

Unless stated otherwise, the following provides a summary of Deloitte Access Economics' (DAE) forecasts published in its Business Outlook March quarter 2018 report.

Economic Growth

Economic Growth Forecasts	NT	Aust
2017-18 (estimate)	↑2.1%	↑2.6%
2018-19 (forecast)	↑2.4%	↑3.0%
2019-20 (forecast)	↑3.5%	↑2.9%
5 year average annual growth rate (2017-18 to 2021-22)	↑3.1%	↑2.9%

2017-18

DAE estimates the Territory economy to grow by 2.1 per cent in 2017-18 (Chart 1). Growth is expected to be underpinned by private equipment investment, household consumption and declining imports. This is expected to be partly offset by a decrease in private engineering and commercial investment and private housing investment (Chart 2).

The Territory is expected to have the third lowest economic growth of all jurisdictions in 2017-18, which range from an estimated 1.8 per cent in the Australian Capital Territory to 3.2 per cent in South Australia. Nationally, the economy is expected to grow by 2.6 per cent in 2017-18.

Outlook

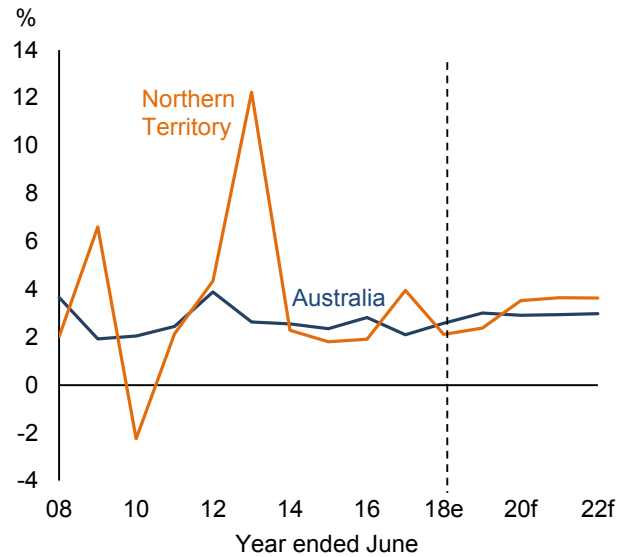
DAE forecasts the Territory economy to grow by an average of 3.1 per cent per annum over the five years to 2021-22. This is the third highest economic growth forecast of all jurisdictions, behind Queensland and Victoria. In other jurisdictions, the forecast five year average economic growth ranges from 2.0 per cent per annum in Tasmania to 3.3 per cent per annum in Queensland. DAE forecasts the national economy to grow by an average annual rate of 2.9 per cent over the five year period.

DAE notes that despite the outlook for future major project activity to be subdued, exports are expected to be a key driver of Territory economic growth, as the Ichthys liquefied natural gas (LNG) project transitions to the production and export phase (Chart 3).

Territory economic growth over the five years to 2021-22 is expected to be supported by:

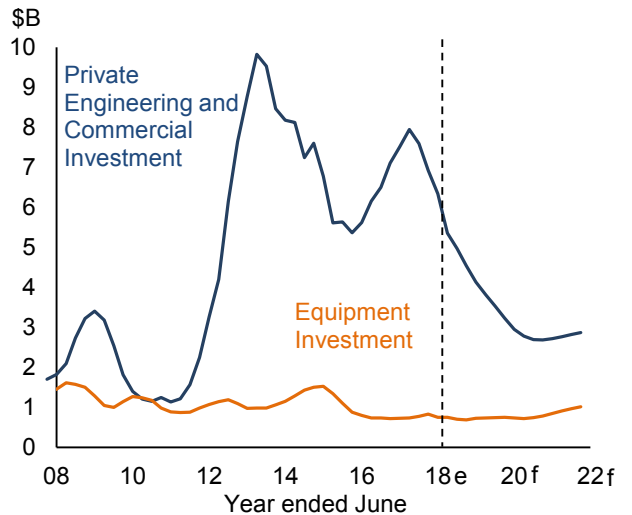
- international goods exports, which are forecast to strengthen to an average growth rate of 18.5 per cent;
- private equipment investment, at an average growth of 8.1 per cent;
- private housing investment, with an average growth rate of 7.9 per cent; and
- private consumption, with an average growth rate of 2.9 per cent per annum.

