

The Economic Landscape in 2009

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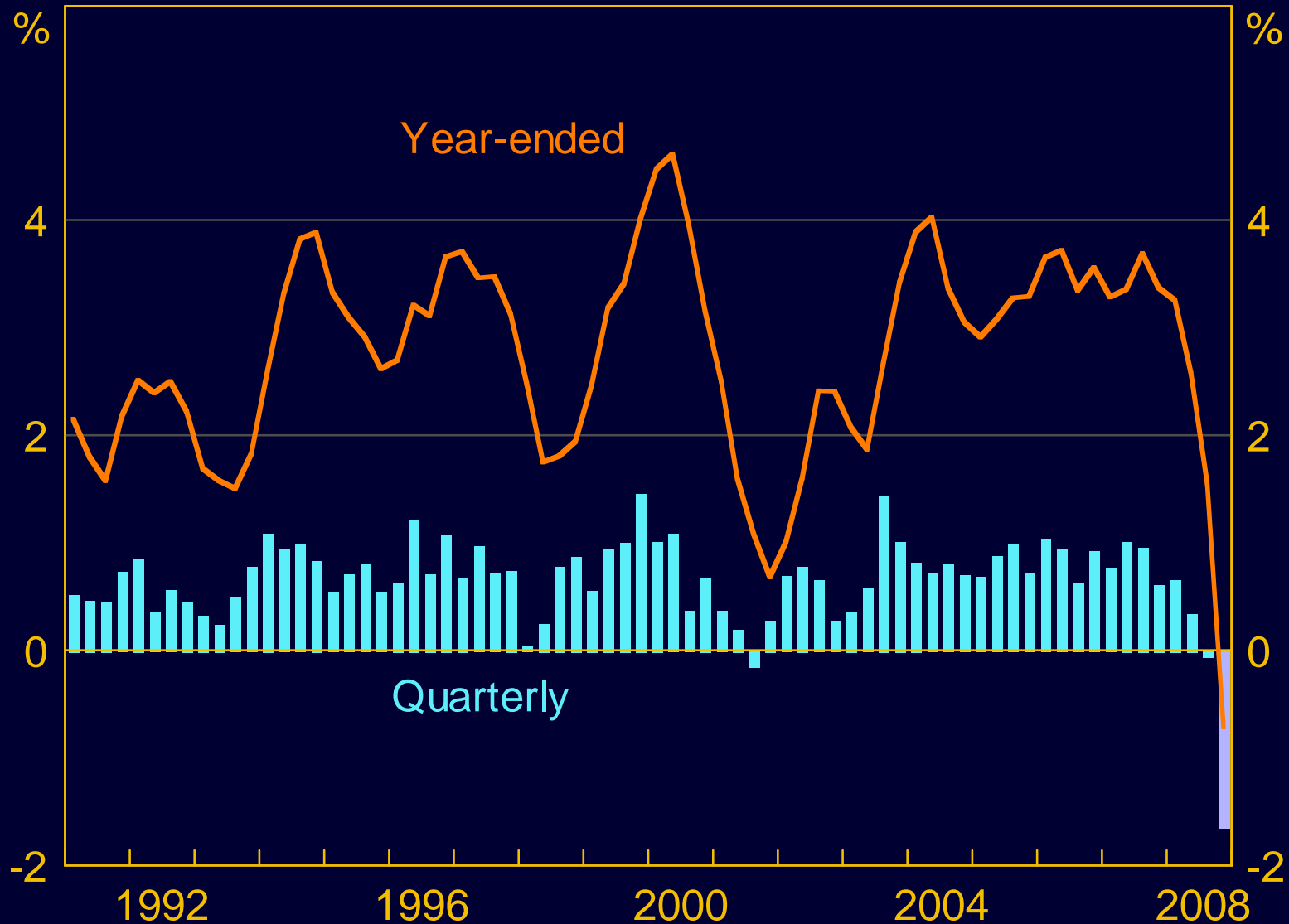
Address to Australian Industry Group Annual Economic Forum

Sydney – Wednesday, 4 March 2009



Australia's Trading Partner GDP

Percentage change



* Weighted using GDP shares at market exchange rates

Sources: CEIC; IMF; RBA; Thomson Reuters



Australia's Five Largest Export Markets

Per cent

| | Share of Australia's merchandise exports | GDP growth Dec quarter |
|---------------|--|---------------------------|
| Japan | 19.3 | -3.3 |
| China | 14.9 | 0.6 |
| Korea | 7.9 | -5.6 |
| Euro area | 6.2 | -1.5 |
| United States | 5.9 | -1.6 |



