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The Australian Economy: National Economic Resilience in the Midst of Global Economic Volatility



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Australia – a strong and resilient economy

- Australia is a member of the G20 with an economy valued at \$1.4 trillion, the 13th largest in the world
- Australia is the 4th largest economy in Asia after China, Japan and India
- Australia is an open, diversified, and skilled economy
- The Australian dollar is the 5th highest traded currency in the world after the US, Euro, Yuan and Sterling
- Australia has a strong, well regulated financial sector with 4 of the largest 22 banks in the world and the 4th largest funds management industry in the world



Australia is the only developed economy to have survived the global financial crisis without going into recession

Australia came through the global financial crisis better than almost any developed country because of three basic factors:

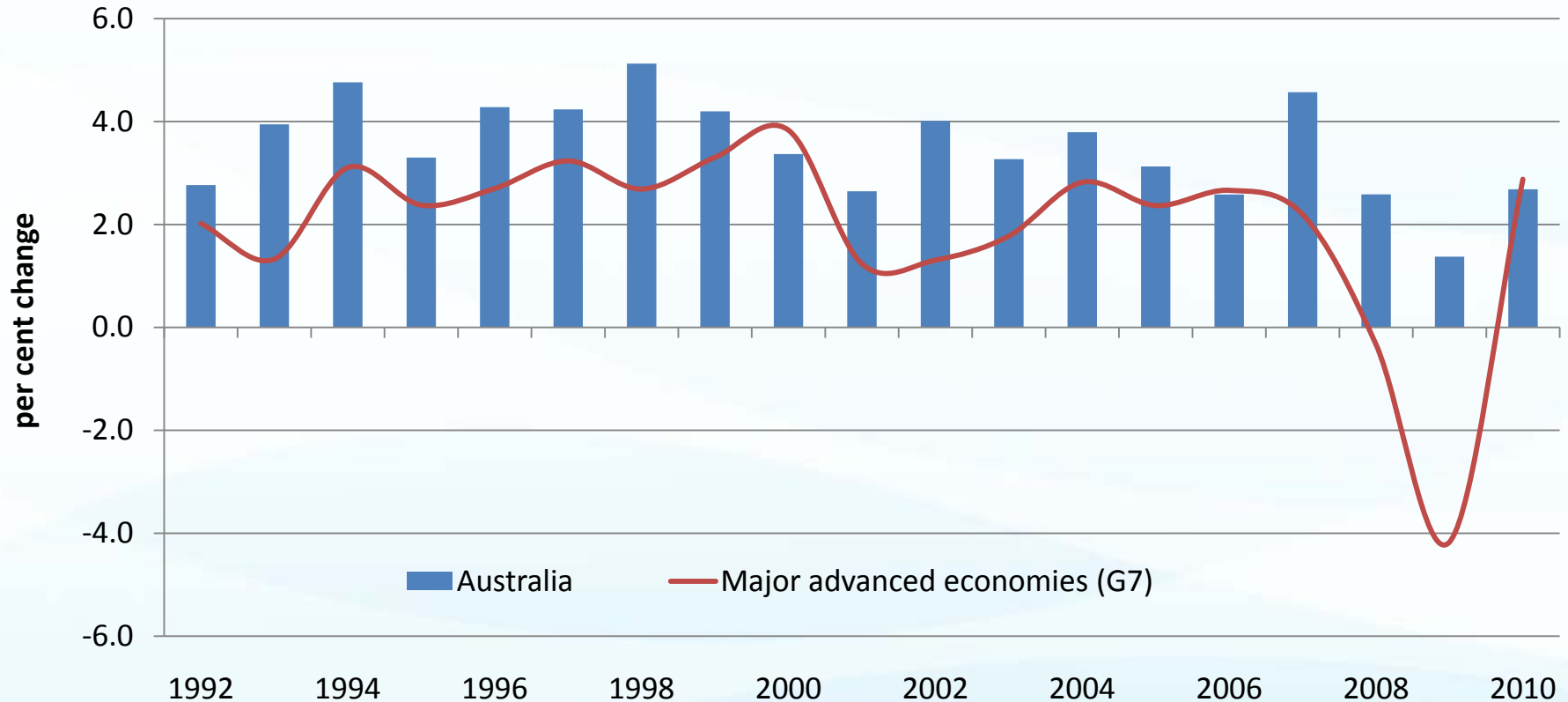
- A strong financial regulatory environment which prevented exposure to exotic financial instruments such as sub-prime
- A strong fiscal stimulus strategy (4.8% of GDP) which was targeted, timely and temporary – particularly 2008-09
- Longstanding policy of economic integration with the rapidly growing economies of Asia – particularly China and India



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19 years of uninterrupted growth

