

External Economic Environment

- » Global growth is forecast by Consensus Economics to ease slightly to 4.7 per cent in 2007.
- » Economic growth is expected to be strong in China, India and many South East Asian countries.
- » Risks to the generally positive outlook include the possibility of inflationary pressures leading to further increases in interest rates and a greater than expected slowdown in the United States economy.
- » Consensus Economics forecasts Australian GDP growth of 2.9 in 2007.
- » ABARE forecasts mineral and energy exports to increase by 20 per cent to about \$111 billion, with both value and volume increasing.
- » Negotiations are proceeding with China, Malaysia, Japan, Chile and Korea for free trade agreements.

GDP Growth
(annual percentage change)

	GDP Growth (%)				
	2004	2005	2006	2007e	2008f
North East Asia					
China	10.1	10.2	10.5	9.6	9.4
Korea	4.7	4.0	5.0	4.4	4.9
Japan	2.7	1.9	2.2	2.1	2.3
Taiwan	6.1	4.0	4.3	4.0	4.6
Hong Kong	8.6	7.3	6.5	5.1	5.0
South East Asia					
Philippines	6.0	5.1	5.0	5.4	na
Indonesia	5.1	5.6	5.4	5.9	5.9
Malaysia	7.2	5.2	5.9	5.4	5.7
Thailand	6.3	4.5	4.6	4.8	5.0
Singapore	8.7	6.4	7.7	5.2	5.5
North America					
United States	3.9	3.2	3.3	2.4	3.0
Canada	3.3	2.9	2.7	2.4	2.9
Eurozone	1.8	1.5	2.8	2.3	2.1
Russia	7.2	5.5	6.5	6.5	na
India	7.5	8.4	8.4	7.8	na
Australia	3.7	2.8	2.5	2.9	3.2
New Zealand	4.4	2.1	1.7	2.1	2.8

e: estimate; f: forecast

na: not available

Source: Consensus Economics Consensus Forecasts (India: financial year reported); Russia, Philippines: International Monetary Fund