US Share Prices

1 January 2008 = 100, log scale



Source: Thomson Reuters



Global Industrial Production*

January 2000 = 100



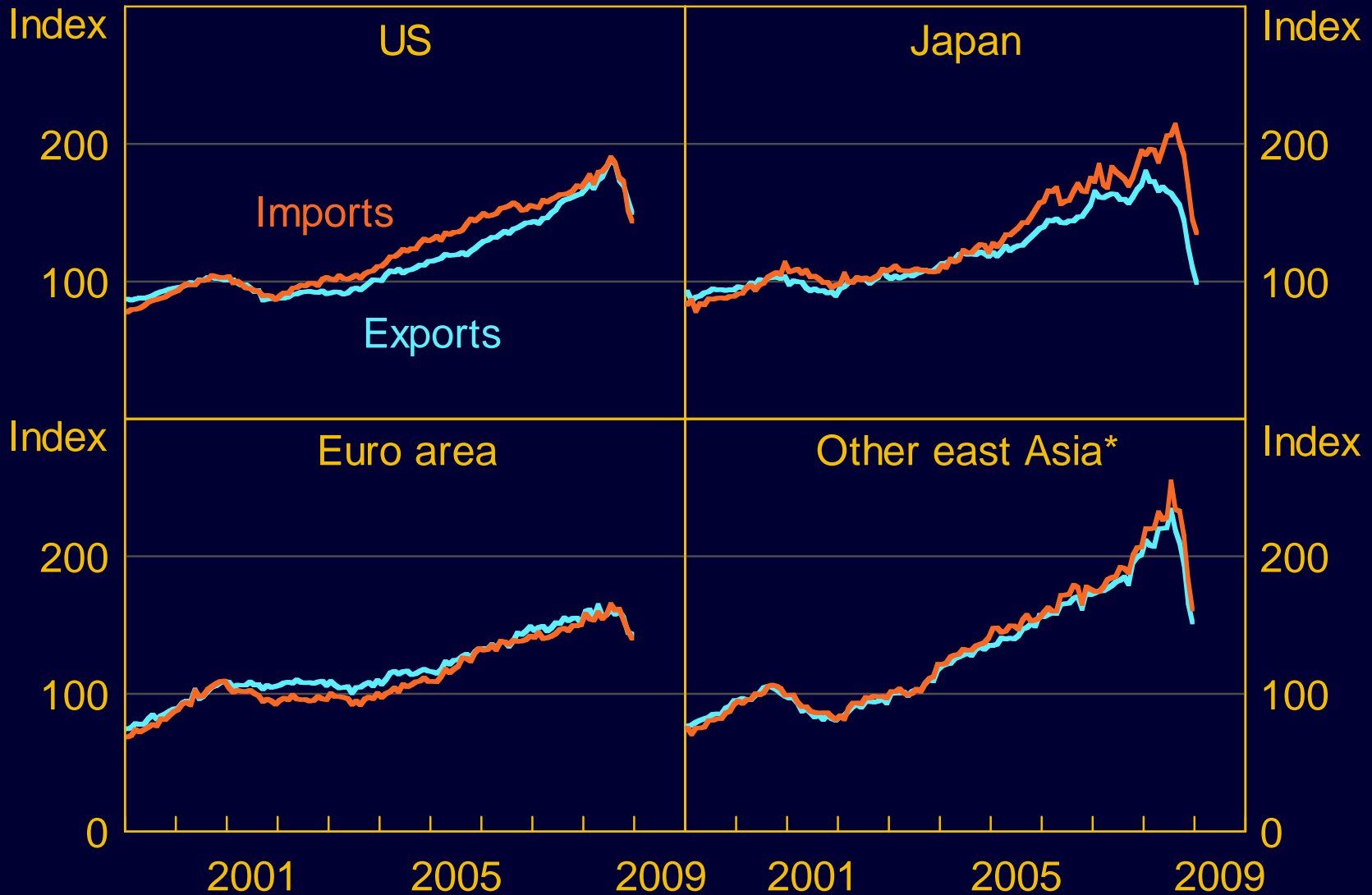
* Weighted using output shares at market exchange rates

