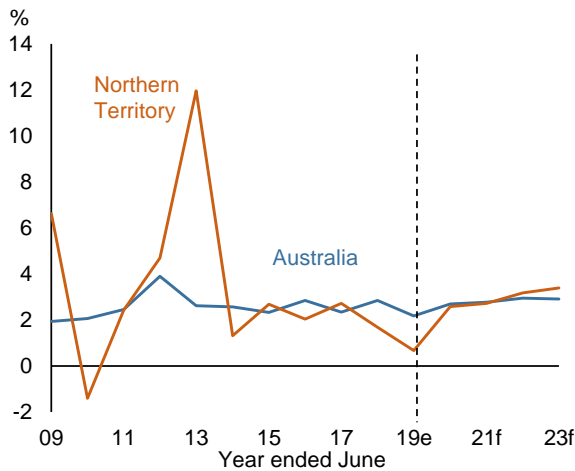
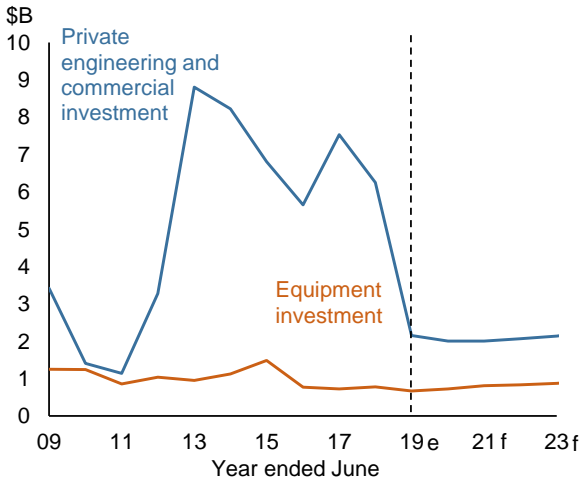


Chart 1: Economic growth
(year-on-year percentage change)



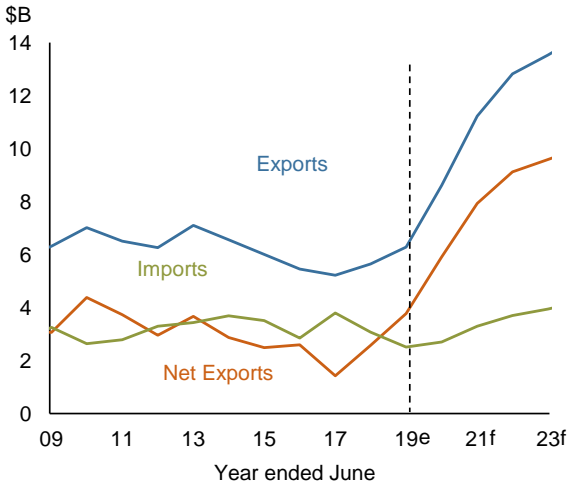
Source: DTF; Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

Chart 2: Territory private investment components
(moving annual total, inflation adjusted)



Source: DTF; Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

Chart 3: Territory international trade
(moving annual total, inflation adjusted)



Source: DTF Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

Economic growth

Economic growth forecasts

	NT	Aust
2018-19 (estimate)	↑0.7%	↑2.2%
2019-20 (forecast)	↑2.6%	↑2.7%
2020-21 (forecast)	↑2.7%	↑2.8%
5 year average annual growth rate (2018-19 to 2022-23)	↑2.5%	↑2.7%

2018-19

Deloitte Access Economics (DAE) estimates the Territory economy to grow by 0.7 per cent in 2018-19 (Chart 1). Growth is expected to be underpinned by international goods exports and private housing investment. This is expected to be partly offset by decreases in private engineering and commercial investment, and private equipment investment (Chart 2).

The Territory is expected to have the lowest economic growth of all jurisdictions in 2018-19, which range from an estimated 1.1 per cent in South Australia to 2.8 per cent in the Australian Capital Territory. Nationally, the economy is expected to grow by 2.2 per cent in 2018-19.

Outlook

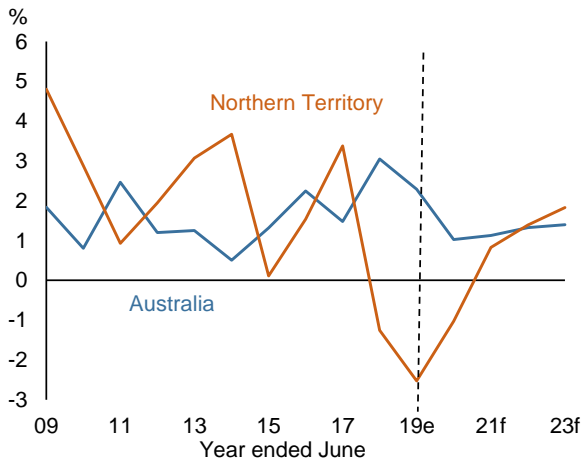
DAE forecasts the Territory economy to grow by an average of 2.5 per cent per annum over the five years to 2022-23. This is fourth highest forecast five year average economic growth of the jurisdictions, equal with New South Wales. In other jurisdictions, the five year annual average economic growth ranges from 1.8 per cent per annum in South Australia to 3.2 per cent per annum in Queensland. DAE forecasts the national economy to grow by an annual average rate of 2.7 per cent over the five year period.