Chart 1: Economic Growth (year on year percentage change)



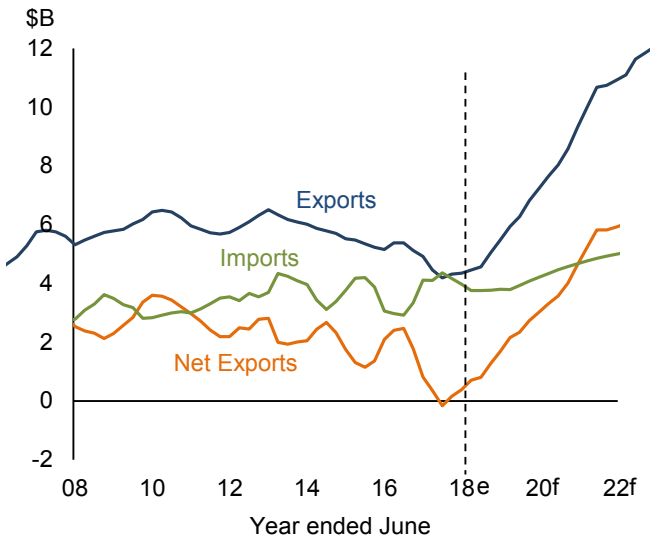
Source: DTF; Australian Bureau of Statistics; Deloitte Access Economics Business Outlook

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

Labour Market

Employment Growth	NT	Aust
2017-18 (estimate)	↓1.8%	↑3.0%
2018-19 (forecast)	↑0.2%	↑1.4%
5 year average growth rate	↑0.4%	↑1.7%

DAE estimates Territory employment to fall by 1.8 per cent in 2017-18 (Chart 4).

In the five years to 2021-22, employment in the Territory is forecast to grow on average by 0.4 per cent, representing the weakest growth of all jurisdictions, which range between 0.7 per cent in Tasmania to 2.1 per cent in Queensland. The national annual employment growth is forecast to average 1.7 per cent over the same period.

The Territory's unemployment rate is forecast to average 4.2 per cent over the five years to 2021-22, compared to 5.4 per cent nationally. In other jurisdictions, the average annual unemployment rate forecast over the next five years range from 3.9 per cent in the Australian Capital Territory to 6.1 per cent in Western Australia.

Population

Population Growth	NT	Aust
2017-18 (estimate)	↑0.3%	↑1.7%
2018-19 (forecast)	↑1.2%	↑1.6%
5 year average growth rate	↑1.3%	↑1.6%

DAE expects the Territory population to grow by 0.3 per cent in 2017-18, then strengthen to 1.2 per cent in 2018-19.

Over the next five years, DAE is forecasting the Territory's population to grow by an average rate of 1.3 per cent per annum, compared to an average of 1.6 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 expectations over the five years to 2021-22 range between 0.5 per cent in Tasmania and 2.0 per cent in Victoria.

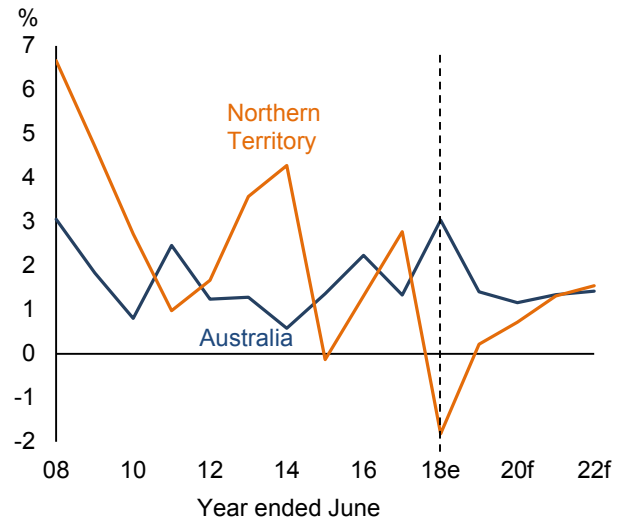
Consumer Price Index (CPI)

