GDP	136.95	65.31
1.1.14	Real GDP Growth % change, based on national currency in constant prices	2.4	1.3
1.3.05	Direct investment flows inward US\$ billions	47.28	26.89
1.3.06	Direct investment flows inward % of GDP	4.57	2.74
1.3.04	Direct investment stocks abroad % of GDP	30.54	18.82
1.3.01	Direct investment flows abroad US\$ billions	33.26	21.69
1.4.06	Unemployment rate % of labor force	4.26	5.65
1.3.03	Direct investment stocks abroad US\$ billions	289.52	194.72
1.4.08	Youth unemployment % of youth labor force (under the age of 25)	8.85	11.72
1.4.07	Long-term unemployment % of labor force	0.63	0.83
1.3.02	Direct investment flows abroad % of GDP	3.22	2.21
1.3.08	Direct investment stocks inward % of GDP	36.03	26.31
3.3.12	Value traded on stock markets US\$ per capita	62,212	46,676

AUSTRALIA



ECONOMIC PERFORMANCE



Sub-Factor Rankings :	2010
Domestic Economy	4
International Trade	20
International Investment	14
Employment	13
Prices	16

Strengths

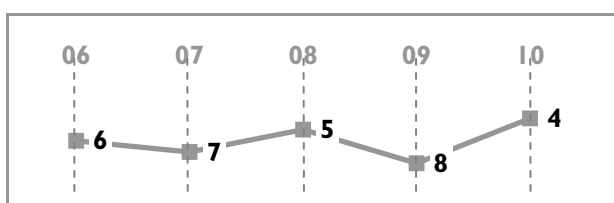
I.1.19	Resilience of the economy to economic cycles is strong (Survey)	2
I.2.20	Terms of trade index Unit value of exports over unit value of imports (2005 = 100)	2
I.1.14	Real GDP Growth Percentage change, based on national currency in constant prices	7
I.3.17	Portfolio investment liabilities US\$ billions	9
I.1.21	GDP (PPP) per capita Estimates; US\$ per capita at purchasing power parity	10

Weaknesses

I.2.19	Trade to GDP ratio (Exports + Imports) / (2 x GDP)	53
I.2.09	Exports of goods Percentage of GDP	51
I.2.02	Current account balance Percentage of GDP	50
I.3.14	Relocation of R&D facilities is not a threat to the future of your economy (Survey)	46
I.3.16	Portfolio investment assets US\$ billions	45



GOVERNMENT EFFICIENCY



Sub-Factor Rankings :	2010
Public Finance	12
Fiscal Policy	19
Institutional Framework	16
Business Legislation	5
Societal Framework	5

Strengths

2.4.21	Labor market flexibility Index on rigidity of employment (index 0-100)	1
2.4.15	Start-up days Number of days to start a business	2
2.5.04	The risk of political instability is very low (Survey)	3
2.4.16	Start-up procedures Number of procedures to start a business	3
2.4.01	Tariff barriers Tariffs on imports: Most favored nation simple average rate	4

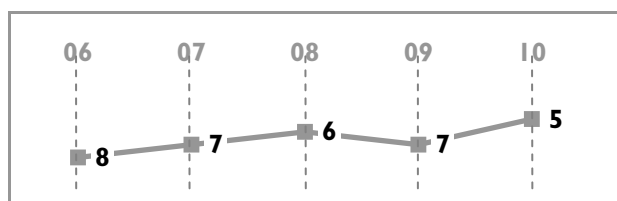
Weaknesses

2.2.08	Corporate tax rate on profit Maximum tax rate, calculated on profit before tax	40
2.3.01	Real short-term interest rate Real discount / bank rate	37
2.4.05	Foreign investors are free to acquire control in domestic companies (Survey)	36
2.1.02	Government budget surplus/deficit Percentage of GDP	32
2.3.06	Foreign currency reserves US\$ billions	31

AUSTRALIA



BUSINESS EFFICIENCY



Sub-Factor Rankings :	2010
Productivity & Efficiency	6
Labor Market	22
Finance	8
Management Practices	11
Attitudes and Values	4

Strengths

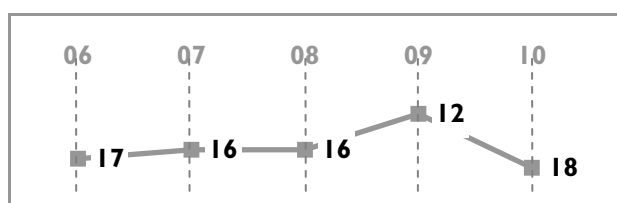
3.2.18 Attracting and retaining talents is a priority in companies (Survey)	3
3.4.02 Ethical practices are implemented in companies. (Survey)	3
3.3.09 Stock markets provide adequate financing to companies. (Survey)	4
3.4.09 Health, safety & environmental concerns are adequately addressed by management (Survey)	4
3.3.08 The risk factor in the financial system (new financial instruments, non-performing loans...) is adequately addressed. (Survey)	4

Weaknesses

3.2.05 Working hours Average number of working hours per year	48
3.2.03 Remuneration in services professions Gross annual income including supplements such as bonuses, in US\$	42
3.2.16 Skilled labor is readily available (Survey)	41
3.2.01 Compensation levels Total hourly compensation for manufacturing workers (wages + supplementary benefits), US\$	40
3.4.07 Entrepreneurship of managers is widespread in business. (Survey)	37



INFRASTRUCTURE



Sub-Factor Rankings :	2010
Basic Infrastructure	19
Technological Infrastructure	25
Scientific Infrastructure	16
Health and Environment	14
Education	9

Strengths

4.5.07 Student mobility inbound Foreign tertiary-level students per 1000 inhabitants	1
4.4.10 Human development index Combines economic - social - educational indicators / Source: Human Development Report	2
4.4.05 Life expectancy at birth Average estimate	3
4.4.27 Quality of life is high (Survey)	4
4.5.13 University education meets the needs of a competitive economy. (Survey)	7

Weaknesses

4.2.05 Mobile telephone costs Mobile cellular tariffs - US\$ per minute local call, off-net (peak)	53
4.2.03 Fixed telephone tariffs US\$ per 3 minutes local call (peak)	50
4.2.06 Communications technology (voice and data) meets business requirements. (Survey)	48
4.1.04 Access to water is adequately ensured and managed. (Survey)	46
4.2.07 Connectivity of people and firms (telecom, IT, etc.) is highly extensive (Survey)	37