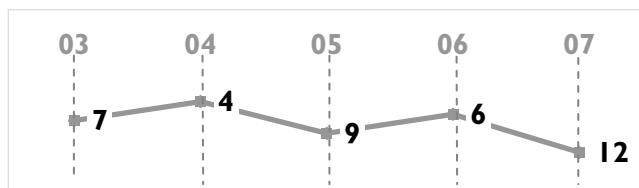


AUSTRALIA

OVERALL PERFORMANCE



CHALLENGES IN 2007

- Reform the education system to promote higher educational and skill levels.
- Encourage business innovation to develop new business processes and technologies particularly in the services sector.
- Boost investment in infrastructure including water, energy and transport networks.

Note: Australian performance is affected by one-off changes in investment rankings due to 2005's change in domicile of News Corporation from Australia to the US.

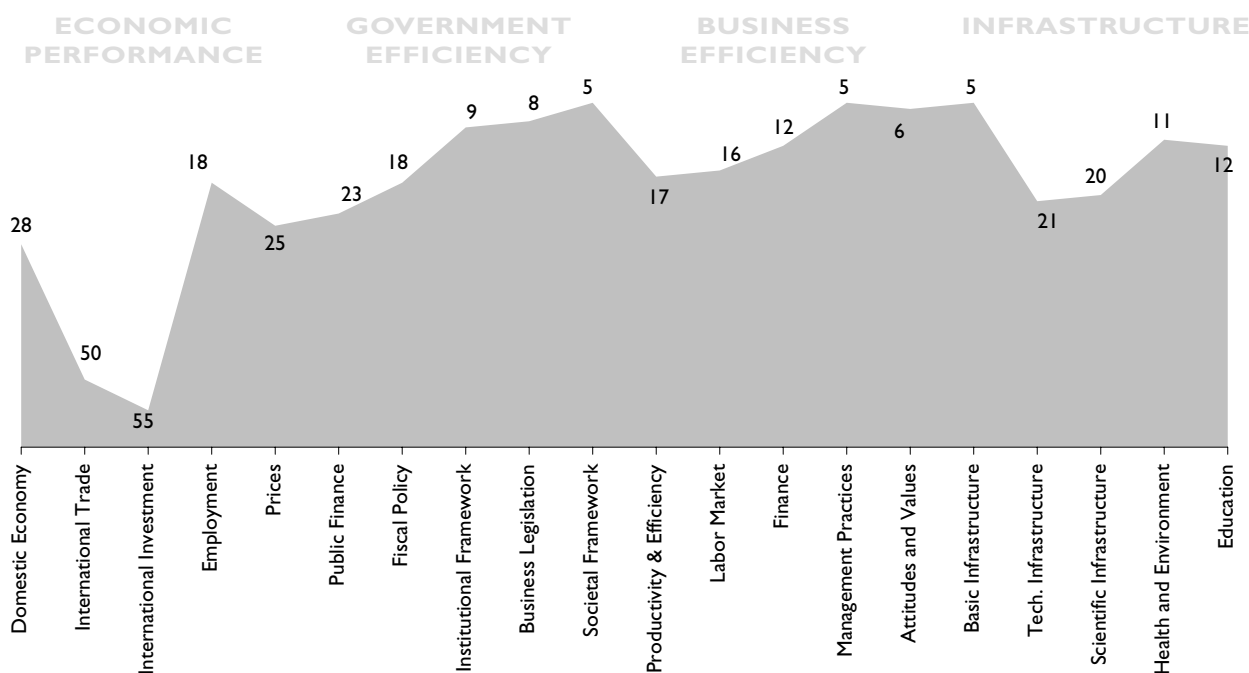
Provided by :

Committee for Economic Development of Australia (CEDA), Melbourne, Victoria

BASIC FACTS

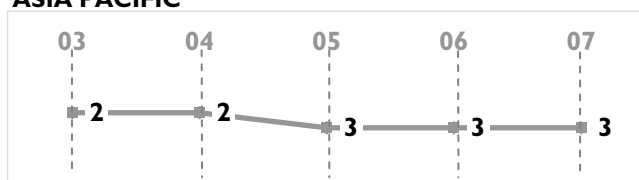
		Rank
Capital	Canberra	
Land area (km ² '000)	7,741.2 (2006)	-
Exchange rate (per \$)	1.33 (2006)	-
Population (millions)	20.61 (2006)	28
GDP (\$ billions)	755.8 (2006)	15
GDP (PPP) per capita (\$)	32,202 (2006)	16
Real GDP growth (%)	2.7 (2006)	47
Consumer Price Inflation (%)	3.5 (2006)	32
Unemployment rate (%)	4.9 (2006)	19
Labor force (millions)	10.71 (2006)	26
Current Account Balance (%)	-5.4 (2006)	39
Direct Investment		
Stocks Inward (\$ billions)	206.1 (2005)	14
Flows Inward (% of GDP)	-5.0 (2005)	53

