

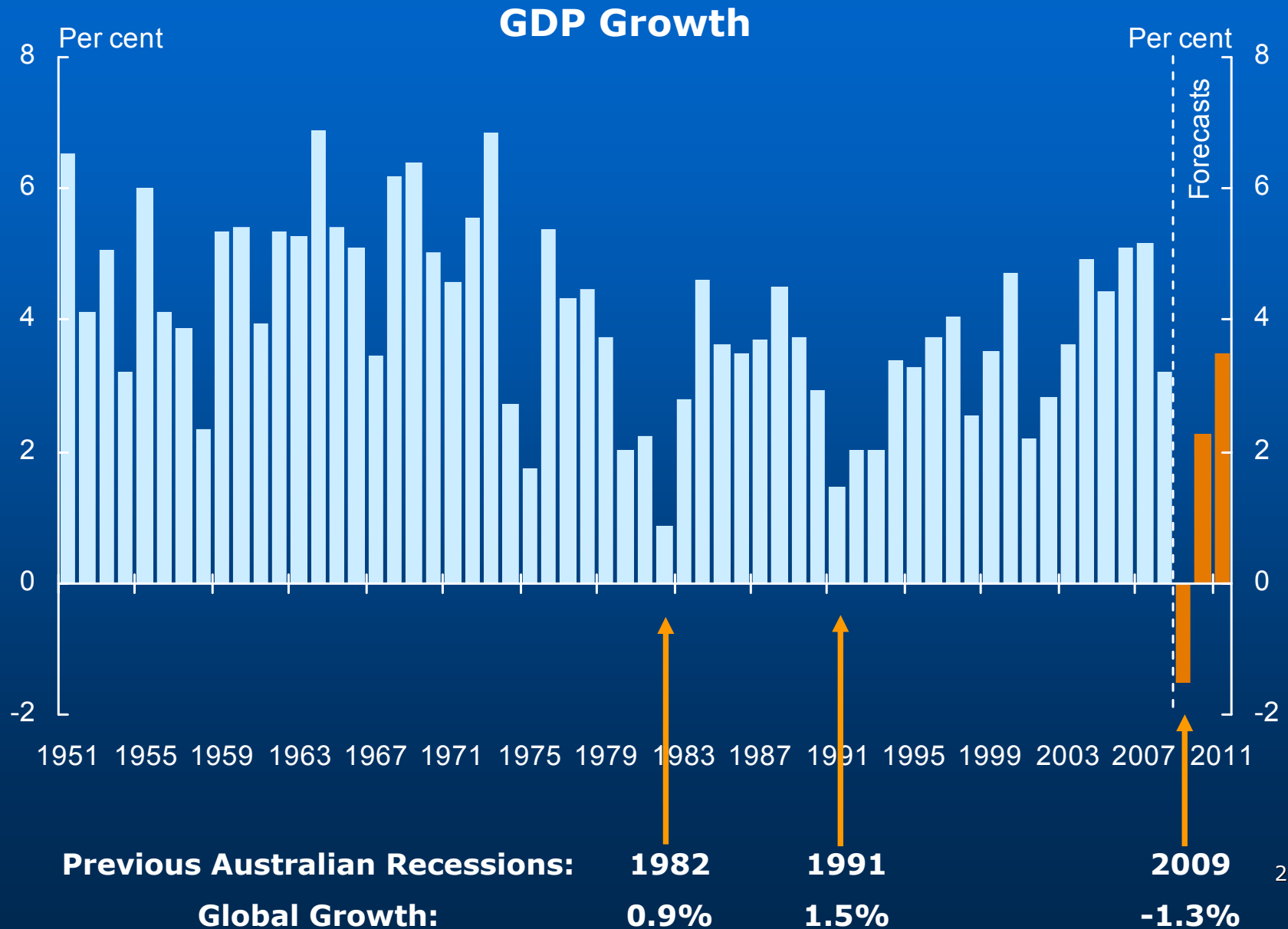
Nation Building for Recovery

Business Council of Australia

Tuesday 16 June 2009

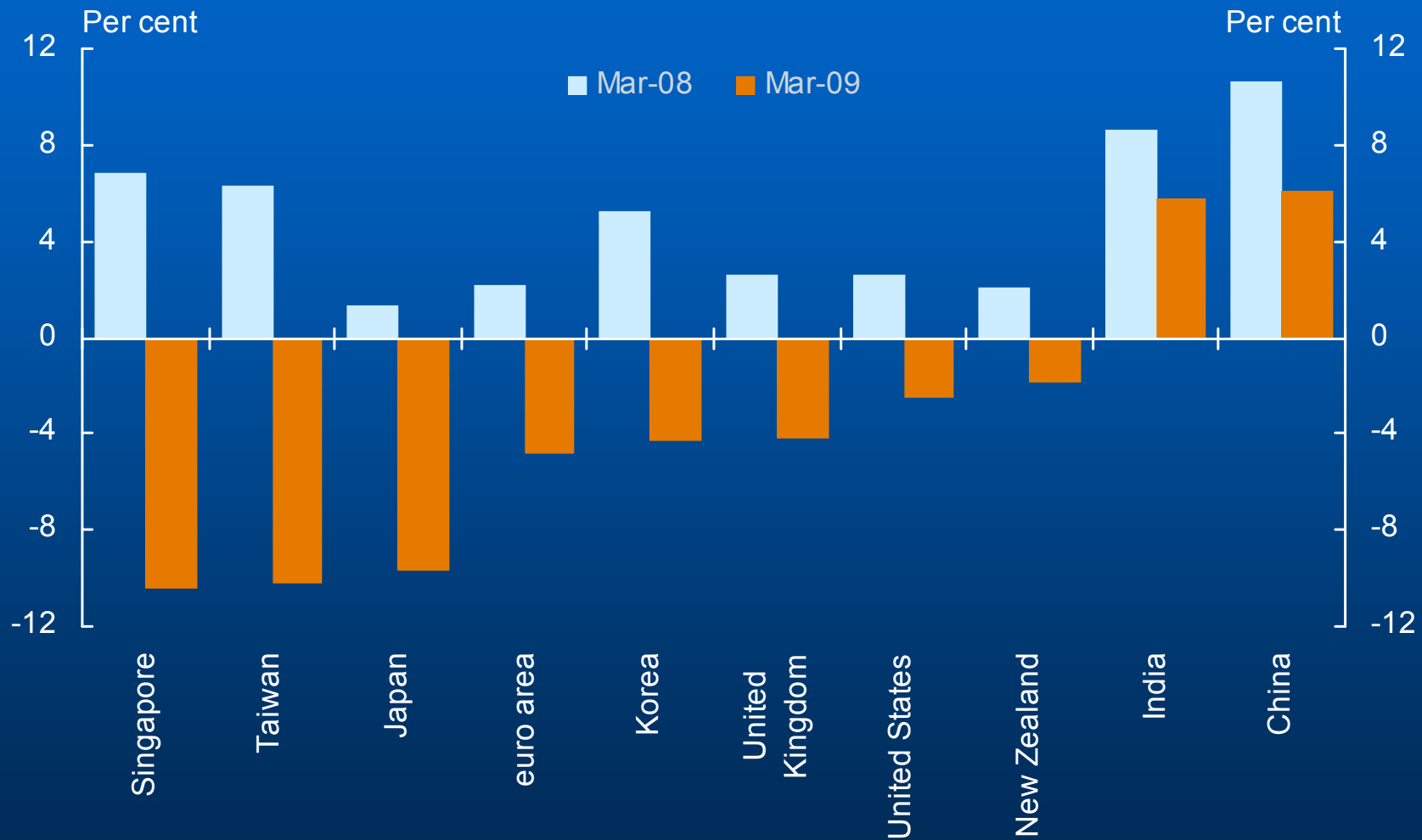
THE HONOURABLE KEVIN RUDD, MP
PRIME MINISTER

Worst global conditions in 75 years



Top 10 major trading partner growth

