



AUSTRALIA

Capital: Canberra

Population (2010 est.):

Australia: 21.51 million

Virginia: 7.88 million

Government Type:

Federal Parliamentary Democracy

Head of Government:

Prime Minister Julia Gillard

Languages (Official): English

Land Size:

2,967,909 Square Miles

(Slightly smaller than the lower 48 U.S. states)

Currency: (www.oanda.com)

Australian Dollar (AUD)

1US\$ = 1.14AUD (June 2010)



(Australia Map. CIA)

DID YOU KNOW?

- Prior to the global financial crisis, Australia had enjoyed uninterrupted economic growth for nearly two decades. Due to government policies and demand for Australia's commodity exports from its Asian neighbors, the Australian economy rebounded after only one quarter of negative growth in 2008, and is projected to grow 3% in 2010. (IMF)
- The Australia-U.S. Free Trade Agreement eliminates Australian import tariffs on most American products.
- Australia is the world's largest exporter of coal, accounting for almost 30% of total world exports. (Australian Coal Association)
- Australia is the world's smallest continent and sixth largest country.
- After China, the United States is Australia's largest source for merchandise imports. The United States is Australia's fifth largest destination for merchandise exports. (CIA)
- The United States and Australia have strong military ties, and over 1,500 Australian troops have been deployed in Afghanistan since the coalition operation began in 2001. Australia was the United States' fourth largest market for exports of defense equipment in 2009, with sales exceeding \$325 million.
- Due in large part to the global recession, U.S. merchandise exports to Australia in 2009 decreased 11% over 2008 to \$19.59 billion. (World Trade Atlas)
- The United States exports over \$11 billion annually in services to Australia. (BEA)



AUSTRALIA

ECONOMIC OUTLOOK

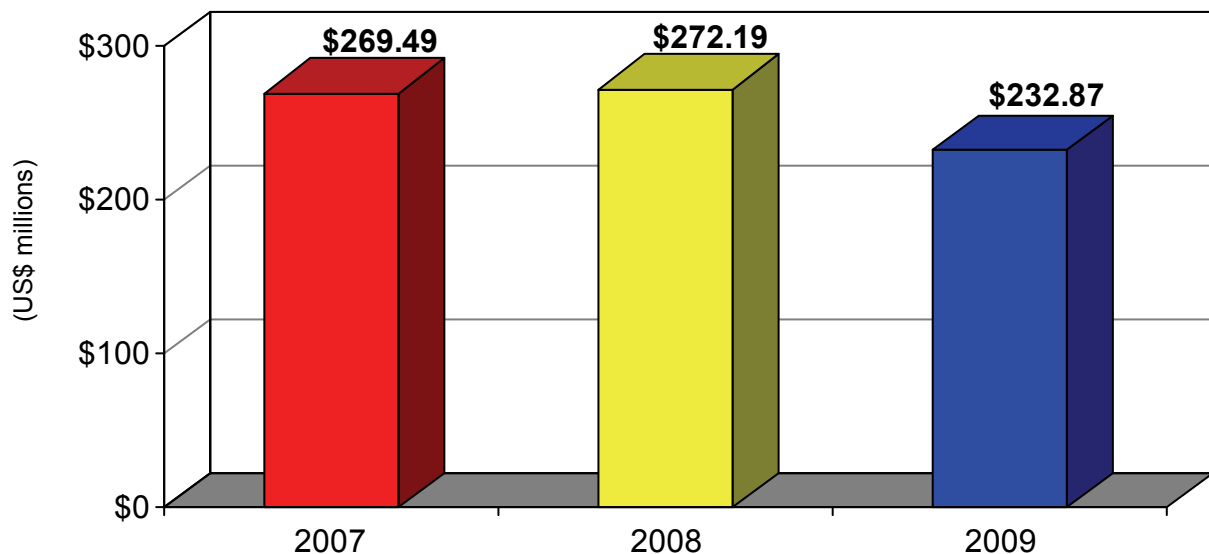
The global financial crisis has affected Australia much less severely than other major economies. Demand from Asian neighbors for Australia's abundant and diverse natural resources, combined with a fiscal stimulus package worth over \$50 billion, have helped the Australian economy rebound relatively quickly. Like other major economies, Australia's central bank slashed interest rates at the outset of the global recession. Unlike most of these other countries, however, the measures have revived growth and domestic demand in Australia, and its Central Bank has raised interest rates three times since the end of 2009 to reduce inflationary pressures.

The mitigated affect of the global financial crisis on Australia's economy is also evident in its labor force. At the beginning of the crisis, many economists predicted unemployment in Australia would reach 8-10%. However, it appears to have peaked at 5.7% in late 2009, and actually fell to 5.3% by February, 2010.

Although the Australian economy is dependent on exports for growth -particularly exports of commodities- robust economic growth in Australia's main export markets in Asia will help to sustain the country's recovery. China and India are two of Australia's largest export markets for commodities, and these two economies are projected to maintain strong growth for the foreseeable future.