Annual GDP growth



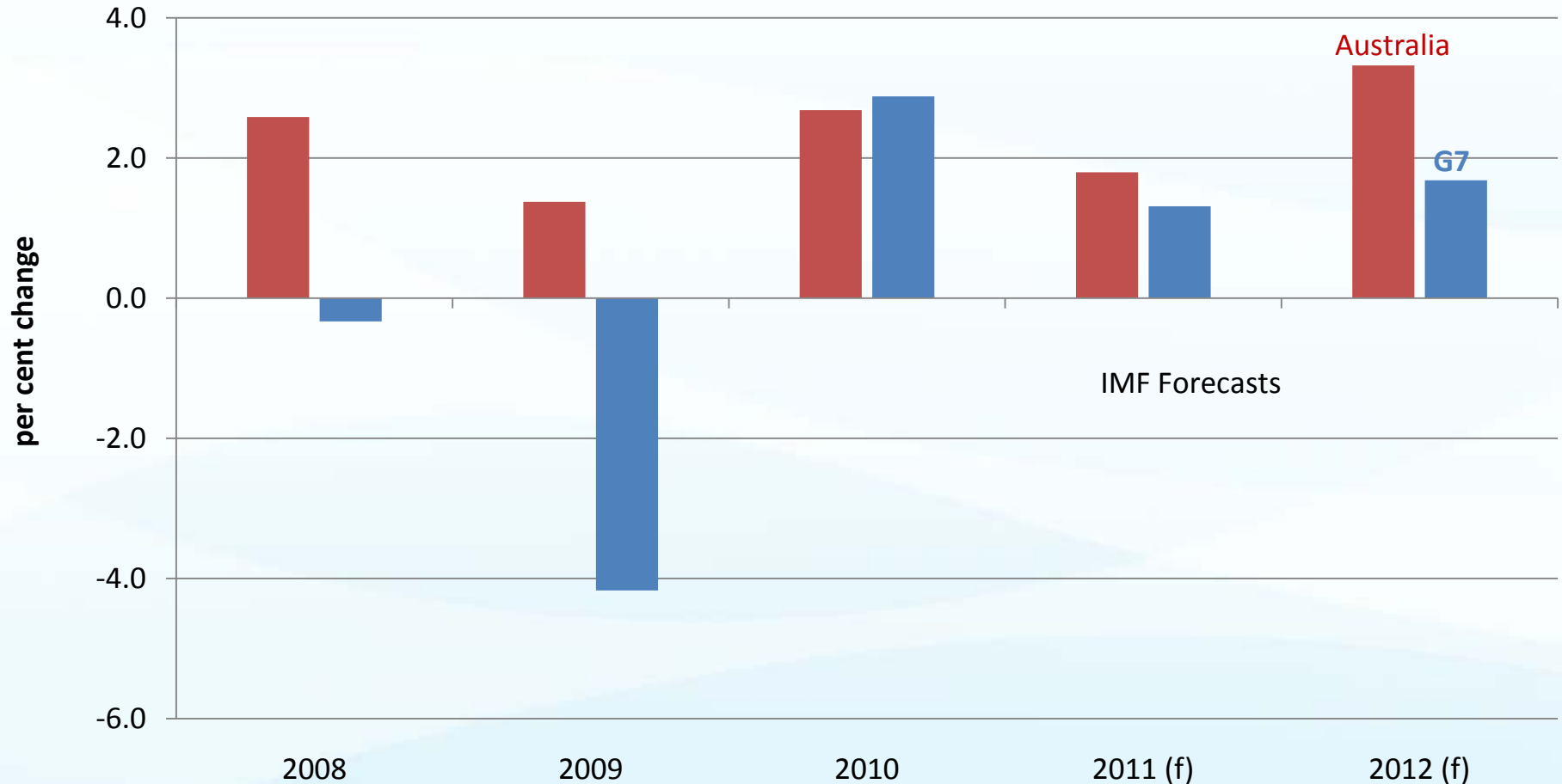
Source: IMF World Economic Outlook



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Positive outlook amid renewed uncertainty

