



World Electronics Forum 11

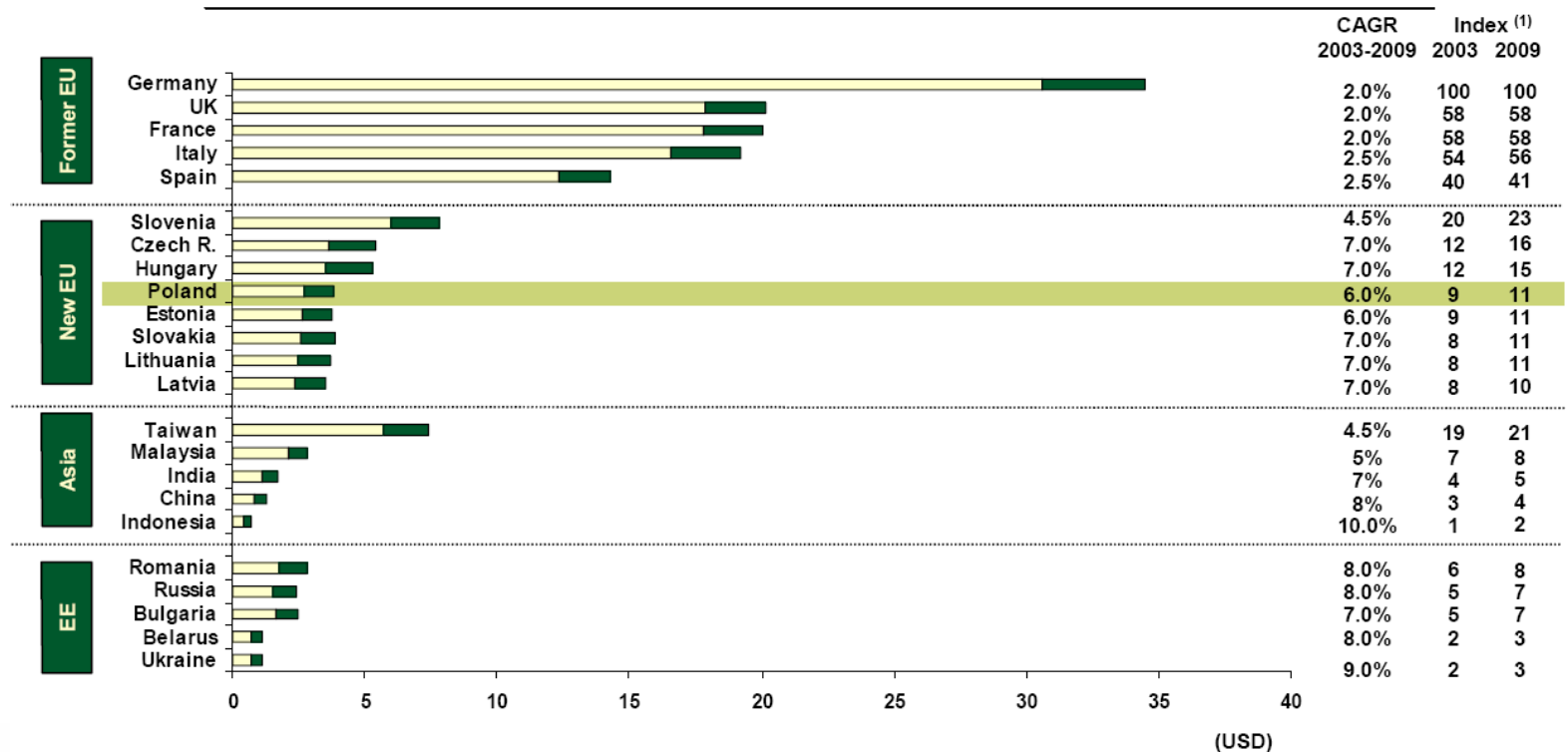
London, September 2005

Competitive Advantage - Australia

Companies are seeking sustainable cost advantages

SIGNIFICANT COST DIFFERENCE EXPECTED TO STAY MANY YEARS Convergence Takes Decades

