

Welcome to QETA Newsletter 19 2018.

Welcome back to Term 4 – we trust that you and your family had a relaxing break and are now ready for the challenges of Term 4.

QETA 2018 CALENDAR OF EVENTS

Oct 1	Econopak 3 due to be published - available as of 08.10.18
Oct 17	QETA Annual General Meeting

QETA NEWS

1. QETA ANNUAL GENERAL MEETING

The QETA AGM will be held on Wednesday 17th October 2018 at 4.30pm at St. Paul's Anglican Church Hall, Vulture Street, East Brisbane. A formal notice of AGM with relevant papers has been mailed to all financial members. It would be great if more people could plan to be there! It lasts for about 1 hour only and there is no pressure to accept nomination for Committee! Closing date for nomination to Committee and executive Positions is 3rd October 2018.

If you are planning to attend, please register at www.qeta.com.au so that we know numbers for catering purposes.

2. QETA WEBSITE RESOURCES FOR NEW SYLLABUS

QETA has made an addition to our website – we have established resource listings for the 2019 syllabus – one listing for each Syllabus Unit and Topic. These listings include a comprehensive index to past Econopaks for the last 5 years or so, and some articles/activities/worksheets etc. for most topics. Definitely worth a look when constructing teaching plans, and units of work for the new syllabus! Go to <https://qeta40.wildapricot.org/EconSyllabus2019> . Of course you will need to log in to access these resources.

3. QETA MEMBERSHIP FEE FOR 2019

The Management Committee advises that the membership fee will remain the same as for 2018 in 2019. This will assist those who prepare Department budgets etc. This is the fifth year that membership fees have been the same! QETA remains in a very sound financial position and there is no reason to increase fees!

To remind you, an individual membership will be \$77.00 (discounted if paid by 31st March 2019 to \$71.50); school memberships will be \$154.00 (discounted to \$143.00 if paid by 31st March 2019); pre-service teacher membership will remain free for those in their final year of a pre-service teacher course. **A reminder that individual membership covers one person only and cannot be paid for by the school!**

If you want to pay in advance for your 2019 Membership, please email info@qeta.com.au and we will ensure that an invoice is sent to you promptly!

TEACHING RESOURCE

Australia-ASEAN Youth Forum

The [Australia-ASEAN Youth Forum](#) is a new full-day program that enables students to apply their knowledge and skills to solve problems in real-world situations through role-playing.

Students will simulate a meeting between the leaders of Australia and the Member States the [Association of Southeast Asian Nations](#) (ASEAN) and use their negotiation skills to reach mutually agreeable solutions to issues such as climate change, refugees and trade.

As participants of the [Australia-ASEAN Youth Forum](#), students will:

- Deepen their knowledge and understanding of the countries of Southeast Asia and Australia's relationship with the region;
- Realise the benefits and challenges of regional dialogue, intergovernmental cooperation, and conflict resolution;
- Develop their general capabilities, including intercultural understanding, personal and social capability, and creative and critical thinking skills.

Who: Secondary Queensland State Schools, Years 9-11 students (team of six students per school)

[Forum One: Monday 29 October 9.00am – 3.00pm](#)

[Forum Two: Tuesday 30 October 9.00am – 3.00pm](#)

Cost: Participation in these programs is free for all Queensland State School

[Read more and register here.](#)

PROFESSIONAL LEARNING

Economics, Business Studies and Legal Studies: A teacher professional learning tour of East Coast USA

Dates: 8th – 18th January, 2020

Academy Travel is delighted to present this outstanding study tour designed specifically for Australian teachers of Economics, Business Studies and Legal Studies. The program has been developed in conjunction with Economics and Business Educators NSW to reflect current teaching content and practice, in line with the relevant syllabuses. The itinerary begins in Washington DC, where teachers will tour key government organisations and significant landmarks. Continuing to New York City, participants will explore the Financial District, international law and order, and the world of commerce. There will of course be free time to enjoy the sights of each city at leisure.

>> [Further details](#)

From the Economics Society

There are a number of events over the next month that may be of interest covering energy policy, this year's Colin Clark lecture and corporate governance. Further details are below.

Energy Policies: Where is Australia Heading: Griffith University

Tuesday, 16th October 2018 9am to 5pm, Griffith University, The Ship Inn, South Bank

Registrations are open for the 2018 Energy Symposium on Energy Policies organised by Griffith University's Economic Policy Analysis Program, Department of Accounting, Finance and Economics.

This one-day symposium will cover key issues surrounding current Australian Energy Policies and will bring together researchers and policy makers from the academia, industry and government to critically evaluate the current energy policies and aims to create more useful discussion for improvement in Australian Energy policies.

The symposium will gather high quality research on any aspects of Australian energy policy. There will be three sessions where papers will be presented, followed by an expert panel discussion.

Further information and a link to book are here [EPAP Energy seminar](#)

Colin Clark Lecture at UQ: Professor Daniel Zizzo - Decision Making, How to Change It and Why It Matters

Wednesday 17 October 2018, Time: 4.00-7.30pm, Terrace Room, Sir Llew Edwards (#14) building UQ St Lucia Campus

The Colin Clark Memorial Lecture is held each year to recognise Dr Colin Clark's outstanding contribution to the field of economics. This year's lecture is presented by Professor Daniel Zizzo, the incoming Academic Dean and Head of the School of Economics at UQ.

Prior to joining UQ School of Economics Prof Zizzo was Dean of Research and Innovation in the Faculty of Humanities and Social Sciences at Newcastle University and a Professor of Economics at Newcastle University Business School.

Further information and a link to book are here [Colin Clark lecture](#)

Breakfast Briefing - Governance in a Post Royal Commission World: James Dick of Due Governance and Elizabeth Jamieson of Board Matters

Wednesday 24 October 2018, 7:15 for 7:30am start to concludes 8:30am, The Brisbane Club, 241 Adelaide Street Brisbane

Former President of the Economic Society in Queensland James Dick and Elizabeth Jamieson of Board Matters will explore the forces of change across the corporate sector and the broader economy and how organisations set and drive culture. The briefing follows the APRA report into CBA, the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry and the announcement of a Royal Commission into Aged Care, which will affect all sectors in the economy.

Cost is \$37 and bookings may be made at this link [Breakfast briefing](#)

RESOURCES

1. FROM DFAT

G20 trade ministers support a revitalised multilateral trading system

For the first time, G20 trade ministers have endorsed the urgent need for WTO reform. Meeting in Argentina on 14 September, they recognised the importance of enhancing confidence and mitigating risks to international trade. Minister Birmingham used his bilateral meetings to establish relationships and advance Australia's trade negotiating priorities. Photo shows Minister Birmingham meeting WTO Director-General Roberto Azevêdo in Mar del Plata, Argentina. Credit: WTO.

[Statement](#)

Speech on WTO reform

WTO Director-General Azevêdo discussed the renewed focus on the multilateral trading system as a potential solution to the world's trade problems in a speech in Berlin this week. He noted a range of priorities for WTO reform had been put forward by members, including to resolve disputes and reach agreements more rapidly and effectively, address a variety of trade distorting practices, advance the trade and development debate, and improve notifications and transparency.

