



# DOING BUSINESS IN AUSTRALIA

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## Market profile

Australia is one of the largest economies in Asia-Pacific (APAC). Despite Australia's mere 25 million population it has Gross Domestic Production (GDP) beaten only by China, India and Japan. Australia has also money to invest from its 5th largest pension fund assets in the world. Australia's growth will remain strong at an estimated 2,7% in 2022. Australia also has a low government debt by global standards – 56% of GDP in 2022.

### FACTS (2022)

- GDP €1,73 trillion (14<sup>th</sup> globally)
- Finland's export to Australia €831M
- Finland's import from Australia €544M
- Capital: Canberra
- Official language: English
- World's sixth-largest country by area
- Population: 25 million

## Economy and business structure

As a developed economy with strong British heritage and Commonwealth links, business culture is familiar to Nordic companies. Australia is also home of a diverse, international and broad demographic which makes it a great testbed for companies also targeting Asian markets – some major food companies develop and test products in Australia.

Australia is a resource and service economy with the majority of GDP being generated in these sectors. It has over 600 ASX-listed metals and mining companies, with large mid-tier group of companies.

Lack of domestic manufacturing makes it attractive export market for Finnish high-tech companies. Finland's industrial knowhow complements Australia's key export sectors: resources & energy, travel, agribusiness, education and financial services.

Australia's rapidly growing population is expected to grow over five million in ten years. That is size of Finland! Huge amount of infrastructure project needed in Australia.

Why Finnish Companies should do business in Australia

- Australia and Australians have purchasing power: the world's 14th largest economy and the wealthiest nation
- Finland's hi-tech solutions complement Australia's key industries
- Australia is trialling and investing in solutions to make cities more liveable, connected & sustainable
- Australia's energy sector must undergo a major transition to renewable power sources and is aiming to become a Hydrogen Superpower
- Australia's growing population is driving demand for healthcare and infrastructure
- Investments in Australian critical minerals are growing fast

## Key industries and two unique trends

Australia's key industries are:

- Agribusiness and food
- Infrastructure
- Resources and renewable energy
- Defence, advanced manufacturing and space
- Circular economy
- Digital technologies
- Health

### Manufacturing trend

Despite Australia's world-class skills and incredible natural assets, manufacturing has been in decline for decades. As recently as 1990, almost 14% of the GDP came from manufacturing, but currently the share is about 6%. The decline has happened across all product categories. Last vehicle factories (Ford, Holden / GM and Toyota) were closed in 2016-2017. Most of the leading mining technology companies come from abroad.

The Australian Government has begun actively working to change this. The Government's one billion euros Modern Manufacturing Strategy aims to help the Australian manufacturing industry to scale up and become more competitive, sustainable and resilient.

### Energy sector trend

In 2021 still 50% of energy is produced from coal in Australia. Australia's energy sector must undergo a major transition to renewable power sources. Australia's long term energy policy rests on battery storage. It is investing heavily in hydrogen economy and expects to be global leader in hydrogen export.

Important things to consider when doing business in Australia

## Setting up a business

There are a number of important considerations for investors when deciding on how to enter the Australian market or when establishing a business in Australia. Investors will generally need to choose between establishing a new company, registering as a foreign company or acquiring an existing company. If establishing a new business, a variety of business structures are available, each with their own regulatory and tax considerations. Businesses may also need to establish their identity through a trade mark, online and/or physical presence. The Australian Government (AUSTRADE) provides information on and assistance for the continuing operation of a business:

### Why Australia Benchmark Report

Discover why Australia is a great investment destination: <https://www.austrade.gov.au/benchmark-report/home>

### Employing people in Australia

Information on Australian employment regulations, and finding and developing skilled labour in Australia. <https://www.austrade.gov.au/international/invest/guide-to-investing/running-a-business/employing-people-in-australia>

### Understanding Australian business regulation

Information on laws relating to intellectual property, business practices, environment, importing and exporting, and financial reporting in Australia. <https://www.austrade.gov.au/international/invest/guide-to-investing/running-a-business/understanding-australian-business-regulation>

## Annual main trade shows and events

Please contact Business Finland Sydney office.

## Market data sources and other useful links

### Public tendering:

Federal: <https://www.tenders.gov.au>

### States & Territories

ACT: <https://tenders.act.gov.au>

New South Wales: <https://tenders.nsw.gov.au>

Northern Territory: <https://tendersonline.nt.gov.au/>

South Australia: <https://www.tenders.sa.gov.au>

Tasmania: <https://www.tenders.tas.gov.au>

Victoria: <https://www.tenders.vic.gov.au>

Western Australia: <https://www.tenders.wa.gov.au/>

### Cities

For example, Melbourne: <https://www.tenderlink.com/melbourne/>

## Business Finland in Sydney

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