

Who are the Territory's international trading partners ?

In the 1990's, the Territory's top five trading partners included the United States, Canada and the United Kingdom. However, in the past 10 years there has been a shift away from trade with Anglo-American and Western European countries and a strong move towards Asia, particularly Japan and China.

In the 21st century, national economies are becoming closely interrelated and interdependent. Economic influences from other countries can have a powerful effect on small open economies. This means that when economies move into recession it is partly determined by whether major trading partners are performing strongly or not. The recent global financial crisis illustrates how highly synchronised global markets have become.

International trade relies heavily on modern, efficient transport infrastructure and transport services. As Australia's gateway to Asia, the Territory has a deep water port, international airport and the Adelaide to Darwin railway. With its abundance of natural resources the Territory is strategically well placed to move forward as China, Japan and ASEAN countries look to Australia and the Territory to meet their future energy and mineral resource needs.

In 2008, the Territory's major exports included Liquefied Natural Gas (LNG), manganese, crude petroleum, zinc, live cattle, iron ore, pearls and inorganic chemical products. The Territory's major imports included natural gas feedstock for LNG production, from the Bayu-Undan field located in the Joint Petroleum Development Area and refined petroleum products.

The table below shows that the Territory currently has strong trading links with the three largest economies in the world, the United States, Japan and China. Other important trading partners include Indonesia, France and Singapore.

Table 1 Northern Territory's trade with the world

Country	1998		2008	
	Per cent of total exports	Per cent of total imports	Per cent of total exports	Per cent of total imports
United States	19	18	5	3
China	16	0	28	3
Japan	11	15	36	5
Canada	9	3	3	0
United Kingdom	7	10	0	0
Indonesia	6	2	5	1
Republic of Korea	4	2	3	1
Philippines	4	0	0	0
France	3	5	4	5
Hong Kong	3	0	3	0
Romania	1	0	1	0
Mexico	1	0	1	0
India	1	0	3	0
Thailand	0	0	1	1
Singapore	0	13	0	26
Papua New Guinea	0	0	3	0
Kuwait	0	8	0	10
Other	16	23	6	45
Total	100	100	100	100

Source: ABS unpublished data

Northern Territory State Final Demand and Gross State Product												
Year ended June	Percentage Change	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Latest available	Annual % change [*]
Expenditure on GSP (2005-06 prices)												
Private Consumption		6.5	3.5	6.5	4.6	6.4	4.8	5.8	3.8	5.4	Dec Q 08	-1.1
Public Consumption		7.6	1.1	0.4	2.5	4.6	3.2	2.2	5.3	3.6	Dec Q 08	0.9
Total Consumption Expenditure		7.0	2.4	3.8	3.7	5.7	4.1	4.3	4.4	4.6	Dec Q 08	-0.3
Private Investment												
<i>Dwellings</i>		-24.7	-40.7	4.0	9.9	-4.0	27.5	14.7	-4.4	-8.4	Dec Q 08	7.9
<i>Other buildings and structures</i>		-58.9	-22.7	125.2	26.5	6.5	0.7	4.4	-3.9	-23.4	Dec Q 08	111.0
<i>Machinery and equipment</i>		11.3	31.3	2.6	6.3	11.8	-11.6	28.7	7.3	83.3	Dec Q 08	16.8
<i>Livestock</i>		-7.7	41.7	5.9	-55.6	225.0	-3.8	8.0	-29.6	10.5	Dec Q 08	4.8
<i>Intangible fixed assets**</i>		-18.9	-17.8	51.0	-42.0	-20.0	62.5	98.2	-3.9	1.4	Dec Q 08	-46.8
<i>Ownership transfer costs</i>		-6.3	-21.7	16.0	3.7	29.2	6.8	9.0	-1.2	-16.1	Dec Q 08	-5.0
Business Investment [#]		-40.2	-1.7	54.4	7.9	9.7	0.4	17.0	-2.5	4.7	Dec Q 08	38.1
Total Private Investment		-36.1	-11.6	45.0	8.1	8.5	3.8	16.3	-2.8	1.8	Dec Q 08	31.8
Public Investment		46.3	45.8	19.4	-33.3	1.9	25.6	2.1	-3.8	24.3	Dec Q 08	4.6
Total Investment		-29.8	-2.4	38.9	-0.5	7.6	6.7	14.2	-2.9	4.9	Dec Q 08	27.8
State Final Demand		-5.0	1.5	12.0	2.3	6.2	4.8	7.1	2.1	4.7	Dec Q 08	7.9
State Final Demand less L-C and B-U^{##}		2.1	1.6	10.8	0.8	5.2	9.5	8.5	2.5		Dec Q 08	
International Trade - export of goods		47.2	30.0	-22.6	-11.0	-23.9	-6.2	-1.6	44.1	-5.9	Dec Q 08	18.8
International Trade - import of goods		178.4	-62.0	15.2	30.1	4.0	107.5	27.5	-0.4	-21.8	Dec Q 08	62.9
Total Gross State Product		7.2	4.9	1.7	0.0	2.3	5.6	6.5	5.2	3.9		
Contribution to GSP Growth												
Private Consumption		2.7	1.4	2.6	1.9	2.8	2.2	2.6	1.8	2.1		
Public Consumption		2.5	0.4	0.1	0.8	1.5	1.1	0.7	1.7	1.1		
Private Investment		-12.3	-2.3	7.6	1.9	2.2	1.1	4.5	-0.8	-0.2		
Public Investment		1.3	1.8	1.0	-2.1	0.1	1.1	0.1	-0.2	1.1		
State Final Demand		-5.5	1.5	11.4	2.4	6.6	5.4	7.8	2.4	4.1		
Net International Exports		4.0	23.7	-13.1	-7.6	-9.3	-11.7	-5.8	9.0	2.6		
Balancing item		8.8	-20.3	3.3	5.2	5.0	12.0	4.5	-6.2	-2.8		
Gross State Product		7.2	4.9	1.7	0.0	2.3	5.6	6.5	5.2	3.9		