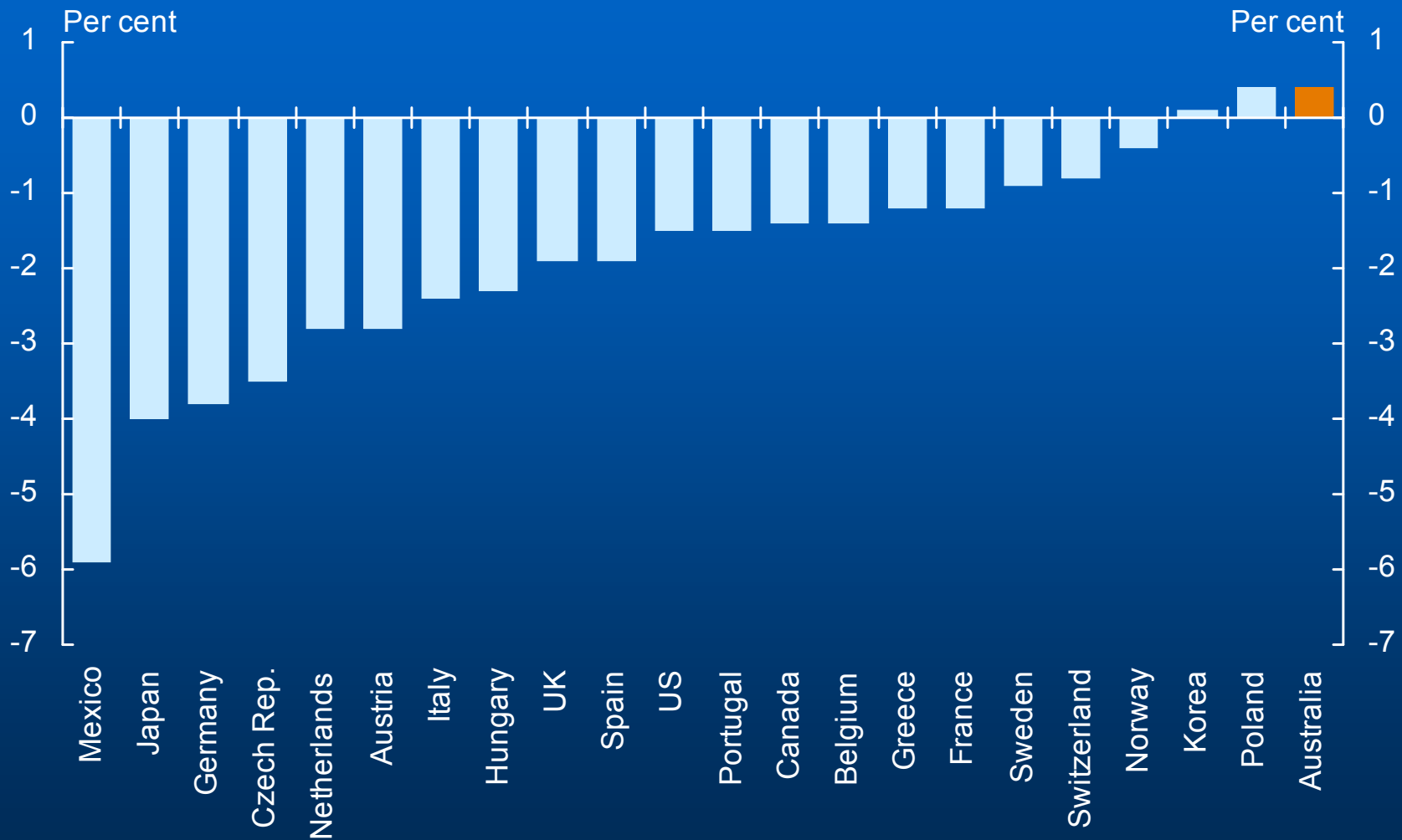
(Through-the-year)



Note: NZ latest in through-the-year to December 2008.
Source: National Agencies.

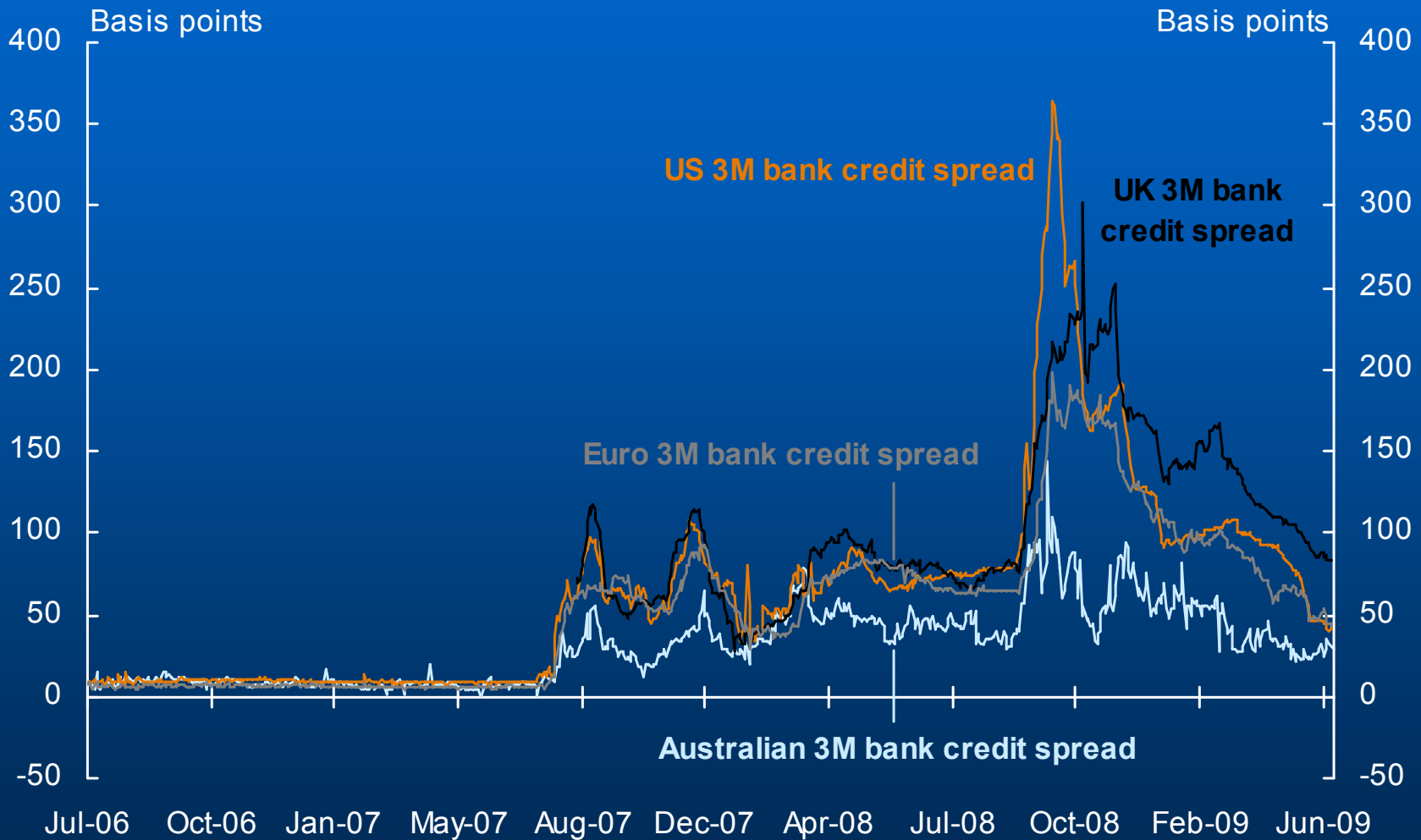
Australia stronger than other OECD economies

(Quarterly GDP growth – March 2009)



