

C. CHARACTERISTICS OF THE AUSTRALIAN MARKET

1. Environmental

Australia is the sixth largest country in area, and enjoys one of the highest living standards in the world. Its 14.6 million people are concentrated in the southeast corner of the country. 85 per cent of Australians live in urban areas, 41 per cent in Sydney and Melbourne. Population growth, averaging two per cent a year in the post-war period, has currently settled at a rate of 1.5 per cent per year.

Australia has historic ties with Britain and English is the only language readily understood in the business community. Probably Australia's strongest selling point as an investment site, besides the per capita income and natural resources wealth, is its political stability. Because of the long distances, hostile terrain and a dependence on foreign trade, the Australian transportation system is well developed, with good air services and a steadily improving road network linking major cities. There are more than 70 commercially significant harbours. Telecommunications are the preserve of a federal commission (Telecom Australia) and, while the quality of service is not considered to be as high as in North America, the network is superior to those in most countries.

2. Socio-economic

With per capita GDP of \$10,374 (1980), Australia ranks as an affluent developed country. The socio-economic factors contributing to that prosperity and the general economic trends witnessed in the post-war period are similar to those of other developed countries. While agriculture was the key sector in the initial stages of Australia's economic development, over the past 20 years there has been a decline in the size of the rural sector relative to GDP, a marked growth in both the service sector and the share of mining in GDP, and a modest reduction in the aggregate share of manufacturing (Table 1). Likewise, there has been a shift in industrial employment patterns. The number of workers in manufacturing has declined or leveled off in the past decade from a peak of 1.42 million in the mid 1970s to 1.27 million at the end of the decade. In the two years to February 1980, employment growth has been concentrated in the service industries (wholesale and retail trade, business services, community services, and the public service), and in the resource-based industries (mining, basic metals and metal fabricating). In construction and other manufacturing, employment declined over