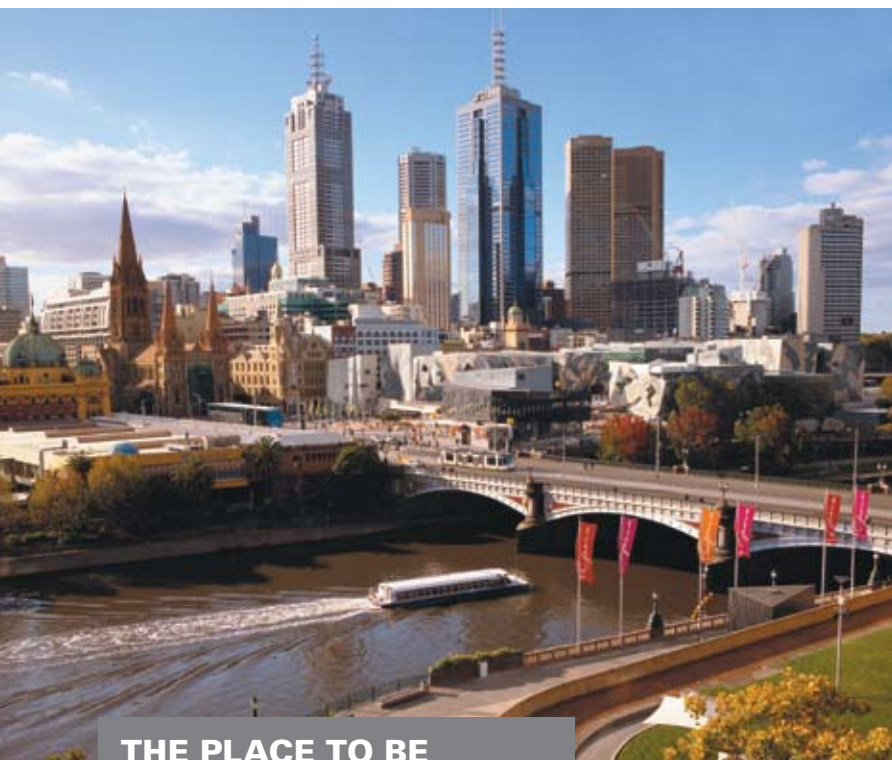


VICTORIA MEANS BUSINESS

SIMON WOOLMER, Invest Australia executive director, outlines why the state government of Victoria wants YOU to invest in Australia's most populous state



THE PLACE TO BE

- With a population of about 5.43 million with a population density of about 23.87/sq km, Victoria is the most densely populated state in Australia.
- According to various sources, more than 75% of Victorians live in Melbourne and that it is Australia's most urbanised state.
- Victoria is the second largest economy in Australia with machinery and equipment manufacturing, according to online sources, as the state's most valuable manufacturing activity. The largest economy still remains New South Wales.
- The largest income producing sectors, according to various sources, are finance, insurance and property services.

LAND DOWN UNDER

In its World Economic Outlook report in July, the International Monetary Fund reported that the Australian economy was growing at a faster rate than many advanced economies. Charting an impressive 3% growth in the second quarter this year, Australia was expected to continue strong growth in 2011, with an estimated growth of about 3.5%.

The Australian state of Victoria, specifically, is a major contributor to the upward growth pattern that the Lucky Country is currently experiencing. It accounts for more than 20% of the Australian economy and this vibrancy is attributed directly to its strong competitive advantage.

And, as economies around the world start to rebuild post-GFC, Victoria has set an agenda to woo stronger foreign investments with solid growth

trends and exciting opportunities. For investors, this translates to ample opportunities in leading sectors such as manufacturing, ICT, biotech, aviation, agribusiness, F&B, and education.

According to the Victorian Commissioner to South East Asia, Tim Dillon, the state was interested in attracting Asian companies and investors as it naturally helped the economy by creating more jobs.

"Such new investments also help bring in new production processes and technology and increases healthy competition. Stronger links between the Victorian and Asian private sectors also helps make Asia more accessible to Victorian companies".

"However, the benefit of investing in Victoria is not one-way. Investors can be assured that their efforts are being channelled to a safe and proven investment location. Victoria has one of the strongest and most resilient economies in the world. Although it accounts for only 3% of Australia's landmass, it is responsible for almost 25% of Australia's economic activity," he added.