* Quarter on corresponding quarter the previous year, or through the year annual per cent change ** Predominantly computer software and mineral exploration
[#] Private investment less dwellings investment and ownership transfer costs ^{##} Investment for the Laminaria-Corallina oilfields and Bayu-Undan Stage 1 and Stage 2 pipeline
 Source: NT Treasury, Australian Bureau of Statistics data

Latest Northern Territory Economic Indicators												
Year ended June	Percentage Change*	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Latest	Annual change**
Real Retail Turnover		7.6	-2.2	4.8	3.1	6.0	4.0	0.7	8.5	8.0	Dec Q 08	8.8
New Motor Vehicle Sales		-8.8	-4.2	-0.3	3.3	8.4	10.7	0.0	4.1	8.2	Mar 09	-35.2
Tourist Accommodation Takings		0.0	0.0	-1.0	-0.1	2.8	13.6	3.4	14.8	10.5	Dec Q 08	6.1
Number of Dwellings Approved		-30.6	-28.4	-13.8	0.0	23.4	18.4	-1.8	7.4	-19.9	Feb 09	-34.6
Number of Dwellings Commenced		-21.1	-34.0	0.1	-4.1	6.0	29.1	1.3	-0.2	-20.9	Dec Q 08	64.5
Employment		-2.3	1.5	4.8	1.5	-2.0	-0.2	3.2	5.1	5.9	Mar 09	3.7
Unemployment rate		4.4	5.6	6.7	5.5	5.2	5.7	5.5	3.8	4.4	Mar 09	4.5
Darwin Consumer Price Index ^{##}		0.7	3.9	3.6	2.2	2.1	1.6	2.6	4.4	3.4	Mar Q 09	2.8
AWOTE [#] (year average)		4.3	3.4	2.1	4.7	6.0	6.6	3.8	1.5	5.2	Nov Q 08	5.7
Wage Price index (year average)		0.0	2.8	3.1	3.0	3.3	3.7	4.4	3.9	3.9	Nov Q 08	4.8
Population, December (levels - thousands) ^{##}		194.3	196.3	198.3	199.3	200.6	203.8	208.4	212.3	217.4	Sep Q 08	221.1
Population (annual % change) ^{##}		1.6	1.0	1.1	0.5	0.6	1.6	2.3	1.9	2.4	Sep Q 08	2.2
Net Interstate Migration (levels - number) ^{##}		-817	-1621	-1751	-2440	-2283	-482	726	-428	885	Sep Q 08	1071.0

* Year ended, or year on year ** Quarter on corresponding quarter the previous year, or through the year per cent change [#] Average Weekly Ordinary Time Earnings

^{##} Denotes calendar year

Source: NT Treasury, Australian Bureau of Statistics data

Financial Indicators											
Year Ended June	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Latest	Level
Interest Rates											
90 Day Bank Bill (as at 30 June)	6.17	5.02	5.11	4.67	5.50	5.66	5.97	6.43	7.80	28 Apr 09	3.04
10 Year Govt Bond Yield (as at 30 June)	6.16	6.04	5.99	5.01	5.87	5.11	5.79	6.26	6.45	28 Apr 09	2.97
Exchange Rates											
US\$ per A\$ (year average)	0.63	0.54	0.52	0.58	0.71	0.75	0.75	0.79	0.90	28 Apr 09	0.78
US\$ per A\$ (as at 30 June)	0.60	0.51	0.56	0.67	0.69	0.76	0.74	0.85	0.96	28 Apr 09	0.70
Special Drawing Rights [*] per A\$ (as at 30 June)	0.45	0.41	0.43	0.48	0.47	0.52	0.51	0.56	0.59	28 Apr 09	0.47
Trade Weighted Index of A\$ (as at 30 June)	53.30	49.70	52.30	59.40	59.06	64.50	62.24	68.92	73.40	28 Apr 09	58.15

* A measure of the Australian dollar against an IMF determined, weighted basket of currencies consisting of the US dollar, the Euro, the yen and pound sterling
 Source: NT Treasury, Reserve Bank of Australia data

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ECONOMIC INDICATORS DUE FOR RELEASE

May 2009			
ABS	6416.0	House Price Indexes: Eight Capital Cities, March Quarter 2009	04-May-09
ANZ		ANZ job ads series, April 2009 (<i>no brief</i>)	04-May-09
ABS	8731.0	Building Approvals, March 2009	05-May-09
ABS	5368.0	International Trade in Goods & Services, March 2009	06-May-09
ABS	8501.0	Retail Trade, March 2009	06-May-09
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	06-May-09
ABS	6202.0	Labour Force, April 2009	07-May-09
ABS	3401.0	Overseas Arrivals and Departures, Australia, March 2009 (<i>no brief</i>)	08-May-09
AAA		Petrol Prices, April 2009	10-20 May 09
ABS	5609.0	Housing Finance, March 2009	12-May-09
Westpac-MI		Leading Index (<i>no brief</i>)	13-May-09
ABS	5671.0	Lending Finance, March 2009	14-May-09
ABS	6291.0.55.001	Labour Force by Industry, April 2009 (<i>no brief</i>)	14-May-09
ABS	6345.0	Labour Price Index (Wage Cost Index), March Quarter 2009	20-May-09
ABS	6302.0	Average Weekly Earnings, February Quarter 2009	21-May-09
ABS	9314.0	Sales of New Motor Vehicles, April 2009	21-May-09
ABS	8755.0	Construction Work Done, March Quarter 2009	27-May-09
ABS	5625.0	Private New Capital Expenditure, March Quarter 2009 (<i>no brief</i>)	28-May-09
June 2009			
ABS	5676.0	Business Indicators, Australia, March 2009 (<i>no brief</i>)	01-Jun-09
ABS	8501.0	Retail Trade, Australia, April 2009	01-Jun-09
ABS	5302.0	Balance of Payments and International Investment Position, Australia, March 2009	02-Jun-09
ABS	8731.0	Building Approvals, Australia, April 2009	02-Jun-09
ABS	5206.0	Australian National Accounts: National Income, Expenditure and Product, March 2009	03-Jun-09
ABS	5368.0	International Trade in Goods and Services, Australia, April 2009	04-Jun-09
ANZ		ANZ job ads series, April 2009 (<i>no brief</i>)	08-Jun-09
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	10-Jun-09
ABS	5609.0	Housing Finance, Australia, April 2009	10-Jun-09
ABS	6202.0	Labour Force, Australia, May 2009	11-Jun-09
ABS	5671.0	Lending Finance, Australia, April 2009	15-Jun-09
AAA		Petrol Prices, April 2009	15-20 Jun 09
Westpac-MI		Leading Index (<i>no brief</i>)	17-Jun-09
ABS	8750.0	Dwelling Unit Commencements, Australia, Preliminary, March 2009	17-Jun-09
ABS	9314.0	Sales of New Motor Vehicles, Australia, May 2009	22-Jun-09