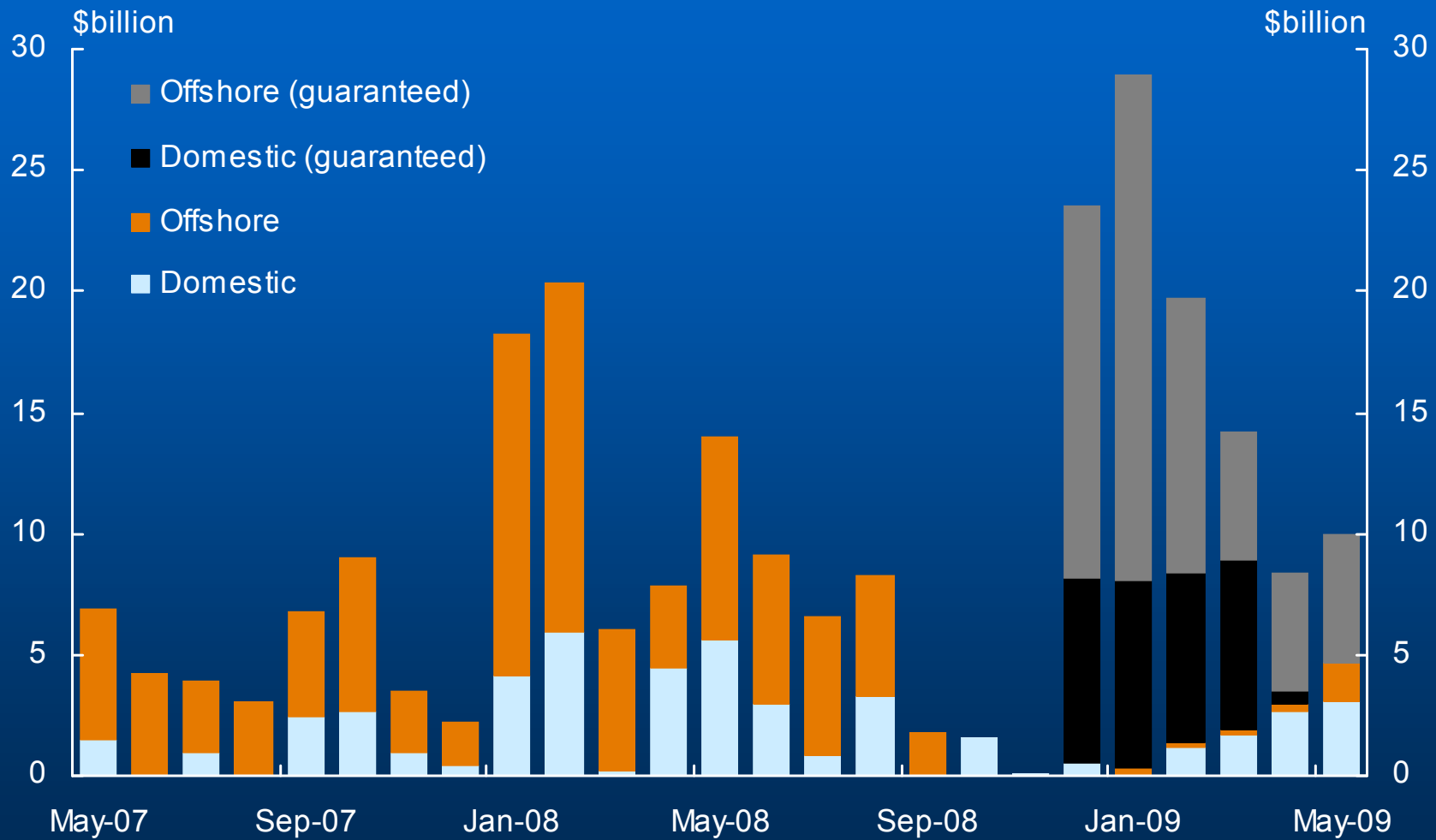
Note: Czech Republic quarterly growth is an estimate based on preliminary through the year data.

Major country credit spreads



Source: Reuters.

Banks' bond issuances



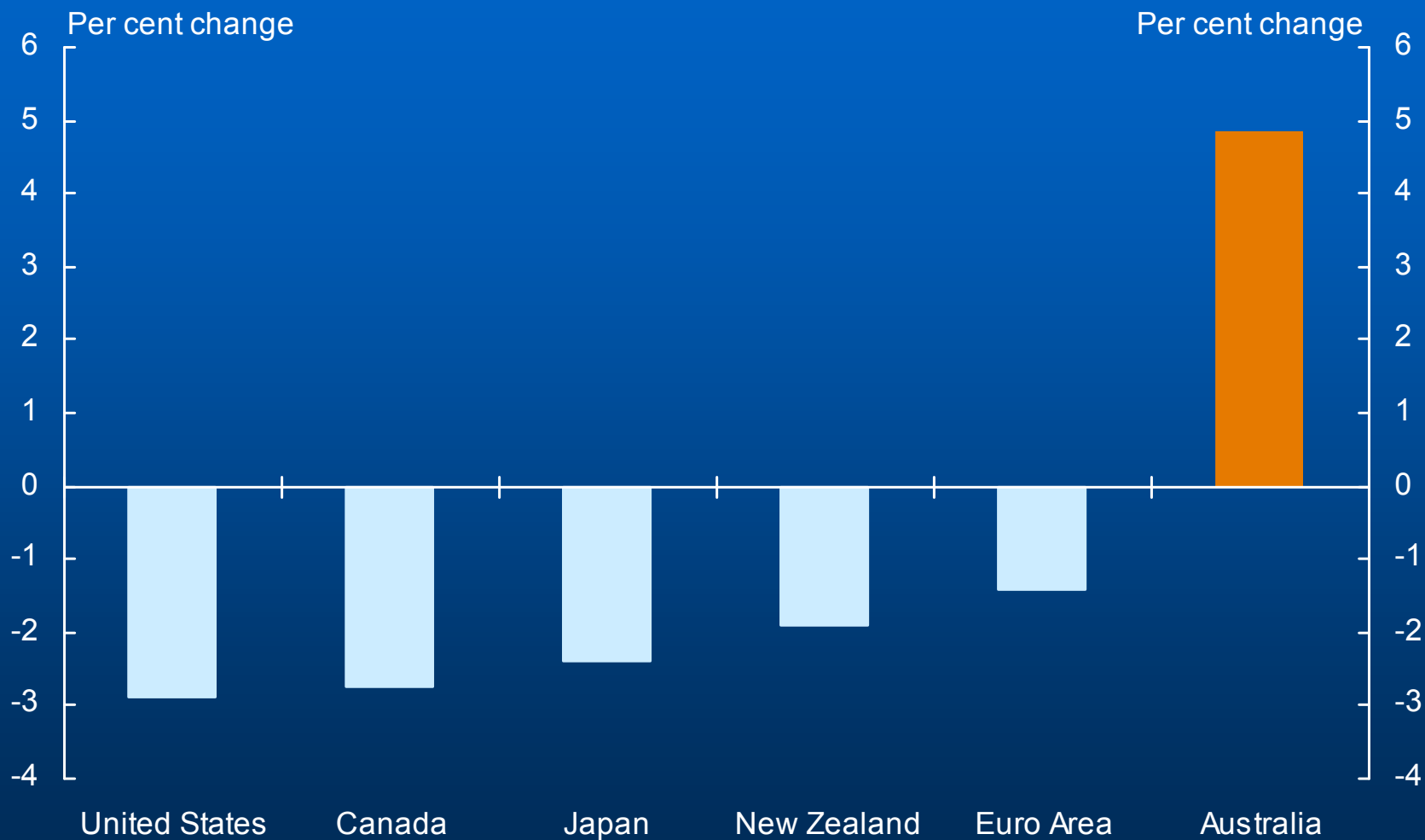
Source: Reserve Bank of Australia.

Composition of Gross Domestic Product

	<u>\$ billion</u>	<u>% of GDP</u>
Household Consumption	\$644	54%
Dwelling Construction	\$71	6%
Private Business Investment	\$198	17%
Public Final Demand	\$263	22%
<u>Domestic Final Demand</u>	<u>\$1,193</u>	<u>100%</u>
Exports	\$278	
less Imports	\$283	
<u>Total GDP</u>	<u>\$1,184</u>	

Retail sales

(per cent change from November 2008 until latest)