Production worker compensation⁽²⁾ (USD/h, 2003 vs. 2009)



(1) Index has been calculated as a percentage of the value for Germany

(2) Incl. benefits

Source: BCG Reports, Press Research

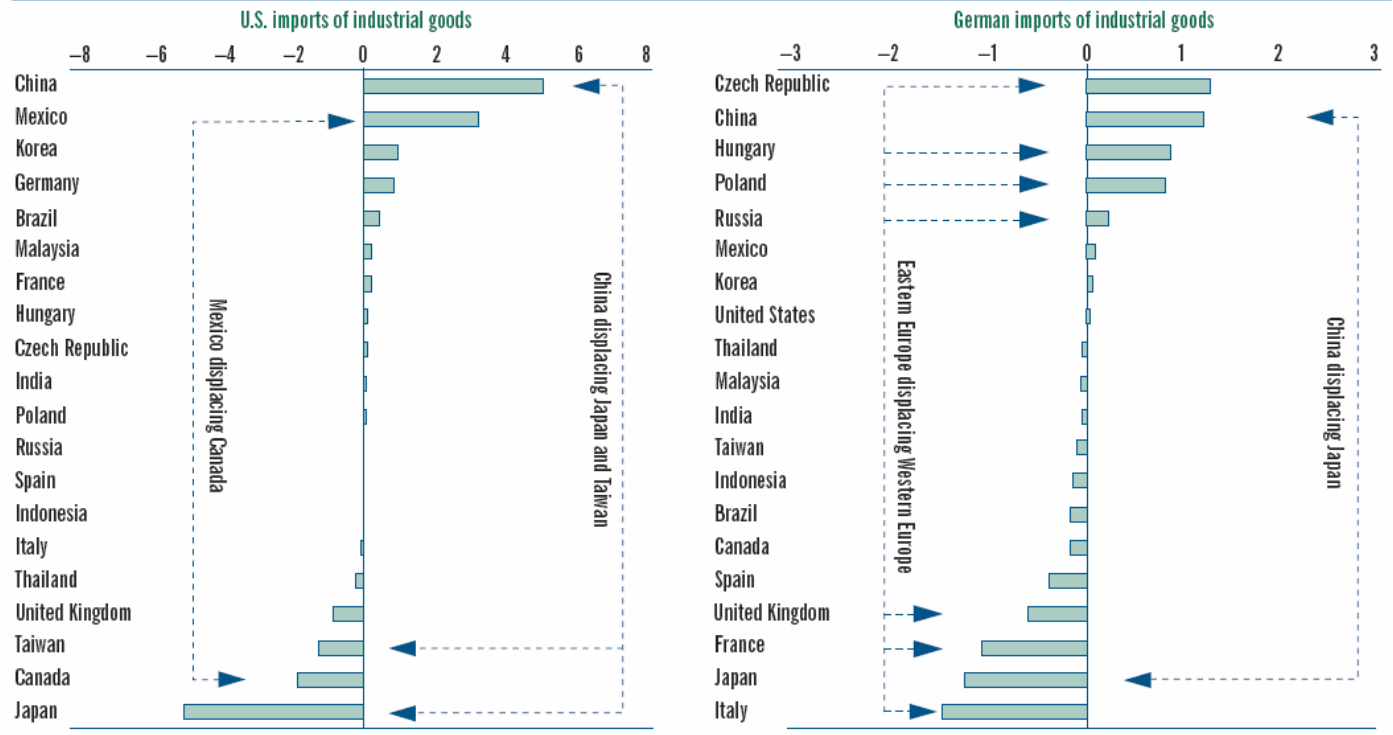
2003 labor cost 2009 increment

This has been reflected in the transfer of manufacturing to LCCs

EXHIBIT 4

LCCs ARE DISPLACING HIGHER-COST COUNTRIES AS SOURCES OF IMPORTS INTO THE UNITED STATES AND EUROPE

Percentage Change in Share of Imports, 1997–2002



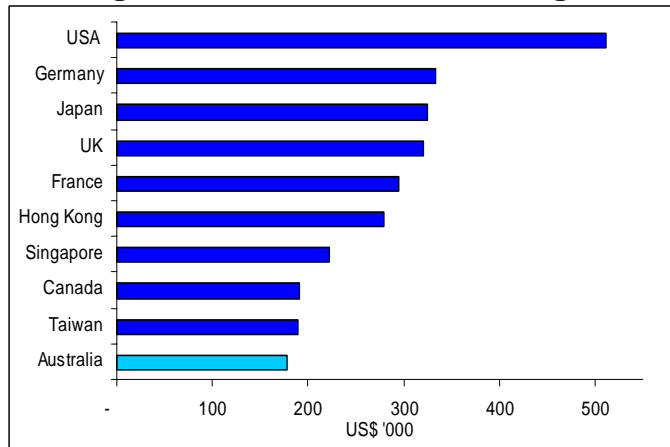
SOURCES: U.S. Census Bureau; Federal Statistical Office of Germany.

NOTE: Percentage share includes only the key LCCs and HCCs selected for this study.

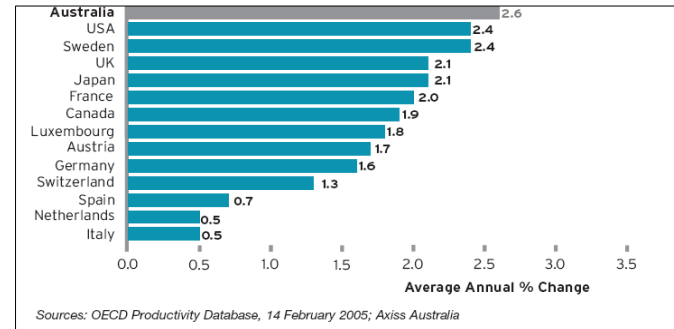


In Australia - Management staff are readily available and competitive

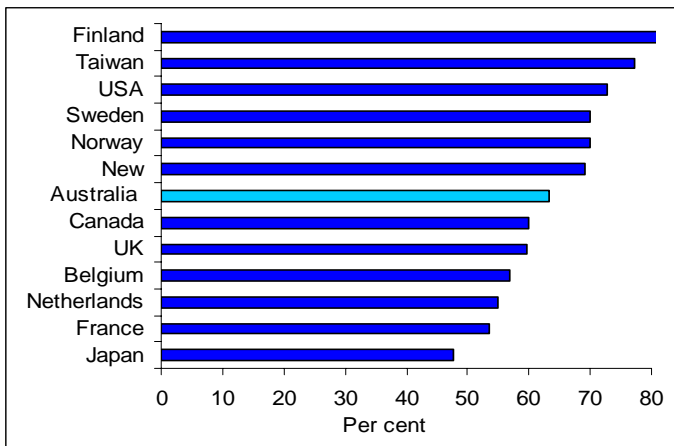
Average CEO Remuneration Package in 2003



Growth in GDP per Hour Worked – 1995 to 2003



Higher Education Enrolment among World's Best



