

NAURU

Business Conditions Snapshot

- Nauru is an island state with a very small, largely closed economy. Its private sector is extremely limited, and many services are provided by state-owned enterprises, such as the Nauru Air Corporation, Nauru Shipping Line and the Nauru Utilities Corporation.
- Key characteristics driving economic and commercial opportunities are:
 - around 95 per cent of goods in Nauru are imported
 - a small population and market limit potential for growth.

Key facts and figures

- Population: 13,000 (2018)
- GDP growth: 1.5 per cent (2019)
- GDP per capita: US\$ 8,999
- Political system: republic with Westminster-style parliamentary system
- Two-way merchandise trade: A\$50 million
- Aid relationship: A\$25.8 million

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

- Installing an undersea fibre optic cable in 2021 which will vastly improve communications.
- Delivering a new taxation system, which is providing greater certainty for investors.
- Establishing a new, proactive Chamber of Commerce as a point of engagement for potential investors.
- Bendigo Bank's introduction of EFTPOS facilities, which has transformed the former cash economy.
- Developing a new seaport, to be completed by the end of 2021.

Trade and Investment Opportunities

- Bendigo Bank provides all banking services to the country with 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.
- An Australian development assistance program worth almost A\$26 million is providing opportunities for Australian companies in the health, education and infrastructure sectors.



MARKET INSIGHTS

CONNECTING AUSTRALIAN BUSINESS TO THE WORLD

- The new A\$2 billion Australian Infrastructure Financing Facility for the Pacific provides 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.
- Constraints to investment include complex land ownership systems and a A\$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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Australian Government

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