Dillon said there were plenty of reasons why Victoria can be an important investment destination for Malaysian investors. "There are opportunities for Malaysian companies to take advantage of the highly innovative operating environment with world class regulations and infrastructure, as well as the diverse supply of high quality raw ingredients that is available in Victoria," he said.

"There are many industries that are thriving in Victoria, evidenced by the state's healthy economy. In particular, the biotechnology industry continues to grow in strength and currently valued at more than A\$21billion," he added.

The numbers speak for themselves. On the biotechnology front, in the last couple of years, Victorian companies recorded major success in developing new drugs, treatments and products, and have secured new overseas markets and deals worth more than A\$4billion.

Dillon said Victoria also led the Australian ICT industry and accounted for 25% of the national IT revenue – approximately A\$23 billion. "Over 34% of national IT industry employment is situated at Victoria and the state also has the highest number

Victoria has set an agenda to woo stronger foreign investments with solid growth trends and exciting opportunities



Tim Dillon

of IT students enrolled in university courses," he said.

A recent report by the Economist Intelligence Unit named Australia as home to the most competitive IT industry in Asia-Pacific with annual employment growth of about 12% since 2005 and Victoria was currently a key hub to some of the world's major IT players like Ericsson, Fujitsu, Tata and NEC.

"IBM Plant Location International benchmarking study (also) indicates that Victoria is by far the best quality location in the Asia-Pacific region for advanced food and beverage processing. Victoria is renowned in (this sector), currently producing 30% of Australia's food products, including 80% of Australia's dairy exports. In fact, 13% if the world's processed dairy is produced in Victoria," he added.

Furthermore, the Australian Bureau of Statistics also reported recently that private capital expenditure in Victoria grew 16% in the March-quarter to hit a record level of 14.7% growth, which was well above the national average.

GREAT SOUTHERN LAND In 2010, Dun & Bradstreet's Global Risk Indicator, which assesses economic, commercial, external and political risk to provide risk ratings for 131 countries around the world, ranked Australia as the world's safest foreign investment location. The ranking now places Australia equal first alongside Canada, Norway and Switzerland, and, to date 28 of Australia's 100 top performing companies are foreign owned.

In the current phase of growth and spending, Victoria undoubtedly is a fertile economy and holds all the right ingredients for good investment. The investment landscape in Victoria is also greatly complimented by a stable and efficient regulatory environment, world-class infrastructure, multi-lingual workforce and culture of innovation.

The Victorian government has also played a strong role in ensuring a smooth and efficient mechanism for foreign investment into the state. Its regulations and systems have helped new companies to maximise innovation and thrive globally.

For instance, Malaysian companies that register their businesses in Victoria would be treated the same as local companies and are automatically granted the status to operate under the same regulations as Victorian companies. Moreover, the registered Victorian companies are also eligible to apply for government grants for business expansion purposes and participation in trade missions.

Additionally, the investor friendly system also enables foreign companies to start-up a company in two working days, which is the quickest time anywhere in the world. The regulation system overall provides transparent and flexible investment rules to foster climate of enterprise.

The establishment of Victorian Government Business Offices (VGBO) in many countries has further eased processes and provides information and advice to investors. For potential investors, the expert advice provides instant analysis and insider information such as latest innovations and research materials, best practice, collaboration potentials and cost measures.

According to Dillon, the VGBO aims to be a one-stop shop to both investors and potential investors. "We are keen to help existing investors expand and to make the process as simple as possible for new investors to get the best value from their investment in Victoria," he said.

"Potential investors approach us for various reasons hence the process may vary from case to case. Typically, our services commence even before companies invest in Victoria. Investors are provided access to a specialist consultancy unit with the expertise necessary to ensure that the company's project is delivered in a timely manner.

"We also assist in the identification of site options to meet the varying needs of different investors and also provide advice of government approvals as well as infrastructure access and cost," he added.

With the enormous scope offered in a range of sectors, Victoria is an ideal investment destination for Malaysian investors. With favourable policies, stable government regulations, stringent patent laws and constant innovation cycles, the state is poised for bright growth. **SI**