



AUSTRALIA

Market characteristics and attractiveness

Prepared April 2024



YOUR GATEWAY TO BUSINESS IN AUSTRALIA

Australia's stable economy and business-friendly environment enhance its appeal as an attractive destination for Danish companies seeking to expand globally. Australia shares several similarities with Denmark, from relatively high price levels to low political, bureaucratic, and legal risks, not to mention that the population is English-speaking and adheres to somewhat similar cultural norms as the Danish.

The cultural similarities between Denmark and Australia are quite noticeable. Australians are typically familiar and knowledgeable about Denmark and its prominent brands, contributing to smooth and straightforward business operations for Danish companies.

The success of over 120 Danish subsidiaries already operating in Australia attests to the viability of this market.

There are also challenges to consider, such as the distance from Denmark, diverse time zones, and the vast distances within Australia itself. However, key population centers like Sydney, Melbourne and Brisbane offer concentrated opportunities for business establishment, mitigating some of these obstacles.

Our team of trade specialists focus on various sectors, primarily Food & Agriculture, Green Build & Urban Development, Renewable Energy (wind, power-to-X, biogas etc.), and other sectors such as Health & Life Sciences, IT/Digital. We offer public and economic diplomacy, commercial knowledge, necessary resources, and valuable contacts to facilitate your entry into the Oceania market. Australia presents a unique opportunity for Danish companies, and we are here to guide you through the journey of exploring its potential.

FACTS ON AUSTRALIA

A gateway for global trade

Australia is an open economy, with preferential access to the dynamic Asia-Pacific and other Oceania markets, with a highly-educated, diverse and innovative workforce.

Australia is ranked #14 on the Ease of doing business score (*World Bank, 2023*)

12th

Largest economy in the world

Australia and Denmark signed a Strategic Partnership Agreement in 2023.



120+ Danish subsidiaries are already established in Australia

Tourism, mining and education are three of the biggest industries in Australia



English is the main language of Australia.

Australia holds #1 position for new technology skills

Australia consistently ranks among the top five countries for university education systems and rank fifth in the world on the UN's Human Development Index, further underlines its commitment to cultivating a highly skilled workforce.



National Green Transition Momentum

Australia has committed to decarbonizing providing opportunities for Danish sustainable solutions.

GDP per capita (2022)

60.994 Australia
60.346 Denmark
34.160 EU

Corporate tax rate of 25-30%



Population of Australia

26,6 million (2023) with an approximate annual increase of 500.000 persons.

Australian business culture

Relationship building is key to doing business in Australia

Building trust and establishing personal connections with colleagues and clients can help to facilitate effective communication and collaboration. Australians prefer to get to know you and then do business. Punctuality is essential to give a good impression.

Respect for diversity and the environment

Australia is a diverse country, which is reflected in the business culture where people from different backgrounds and cultures are valued for their unique perspectives and contributions. Australians also have a strong respect for the environment, and many businesses prioritize sustainability and environmental responsibility.

Direct communication

Australians tend to communicate directly and openly, and they value honesty and transparency in business dealings. They may be less likely to use euphemisms or indirect language to soften the impact of negative feedback. Therefore, be clear and concise in your language and avoid using overly formal or academic speech.

The political environment

Political structures

Australia operates as a representative democracy, mirroring aspects of the Westminster-style government from the UK model. The country is structured as a federation comprising six states and two self-governing territories, each entity possess distinct political institutions and legislative frameworks. Overall, the Australian political environment is relatively stable, but there are sometimes divergent policies among the different states.

Key political issues

A notable emphasis lies on amplifying the voice of Aboriginal communities, ensuring their inclusion in matters spanning social, political, cultural, and economic needs. The Australian government has been mandated by a UN committee to provide compensation and protect local communities from the impacts of climate change. This issue significantly impacts within the Australian business environment. Climate change has also emerged as an increasingly concern for Australian voters, prompting the federal government to legislate 43% emissions reduction target by 2030 and heighten support for renewable energy initiatives. Australia has also committed to the Paris agreement and alliances such as UNFCCC, APEC, GOWA, and other regional agreements on sustainability. The Labor government was elected in 2022 and has further increased public focus on sustainability, making it a favourable market for Danish companies with sustainable solutions.