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## Economic and Business Climate

This section provides information on:

- the size of the NSW economy
- economic growth and prospects
- major industries
- political and economic stability
- business taxes
- international standing of Australia's financial institutions
- intellectual property rights protection.

Australia has a strong and flexible economy, which was the 14th largest in the world in 2008. The economy has proven its resilience, recording 17 uninterrupted years of growth to 2007-08. In fact, Australia's economy was recognised by the *IMD World Competitiveness Yearbook* as the third most resilient in the world in 2009, only behind Qatar and Norway. Australia has been rated the most resilient economy in the world for six of the last eight years. GDP growth has averaged an impressive 3.5% per annum over the last 17 years.

Australia has capitalised on its proximity to the emerging Asian markets to propel economic growth in recent years. Economic growth has also been supported by higher productivity, a result of comprehensive and ongoing economic reforms, and world's best practice financial, legal and political systems. These have strengthened the foundations of Australia's competitiveness, with the IMD ranking Australia seventh out of 57 countries for business efficiency, eighth for government efficiency, and seventh for overall competitiveness.

Australia's business sector operates under a well-established corporate governance framework which ranks highly for legal rights, oversight, ethics, values and social responsibility, and auditing and reporting standards. Australia's financial regulatory environment is recognised as one of the best in the world for promoting stability and certainty and its banks are well managed and profitable.

The New South Wales economy is the largest and most diverse in Australia. The total value of goods and services produced in the State is higher than for many national economies in the Asia Pacific. More than 80% of New South Wales' industry income is derived from services, highlighting the strength of the State's knowledge-based business and professional services, ICT and creative industries, as well as tourism. Sydney itself contributes nearly one quarter of Australia's gross domestic product.

New South Wales has a sound platform for promoting future economic growth, with increasing rates of population growth and high per capita income. In 2007-08, New South Wales reached a record level of business investment in Australia.

New South Wales continues to enjoy AAA credit ratings from Standard & Poor's and Moody's, a testament to its sound record of financial performance, diverse economic base and capacity to withstand changing economic circumstances.

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## For more information

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