



FAST FACTS 2008



AUSTRALIA

Capital: Canberra

Population:

Australia: 20.60 million

Virginia: 7.71 million

Government type:

Federal parliamentary democracy

Head of government:

Prime Minister Kevin Rudd

Languages (Official): English

Land Size:

2,967,909 square miles

(slightly smaller than the US contiguous 48 states)

Currency: (www.oanda.com)

Australian Dollar (AUD)

1US\$ = 1.0467 AUD (June 2008)



(Australia Map. CIA)

Did You Know?

- U.S. exports to Australia in 2007 increased 8.02% over 2006 to \$19.21 billion.
- Australia has enjoyed annual economic growth without interruption for nearly two decades. Strong growth of about 4% continued in 2007 and most economic forecasts expect annual growth of between 3.0-3.4 percent in 2008.
- Australia-U.S. Free Trade Agreement (AUSFTA) elimination of tariffs provides new sales opportunities for U.S. companies.
- Doing business in Australia is relatively easy for American companies because the language, cultural environment, business practices and customer expectations are very similar.
- Mining, oil and gas, renewable energy, environmental technologies, and the medical device sector are growing market sectors. These sectors, however, have well-established competitors and supplier relationships.
- Principal U.S. exports to Australia in 2006: non-electronic machinery (24%); vehicles (12%); aircraft (9%); electrical machinery (8%); optic/photo/medical instruments (8%).



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AUSTRALIA

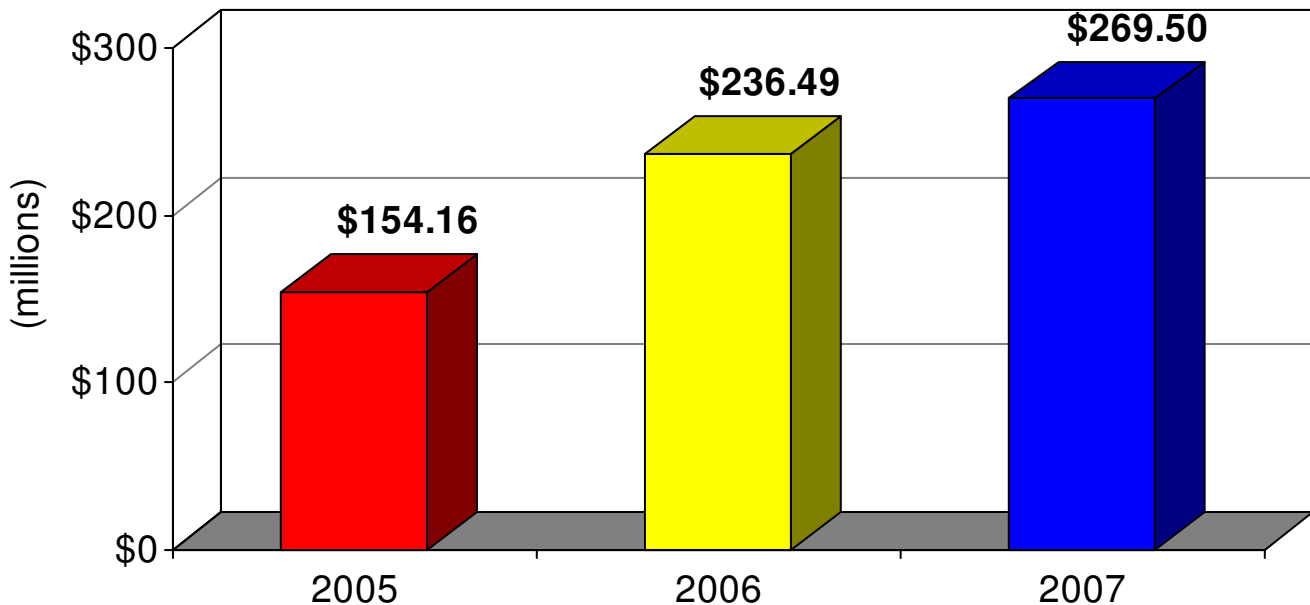
ECONOMIC OUTLOOK

Australia has an enviable, strong economy with a per capita GDP on par with the four dominant West European economies. Robust business and consumer confidence and high export prices for raw materials and agricultural products are fueling the economy, particularly in mining states. Australia's emphasis on reforms, low inflation, a housing market boom, and growing ties with China have been key factors behind the economy's 16 solid years of expansion. Drought, robust import demand, and a strong currency have pushed the trade deficit up in recent years, while infrastructure bottlenecks and a tight labor market are constraining growth in export volumes and stoking inflation. Australia's budget has been in surplus since 2002 due to strong revenue growth.

Annual GDP growth is expected to average 2.6% in 2008-12, down from an average of 3.3% in 2003-07. Domestic demand will remain the main engine of growth, but despite high employment levels, pension reforms and fiscal handouts, private consumption growth is likely to moderate as households move to reduce their high levels of debt.