Availability of Skilled Labour (Rating), 2001¹

Country	Finance skills	Country	Information Technology skills	Country	Overall availability of skilled labour ²
Australia	8.119	India	8.862	Philippines	7.934
Singapore	7.701	Philippines	7.873	Singapore	7.672
United States	7.700	Singapore	7.373	Australia	7.651
India	7.655	United States	7.306	India	7.448
Philippines	7.607	Australia	6.837	Japan	7.308
New Zealand	6.795	Taiwan	6.759	United States	7.160
Hong Kong (SAR)	7.381	New Zealand	6.154	Taiwan	6.883
Germany	7.247	Korea	6.000	Germany	6.831
United Kingdom	6.795	Hong Kong (SAR)	5.905	France	6.571
France	6.688	France	5.630	Hong Kong (SAR)	6.528
Taiwan	6.506	United Kingdom	5.595	Korea	6.366
Malaysia	6.175	Malaysia	5.325	New Zealand	6.302
Korea	5.195	Japan	5.154	Malaysia	6.300
Thailand	5.477	Germany	4.659	Thailand	5.846
Indonesia	5.400	China	4.659	United Kingdom	5.614
Japan	5.192	Indonesia	4.414	Indonesia	5.267
China	3.319	Thailand	4.369	China	4.956