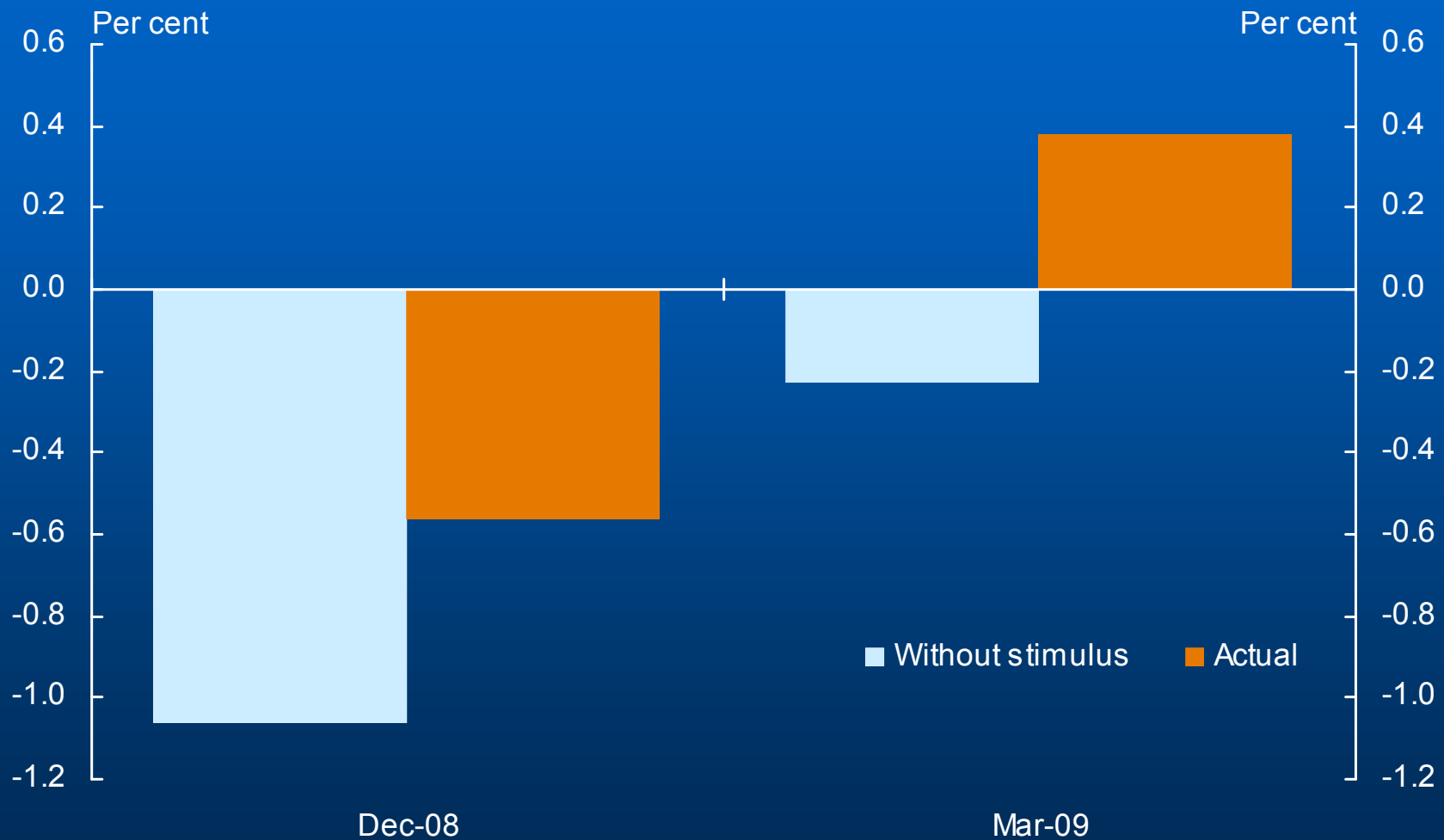


Source: Treasury calculations.

Housing Finance and Building Approvals are up

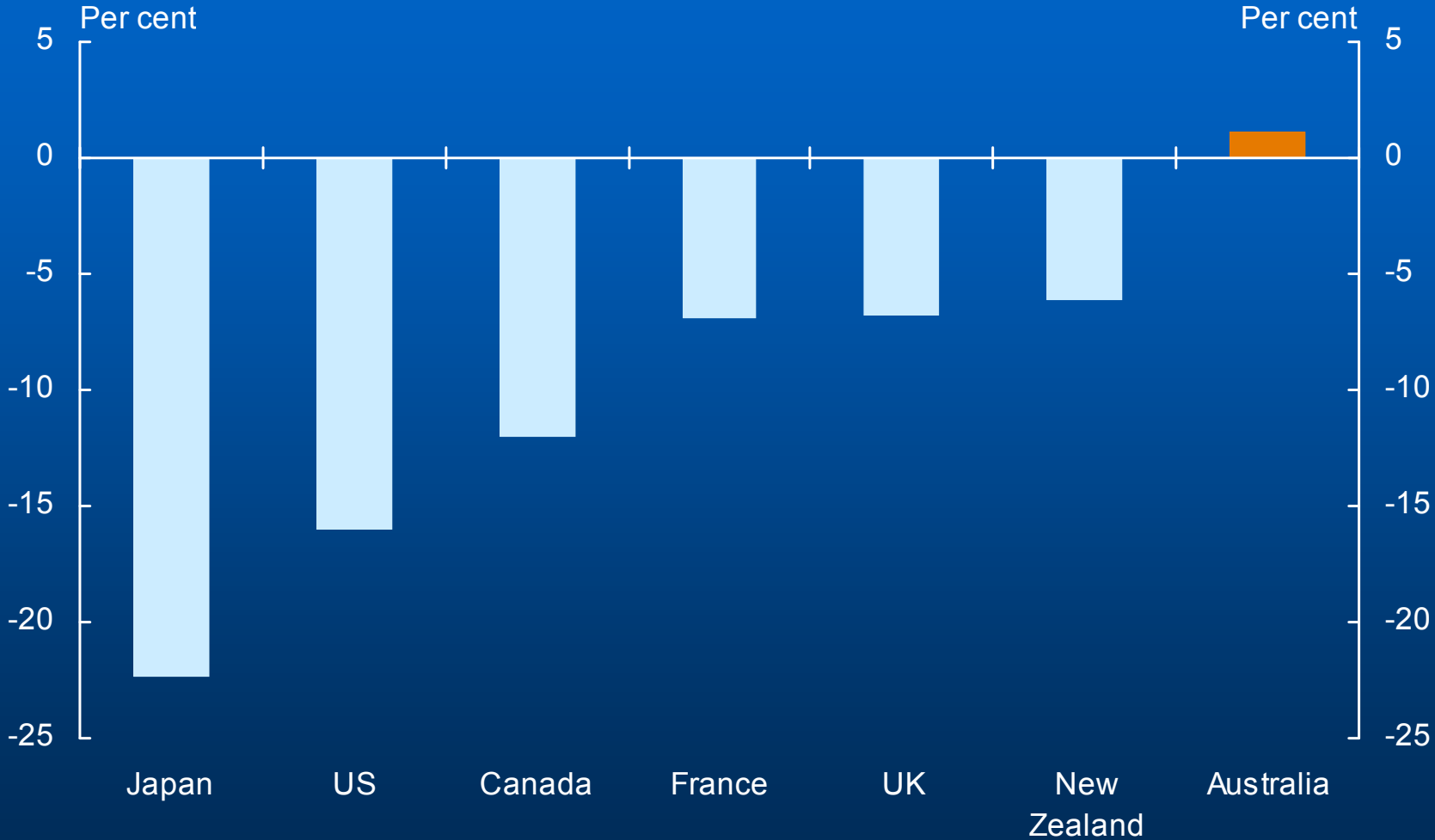


Stimulus working to cushion Australian economy (Quarterly GDP growth)



