



# Australia in the Seventies

Sydney by night — with the blaze and bustle of Warringah Expressway

"The Lucky Country" they called Australia in the Sixties. What will the catch-phrase be in the Seventies?

The island continent has just completed a decade of economic growth, unprecedented in this century, and trends indicate that Australia's high growth rate of the Sixties could accelerate in the Seventies.

The structure of the Australian economy is changing more drastically and more rapidly than the economies of most other countries in the world.

The traditional picture of Australia as a land of sprawling sheep stations, waving wheat crops and bounding kangaroos is not so much inaccurate today as it is unrepresentative.

Australia is still one of the great agricultural producing and exporting nations of the world — but today she is much more than this. The country is one of the fastest expanding industrial nations in the Asian region — and one of the newest and richest sources of mineral deposits in the world.

The dominating feature of the Australian economy in the Seventies will be minerals, as it was in the late Sixties. All past projections of export earnings from minerals and metals have fallen far below actual sales and the latest estimate, based on existing contracts, is close to \$4,200 million annually by the mid-1970's. In 1968/69 it was \$4,759 million. This year it will hit the \$61,000

million mark — \$4200 million above the figure predicted two years ago to be reached in 1972.

What is more remarkable is that less than a decade ago Australia had an embargo on the export of iron ore because of the scarcity of known reserves. Now, these are officially estimated at 20,000 million tons. However, Mr. Russell Madigan, managing director of Hamersley Iron Pty. Ltd., one of Australia's largest iron ore mining companies, estimates that the Pilbara area of Western Australia alone contains about 100 million million tons of ore — enough to meet world demands for 140,000 years!

But it is not only the "mountains of iron" that are adding muscle to the economy. Austra-

lia has the world's largest reserves of bauxite (the raw material for aluminium); she is the world's largest producer of lead, and third in zinc output, outside the Soviet bloc; she ranks first in the production of rutile (used to make the heat-resistant metal for moon rockets) and Zircon; she has large deposits of coal, nickel, phosphates, manganese, natural gas and petroleum.

The bulk of the minerals now exported are in the raw state — ore as opposed to metal — and there is concern in Australia that she should not become one giant quarry for the rest of the world.

A few companies are already processing ore into metal, others are erecting processing plants while others are investigating the possibilities.

Each ton of iron ore, or bauxite, or copper, or nickel concentrates processed to one stage further multiplies its earnings many times over. Processed even further to refined metal, export earnings would be even greater.

The Sixties saw the beginning of the mineral bonanza. The Seventies should see the growing trend towards the establishment of fully integrated pre-estimating plants for this new-found wealth.

Although overshadowed by mineral development in the last decade, Australia's manufacturing industries made rapid progress in the Sixties and today its scope ranges from household appliances

to factory machinery, from base metals to precision instruments, from heavy engineering equipment to complex electronic devices.

This sector of the economy now directly employs 28 percent of the work-force and its output contributes a similar percentage to the Gross National Product (G.N.P.). In the past 10 years annual production has more than doubled to \$4,700 million.

An indication of the maturity of the country's manufacturing capabilities was the design and building in Australia of the racing car engines that powered Jack Brabham to victory in the Formula One World Championships two years running — in 1955 and 1967. Last year Peter Revson drove to first place in the Indianapolis "200" and fifth place in the Indianapolis "500" with the help of his Australian designed and built engine.

Certain characteristics of the Australian manufacturing industry are epitomized by what has happened in the petrochemical field. This industry is less than 10 years old, yet Australia is already virtually self-sufficient.

This growing self-sufficiency in various fields is likely to continue in the Seventies and in one field, petroleum, it is estimated that Australia will be producing 70 percent of its requirements by the end of this decade.

A recent observation by a German industrialist after visiting

# Message of the Trade Commissioner

I am pleased to take this opportunity to let you know about current trading activities between the Philippines and Australia and what steps are currently being done to further our mutual efforts to develop reciprocal trade.

Next week, a Tasmanian government trade mission will visit Manila to explore the possibilities for joint venture projects in the fields of agriculture, dairying and cattle raising. They will be here for three days.

From December 2nd to 5th, the Chemical Industries Trade Mission, about which I have already announced the details, will be in Manila.

Detailed plans for these two missions are now well advanced.

However, businessmen wishing to meet with members of either of these missions may still do so if they will contact the Trade Commission without further delay.

It is most heartening to give special mention to the Philippine Trade Mission, which is being sponsored and organized by the Chamber of Commerce of the Philippines and which will visit Australia from the 30th of November until the 14th of December. It is to be hoped that this will be the forerunner of many more selling missions from the Philippines, not only to Australia, but to other countries with whom you trade.

In the new year, the Trade Commission will be moving to its new location in the China

Bank Building in Makati. The new offices and facilities will enable us further to cope with the increasing demands in the commercial and economic fields. The new location will also make possible the installation of a permanent display area for the Australian products which are currently available in the Philippines.