Sources: CEIC; IMF; RBA; Thomson Reuters



Export and Import Values

2000 = 100



* Values in US\$ terms

Sources: CEIC; Thomson Reuters



Discretionary Fiscal Easing – Selected Economies

Per cent of GDP

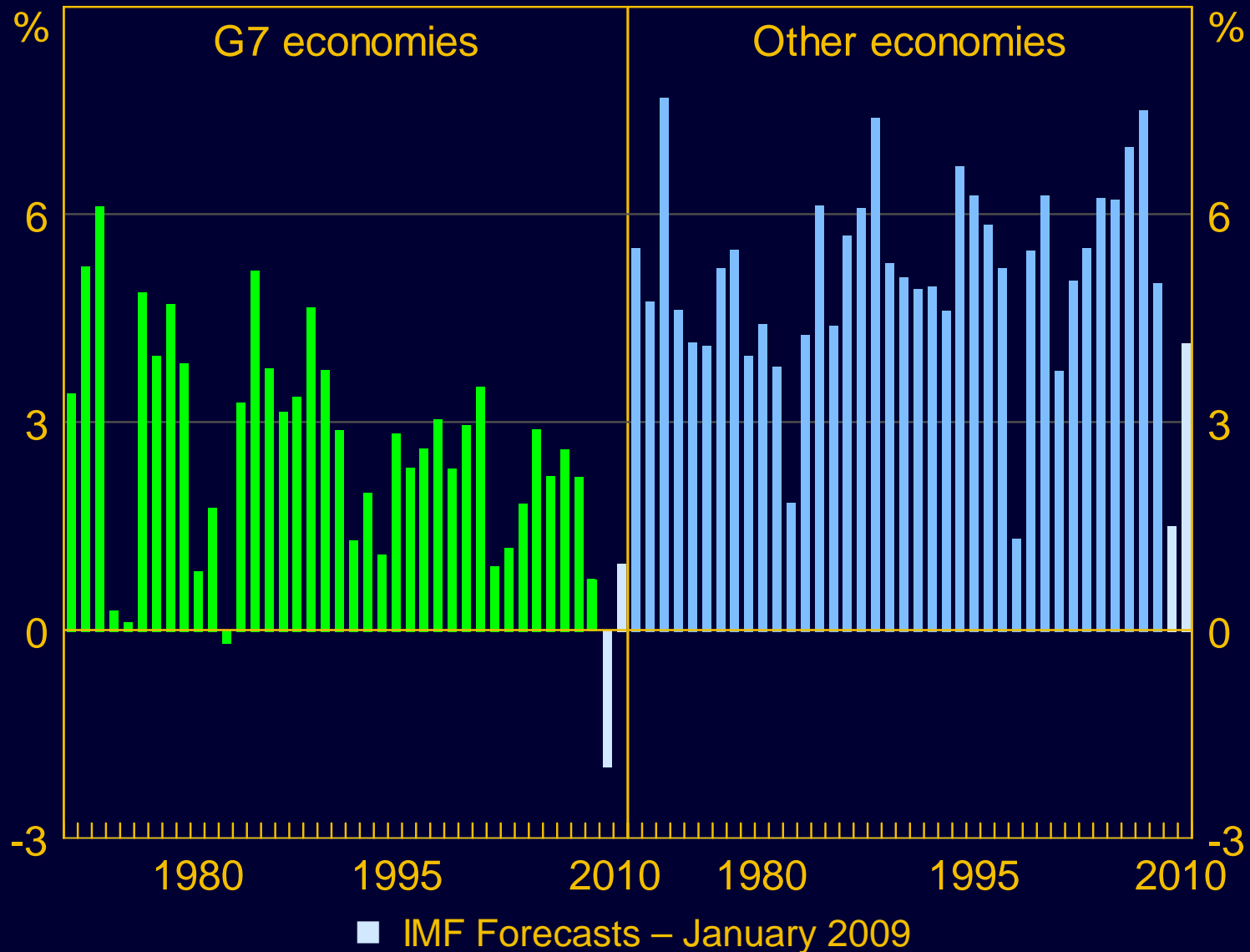
| | Estimated easing* | |
|----------------|-------------------|--------|
| | 2009 | 2010 |
| United States | 1¼ | 2¾ |
| United Kingdom | 1¼ | ½ |
| Germany | 1½ | ¾ |
| Japan | 1¼ | - |
| China | over 2 | over 2 |
| South Korea | over 2 | over 2 |
| Taiwan | over 2 | over 2 |
| Australia | 2¼ | 1¾ |

