

## **Key Economic Development Indicators of Australia in Early 21st Century**

The Australian economy is a developed market-based system. Australia is a highly developed industrial and agrarian country with diversified economy and high research and technology potential. As a result of structural reforms deployed by the government, affecting the commodity, capital, and workforce market, the country's economic system is very flexible and is quickly integrating into the global economy. Significant increase in economic effectiveness due to such reforms, coupled to sound financial policies and strengthening the financial base, contributed to creation of an elastic and resilient national economy structure.

Australia has boasted of a generally stable economic growth rate for more than 20 years. From 1991 to 2000 the annual average economic growth rate amounted to 3.3 per cent, from 2001 to 2010, 3.0 per cent. From 2011 to 2016 the Australian annual average economic growth rate exceeded 4 per cent. According to forecasts, in the first half of 2017 the economy will see the average growth rate of 2.5 per cent. In 2020 the annual average economic growth rate of 2.9 per cent is expected. With its economy growth rate Australia is ahead of most OECD countries, including US, UK, Germany, and Japan [1; 2; 3;4;7;8].

In OECD experts' opinion, macroeconomic development prospects are extremely favorable for Australia. The Australian economy is 13<sup>th</sup> largest national economy of the world with GDP, totaling roughly at 1.7 per cent of the entire global economy. By the end of 2015 the Australian economy volume totaled at USD 1340 billion. According to forecasts, by mid-2017 the Australian GDP will amount to USD 1410 billion, and in 2020, USD 1720 billion [3;4;5;7;8;9].

Currently Australia is 15<sup>th</sup> richest nation for per capita GDP. In particular, the Australian per capita GDP exceeds that of UK, Germany, and France. This result is the second best for the Asia-Pacific. Only Japan boasts of a higher per capita GDP than Australia. And that is coupled to the Australian per capita GDP growth rate higher than in the New Zealand, US, and Canada. At the end 2015 the Australian per capita GDP was USD 54718. By mid-2017 this indicator was forecast at the level of USD 56000, and by 2020, USD 59160 [6; 7; 8; 10].

As to the inflation level in the country, it should be noted that the steady economic growth observed in Australia ever since early 1990s and the significant increase of its economic efficiency were accompanied by a substantial drop of the inflation rate. For instance, from 1993 to 2006 the annual inflation rate amounted 2.5 per cent on the average. From 2007 to 2015 the inflation rate averaged at 2 to 3 per cent, which is lower than in many developed countries. As of June 2016,

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\* Mosolova Olga V. – Senior researcher, Institute of Oriental Studies, RAS

the national inflation rate was at 1 per cent. By mid-2017 this indicator was forecast at the level of 1.9 per cent, and in 2020, 3.8 per cent [3; 6; 7; 8; 9; 10].

Geographically, and in some respects, economically, Australia can be viewed as an Asian country. Compared to the rest of Asia-Pacific, Australian economy has its specific traits because in its economic development the country resorts to production and export of minerals to a much larger extent than most of other developed economies. The soaring Asian and, most of all, Chinese demand for Australian raw materials are the paramount economic development driver.

GDP is distributed between the economic sectors as follows: the share of agriculture is 2 per cent, industry, 33 per cent (with mining responsible for 13 per cent, manufacturing industry, 11 per cent, construction, 9 per cent), service sector, 65 per cent. (2016 data). Australia boasts of the highest labor efficiency in the Asia-Pacific both in industry and agriculture [7; 10].

Australian economic structure is stable; it is laid on a solid basis of institutional economic regulation methods. Continuation of structural reforms (including, in particular, reforms of the fiscal system, labor market, and financial sector; regulation of competition and conduct of corporations on the market) is essential to develop the country's economic potential.

Beyond doubt, economic success of Australia is based in many respects on utilization of its abundant natural resources. At the same time, the government pays close attention to development of high-end industries. Innovation projects are actively financed, large sums are allocated to R&D in advanced industries and development of new technologies; tax preferences are granted to R&D companies. As a whole the nation stands high chances to achieve competitive advantages in the global innovation race.

The achievements of Australia in innovations are universally renowned, in particular, in medicine and chemistry; research is carried out in environmental technologies, maritime biology, agriculture, bionics, nanotechnology, manufacture of microchips, aircraft engineering and aerospace technologies, solar energy, etc.

Availability of highly skilled factory workers and engineers is an important factor to secure a successful economic development. Australia is renowned for a high level of education and professional training. The Australian education system is among the global leaders as to meeting the needs of modern and competitive economy. The items of education and professional development receive substantial funding in the national budget. Australia boasts of high skills of engineers and high-tech specialists. Many top managers and engineers have worked internationally.

As to the foreign trade, Australia is 19<sup>th</sup> largest exporter and 19<sup>th</sup> largest importer globally. Australia supplies its commodities and services to over 200 countries and is a major importer of products from around the world. As of June 2016, the exports totaled at AUD 25803 million, and imports, at AUD 28998 million. By mid-2017 these indicators were forecast at the level of UAD 6200 and 29156 million, and by 2020, UAD 28500 and 32400 million [7; 8; 10].

The principal items of Australian exports are as follows: iron ore (including concentrate), coal, gold, crude oil and natural gas. The largest proportion in the Australian imports is taken by crude oil, cars, refined oil, medicines (except veterinary), and telecommunication equipment. Lately Australia achieved a great surge in the sales of services.

As to the geographical exports distribution, it should be noted that currently the bulk of Australian exports is shipped to members of the Asia-Pacific Economic Cooperation (APEC). The contribution of APEC partners exceeds 2/3 of the overall Australian sales of commodities and services (in 2014, 72.6 per cent) [11].

The key export partners of Australia are as follows: China (32.5 per cent), Japan (15.4 per cent), South Korea (6.8 per cent), US (5.1 per cent), New Zealand (3.5 per cent), Singapore (3.3 per cent), India (3.2 per cent). The key import partners of Australia are as follows: China (15.4 per cent), US (12.2 per cent), Japan (6.3 per cent), Singapore (5.5 per cent), Germany (4.1 per cent), Thailand (3.9 per cent), Malaysia (3.8 per cent). (2014 data), [10; 11].

Under the conditions of globalization, Australia takes an active part in the international economic integration being a member to many international economic organizations. Australia is one of the active members of the Asia-Pacific Economic Cooperation (APEC) and the World Trade Organization (WTO). The efforts of Australia to liberalize the global trade are secured with regional or bilateral trade treaties.

The general area of Australian government's efforts lies in deepening of the structural reforms in the country to ensure a wider access to global markets and to expand the state-of-the-art and competitive national export base to be used under the conditions of global trade liberalization.