I hope that this special supplement of the Philippines Herald will help lead to a closer understanding of the efforts Australia is making towards the economic, industrial and agricultural development of the Philippines, and Australia's continued confidence in the future of your great nation. — F. W. GLUTH, Australian Government Trade Commissioner.



F. W. GLUTH

Australia sums up present progress. "Australia is on the move; big things are happening both in raw materials and in industrialization."

Although agriculture appears to have been relegated to third place in this push towards creating an urbanized industrial society, this is illusory. Agriculture has been, and will continue to play a very important part in the economy. In fact, the sale of Australia's farm products overseas financed the country's rapid industrialization in the Sixties. This sector still provides just under 60 percent of the country's foreign exchange and this reliance on the output of the Australian farmer will continue in the Seventies.

Last year rural production contributed 9 percent to the G.N.P. with a gross value of around \$4,000 million, nearly half of which was exported.

Even with the vagaries of world prices for primary produce, more often down than up, and varying seasonal conditions including droughts and bushfires, Australian farmers increased their volume of rural output by 45 percent in the Sixties. Paradoxically, workers have been gradually drifting away from the farms to the cities until today only eight percent of the workforce is on the land, compared with 11 percent at the beginning of the Sixties.

Increased mechanization has been the farmers' answer to this shrinking labour force. The use of Australian cultivators, seeding and planting machinery has increased rapidly. In 10 years, the number of tractors on rural holdings rose from 225,000 to 325,000. More than 90 percent of wheat is now handled by bulk methods.

This drift of the land is expected to continue in the Seventies which will see the merge together with agricultural science increasing output as well as opening up new lands for pastoral and agricultural development.

But what will all this mean to the average Australian in the Seventies?

According to one of Australia's leading banks, in a projection into the future based on current trends, Australia will become even more motorized than they

are now. From the one car for every three persons in the country now, the "two-car" family will become more commonplace in the Seventies. With it will come the "two-house" family — the family residence close to work and school for the weekdays, and the cottage by the sea, in the country or in the mountains for the weekend and holidays.

In the consumer field, it was refrigerators, transistor radios and television sets in the Sixties, in the Seventies there is likely to be a wider acceptance of food freezers and air conditioners. But the main impact (in terms of spending) will be the introduction of colour television to Australia in the Seventies.

One interesting aspect of the bank's projection for the Seventies is the changing buying habits of Australians. Spending on durable goods, such as cars, furniture, electrical goods, hardware etc. is expected to rise from an average growth rate of 5.4 percent a year during the Sixties to 9.2 percent in the Seventies. On the other hand spending on non-durables, such as food and clothing is expected to continue its downward path. Although actual spending grew slowly in the Sixties; it has not been keeping pace with the G.N.P. and only comprised 24 per cent last year, less than 30 percent of the G.N.P. by the end of the Seventies.

Overall the Australian economy in the Sixties took time to get moving because of the 1961 recession and then averaged a rise curtailed in the mid-sixties by drought. However, in money terms the country's G.N.P. rose at an average yearly rate of 4.9 percent. The increase could be as high as 9.5 per cent this decade. Prices will probably account for up to 3.5 percent of the increase, leaving in an average annual real rate of growth of around six percent, compared with 4.9 percent in the Sixties.

By international standards the Australian economy appears to be in a state of rude health. True, there are signs of strain now emerging, but when one considers the country's position as one of a transitory nature — mere twines in the joints of a growing youth who is rapidly approaching adulthood.



An \$111 million olefines plant operated at Botany (Sydney) by ICLANZ Ltd. In the year 1969-70 the Australian chemical industry exported products worth more than \$136 million.

**A 16-member Chemical Industries Trade Mission from Australia now touring South East Asia, will reach Manila on December 2.**

**Organized by the Australian Department of Trade and Industry, with the support of the Australian Chemical Industry Council and the National Council of Chemical and Pharmaceutical Industries, the mission comprises representatives of companies making and exporting a vast range of industrial and other chemicals.**

Headed by Mr. W. S. Duffield, the mission follows previous ventures in 1965 and 1967. Mr. Duffield was also the leader of the 1967 mission.

Other stops on the South East Asian tour are Djakarta, Singapore, Taipei, Seoul, Tokyo, and Hongkong.

The Australian chemical industry, which in 1969-70 registered exports worth \$4136 million, plans to increase overseas outlets during the 1970s to help accommodate an expected doubling of production.

At present, a quarter of Australia's chemicals exports goes to Asia.

The industry employs more than 55,000 people and produces such diverse products as alkalis, acids, heavy organic chemicals, petrochemicals, explosives, pharmaceuticals, cosmetics, polymers, fibres, paints, plastics and fertilizers.

It exports organic and inorganic chemicals to 48 overseas countries including Britain, Fiji, France, Hongkong, India, Italy, Kenya,

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