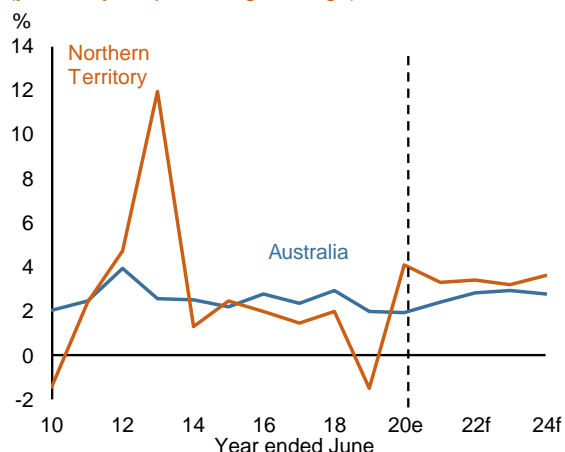


ECONOMIC BRIEF

Deloitte Access Economics

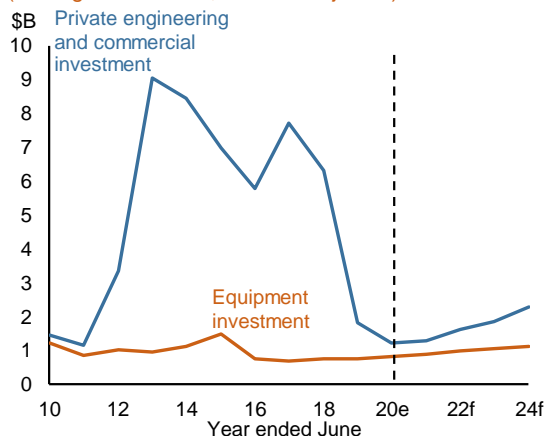
December quarter 2019

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



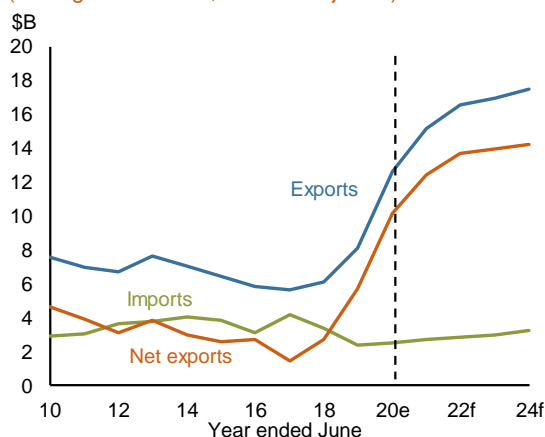
Source: Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

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



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

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



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

Economic growth

Economic growth forecasts	NT	Aust
2019-20 (estimate)	↑4.1%	↑2.0%
2020-21 (forecast)	↑3.3%	↑2.4%
2021-22 (forecast)	↑3.4%	↑2.8%
5 year average annual growth rate (2019-20 to 2023-24)	↑3.5%	↑2.6%

2019-20

Deloitte Access Economics (DAE) estimates the Territory economy to grow by 4.1 per cent in 2019-20 (Chart 1). Growth is expected to be underpinned by international goods exports and private equipment investment, partly offset by decreases in private engineering and commercial investment, private housing investment, private consumption and goods imports (Chart 2).

The Territory is expected to experience the highest result in gross state product of all the jurisdictions in 2019-20, which range from an estimated increase of 0.9 per cent in South Australia to 3.2 per cent in Tasmania. Nationally, the economy is expected to grow by 2.0 per cent in 2019-20.

Outlook

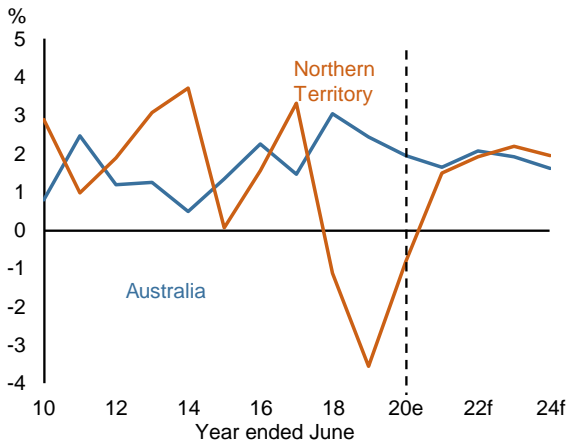
DAE forecasts the Territory economy to grow by an average of 3.5 per cent per annum over the five years to 2023-24. This is the highest forecast five year average economic growth of the jurisdictions and is largely driven by exports. In other jurisdictions, the five year annual average economic growth ranges from 1.7 per cent per annum in South Australia to 3.0 per cent per annum in the Australian Capital Territory. DAE forecasts the national economy to grow by an annual average rate of 2.6 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 2023-24 is expected to be supported by:

- international goods exports, at an average growth of 18.2 per cent per annum;
- private equipment investment, at an average growth of 8.8 per cent per annum;
- private engineering and commercial investment, at an average growth of 7.3 per cent; and
- private consumption, with an average growth of 1.7 per cent per annum.