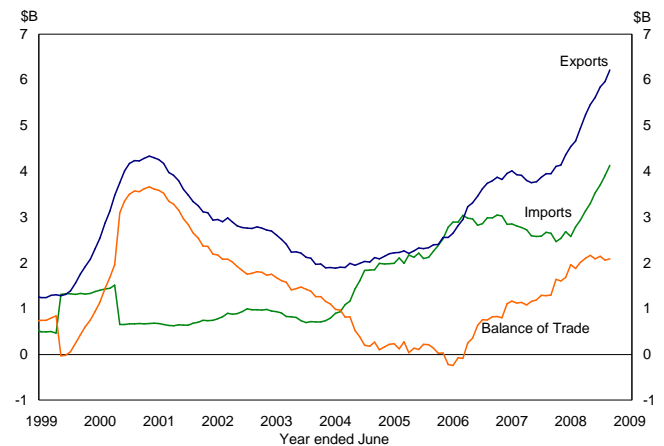
International Merchandise Trade

In the year to February 2009 the value of Territory merchandise exports increased by 57.5 per cent to a record \$6.2 billion. This is mainly due to the higher production and prices of mineral ores exports (manganese, iron ore and alumina) and LNG. Over the same period, the value of merchandise imports to the Territory increased by 55.8 per cent to \$4.1 billion driven mostly by gas feedstock and refined petroleum products.

The Territory's goods trade balance increased by \$31 million in February 2009, to a surplus of \$2.1 billion (see chart). The fall in the value of the Australian dollar over the past six months may lead to an increase in the demand for Australian exports in conjunction with a reduction in the consumption of imports. In addition, the significant improvement in the trade deficit may be attributed to favourable contract prices for commodities. Many of these contracts will be renegotiated in the first half of 2009 taking into consideration reduced demand as a result of the global economic crisis.

Territory Merchandise Trade Balance*

(Latest data – February 2009)



* moving annual total
Source: ABS Cat. No. 5368.0

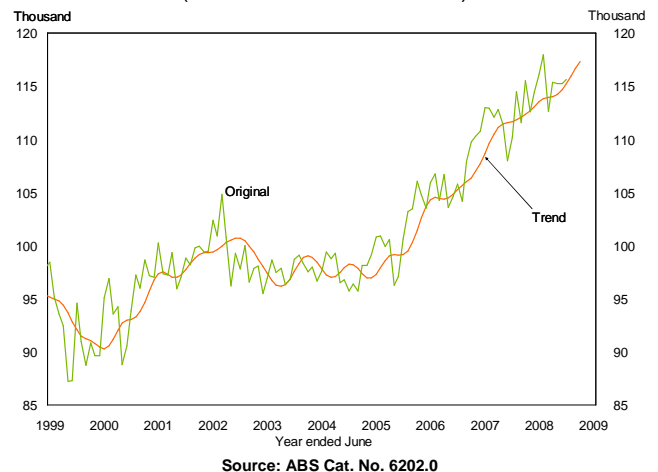
Employment

ABS labour force data for the Territory are characterised by extreme volatility and as such should be interpreted with caution. The ABS now estimates that standard errors of labour force statistics for the Territory are much larger than previously published. Taking this into account, the ABS reports that trend employment increased marginally to 117 351 in March 2009 (see chart). Nationally, seasonally adjusted employment decreased by 0.3 per cent in the month to 10.77 million employed persons.

A comparison of Territory (trend) resident employment in March 2009 with resident employment in March 2008 shows an increase of 4.4 per cent, the highest annual growth rate of the jurisdictions. In year on year terms, Territory employment increased by 4.1 per cent, compared to 1.7 per cent growth reported nationally.

Territory Employment

(Latest data – March 2009)



Source: ABS Cat. No. 6202.0

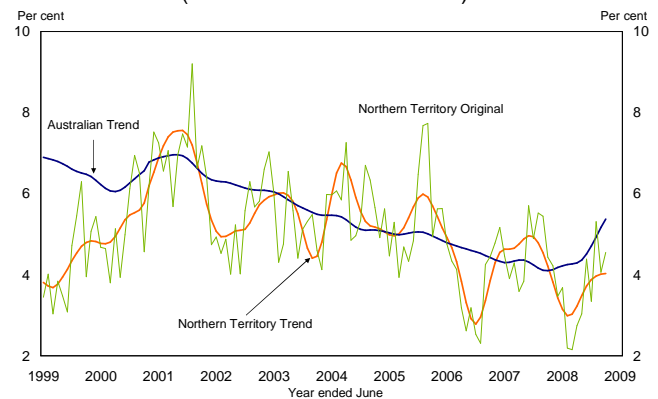
Unemployment

The Territory's trend unemployment rate was 4 per cent in March 2009, unchanged from the revised figures reported for January and February 2009. Compared to March 2008, the trend unemployment rate in the Territory has decreased by 0.2 of a percentage point. Volatility in the Territory's trend unemployment rate has been quite extreme over the past few years, relative to the national trend unemployment rate (see chart). In March 2009 the Territory reported the second lowest trend unemployment rate of the jurisdictions behind the ACT and Western Australia.

