



The land of opportunity Australia in the Asia Pacific

EXECUTIVE SUMMARY
2024



Australia's relationship with Asia has undergone a transformation, fuelled by migration, trade and economic dynamics.

Today, Australia stands at an important junction, marked by a shift in its position within the Asia Pacific region and its emerging leadership role in the global energy transition. As demand increases for renewable and other alternative sources of energy, a picture of the quantum of private capital required is becoming clear — presenting significant opportunities for institutional investors.

Australia's energy transition ambitions, offshore investment needs, proximity to Asia, innovation track record and government and industry support, provide a favourable backdrop for these opportunities.

The following is a summary of insights from QIC's insight paper – **The land of opportunity | Australia in the Asia Pacific**.

Migration, trade and investment dynamics

Australia's relationship with Asia has transformed over recent decades, driven largely by the significant migration which underpins Australia's population growth, as well stronger economic ties through trade and growing foreign direct investment.

Investment from China into Australia has risen on average 13% each year over the last decade¹

12 of Australia's top 15 export markets are in Asia²

The 2021 census found that 45% of Australia's overseas-born population migrated from Asia³

Australia's investments into major Asian economies increased from A\$165 billion to A\$438 billion between 2012 and 2022⁴



Australia as an investment destination

Australia's appeal as an investment destination lies not only in its mature economy but also in its stability and innovation. It boasts a stable political system, robust legal and governance systems, and an adaptive regulatory environment.⁵

12th largest economy⁶

7 of the world's top 100 universities⁷

One of the world's most innovative countries⁸

Ranked 5th in the region for its foreign investment policy⁹

#1 in the Asia Pacific in the Talent Attractiveness Index¹⁰

One of the lowest tax rates relative to GDP across high-income economies¹¹



The world's 2nd highest median wealth per adult¹²

One of 9 countries to be AAA rated by all three major credit rating agencies¹³

Australia's energy transition opportunity

QIC views the global energy transition as one of the most attractive investment opportunities in a generation, and we believe Australia is set to become a critical player in the world's efforts to decarbonise.

For Australia to achieve its goal of reaching net zero emissions by 2050, over US\$1.9 trillion will need to be invested.¹⁴ This vast opportunity, coupled with Australia's natural abundance of renewable resources and the high-value minerals required to facilitate the transition, positions Australia as a compelling investment destination for institutional investors.

Ranked 1st in the world for installed solar capacity per capita¹⁵

Ranked 3rd globally for attractive foreign investment in renewable energy¹⁶

Some of the world's largest reserves of critical minerals: nickel, zinc, and tantalum, lithium, cobalt and copper¹⁷



Find out more about Australia's position in the Asia Pacific region by reading our full paper at www.qic.com.

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Notes

- 1 Australian Trade and Investment Commission. (2023). [Why Australia: Benchmark Report 2023](#).
- 2 Department of Foreign Affairs and Trade. (2023). [Trade Statistics](#). Accessed 14 February 2024.
- 3 Australian Bureau of Statistics. (2021). [Country of birth of person \(BPLP\)](#). ABS. Accessed 14 February 2024.
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- 4 Department of Foreign Affairs and Trade. [Statistics on where Australia invests](#).
- 5 Economic Intelligence Unit, 2023.
- 6 International Monetary Fund, 2022.
- 7 Times Higher Education, World University Rankings 2023.
- 8 United Nations Conference on Trade and Development. (2023). [Technology and Innovation Report 2023: Frontier technologies readiness index](#).
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- 9 Economic Intelligence Unit, 2023.
- 10 Boston Consulting Group. (2021). [Decoding Global Talent, Onsite and Virtual](#). Accessed 22 February 2024.
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- 13 Treasury Portfolio. (2024, February). [Australia's AAA credit rating reaffirmed following MYEFO](#).
- 14 Bloomberg NEF. (2023, May). [Report shows pathway and cost for Australia to meet climate goals and become major hydrogen exporter](#).
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