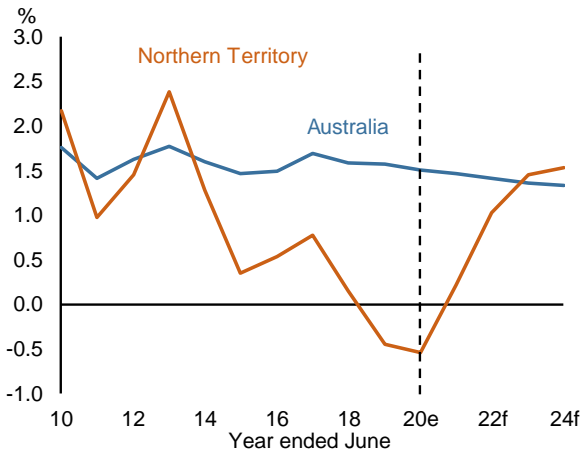
Partly offsetting economic growth over the five years is private housing investment, with an average decline of 1.2 per cent per annum.

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



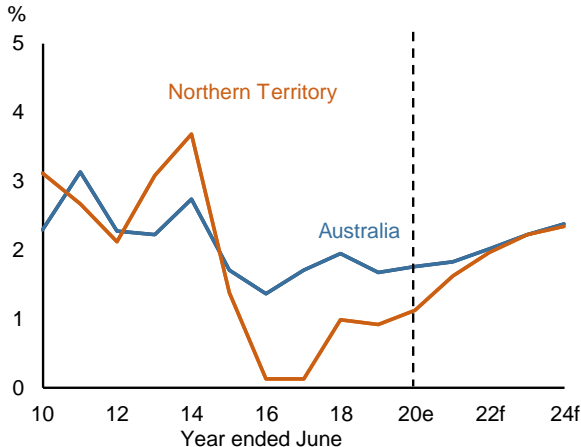
Source: Australian Bureau of Statistics and Deloitte Access Economics Business Outlook

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
2019-20 (estimate)	↓0.8%	↑2.0%
2020-21 (forecast)	↑1.5%	↑1.7%
5 year average annual growth rate	↑1.4%	↑1.8%

DAE estimates Territory employment to decrease by 0.8 per cent in 2019-20 (Chart 4).

In the five years to 2023-24, employment growth in the Territory is forecast to average 1.4 per cent per annum. In other jurisdictions employment growth is forecast to average 1.0 per cent per annum in South Australia to 2.2 per cent per annum in Queensland and the Australian Capital Territory. The national annual employment growth is forecast to average 1.8 per cent per annum over the same period.

The Territory's unemployment rate is forecast to average 5.4 per cent over the five years to 2023-24, compared to 5.2 per cent nationally. In other jurisdictions, the average annual unemployment rate over the next five years range from 3.3 per cent in the Australian Capital Territory to 6.2 per cent in South Australia.

Population

Population change	NT	Aust
2019-20 (estimate)	↓0.5%	↑1.5%
2020-21 (forecast)	↑0.2%	↑1.5%
5 year average annual growth rate	↑0.7%	↑1.4%

DAE estimates Territory population to decrease by 0.5 per cent in 2019-20 (Chart 5). Over the next five years, DAE forecasts Territory population to grow by an average rate of 0.7 per cent per annum, compared to an average of 1.4 per cent per annum nationally.

The five year average annual population growth forecast for the Territory is the second lowest of the jurisdictions, equal with South Australia. In the other jurisdictions, average annual population growth over the five years to 2023-24 range from 0.6 per cent in Tasmania to 1.8 per cent in Victoria.

Consumer price index (CPI)

CPI growth	NT	Aust
2019-20 (estimate)	↑1.1%	↑1.8%
2020-21 (forecast)	↑1.6%	↑1.8%
5 year average annual growth rate	↑1.9%	↑2.0%

DAE estimates Darwin CPI to increase by 1.1 per cent in 2019-20 (Chart 6). Over the five years to 2023-24, DAE expects growth to average 1.9 per cent per annum compared to 2.0 per cent per annum nationally.