[WTO](#)

Trade and the digital economy

The Joint Standing Committee on Trade and Investment Growth tabled its report on trade and the digital economy this week. The inquiry examined the responsiveness of Australia's trade architecture and regulatory system to the contemporary needs of the digital economy and disruptive technology, and measures to improve the cyber resilience of Australia's trade focused business sector. The Committee recommended the Australian Government continue to place digital issues at the centre of its trade and other international discussions.

[Joint Standing Committee](#)

First national plan for Australia's resources sector for 20 years

Minister for Resources and Northern Australia Matt Canavan welcomed the release of the 'Resources 2030' report this week. The report's 29 recommendations, designed to position Australia's resources sector at the forefront of the global industry and promote investment in the sector, will be used as a basis to develop a National Resources Statement by the end of the year.

[DIIS](#)

As global trade tensions rise, Australia must focus on building resilience

The Business Council of Australia's submission on the Australia-European Union Free Trade Agreement, lodged with DFAT last week, says the agreement could expand market access for Australian agricultural exporters, service providers, and investors. Chief Executive Jennifer Westacott emphasised the importance of "pulling out all stops" to secure the agreement, which would help improve competitiveness and protect Australian workers against a backdrop of growing trade tensions.

[BCA](#) [DFAT Australia - EU FTA Consultations](#)

Trading up: digital drags trade into the 21st century

This Bluenotes article by ANZ's Head of Transaction Banking Mark Evans looks at how electronic preparation and lodgement of trade related documentation offers greater efficiency and security through the supply chain, and outlines two projects currently taking place in Singapore and Hong Kong. [ANZ](#)

Did you know?

WTO economists have assessed that a scenario involving a global trade war and a breakdown in international trade cooperation would result in global trade growth declining by around 17 per cent.

2. FROM THE ABS

3101.0 **Australian Demographic Statistics**, Mar 2018

<http://www.abs.gov.au/ausstats/abs@.nsf/mf/3101.0?OpenDocument>

6291.0.55.001 **Labour Force, Australia**, Detailed - Electronic Delivery, Aug 2018

<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6291.0.55.001?OpenDocument>

6291.0.55.003 **Labour Force, Australia, Detailed, Quarterly**, Aug 2018

<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6291.0.55.003?OpenDocument>

5232.0 **Australian National Accounts: Finance and Wealth**, Jun 2018

<http://www.abs.gov.au/ausstats/abs@.nsf/mf/5232.0?OpenDocument>

6354.0 **Job Vacancies**, Australia, Aug 2018

<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6354.0?OpenDocument>

3 October 2018

PSI@: Infrastructure activity lifts services sector

[Find out more >](#)

3. FROM THE IMF

[World Economic Outlook, October 2018](#)

[Keynote Address at Secretary-General's High-Level Meeting on Financing the 2030 Agenda for Sustainable Development](#)

[Global Financial Stability Report October 2018](#)

[Japan: Land of the Rising Robots](#)

[Working Paper No. 18/216 : China's Capacity Reduction Reform and Its Impact on Producer Prices](#)

Author/Editor: [Linxi Chen, Ding Ding, Rui Mano](#)

In late 2015, the Chinese authorities launched a policy to reduce capacity in the coal and steel industries under the wider effort of Supply-Side Structural Reforms. Around the same time, producer price inflation in China started to pick up strongly after being trapped in negative territory for more than fifty consecutive months. So what is behind this strong reflation—capacity cuts in coal and steel, or a strengthening of aggregate demand? Our empirical analyses indicate that a pickup in aggregate demand, possibly due to the government's stimulus package in 2015-16, was the more important driver. Capacity cuts played a role in propping up coal and steel prices, explaining at most 40 percent of their price increase.

['Steer, Don't Drift': Managing Rising Risks to Keep the Global Economy on Course](#)

[The Philippines' Economic Outlook in Six Charts](#)

4. FROM WORLD BANK

[Extreme poverty declines, but at a slower rate. Can we end it by 2030?](#)

The number of extremely poor people — those who live on \$1.90 a day or less — has fallen from 1.9 billion in 1990 to about 736 million in 2015. But, it remains stubbornly high in low-income countries, and those affected by conflict and political upheaval.

[Without urgent action, global waste will increase by 70% by 2050](#)

We will LITTERally be living in waste if nothing is done!

[Partnering to address severe food insecurity](#)

The risk of famine continues to threaten millions of people. In 2017, more than 20 million people across North-East Nigeria, Somalia, South Sudan and Yemen faced severe famine or famine-like conditions. Join António Guterres, Secretary-General of the United Nations, Jim Yong Kim, President of the World Bank Group and other panelists as they discuss progress made in the last year to develop a global partnership aimed at preventing future famines.

New child and adolescent mortality estimates show remarkable progress, but 17,000 children under 15 still died every day in 2017

http://blogs.worldbank.org/opendata/new-child-and-adolescent-mortality-estimates-show-remarkable-progress-17000-children-under-15-still?cid=ECR_E_NewsletterWeekly_EN_EXT&deliveryName=DM5139

World Bank - their Environmental and Social Framework that will be launched 1 Oct this year – thanks to Sonya Cossart from Cavendish Road SHS for this one!

<https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>

[World Bank Annual Report 2018](#)

From the Pandemic Emergency Financing Facility, to the Women Entrepreneurs Finance Initiative, to action on climate change, the World Bank continues to lead on global issues that impact everyone. Learn how in our Annual Report 2018, and read the below examples on how we strive to provide the support and sustainable solutions needed to realize a world with opportunities for all.

[Full Report](#) | [Maximizing Finance to Power Development](#) | [Reducing Childhood Stunting with a New Adaptive Approach](#)

5. FROM THE RBA

The Reserve Bank of Australia has released the following Annual Reports today:

Reserve Bank of Australia Annual Report 2018 | <https://www.rba.gov.au/publications/annual-reports/rba/2018/>

Payments System Board Annual Report 2018 | <https://www.rba.gov.au/publications/annual-reports/psb/2018/>

Equity & Diversity Annual Report 2018 | <https://www.rba.gov.au/publications/annual-reports/ead/2018/>

The [Bulletin for the September Quarter 2018](#) has been released by the Reserve Bank of Australia today with the following articles:

- [The New Payments Platform and Fast Settlement Service](#)
- [Access to Small Business Finance](#)
- [Does It Pay to Study Economics?](#)
- [The Effect of Minimum Wage Increases on Wages, Hours Worked and Job Loss](#)
- [Money in the Australian Economy](#)
- [Firm-level Insights into IT Use](#)
- [The Cyclical Behaviour of Labour Force Participation](#)
- [Financial Stability Risks and Retailing](#)
- [Interest Rate Benchmarks for the Australian Dollar](#)
- [RMB Internationalisation: Where to Next?](#)
- [Explainer: Unemployment](#)

The Reserve Bank of Australia has released the following Research Discussion Paper:

* RDP 2018-10, '**Wage Growth Puzzles and Technology**', by Geoff Weir
<https://www.rba.gov.au/publications/rdp/2018/2018-10.html>

For your information the Reserve Bank of Australia issued the **Financial Aggregates for August 2018**. You can view this statistical release at:

<https://www.rba.gov.au/statistics/frequency/fin-agg/2018/fin-agg-0818.html>

The Reserve Bank of Australia issued the **Index of Commodity Prices** for September 2018. You can view this statistical release at:

<https://www.rba.gov.au/statistics/frequency/commodity-prices/2018/icp-0918.html>

A speech delivered by **Tony Richards, at the Chicago Payments Symposium**, Federal Reserve Bank of Chicago, is available on the Reserve Bank website.