* Based on policy announcements and media reports



Australia's Trading Partner GDP

GDP-weighted, year-average percentage change

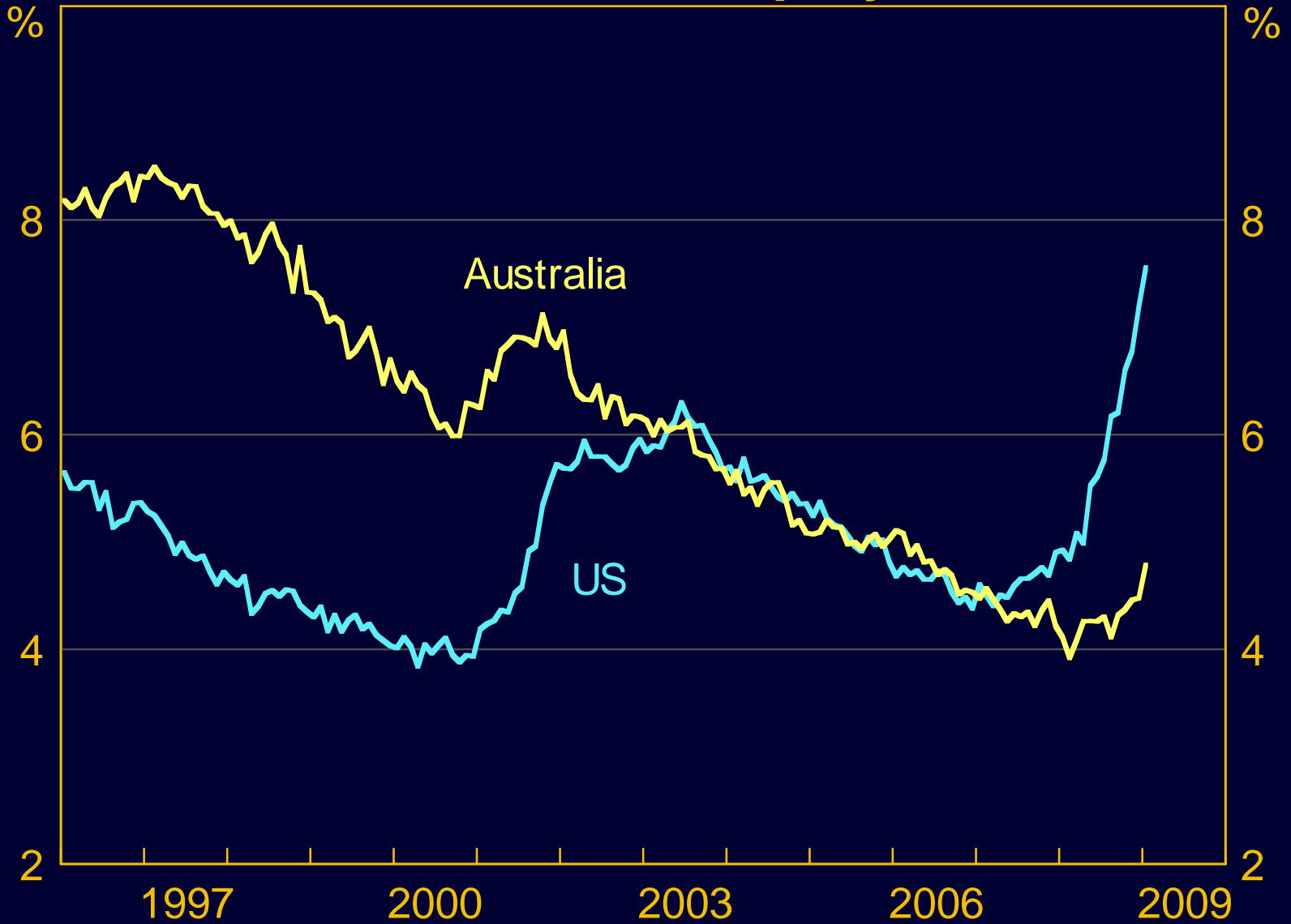


Sources: CEIC; IMF; RBA; Thomson Reuters





Australian and US Unemployment Rates



Sources: ABS; Thomson Reuters



Terms of Trade*

2006/07 = 100



