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.

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.

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
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

---

**Disclaimer**

The Department of Foreign Affairs and Trade (DFAT) has taken great care to ensure the information contained in this publication is correct and accurate.

DFAT does not guarantee and accepts no legal liability arising from or connected to the accuracy, reliability, currency or completeness of any material contained in this publication.

Readers should exercise their own skill and care in using the material contained in this publication and carefully evaluate the accuracy, currency, completeness and relevance of the material for their purposes.