Australia is a sophisticated and thoroughly modern economy, yet primary resources play an important role. Asian demand for minerals, metals, and energy resources has been an engine for growth nationally and in specific regions of the country. While creating wealth that ripples through the economy, the resource boom has revealed Australia's existing infrastructure is inadequate to keep pace with the needs of exporters. As a consequence, investment in public and private infrastructure will continue in order to increase capacity, remove bottlenecks, and let Australian exports respond more directly and successfully to foreign demand. Major public infrastructure projects are underway and slated in all Australian states.

VIRGINIA EXPORTS TO AUSTRALIA



(Source for graph: World Trade Atlas)



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AUSTRALIA

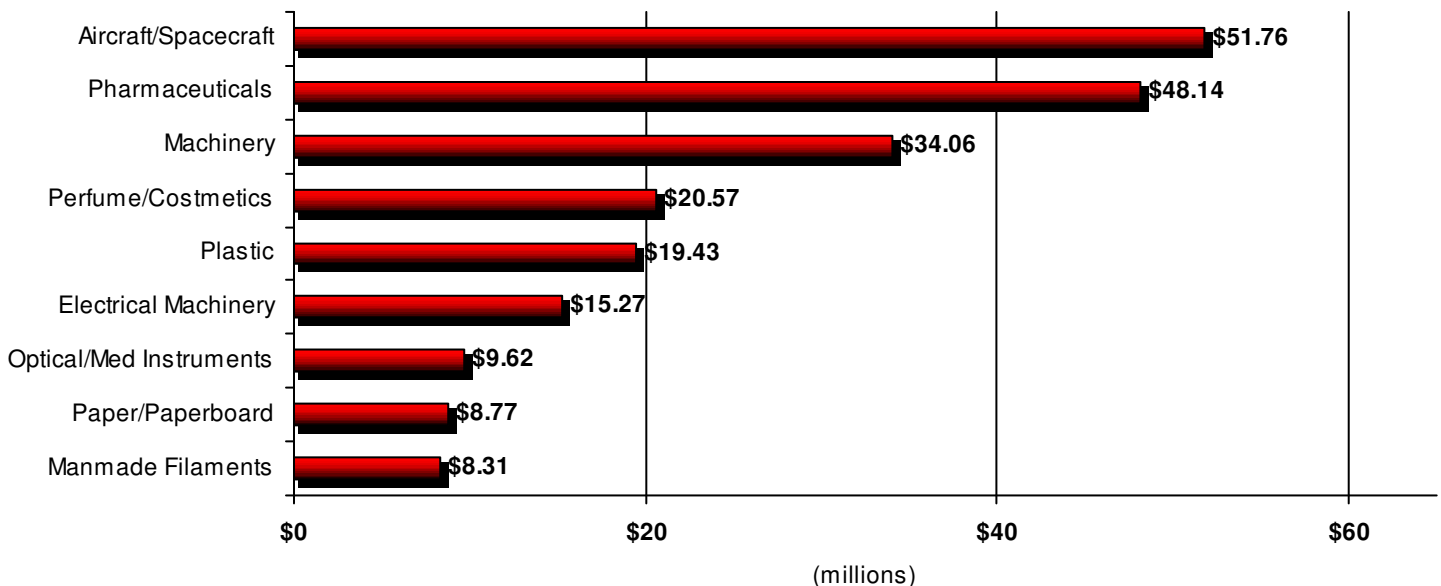
VIRGINIA EXPORTS TO AUSTRALIA

Australia ranked as Virginia's 16th largest export destination in 2007, valued at US\$ 269.50 million, an increase of 13.96% over 2006. U.S. exports to Australia also increased in 2007 by 8.02% over 2006 to US\$ 19.21 billion.

1. Aircraft/Spacecraft was Virginia's number one export to Australia in 2007. This product class decreased slightly from 2006 to \$51.76 million after significant growth in 2006.
2. Pharmaceuticals exports for 2007 grew by 79.56% over 2006. They increased from \$26.81 to \$48.14 million.
3. Machinery exports decreased to \$34.06 million in 2007, a loss of 13.23% from 2006.
4. Perfume/Cosmetics, another strong export, was up 47.65% over 2006 to \$20.57 million in 2007.

Overall many Virginia exports to Australia grew in 2007. The plastics sector experienced a 27.15% rise in sales in 2006, primarily in adhesive tapes and polymers. A 93.34% jump also occurred in manmade filaments. Photographic and cinematographic equipment experienced a 753.52% leap over 2006, comprised mostly of photographic chemicals.

VIRGINIA'S TOP EXPORTS TO AUSTRALIA - 2007



(Source for Text and Graph: World Trade Atlas)



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AUSTRALIA

VEDP TRADE EVENTS

Trade Mission to Japan & Australia: September 16—26, 2008.

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

For a complete listing of VEDP's international trade events, please visit the "Events" tab on our website: www.ExportVirginia.org

VEDP CONTACT INFORMATION

Virginia Economic Development Partnership

Division of International Trade

P.O. Box 798

901 East Byrd Street

Richmond, Virginia 23218-0798

Tel: (804) 545-5764

Fax: (804) 545-5751

E-mail: clientservices@yesvirginia.org

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/aib/australia_foreign_trade_policy.html>

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