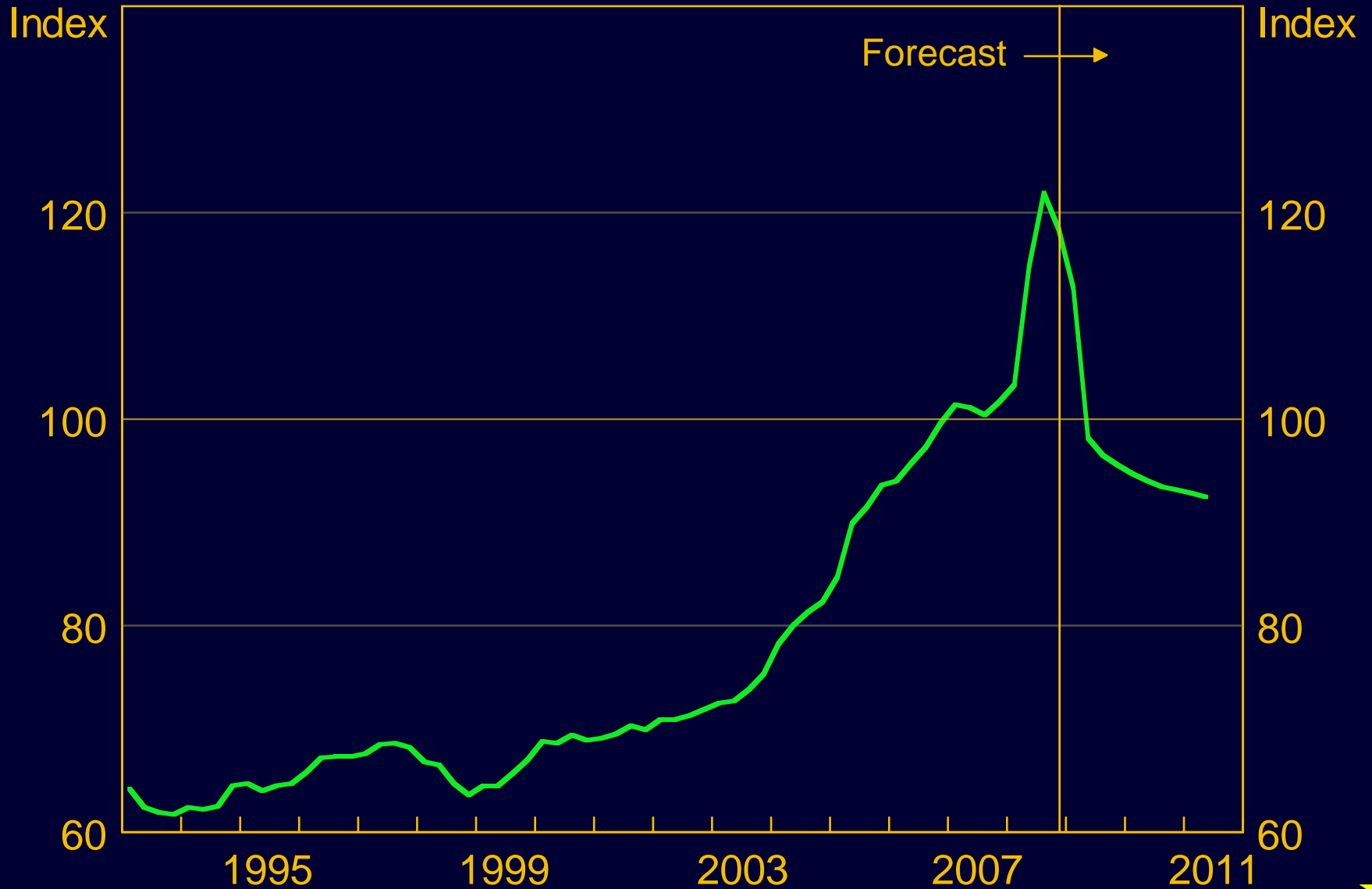
* Annual data are used prior to 1960

Sources: ABS; RBA



Terms of Trade

2006/07 = 100

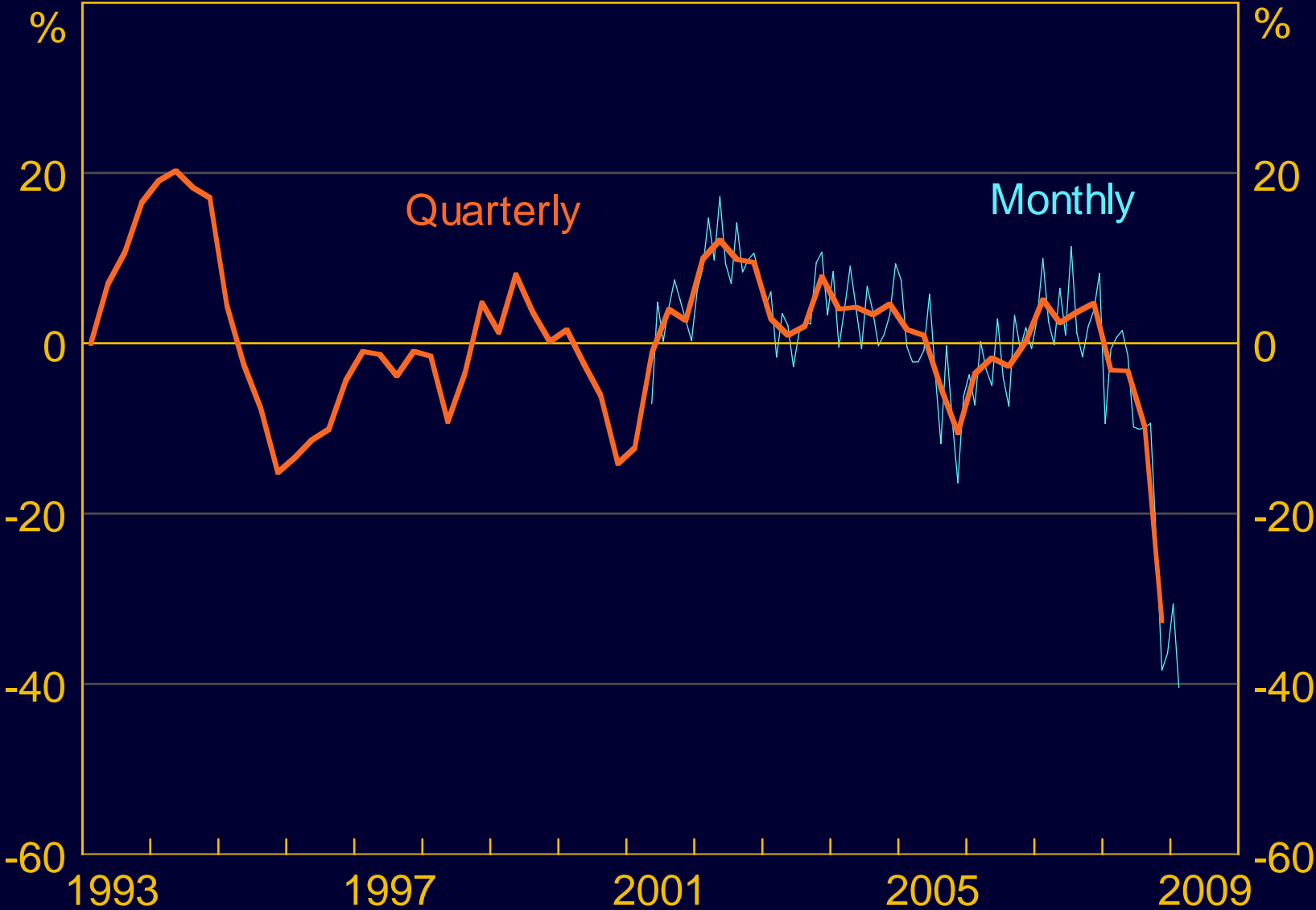


Sources: ABS; RBA



AIG - Performance of Manufacturing Index

Net balance; deviation from long-run average

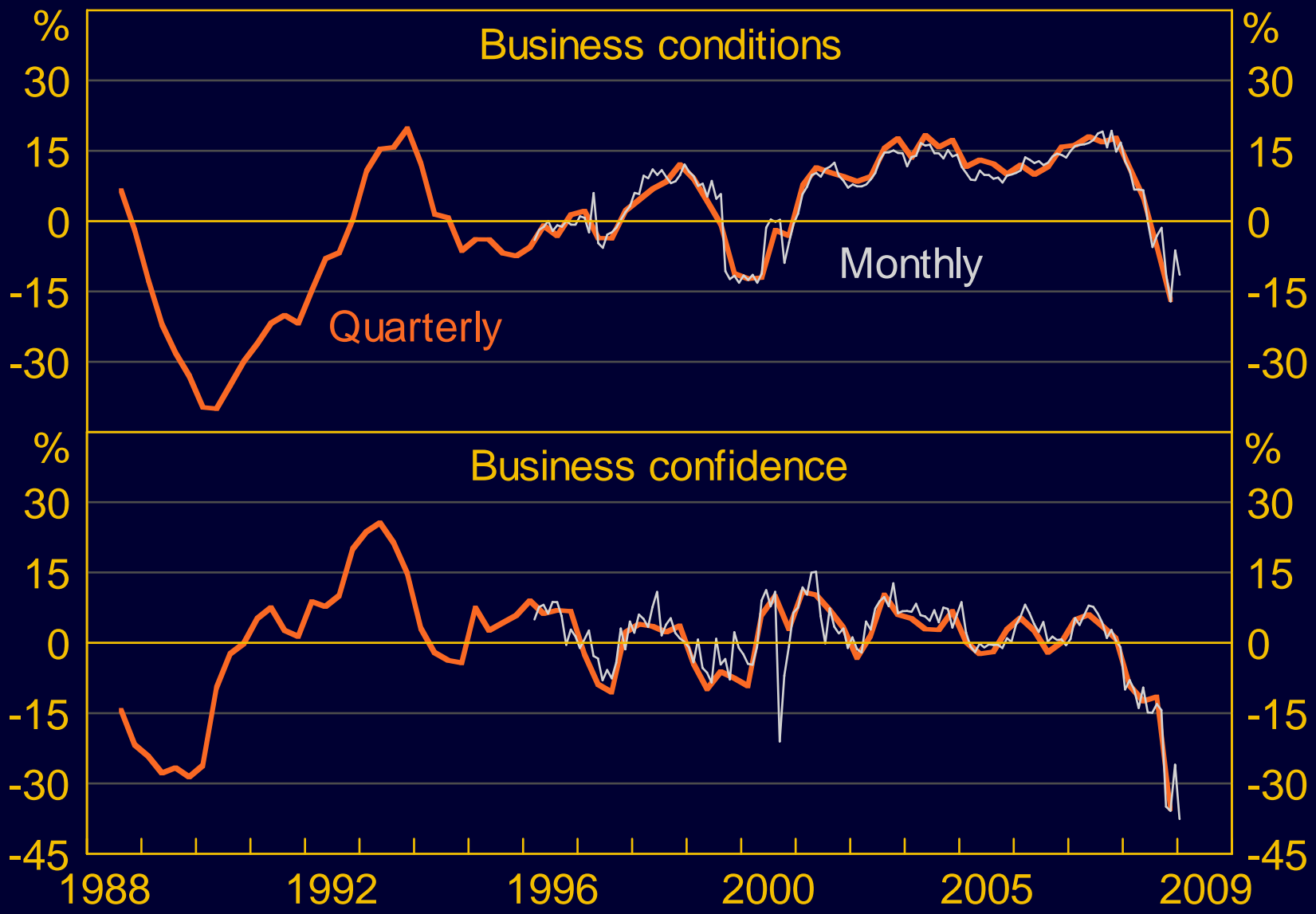


Source: AIG