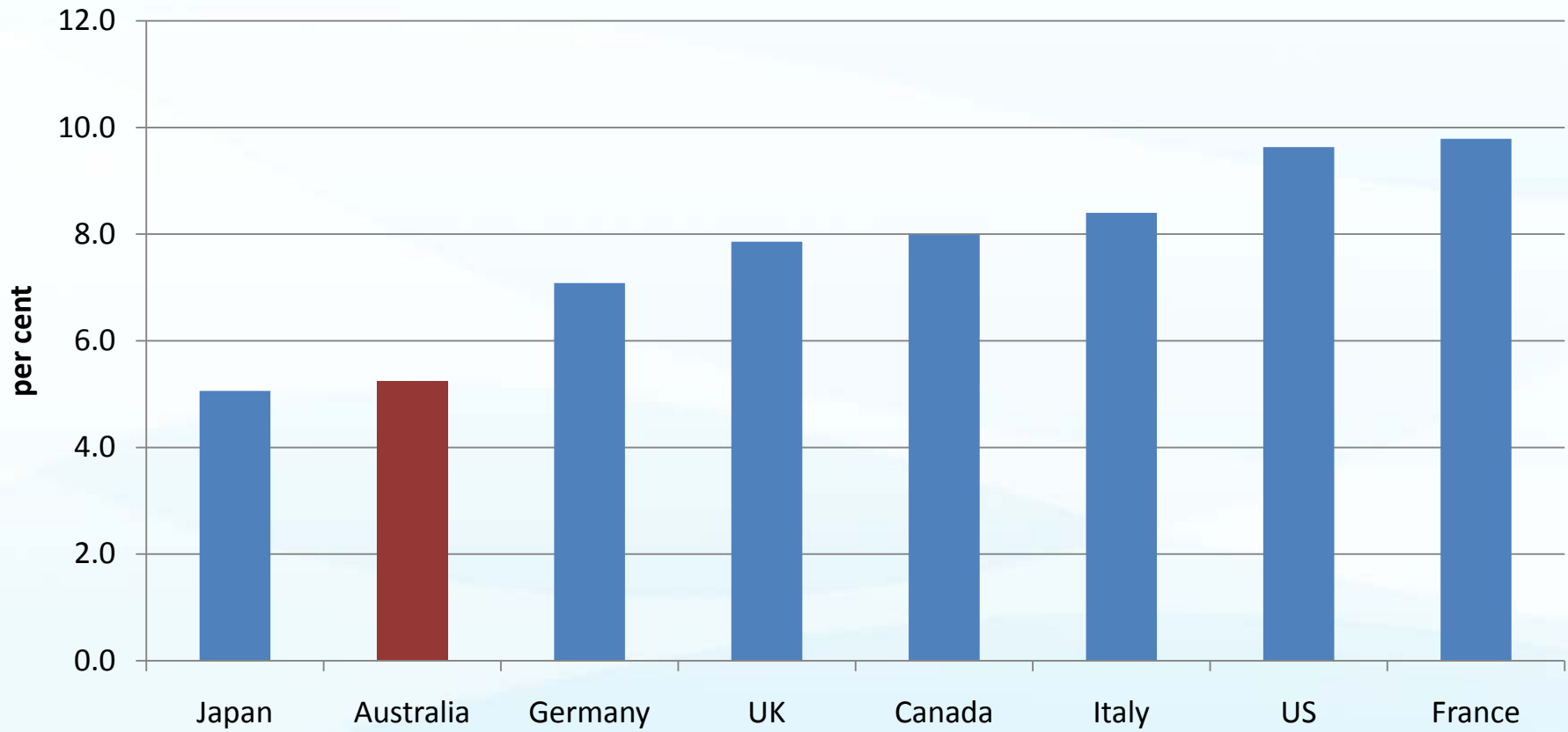
Annual GDP growth



Source: IMF World Economic Outlook

Unemployment among the lowest in the developed world

Unemployment rate - 2010



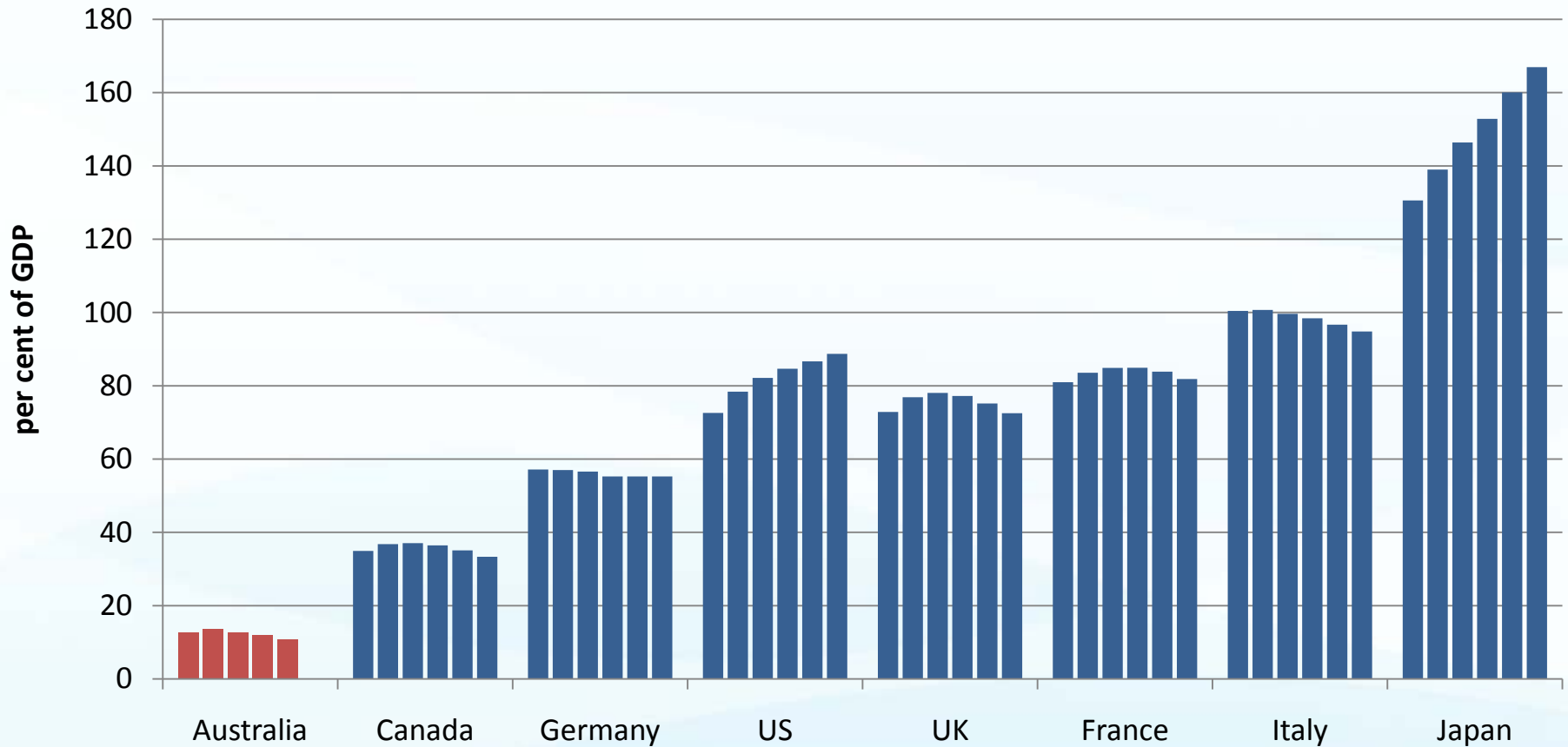
Source: IMF World Economic Outlook