<https://www.rba.gov.au/speeches/2018/sp-so-2018-10-03.html>

A speech delivered by **Alexandra Heath, at the Business Educators Australasia 2018 Biennial Conference** in Canberra, is available on the Reserve Bank website.

<https://www.rba.gov.au/speeches/2018/sp-so-2018-10-05.html>

The Reserve Bank of Australia has released the **October 2018 issue of the Chart Pack**.

You can view the Chart Pack at:

<https://www.rba.gov.au/chart-pack/>

6. FROM THE ECONOMIST

Asia is not immune to emerging-market woe

Currencies and stockmarkets have tumbled, though growth rates are solid

<https://www.economist.com/finance-and-economics/2018/09/22/asia-is-not-immune-to-emerging-market-woe?cid1=cust/ednew/n/bl/n/2018/09/20n/owned/n/n/nwl/n/n/ap/152652/n>

Trade war

Tit for tat.

America and China are in a proper trade war. Donald Trump announces another wave of tariffs. China retaliates

<https://www.economist.com/finance-and-economics/2018/09/20/america-and-china-are-in-a-proper-trade-war?cid1=cust/ednew/n/bl/n/2018/09/20n/owned/n/n/nwl/n/n/ap/152652/n>

7. FROM FOUNDATION FOR ECONOMICS EDUCATION

Human Progress Is Impossible Without Income Inequality

by Marian L. Tupy

Humanity is some 300,000 years old, and while it is true that the material circumstances of our distant ancestors were much more equal than is the case today, almost everyone lived in extreme poverty.

SEEING SOMEONE DOING BETTER FOR THEMSELVES THAN YOU ARE MOTIVATES SELF-IMPROVEMENT AND INNOVATION.

Trump's Auto Tariffs Could Increase Cost of New Cars by \$4,400

by Mark J. Perry

The 25 percent tariffs on Chinese imports starting January 1 could have devastating effects on the U.S. auto industry, including increased losses for manufacturers and workers and skyrocketing costs for consumers.

MORE WINNING? MORE GREATNESS?

Economics Is the Best Mythbuster in History

by Donald J. Boudreaux

When done well, economics regularly reveals that that which appears to the popular mind to be undeniably true is often a mirage, or at least highly questionable. No service performed by economists is as important as this one.

HISTORY PROVES ECONOMICS' POWER TO BUST COUNTLESS POPULAR MYTHS.

7 Reasons to Support Free Trade

by Daniel J. Mitchell

I then list seven reasons why free trade is desirable, starting with the fact that exchange, by definition, is mutually beneficial.

And it doesn't matter whether people in one country are buying more than people in another country.

THE BOTTOM LINE IS THAT TRUMP'S PROTECTIONISM IS BAD POLICY. AND RISKY POLICY.

How "Capitalism" Became a Dirty Word

by Peter Lewin

To rehabilitate the word "capitalism," we need to escape its nefarious Marxist connotations and understand it as that system that allows for and benefits from the use of capital. It is an understanding of capital that underlies and facilitates the movement of productive effort to its most highly valued uses.

THE WORD "CAPITALISM" CARRIES A LOT OF BAGGAGE. TO UNDERSTAND WHY, WE MUST LOOK BRIEFLY AT ITS HISTORICAL ORIGINS.

The U.S. Returns to Top 10 in World Economic Freedom Index

by Ian Vásquez

According to the Economic Freedom of the World: 2018 Annual Report—co-published today in the United States by the Fraser Institute (Canada) and the Cato Institute—the United States has returned to the list of the top ten freest economies in the world after an absence of many years and a decline that began around the year 2000.

[AFter NEARLY TWO DECADES OF DECLINING ECONOMIC FREEDOM, THE UNITED STATES IS NOW THE 6TH MOST ECONOMICALLY FREE COUNTRY IN THE WORLD.](#)

[VIDEO: This Is the Key to Eliminating Global Poverty](#)

Entrepreneur and star of the groundbreaking documentary, "Poverty, Inc.," Magatte Wade shares her views on how to help places like her home-country of Senegal escape poverty.

[WATCH THE 2-MINUTE VIDEO NOW!](#)

[New York City Just Sent Its Transportation Industry Back to the 1930s](#)

by Jason Snead

Unfortunately, aspiring central planners have little interest in allowing free choices—especially when what “the people” want conflicts with their paternalistic preferences.

[NEW YORK CITY HAS EFFECTIVELY DECLARED WAR ON UBER AND LYFT IN AN EFFORT TO PROTECT TAXIS FROM COMPETITION.](#)

[How Botswana Became One of Africa's Wealthiest Nations](#)

by Luis Pablo de la Horra

Despite Africa's general economic underdevelopment, some countries have attained relatively-high levels of economic growth and prosperity. Botswana is one of these.

[BOTSWANA'S SUCCESS IS CLOSELY LINKED TO ITS STRONG POLITICAL AND ECONOMIC INSTITUTIONS.](#)

[Data Show a Clear Correlation Between Economic Freedom and Prosperity](#)

by Alexander C.R. Hammond

The Fraser Institute, a Canadian think tank, published the 22nd edition of its annual Economic Freedom of the World (EFW) report. For a long time, we've known that, on average, freer economies are richer, grow faster and have longer life expectancies.

But the 2018 edition of the EFW gives us more insight than ever before into the intrinsic link between economic freedom and other measures of human well-being—such as infant mortality, equality, happiness, and extreme poverty rates.

[THE LATEST EFW ONCE AGAIN SHOWS THE DEEP AND CONTINUED LINK BETWEEN ECONOMIC FREEDOM AND IMPORTANT INDICATORS OF HUMAN WELL-BEING.](#)

[The U.S.-Mexico-Canada Agreement \(USMCA\): 7 Questions Answered](#)

by Joe Carter

Unlike NAFTA, this latest agreement makes no pretense to be about free trade (or even freer trade). It's a protectionist agreement imposed by the U.S. on the other two countries.

[CONSUMERS ARE THE BIGGEST LOSERS IN THE NEW TRADE AGREEMENT.](#)

8. FROM BROOKINGS INSTITUTION

[Conventional and unconventional monetary policies have similar effects on exchange rates](#)

Several studies have found that conventional, expansionary monetary policy—lowering the short-term nominal interest rate—typically leads to a depreciation in the exchange rate of the country implementing the policy. Using daily data on the entire term structure of interest rates to capture unconventional monetary policy shocks like forward guidance and quantitative easing, Atsushi Inoue of Vanderbilt University and Barbara Rossi of the Universitat Pompeu Fabra find that the effect of unconventional monetary policy on exchange rates is qualitatively similar to that of conventional monetary policy, suggesting that [monetary policy did not lose its effectiveness in unconventional times](#). But the channels through which these effects occur are different: conventional monetary policy changes short-run expectations, while unconventional monetary policy mostly changes medium- and long-run expectations. The authors also find that exchange rates tend to overreact to conventional monetary policy; contractionary policy shocks generate a large initial appreciation followed by subsequent depreciations.