NAB Business Survey

Net balance; deviation from long-run average

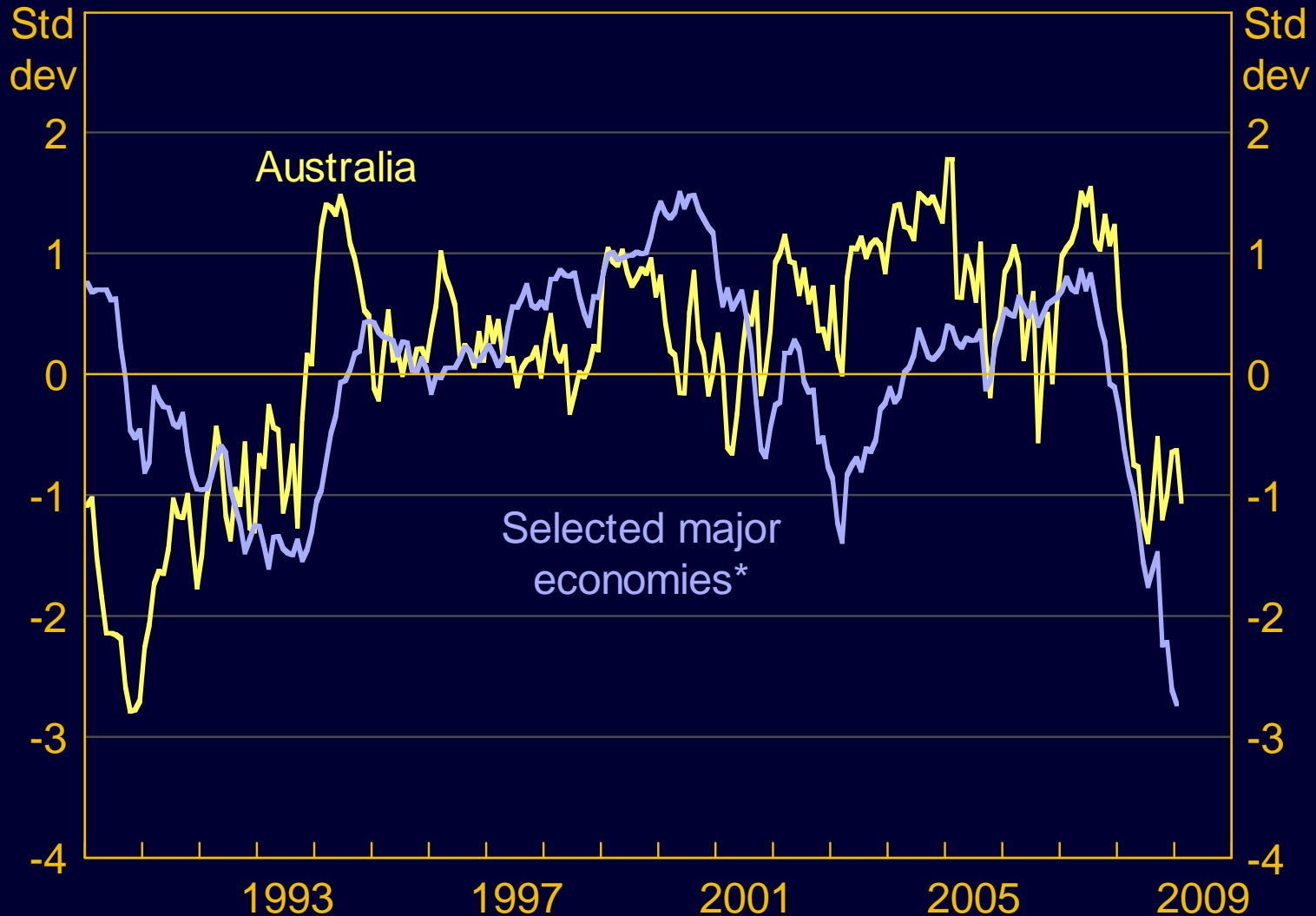


Source: NAB



Consumer Sentiment

Standard deviation from long-run average

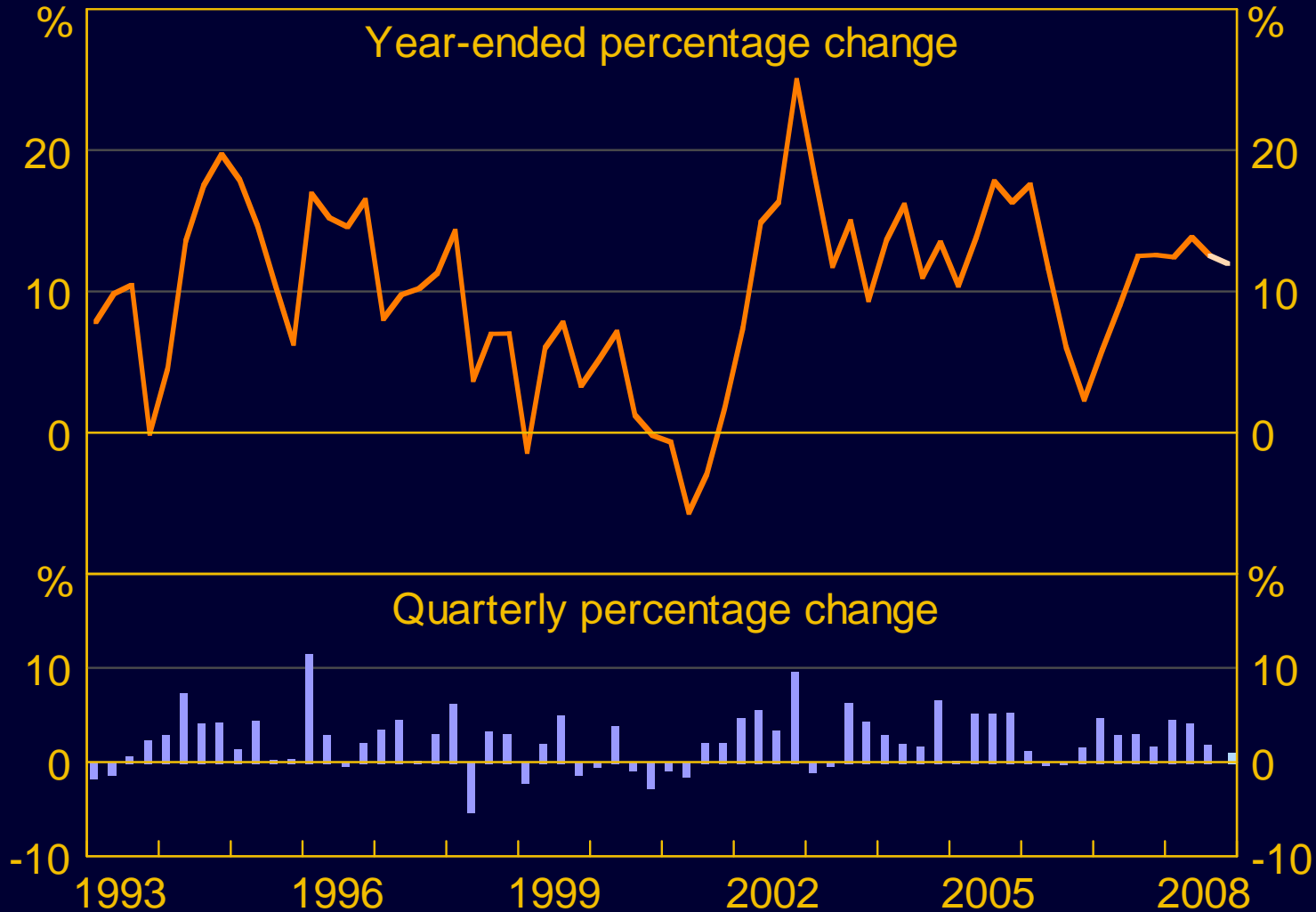


* GDP-weighted average of euro area, Japan, UK and US

Sources: CEIC; Melbourne Institute and Westpac; RBA; Roy Morgan Research; Thomson Reuters



