The Australian Economy and Financial Markets

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Inflation – Advanced Economies

Year-ended

* Excludes the effects of the consumption tax increase in 2014.
Sources: RBA; Refinitiv.

Inflation – China and India

Year-ended

Source: CEIC Data.

Labour Markets – Advanced Economies

% Unemployment rate

% Wages growth*

Year-ended

* Average hourly earnings for the US; compensation per employee for the euro area; smoothed full-time base wages for Japan.
Sources: CEIC Data; RBA; Refinitiv.

Inflation – East Asia

Year-ended

Source: CEIC Data; RBA; Refinitiv.
China – Activity Indicators
Year-ended growth

Manufacturing PMI*
Industrial production
Fixed asset investment
Real retail sales

* Diffusion index; average of the official and Caixin.
Sources: CEIC Data; Markit Economics; RBA.

China – Residential Property Indicators

New property prices growth*
Investment growth*
Alternative**
Official
Land purchases
Construction and other***
Total

* Year-ended.
** China Index Academy.
*** Construction, installation, equipment purchases and other.
Sources: CEIC Data; RBA; WIND Information.

China – Total Social Financing Growth
Year-ended with contributions

Household loans
Business financing*
Government bonds**

* Sum of business loans, securities financing and off-balance sheet financing.
** Net government bond issuance includes local government bond issuance to pay off debt previously classified as business financing, and uses RBA estimates prior to 2016.
Sources: CEIC Data; RBA.

China – Gross Output of Selected Products*

Electricity generation
Plate glass
Steel products
Cement
Crude steel

* Seasonally adjusted by the RBA.
Sources: CEIC Data; RBA.
Australian Growth

GDP Growth

Year-ended
Quarterly

Source: ABS.

Contributions to GDP Growth

Year-ended

Sources: ABS; RBA.

Mining and Non-mining Activity

Year-ended growth, RBA estimates

Mining investment
Resource exports
Non-mining

* Net of mining-related imports; components are contributions to year-ended mining activity growth; contribution from changes in inventories not shown.

Sources: ABS; RBA.

State Final Demand

Year-ended growth

Sources: ABS; RBA.
Australian Inflation

**Consumer Price Inflation**

- Year-ended

![Graph showing Consumer Price Inflation from 1988 to 2023](chart1)


Sources: ABS; RBA.

**Measures of Underlying Inflation**

- Year-ended

![Graph showing Measures of Underlying Inflation from 1988 to 2023](chart2)

* Excludes interest charges prior to September 1998 and deposit & loan facilities prior to September 2011; adjusted for 1999–2000 tax changes.

Sources: ABS; RBA.

** Tradable and Non-tradable Inflation**

- Non-tradables

![Graph showing Tradable and Non-tradable Inflation from 1993 to 2023](chart3)


** Tradable excl volatiles**

![Graph showing Tradable excl volatiles from 1993 to 2023](chart4)

** Excludes interest charges and indirect deposit & loan facilities.

Sources: ABS; RBA.
**Business Sector**

### Business Investment*

**Business Investment**

* Share of nominal GDP

- **Graph**: Shows the percentage shares of nominal GDP from 1993 to 2023.
- **Notes**: Adjusted for second-hand asset transfers between the private and other sectors.
- **Source**: ABS.

### Capital Expenditure – Mining and Non-mining*

**Capital Expenditure**

- **Graph**: Shows the nominal, log scale expenditure for Mining and Non-mining sectors from 1995/96 to 2023/24.
- **Notes**: Dots are firms' expectations for 2023/24; adjusted for historical differences between expected and realised spending.
- **Sources**: ABS; RBA.

### Business Investment Components*

**Business Investment Components**

- **Graph**: Shows the percentage shares of nominal GDP for Machinery and equipment, Buildings, and Engineering from 1993 to 2023.
- **Notes**: Adjusted for second-hand asset transfers between the private and other sectors.
- **Source**: ABS.

### Industry Share of Business Investment*

**Industry Share**

- **Graph**: Shows the percentage shares of business investment for various industries from 1992/93 to 2022/23.
- **Notes**: Nominal; includes second hand asset transfers.
- **Source**: ABS.

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**Footer**: Reserve Bank of Australia

**Chart Pack**: November 2023

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*Denotes: Includes information media and telecommunications; rental, hiring and real estate services; professional, scientific and technical services; administrative and support services.

