

MEDIA RELEASE – UNDER EMBARGO TO 11:00am

Services to become Australia's number one export to Asia, supporting a million jobs by 2030: ANZ PwC Asialink Business Services Report

MELBOURNE, Australia - 17 April 2015: By 2030, services could become Australia's number one export to Asia in terms of total value added, and in the process support one million Australian jobs, ANZ Chief Mike Smith, PwC Asia Practice Leader Andrew Parker and Asialink Business chief Mukund Narayananamurti said today at the launch of the ANZ PwC Asialink Services Report: *Australia's Jobs Future - The Rise of Asia and the Services Opportunity*.

"More than ever, Australians are focused on the future of the economy and how we can diversify our economic base, deliver more and higher paid jobs, and pay for government services for an ageing population. This report shows not only that the services sector will play an increasingly large role in the country's future economic prosperity, but also that the opportunity for Australian services companies in Asia is immense," Mr Smith said while launching the report which is produced by Asialink Business.

"The report projects that by 2030, Australia's annual services exports to Asia could be worth \$163 billion, (a more than 135 percent increase from 2013), and support more than one million jobs. In addition, sales by Asian branches of Australian services companies could grow from \$14 billion in 2013 to as much as \$78 billion by 2030. The services sector is set to become Australia's number one exporter to Asia by 2030, surpassing the resources sector and supporting more jobs than all other exports combined.

PwC's Asia Practice Leader, Andrew Parker said that "We are at an important point in our history where Australian business can continue on our path of bilateral trade relationships with Asia or we can be more ambitious and invest in Asia and be part of the rapidly growing intra-Asian trade that is re-defining global supply chains. This report underlines the enormous opportunities that Asia presents to the Australian firms who provide the services that support these new supply chains."

Other key findings include:

- Services industries already employ almost nine out of every 10 Australian workers and are the largest contributor to the Australian economy.
- Services account for 41 per cent of Australia's export earnings when measured in terms of total value-added, compared to 37 per cent for mining, and 23 per cent collectively for agriculture and manufacturing.
- Sales of services by foreign affiliates of Australian companies were estimated at \$138 billion in 2013, providing an important source of income and employment benefits for Australia.
- Demand in Asian economies for services will expand with the burgeoning middle class – from around 500 million today to 3.2 billion people by 2030.



Speaking about Australia's opportunity to position itself as a key services provider to Asia, Asialink Business CEO Mr Narayananamurti said, "There is no question that Asia today is an under-serviced region, and that Australia has a unique opportunity to position itself to take advantage of Asia's growing demand for world-class services however a program of action is required."

The report identifies six ways in which Australia can position itself as a key services provider to Asia:

1. Ensuring the Australian marketplace is open so Australian services industries are internationally competitive.
2. Establishing an ongoing program of dialogue between business and government to identify necessary changes to regulations in foreign jurisdictions that impede access to Asian services markets.
3. Advocating for the liberalisation of international trade in services, and of foreign direct investment, to expand opportunities for Australian services firms to sell into Asia.
4. Recognising and promoting Australian offshore investment
5. Re-assessing the way we measure the value of exports, in order to better understand which industries are generating the greatest returns from international trade; and
6. Continuing to develop an Asia-capable and internationally oriented workforce.

"This program will help position the Australian services sector to capitalise on the growing opportunities created by Asia's rise. As the growth of commodity exports moderates from the historic peaks of the past few years, earnings from services will become a key vehicle to realise the Asian opportunity, contributing substantially to Australia's economic growth, and providing hundreds of thousands of jobs for Australian workers," concluded Mr Narayananamurti.

The ANZ PwC Asialink Business Services Report is available to download here:

http://asialink.unimelb.edu.au/asialink_business/research_initiatives/australias-jobs-future-the-rise-of-asia-and-the-services-opportunity
(after 11am on Friday 17 April, 2015)

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About Asialink Business

Asialink's business capability division – Asialink Business – works with assistance from the Commonwealth Department of Industry and the Australian business community to equip Australia's workforce to engage successfully with the Asian region.



About ANZ

ANZ is among the top four banks in Australia, the largest banking group in New Zealand and the Pacific, and among the top 50 banks in the world. Our history dates back over 175 years, and we now operate in 33 markets globally with representation in Australia, New Zealand, Asia, Pacific, the Middle East, Europe, and America. We provide a range of banking and financial products and services to around eight million customers, and we employ approximately 50,000 people worldwide.

About PwC

PwC Australia helps organisations and individuals create the value they're looking for. We're a member firm of a network of firms in 157 countries with more than 195,000 people who are committed to delivering quality in assurance, advisory, tax & legal, and private clients services.

PwC is one of Australia's leading professional services firms, bringing the power of our global network of firms to help Australian businesses, not-for-profit organisations and governments assess their performance and improve the way they work. Having grown from a one-man Melbourne accountancy practice in 1874 to the worldwide merger of Price Waterhouse and Coopers & Lybrand in 1998, PwC Australia now employs more than 6,000 people.



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