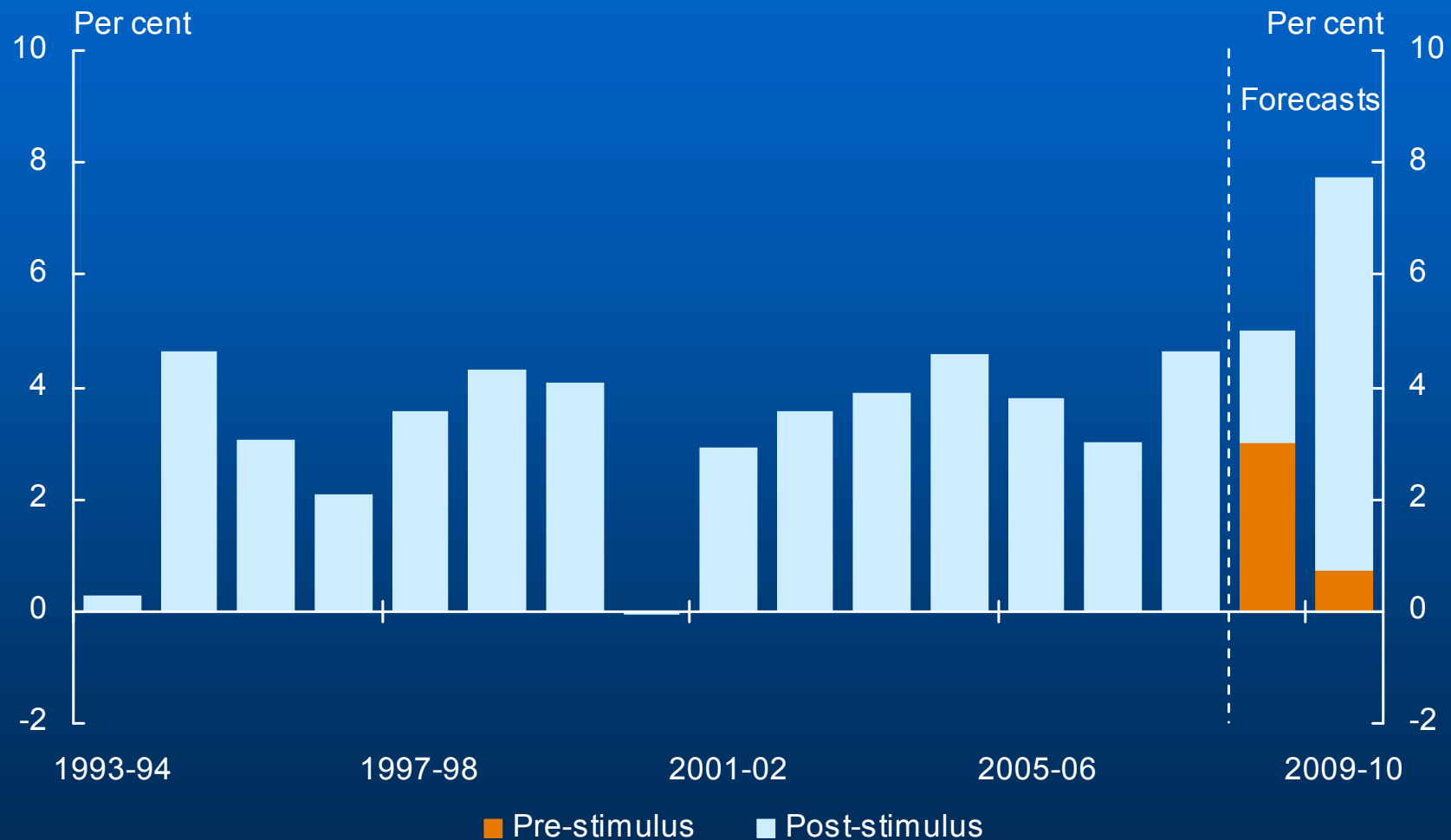
Business investment

(Through the year growth – Q1 2009)



Source: National Agencies, ABS Catalogue Number 5206

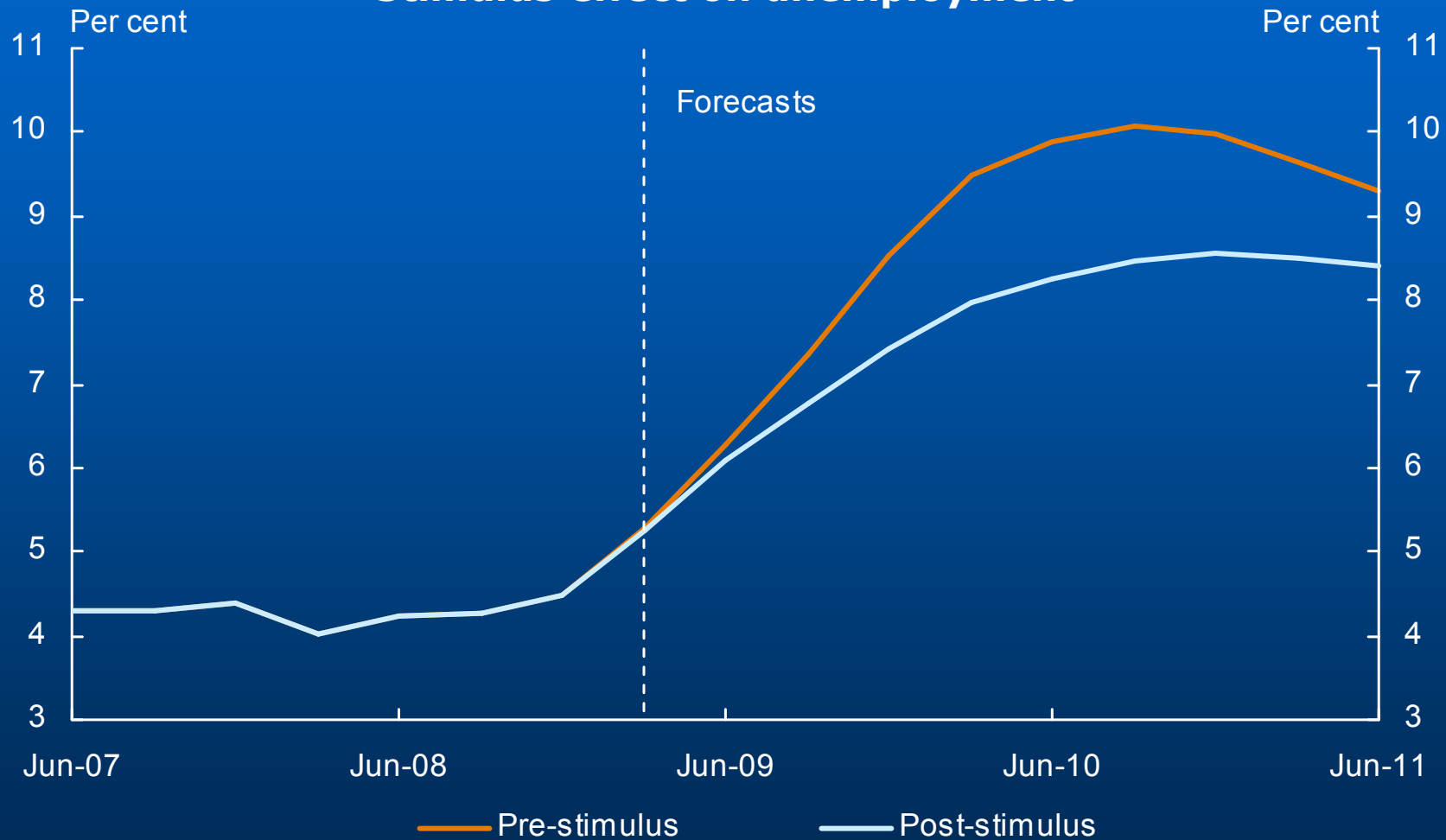
Public final demand pre- and post-stimulus



Source: ABS Catalogue Number 5206.0 and Treasury.

Impact of the stimulus measures on the unemployment rate

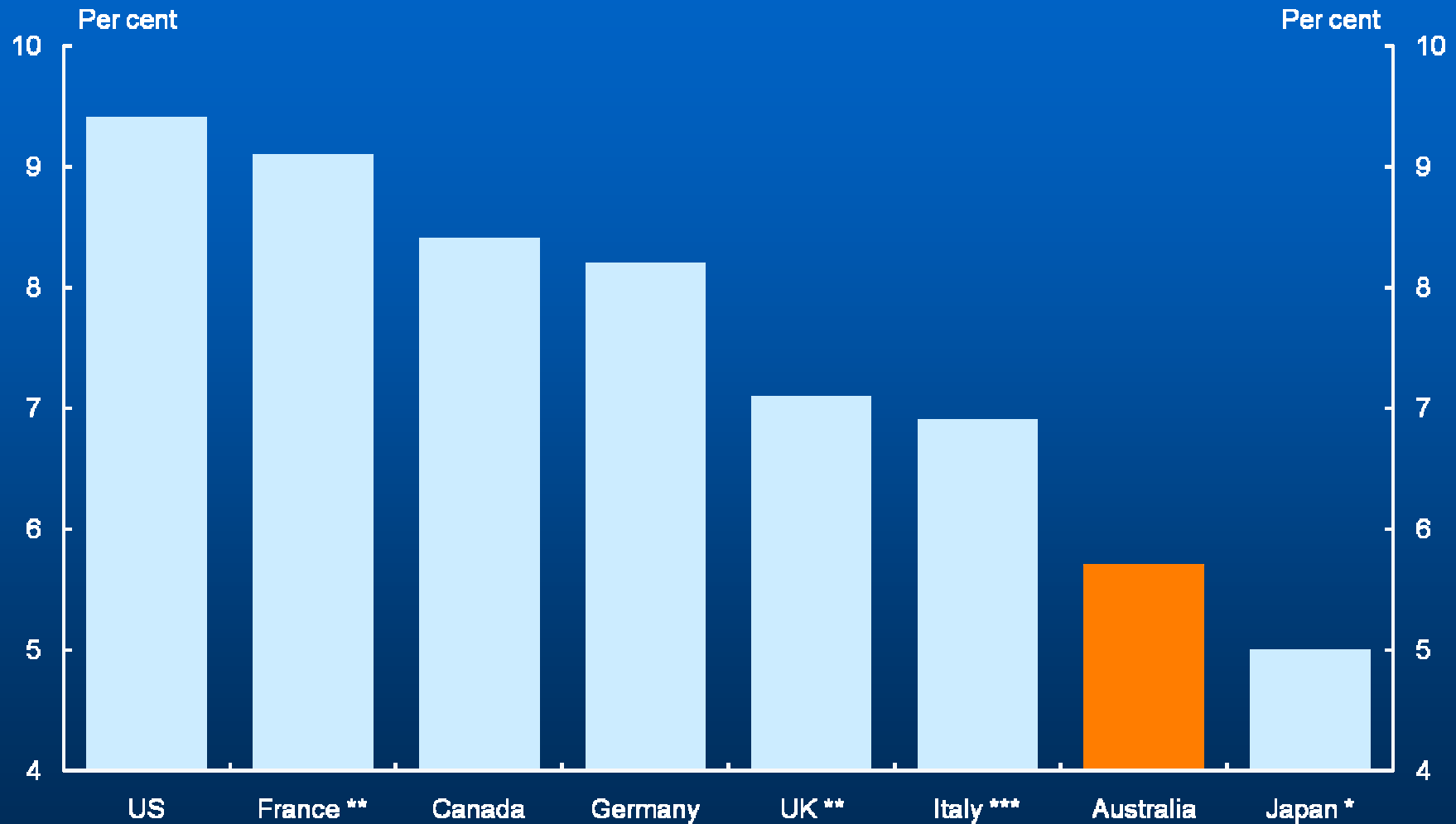
Stimulus effect on unemployment



Source: ABS Catalogue Number 6202.0 and Treasury.