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Low government debt

Government net debt - 2011 to 2016



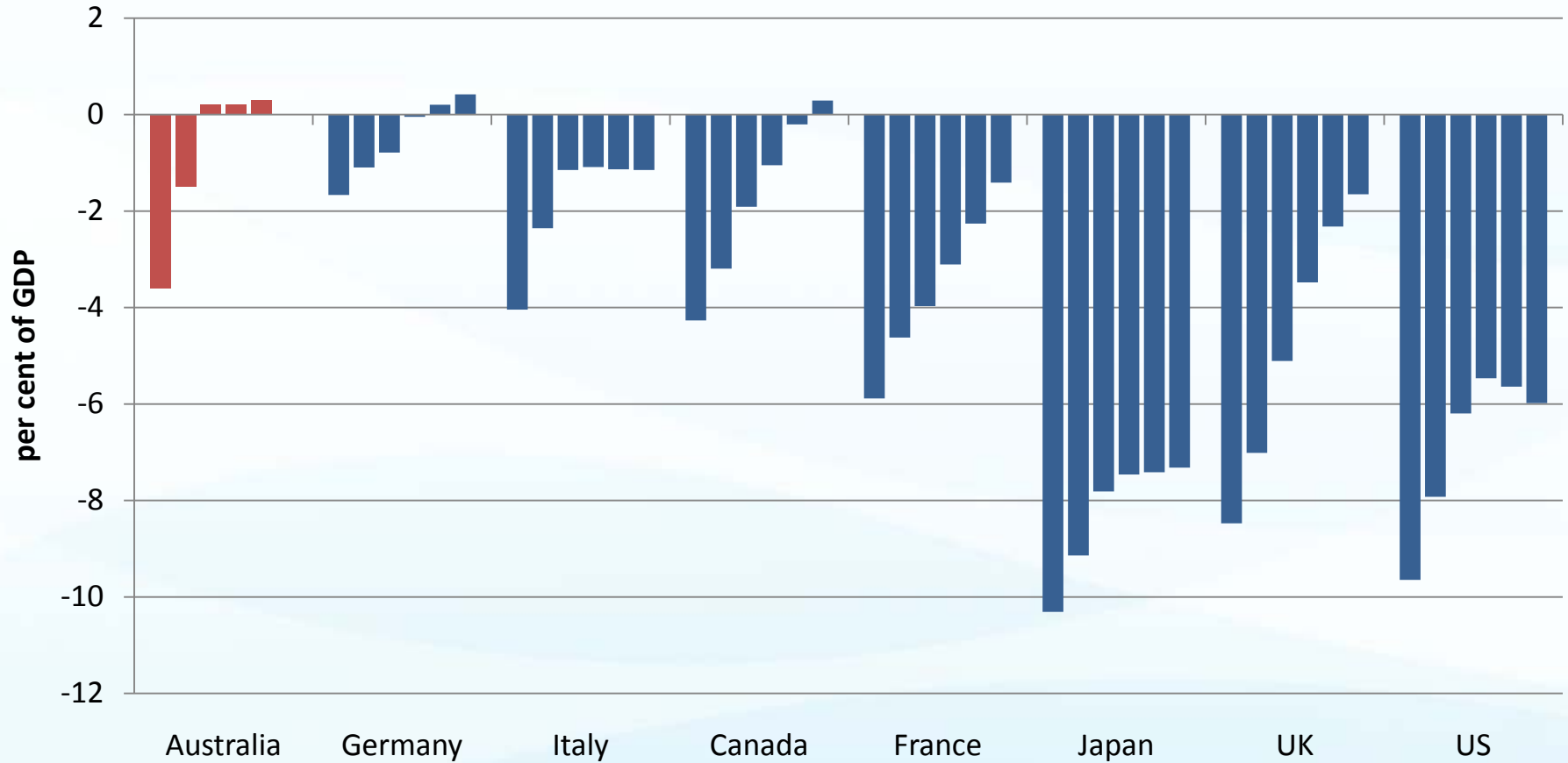
Australia data represent fiscal year using Treasury forecasts; G7 data represent calendar year using IMF forecasts; Source: IMF World Economic Outlook, Treasury