CPI Growth	NT	Aust
2017-18 (estimate)	↑1.2%	↑1.9%
2018-19 (forecast)	↑2.2%	↑2.3%
5 year average growth rate	↑2.1%	↑2.3%

DAE expects the Darwin CPI to grow by 1.2 per cent in 2017-18 (Chart 6).

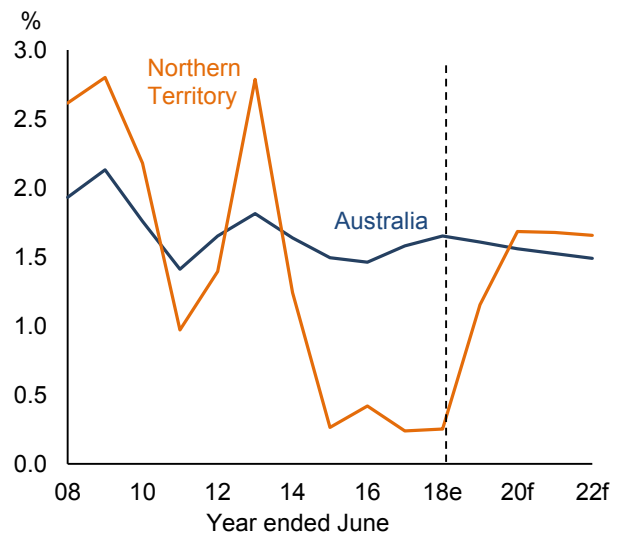
Over the five years to 2021-22, DAE expects growth to average 2.1 per cent, which is the second lowest of the jurisdictions. Nationally, the average annual increase for CPI over the same period is 2.3 per cent.

Chart 4: Employment (year on year percentage change)



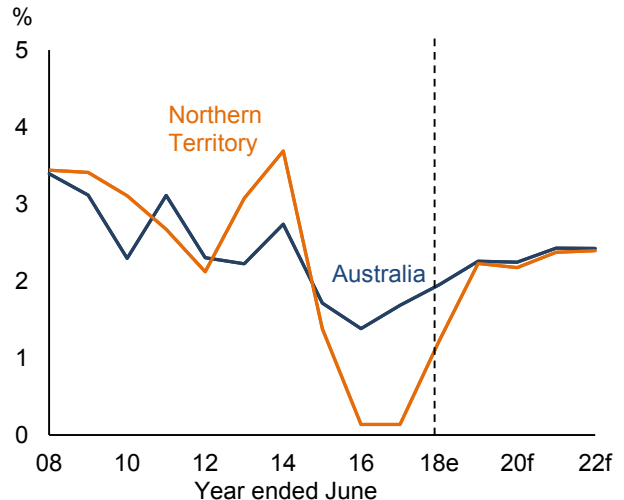
Source: Australian Bureau of Statistics and Deloitte Access Economics Business Outlook