9. FROM WORLD ECONOMIC FORUM

[Embracing New Tech, Innovation, China Poised to Thrive in Fourth Industrial Revolution](#)

- In the 12 years since the World's Economic Forum's Annual Meeting of the New Champions was first held in China, the country has doubled its GDP, lifting millions of people out of poverty
- At the heart of the challenge moving forward into the Fourth Industrial Revolution is reconciling the drive to harness new technology and ensure that robust GDP growth and prosperity continues
- Education, reskilling and government willingness to incentivize the private sector are key factors in adapting to this fast-transforming environment

[Trade Dispute an Opportunity for China to Focus on Domestic Demand, Champion Multilateral Trade](#)

- China is already transitioning from export-led to consumption-driven growth
- With the US and other large economies turning inwards, China could emerge as the philosophical leader of multilateral trade
- Global situation worrying, but emerging technologies and new models of business and investment give hope
- For more information about the Annual Meeting of the New Champions, please visit: <http://wef.ch/amnc18>

[Leaders Call for New Global Architecture for Sustainable Markets at Opening of World Economic Forum's Sustainable Development Impact Summit 2018](#)

- Over 800 leaders from government, business and civil society are taking part in New York City to work towards achieving the United Nation's Sustainable Development Goals
- Only public-private collaboration can break down barriers to sustainable growth
- Leaders call for new global architecture for sustainable markets; cite multiple initiatives to build it
- Effective measures to be scaled up include shifting investments from fossil fuels to renewables, unifying sustainability standards and metrics, and government and businesses publically setting sustainability goals
- Meet the 100 coalitions accelerating climate action and sustainable development <http://wef.ch/coalitions>

[Beyond Bags, Bottles and Straws: New Partnership to Tackle Plastic Waste from Source to Sea](#)

- A new partnership is bringing businesses, international donors, national and local government, community groups and world-class experts together to collaborate on beating plastic pollution
- The Global Plastic Action Partnership (GPAP) will translate commitments into action by fast-tracking [circular economy](#) solutions in coastal countries battling plastic waste
- The first collaboration is with Indonesia, which [has set ambitious targets to curb ocean waste](#)

The World Economic Forum, which is hosting GPAP, and the Ellen MacArthur Foundation, warned that there could be more plastic than fish in the sea by 2050 – more information at www.weforum.org.

[Peace and Security Are Key to Aligning Security and Development Goals](#)

- To meet the goal of ending extreme poverty, it is critical to work towards peace and security
- Achieving the Sustainable Development Goals will cost an estimated \$7 billion a year – a challenge, but also an opportunity to use public money to create the enabling environment for private investment
- Political leadership is needed to invest in a "rules-based world order" based on strong international institutions
- Meet the 100 coalitions accelerating climate action and sustainable development <http://wef.ch/coalitions>

[Meeting Closes with Call by Leaders to Work Together to Put World on Sustainable Path](#)

- The state of the world is getting better, but only for some
- The purpose of companies pursuing sustainability is not about giving back, it is about responsibility
- If the world is ready for change and to take action, there are proven models,
- Meet the 100 coalitions accelerating climate action and sustainable development <http://wef.ch/coalitions>
- More information at www.wef.ch/SDI18 and follow the conversation at #wefimpact

10. FROM TUTOR2U

Business Economics - "Keepy Uppy" revision activity

In this activity you are given 10 seconds to decide which of the two definitions presented match the key phrase. Get the answer correct and you go on to the next phrase. Answer incorrectly, or take longer than 10 seconds, you must start again. How long can you keep your streak going?

60 key phrases relating to Business Economics included.

<https://www.tutor2u.net/economics/reference/business-economics-keepy-uppy-revision-activity>

Business Economics - 'Lockdown' activity

Here's a 10 question multi-choice quiz on topics related to Business Economics. In this 'Lockdown' format, each question has four possible answers - however, each answer is revealed one at a time. Players must select what they consider the correct answer as soon as it is revealed to score higher points. Good luck!

<https://www.tutor2u.net/economics/reference/business-economics-lockdown-activity>

Why Vanilla Is So Expensive

[The price of vanilla is soaring](#) and it provides a superb mini case study in the impact of changes in the conditions of supply and demand. A recent article by David Pilling in the FT made the point that "Strong demand for natural vanilla, speculation, bad harvests and money laundering have driven prices as high as silver."

<https://www.tutor2u.net/economics/blog/why-vanilla-is-so-expensive>

Famous Economists - "Match Up" Activity

Here are eight famous economists. Can you match each to the title of one of their most important publications?

<https://www.tutor2u.net/economics/reference/famous-economists-match-up-activity>

Competitiveness - India as a smartphone powerhouse

[This BBC clip](#) looks at how the city of Noida, close to New Delhi, has seen 25 brands of smartphone located there. 30% of the world's smartphones are manufactured there. Why? In the first place, it's a response to a 10% import duty on smartphones but indigenous manufacturers, such as Lava are feeling threatened by this influx.

<https://www.tutor2u.net/economics/blog/competitiveness-india-as-a-smartphone-powerhouse>

Intra-Regional Trade: A Challenge for South Asia

This World Bank clip looks at the relatively low level of intra-regional trade in South Asia and suggests that the countries of the region should be doing three times the trade that they currently are. Trade barriers and a lack of connectivity have impeded trade and, by definition, development.

<https://www.tutor2u.net/economics/blog/intra-regional-trade-a-challenge-for-south-asia>

The Business Cycle - "Match Up" activity

This Business Cycle (or Economic Cycle) diagram has labels that are mixed up. Drag and drop the labels into their correct position.

<https://www.tutor2u.net/economics/reference/the-business-cycle-match-up-activity>

Costs and Revenues - 'Match Up' activity

This activity tests the ability to calculate average and marginal costs and average and marginal revenues.

In each the four tables there are 6 figures which have been mixed up (shown in green boxes). Drag and drop the figures to the correct location within the table.

<https://www.tutor2u.net/economics/reference/costs-and-revenues-match-up-activity>

GDP vs Migration - "Chart Match Up" Activity

The countries displayed on this chart showing the relationship between GDP per head and Migration have been mixed up. Simply drag and drop to match the country with its correct position on the chart.

<https://www.tutor2u.net/economics/reference/gdp-vs-migration-chart-match-up-activity>

11. FROM AUSTRALIAN INDUSTRY GROUP

13 September 2018

Parliament needs to act on casuals "double dipping"

[Find out more >](#)

Interview: 12 September 2018

Are businesses being left behind due to skills shortages?