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Strong fiscal position

Government fiscal balance - 2011 to 2016



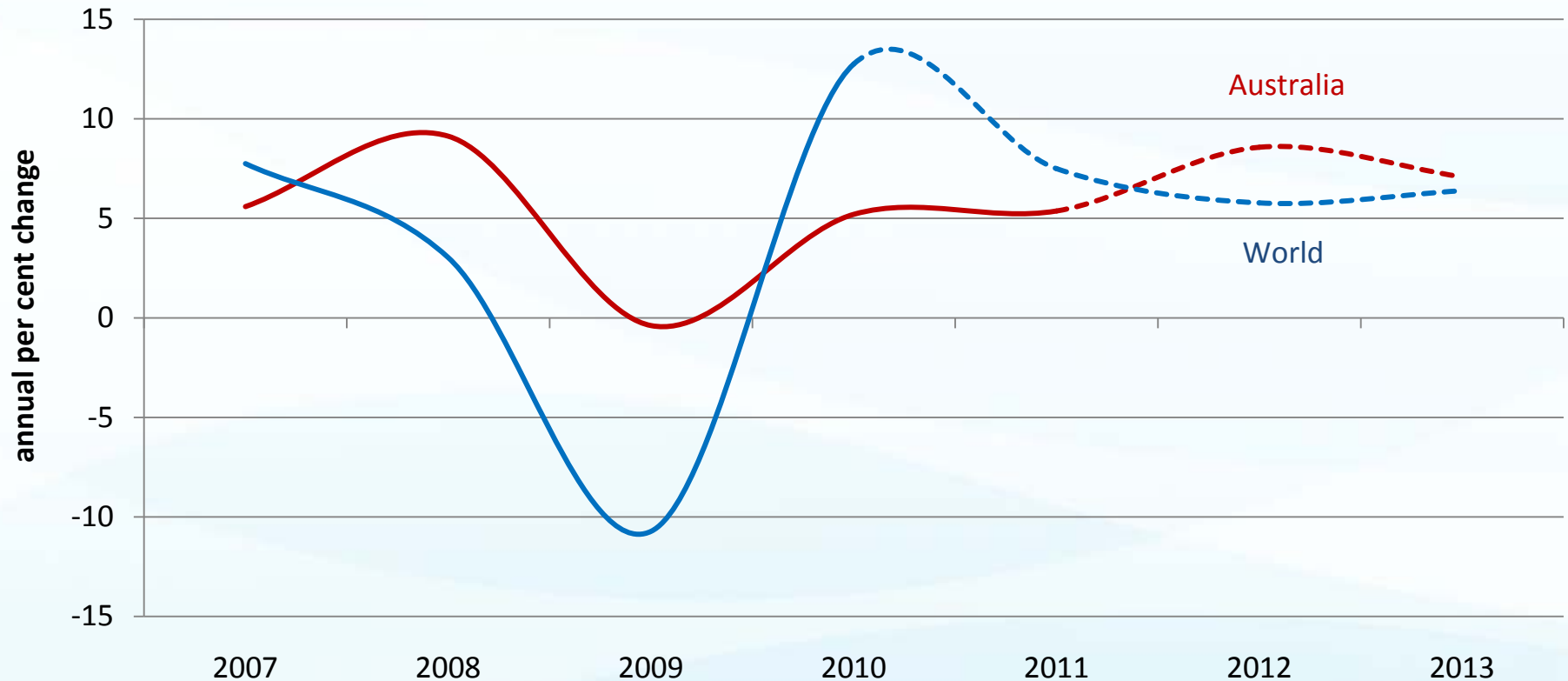
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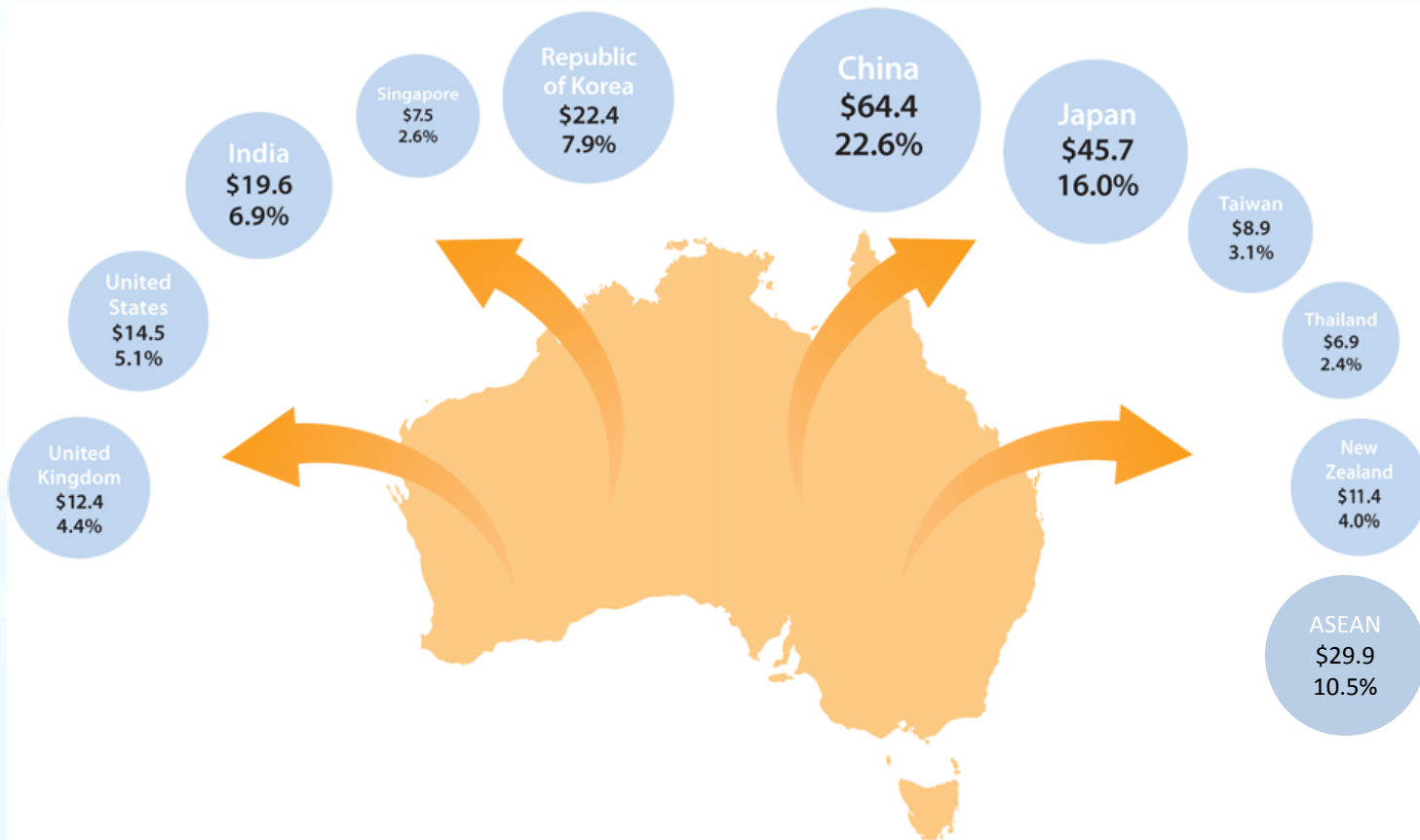
Australia's robust trade performance