Unemployment rates

(May 2009)

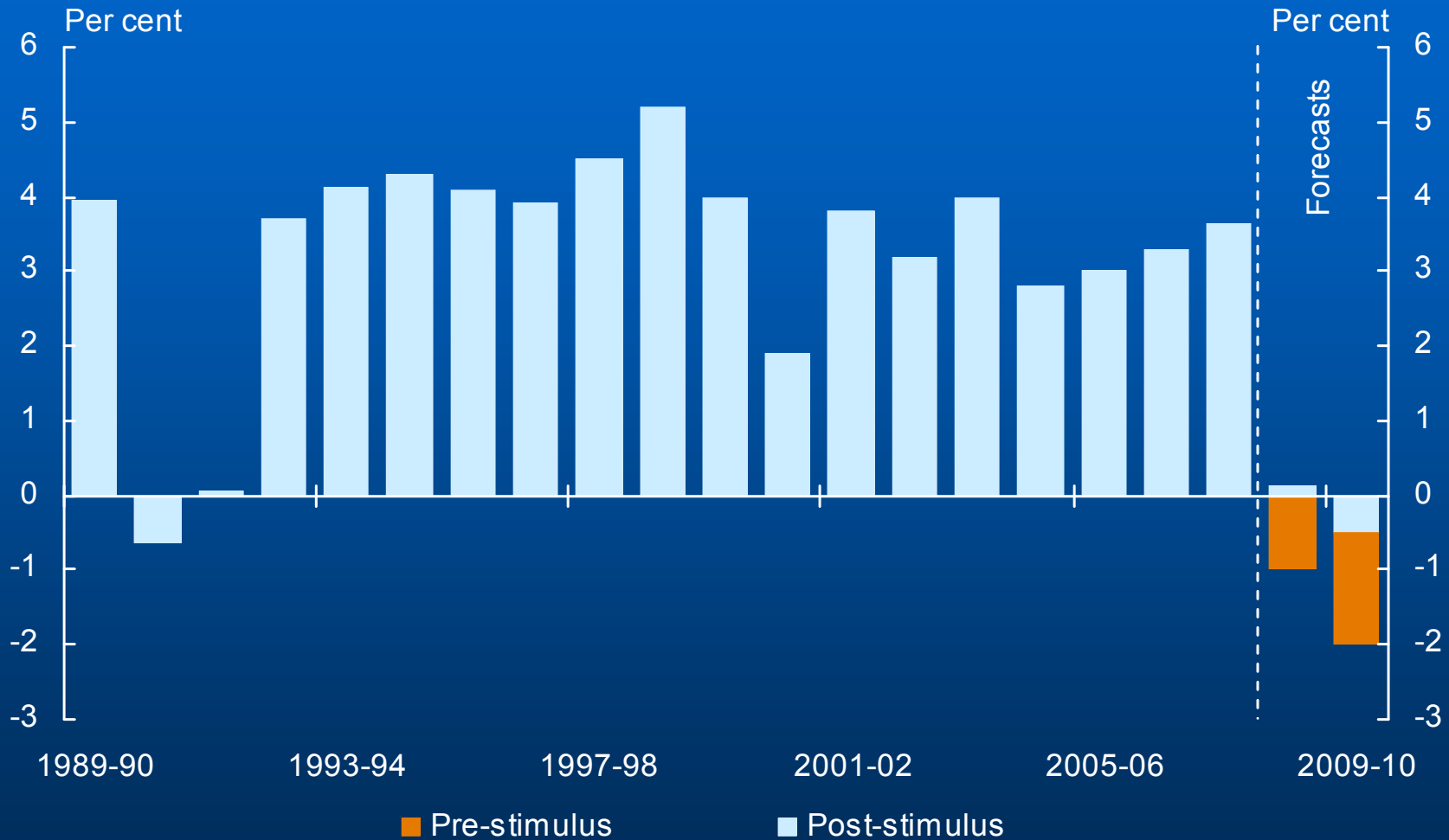


* April 2009

** March 2009

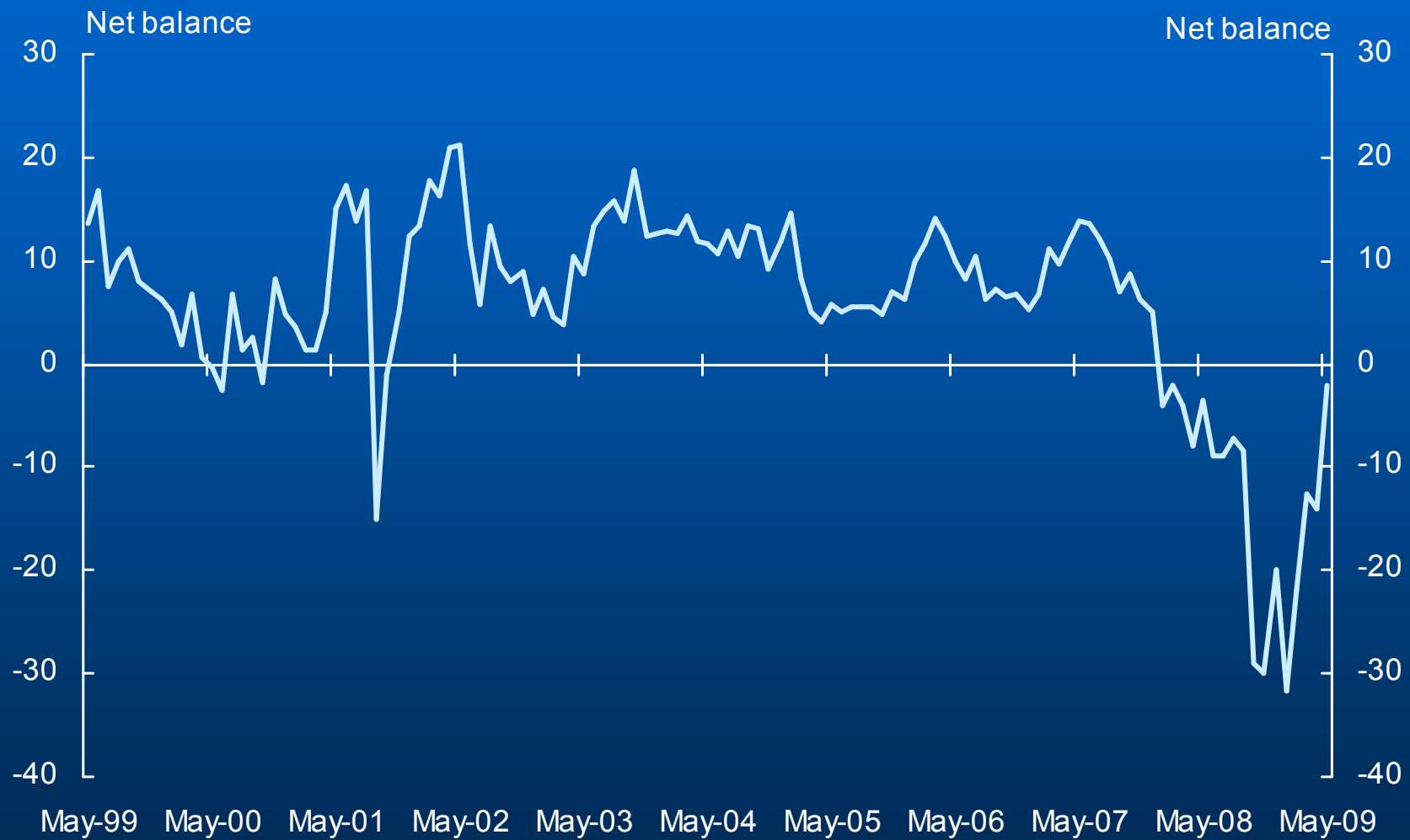
*** December 2008

Impact of Stimulus on Real GDP



