



Media Release

25 June 2010

Australia's Growing Market for Private Banking Driven by Strong Growth

Australia has one of the world's largest and most sophisticated markets for high wealth investors, according to a new Austrade report, *Private Banking in Australia*.

Australia's private wealth market was the third largest in the Asia Pacific in 2009, after Japan's and China's.

The number of high net worth individuals in Australia rose by 34.4 per cent to 173,600, making it the tenth largest market in the world, and bigger than those of Brazil (146,700), Russia (117,700), India (126,700) and 36 per cent of China's total.

This growth in the number of high net-worth individuals has created stronger demand in Australia for specialised private banking services in investment advice and risk management, insurance, superannuation, taxation advice and general banking services.

Gary Johnston, Austrade's Global Industry Leader for Financial Services, said the new Austrade report showed how attractive Australia remained as an investment destination and the growing demand for sophisticated financial products.

"Australia is a great investment destination for financial services firms interested in filling Australia's growing demand for private banking, but it's also a great platform for branching out into fast growing Asian markets," Mr Johnston said from Switzerland.

There was still an emphasis on equity investment, but Mr Johnston said the range of investments for high net worth investors was quite broad and included real estate, fixed income and alternative investments in derivatives and hedge funds.

Mr Johnston was speaking at a Private Wealth Roundtable in Zurich which was co-hosted by Austrade and Peter Tesch, Australia's Ambassador to Switzerland.

The roundtable provided opportunities for executives from leading Swiss financial institutions to learn about Australia's financial services sector and the investment opportunities available in the private wealth sector.

During the event Mr Johnston launched Austrade's *Private Banking in Australia* report.

Private Banking in Australia also pinpoints the key factors behind the growing private wealth market as two decades of solid economic growth in Australia, its system of compulsory superannuation and Asia's continuing prosperity.

Australia was one of the few advanced economies to avoid a recession during the Global Financial Crisis, and its resilient economy is also benefiting from a strong rebound in Asia, especially from China and India.

In 2009, the World Economic Forum ranked Australia's financial system the second best in the world out of 55 other nations'.

It has been estimated that by 2020, up to 50 per cent of global GDP will come from Asia and Australia will be a direct beneficiary of this growth.

This prosperity is adding to the medium term aim of transforming Australia into a financial hub of the Asia Pacific, alongside Shanghai, Hong Kong and Singapore.

Australia's pool of managed funds is now one of the largest in the world, with total assets in March quarter 2010 estimated at A\$A1.73 trillion. These funds are supported by some of the world's most sophisticated fund managers.

Across the board, Australia's financial sector is growing rapidly.

Mr Johnston said the latest research contained in the *Private Banking in Australia* report provided further evidence of the desirability of Australia as an investment destination.

MEDIA CONTACT: In Switzerland. Gary Johnston, Austrade Global Industry Leader for Financial Services. Mobile: +61 423 781781 // Email: gary.johnston@austrade.gov.au