Two-way goods and services trade volume growth



Australia data represent fiscal year using Treasury forecasts; World data represent calendar year using IMF forecasts; Source: IMF World Economic Outlook, Australian Bureau of Statistics, Treasury

Australia's engagement with Asia



Australia's top 10 export markets 2010 (\$ billion; per cent of total exports)

Sustained rise in terms of trade to record levels

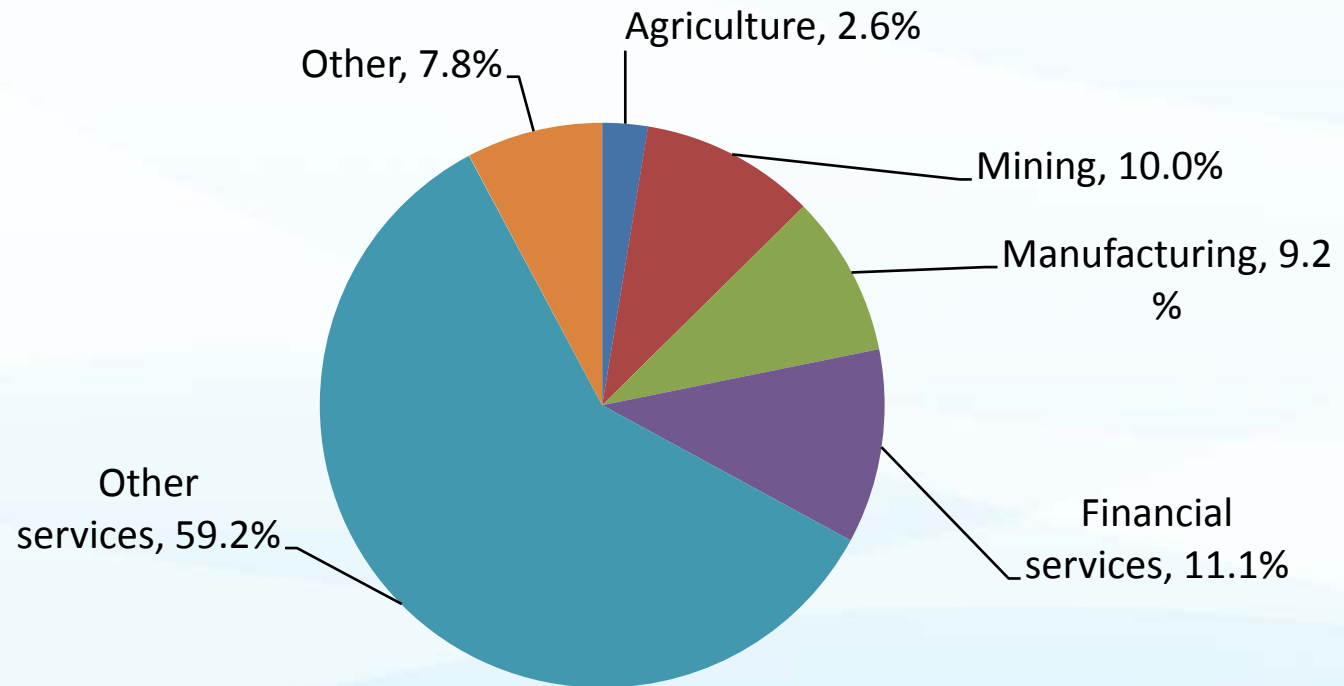
Terms of trade, seasonally adjusted



Source: Australian Bureau of Statistics

Diverse economy

Industry structure by value-added



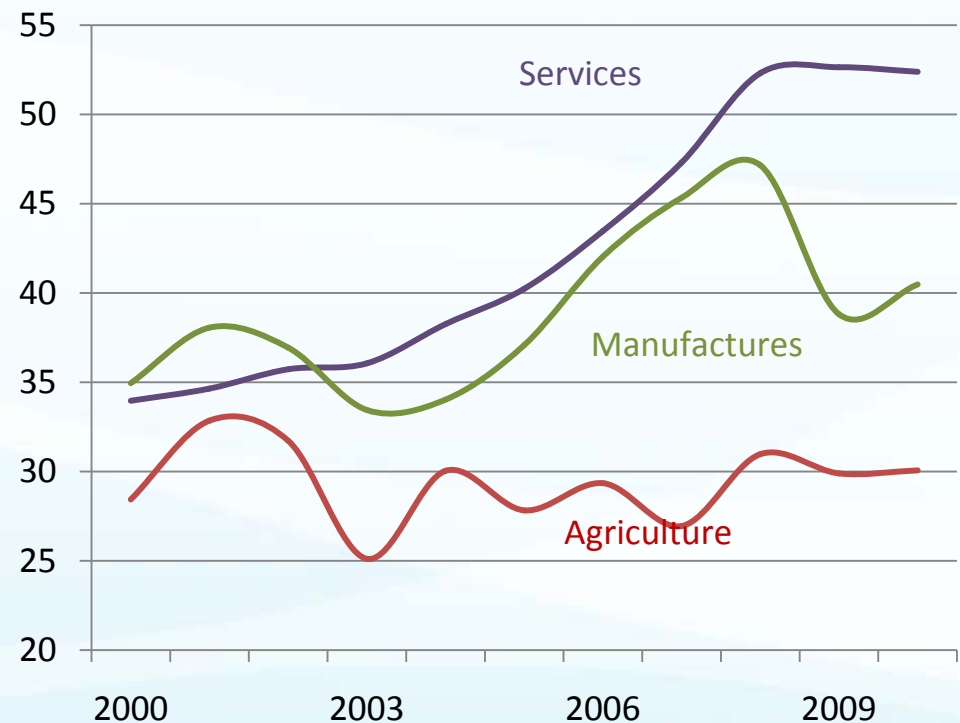
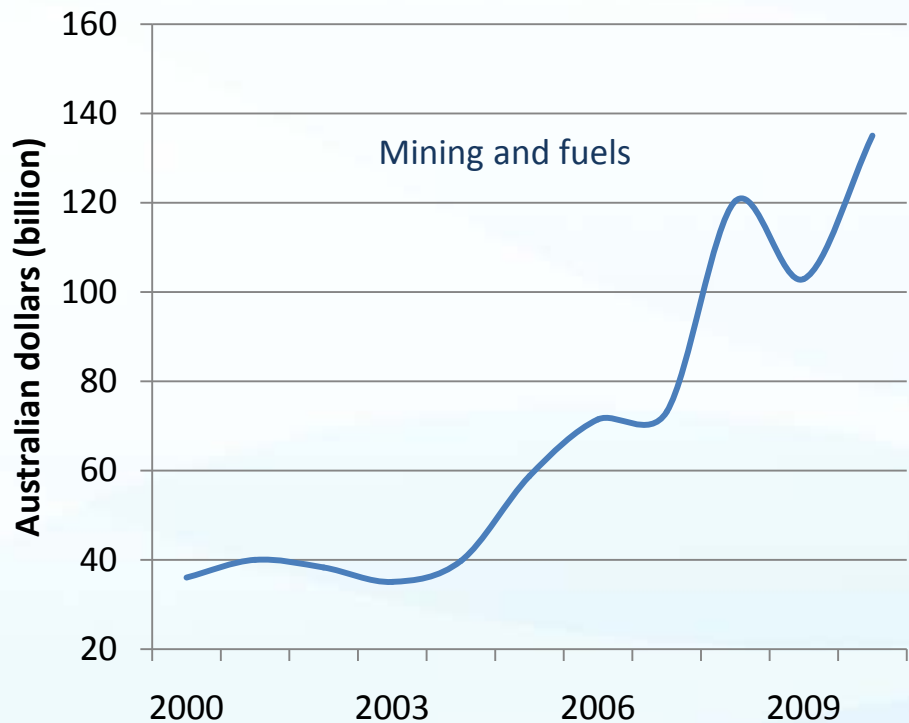
Source: Australian Bureau of Statistics



