

# International: economics and australia

[Parts of the World](#), [Australia](#)



Australia is the 15th richest nation in per capita terms and is the 6th oldest continuously functioning democracy in the world. Australia has the 14th biggest overall economy in the world and the 9th biggest economy.

Australia's economy is open and innovative. Over the past decade solid productivity gains have been accompanied by low inflation and interest rates. Also Australia has low barriers to trade and investment .

Australia foreign and trade policies promote the security and long term prosperity of Australia in a global context. Australia's economy is highly susceptible to the impact of climate change. In 2008 the Australian Government committed to create an organization called " Infrastructure Australia" to provide a new national approach to planning , implementing and funding the nations future. Being a safe, stable and prosperous country Australia is an increasingly attractive hub for international and regional business and business operations.

According to recent survey it can be said that Australia's economic success in the last century was based on its abundant agricultural, mineral and fuels resources. Numerous factors have contributed to this development Informations and communicationstechnologyis a key driver in economic growth, other factors such as advances in travel, exchanging of ideas, broader acces to standards to educations etc have also contributed to this success. Australia's ICT market is worth an estimated \$89 billion with more almost 25, 000 companies employing 236000 IT specialists  
Politicalenvironment

In Australia, it is a liberal-capitalistic democracy. The state keeps interfering substantially in the economy through the use of various roles; for instance

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the parliament might decide to set up importation taxes aimed to protect the national economy, or it might create environmental protection laws aimed to protect the natural heritage of the country. This affects international business because when taxes keep varying and increasing especially there will be an impact on the economy which in turn will affect the exchange rates and currency rate.

Also according to the present situation as mentioned in The Australian Financial Review 2010: there is fear that the hung parliament will negatively affect the economy. Australia's rate of economic growth slowed down between July and September as the high value of the Australian dollar dug into export earnings. The country's gross domestic product rose just 0.2% during the third quarter period, down from growth of 1.1% between April and June. Analysts deduced that Australian consumers were also hit by higher interest rates. However, the Australian economy is set to continue to grow, led by demand from China for its raw materials.

According to Michael Blythe, chief economist at the Commonwealth Bank, the latest economic growth figure was a “disappointing outcome”. Since Australia is helped by its vast exports of iron ore and other raw materials, it has avoided recession for 19 years. One of the country's largest iron ore producers is the Anglo-Australian group Rio Tinto, which is increasing production, has announced \$7.2bn in new investment in the region since July 2010. According to surveys Australia's economy continued to gather pace in March as world demand for commodities boosted the nation's coffers.

However due to recent uncertainty from the European debt crisis could lower expectations of economic growth in the future. Economic Environment Australia is an island continent in the Southern Hemisphere, lying between Antarctica and Asia. It is surrounded by the Indian Ocean to the west; the Timor, Arafura, and Coral Seas to the north; the Pacific Ocean to the east; and the Tasman Sea and Southern Ocean to the south. In other words its placement is a added advantage to business because when it comes to export and import, Australia is like a commuting place.

Much of the continent is low, flat, and dry. The area of the continent is 2.97 million square miles and the population is roughly 20 million. Due to the harsh physical environment has encouraged people to remain close to the fertile coastal areas as a result urban and rural dwellers articulate different economic and social interests. Personal home ownership is a common goal, and the nation has one of the highest home ownership rates in the world. Therefore architecture and real estate business has a good scope in Australia.

Australians are among the world leaders in fast-food consumption, fast food outlets are a plenty, beverages snacks and fast food companies have a recognized name in Australia and other countries because Australian chefs are known worldwide for their "fusion cuisine" Australia is a major regional financial centre and a vital cog in the global financial system. The Australian Stock exchange and the Sydney Futures exchange merged in 2006 to form the world's 8th largest listed exchange. Australia has one of the highest percentages of shareholders in the world.

Share market is one of the main aspects in international business and since the amount of people who invest in shares in Australia is high international business is also promoted really well. Trade has always been a vital component in Australia's economic prosperity. The hallmarks of its trading success have been strong infrastructure and stable institutions. A skilled workforce, rich resources and a good agricultural base are added benefits. The goods and services tax (GST) is levied at 10 percent and applies to almost all goods and services transactions across the economy. Besides that there is only a flat corporate tax of 30 percent.

When there was little scope for industrial or commercial enterprises, the pastoral industry became a key force in economic development. In particular, growth in the wool advanced rest of the economy. Gold surpassed wool as the nation's major export in the 1850s and 1860s, resulting in a rapid expansion of banking and commerce. A move toward privatization at the state and commonwealth levels of government has been gaining momentum since the early 1980s. Some states, such as Victoria, have embraced this move much more than others have. Australia is highly integrated into the global capitalist economy.

