

# **Australia Presentation Proposal**

International Retailing-BUF 3300

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## Australian Culture

Australia is an ideal country to start international retailing. They stand out because they have a lot of aspects that are essential in creating a strong business tie. Even at this difficult time of a worldwide pandemic, they have maintained relatively low rates of COVID-19 and have slowly started working on re-opening little by little. Australia's economy is stable, it is constantly growing and, according to Austrade.gov.au, they have achieved 28 years of consecutive annual economic growth. This fact makes them a strong, safe, and reliable country to align with. They are also extremely trustworthy because of their strong global ties importing and exporting with the United States (Workman, 2020) and other countries such as China, Japan, Korea, and India. Not only is Australia economically stable they are politically stable. They have maintained a stable liberal democratic political system under its Constitution. Australia also has a large surplus of land that makes it possible to grow a whole variation of fibers. They are capable of growing a variety of natural fibers, for example cotton, hemp, and even Banyan fibers, which come from the Banyan tree bark. Although they're known for the variety of natural fibers, in the textile industry they are mainly known for selling wool. Overall Australia is a strong choice to start retailing in.

When most people think of Australia, kangaroos and koalas, golden beaches, and their unique accents all come to mind but there's a lot more to the Australian lifestyle. Australia's culture can be described as a western culture. However, because they are so diverse and multicultural, you can't just define it as one thing. 24 million people make up the population in Australia, which is fairly low, considering it is the 6th largest country in the world. Aboriginals also known as indigenous Australians are the natives they migrated from Asia almost 50,000

years ago and they originally migrated from Africa to Asia 70,000 years ago (International students, 2020). Owing to a lot of diseases spreading throughout Australia from Britain's coming to settle the Aboriginals population, indigenous Australians have their own customs and cultures. Today, most of the Aboriginals population has modernized, but there's still some that follow the traditions and live in settlements at old church missions. Although they seem to be a predominantly Christian country, religions from all over the world are around the country. They are a very accepting and open county, same sex marriage was legalized in 2017. The national language is English but they do mix in a twist of their own slang. Just like other components of their culture, they don't have a specific cuisine. Although it is pretty unique, that kangaroo is a popular delicacy. A big aspect of Australian culture is sports, which they take extremely seriously. The most popular sports in Australia include soccer, cricket, rugby, golf, tennis, and more. The Australian culture is made of different types of vital components such as their history, food, and entertainment. Australia takes pride in demonstrating cultural diversity and is unlike any other nations.

### **Imports/Exports**

Australia possesses powerful trade relationships with countries all over the world. Australia is a vital supplier to markets in the Asian-pacific region due to its convenient location. However the government has placed policies on international trading. In Australia businesses are allowed to import products from overseas, but they have to make sure they are following rules and regulations set by the government. Regulation is set to protect customers, domestic industries, and the environment from anything that can be damaging. Imports that don't meet the requirements can be seized by border control. A free trade agreement also known as an FTA is an

agreement between nations to lower barriers to imports and exports among them. A free trade policy makes it easier for goods and services to be exchanged, bought and sold across international borders. FTA's provide only small government tariffs or even none at all. Australia has FTA's with six other countries. Imports and exports are a very important part in Australia.

### **Political Stability**

Australia has been largely recognized as a firm reforming democratic political system. According to the Economist Intelligence Unit, Australia has ranked in the top ten countries to be a "fully democratic" country (Solution, 2019). As a result of this political structure Australia offers a free market for foreign investors and facilitates a strong regulatory system. As stated in the the Australian Trade and Investment Commission, "our regulations are designed to ensure a fair competition, sufficient protection for the relevant parties and integrity in the market", ("Understanding Australian business regulation - Austrade," 2020). In 2018, Prime Minister, Scott Morrison introduced the Commonwealth Integrity Commission, this model allows the government to investigate any corruptions among the public sector to ensure a fair environment among businesses in the country. Australia also offers an independent judiciary system, although classified as a monarch country, Australia is represented by the United Kingdom's queen or king. However the legal system is independent of it's politics and is operated within the government. This means that businesses in Australia won't have to deal with outside forces on how to run their companies.