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Diversified export profile

Key Australian export categories



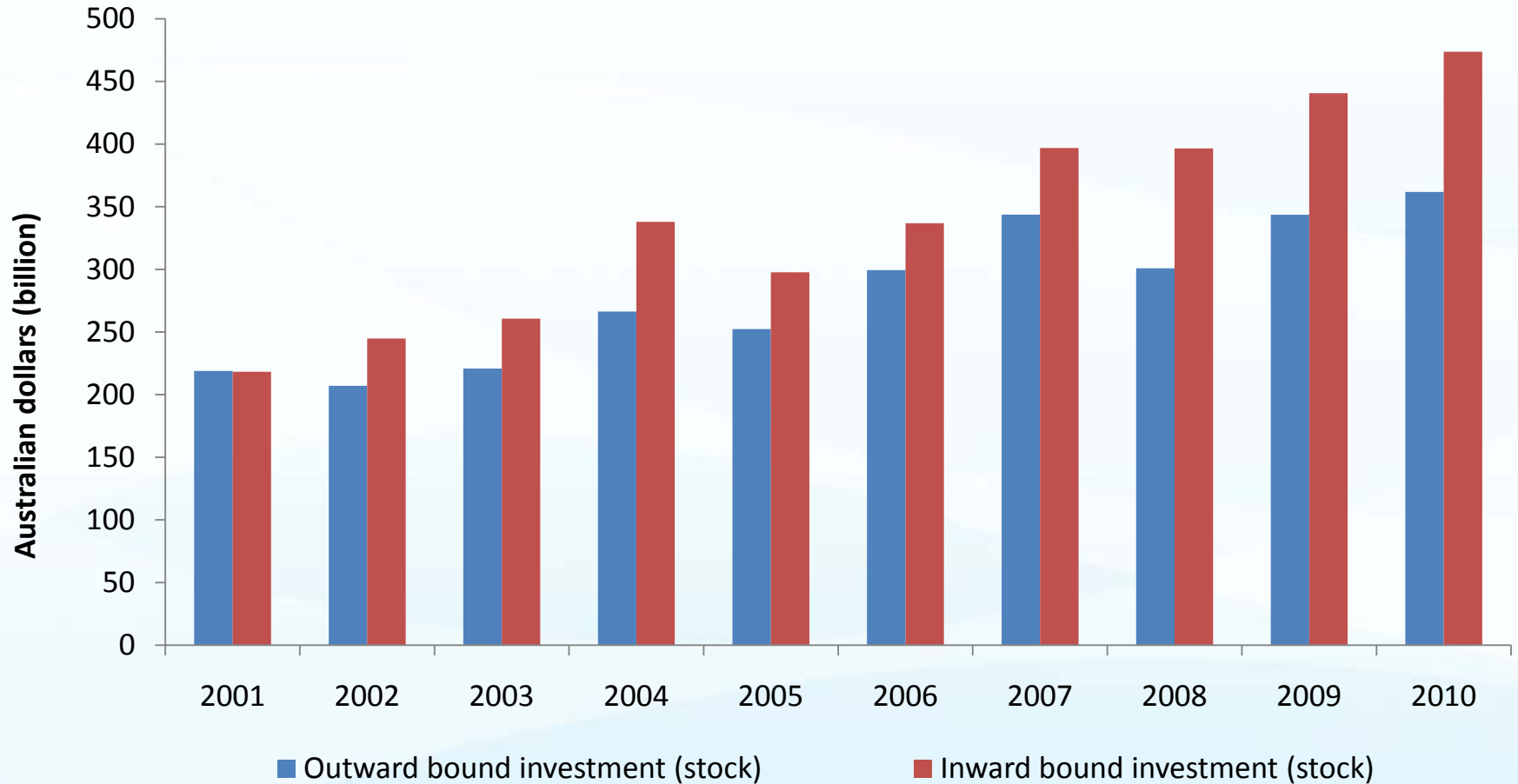
Source: Australian Bureau of Statistics



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Inward investment growing

Inward and outward direct investment in Australia



Source: Australian Bureau of Statistics