[Listen to 3-minute clip >](#)

1 October 2018

PMI®: Two years uninterrupted expansion in manufacturing

[Find out more >](#)

3 October 2018

PSI®: Infrastructure activity lifts services sector

[Find out more >](#)

12. FROM EFIC

Efic World Risk Developments 2018

September 2018

In this month's edition of World Risk Developments we look at the following stories:

- Australia—Risk aversion has driven the AUD lower
- China—Trade war complicates economic rebalancing
- India—Strong headline growth masks economic vulnerabilities
- South Africa—Recession and populism renew downgrade fears
- Argentina—Austere budget should bring forward IMF support
- Pork—Swine flu could lift Australian pork exports

<https://www.efic.gov.au/resources-news/news-events/world-risk-developments/2018/world-risk-developments-september-2018/>

13. FROM AIG

21 September 2018

AUSTRALIAN ECONOMIC DEVELOPMENTS Labour market data released by the ABS this week provides a detailed snapshot of Australian employment as of August 2018. Across industries, job gains over the year to August 2018 were strongest in the manufacturing sector, with national manufacturing employment rising to its highest level since 2010. Employment growth is also strong in public administration and professional services. In the three months to August, casual work declined slightly, in absolute numbers and as a proportion of the workforce. Casual work accounts for 20.6% of the total workforce, which is about the same proportion of workers as it has been for the past two decades. Leading indicators of labour demand suggest jobs growth will continue into 2019, particularly for higher skilled and professional roles. The Department of Jobs and Small Business' Internet Vacancy Index rose by 0.6% m/m and 4.5% p.a. to 183,100 online job vacancies in August (trend).

Australian growth in economic activity and employment continues to be strongly supported by population growth. The ABS' latest estimates of Australia's residential population for the March quarter of 2018, indicate population growth of 1.6% p.a., which is around the recent annual average (1.6% p.a. from 2005 to 2017). Net overseas migration continues to be the main driver of population growth in Australia, as it has been for many decades.

Employment growth strongest in industrials and construction in August

The latest ABS labour force estimates show employment expanded in 9 of the 19 major industry sectors in the three months to August 2018. Employment growth over the year to August 2018 was spread more broadly, with 12 of the 19 industry sectors indicating growth. The sectors with the largest increases over the year to August 2018 were manufacturing (+93,100), public administration (+75,300) and professional services (+62,900), while the largest falls were in education (-10,000), retail trade (-13,200), and personal & other services (-23,300).

Reflecting the trends in Ai Group's Australian Performance of Services Index (Australian PSI®) in recent months, employment growth has increased in most business service industries (such as professional services, finance, property & real estate, I.T. & telecommunications) over the past year, particularly within the professional services industry. Most of the increase in professional services employment over the past year was in 'computer system design and related services'. Employment in this industry has almost doubled in the last decade rising from 141,500 in August 2008 to 281,500 in August 2018 (unadjusted data).

Construction industry jobs are also booming, with a further 36,300 jobs added in the year to August 2018. Employment in the 'heavy and civil engineering construction segment' has almost doubled since 2016, rising from 65,800 in August 2016 to 120,700 in August 2018 (unadjusted data). Construction is now estimated to be around its highest share of employment in a century, directly employing 1.2 million people or 9.5% of the workforce. This is due to significant rises in infrastructure spending and especially transport projects along the east coast has driven up heavy & civil engineering employment. The pipeline

of work to be completed remains large, with this year's federal budget adding \$25bn in road and rail projects.

Manufacturing employment continues to recover in 2018

2018 has seen a welcome recovery in manufacturing employment. In contrast to the declines seen over much of the past decade, manufacturing employment was the largest contributing industry to employment growth over the year to August, rising by 10.5% p.a. to 978,000, its highest level since November 2010 (trend). Total manufacturing employment now accounts for 7.7% of all employment. On a quarterly basis, manufacturing experienced the second largest increase in employment of all sectors, up by 30,500 in the quarter to August 2018.

Although the number of workers grew by 10.5%, total hours worked in manufacturing increased by 8.9% p.a., reflecting an increase in the number of both full-time and part-time workers in the sector. Manufacturing remains one of Australia's largest full-time employing sectors with 84.5% of the manufacturing workforce in full-time employment. Women account for only 28.6% of the 4 manufacturing workforce, which is lower than the Australian average (46.9% of the total workforce) but higher than other 'heavy industrial' sectors such as mining, construction, transport and utilities.

This recovery in manufacturing employment has not been spread evenly across locations or sectors. This pattern reflects the results in the Australian PMI® so far in 2018. Across the states, most of the employment growth over year to August was concentrated in New South Wales, Queensland and Western Australia. As a result, NSW overtook Victoria as the largest employing manufacturing state in August 2018. Victoria's manufacturing employment remained about the same as it was in August 2017, but higher than its recent trough in 2016. Looking at the composition of each state's workforce, Victoria still has the highest concentration of manufacturing employment, with 8.7% of Victoria's workforce in manufacturing, followed by South Australia (8.1%) and NSW (7.3%).

Other data released from the ABS this week (for 2015-16) – which provides insights into the jobs that are filled during each year – indicate that Melbourne's south-east was the hot-spot for new manufacturing jobs in that year, particularly in the suburbs of Dandenong, Hampton Park – Lynbrook and Keysborough.

Across the sub-sectors, the larger manufacturing sub sectors are expanding and/or recovering, while weaker conditions remain evident in the smaller textile clothing & other; and the printing & recorded media sub-sectors. Employment in the largest manufacturing sub-sector (food, beverages and tobacco) expanded by 14,000 over the year to August 2018. It now accounts for 26.5% of manufacturing employment (4-qtr average of unadjusted data). Other large sub-sectors that increased employment in the year to August included machinery and equipment (including transport equipment, +20,600) and metal products (+14,600), which are benefiting from construction and engineering activity, as well as mining, defence, utilities and agricultural projects.

The effects of the final cessation of passenger car assembly can be seen in the (unadjusted) data for the 'transport and equipment' sub-sector, which shed 26,800 jobs in the year to August 2018. This is about the same number of people that were employed directly in passenger car assembly in early 2017; passenger car assembly in Australia employed 21,700 people as of June 2017, with 9,600 in motor vehicle manufacturing and 12,000 in motor vehicle parts manufacturing, according to the ABS publication Australian Industry, 2016-17. This decline helps to explain why manufacturing employment has been weaker in South Australia and Victoria - where passenger car assembly and the associated supply chains were concentrated - than in other states. Even after this loss however, the transport equipment sector still employs 51,000 people nationally, producing and assembling trucks, buses, trains, trams and other transport equipment.

Casual employment falls in the August quarter of 2018

The most common proxy for identifying and measuring casual work in various ABS labour force data series is 'employees without leave entitlements'. These data show that casual work (defined by the ABS as 'employees without leave entitlements') declined in the three months to August 2018, as an absolute number and as a proportion of the workforce. Casual work has fluctuated between 19% and 21% of the total workforce over the past two decades, even though the absolute number of casual workers has grown steadily, from 1.7 million people in August 1998 to just under 2.6 million people in August 2018).

Internet vacancies suggest employment growth will continue in 2018

Recent labour force data suggest Australia's employment growth is continuing in 2018, albeit at a slower pace than the record growth in 2017 (see Economics Weekly 14 September 2018). The Department of Jobs and Small Business Internet Vacancy Index (IVI)¹ shows that online job vacancies rose by 0.6% m/m and 4.5% p.a. in August (trend). The IVI has been rising steadily since late 2013, but is still below the highs experienced before the GFC began to affect Australia in early 2008. There appears to be an inverse relationship between the unemployment rate and the IVI. Monthly data are often volatile, but the current level of the IVI (183,100 vacancies in August, trend) suggests the unemployment rate is slightly lower than could be expected from the amount of job vacancies, so the fall in the unemployment rate over recent months may begin to flatten.