**Source**: ABS.
Private Non-financial Corporation Profits*

Share of nominal GDP

Non-mining

Mining

Lending to Businesses*

Break-adjusted

Large business

Medium business

Small business

NAB Business Survey

Business conditions*

Business confidence*

Capacity utilisation

Average since 1989

* Gross operating profits; inventory valuation adjusted.
Sources: ABS; RBA.

* Net balance; deviation from average since 1989.
Sources: NAB; RBA.

* EFS data are based on reporting of banks and finance companies that have $2 billion or more of business credit. Data in April 2023 break-adjusted for revised definitions of business sizes for IRB reporting institutions.
Sources: APRA; RBA.
Regions and Industry

**State Share of Output**

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<thead>
<tr>
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<tbody>
<tr>
<td>New South Wales</td>
<td>35%</td>
<td>30%</td>
<td>25%</td>
<td>20%</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>Victoria</td>
<td>30%</td>
<td>35%</td>
<td>30%</td>
<td>25%</td>
<td>20%</td>
<td>15%</td>
</tr>
<tr>
<td>Queensland</td>
<td>25%</td>
<td>30%</td>
<td>25%</td>
<td>20%</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>Western Australia</td>
<td>20%</td>
<td>25%</td>
<td>20%</td>
<td>15%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>South Australia</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>30%</td>
<td>35%</td>
</tr>
<tr>
<td>Tasmania</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>30%</td>
</tr>
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</table>

Source: ABS.

**State Unemployment Rates**

<table>
<thead>
<tr>
<th>State</th>
<th>2011</th>
<th>2017</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Australia</td>
<td>8%</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>Tasmania</td>
<td>7%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Western Australia</td>
<td>6%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>New South Wales</td>
<td>5%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Queensland</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: ABS.

**Industry Share of Output**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>14%</td>
<td>15%</td>
<td>16%</td>
<td>17%</td>
<td>18%</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>Retail and wholesale</td>
<td>10%</td>
<td>11%</td>
<td>12%</td>
<td>13%</td>
<td>14%</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>Financial and insurance services</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>9%</td>
<td>10%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Construction</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>9%</td>
<td>10%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Mining</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>9%</td>
<td>10%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>9%</td>
<td>10%</td>
<td>11%</td>
<td>12%</td>
</tr>
</tbody>
</table>

* Nominal gross value added.
** Includes: information media and telecommunications; rental, hiring and real estate services; professional, scientific and technical services; administrative and support services.

Source: ABS.

**Employment Growth by Industry**

- Household services: 1200
- Business services: 1000
- Public administration: 800
- Construction: 600
- Other**: 400
- Retail and wholesale trade: 200
- Manufacturing: 0
- Mining: 0

* The trend series have been suspended from June 2020 until more certainty emerges in the underlying trend in labour market activity over the COVID-19 period.
** Includes agriculture, forestry & fishing; transport, postal & warehousing; and electricity, gas, water & waste services.

Source: ABS.
Commodity Prices

RBA Index of Commodity Prices
SDR, 2021/22 average = 100, log scale

Source: RBA.

Oil and LNG Prices
Monthly

Sources: Bloomberg; RBA; Refinitiv.

Bulk Commodity Prices
Free on board basis

Iron ore (LHS)  Thermal coal (LHS)  Coking coal (RHS)

Average Australian export price
Spot price

Sources: ABS; Bloomberg; McCloskey by OPIS; RBA.

Terms of Trade*
2020/21 average = 100, log scale

* Annual data are used prior to 1960.
Sources: ABS; RBA.
Balance of Payments and External Position

**Export Volumes**
Log scale, quarterly

**Resource Exports**
Log scale, quarterly

* Seasonally adjusted by the RBA.
Sources: ABS; Department of Industry, Science, Energy and Resources; RBA.

**Import Volumes**
Log scale, quarterly

**Exports by Destination**
Annual, share of total values

* The series has been revised to exclude the UK.
Sources: ABS; RBA.

Sources: ABS; RBA.
Central Bank Balance Sheets and Bond Purchases

**RBA Assets**

- **Financial year**
- **Weekly**

- Open repo & other assets
- Domestic bonds
- OMO repo
- Gold & foreign exchange

**RBA Liabilities**

- **Financial year**
- **Weekly**

- Capital & Reserve Bank Reserve Fund
- Government & other deposits
- Banknotes
- Other liabilities
- Exchange Settlement balances

Source: RBA.

