

Economy

Overview: Australia has a prosperous Western-style capitalist economy, with a per capita GDP comparable to levels in industrialized West European countries. Rich in natural resources, Australia is a major exporter of agricultural products, minerals, metals, and fossil fuels. Primary products account for more than 60% of the value of total exports, so that, as in 1983-84, a downturn in world commodity prices can have a big impact on the economy. The government is pushing for increased exports of manufactured goods, but competition in international markets continues to be severe. Australia has suffered from the low growth and high unemployment characterizing the OECD countries in the early 1990s. In 1992-93 the economy recovered slowly from the prolonged recession of 1990-91, a major restraining factor being weak world demand for Australia's exports. Growth picked up so strongly in 1994 that the government felt the need for fiscal and monetary tightening by yearend. Australia's GDP grew 6.4% in 1994, largely due to increases in industrial output and business investment. A severe drought in 1994 is expected to reduce the value of Australia's net farm production by \$825 million in the twelve months through June 1995, but rising world commodity prices are likely to boost rural exports by 7.7% to \$14.5 billion in 1995/96, according to government statistics.

National product: GDP - purchasing power parity - \$374.6 billion (1994 est.)

National product real growth rate: 6.4% (1994)

National product per capita: \$20,720 (1994 est.)

Inflation rate (consumer prices): 2.5% (1994)

Unemployment rate: 8.9% (December 1994)

Budget:

revenues: \$83.8 billion

expenditures: \$92.3 billion, including capital expenditures of \$NA (FY93/94)

Exports: \$50.4 billion (1994)

commodities: coal, gold, meat, wool, alumina, wheat, machinery and transport equipment

partners: Japan 25%, US 11%, South Korea 6%, NZ 5.7%, UK, Taiwan, Singapore, Hong Kong (1992)

Imports: \$51.1 billion (1994)

commodities: machinery and transport equipment, computers and office machines, crude oil and petroleum products

partners: US 23%, Japan 18%, UK 6%, Germany 5.7%, NZ 4% (1992)

External debt: \$147.2 billion (1994)

Industrial production: growth rate 3.9% (FY93/94); accounts for 32% of GDP

Electricity:

capacity: 34,540,000 kW

production: 155 billion kWh

consumption per capita: 8,021 kWh (1993)

Industries: mining, industrial and transportation equipment, food processing, chemicals, steel

Agriculture: accounts for 5% of GDP and over 30% of export revenues; world's largest exporter of beef and wool, second-largest for mutton, and among top wheat exporters; major crops - wheat, barley, sugarcane, fruit; livestock - cattle, sheep, poultry

Illicit drugs: Tasmania is one of the world's major suppliers of licit opiate products; government maintains strict controls over areas of opium poppy cultivation and output of poppy straw concentrate

Economic aid:

donor: ODA and OOF commitments (1970-89), \$10.4 billion

Currency: 1 Australian dollar (\$) = 100 cents

Exchange rates: Australian dollars (\$) per US\$1 - 1.3058 (January 1995), 1.3667 (1994), 1.4704 (1993), 1.3600 (1992), 1.2835 (1991), 1.2799 (1990)

Fiscal year: 1 July - 30 June