

## ***Economic Analytical Unit***

[www.dfat.gov.au/eau](http://www.dfat.gov.au/eau)



Department of Foreign Affairs  
and Trade

# Major Questions

Growth?

Risks?

Opportunities ?



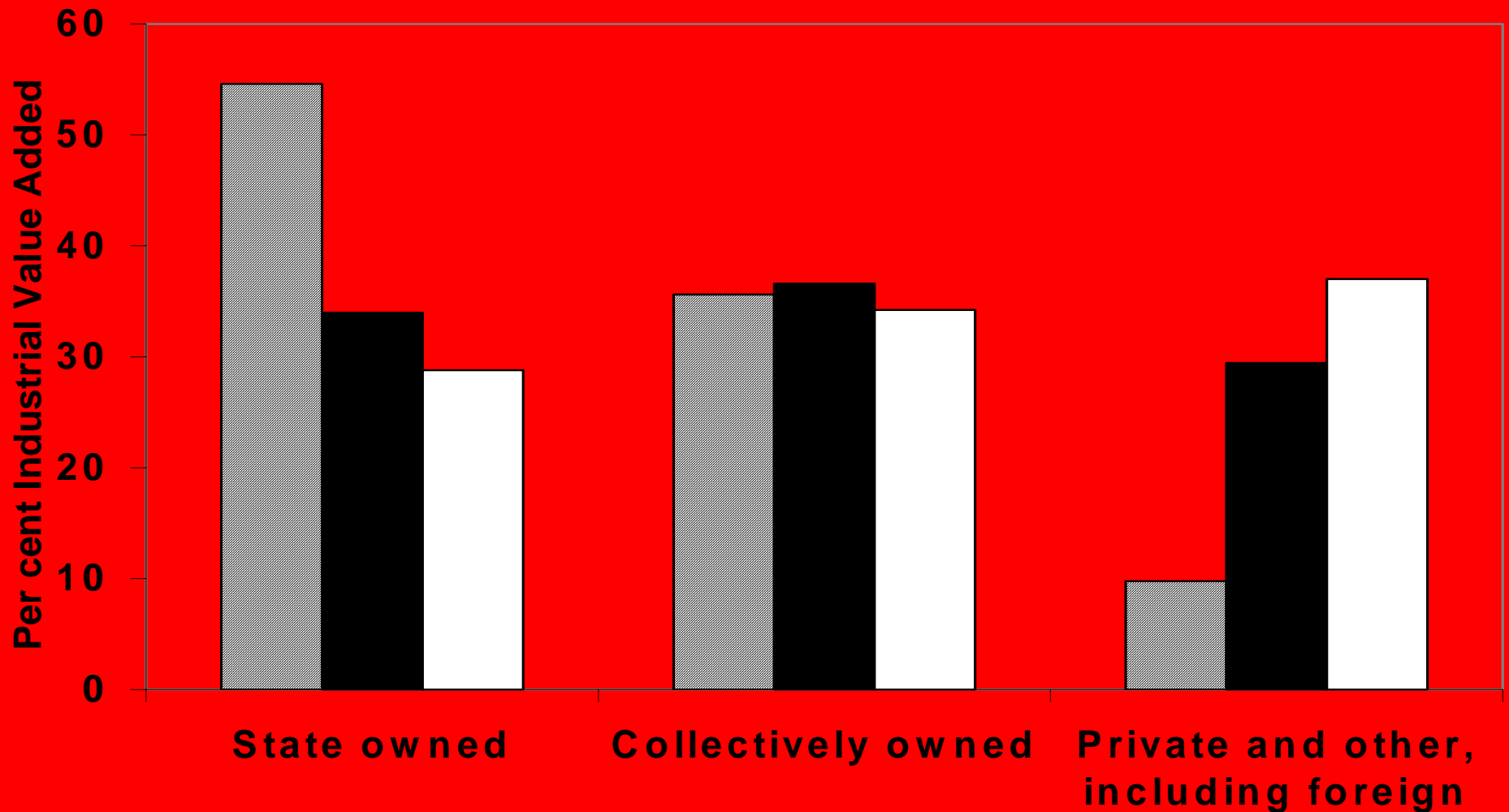
# Growth Drivers

- private sector growing strongly
- state owned enterprises privatising
- savings and investment high
- FDI inflows increasing
- trade and FDI barriers falling
- agriculture reforming
- legal and economic institutions reforming
- better macroeconomic management