¹ Survey where 0 = is not available in country's labour market and 10 = is available in country's labour market

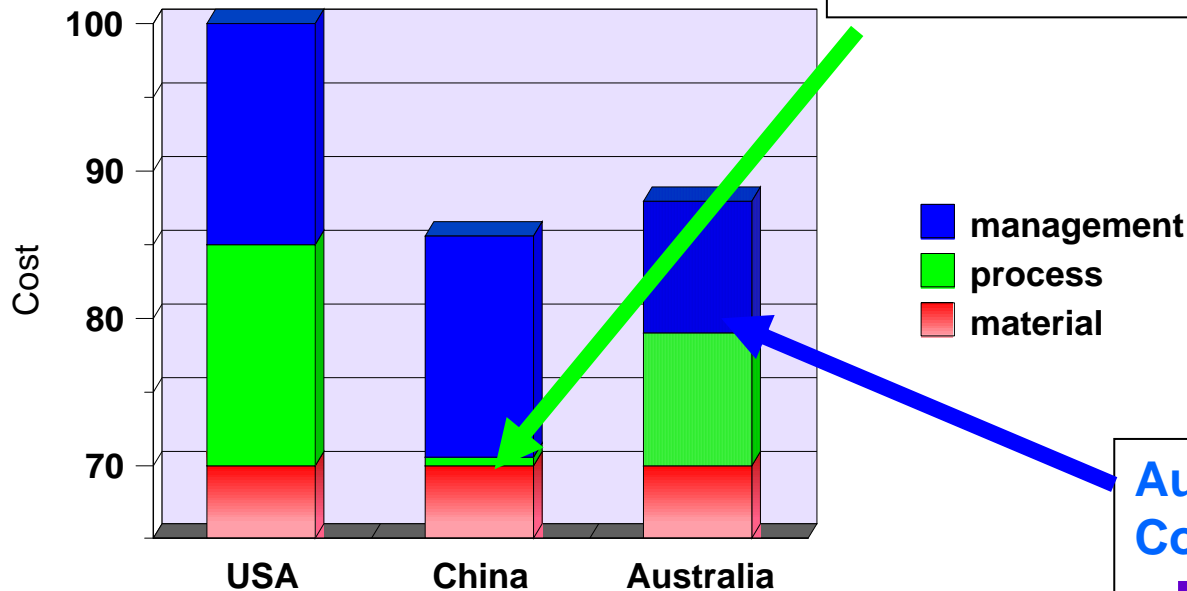
² Relevant to the country's economy

Source: The World Competitiveness Yearbook 2001, IMD, Switzerland, www.imd.ch/wcy



Countries compete on advantages ...