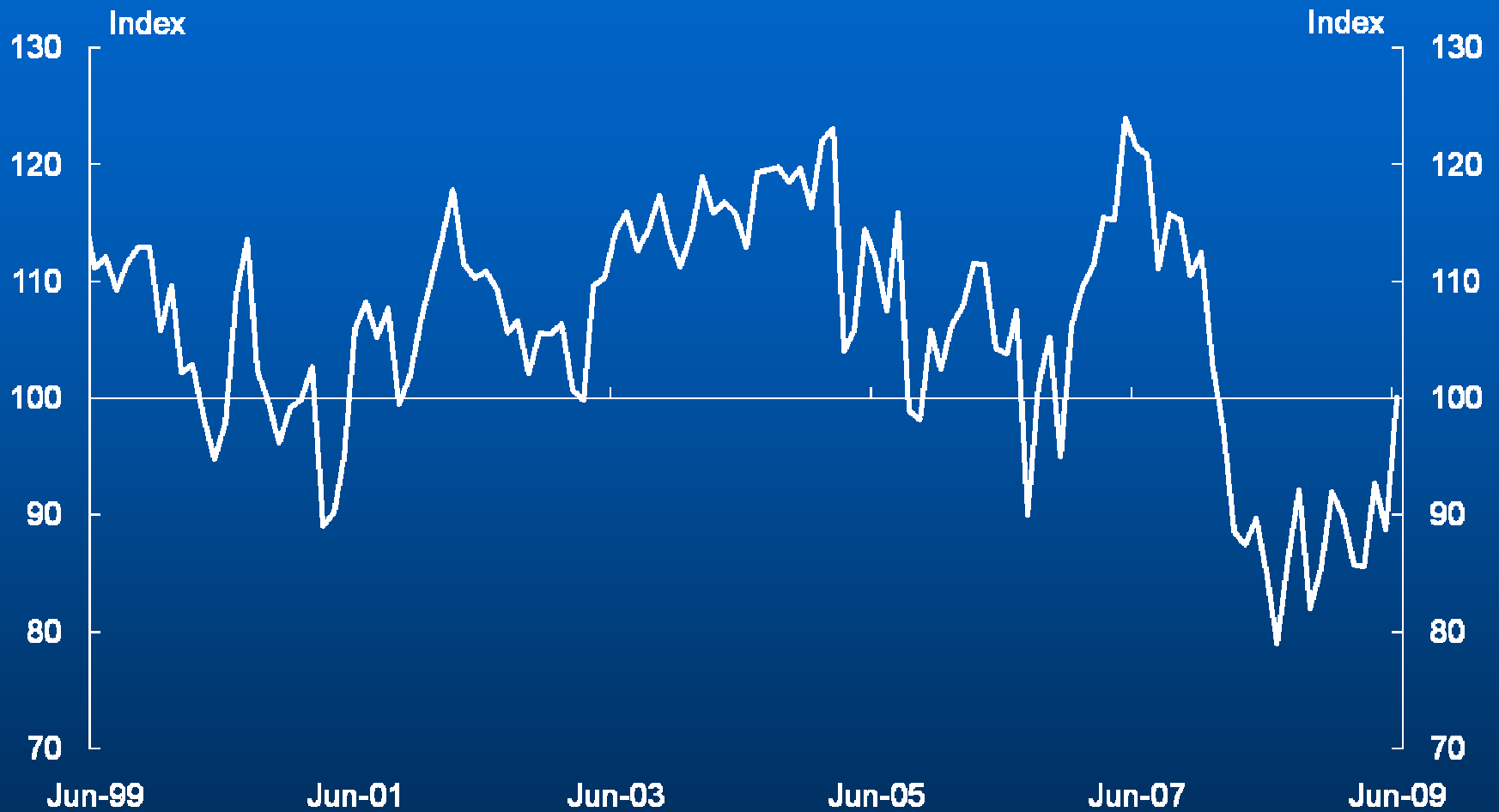
Source: Treasury.

NAB monthly business confidence



Source: National Australia Bank.

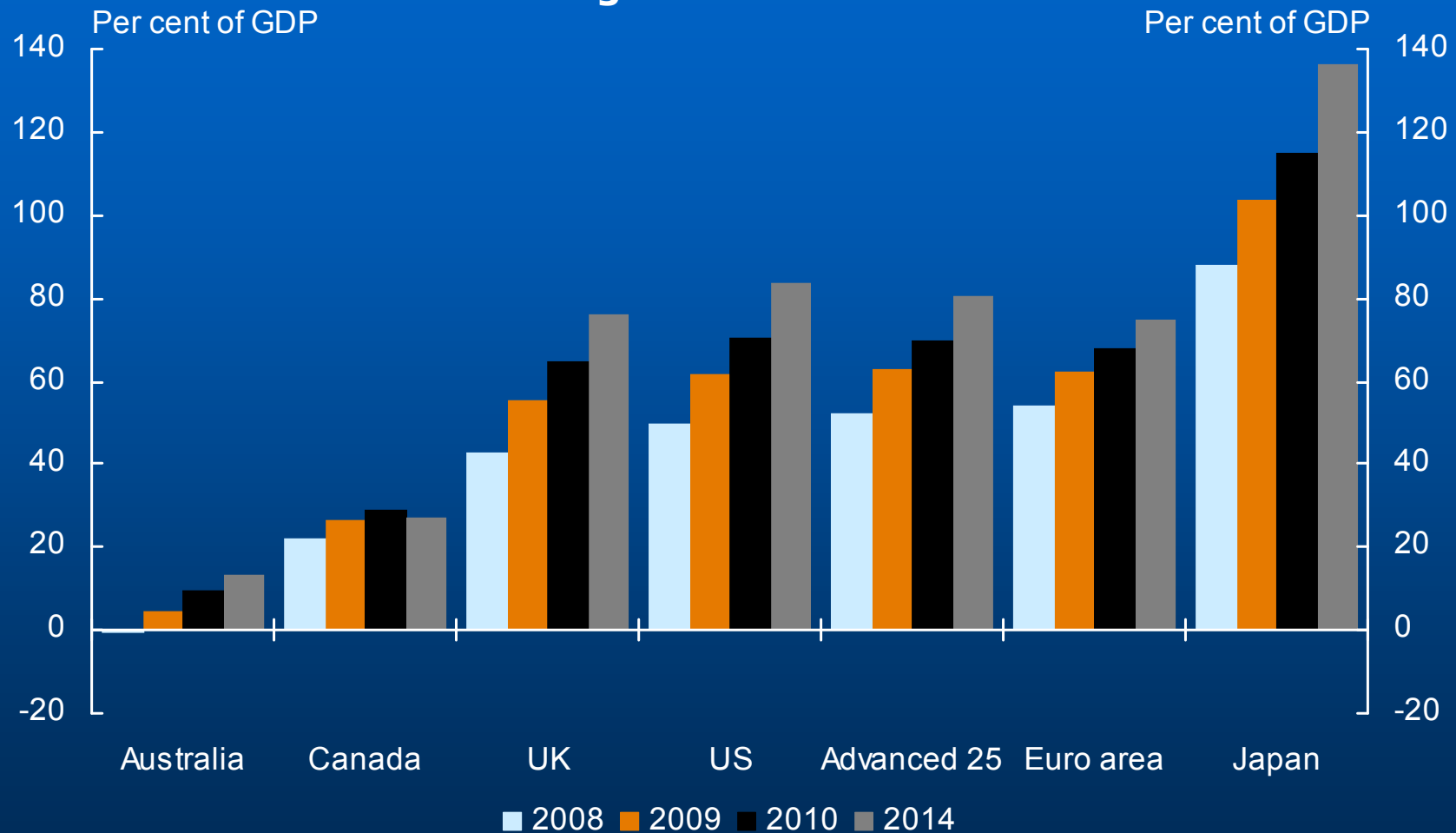
Consumer confidence



Source: Westpac – Melbourne Institute.