At the national level, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) increased to 5.7 per cent in March 2009, up from the 5.2 per cent reported in February 2009. This seasonally adjusted rate is up from its historic low of 3.9 per cent reported in February 2008.

Territory Unemployment

(Latest data – March 2009)



Source: ABS Cat. No. 6202.0

Consumer Price Index

In the March quarter 2009, the Consumer Price Index (CPI) increased by 0.1 per cent, both nationally and in Darwin. In annual terms, Darwin's CPI increased by 2.8 per cent. Nationally, the annual inflation rate increased to 2.5 per cent, down from 3.7 per cent recorded in the December 2008.

Headline inflation often reflects short-term price volatility and can be largely affected by items that have only a small weighting in the overall CPI basket. For this reason the Reserve Bank of Australia, when reviewing the cash rate as part of monetary policy, prefer to use other measures such as 'Trimmed Mean' to examine core inflation and underlying reasons for CPI growth before adjusting the cash rate. Using this measure the national CPI increased by 3.9 per cent in annual terms, down from 4.2 per cent in the December quarter 2008.

Producer Price Index

The producer price index (PPI) measures changes in input prices paid by producers. The PPI for final goods has a domestic and imported goods component. In the March quarter 2009 the PPI decreased by 0.4 per cent from the previous quarter influenced by an increasing imports goods component (increasing by 3.9 per cent) and a decrease in the domestic goods component (decreasing by 1 per cent).

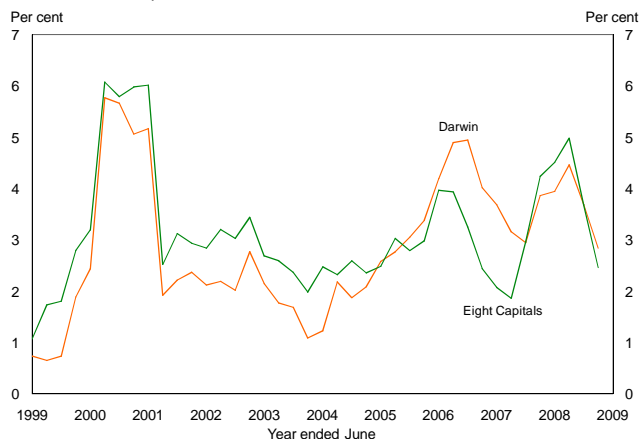
In year on year terms, the PPI increased by 5.2 per cent, with the prices of domestic goods increased by 4.7 per cent while imported goods prices increased by 8.3 per cent. A lower Australian dollar in the March quarter 2009 is the primary reason for a large increase in import prices. In the year, imported capital goods prices increased by 7.2 per cent while prices of imported consumer goods increased by 9.1 per cent.

Consumer Sentiment Index

At the national level, consumer sentiment, as reported by the Westpac-Melbourne Institute, increased from 85.6 in March 2009 to 92.7 in April 2009, an increase of 8.3 per cent. Compared to April 2008, the index has increased by 6.1 per cent. The increase in the index this month may indicate a lessening of concerns about the global economy. More positive economic conditions have seen substantial gains in both the US and the Australian sharemarkets. The increase in sentiment may also be a response to the fiscal stimulus package particularly the cash payments, which is likely to be having a positive effect on consumer expectation.

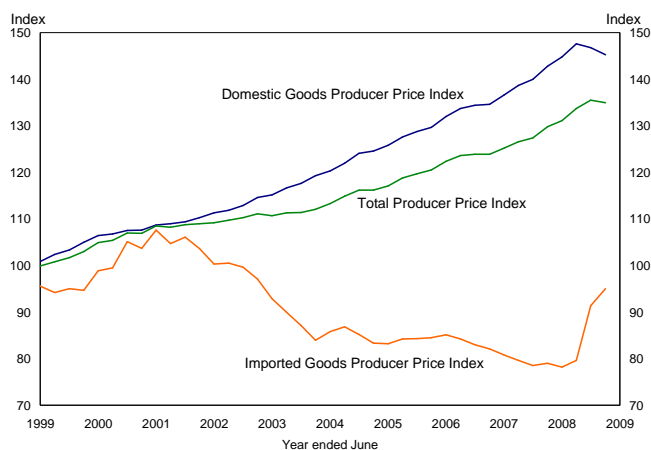
The Westpac-Melbourne Institute reports that despite encouraging news it may be premature to argue that the index has passed its low point in this cycle as signals from the leading employment indicators are pointing to an increase in the unemployment rate over the next 12 to 18 months which may see the index reaching new lows over that period.

Consumer Price Index (latest data – March quarter 2009)



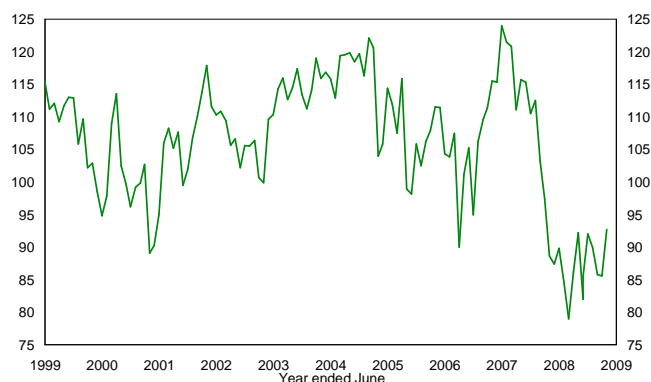
Source: ABS Cat. No. 6401.0

Producer Price Index* (latest data – March quarter 2009)



* moving annual total
Source: ABS Cat. No.6416.0

Consumer Sentiment Index (latest data – April 2009)