Across occupations, the largest increase in job advertisements were for professionals (8.8%) and technicians and trades workers (7.7%). This suggests that employment growth may continue in the professional services and construction sectors where these occupations are heavily located, while job advertisement fell for sales workers and labourers over the year.

The IVI also disaggregates job vacancies by skill level, according to the level of education attainment or experience commensurate with each occupation. These detailed data indicate that job vacancies are growing faster for higher-skilled occupations than for lower-skilled occupations. Overall skilled job vacancies are hovering around the highest level in six years and skilled job shortages are emerging in some industries.

Ai Group's recent skills survey found that many businesses are finding it difficult to find workers with the STEM and digital skills they need to remain competitive. In addition, information from the RBA's liaison program provides evidence of continued labour shortages in some parts of the economy including construction and information technology. Over the year to August, vacancies for occupations requiring a 'bachelor's degree or higher' increased by 7.3% p.a., followed by those with a 'certificate III* or IVs (skilled VET)' (+5.8% p.a.). Vacancies for occupations requiring a 'certificate I or secondary education' fell by 4.6% p.a.

Across the states, Tasmania and Western Australia were the strongest performing states in the year to August, signalling further improvements in both labour markets which generally have the highest unemployment rates of any state and territory across Australia. Job advertisements rose 15.2% in Hobart and 13.2% in Perth but also rose by more than 16% in all regional areas in both states. In contrast, all regions in South Australia recorded a decrease in job advertisements over the year. Tasmania's economy continues to improve, supported by strong population growth (particularly inter-state migration), robust household consumption, strengthening tourism activity, an improving labour market and public investment.

28 September 2018

AUSTRALIAN ECONOMIC DEVELOPMENTS

This week the Commonwealth Government released the 2017-18 final budget outcome. The underlying cash deficit was \$10.1 billion (or 0.6% of GDP), down from the \$29.4 billion deficit forecast in May 2017 when the 2017-18 Budget was delivered. Tax receipts were \$13.8 billion higher than forecast in the budget outcome and were boosted by company tax receipts and individual income receipts - in line with a robust jobs market. On the expenses side, there was a sizeable \$6.9 billion government underspend due to lower than expected spending on the NDIS, payments to the states and delays to infrastructure projects.

The ABS' latest estimates of engineering construction activity for the June quarter (Q2) of 2018, indicate that the infrastructure boom is continuing on the eastern seaboard. The transition away from the mining boom is almost complete with more engineering construction work done in the non-mining states than the mining states. Much of the new work is for publicly-funded infrastructure with a significant volume of this work being contracted out to the private sector. Engineering work done for the public sector by the private sector accounted for 73% of all engineering work being done for the public sector in Q2 2018. Work in the pipeline for transport infrastructure (roads, highways, bridges and rail) is near record highs reflecting major projects that are about to start construction.

Job vacancy data released this week by the ABS suggests strong employment growth in the coming months. Although the growth in job vacancies slowed in the quarter, job vacancies still rose to a record high of 240,900. The ratio of unemployed workers to job vacancies fell to 2.96 in the quarter, the lowest level since the ABS started tracking job vacancies again in 2009. However, the change in vacancies

reported by the ABS are significantly higher than other measures of vacancies, which suggest slower, albeit still positive, employment growth.

East coast infrastructure boom rolls on

The ABS estimates that the real value of engineering construction work done in Q2 of 2018 increased 2.2% q/q to \$24.2 billion (seasonally adjusted, inflation adjusted). Across the states, engineering construction work done is near record highs in Victoria while NSW engineering construction climbed to its highest level in five years and Queensland activity was at its strongest level since Q4 2015.

As has been the case since 2002, the majority of engineering construction work done in Q2 2018 was for the private sector. However, work done for the public sector is rising with work undertaken in the 2017-18 financial year valued at a record \$37.4 billion. Engineering work done by the private sector for the public sector rose by 7.6% q/q and 30.7% p.a. to \$7.2 billion in Q2 of 2018 (real inflation-adjusted volumes, seasonally adjusted) and accounted for 73% of all engineering work being done for the public sector. This momentum is particularly evident in Victoria and New South Wales where work done by the private sector for the public sector accounted for 87% and 75% of all engineering work being done for the public sector, respectively. Major publicly funded projects under construction include the NBN, level crossing removals in Victoria, WestConnex in New South Wales and the Sydney and Melbourne Metros.

The nominal value of public-sector infrastructure work on roads, bridges and rail has been rising steadily for the last two years. Telecommunications (which includes the work done for the roll-out of the NBN) has also seen a sizeable increase in engineering work for the public sector. However, with the NBN on track to finish in 2020 this will withdraw a significant amount of infrastructure spending that been the largest contributor to engineering construction outside of the capital cities.

The amount of construction activity in Australia remains elevated. According to surveyor Rider, Levett and Bucknall (RLB Crane Index), the number of fixed cranes across Australia's skyline reached a record 735 cranes in the September quarter of 2018, with 70% involved in residential construction. There are currently more fixed cranes (as opposed to mobile ones) being used in Australian than the whole of the United States.

Construction industry jobs are also booming, with a further 36,300 jobs added in the year to August 2018. Employment in the 'heavy and civil engineering construction segment' has almost doubled since 2016, rising from 65,800 in August 2016 to 120,700 in August 2018 (unadjusted data). Consistent with the changing geographic destination of engineering construction activity, construction employment has risen particularly rapidly in NSW and Victoria over the past year.

The record backlog of housing, non-residential and infrastructure projects is leading to cost pressures. In recent months, respondents in the Australian PCI® have been reporting rising costs due to robust demand for construction materials, elevated energy input costs and supplier price hikes related to strength in commodity prices. Increased demand for workers is also continuing to support wages growth in the construction industry. This is in line with the surge in large-scale transport infrastructure projects and other publicly funded works which has generally led to heightened demand for construction workers and increasing reports of difficulties in filling related skilled vacancies. Indeed, skilled vacancies for construction managers are around the highest level in seven years and the average annual wage increase in new construction EBA agreements rose to 5.5% in Q1 2018 (see our EBA Fact Sheet for Q1 2018 here).

Looking ahead, the pipeline of future work grew in Q2, with the value of work yet to be commenced in Q2 lifting to \$64.4 billion, up from \$59.8 billion in Q1 (nominal, unadjusted data). The private sector is expected to undertake \$60.9 billion of this engineering construction, with \$23.9 billion being done for the public sector. Excluding mining related projects (including LNG projects), work in the pipeline stands at \$43.1 billion. Although this is below the record high of \$45.3 billion in Q1 2012, future work across key project areas including transport infrastructure (roads, highways and bridges), railways and utilities is increasing. Outstanding work for transport infrastructure and railways were just below record highs in Q2, while work yet to be done on utilities (electricity generation, transmission and distribution work) was at five-year highs. Major projects that will enter the pipeline include the East Coast Inland rail line, Melbourne Airport rail, Brisbane Cross River Rail and Badgerys Creek rail.