The economy is strong in the service sector in relation to goods-producing industries which include agriculture, forestry, fishing, mining, manufacturing, construction, and energy. It contributed around 31 percent of gross domestic product during the mid-1990s, whereas on the other hand the services industries contributed 60 percent. Goods-producing industries provided around a quarter of employment, with the rest provided by service

industries. In 1996 and 1997, manufacturing was the most significant sector. In 1996 and 1997, manufacturing was the most significant sector.

Another major contributor was the property and business services industry. Primary industries in mining and agriculture are of key economic importance. The development of large mines in some remote regions has been associated with the establishment of towns and increased employment. In order of economic significance, Australia's current major trading partners include the United States, Japan, China, United Kingdom, , and New Zealand. Australia is one of the world's largest exporters of wool, meat, and wheat. Australia is a major supplier of sugar, dairy products, fruits, cotton, and rice.

The above being the export of Australia the imports are passenger motor vehicles, telecommunications equipment, and crude petroleum oils. Australia is increasingly shifting toward an information economy that relies on a high-skill base. Thus, the workers most at risk of unemployment are laborers, factory workers, and those who learn their skills on the job. Highly skilled managers, medical practitioners, teachers, computer professionals, and electricians have the lowest risk of unemployment. Social environment Australia is a nation officially committed to ethnic and racial inclusiveness.

For much of the nation's history, there has been a focus on assimilating different cultural groups into the dominant British Australian traditions. Australia is a collectivity of diverse peoples living in a relatively young society. However, the divisions within the nation continue to find expression in public life, arising from social differences in race, ethnicity, social class, and gender. Although the impact of environmental variation is highly evident

in the traditional cultures of indigenous Australians, it has not been as strong a factor in immigrant cultures.

The most significant lifestyle differences are affected primarily by variations in climate. Australia has six states, Western Australia, South Australia, Victoria, Tasmania, New South Wales, Queensland, and two territories, the Northern Territory and the Australian Capital Territory, majority of the population lives in urban areas around the coast. The dominant language since colonization has been English, with little multi-lingualism among the majority population. Australia's culture can be more likely said to be cosmopolitan.

Factors that have shaped the national culture include the early small female population relative to that of men, which is said to have laid the foundations for a widespread ideology of mateship. The involvement of Australian and New Zealand troops in World War I has been characterized as the symbolic birth of the nation. Australia is a modern trading nation and it is a diversified and reliable supplier of high quality goods and services to over 200 countries with a sophisticated import market for products from all over the world.

The main reason for all this is due to Australia's dynamic and efficient sea and air ports along the extensive coastline which allows massive amounts of iron ore, coal and array of other natural resources to be shipped. Technological Environment; The benefits of e-commerce to the economy in terms of reduced costs, higher quality, new products and larger markets are significant highlights in a country's international business. Recent surveys show an increase in national output, real investment, consumption, real wages and employment.

Australia is one of the world's most connected countries, estimated revenues of business-to-business e-commerce in Australia for 2000 was over US\$2.3 billion, ranking higher than Taiwan, South Korea, Hong Kong and Singapore. Regions or regionally based businesses are more likely to succeed in the global market if they are major investors in new technology, export focused and competent in the use of IT and e-commerce. Mobile banking. Information and communications technology is a key driver of Australia's strong economic growth and innovation. Based on this technology is most of Australia's high budget business.

Since in today's world time factor is one of the most important factors in man's life and time management is one of the key factors that most business magnets fail. Information technology is like a boon to all these people because it does half the work a particular individual has to do, man power is substantially balanced whereas if a man had to do each and every thing in a international business it would take ages for him to get through to all of that. For eg...In Australia and most European countries computerized systems are looming up in supermarkets, petrol stations, malls, banks etc.

The technological background in Australia is one of its advantages when it comes to international business according to reports and business publications. Internet and e-commerce have boosted the international competitiveness of Australian businesses. Many Australian firms are now using internet technology to expand into new foreign markets, almost all of the enterprises are increasingly using e-commerce because it only requires low overheads and comparatively less initial outlay of capital but leading to a fast turnover on investment.