Deloitte Access Economics December quarter 2019

Table 1: Deloitte Access Economics Business Outlook

		2019-20	2020-21	2021-22	2022-23	2023-24	5 year average
Northern Territory							
Gross state product	Constant price (\$M)	27 178	28 071	29 035	29 969	31 053	
	% change	4.1	3.3	3.4	3.2	3.6	3.5
NT as a share of Australian output	%	1.4	1.4	1.4	1.4	1.4	
Real final demand	Constant price (\$M)	24 399	25 141	26 223	27 232	28 455	
	% change	-0.8	3.0	4.3	3.8	4.5	3.0
Private consumption	Constant price (\$M)	10 825	10 982	11 237	11 523	11 838	
	% change	-0.7	1.5	2.3	2.6	2.7	1.7
Private housing investment	Constant price (\$M)	492	469	496	536	551	
	% change	-18.2	-4.7	5.8	8.2	2.7	-1.2
Private engineering and commercial investment	Constant price (\$M)	1 208	1 299	1 604	1 855	2 285	
	% change	-33.5	7.5	23.5	15.7	23.2	7.3
Private equipment investment	Constant price (\$M)	833	895	993	1 058	1 135	
	% change	11.7	7.4	11.0	6.5	7.3	8.8
International goods exports	Constant price (\$M)	12 638	15 163	16 547	16 924	17 462	
	% change	56.2	20.0	9.1	2.3	3.2	18.2
International goods imports	Constant price (\$M)	2 511	2 736	2 837	3 003	3 265	
	% change	5.9	9.0	3.7	5.9	8.7	6.6
Retail turnover	Constant price (\$M)	3 051	3 124	3 205	3 294	3 390	
	% change	0.4	2.4	2.6	2.8	2.9	2.2
Total population	Persons (000)	245	245	248	251	255	
	% change	-0.5	0.2	1.0	1.4	1.5	0.7
Population aged 15 and over	Persons (000)	192	193	195	199	202	
	% change	-0.5	0.4	1.3	1.7	1.8	1.0
Employment	Persons (000)	131	133	136	139	141	
	% change	-0.8	1.5	1.9	2.2	2.0	1.4
Unemployment	Persons (000)	8	8	8	8	8	
Unemployment rate	%	5.5	5.6	5.4	5.2	5.1	5.4
Consumer Price Index	% change	1.1	1.6	2.0	2.2	2.3	1.9
Average Weekly Earnings	\$	1 410	1 439	1 472	1 510	1 550	
	% change	2.3	2.0	2.3	2.6	2.6	2.4
Wage Price Index	\$	134	136	139	143	147	
	% change	2.0	1.9	2.4	2.9	2.8	2.4

		2019-20	2020-21	2021-22	2022-23	2023-24	5 year average
Australia							
Gross domestic product	Constant price (\$M)	1 923 320	1 969 746	2 025 610	2 085 005	2 142 617	
	% change	2.0	2.4	2.8	2.9	2.8	2.6
International exports	Constant price (\$M)	332 025	344 526	358 316	373 840	393 275	
	% change	2.6	3.8	4.0	4.3	5.2	4.0
International imports	Constant price (\$M)	298 673	312 201	330 124	344 110	363 162	
	% change	-0.9	4.5	5.7	4.2	5.5	3.8
Total population	Persons (000)	25 608	25 983	26 351	26 710	27 065	
	% change	1.5	1.5	1.4	1.4	1.3	1.4
Population aged 15 to 64	Persons (000)	20 848	21 175	21 503	21 829	22 151	
	% change	1.7	1.6	1.6	1.5	1.5	1.6
Employment	Persons (000)	12 980	13 196	13 470	13 727	13 949	
	% change	2.0	1.7	2.1	1.9	1.6	1.8
Unemployment	Persons (000)	715	743	743	732	730	
Unemployment rate	%	5.2	5.3	5.2	5.1	5.0	5.2
Consumer price index	% change	1.8	1.8	2.0	2.2	2.4	2.0
Average weekly earnings	\$	1 256	1 285	1 318	1 355	1 393	
	% change	2.3	2.3	2.5	2.8	2.8	2.6
Wage price index	% change	2.2	2.2	2.6	3.1	3.0	2.6
Trade weighted index	Index	59.6	60.9	60.5	59.7	59.2	60.0
Exchange rates	\$US per \$A	0.69	0.70	0.72	0.71	0.70	0.7
	Yen per \$A	75.82	82.93	84.19	83.20	82.64	81.8
	Euro per \$A	0.61	0.58	0.59	0.58	0.58	0.6
Crude Oil	(Tapis, \$US/barrel)	64.67	69.83	73.53	76.16	78.67	72.57
	% change	-9.6	8.0	5.3	3.6	3.3	2.1