Business Investment*



* Adjusted for Telstra's privatisation and for second-hand asset transfers between the private and other sectors. December quarter estimates based on partial data.

Sources: ABS; RBA



Interest Payments Ratio*

Household interest paid, per cent of household disposable income



* Household sector excludes unincorporated enterprises. Disposable income is after tax and before the deduction of interest payments.

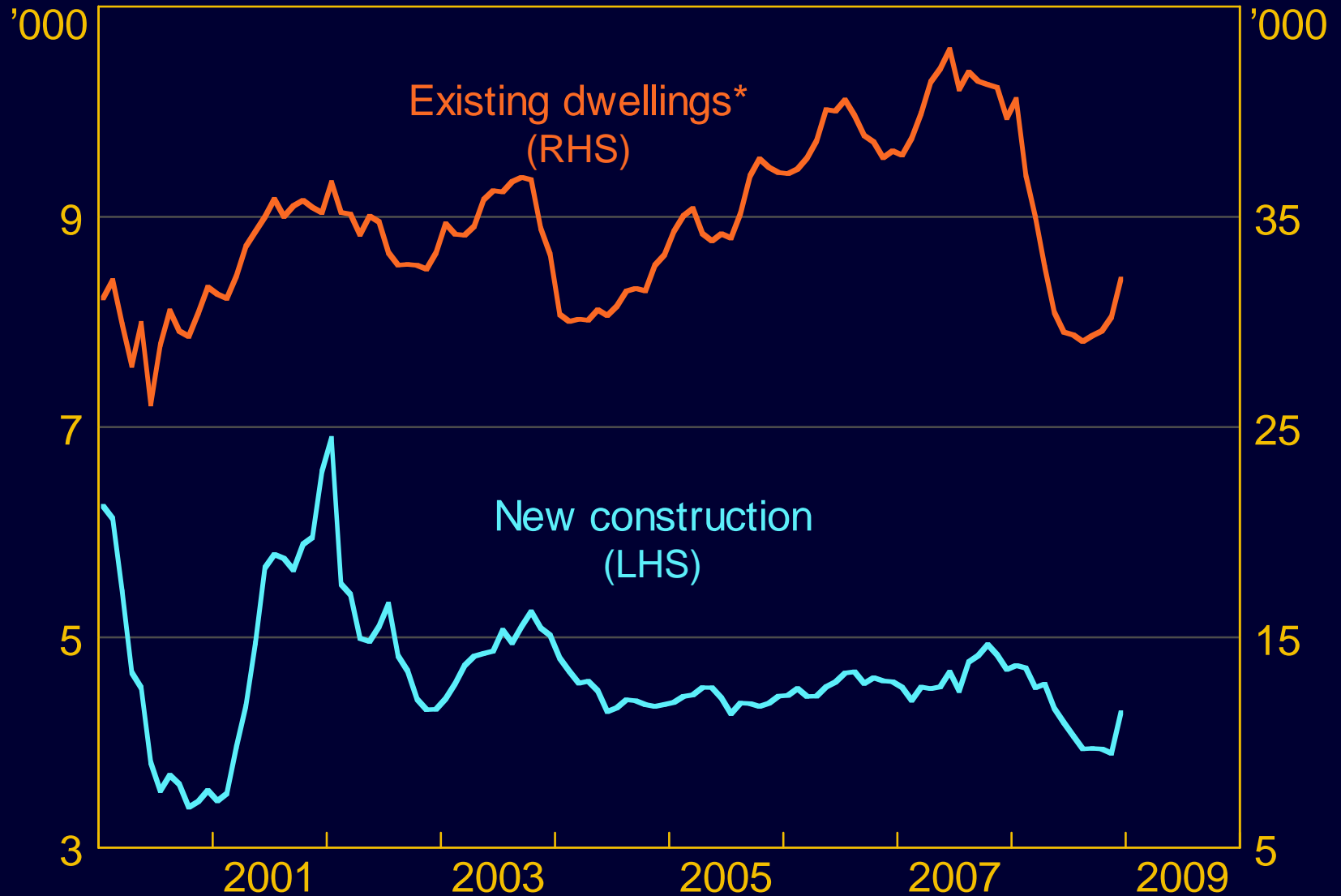
Includes imputed financial intermediation service charge.

Sources: ABS; RBA



Number of Loan Approvals

Owner-occupiers



* Excludes refinancing

Source: ABS