## **Retailing Industry**

Australia has one of the most advanced retail industries in the world making it a great fit for international retailing. This industry consists of different sectors such as apparel, footwear and accessories, household textiles and the food industry. Australia's retail industry as a whole total turnover amassed 329.6 billion last year ending with a nine million increase from 2018 (Hughes, 2020). Over the past decade, both brick and mortar e-commerce sales have shown a steady increase. However, due to the recent wildfires that have affected the country's economy, the apparel industry has seen a twenty eight percent decrease in sales. Other factors include rising sale prices and cost of living expenses (Santorencous, 2020). Although brick and mortar sales have declined, e-commerce sales have helped the industry and continue to rise. As a result, Australia has focused on technology to meet the demand of consumers (Farfan, 2020). This was an important factor in the group's interest in Australia. Innovative advances in technology and e-commerce is an important step for the future of retail and consumer demand. The world witnessed shelter in place orders due to COVID-19 and it changed the way many of us shopped and viewed retailers. Australia is taking steps to be ahead of the curve and able to adjust to consumer demands as well as adapt to the changing economy.

## **COVID-19**

COVID-19 is a highly contagious disease which stemmed from a newly discovered strand of the coronavirus. The illness has heavily impacted the entire world over the past few months. As of today, there have been over 6.4 million cases and over 379,000 deaths worldwide due to the pandemic (Gutiérrez, 2020). While several regions and countries across the world have experienced huge case numbers within their boundaries, such as the United States with the

largest amount of cases (1.88 million), Brazil with over 561,000 cases and Russia with over 432,000 cases (2020), Australia, on the contrary, has reported very low rates of COVID-19 case numbers (Fuentes, 2020). As of Wednesday June 3rd, 7,229 cases have been reported in the region and only 102 deaths since the introduction of the pandemic (Fuentes, 2020). Unlike many regions elsewhere, there are even cities within the region, such as its capital city Darwin, which have zero deaths reported (2020). To be the planet's sixth largest country ("Australia's Size Compared", 2020) these statistics are incredible. Of the 7,229 cases, 6,640 victims have recovered from the virus (Australian Government Department of Health, 2020). In order to control the spread of the virus the Australian government has enforced temporary lockdown rules and restrictions that have recently slowly eased up. As of June 1st several places, such as Queensland, Tasmania and ACT, have allowed the opening of retail stores, hair salons and theaters, with specific rules set in place to ensure resident safety (Landis-Hanley, 2020). Borders for travel remain closed except for essential reasons.

### **Economic Stability**

Australia consists of 0.3 percent of the world's population and although that is a very small amount, the country always finds a way to thrive through the storms. In fact, the success of the Australian economy was recognized as the 14th largest in the world and fifth largest in the Asian region in 2019 ("Why Australia," n.d). For 28 consecutive years economic growth in Australia has been a success, with such a great amount of success industries may feel comfortable and welcomed to do business in the region ("Why Australia," n.d). As a whole, the country plans to have a 2.7% growth in GDP for the next five years which will gain them a tremendous amount of recognition from other economies and perhaps help them adapt to their

strategies (“Why Australia,” n.d). Some of the industries that are bringing so much wealth to Australia are education, energy and resources, agribusiness, financial services, and health care (“Dynamic Industries,” n.d). As technology continues to advance, Australia is parallel to it as they are developing new, innovative and commercialized technologies. Alongside many wonderful things Australia has to offer, agriculture is part of that list as well, as they have prosperous demands for their delicate foods, tourism, healthcare and professional services worldwide. Looking into the production of iron ore, gold and uranium, Australia has the largest in the world and the main buyers are China and Brazil. (“Dynamic Industries,” n.d., Knight, 2020) Australia would be the perfect region to start a business in as their future seems very bright.

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