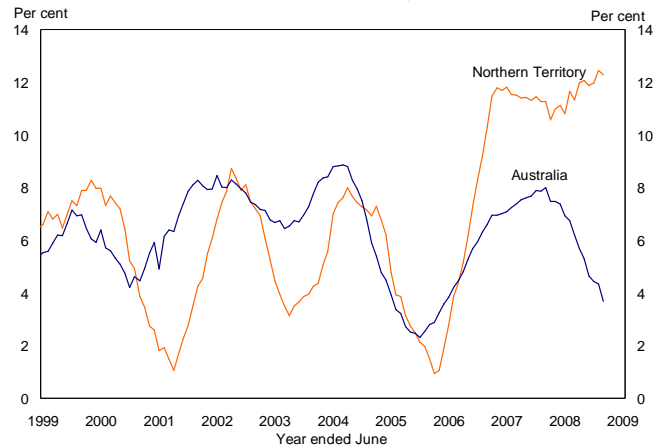
Source: Westpac-Melbourne Institute

Retail Turnover

In February 2009, seasonally adjusted retail turnover decreased by 0.1 per cent in the Territory and by 2.0 per cent nationally. Over the year to February 2009, retail trade has increased by 11.6 per cent in the Territory, while increasing by 0.5 per cent nationally. In the year to February 2009, current price retail turnover in the Territory increased by 12.3 per cent, the highest of the jurisdictions and above the national average of 3.7 per cent growth (see chart).

The Territory has recorded 25 consecutive months of double digit year on year growth. This strong growth may be attributed to employment and population growth in the Territory supported by the dramatic fall in interest rates since September 2008. Further growth in retail turnover may be encouraged by the Commonwealth Government stimulus.

Retail Turnover*
(latest data – February 2009)



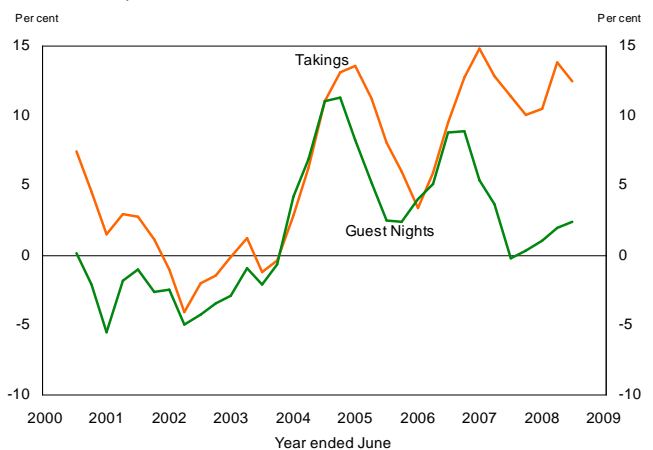
* year on year percentage change, current price
Source: ABS Cat. No. 8501.0

Tourist Accommodation

Tourist accommodation figures indicate an increase in the level of tourism activity in the Territory. In 2008, takings in the Northern Territory increased by 12.5 per cent in the year, while room occupancy rates increased by 0.6 percentage points over the same period. Takings grew by 21.4 per cent in Darwin, 9.7 per cent in Alice Springs, 18 per cent in Katherine, and decreased by 0.4 per cent in the 'rest of the Territory'.

In 2008, room occupancy rates, increased by 0.8 percentage points in Darwin, 2.9 percentage points in Alice Springs, 1.6 percentage points in Katherine and decreasing by 3.4 percentage points in the 'rest of the Territory'. The number of 'guest nights' reported increased in Darwin and Alice Springs, while Katherine and the 'rest of the Territory' reported decreases in the year.

Tourist Accommodation*
(latest data – December quarter 2008)



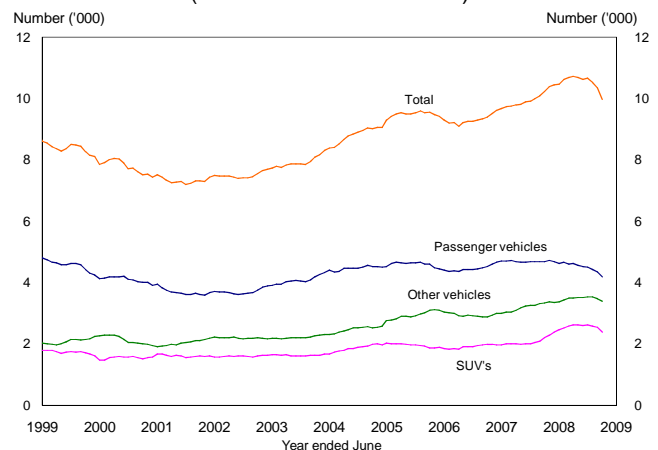
* year on year percentage change
Source: ABS Cat. No. 8635.0

Sales of New Motor Vehicles

In March 2009, seasonally adjusted, new motor vehicle sales in the Territory decreased by 16.7 per cent to 629. By vehicle category; sales of 'passenger' vehicles decreased by 23 per cent in the month, sales of 'SUVs' decreased by 16.7 per cent, and sales of 'other' vehicles (such as light and heavy trucks) decreased by 8.2 per cent. Nationally, total new motor vehicle sales decreased by 3.2 per cent in March 2009.

In the year to March 2009, new motor vehicle sales in the Territory decreased by 2.5 per cent to 9968 (see chart), continuing its moderating trend since peaking in August 2008. In year on year terms, sales of 'passenger' vehicles decreased 10.6 per cent to 4184, sales of 'SUV' vehicles increased 8.5 per cent to 2389 and sales of 'other vehicles' increased 1.6 per cent to 3395. Nationally, sales of new motor vehicles decreased 9.1 per cent in the year.

