Current Economic Situation

The abundant and diverse selection of natural resources available, along with its strong services sectors, account for a significant portion of the Australian economy. Its economic history speaks to the success of these sectors, with continued growth for 17 years prior to the global financial crisis.

In response to a stimulus package introduced after the onset of the economic downturn in 2008, Australia's economy recovered in 2009 after just one quarter of negative growth. Unemployment peaked at 5.7 percent in 2009. The majority of Australia's workers are employed in services sectors, which makes up 75 percent of labor. The industrial sectors come in second at 21 percent.

Since 2010, major economic developments have been underway, such as creating and enforcing emissions trading legislation, a key issue in APEC, and developing closer economic relations with China and the rest of Asia. Other pressing challenges include bushfires, drought, and other climatic issues.

Moreover, Australia is ranked #9 out of 183 economies in the World Bank's Ease of Doing Business rankings.

APEC Relations

As APEC's fifth largest economy, Australia holds an influential position during negotiations. Australia was one of the founding APEC members and host to the first APEC meeting in 1989 as well as the 2007 summit. Australia has been instrumental in advancing APEC's core objectives of regional economic integration, business facilitation, and structural reform through its active involvement in more than 30 APEC forums.

Trade with APEC has increased from $89 billion in 1989 to $347 billion in 2009, which accounted for 72 percent of Australia's trade. China has dominated both the economy's import and export statistics. Free trade agreements negotiations are continuously underway for China, Japan, Korea and the Trans Pacific Partnership.

Energy and Environmental Policy

Australia remains at the forefront of improving energy policy and leading the push for environmental issues. Through $500 million in competitive grants and over $1 billion in private funding, Australia has set an initiative to cut greenhouse gas pollution by 60 percent by 2050, and it is likely to achieve this reduction by 2020. In addition, major investments are being made in the energy sector, such as the $40 billion Gorgon Liquid Natural Gas Project in northern Australia and $5 billion in clean energy technology, such as wind, solar and geothermal power.

Free Trade Agreements:
Australia-Association of Southeast Asian Nations (ASEAN)
Australia-New Zealand
Australia-Singapore
Australia-U.S.
Australia-Chile

Under Negotiation:
Australia-China
Australia-Korea
Australia-Japan
Australia-Malaysia
Trans-Pacific Partnership

KEY FACTS
Population: 21.9 million
GDP: $924.8 billion
GDP per capita: $42,278.7
Balance of Payments: -$47.8 billion
Commercial Services BOP: -$3.1 billion
Government: Federal Parliamentary Democracy