Serendipity and Opportunity
WORLD ECONOMY
Developed World Economic Outlook - GDP Growth

Series: GDP growth (annual %)
Created from: World Development Indicators
Created on: 03/25/2015
Unemployment

Series: Unemployment, total (% of total labor force) (modeled ILO estimate)
Created from: World Development Indicators
Created on: 03/25/2015
Deposit rates

Series: Deposit interest rate (%)
Created from: World Development Indicators
Created on: 03/25/2015
BRIC – GDP Growth

Series: GDP growth (annual %)
Created from: World Development Indicators
Created on: 03/25/2015
AUSTRALIAN ECONOMY
Australia’s Economic Outlook
Australia’s Economic Outlook

[Graph showing unemployment and inflation rates from January 2012 to January 2015]
CHINA AUSTRALIA FAIR TRADE AGREEMENT
China is in transition

- Rural to Urban
- Emerging middle class
- Manufacturing to services
- Growing pains

Service Sector 48%
Manufacturing Sector 43%
Other 9%
Trade with China

Australia’s trade with China (A$ million)

Exports

Imports

2009 2010 2011 2012 2013
Imports from China

- Removal of $1 billion of tariffs

Australia's goods imports from CHINA (A$ million)

2013 All goods - A$47,250 million

- Telecom equipment & parts: 4,903
- Computers: 4,648
- Furniture, mattresses & cushions: 2,026
- Prams, toys, games & sporting goods: 1,675
- Other textile clothing: 1,491
- Women's clothing (excl knitted): 1,166
- Plastic articles, nes: 1,106
- Footwear: 1,063
- Iron, steel, aluminium structures: 1,056
- Household-type equipment, nes: 949
Highlights of FTA

- 85 per cent of exports to China will be tariff-free immediately, 93 per cent after 4 years and 95 per cent when in full force.
<table>
<thead>
<tr>
<th>Commodity</th>
<th>Current Tariff</th>
<th>New Tariff</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coking Coal</td>
<td>3%</td>
<td>0%</td>
<td>0 years</td>
</tr>
<tr>
<td>Non-coking Coal</td>
<td>6%</td>
<td>0%</td>
<td>2 years</td>
</tr>
<tr>
<td>Aluminium</td>
<td>5-7%</td>
<td>0%</td>
<td>0 years</td>
</tr>
<tr>
<td>Dairy Products</td>
<td>Up to 20%</td>
<td>0%</td>
<td>4-11 years</td>
</tr>
<tr>
<td>Beef</td>
<td>12-25%</td>
<td>0%</td>
<td>9 years</td>
</tr>
<tr>
<td>Live animal exports</td>
<td>10%</td>
<td>0%</td>
<td>4 years</td>
</tr>
<tr>
<td>Wine</td>
<td>14-20%</td>
<td>0%</td>
<td>4 years</td>
</tr>
</tbody>
</table>
### Highlights of FTA - Imports

<table>
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<th>Commodity</th>
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<th>New Tariff</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clothing</td>
<td>5%</td>
<td>0%</td>
<td>4 Years</td>
</tr>
<tr>
<td>Footwear</td>
<td>5%</td>
<td>0%</td>
<td>4 Years</td>
</tr>
<tr>
<td>Household Electronics</td>
<td>0-5%</td>
<td>0%</td>
<td>4 Years</td>
</tr>
</tbody>
</table>
Wrap up

• Economic outlook
  – Full recovery some way off
  – Watch the US and China
  – Structural reform the key

• FTA
  – Opening trade boosts productivity
  – Building upon open trading relationship

• Other issues
  – Chinese direct investment
  – Asian Infrastructure Investment Bank