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

Table 1: Deloitte Access Economics Business Outlook forecasts

Northern Territory		2017-18	2018-19	2019-20	2020-21	2021-22	5 year average
Gross State product	Constant price (\$m)	25 963	26 583	27 521	28 524	29 560	
	% change	2.1	2.4	3.5	3.6	3.6	3.1
NT as a share of Australian output	%	1.5	1.5	1.5	1.5	1.5	
Real final demand	Constant price (\$m)	28 943	27 624	27 495	28 560	30 074	
	% change	-3.2	-4.6	-0.5	3.9	5.3	0.2
Private consumption	Constant price (\$m)	11 179	11 538	11 959	12 417	12 841	
	% change	0.1	3.2	3.6	3.8	3.4	2.9
Private housing investment	Constant price (\$m)	566	565	660	800	912	
	% change	-12.4	-0.1	16.7	21.1	14.1	7.9
Private eng and comm investment	Constant price (\$m)	6 335	4 132	2 951	2 717	2 917	
	% change	-15.7	-34.8	-28.6	-7.9	7.3	-15.9
Private equipment investment	Constant price (\$m)	752	722	731	844	1 046	
	% change	4.0	-4.0	1.2	15.4	23.9	8.1
International goods exports	Constant price (\$m)	4 351	5 479	7 228	9 309	10 910	
	% change	-11.5	25.9	31.9	28.8	17.2	18.5
International goods imports	Constant price (\$m)	3 970	3 796	4 211	4 673	4 995	
	% change	-3.3	-4.4	10.9	11.0	6.9	4.2
Retail turnover	Constant price (\$m)	3 114	3 170	3 263	3 378	3 498	
	% change	0.7	1.8	2.9	3.5	3.6	2.5
Total population	Persons ('000s)	246	249	253	257	262	
	% change	0.3	1.2	1.7	1.7	1.7	1.3
Population aged 15 and over	Persons ('000s)	192	195	198	202	205	
	% change	0.3	1.2	1.7	1.8	1.8	1.3
Employment ('000s)	Persons ('000s)	136	136	137	139	141	
	% change	-1.8	0.2	0.7	1.3	1.5	0.4
Unemployment	Persons ('000s)	6	6	6	6	6	
	% change	4.3	4.3	4.3	4.1	3.8	4.2
Consumer Price Index	% change	1.2	2.2	2.2	2.4	2.4	2.1
	Average Weekly Earnings	\$	1 438	1 453	1 481	1 518	1 562
Wage Price Index	% change	2.8	1.0	2.0	2.5	2.9	2.2
	\$	129	131	134	137	141	
	% change	1.8	1.6	2.1	2.5	2.9	2.2

Australia		2017-18	2018-19	2019-20	2020-21	2021-22	5 year average
Gross domestic product	Constant price (\$M)	1 738 273	1 790 622	1 842 833	1 896 990	1 953 523	
	% change	2.6	3.0	2.9	2.9	3.0	2.9
International exports	Constant price (\$M)	263 768	270 951	280 457	287 732	299 193	
	% change	3.2	2.7	3.5	2.6	4.0	3.2
International imports	Constant price (\$M)	303 809	309 741	320 651	337 734	353 266	
	% change	6.2	2.0	3.5	5.3	4.6	4.3
Total population	Persons (000)	24 855	25 254	25 648	26 039	26 427	
	% change	1.7	1.6	1.6	1.5	1.5	1.6
Population aged 15 to 64	Persons (000)	20 081	20 396	20 718	21 044	21 376	
	% change	1.7	1.6	1.6	1.6	1.6	1.6
Employment	Persons (000)	12 434	12 609	12 756	12 927	13 112	
	% change	3.0	1.4	1.2	1.3	1.4	1.7
Unemployment	Persons (000)	722	726	738	727	709	
	% change	5.5	5.4	5.5	5.3	5.1	5.4
Consumer Price Index	% change	1.9	2.3	2.2	2.4	2.4	2.3
	Average Weekly Earnings	\$	1 195	1 220	1 251	1 286	1 326
Wage Price Index	% change	2.2	2.2	2.5	2.8	3.1	2.5
	% change	2.1	2.4	2.5	2.8	3.1	2.6
Trade weighted index		65.0	62.7	61.6	60.6	59.8	61.9
Exchange rates	\$US per \$A	0.78	0.77	0.75	0.74	0.73	0.8
	Yen per \$A	88.15	91.48	89.65	88.13	86.98	88.9
	Euro per \$A	0.66	0.64	0.62	0.61	0.60	0.6
Crude oil (Tapis, \$US/barrel)		63.85	68.57	71.41	74.26	77.11	71.0
	% change	22.3	7.4	4.1	4.0	3.8	8.3