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

Deloitte Access Economics December quarter 2019

Table 2: Deloitte Access Economics Business Outlook forecasts by jurisdiction

	Year-on-year percentage change 2019-20e								
	Australia	NT	NSW	Vic	Qld	SA	WA	Tas	ACT
GDP/GSP growth	2.0	4.1	1.7	2.5	1.9	0.9	1.9	3.2	3.2
State final demand	0.9	-0.8	1.0	1.3	1.2	0.4	1.4	2.8	3.2
Population growth	1.5	-0.5	1.3	2.0	1.7	0.8	1.1	1.0	1.6
Employment growth	2.0	-0.8	1.7	2.7	2.0	0.8	1.5	1.6	3.1
Unemployment rate	5.2	5.5	4.5	4.7	6.3	6.5	5.8	6.1	3.3
CPI	1.8	1.1	1.7	1.7	1.9	2.0	1.7	2.1	1.8
WPI	2.2	2.0	2.3	2.4	2.1	2.0	1.9	2.2	2.4
	Year-on-year percentage change 2020-21f								
GDP/GSP growth	2.4	3.3	2.2	2.9	2.7	1.5	2.0	2.4	2.7
State final demand	2.5	3.0	2.3	2.5	3.2	1.4	4.1	2.3	4.5
Population growth	1.5	0.2	1.3	1.8	1.7	0.8	1.2	0.8	1.6
Employment growth	1.7	1.5	1.3	1.9	2.1	1.2	1.4	1.2	2.2
Unemployment rate	5.3	5.6	4.8	4.9	6.3	6.3	5.7	6.0	3.4
CPI	1.8	1.6	1.8	1.9	1.8	1.8	1.7	1.8	1.8
WPI	2.2	1.9	2.2	2.1	2.2	2.1	2.0	2.3	2.4
	Five year average annual growth 2019-20 to 2023-24								
GDP/GSP growth	2.6	3.5	2.4	2.8	2.9	1.7	2.5	2.4	3.0
State final demand	2.5	3.0	2.2	2.6	3.0	1.5	3.4	2.2	3.3
Population growth	1.4	0.7	1.2	1.8	1.7	0.7	1.3	0.6	1.5
Employment growth	1.8	1.4	1.6	2.1	2.2	1.0	1.7	1.2	2.2
Unemployment rate	5.2	5.4	4.6	4.8	6.1	6.2	5.5	5.8	3.3
CPI	2.0	1.9	2.0	2.1	2.1	2.1	2.0	2.1	2.1
WPI	2.6	2.4	2.6	2.6	2.7	2.6	2.6	2.5	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

	2019-20e								
Rank	NT	NSW	Vic	Qld	SA	WA	Tas	ACT	
GSP growth	1	7	4	5	8	6	2	3	
State final demand	8	6	4	5	7	3	2	1	
Population growth	8	4	1	2	7	5	6	3	
Employment growth	8	4	2	3	7	6	5	1	
Unemployment rate*	4	2	3	7	8	5	6	1	
CPI*	1	4	2	6	7	3	8	5	
WPI	3	6	7	4	2	1	5	8	
	2020-21f								
GSP growth	1	6	2	3	8	7	5	4	
State final demand	4	7	5	3	8	2	6	1	
Population growth	8	4	1	2	6	5	7	3	
Employment growth	4	6	3	2	8	5	7	1	
Unemployment rate*	4	2	3	8	7	5	6	1	
CPI*	1	7	8	3	5	2	4	6	
WPI	1	6	4	5	3	2	7	8	
	Five year average annual growth 2019-20 to 2023-24								
GSP growth	1	7	4	3	8	5	6	2	
State final demand	3	7	5	4	8	1	6	2	
Population growth	6	5	1	2	7	4	8	3	
Employment growth	6	5	3	2	8	4	7	1	
Unemployment rate*	4	2	3	7	8	5	6	1	
CPI*	1	2	4	5	7	3	8	6	
WPI	1	6	4	7	5	3	2	8	

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.

More information:

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