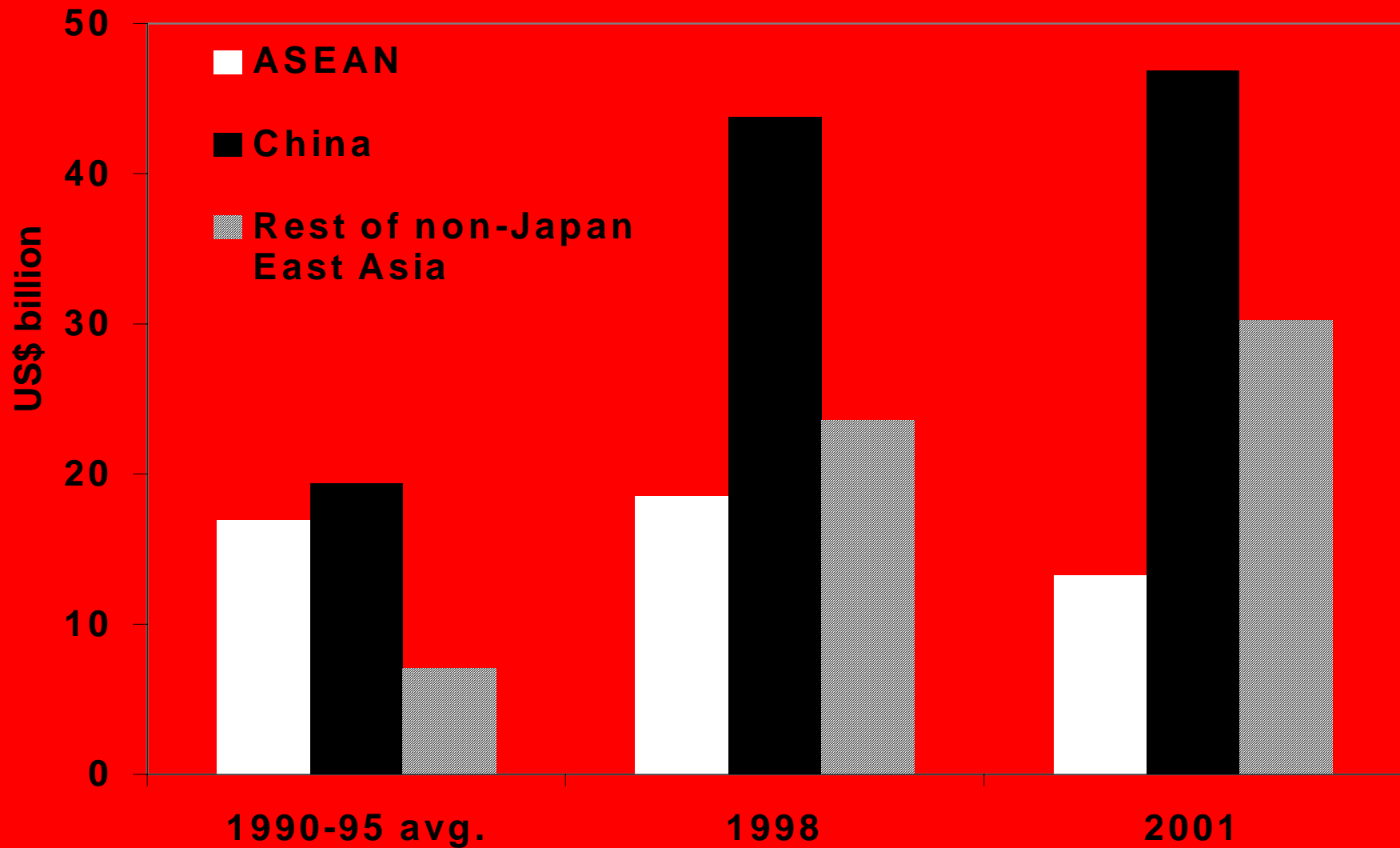


# Private Sector Expanding

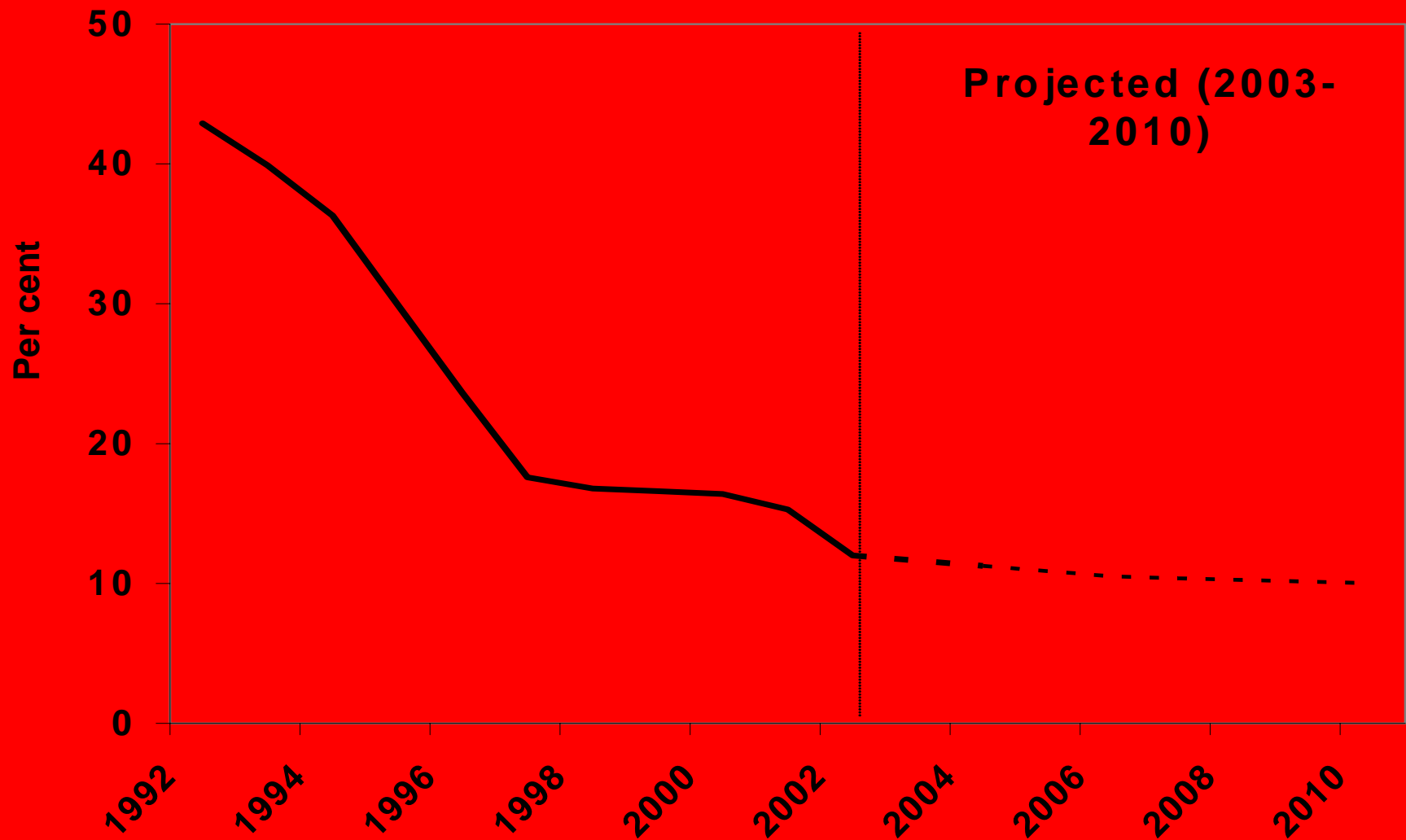
■ 1990 ■ 1995 ■ 2000



# FDI Increasing



# Tariffs Falling



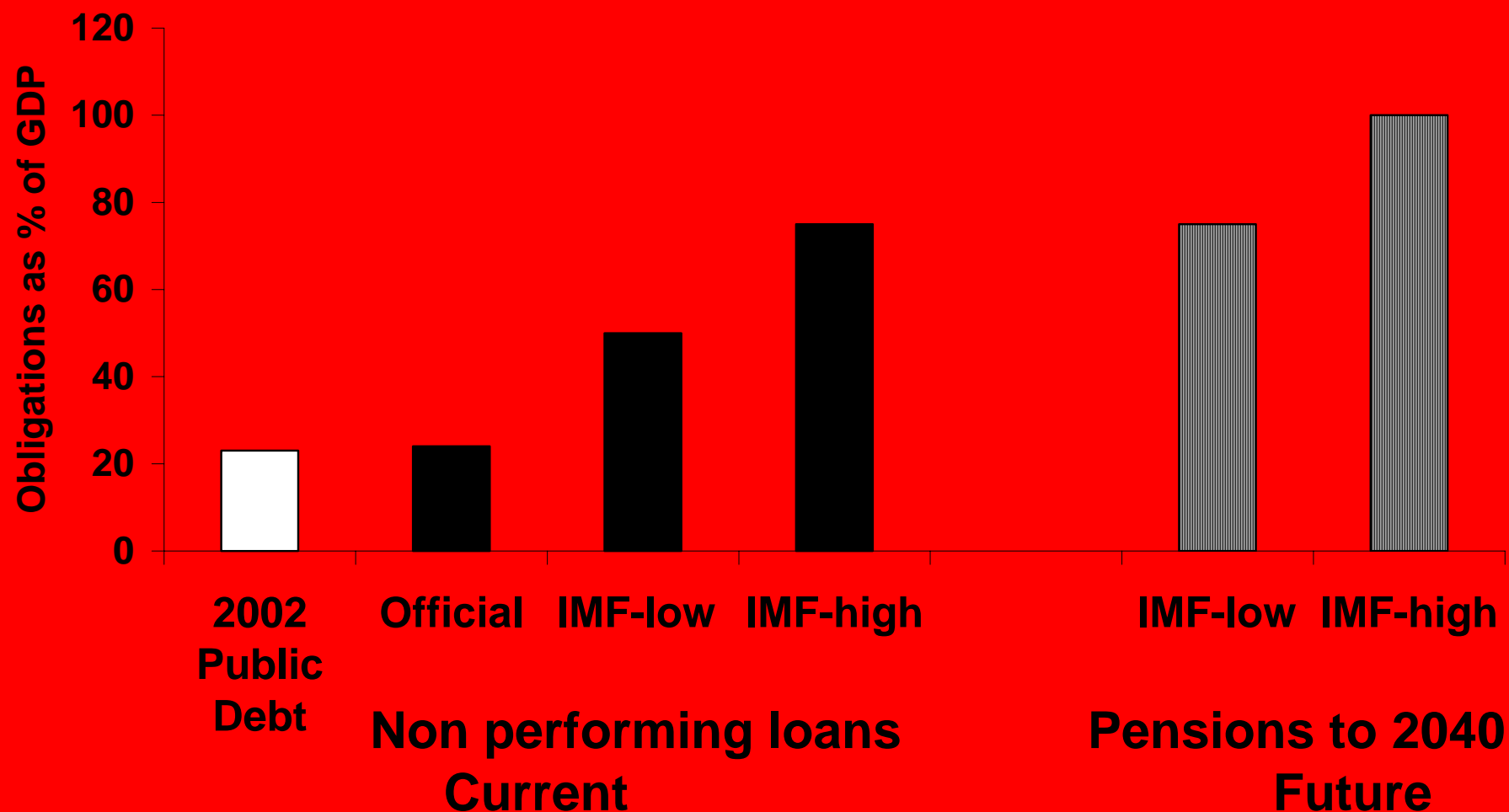
# Risks?

- **Banking system**
- **State owned enterprises**
- **Government debt**





# Public Debt Outlook Weak



# Doing Business?

- **business environment improving**
- **commercial law reforming**
- **bureaucratic reforms underway**
- **will take time**



***Growth should  
continue***

***Market opportunities  
expanding***

# **Implications for Business?**

***Business  
environment  
improving slowly***

***Markets competitive,  
strong plan needed***



# CHINA

Embraces the World Market



DEPARTMENT OF FOREIGN AFFAIRS AND TRADE