DAE notes that exports are expected to be a key driver of the Territory economy, however will have less flow on effects to domestic demand.

Territory economic growth over the five years to 2022-23 is expected to be supported by:

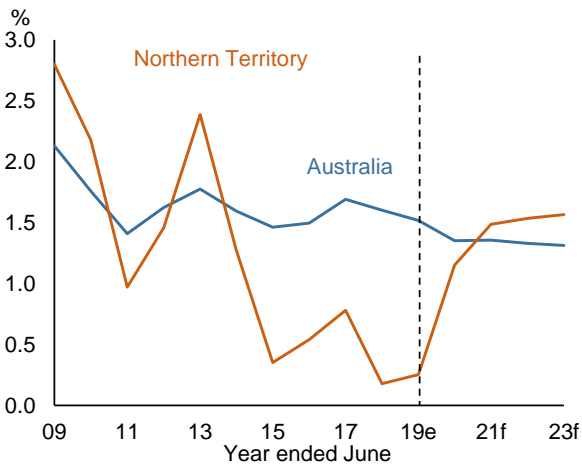
- international goods exports, at an average growth of 19.7 per cent per annum;
- private housing investment, at an average growth of 7.9 per cent per annum;
- private equipment investment, at an average growth of 2.8 per cent per annum; and
- household consumption, with an average growth of 1.4 per cent per annum.

Chart 4: Employment
(year-on-year percentage change)



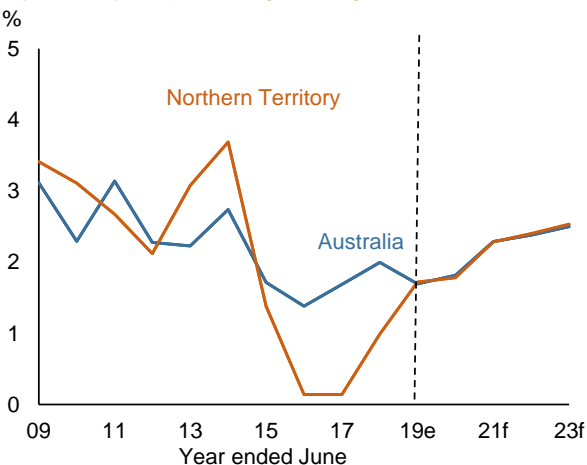
Source: Australian Bureau of Statistics and Deloitte Access Economics Business Outlook

Chart 5: Population
(year-on-year percentage change)



Source: Australian Bureau of Statistics and Deloitte Access Economics Business Outlook

Chart 6: Consumer price index
(year-on-year percentage change)



Source: Australian Bureau of Statistics and Deloitte Access Economics Business Outlook

Labour market

Employment change	NT	Aust
2018-19 (estimate)	↓2.5%	↑2.3%
2019-20 (forecast)	↓1.0%	↑1.0%
5 year average growth rate	↑0.1%	↑1.4%

DAE estimates Territory employment to decrease by 2.5 per cent in 2018-19 (Chart 4).

In the five years to 2022-23, employment in the Territory is forecast to grow on average by 0.1 per cent, representing the weakest growth of all jurisdictions, which range from 0.4 per cent per annum in Tasmania to 1.7 per cent per annum in Victoria. The national annual employment growth is forecast to average 1.4 per cent per annum over the same period.

The Territory's unemployment rate is forecast to average 5.0 per cent over the five years to 2022-23, compared to 5.1 per cent nationally. In other jurisdictions, the average annual unemployment rate over the next five years range from 3.8 per cent in the Australian Capital Territory to 5.9 per cent in Western Australia and Tasmania.

Population

Population change	NT	Aust
2018-19 (estimate)	↑0.3%	↑1.6%
2019-20 (forecast)	↑1.2%	↑1.5%
5 year average growth rate	↑1.2%	↑1.4%

DAE estimates Territory population to increase by 0.3 per cent in 2018-19 (Chart 4).

Over the next five years, DAE forecasts Territory population to grow by an average rate of 1.2 per cent per annum, compared to an average of 1.4 per cent per annum nationally (Chart 5).

The five year average annual population growth forecast for the Territory is the third lowest of the jurisdictions. In the other jurisdictions, average annual population growth over the five years to 2022-23 range from 0.6 per cent in Tasmania to 1.8 per cent in Victoria.

