

Economy

Nominal GDP (2009)
997 bil USD

Population (2009)
22 million

Total Trade/GDP (2009)
40 %

Currency
Australian Dollar (AUD)

Exchange regime
Independant Float

Merchandise imports from Canada (2009)
CAD 1641 million

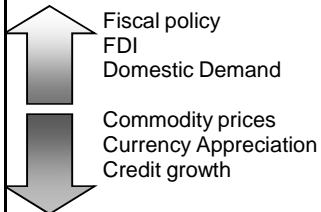
Largest merchandise export destination (2009)
P.R. China (22 %)

Main imports
Refined Petroleum
Crude Oil
Passenger Autos

Sovereign Ratings
MLT external debt

Fitch AA+
S&P AAA
Moody's Aaa

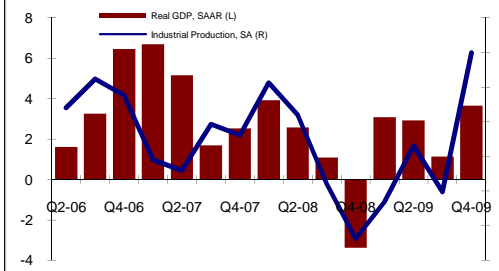
Risks to the outlook



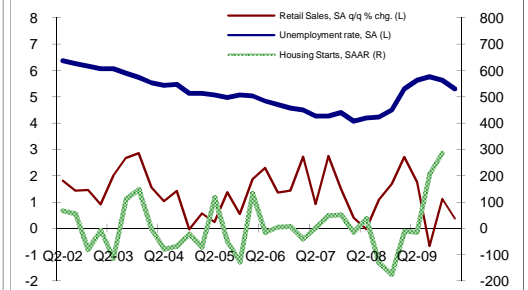
June/10
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- Real economy:** The Australian economy grew by 2% q/q in Q110, partially due to the surge in commodity prices. More precisely, iron ore and coal have experienced increases in prices which have lifted income and capital spending.
- External sector:** Australia's current account deficit expanded by USD\$10.6bn y/y in Q110, a catalyst being strong domestic demand for imports generated by the increase in income. Conversely, the CA deficit shrunk to USD\$14.95bn in Q110, from USD\$16.8bn in Q409, as trade continues to dig itself out of a deficit. Exports in natural resources are expected to dampen as Asia's growth begins to moderate. The unemployment rate fell to a low 5.2% in January, and settled at 5.4% in April. Consumer prices inched up by 0.94% q/q in Q110.
- Fiscal sector:** The government has unveiled a proposed 40% mining profits tax, which could come into effect as early as spring 2012. Concerns are rising as certain mining projects are put on hold awaiting assessments on future costs as the tax would include retrospective revenue. Thus, investments in resource extractions may be at risk.
- Monetary sector:** The CB has increased rates by 75 bps since the start of 2010 due to inflationary pressures. The interested rate is expected to increase back to pre-crisis rates in order to aid a rise in inflation.

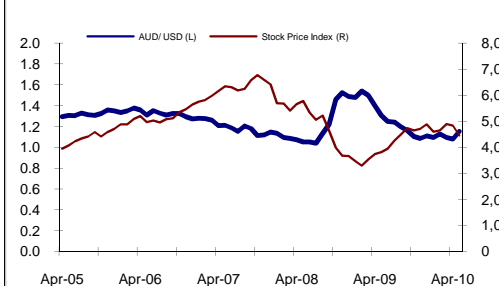
Economic Activity (Q/Q % chg)



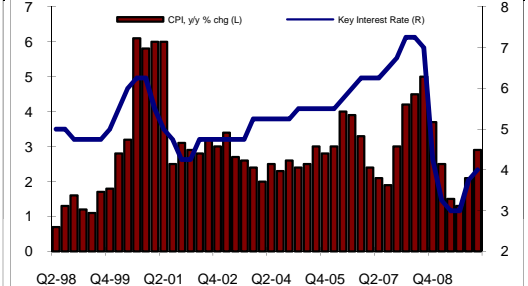
Domestic Sector Performance



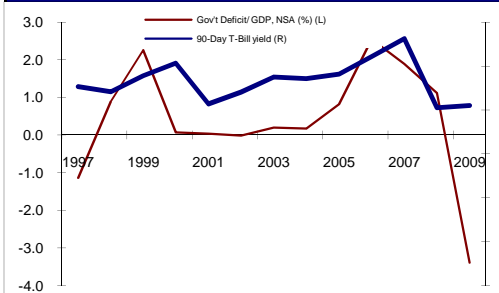
Financial Sector Performance



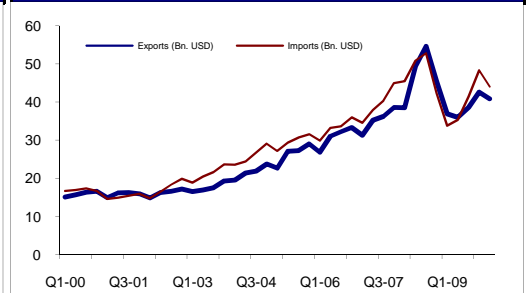
Monetary Policy Indicators



Fiscal Indicators



Trade Balance

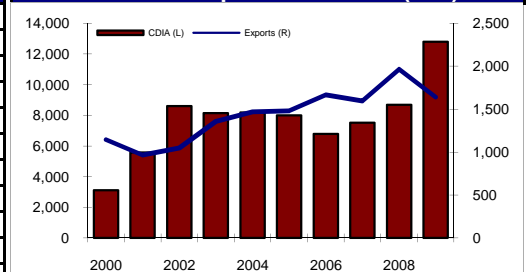


Economic Indicators

	05-09 avg.	2009	2010	2011
GDP (% growth, real)	2.8	1.3	2.9	2.7
Inflation (%chg, pa avg.)	2.9	1.8	3.1	2.7
Fiscal Balance (% of GDP)	0.5	-3.8	-3.1	-1.8
Exports (% comp. annual growth)	14.2	-15.1	21.7	4.4
Imports (% comp. annual growth)	9.9	-16.6	21.7	5.3
Current Account (% of GDP)	-5.1	-3.9	-4.3	-5.0
Reserves (months of curr. debits)	1.9	1.7	1.5	1.5
External Debt (% of GDP)	92.8	111.3	97.4	103.7
Debt Service Ratio (due)	69.4	97.1	90.2	92.3
Exchange Rate (to USD; eoy)	1.3	1.3	1.1	1.2

Sources: EIU, EDC Economics

Canadian exports and CDIA (\$-M)



Sources: Haver Analytics, Statistics Canada, EIU, Bloomberg