

1. AUSTRALIA IN BRIEF

Australia is almost 7.7 million square kilometres in size, making it the sixth largest country in the world. It has a relatively modest population of 17 million. Seventy five percent of Australians reside along the eastern seaboard; the major cities of Sydney and Melbourne account for 40 percent of the total population. There are six states, one territory and a national capital region whose respective populations and surface area are as follows:

TABLE 1.

<u>State & Major City</u>	<u>Population (millions)</u>	<u>Surface Area (km square) (thousand km.sq)</u>
New South Wales (Sydney)	5.8 (3.62)	802
Victoria (Melbourne)	4.4 (3.03)	228
Queensland (Brisbane)	2.9 (1.27)	1727
Western Australia (Perth)	1.6 (1.15)	2526
South Australia (Adelaide)	1.4 (1.03)	984
Tasmania (Hobart)	0.4 (.18)	68
Northern Territory (Darwin)	0.1 (.07)	1346
Australian Capital Territory (Canberra)	0.3 (0.3)	2
Total	16.97 (10.38)	7683

Australia's economy has traditionally been based on natural resources, including minerals, grains and wool, thereby prompting observations that the economy "rides on the sheep's back". In recent times, wool prices have dropped and the agricultural sector, traditionally a crucial export earner, is generally experiencing a slump in export earnings. These factors, together with heavy overseas borrowings have contributed to a sizable current account deficit. Economists and analysts believe indicators point to a slow economic recovery commencing mid-late 1991 after reaching a low point in early 1991, on the heels of two consecutive quarters of negative economic growth.

While Australia's economy is largely based on primary products there has been a push in recent years to improve productivity in the manufacturing sector as a reaction to the government's policy of phasing in lower import tariffs in many product areas. However, in many sectors Australia's high technology capabilities are dominated by multinationals, as the indigenous high technology firms suffer from lack of venture capital and a small domestic market. The total market for advanced technology products in Australia is estimated at \$14 billion, of which about 50% is imported. For every \$100 of exports, Australia imports \$900 of advanced technology products. There are obviously exceptions to this trend and a number of excellent niche products have been developed and exported successfully.