

Passing us by

Why Australian businesses are missing the Asian opportunity. And what they can do about it.

Few would argue that Asia is an economic powerhouse and growing fast.



2025

By 2025 Asia will produce half of the world's total economic output



3.2 billion

Asia's growing middle class will reach 3.2 billion people by 2030



\$8 trillion

Over the next 10 years, \$8 trillion will need to be spent on infrastructure to support the growth

But many Australian businesses are struggling to turn this opportunity into growth.

We surveyed over 1,000 Australian business leaders to understand the extent of their business involvement in Asia.



“

We are already running late in engaging with Asia while so many parts of the world are already there, more than successfully, and well ahead of us.”

Harold Mitchell AC, Founder Mitchell and Partners

“

Australian companies are late to the party and this is holding their success back.”

Richard Nunn, General Manager Strategic Development and Performance, NAB

What's holding Australian businesses back?

Australian business leaders think Asia is 'very different', and for many, uncomfortably so. Our biggest challenges are in relation to culture, willingness to deal with change, and our ability to manage and operate in an Asian environment.

“

In terms of what is holding businesses back – it is probably the focus on expecting short term pay back on Asian investments. My 20 years living in Asia has taught me that one must choose partners wisely and be patient...”

Anthony Fasso, CEO International and Head, Global Clients, AMP Capital Investors

“

Those who are successful in growing their Asia business will often be far more successful than their peers who stay local. They will sometimes go through a lot of pain but those who stay the course can often rocket past those who stay at home.”

John Colvin, CEO and Managing Director, Australian Institute of Company Directors (AICD)

8 fundamentals for success in Asia

We believe there are 8 fundamentals points that companies developing their growth strategy for Asia need to get right:



Lead with strategy and take a portfolio approach



Invest in learning the culture



Don't be fooled by 'Guanxi'



Understand 'uniquely Asian' market dynamics



Keep timelines realistic and be patient



Proceed with caution



Triangulate your information



Go easy on the integration and remember the 80/20 rule



Asia is – and will continue to be – an important source of growth. And despite the challenges it is certainly possible to succeed in Asia. But the opportunity for Australian businesses to get a substantial foothold in Asia is passing us by and we need to act now.

This may well be our last chance.

Contact us

Andrew Parker
Partner – Deals and Asia Practice Leader
Phone: +61 (2) 8266 0218
andrew.parker@au.pwc.com

Steve Billingham
Partner – Consulting Asia Leader
Phone: +61 (2) 8266 3417
steve.billingham@au.pwc.com

 **Download the full report:**
www.pwc.com.au/passingusby