Motor Vehicle Sales*
(latest data – March 2009)



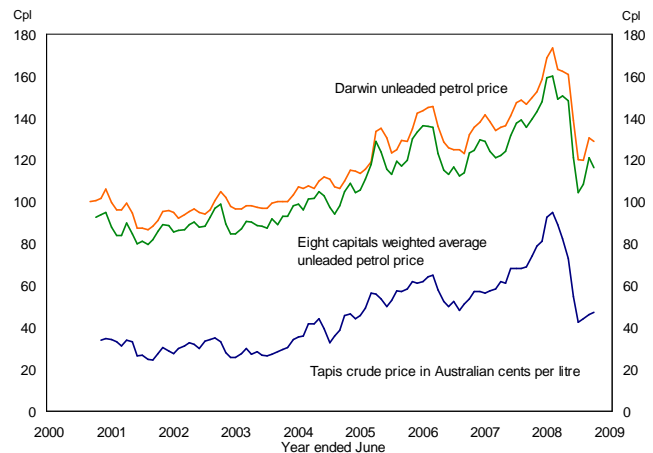
* moving annual total
Source: ABS Cat. No. 9314.0.55.001

Petrol Prices

In March 2009, Darwin fuel prices decreased by 1.6 cpl to 128.7 cpl, while nationally the eight capital cities weighted average price decreased by 4.8 cpl to 116.2 cpl. This represents a 12.5 cpl price differential between Darwin and the eight capital cities weighted average. Compared to March 2008 petrol prices in Darwin have decreased by 20.9 cpl, while nationally the eight capital cities weighted average price decreased by 23.2 cpl. Over the long term, petrol prices in Darwin track other capital cities, though tend to remain higher due to distance from refineries and other competitive factors (see chart).

In annual terms, crude oil prices decreased by 36.4 per cent in A\$ terms to \$74.87 a barrel in March 2009, while decreasing by 54.2 per cent in US\$ terms. The depreciation of the A\$ against the US\$ in the second half of 2008 has meant the effects of falling oil prices have not entirely flowed through to petrol prices. Oil price decreases are mainly due to reduced demand as world economic growth slows.

Petrol Prices (latest data – March 2009)



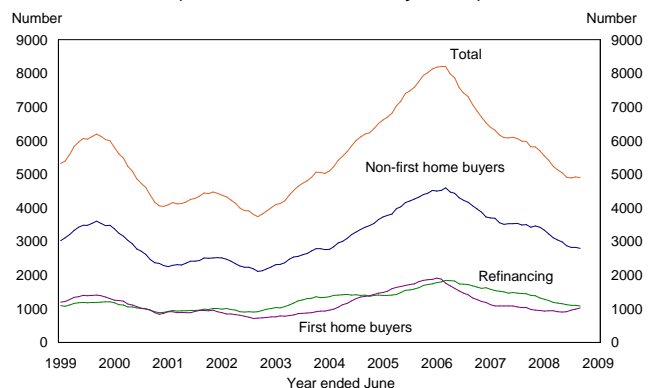
Source: Australian Automobile Association, Reserve Bank of Australia and Energy Information Administration

Housing Finance for Owner Occupation

Since peaking in 2006-07, the number of housing finance commitments in the Territory has been steadily declining (see chart). However the decline has been from historically high and unsustainable levels.

In the year to February 2009, Territory housing finance commitments decreased by 18 per cent, driven by an 18.1 per cent decline in the purchase of established dwellings and a 22.2 per cent decline in the construction of new dwellings. The number of finance commitments by first home buyers decreased in the Territory by 0.8 per cent in the year. At the national level the number of first home buyer housing finance commitments decreased by 6.2 per cent in the same period. New Commonwealth and Territory initiatives, such as the expansion to the First Home Owners Grant and Buildstart, may increase Housing Finance for Owner Occupation in the coming months.

Number of Housing Finance Commitments* (latest data – February 2009)



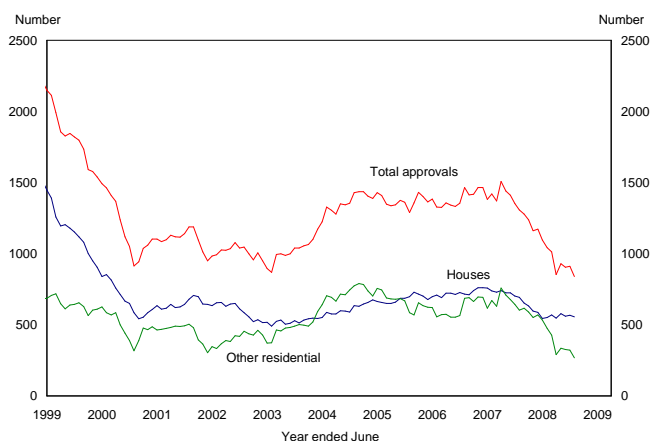
* moving annual total
Source: ABS Cat. No. 5609.0

Building Approvals

In annual original terms, Territory residential building approvals decreased by 71 to 79 in February 2009, with 72 private and 7 public sector approvals. For the month, 39 of the private sector approvals were for 'houses', while 33 were for 'other residential'. There were 7 residential approvals for public sector 'houses'.

In the year to February 2009, residential building approvals in the Territory decreased by 35.9 per cent to 839, the lowest growth of the jurisdictions and below the national average decrease of 13.9 per cent. The decrease in the number of residential building approvals in the Territory was largely attributable to declines in approvals for private sector units and public sector houses which subtracted 25.5 and 6.9 percentage points respectively from total growth.

Total Building Approvals* (latest data – February 2009)



*moving annual total
Source: ABS Cat. No. 8731.0

Building Activity

In the December quarter 2008 seasonally adjusted total building work done decreased by 1.3 per cent in the Territory, while decreasing by 1.6 per cent nationally. In year on year terms, the Territory recorded an increase of 1.3 per cent. Nationally, total building work done increased by 4.1 per cent.

In 2008, the value of residential building work done represented 52 per cent of total building activity, with 48 per cent also attributable to non-residential activity. Of the \$407 million worth of activity in the residential market (see chart), 43.5 per cent (\$177 million) was for new houses, 41 per cent (\$167 million) for new 'other residential' buildings and the remaining 15.5 per cent (\$63 million) was for alterations and additions. The value of building activity in the non-residential market was \$380 million, reflecting in part ongoing work on the middle schools program, office developments in the Darwin CBD and hotels at the Waterfront.