Consumer price index (CPI)

CPI growth	NT	Aust
2018-19 (estimate)	↑1.7%	↑1.7%
2019-20 (forecast)	↑1.8%	↑1.8%
5 year average growth rate	↑2.1%	↑2.1%

DAE estimates Darwin CPI to increase by 1.7 per cent in 2018-19 (Chart 4).

Over the five years to 2022-23, DAE expects growth to average 2.1 per cent on par with national average growth.

Deloitte Access Economics March quarter 2019

Table 1: Access Economics - Business Outlook

		2018-19	2019-20	2020-21	2021-22	2022-23	5 year average
Northern Territory							
Gross state product	Constant price (\$m)	26 377	27 059	27 794	28 676	29 649	
	% change	0.7	2.6	2.7	3.2	3.4	2.5
NT as a share of Australian output	%	1.4	1.4	1.4	1.4	1.4	
Real final demand	Constant price (\$m)	25 590	26 000	26 690	27 534	28 387	
	% change	-13.0	1.6	2.7	3.2	3.1	-0.5
Private consumption	Constant price (\$m)	11 291	11 332	11 475	11 754	12 102	
	% change	0.0	0.4	1.3	2.4	3.0	1.4
Private housing investment	Constant price (\$m)	636	660	730	819	885	
	% change	4.8	3.7	10.7	12.2	8.0	7.9
Private engineering and commercial investment	Constant price (\$m)	2 157	2 003	2 008	2 067	2 139	
	% change	-65.5	-7.2	0.3	2.9	3.5	-13.2
Private equipment investment	Constant price (\$m)	667	723	806	837	874	
	% change	-14.3	8.5	11.5	3.8	4.4	2.8
International goods exports	Constant price (\$m)	6 284	8 614	11 235	12 827	13 538	
	% change	11.2	37.1	30.4	14.2	5.5	19.7
International goods imports	Constant price (\$m)	2 508	2 702	3 301	3 706	3 950	
	% change	-18.5	7.7	22.2	12.3	6.6	6.0
Retail turnover	Constant price (\$m)	3 088	3 205	3 214	3 283	3 357	
	% change	-2.0	3.8	0.3	2.1	2.3	1.3
Total population	Persons ('000s)	248	251	254	258	262	
	% change	0.3	1.2	1.5	1.5	1.6	1.2
Population aged 15 and over	Persons ('000s)	194	197	200	203	207	
	% change	0.4	1.2	1.6	1.7	1.7	1.3
Employment ('000s)	Persons ('000s)	134	132	133	135	138	
	% change	-2.5	-1.0	0.8	1.4	1.8	0.1
Unemployment	Persons ('000s)	7	7	7	7	7	
Unemployment rate	%	4.8	5.3	5.2	5.0	4.8	5.0
Consumer price index	% change	1.7	1.8	2.3	2.4	2.5	2.1
Average weekly earnings	\$	1 439	1 465	1 495	1 534	1 576	
	% change	0.8	1.8	2.0	2.6	2.8	2.0
Wage price index	\$	130	133	136	140	144	
	% change	1.7	1.7	2.3	2.8	3.0	2.3
Australia							
Gross domestic product	Constant price (\$M)	1 854 208	1 904 301	1 957 128	2 014 881	2 073 506	
	% change	2.2	2.7	2.8	3.0	2.9	2.7
International exports	Constant price (\$M)	304 118	309 108	320 908	333 909	353 044	
	% change	0.7	1.6	3.8	4.1	5.7	3.2
International imports	Constant price (\$M)	297 123	301 511	322 229	340 904	355 396	
	% change	0.0	1.5	6.9	5.8	4.3	3.7
Total population	Persons (000)	25 237	25 609	25 970	26 320	26 666	
	% change	1.6	1.5	1.4	1.3	1.3	1.4
Population aged 15 to 64	Persons (000)	20 502	20 807	21 108	21 410	21 712	
	% change	1.7	1.5	1.4	1.4	1.4	1.5
Employment	Persons (000)	12 714	12 845	12 989	13 161	13 345	
	% change	2.3	1.0	1.1	1.3	1.4	1.4
Unemployment	Persons (000)	681	695	702	703	701	
Unemployment rate	%	5.1	5.1	5.1	5.1	5.0	5.1
Consumer price index	% change	1.7	1.8	2.3	2.4	2.5	2.1
Average weekly earnings	\$	1 229	1 257	1 288	1 325	1 363	
	% change	2.8	2.3	2.5	2.8	2.9	2.7
Wage price index	% change	2.3	2.4	2.7	3.0	3.1	2.7
Trade weighted index		61.5	60.8	61.2	60.5	59.7	60.7
Exchange rates	\$US per \$A	0.72	0.72	0.73	0.72	0.71	0.7
	Yen per \$A	81.89	85.67	86.56	85.53	84.41	84.8
	Euro per \$A	0.62	0.59	0.60	0.59	0.58	0.6
Crude Oil	(Tapis, \$US/barrel)	70.31	68.74	73.65	76.18	78.37	73.45
	% change	6.1	-2.2	7.1	3.4	2.9	3.5