ABS Job Vacancies suggest employment growth will continue in 2018 Following on from The Department of Jobs and Small Business Internet Vacancy Index (IVI)¹ (see Economics Weekly 21 September 2018), job vacancy data released by the ABS this week indicate job vacancies rose 3.4% q/q to another record

high of 240,900 in August 2018 (trend). This comprised of 220,000 private sector vacancies, which have increased by 20.3% p.a., and 20,900 public sector vacancies, which have grown by 9.5% p.a. Growth in the quarterly trend measure of job vacancies was slower than the previous quarter. Despite the slowing in growth, total job vacancies are up 19.3% over the year.

ABS job vacancies as a proportion of the total labour force are now at their highest level on record at 1.8%, indicating that there are more job vacancies as a proportion of people who are working or looking for work. This measure tends to lead movements in the unemployment rate by 3-9 months and suggests the unemployment rate may fall further the coming months (see chart 7). The number of unemployed persons per job vacancy decreased further, implying job vacancies are increasing at a faster rate than the number of people who are unemployed. The ratio of unemployed workers to job vacancies fell to 2.96 in the quarter, the lowest level in a decade and has been trending downwards since the recent peak of 5.19 in November 2014.

5 October 2018

AUSTRALIAN ECONOMIC DEVELOPMENTS

This week the Reserve Bank of Australia (RBA) left the cash rate at a record low of 1.50%, where it has been since August 2016. In the accompanying statement, RBA Governor Lowe noted that the global economic expansion is continuing but the direction of international trade policy in the United States is creating significant risks to global growth and especially growth in trade. Inside Australia, GDP growth is tracking around its trend rate, supported by Government spending and investment and better non-mining business investment. The RBA remains concerned about household consumption, which is being constrained by high levels of household debt and slow income growth, despite an improving labour market. Looking ahead, the RBA expects inflation and wages to accelerate gradually from here, as unemployment and underemployment rates fall.

This broadly positive outlook for Australia was confirmed by Ai Group's monthly business surveys, which continued to indicate positive business conditions across most (but not all) industries in September (chart 1). The Australian PMI® rose to 59.0 points in September, its fastest pace since March and signalling two years of solid recovery across Australia's manufacturing sectors. The Australian PSI® rose a touch to 52.5 points, with stronger activity in business-to-business services involved in infrastructure projects and weaker activity in the more consumer-oriented services sub-sectors. The Ai-Group/HIA Australian PCI® fell to 49.3 points in September, signalling broadly stable conditions after an extended period of very strong construction industry activity. For all three of these Ai Group monthly business surveys, results above 50 points indicate expansion, with the distance from 50 points indicating the strength of the increase.

Monthly international trade, building approvals and retail sales data for the month of August were all released by the ABS this week. In August, Australia's exports grew faster than imports, lifting the trade surplus to almost \$1.6 billion. The number of dwelling approvals fell again in August, down from recent peaks (-1.9% m/m and -9.1% p.a., trend data). Consumer spending might be (tentatively) recovering, with the nominal value of retail sales increasing in August, including at department stores and clothing retailers, which have suffered a prolonged period of weak sales.

Internationally, the International Monetary Fund (IMF) released a new analysis of global recovery from the GFC, as part of its half-yearly World Economic Outlook (the full outlook will be released next week). The IMF says the GFC reduced long-term potential global growth by reducing fertility rates, migration, trade and income equality. Specific policies have affected outcomes in individual countries. The IMF says countries such as Australia that were in "better fiscal shape, with better regulated and supervised banks, and flexible exchange rates generally suffered less damage."

Construction expansion is slowing

National building approvals for the month of August suggest the residential construction boom is probably past its peak, following a record high in Q1 2018 of 225,000 dwellings under construction across Australia. Consistent with recent results in the Australian PCI®, building approvals for private sector dwellings excluding houses (e.g. apartments) have been falling from record high levels since 2017. On a trend basis, the number of approvals for private sector dwellings excluding houses (e.g. apartments) fell 2.7% m/m to 7,615, while the number of approvals for private sector houses fell by 1.2% m/m to 9,655 in August. Over the year, private sector housing approvals are now down by 3.4% p.a. while apartment approvals are down 15.1% p.a..

Looking ahead, fewer building approvals suggest dwelling construction is past its peak, but the level of dwelling construction work is expected to remain high for some time, supported by relatively high (albeit lower) building approvals and strong population growth. Building approvals typically 'lead' building activity by 6 to 12 months, so these recent trends suggest that residential construction activity will remain at a relatively high level into early 2019. The Housing Industry Association (HIA) are forecasting a 10.6% decline in home building in 2019, but this would still leave new home commencements at near-historically high levels of 193,600 homes to be built.

In value terms, approvals of non-residential buildings fell a further 2.3% m/m to \$3.3 billion in August (trend). The value of non-residential building approvals is coming off a record peak in 2017 and has fallen for the last thirteen months. Fewer non-residential building approvals suggests slower growth in actual non-residential building. This will take time to feed through, since the lag between approval and construction for non-residential is longer than for residential building.

On an annualised basis, the value of non-residential approvals is currently sitting at \$45.9 billion, consisting of \$16.4 billion for commercial buildings (including offices, transport, retail and wholesale buildings), \$6.6 billion for industrial buildings (including factories, warehouses) and \$22.9 billion for other non-residential buildings (including education, health, entertainment, and accommodation buildings). In value terms, approvals for commercial buildings has pulled back in 2018. This is consistent with results for the commercial construction in the Australia PCI® which have indicated the value of approvals for other non-residential building is starting to ease while the value of approvals for industrial buildings remains robust.

Across the states, the value of non-residential approvals is down over the past year across the five largest states (trend). However, the value of non-residential approvals has rebounded in NSW in recent months and rose 3.3% m/m in August, while the decline has slowed in Victoria. The biggest decline in August was in Western Australia, with the value of non-residential approvals falling 14.2% m/m and it is now almost half of what it was this time last year.

Australian imports and exports rise in August

Australia's monthly trade balance stayed in surplus in August, rising slightly from +\$1.551 billion in July to +\$1.604 billion in August (chart 5). Both exports and imports rose strongly but the value of exports (+0.5% m/m) grew faster than the value of imports (+0.4% m/m) during the month. Over the year to August 2018, the value of all exports rose by 15.3% p.a. while the value of all imports rose by 12.0% p.a. indicating continuing growth in a vibrant two-way trade.

On the imports side, the monthly increase was largely due to a 169% m/m jump in capital imports for "civil aircraft and confidentialised items" (most likely the purchase of a commercial airplane or similar). This drove imports of capital goods, which are mainly used for business investment purposes, 9% m/m higher in August 2018. The value of consumer goods imports rose by 0.4% in August 2018. This slight rise was driven by higher imports (by value) of non-industrial transport equipment (i.e. cars) and food & beverages, partially offset by falling imports (by value) of household electrical items and toys. The value of services imports (mainly for transport and travel services) rose by 1.0% m/m while imports of intermediate goods fell by 2.3% m/m in August.

On the exports side, the value of resources exports fell by 0.6% m/m in August to \$20.6 billion. This fall included lower metal ores and minerals, metals and coal exports but was partially offset by a large increase (+12.7% m/m) in the export of non-monetary gold. Services exports increased by 0.6% p.a. driven by rising travel exports while exports for manufactured goods rebounded in August, rising by 3.3% m/m after falling 1.6% in July.

