

AUSTRALIA

Having been less affected by the crisis than most other OECD countries, Australia is likely to experience a relatively more robust recovery. Growth is projected to pick up to 2½ per cent in 2010 and 3½ per cent in 2011, with unemployment peaking at around 6¼ per cent in 2010 and inflation moderating.

Current economic trends and the reduction in negative macroeconomic risks argue in favour of a gradual tightening of monetary policy. Furthermore, the planned reduction of the federal budgetary stimulus seems to be an appropriate response to the needs of the economy. To maximise the positive impacts of their investment programme, the authorities should submit proposed projects more systematically to a rigorous and transparent cost–benefit analysis.

Australia: Demand, output and prices

	2006	2007	2008	2009	2010	2011
	Current prices AUD billion	Percentage changes, volume (2005/2006 prices)				
Private consumption	565.6	4.4	2.6	1.5	1.5	2.8
Government consumption	180.5	2.4	4.0	2.4	2.3	2.1
Gross fixed capital formation	269.1	9.5	9.6	-3.1	2.9	5.9
Final domestic demand	1 015.1	5.4	4.7	0.3	2.0	3.6
Stockbuilding ¹	0.6	0.7	-0.6	-0.7	0.4	0.0
Total domestic demand	1 015.7	6.1	4.1	-0.4	2.5	3.6
Exports of goods and services	209.6	3.2	3.8	2.3	6.3	8.1
Imports of goods and services	221.2	12.1	11.1	-10.2	6.1	8.3
Net exports ¹	- 11.6	-1.9	-1.7	3.0	0.0	-0.1
GDP at market prices	1 004.1	4.2	2.3	0.8	2.4	3.5
GDP deflator	–	4.0	6.4	0.1	1.8	2.3
<i>Memorandum items</i>						
Consumer price index	–	2.3	4.4	1.6	2.4	1.8
Private consumption deflator	–	2.8	4.0	3.1	2.4	1.8
Unemployment rate	–	4.4	4.2	5.7	6.3	6.2
Household saving ratio ²	–	2.1	2.1	2.5	0.8	1.0
General government financial balance ³	–	1.8	1.0	-4.0	-3.5	-2.6
Current account balance ³	–	-6.3	-4.6	-4.2	-4.5	-4.0

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.

2. As a percentage of disposable income.

3. As a percentage of GDP.

Source: OECD Economic Outlook 86 database.

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