Total Construction Activity

In the December quarter 2008, seasonally adjusted total construction work done in the Territory increased by 37.8 per cent to \$896 million, compared to a national increase of 1.6 per cent for the quarter. The increase in the Territory largely reflects activity on mining and energy projects.

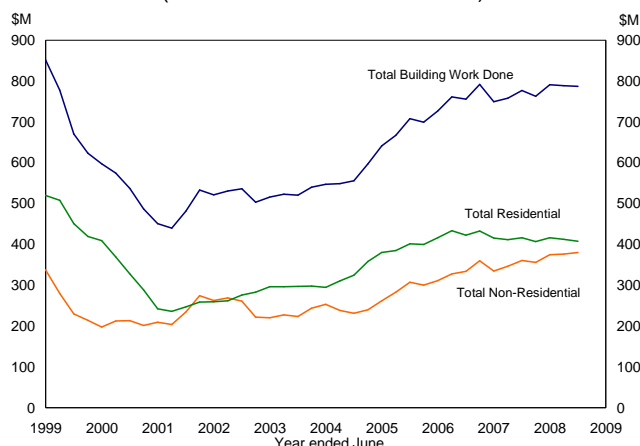
In 2008, the value of construction activity in the Territory increased by 32.4 per cent to \$2.65 billion, well above the 10 year average expenditure of \$1.97 billion (see chart). At the national level, the value of construction in 2008 increased by 10 per cent. The increase in total construction activity in the Territory in 2008 was largely driven by a 52.2 per cent increase in engineering construction to \$1.86 billion. In the year, non-residential building work done increased by 5.3 per cent to \$380 million, while residential work done decreased by 2 per cent to \$407 million.

Engineering Construction Activity

In the December quarter 2008, engineering construction work done in the Territory increased by 55.3 per cent to \$697 million and increased by 52.2 per cent to \$1.86 billion in the year (see chart). While engineering construction work done in 2008 was at a relatively high level, the value was below the historically high levels achieved in 2002 and 2005-06.

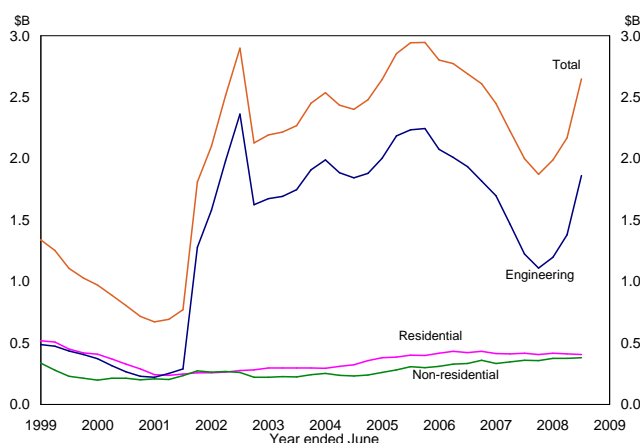
Engineering construction work done in the Territory has been dominated by the private sector over the past five years. In 2008, the private sector accounted for 93.4 per cent, or \$1.74 billion of total work done. 'Heavy industry' was by far the dominant engineering category with work valued at \$1.34 billion. Private sector engineering projects in 2008 included the ENI Bonaparte gas project and the expansion of the GEMCO manganese refinery. The value of engineering work done for the public sector was \$135 million in the year, with 53.7 per cent on 'roads, highways and subdivisions'.

Building Activity
(latest data – December 2008)



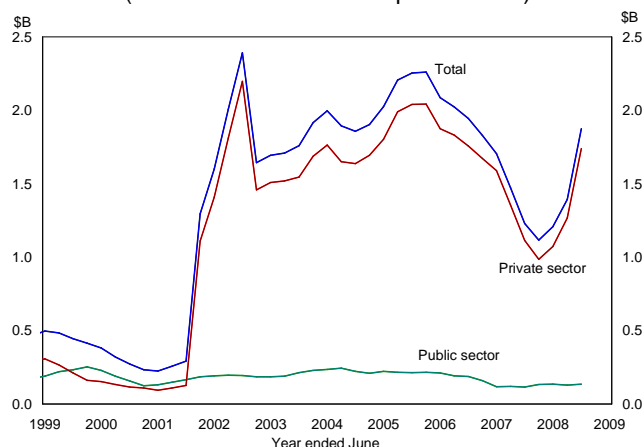
* moving annual total
Source: ABS Cat. No. 8752.0

Total Construction Activity*
(latest data – December 2008)



* moving annual total
Source: ABS Cat. No. 8782.0

Engineering Activity*
(latest data – December quarter 2008)



* moving annual total
Source: ABS Cat. No.6416.0

Consumer Price Index

A general indicator of the prices paid by household consumers for a specific basket of goods and services in one period relative to the cost of the same basket in a base period.

Current Dollars

Nominal. A measure that is not adjusted for inflation or changes in the purchasing power of money. Current dollars specify the value at a certain point in time and are not used to compare value over a series of time periods. Also referred to as nominal dollars.

Dwelling Unit

A self-contained suite of rooms, including cooking and bathing facilities, intended for long-term residential use.

Employed

Persons 15 years and older who worked for one hour or more in the week of the labour force survey.

Final Consumption Expenditure

The value of purchases of goods and services for consumption. Excludes purchases of fixed assets, intermediate goods or additions to inventories. Intermediate goods are those used as inputs for making other goods.

Fixed Capital Formation

Additions to the stock of real capital. Real capital represents assets, except land and natural resources, which are capable of producing income. For example, new and second-hand buildings, plant and equipment and roads.

Goods and Services Tax

From 1 July 2000 the Australian Government introduced a 10 per cent tax on goods and services replacing the previous wholesale sales tax regime. Some items like basic food, health, education and exports are GST free.

