

## ***Economic Reform Leads to Openness***

Once a highly protected, high tariff country, Australia's commitment to economic liberalization, especially tariff reduction, accelerated during the Hawke government in the 1980s.

It has gone further than any other OECD country, with the possible exception of New Zealand, in opening its economy to foreign participation and competition.

The removal of many quantitative trade restrictions, deregulation of financial markets and tax reform make Australia one of the world's most open economies.

Government policy continues to address the need for further structural reforms. Improved global competitiveness for Australian manufacturing, particularly through changes to the industrial relations system, is now being addressed in earnest.

Reductions to corporate tax rates, capital equipment and depreciation allowances, greater emphasis on training programs to improve worker skills, are major micro-economic initiatives being implemented.

Expanded access to foreign investment and technology are also seen as critical to industrial restructuring and increased international competitiveness. Few impediments face foreign firms seeking entry into sectors of emerging opportunity.

Economic forecasts support the assertion that growth rates, while as yet modest, point to sustained recovery in the medium term. This should afford Canadian suppliers excellent prospects for expanded sales.

## **Australia: A Market Unto Itself; A Gateway to Asia Pacific**

Covering a land area of approximately 3 million square kilometres — slightly less than the continental USA — Australia is the world's only continent-country.

Like Canada, it is a land of expansive plains, mountain ranges, and vast, sparsely populated areas. Major urban centres are found on an east-west axis along its southern extremities, from Sydney in the east to Perth in the west, as well as along the north-east coastal plains to Queensland.

A population of 17 million people enjoys one of the highest living standards in the Asia-Pacific region, making Australia a logical market for Canadian exporters of value-added processed and semi-processed goods.

The six states and two territories which comprise the Commonwealth hold an abundance of natural re-

satisfying consumer demand.

It is not uncommon for foreign suppliers to work with a range of agents and sub-agents across the country, each with specific territorial responsibilities in major urban centres.

New South Wales (NSW), Australia's most populous state, is the usual starting point for market development efforts. Sydney, the state's capital, is Australia's international "gateway" and largest city, where most overseas visitors first arrive "down under".

A diverse economic base (tourism, manufacturing, agriculture), and a leading role as Australia's financial and services centre, make Sydney and NSW a key market for Canada. Telecommunications, computer software applications and environmental technologies are all key growth sectors for NSW private-

### **Promotional Programs — see page 6**

sources, which provided the basis for much of Australia's economic development since colonization in the late 1700s.

Agriculture (in particular wool, wheat and beef production), as well as mining and forestry, were major contributing factors to the country's initial economic growth. Australia is now, however, a significant supplier of manufactured products to world markets, especially to Asia but also to Europe and North America.

#### **Be Attuned to Regional Nuances**

A marketing strategy for Australia must take into account the country's geographic diversity, specifically its effect on purchasing patterns and distribution systems in

and public-sector customers.

To the Southwest, Victoria and its capital, Melbourne, remain Australia's manufacturing heartland. As the major centre for automotive, food processing, forestry, and textile, clothing and apparel production, the state offers significant export opportunities for Canadian suppliers of industrial machinery and engineering equipment. Victoria is also Australia's premier dairy-producing region, where Canadian genetics has made an important contribution to herd improvement and increased milk production.

The Island of Tasmania, 150 km to the south of Melbourne, is Australia's smallest state. A key agricultural centre, it is an important

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