COMPETITIVENESS LANDSCAPE

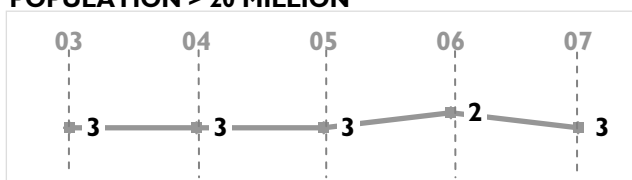


PEER GROUP RANKINGS

ASIA PACIFIC



POPULATION > 20 MILLION



The criteria below highlight the 10 greatest Improvements and the 10 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one year to the next.

IMPROVEMENTS

		WCY 2006	WCY 2007
4.1.22	Energy intensity Commercial energy consumed for each dollar of GDP in kilojoules	11,559	9,120
1.4.07	Long-term unemployment % of labor force	1.14	0.90
2.1.10	Total reserves Gold and official reserves (gold = SDR 35 per ounce), SDR billions	29.43	35.62
2.4.19	Labor regulations do not hinder business activities (Survey)	5.98	6.96
1.2.07	Exports of goods US\$ billions	106.21	123.28
2.2.12	Real personal taxes do not discourage people from working or seeking advancement (Survey)	4.10	4.63
4.2.04	Mobile telephone subscribers Number of subscribers per 1000 inhabitants	827.6	913.9
3.2.06	Labor relations are generally productive (Survey)	7.15	7.85
4.5.13	Language skills are meeting the needs of enterprises (Survey)	6.24	6.84
1.2.08	Exports of goods % of GDP	14.94	16.31
3.2.20	Foreign high-skilled people are attracted to your country's business environment (Survey)	7.27	7.87
2.1.02	Government budget surplus/deficit % of GDP	1.46	1.57
2.5.07	Discrimination (race, gender, age, etc.) does not hinder economic development (Survey)	7.12	7.67
1.2.19	Terms of trade index Unit value of exports over unit value of imports (2000 = 100)	86.4	92.6
3.5.07	Corporate values take into account the values of employees (Survey)	7.00	7.49

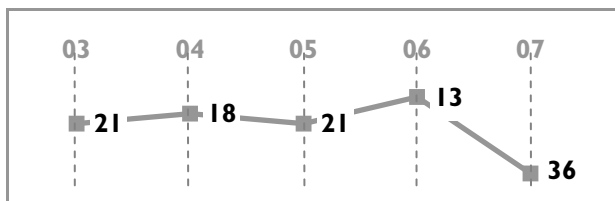
DECLINES

		WCY 2006	WCY 2007
1.3.01	Direct investment flows abroad US\$ billions	10.91	-35.30
1.3.02	Direct investment flows abroad % of GDP	1.71	-4.96
1.3.05	Direct investment flows inward US\$ billions	36.61	-35.37
1.3.06	Direct investment flows inward % of GDP	5.73	-4.97
1.1.14	Real GDP Growth per capita % change, based on national currency in constant prices	1.79	1.08
1.5.01	Consumer price inflation Average annual rate	2.7	3.5
2.4.16	Ease of doing business is supported by regulations (Survey)	7.61	5.65
3.2.16	Skilled labor is readily available (Survey)	5.63	4.44
1.3.07	Direct investment stocks inward US\$ billions	259.15	206.12
1.2.21	Exchange rates support the competitiveness of enterprises (Survey)	7.24	5.82
1.1.19	Resilience of the economy to economic cycles is strong (Survey)	7.39	6.38
2.2.07	Effective personal income tax rate % of an income equal to GDP per capita	19.02	21.54
4.1.23	Electricity costs for industrial clients US\$ per kwh	0.054	0.061
1.3.03	Direct investment stocks abroad US\$ billions	204.20	177.87
3.2.19	Brain drain (well-educated and skilled people) does not hinder competitiveness in your economy (Survey)	6.10	5.32

AUSTRALIA



ECONOMIC PERFORMANCE



Sub-Factor Rankings :	2007
Domestic Economy	28
International Trade	50
International Investment	55
Employment	18
Prices	25

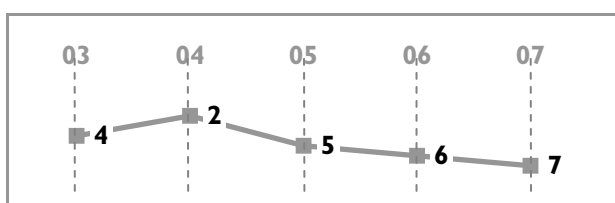
Strengths

I.1.19	Resilience of the economy to economic cycles is strong (Survey)	7
I.4.07	Long-term unemployment Percentage of labor force	10
I.4.08	Youth unemployment Percentage of youth labor force (under the age of 25)	13
I.2.21	Exchange rates support the competitiveness of enterprises (Survey)	13
I.4.02	Employment Percentage of population	14