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**Central Bank Total Assets**

Per cent of GDP

- Japan
- Australia
- Sweden
- Euro area
- Canada
- UK
- NZ

Sources: Central banks; RBA, Refinitiv.

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**Central Bank Government Bond Holdings**

Per cent of eligible stock outstanding*

- Japan
- UK
- Sweden
- Euro area**
- US
- Canada
- Australia

Sources: Central banks; debt management offices; RBA, Refinitiv.

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* Data include nominal and inflation-linked bonds issued by central governments that are eligible for purchase in the secondary market under central banks’ government bond purchase programs (for Australia, this is nominal Australian Government Securities only); data for euro area also include eligible bonds issued by local and regional governments.

** Holdings data for euro area only include bonds held as part of asset purchase programs; holdings data for other central banks also include bonds held for operational or liquidity purposes.

Sources: Central banks; debt management offices; RBA, Refinitiv.
Interest Rates

**Australian Cash Rate Target**

- Australian Cash Rate Target

**Policy Interest Rates**

- Policy Interest Rates

**Australian Cash Rate and 90-day Bill Yield**

- Australian Cash Rate and 90-day Bill Yield

**Policy Interest Rates – Selected Advanced Economies**

- Policy Interest Rates – Selected Advanced Economies

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* Source: RBA.

* Source: Central banks.

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* Calculated using average of year-ended weighted median inflation and year-ended trimmed mean inflation. Sources: ABS; AFMA; ASX; RBA.

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* Main refinancing rate until the introduction of 3-year LTROs in December 2011; deposit facility rate thereafter. Source: Central banks.
Monetary Policy – China

Interest rates
- Seven-day repo (monthly average)
- One-year benchmark lending
- One-year benchmark deposit
- One-year MLF*

Reserve requirement ratios
- Large institutions
- Medium institutions
- Small institutions

Sources: CEIC Data; RBA.

10-year Australian Government Bond Yield

Sources: RBA; Yieldbroker.

Policy Interest Rates – Emerging Markets

- Indonesia*
- Philippines
- Brazil
- Russia*
- India
- Malaysia
- Thailand
- South Korea
- South Africa
- Mexico

* Breaks in series indicate changes in the official policy rates for Russia (September 2013) and Indonesia (August 2016).

Source: Central banks.

10-year Government Bond Yields

Sources: CEIC Data; Refinitiv.
**US Corporate Bond Yields**

- BBB corporates*
- AA corporates*
- Five-year swap

* Includes financials and non-financials.
Sources: ICE Data is used with permission; Refinitiv.

**Chinese Corporate Bond Yields**

- Low-rated*
- High-rated**

* Based on AA- domestically rated bond.
** Based on AAA domestically rated bond.
Source: CEIC Data.

**US Corporate Bond Spreads**

- BBB corporates*
- AA corporates*
- Five-year swap**

* Includes financials and non-financials.
** Series break from June 2023; thereafter 5-year swap calculation based on new data due to the cessation of US dollar LIBOR.
Sources: Bloomberg; ICE Data is used with permission.

**Emerging Market Government Bond Yields**

- Europe
- Latin America
- Asia

* Weighted average across issuers.
Source: J.P. Morgan.
**Average Housing Interest Rates**

* Weighted average interest rate across all fixed-rate periods.
** Major banks’ standard reference rates for owner-occupier variable-rate loans.
*** Series break in July 2019; thereafter, data based on EFS collection.
Sources: APRA; banks’ websites; CANSTAR; RBA; Securitisation System.

**Fixed Housing Interest Rates**

* Available to owner-occupiers.
Sources: Banks’ websites; CANSTAR; RBA; Refinitiv.

**Australian Business Lending Rates**

* Small loans are loans less than $2 million; large loans are loans $2 million or more; new series from July 2019 are from the Economic and Financial Statistics (EFS) collection (see Statistical Table F7). Changes to business size definitions in April 2023 resulted in some large business credit being reclassified as medium business credit and some medium business credit being reclassified as small business credit.
Sources: APRA; RBA.
Share Markets

Share Price Accumulation Indices
Log scale, end December 1994 = 100

Advanced Economies’ Share Price Indices
Log scale, end December 1994 = 100

Emerging Markets’ Share Price Indices*
Log scale, end December 1994 = 100

* MSCI indices; Shanghai Composite Index for China.
Sources: Bloomberg; MSCI; RBA.
US and Euro Area Corporate Bond Issuance*

**Gross issuance**

* Most recent data is quarter-to-date.
Sources: Dealogic; RBA.

