



connecting Australian business to the world

NAURU

What's happening in this economy

Nauru is an island state with a very small, largely closed economy. Its private sector is extremely limited and many businesses are run through state-owned enterprises, such as the Nauru Air Corporation, Nauru Phosphate Corporation and the Nauru Utilities Corporation.

Key characteristics driving economic and commercial opportunities are:

- around 95 per cent of goods in Nauru are imported, and
- a small population and market limit potential for growth.

Opportunities and initiatives that will help build stronger economic outcomes for Nauru include:

- ratifying and implementing PACER Plus, which will provide opportunities for Australian exporters
- installing an undersea fibre optic cable in 2021 which will vastly improve communications
- introducing a new taxation system, which is providing greater certainty for investors
- establishing a Bendigo Bank agency, which has transformed the former cash economy and introduced electronic payments, and
- developing a new sea port, to be completed by the end of 2020.

Key facts and figures

- Population: 13,000 (2018)
- GDP growth: -1.0% (2019)
- GDP per capita: 8,853.5
- Political system: republic with Westminster-style parliamentary system
- Two-way merchandise trade: more than AUD 50 million
- Aid relationship: AUD 25.8 million

Trade, investment, and commercial opportunities and activities

- Bendigo Bank provides all banking services to the country:
 - the local currency is the Australian dollar.
- Establishing the new port will provide longer term opportunities for shipping lines, export and value added industries:
 - this is particularly so in the fisheries sector.
- Secondary phosphate mining presents opportunities for Australian investors and companies.
- An Australian development assistance program worth almost AUD 26 million is providing opportunities for Australian companies in the health, education and infrastructure sectors.
- The new \$2 billion Australian Infrastructure Financing Facility for the Pacific and announcement of an extra \$1 billion in funding for the Australian Export Financing Agency will provide opportunities for Australian businesses to be more active across the region.
- Around 95 per cent of consumer goods are imported, providing opportunities for Australian food producers and supermarkets.



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- Constraints to investment include complex land ownership systems and an AUD 6,000 business visa fee.

Trade policy and negotiations

- Nauru was rated 'largely compliant' by the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes in July 2019

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