(CIA, IMF)

VIRGINIA EXPORTS TO AUSTRALIA



(Source for Graph: World Trade Atlas)



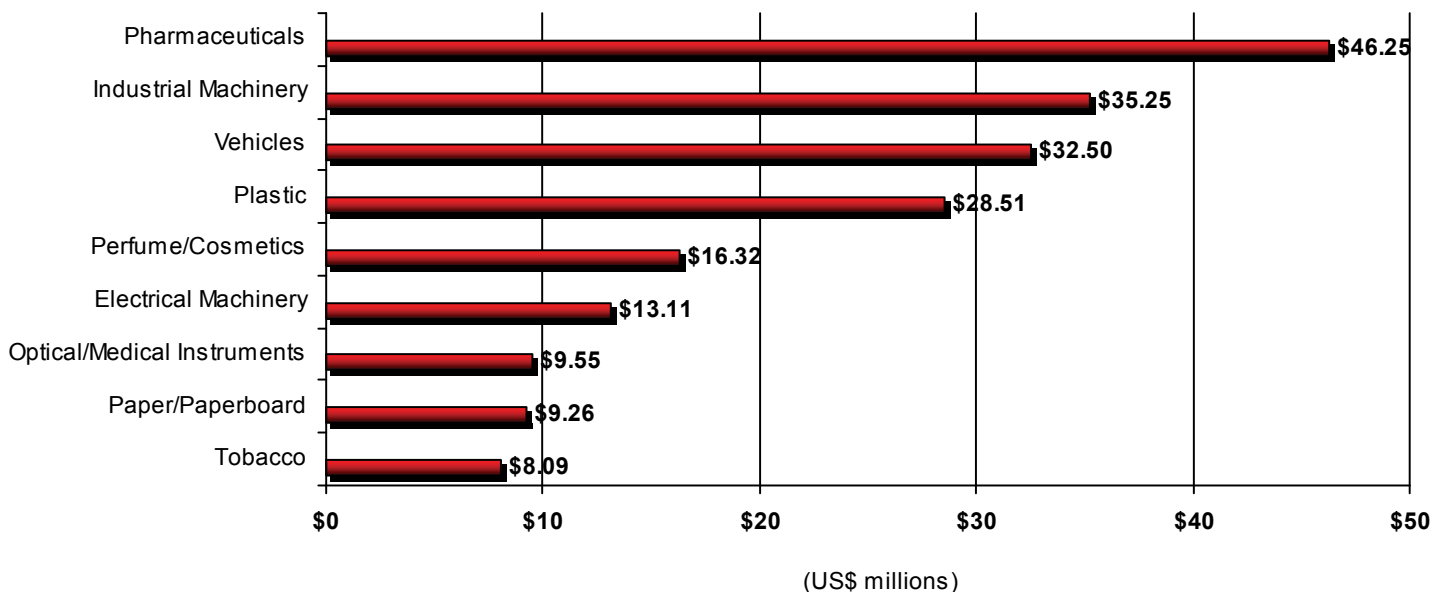
AUSTRALIA

VIRGINIA EXPORTS TO AUSTRALIA

Virginia's strongest exports to Australia over the past decade have been dominated by industrial machinery, pharmaceuticals, electrical machinery, and vehicles. In 2009, exports of these product groups to Australia via Virginia generally declined, although other product groups performed well. Vehicle exports, in particular, saw strong annual growth of 254%, and were valued at \$32.50 million. Strongest sales came from motor trucks (industrial dump trucks), passenger motors (sparkplug engines under 1000cc), and other work trucks. Fertilizer exports (mainly ammonium sulfate) to Australia via Virginia grew exponentially in 2009, and were valued at \$1.68 million. Exports of plastics saw modest growth in 2009, and were dominated by polyamides and self-adhesive materials. Raw leaf tobacco was also an export to Australia via Virginia that grew significantly in 2009, with sales reaching over \$8 million.

Virginia's 2009 exports to Australia of industrial machinery were dominated by hand tools, ball and roller bearings, air conditioning machines, and computers and computer components. Pharmaceutical exports consisted primarily of medication in dosage form and antibiotics, while exports of electrical machinery were led by apparatus for line telephony, radio broadcast receivers, and insulated wires and cables.

VIRGINIA'S TOP EXPORTS TO AUSTRALIA - 2009



(Source for Text and Graph: World Trade Atlas)



Fast Facts



AUSTRALIA

VEDP TRADE EVENTS

Group Market Visit to Australia: March 21-25, 2011

For more information contact Diane Thomas, International Trade Manager, (276) 623-1536, dthomas@yesvirginia.org.

Other Services: The VEDP offers a number of export-related services to Virginia businesses, including independent market visits and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters. For more information, please visit our website: www.exportvirginia.org.

ADDITIONAL RESOURCES

- Australian Bureau of Statistics: <<http://www.abs.gov.au>>
- Australian Embassy in the United States: <www.austemb.org/>
- Government of Australia. Department of Foreign Affairs and Trade: <<http://www.dfat.gov.au/>>
- United States Department of Commerce. Country Commercial Guide: Australia. 2008 <http://www.buyusainfo.net/docs/x_8366868.pdf>

WORKS CITED

Australian Coal Association. The Australian Coal Industry– Coal Exports.

<<http://www.australiancoal.com.au/>>

Global Trade Information Services. World Trade Atlas. U.S. State Export Edition. Available by subscription. <<http://www.gtis.com/state/>>

International Monetary Fund. Australia and the IMF. May 26, 2010.

<<http://www.imf.org/external/country/aus/index.htm>>

OANDA.com. FX Currency Converter. <<http://www.oanda.com/convert/classic>>

United States Central Intelligence Agency (CIA). World FactBook. Australia. May, 2010.

<<https://www.cia.gov/library/publications/the-world-factbook/geos/as.html>>.

United States Department of Commerce Bureau of Economic Analysis (BEA). International Economic Accounts. <<http://www.bea.gov/international/index.htm>>

Last Revised: July 2010

**Information provided by VEDP Fast Facts is intended as advice and guidance only. The information is in no way exhaustive and the VEDP is not a licensed broker, banker, shipper or customs agency. VEDP shall not be liable for any damages or costs of any type arising out of, or in any way connected with the use of, these Fast Facts.*