

## MEDIA RELEASE – For Immediate Distribution

### Australia well placed to thrive in Asia’s knowledge economies, but competition is intensifying

***Growing Knowledge Economies*** report reveals opportunities for Australian business to capitalise on surging demand for professional services in the region.

**(Melbourne, 16 June 2016)** Australian legal and management consulting firms are well-positioned to tap into growing opportunities in Asian markets, but a significant shift in mindsets and strategy is required, according to a new report launched by the CEO of Austrade, Bruce Gosper, in Melbourne today.

The research, which calls on Australian professional services firms to act quickly to secure their competitive advantage in Asia, was conducted by Asialink Business, with support from Austrade. It reveals that while free trade agreements have opened new doors, and Australia’s expertise is well regarded throughout the region, businesses must compete to succeed in an increasingly crowded marketplace.

“With rapid economic growth and burgeoning middle classes, quality services are in high demand throughout Asia,” the CEO of Asialink Business, Mukund Narayanamurti, said.

“Australia’s free trade agreements, world class expertise in sectors like legal and management consulting, and strong reputation position our professional services firms well to capture these opportunities. But more needs to be done to maintain our first-mover advantage.”

“Our research indicated that ‘fly-in fly-out’ (FIFO) models are often no longer effective. What’s needed is a long-term, strategic mindset and a significant increase in investment, both to establish a physical presence in Asia and to build business relationships,” Narayanamurti said.

A first-of-its kind study, *Growing Knowledge Economies* provides in-depth insights into the specific opportunities, challenges and factors critical for success faced by Australian management consulting and legal services firms in four key Asian markets - Singapore, Indonesia, Korea and Japan.

The report was released at a forum hosted by the Law Council of Australia and the Australian Services Roundtable.

“The Australian legal profession is well regarded for its legal expertise and record of establishing collaborative and mutually beneficial business relationships with lawyers in Asia,” Stuart Clark AM, President, Law Council of Australia, said. “Every law firm has a unique value proposition that underpins the way it provides services to its clients – this report provides essential guidance on how to best communicate that proposition to potential clients in the region.”

Alina Bain, Chief Executive Officer of the Australian Services Roundtable said: “While circumstances differ in each market, and on the whole, the opportunities are promising, Australian professional services firms often do face multiple challenges relating to understanding local culture and regulations, attracting and retaining talent and getting your brand recognised.”

The research, which was based on qualitative interviews with Australian professionals based in the four target markets, identified a critical need to continue to build the Asia capabilities of the Australian professional services sector. While the research found that Australian expertise was well suited to growing Asia’s knowledge economies, building Asia capabilities in our professional services firms was a key to success.

Asialink Business is the National Centre for Asia Capability. Committed to building an Asia capable Australian workforce, we support organisations in all sectors to develop the critical skills, knowledge and networks needed to better understand and engage with Asia.

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# Background

## About the *Growing Knowledge Economies* report

Asialink Business was commissioned by Austrade and supported by the Department of Industry, Innovation and Science in 2015 to conduct a pilot study to investigate the opportunities available to Australian legal and management consulting firms in Indonesia, Singapore, Japan and Korea, as well as to understand key factors to successfully taking advantage of these opportunities. This report looks at the key drivers of these sectors and markets, and identifies potential commercial opportunities that exist in which Australian firms' capabilities are well suited to developing Asia's knowledge economies.

Asialink Business researchers interviewed 30 senior executives of 16 Australian law firms and 18 management consulting firms with operations in the four markets. In addition, more than 50 practitioners contributed to an Asialink Business survey, providing insights about key success factors, barriers to entry and market perceptions.

The report details the following key findings:

- In considering where to do business in Asia, Australian firms should **take advantage of newly signed free trade agreements**, including KAFTA (Korea) and JAEPA (Japan), as well as longer standing ones such as SAFTA (Singapore).
- Australian firms should **capitalise on their niche expertise and specialised experience** in particular industries such as resources, minerals and agribusiness to gain a competitive advantage.
- The potential for **certain markets to serve as a gateway** to further business expansion across the region should be considered when selecting where to first establish in Asia.
- Australian firms can best **capture Asia-bound business** by working with their Australian clients that are themselves expanding overseas.
- Investment in **strong regional relationships** and networks is critical to business success in the region.
- Australian firms operating in countries with which Australia has strong **bilateral government relations** enjoy better facilitation of their operations.

## About Asialink Business

As Australia's National Centre for Asia Capability, Asialink Business provides tailored solutions to help businesses in all sectors seize the potential of diverse Asian markets. We equip organisations in all sectors to become Asia ready by developing the critical skills, knowledge and networks needed to engage with the complexities of the region. Grounded in extensive market research, our practical training programs, research, events and advocacy enable businesses to forge ahead with confidence to enter and grow in Asia. See: <https://asialinkbusiness.com.au/>

## About the Law Council of Australia

The Law Council of Australia exists to represent the legal profession at the national level, to speak on behalf of its Constituent Bodies on national issues, and to promote the administration of justice, access to justice and general improvement of the law. The Law Council advises governments, courts and federal agencies on ways in which the law and the justice system can be improved for the benefit of the community. The Law Council also represents the Australian legal profession overseas, and maintains close relationships with legal professional bodies throughout the world. The Law Council was established in 1933, and represents 16 Australian State and Territory law societies and bar associations and the Law Firms Australia, which are known collectively as the Council's Constituent Bodies. Through this representation, the Law Council effectively acts on behalf of more than 60,000 lawyers across Australia. See: [www.lawcouncil.asn.au](http://www.lawcouncil.asn.au)

## About the Australian Services Roundtable

The Australian Services Roundtable (ASR) is the peak business body for the Australian services industries, with a key objective to secure Australia's place in the global services economy. The ASR is the only dedicated whole-of-services industry organisation and is part of the Global Services Coalition (GSC). Currently, services do not register sufficiently on Australia's public policy radar. There has been no national research effort, and services do not feature in any of the Government's national competitiveness strategies. Creating a national services competitiveness strategy is essential as we move away from a resource focused economy. Australia must ensure it is in the best position to take advantage of the opportunities created by the rise of Asia's middle classes at our doorstep. See: <http://australianservicesroundtable.com.au/>