Weaknesses

I.3.05	Direct investment flows inward US\$ billions	54
I.3.01	Direct investment flows abroad US\$ billions	54
I.3.02	Direct investment flows abroad Percentage of GDP	54
I.3.06	Direct investment flows inward Percentage of GDP	53
I.1.14	Real GDP Growth per capita Percentage change, based on national currency in constant prices	52

GOVERNMENT EFFICIENCY



Sub-Factor Rankings :	2007
Public Finance	23
Fiscal Policy	18
Institutional Framework	9
Business Legislation	8
Societal Framework	5

Strengths

2.4.18	Start-up days Number of days to start a business	1
2.3.11	Political parties do understand today's economic challenges (Survey)	3
2.3.07	Policy direction of the government is consistent (Survey)	4
2.5.11	Harassment (unethical behaviour, mobbing, violence, etc.) is adequately addressed (Survey)	4
2.4.10	State ownership of enterprises is not a threat to business activities (Survey)	5

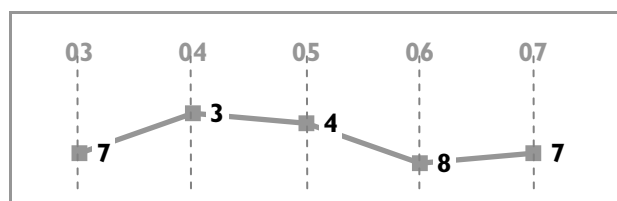
Weaknesses

2.3.03	Interest rate spread Lending rate minus deposit rate	45
2.2.07	Effective personal income tax rate Percentage of an income equal to GDP per capita	36
2.2.08	Corporate tax rate on profit Maximum tax rate, calculated on profit before tax	36
2.3.01	Real short-term interest rate Real discount / bank rate	34
2.4.05	Foreign investors are free to acquire control in domestic companies (Survey)	33

AUSTRALIA



BUSINESS EFFICIENCY



Sub-Factor Rankings :	2007
Productivity & Efficiency	17
Labor Market	16
Finance	12
Management Practices	5
Attitudes and Values	6

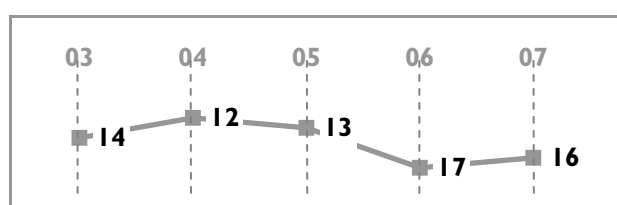
Strengths

3.4.04	Corporate boards do supervise the management of companies effectively (Survey)	2
3.4.02	Ethical practices are implemented in companies (Survey)	3
3.4.06	Shareholder value is efficiently managed (Survey)	3
3.3.17	Shareholders' rights are sufficiently implemented (Survey)	4
3.5.06	The value system in your economy supports competitiveness (Survey)	5

Weaknesses

3.2.05	Working hours Average number of working hours per year	47
3.2.16	Skilled labor is readily available (Survey)	43
3.2.01	Compensation levels Estimates: Total hourly compensation for manufacturing workers (wages + supplementary benefits), US\$	39
3.2.03	Remuneration in services professions Gross annual income including supplements such as bonuses, in US\$	37
3.2.02	Unit labor costs in the manufacturing sector Percentage change	32

INFRASTRUCTURE



Sub-Factor Rankings :	2007
Basic Infrastructure	5
Technological Infrastructure	21
Scientific Infrastructure	20
Health and Environment	11
Education	12

Strengths

4.4.10	Human development index Combines economic - social - educational indicators / Source: Human Development Report	3
4.4.05	Life expectancy at birth Average estimate	3
4.2.09	Internet users Number of internet users per 1000 people / Source: Computer Industry Almanac	4
4.5.11	Economic literacy among the population is generally high (Survey)	4
4.4.20	Quality of life is high (Survey)	5

Weaknesses

4.2.10	Internet costs Cost for 20 hours dial-up per month, US\$	42
4.5.14	Qualified engineers are available in your labor market (Survey)	40
4.2.05	Mobile telephone costs Mobile cellular tariffs - US\$ per 1 minute (local)	38
4.2.06	Communications technology (voice and data) meets business requirements (Survey)	36
4.3.21	Patent productivity Patents granted to residents / R&D personnel in business ('000s)	33