According to surveys about 94 per cent of large businesses and 60 per cent of medium businesses in Australia had a website in 2006, while there was over 37 per cent of online purchase in all types of business. The percentage of all businesses receiving orders online in the same period was 21 per cent. In 2006–07, out of the 11.3 million people who accessed the internet in Australia, 61 per cent used the internet to for online purchase or to order goods and services. Income for Australian business from internet increased from \$24.3 billion in 2002-03 to \$56. billion in 2005-06

**Legal Background**

Australian assistance gives priority to law enforcement, intelligence cooperation, transport security , legal frameworks, countering terrorist financing and preventing terrorists access to nuclear materials. Australia has a sound and practical structure of financial regulations and institutions that provides certainty for business and is open to investment without undue delay. This is a advantage when it comes to international business because it makes investors more comfortable in relying and in turn make large investments.

Even for investors and businessmen from other countries Australia's business law is flexible and makes the procedure of opening up a business simple and easy to achieve for one and all. There is a strong, transparent governance system along with business oriented regulation and insolvency regimes. According to the World Bank a new business can be established in Australia within two days compared with an average of 20 days in most of the other countries. Need an essay? You can buy essay help from us today!

Introduction

The country analysis report on Australia provides a wide array of analytical inputs to analyze the country's performance, and the objective is to help the reader to make business decisions and prepare for the future. The report on Australia analyzes the political, economic, social, technological, legal and environmental (PESTLE) structure of Australia. The report provides a holistic view of Australia from historical, current and future perspective. Insightful analysis on critical current and future issues is presented through detailed SCPT (strengths, challenges, prospects and threats /risks) analysis for each of the PESTLE segments.

In addition, the PESTLE segments are supplemented with relevant quantitative data to support trend analysis. The PESTLE country analysis report series provides an in-depth analysis of 50 major countries. Features and Benefits - Understanding gained from the country analysis report on Australia can be used to plan business investments or market entry apart from a holistic view of the country. - Political section on Australia provides inputs about the political system, key figures in the country, and governance indicators. Economic section on Australia outlines the economic story of the country to provide a balanced assessment on core macro-economic issues. - Social section on Australia enables understanding of customer demographics through the income distribution, rural-urban segmentation and centers of affluence, healthcare and educational scenario in the country. - Technological section on Australia provides strategic inputs on information communications and technology, technological laws and policies, technological gaps, patents data and relevant laws. Legal section on Australia provides information about the legal structure, corporate laws,

business set-up procedures and the tax regime. - Environmental section provides information on environmental policies in Australia and the performance in terms of important environmental indicators. Highlights PESTLE analysis of Australia identifies issues that affect the country's performance through the prism of current strengths (strengths), current challenges (weaknesses), future prospects (opportunities) and future risks (threats). The political landscape discusses the evolution of the political scenario in Australia in different periods.

The economic, social, foreign and defense policies are considered in the political landscape section. It also discusses the performance of the country as per World Bank Governance Indicators. The economic landscape describes the evolution of the economy of Australia in different periods. It also examines the country's performance in terms of GDP growth, composition by sector (agriculture, industry and services), fiscal situation, international investment position, monetary situation, credit disbursement, banking sector and employment.

The economic landscape also explains the financial system in the country, especially with regard to financial authorities/regulators. The social landscape covers the demographics, education and healthcare scenario in Australia. The social welfare policies of the government along with the country's performance in terms of healthcare, income distribution and education are also provided. The technological landscape discusses the structure and policies in terms of Intellectual property, research & development, technology agreements/pacts; and policies related to the promotion of technology in Australia.

The legal landscape examines the structure of the judicial system, legislation affecting businesses, tax regulations, labor laws, trade regulations and corporate governance in Australia. The environmental landscape in Australia discusses the environmental regulations and policies of the country. The performance of the country in terms of in terms of environmental indicators and impact of environmental policies is also examined. " The Australian economy grew at a CAGR of more than 3% a year during 1991-2008, but then slumped to 1. 3% in 2009. The economy was unaffected by the global slowdown in 2001, and grew at a significant rate of 2. %. The economic growth rate did not significantly decline even when the country was hit by the worst drought in its history in 2003, as it dropped from 3. 6% in 2002 to 3. 5% in 2003. The buoyant growth was driven by sound macroeconomic policies and fiscal prudence. The growth rate increased to 3. 8% in 2007 from 3. 0% in 2006. However, the growth momentum decelerated to 2. 3% in 2008 because of the global financial slowdown, and then slowed further to 1. 3% in 2009. Following this, 2010 saw the economy rebound with growth of 3. 0%. According to Datamonitor's forecast, the economy is expected to grow by 3. 5% in 2011. "