Gross Domestic Product

The total value of goods and services produced in Australia over the period for final consumption. Intermediate goods, or those used in the production of other goods, are excluded. GDP can be calculated by either summing total output, total income, or total expenditure.

Gross State Product

Similar to GDP, except it measures the total value of goods and services produced in a jurisdiction. It is the sum of all income, namely wages, salaries and profits, plus indirect taxes less subsidies.

Labour Force

All persons 15 years and over, who are available for work. That is, employed plus unemployed persons actively seeking work. Excludes defence force personnel and non-residents.

Original Terms

Data in original terms is basic, raw data as collected in a survey or a census. It is not adjusted for seasonality

or smoothed to remove irregularities to form a trend series.

Participation Rate

The proportion of the population over 15 years of age who are working or looking for work.

Business Investment

Private fixed capital formation for non-residential buildings and structures, machinery and equipment, livestock, intangible fixed assets before depreciation.

Real Dollars

Used to remove the impact of price changes (inflation) in time series data. In the base year current prices equal constant prices. To convert current dollar values to constant dollar values it is necessary to deflate/inflate by the appropriate inflation index number. Also referred to as constant dollars or values in chain volume terms.

Seasonally Adjusted Terms

The seasonally adjusted series is a time series of estimates with the effects of normal seasonal variation removed (that is those fluctuations that exhibit a regular pattern at a particular time of year). Seasonally adjusted terms allow the effects of other non-seasonal influences on the series to be more clearly recognised.

State Final Demand

Final consumption expenditure plus gross fixed capital formation. It represents the total expenditure on consumption and investment in a jurisdiction.

Trend Terms

The trend series is used to analyse the underlying behaviour of the series over time. Trend terms are derived by smoothing the seasonally adjusted series so as to reduce the impact of any irregular components of that series.

Unemployed

Persons 15 years and older who were not employed during the week of the labour force survey and were actively seeking work in the past four weeks.

Unemployment rate

The number of unemployed persons expressed as a percentage of the labour force.

Territory Economic Review May 2009

Indicator	Period	Measure	Comparative Economic Indicators*								
			NT	NSW	Vic	Qld	SA	WA	Tas	ACT	Aus
Economic Growth											
Gross Domestic Product ^(a)	2007-08	% change	3.9	2.8	3.2	5.3	3.8	5.2	3.4	2.5	3.7
State Final Demand ^(a)	Year to Dec 08	% change	8.5	2.9	3.1	5.5	3.6	7.0	5.7	0.9	4.1
International Goods Exports	Year to Feb 09	% change	57.5	35.3	4.8	70.2	6.1	37.7	7.8	40.0	36.9
International Goods Imports	Year to Feb 09	% change	55.8	9.3	10.3	21.7	8.7	35.7	53.4	33.3	17.6
Demography											
Population	Sep-07 Qtr to Sep-08 Qtr	% change	2.2	1.3	1.8	2.5	1.1	2.9	0.9	1.4	1.8
Labour Market											
Employment (trend)	Mar 08 to Mar 09	% change	4.4	-1.1	-0.3	2.4	0.2	2.4	2.7	0.2	0.4
Participation Rate (trend)	As at March 08	%	72.9	64.0	65.2	67.0	63.2	68.4	61.1	73.1	65.5
	As at March 09	%	74.1	63.7	64.5	67.8	63.3	69.1	62.1	72.4	65.5
Unemployment Rate (trend)	As at March 08	%	4.2	4.4	4.4	3.6	4.7	3.2	4.6	2.6	4.1
	As at March 09	%	4.0	6.3	5.5	4.7	5.8	4.3	4.6	2.8	5.4
ANZ Job Ads	Year to Mar 09	% change	-9.4	-31.2	-4.2	-31.7	-9.2	-10.6	13.3	-40.2	-3.8
Prices and Wages											
Consumer Price Index	Mar-08 Qtr to Mar-09 Qtr	% change	2.8	2.4	2.1	3.1	2.3	2.2	2.2	2.7	2.5
	Year to Mar 09 Qtr	% change	3.7	3.8	3.6	4.5	3.9	3.8	3.3	4.0	3.9
Average Weekly Earnings (full-time adult total earnings)	As at November 08	\$	1163.30	1229.70	1179.80	1166.70	1147.70	1393.30	1098.80	1385.80	1216.80
Housing Sector											
Building Approvals (number)	Year to Feb 09	% change	-35.9	-17.3	-2.3	-28.5	5.2	-14.6	1.6	9.4	-13.9
Housing Finance for Owner Occupation (number)	Year to Feb 09	% change	-18.0	-17.4	-16.4	-27.6	-16.0	-23.2	-14.9	-3.1	-19.9
Housing Affordability Indicator ^(b)	As at Dec 08 Qtr	Level	40.7	29.1	31.1	30.1	31.3	35.8	32.7	53.7	30.9
Consumer Spending											
Retail Trade (current \$)	Year to Feb 09	% change	12.3	1.2	4.3	4.6	8.3	3.6	5.9	2.0	3.7
New Motor Vehicle Sales (No.)	Year to Mar 09	% change	-2.5	-10.2	-6.0	-13.2	-2.2	-9.7	-7.6	-9.7	-9.1
Tourist Accommodation - Takings (current \$)	Year to Dec 08	% change	12.5	4.5	6.9	3.5	7.1	13.3	5.6	11.5	6.1

*original data unless otherwise stated

(a) in real, inflation adjusted terms (b) the higher the number, the more affordable the housing

Source: Australian Bureau of Statistics Data, ANZ Job Advertisement Series, AMP Housing Affordability Report

Note: Care should be taken in using monthly estimates for the Territory, in view of the small numbers and the volatile nature of the data. Although all due care has been exercised in the preparation of this material, no responsibility is accepted for any errors or omissions. For queries please contact Northern Territory Treasury, Economic and Social Analysis Unit, on (08) 8999 6801.