e: estimate; f: forecast

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

Table 2: Deloitte Access Economics Business Outlook forecasts by jurisdiction

	Year on year percentage change 2017-18e								
	Australia	NT	NSW	Vic	Qld	SA	WA	Tas	ACT
GDP/GSP growth	2.6	2.1	3.0	2.9	2.5	3.2	2.3	2.1	1.8
Private consumption	2.7	0.1	2.9	3.4	1.9	2.6	1.9	3.7	3.9
Population growth	1.7	0.3	1.6	2.3	1.7	0.7	0.9	0.7	1.8
Employment growth	3.0	-1.8	3.2	2.6	4.4	2.2	2.2	2.6	4.0
Unemployment rate	5.5	4.3	4.8	5.7	5.9	5.9	6.1	5.9	4.0
CPI	1.9	1.2	2.2	2.1	1.9	2.2	1.1	1.9	2.2

	Year on year percentage change 2018-19f								
GDP/GSP growth	3.0	2.4	3.2	3.4	3.4	1.8	2.1	2.2	2.4
Private consumption	2.6	3.2	2.3	2.5	3.3	1.7	3.0	1.4	3.6
Population growth	1.6	1.2	1.6	2.2	1.6	0.8	1.1	0.5	1.5
Employment growth	1.4	0.2	1.8	1.4	1.6	0.3	0.8	0.4	1.8
Unemployment rate	5.4	4.3	4.8	5.6	5.9	5.9	6.1	5.9	3.9
CPI	2.3	2.2	2.3	2.3	2.2	2.0	2.0	2.3	2.4

	Five year average annual growth 2017-18 to 2021-22								
GDP/GSP growth	2.9	3.1	2.9	3.1	3.3	2.2	2.7	2.0	2.4
Private consumption	2.5	2.9	2.3	2.8	2.9	1.8	2.7	1.5	3.0
Population growth	1.6	1.3	1.5	2.0	1.6	0.8	1.3	0.5	1.5
Employment growth	1.7	0.4	1.8	1.6	2.1	0.9	1.5	0.7	1.6
Unemployment rate	5.4	4.2	4.9	5.4	5.6	6.0	6.1	5.8	3.9
CPI	2.3	2.1	2.3	2.3	2.2	2.3	2.0	2.3	2.4

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

	2017-18e								
Rank	NT	NSW	Vic	Qld	SA	WA	Tas	ACT	
GSP growth	6	2	3	4	1	5	7	8	
Private consumption	8	4	3	7	5	6	2	1	
Population growth	8	4	1	3	7	5	6	2	
Employment growth	8	3	4	1	7	6	5	2	
Unemployment rate*	2	3	4	7	6	8	5	1	
CPI*	2	7	5	3	6	1	4	8	

	2018-19f								
GSP growth	4	3	2	1	8	7	6	5	
Private consumption	3	6	5	2	7	4	8	1	
Population growth	5	3	1	2	7	6	8	4	
Employment growth	8	1	4	3	7	5	6	2	
Unemployment rate*	2	3	4	7	5	8	6	1	
CPI*	3	7	6	4	1	2	5	8	

	Five year average annual growth 2017-18 to 2021-22								
GSP growth	3	4	2	1	7	5	8	6	
Private consumption	3	6	4	2	7	5	8	1	
Population growth	6	3	1	2	7	5	8	4	
Employment growth	8	2	4	1	6	5	7	3	
Unemployment rate*	2	3	4	5	7	8	6	1	
CPI*	2	6	5	3	4	1	7	8	

e: estimate f: forecast

Highest = 1 Low est = 8

*Ranking reversed

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

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