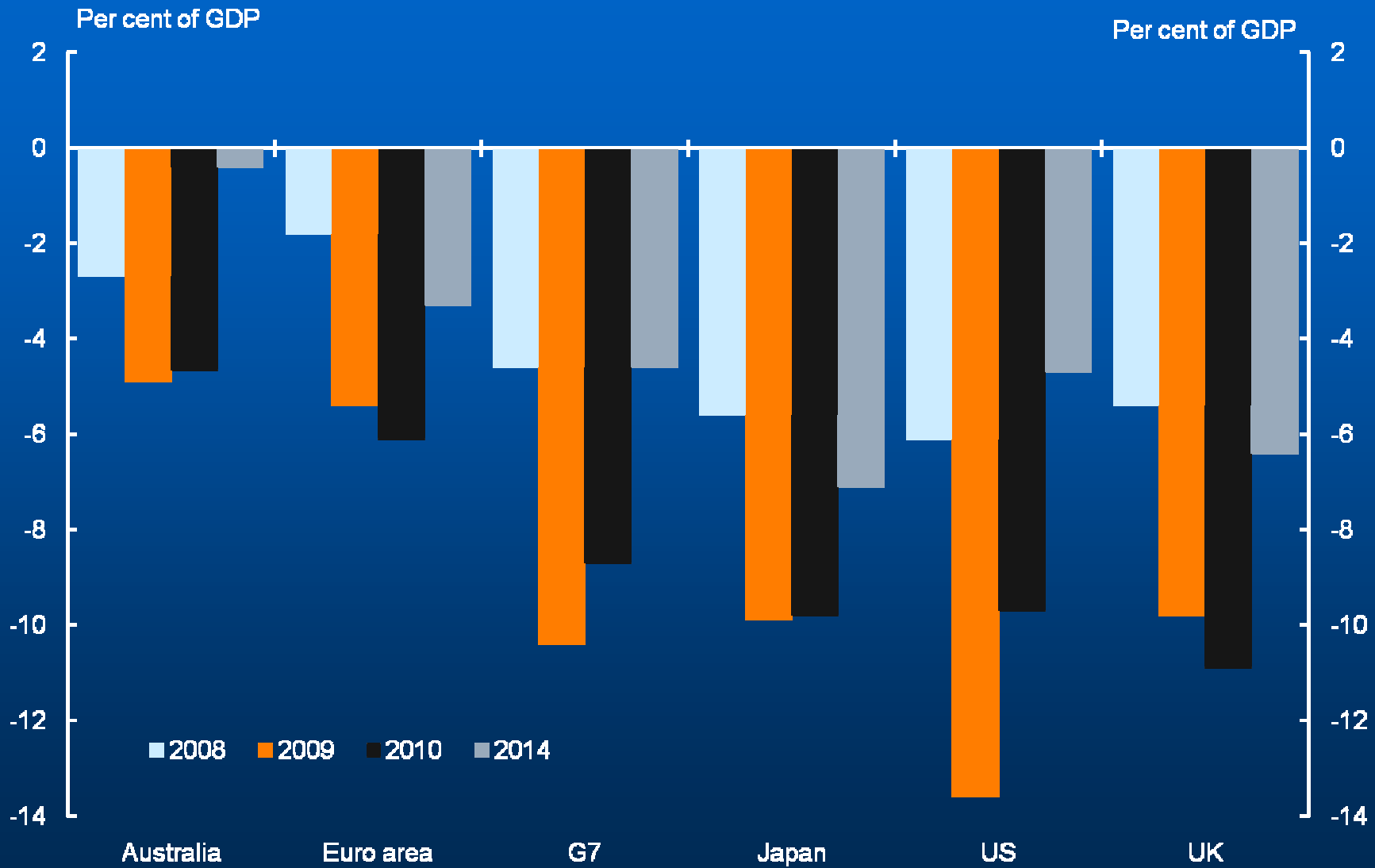
Australia's balance sheet amongst strongest in the world

General government net debt



Note: Data is only available on 25 of the 33 countries included in the IMF's "advanced" classification.
Source: IMF and Treasury.

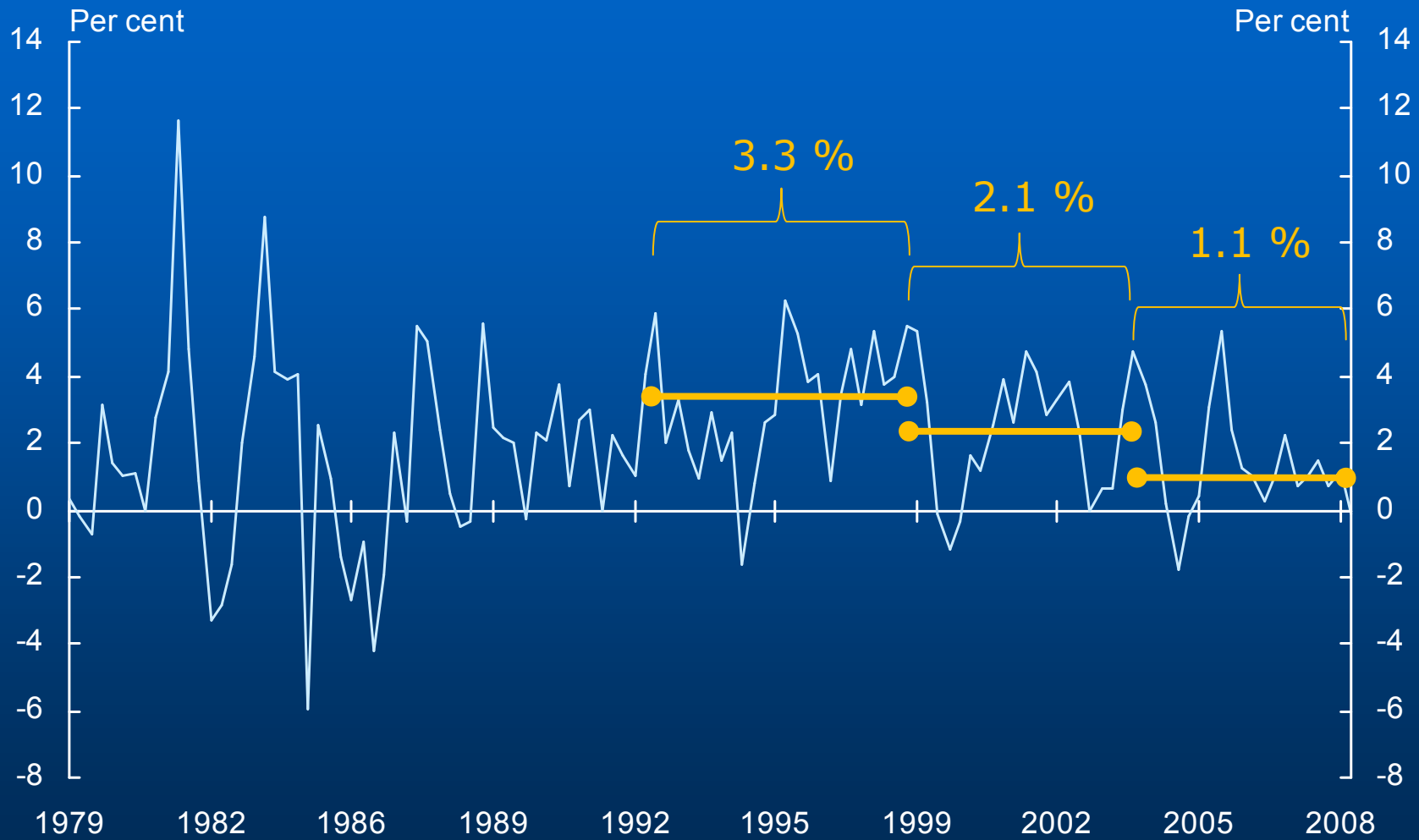
Budget Balance



Source: IMF World Economic Outlook - April 2009 and Treasury

Productivity growth

(through the year)



Source: ??.

Chasing the Productivity Frontier

(Australian productivity relative to US)



Business legislation rankings

(Source: IMD World Competitiveness Yearbook)

2007 Rankings (Of 55 countries)

1. Singapore
2. Hong Kong
3. Switzerland
4. Denmark
5. Ireland
6. New Zealand
7. Austria
8. **Australia**

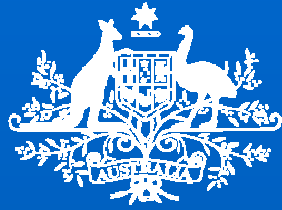
2008 Rankings (Of 55 countries)

1. Singapore
2. Hong Kong
3. Denmark
4. New Zealand
5. Ireland
6. **Australia**
7. Canada
8. Sweden

2009 Rankings (Of 57 countries)

1. Denmark
2. Singapore
3. New Zealand
4. **Australia**
5. Hong Kong
6. Ireland
7. Finland
8. Canada

- On whether ease of doing business is supported by regulations, Australia's rating increased from 5.65 out of 10 in 2007 to 6.03 in 2009
- On whether the creation of firms is supported by legislation, Australia's rating increased from 7.37 out of 10 in 2007 to 7.55 in 2009



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