Source: Department of Treasury and Finance; Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

Deloitte Access Economics March quarter 2019

Table 2: Deloitte Access Economics Business Outlook forecasts by jurisdiction

	Year-on-year percentage change 2018-19e								
	Australia	NT	NSW	Vic	Qld	SA	WA	Tas	ACT
GDP/GSP growth	2.2	0.7	2.3	2.7	2.2	1.1	1.7	1.6	2.8
State final demand	2.3	-13.0	2.8	3.7	2.1	2.8	-0.1	3.6	5.5
Population growth	1.5	0.3	1.5	2.1	1.7	0.8	0.9	1.1	1.8
Employment growth	2.3	-2.5	3.3	3.2	1.4	0.6	0.9	0.4	0.6
Unemployment rate	5.1	4.8	4.4	4.7	5.9	5.6	6.2	6.2	3.6
CPI	1.7	1.7	1.6	1.6	1.7	1.5	2.1	2.0	2.0
WPI	2.3	1.7	2.5	2.5	2.4	2.3	1.6	2.6	2.3
	Year-on-year percentage change 2019-20f								
	GDP/GSP growth	2.7	2.6	2.8	2.9	2.9	1.7	2.1	2.5
State final demand	2.5	1.6	2.3	2.8	3.8	1.4	3.1	1.7	3.8
Population growth	1.4	1.2	1.4	1.9	1.7	0.7	1.0	0.7	1.6
Employment growth	1.0	-1.0	0.9	1.5	1.2	0.6	0.4	0.2	1.0
Unemployment rate	5.1	5.3	4.6	4.9	5.5	5.9	6.1	6.3	3.9
CPI	1.8	1.8	1.8	1.8	1.8	1.8	1.7	2.0	1.7
WPI	2.4	1.7	2.3	2.5	2.3	2.4	2.1	2.2	2.7
	Five year average annual growth 2018-19 to 2022-23								
	GDP/GSP growth	2.7	2.5	2.5	2.9	3.2	1.8	2.7	2.0
State final demand	2.8	-0.5	2.6	3.3	3.5	2.3	3.0	2.2	3.7
Population growth	1.4	1.2	1.3	1.8	1.7	0.7	1.0	0.6	1.5
Employment growth	1.4	0.1	1.5	1.7	1.6	0.6	1.2	0.4	1.2
Unemployment rate	5.1	5.0	4.8	4.8	5.4	5.7	5.9	5.9	3.8
CPI	2.1	2.1	2.2	2.2	2.1	2.1	2.0	2.2	2.2
WPI	2.7	2.3	2.7	2.8	2.8	2.7	2.6	2.6	2.8

e: estimate f: forecast

Source: Department of Treasury and Finance; Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

Table 3: Deloitte Access Economics Business Outlook forecasts by jurisdiction, rank

Rank	2018-19e								
	NT	NSW	Vic	Qld	SA	WA	Tas	ACT	
GSP growth	8	3	2	4	7	5	6	1	
State final demand	8	4	2	6	5	7	3	1	
Population growth	8	4	1	3	7	6	5	2	
Employment growth	8	1	2	3	5	4	7	6	
Unemployment rate*	4	2	3	6	5	8	7	1	
CPI*	5	2	3	4	1	8	7	6	
WPI	2	6	7	5	3	1	8	4	
	2019-20f								
	GSP growth	5	4	2	3	8	7	6	1
State final demand	7	5	4	1	8	3	6	2	
Population growth	5	4	1	2	8	6	7	3	
Employment growth	8	4	1	2	5	6	7	3	
Unemployment rate*	4	2	3	5	6	7	8	1	
CPI*	4	6	7	3	5	1	8	2	
WPI	1	4	7	5	6	2	3	8	
	Five year average annual growth 2018-19 to 2022-23								
	GSP growth	5	6	2	1	8	4	7	3
State final demand	8	5	3	2	6	4	7	1	
Population growth	5	4	1	2	7	6	8	3	
Employment growth	8	3	1	2	6	4	7	5	
Unemployment rate*	4	2	3	5	6	8	7	1	
CPI*	4	5	6	2	3	1	8	7	
WPI	1	4	6	8	5	3	2	7	

e: estimate f: forecast

Highest = 1 Lowest = 8

*Ranking reversed

Source: Department of Treasury and Finance; Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

Caution is advised when using data for the Territory, which is often derived from small samples and highly volatile.

Although all due care has been exercised in the preparation of this material, no responsibility is accepted for any errors or omission.

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