Cost Structures



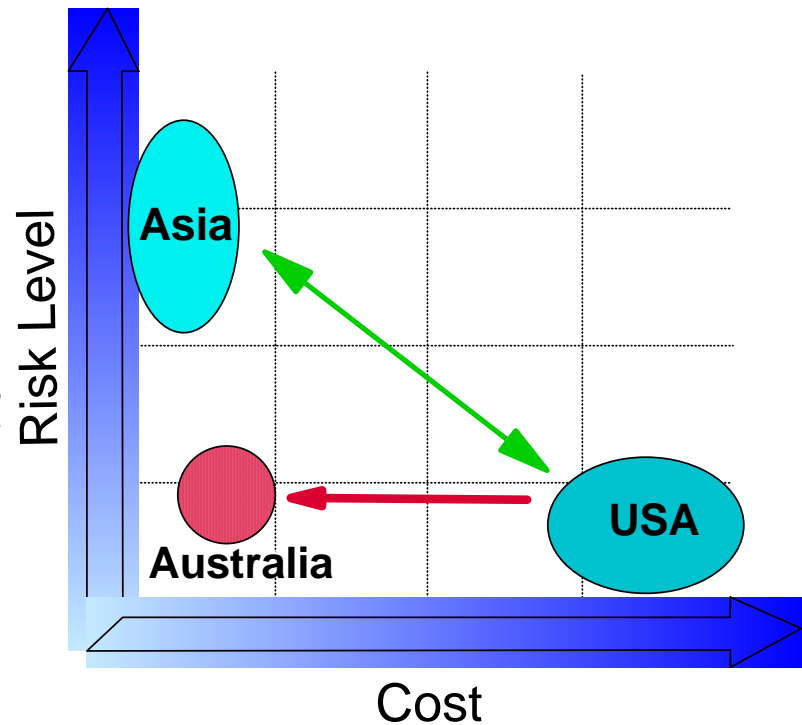
**China's
Competitive Advantage
- Labour Cost**

**Australia's
Competitive Advantage
- Management**

- > material is similar globally
- > process just includes direct operators
- > management includes all inputs into controlling & improving processes

GPC manages risk for customers

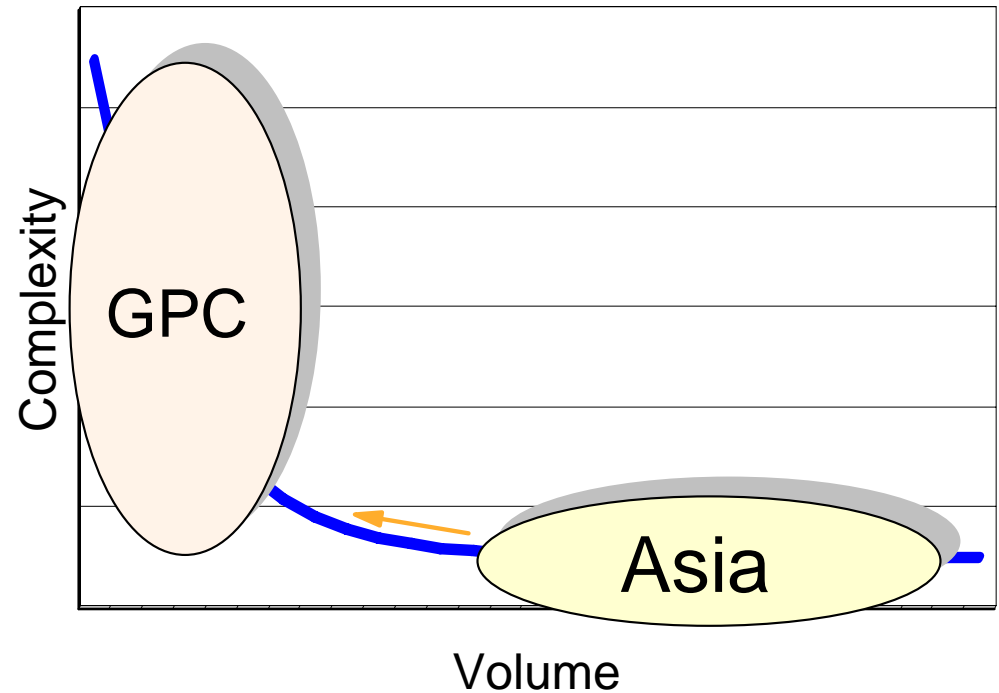
- Risks eg...
 - Material liabilities
 - surplus inventory
 - Obsolescence
 - Technical
 - product reliability
 - process improvement
 - Financial
 - FX management
 - cost reduction
 - IP protection

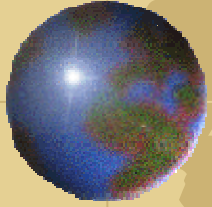




The higher complexity products require higher management content

Complexity can be technical or commercial
Where there is higher management content, GPC is competitive





We make it HAPPEN

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