Emerging Market Corporate Bond Issuance*

**Gross issuance**

* Most recent data is quarter-to-date.
Sources: Dealogic; RBA.
Exchange Rates

**Australian Dollar Trade-weighted Index**

- **Real**
- **Nominal**

* May 1970 = 100 for nominal; real indexed to equate post-float averages; latest observations for real TWI are estimates.

Sources: ABS; RBA; Refinitiv; WM/Reuters.

**Official Reserve Assets**

- Official reserve assets
- Foreign currency liquidity
- RBA foreign exchange market intervention transactions

* The reporting methodology for official reserve asset data changes in 2015.
** Excludes net forward foreign currency commitments.
*** Data up to 30 June 2023; a positive value indicates a purchase of foreign exchange, while a negative value indicates a sale of foreign exchange.

Source: RBA.

**Australian Dollar**

- Yen per A$ (LHS)
- Euro per A$ (RHS)
- US$ per A$ (LHS)

* ECU per A$ until 31 December 1998.
Source: Bloomberg.

**US Dollar**

- Yen per US$ (LHS)
- US$ per euro (RHS, inverted scale)

* US$ per ECU until 31 December 1998.
Sources: Bloomberg; Eurostat.
Banking Indicators

**Australian Bank Profitability**

- Return on shareholders' equity after tax and minority interests.

* Fiscal years from 2003 onwards; prior data are as reported in banks' financial statements.

Sources: APRA; Banks' annual reports; RBA.

**Australian Bank Profits**

- Net profit after tax
- Bad and doubtful debts charge

Sources: APRA; RBA.

**Major Banks’ Net Interest Margin**

- Domestic, half-yearly

* Data for a given period relate to banks’ public profit reports released in that half; IFRS basis from 2006; AGAAP prior; excludes St George Bank and Bankwest prior to the first half of 2009.

Sources: Banks' financial reports; RBA.
**Banks’ Non-performing Assets**

*Domestic books*

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Business (34%)</th>
<th>Personal (3%)</th>
<th>Housing (33%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1.00</td>
<td>0.35</td>
<td>0.03</td>
<td>0.62</td>
</tr>
<tr>
<td>2015</td>
<td>1.50</td>
<td>0.52</td>
<td>0.06</td>
<td>0.92</td>
</tr>
</tbody>
</table>

* Includes lending to financial businesses, bills, short-term and long-term debt securities and other non-household loans.
** Each category’s share of total domestic lending at December 2022 is shown in parentheses; shares may not add up to 100 due to rounding.

Sources: APRA; RBA.

**Funding Composition of Banks in Australia***

* Share of total funding

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic deposits</th>
<th>Short-term debt</th>
<th>Long-term debt</th>
<th>Equity</th>
<th>Securitisation</th>
<th>TFF***</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>50</td>
<td>20</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>2023</td>
<td>60</td>
<td>25</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>0</td>
</tr>
</tbody>
</table>

* Adjusted for movements in foreign exchange rates; tenor of debt is estimated on a residual maturity basis.
** Includes deposits and intragroup funding from non-residents.
*** Term Funding Facility.

Sources: ABS; APRA; Bloomberg; RBA; Refinitiv; Standard & Poor’s.

**Banks’ Non-performing Loans**

*Consolidated global operations, share of loans and advances*

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<tbody>
<tr>
<td>%</td>
<td>0.05</td>
<td>0.20</td>
<td>0.25</td>
<td>0.15</td>
<td>0.10</td>
<td>0.05</td>
</tr>
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</table>

Source: APRA.

**Capital Ratios***

*Consolidated global operations of locally incorporated ADIs*

<table>
<thead>
<tr>
<th>Year</th>
<th>Banks</th>
<th>Credit unions and building societies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>Total</td>
<td>Tier 1</td>
</tr>
<tr>
<td>1992</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>2023</td>
<td>15</td>
<td>20</td>
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</tbody>
</table>

* Per cent of risk-weighted assets; break in March 2008 due to the introduction of Basel II for most ADIs; break in March 2013 due to the introduction of Basel III for all ADIs.

Source: APRA.