



Opportunity Down Under

Over the last six months, Munro & Associates has been spending more and more time in Oz as more and more opportunities have been presenting themselves. An August tour alone, saw us in Sydney, Melbourne, Perth, and Adelaide. So why Australia do you ask? To the North American market, which is mostly concerned with itself, it may be surprised to find that a country of about 20 million people is doing significantly better from an economic health and growth standpoint than most countries in the world.

So what makes Australia's market, unique?

Firstly, Australia's conservative banking system, which was modeled after Canada's, did not get involved to a large extent in the subprime banking debacle in the buying and selling of those investment derivatives. However, unlike Canada, whose manufacturing economy depends a lot on trading with the US, Australia's manufacturing and trade is much more diversified. Being surrounded by the giant Asian market, as well as doing business with Europe, India, and North America, Australia is well poised to avoid roll-on repercussions of any one particular market failing.



Also, like Canada, Australia's economy and dollar value, is strongly driven by commodity trade, with mining in Western Australia creating an ongoing boom in the economy as well as keeping their dollar quite high - almost at parity with the US.

Australia also seems to be a testing ground for many industries, with the country boasting the highest diversity of auto selection in the world, high selection of electronics from many different sources (proximity to Asia), and an admitted proving ground for companies like Virgin, to test new business models and products, ranging from mobile and wireless Internet to its airline structure, before launching or making changes in the UK, Europe, or American market.

Even their military is looking to expand, with the government and the Australian Submarine Corporation (ASC) looking to possibly expand their fleet with 12 new submarines to replace the existing Collins Class by 2025. This would be an economic expenditure larger than any government build program in the history of this country.

All things considered, Australia's doing pretty well for itself, and more importantly, they're looking to invest, expand, and in general, spend. It will be very interesting to see how this country handles itself over the next few years because it has the potential for tremendous growth in various markets.

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