Australian businesses optimistic internationally, despite risk of a trade war

The annual Australian International Business Survey (conducted by Austrade and EFIC) found that the outlook for Australian businesses in international markets is very positive, with 66% of respondents expecting the next two years to be better than the last two years and only 5% expecting the next two years to be worse than the last two years. Only 2% cited the US instability as a reason to target different markets, while 4% cited more broadly global factors such as Brexit and the US-China trade war. The most common reasons for changing target markets were to expand into new markets and because of increased interest in the products or services offered.

With regard to digital technologies, this year's survey reveals that many Australian businesses that operate internationally are lagging behind in their use of online sales channels to reach overseas customers, with only a third planning to increase their use of online sales and mobile and digital technologies. Interestingly, among respondents who are engaged in other international activities beyond trade and investment, 70% of respondents deemed IP-related activities as essential or very important to generating overseas revenue.

The United States remains the top market that Australian businesses are considering in the next two years, with 20% ranking it as a priority, closely followed by China (19%), the United Kingdom (18%) and Indonesia (15%). This supports other evidence that interactions with the United States market are more important to Australian businesses than the headline ABS trade statistics might suggest. Research by the Department of Industry, Innovation and Science shows that although North America (United States, Canada and Mexico) accounted for only 4.3% of Australia's gross direct exports in 2014, 9.0% of Australia's value-added exports are eventually consumed there. This implies that demand from North America is 1.69 times more important to the Australian economy than conventional trade statistics suggest. It indicates that the North American market gets more Australian input than from direct exports alone, with additional 'value-added exports' making their way to America via increasingly complex international supply chains. A similar pattern is observed for 'value-added exports' to the EU and to a lesser extent, the UK.

WEBSITES

1. FROM ANZ BANK

[Like to ignore climate change? Investors and regulators won't let you](#)

Globally, policymakers may be a broad church on climate policy, from devout to non-believers, but more critically for the corporate sector, investors and regulators have no such crisis of faith.

Andrew Cornell | Managing Editor, bluenotes

[Leaving paper behind \(everywhere else\)](#)

A key priority of international trade is to improve efficiency by shifting to digitised documentation.

Mark Evans | Managing Director Transaction Banking, ANZ

[Mining where the wind blows](#)

Amid ongoing debate on energy policy mining companies are taking matters into their own hands – in an increasingly renewable fashion.

Megan Joyce & Tsen Wong | Head of Loans & Specialised Finance WA & Director Utilities & Infrastructure, ANZ

Lune: the cashless croissanterie

The use of cash is dropping – which won't surprise all those people already [tapping and going](#) or using direct payments or even plastic cards.

<https://bluenotes.anz.com/posts/2018/10/lune--the-cashless-croissanterie>

[Opening the curtains on climate forecasts](#)

For companies and regulators, climate change is well beyond debate. It's now a question of proper reporting.

Andrew Cornell | Managing Editor, bluenotes

[Off the beaten track in China](#)

You can skip 140 cities in China before you find something smaller than Melbourne, Australia. The untapped market teems with potential.

Nick Henderson | Director, China Practice, Asialink Business

[Save, spend, give & the rituals of success](#)

The behaviours which determine one's financial wellbeing are learned in childhood. The examples we set as adults are telling.

Shannon Peachey | Tribe Lead, Savers & Investors at ANZ

2. FROM CBA

Manufacturing PMI October

<https://www.commbank.com.au/content/dam/commbank/assets/corporate/research/pmi/Commonwealth-Bank-Manufacturing-PMI-Oct-18.pdf>

Services PMI October

<https://www.commbank.com.au/content/dam/commbank/assets/corporate/research/pmi/pmi-services-oct-2018.pdf>

3. FROM NAB

20 Sep 2018

[NAB Monthly Cashless Retail Sales Index August 2018](#)

by [NAB Group Economics](#)

The NAB Cashless Retail Sales Index gained 1.1% in August on a month-on-month basis, following a gain of 0.7% (revised) in July.

21 Sep 2018

[US China Tariffs Update – September 2018](#)

by [NAB Group Economics](#)

Recent tariff announcements are a modest negative for growth in US and China although Chinese policy will look to offset the impact.

24 Sep 2018

[NAB Australian Wellbeing Report: Q2 2018](#)

by [NAB Group Economics](#)

Our wellbeing is up, but Australia lags behind the UK and we're still time poor with some of us willing to pay up to \$131 for an extra hour in our day.

4. FROM BUSINESS COUNCIL OF AUSTRALIA

Submission on Australian-European Union FTA negotiations

21 September 2018

This submission provides the Business Council of Australia's views on the Australia-European Union Free Trade Agreement (A-EU FTA) negotiations, including our suggestions on desirable objectives for the negotiations.

The Business Council appreciates that any free trade agreement (FTA) is a product of negotiation and 'give and take', and that not all that might be desirable will be achievable. Nonetheless, the ideas and suggestions below indicate potential areas of benefit for Australian businesses and the Australian economy.

<file:///C:/Users/User/Downloads/Business-council-of-australia-submission-on-the-australia-EU-FTA-negotiations.pdf>

As global trade tensions rise Australia must focus on building resilience

21 September 2018

<http://www.bca.com.au/media/as-global-trade-tensions-rise-australia-must-focus-on-building-resilience>

5. FROM ROSS GITTINS

SATURDAY, SEPTEMBER 22, 2018

[Never mind carbon, let's put a price on bad driving](#)

What would an economist know about road safety? More than you'd think. Certainly, more than the road safety establishment thinks. Or maybe they just don't want to disturb the insurance companies' nice little earner from compulsory third-party car insurance. The economist in question is Dr Richard Tooth, a consultant with Sapere Research Group, who's been working for some years on his pet project of using economics to reduce...

[Read more >>](#)

MONDAY, SEPTEMBER 24, 2018

[Frydenberg must lift Treasury's game on spending control](#)

I read that our new Treasurer, Josh Frydenberg, has already understood the chief requirement of his office: the ability to say no to ministerial colleagues wanting to spend more on 101 worthy projects. Sorry, Josh, but if you're hoping to be a successful treasurer in the years beyond the coming election, you – and your Treasury minions – will need to do much better than that. It takes strength, but zero brain power, to say...

[Read more >>](#)

SATURDAY, SEPTEMBER 29, 2018

[How economists lost their fear of minimum wage rises](#)

Do rises in the minimum wage come at the expense of jobs? If you listen to the employer groups, they certainly do. But this is a question on which economists have changed their tune. So much so that the latest issue of the Reserve Bank's Bulletin includes an article by one of its researchers, James Bishop, concluding there's no evidence that modest, incremental increases in minimum award wages have an adverse effect on hours...

[Read more >>](#)

SATURDAY, OCTOBER 6, 2018

[Why so many businesses are behaving badly](#)

While we digest the royal commission's evidence of shocking misconduct by the banks and insurance companies, there's another unpalatable truth to swallow: they have no monopoly on bad behaviour. It seems almost everywhere you look you see examples of companies behaving badly. In a major speech he gave a few months ago, the chairman of the Australian Competition and Consumer Commission, Rod Sims, offered a remarkable list of...

[Read more >>](#)

MONDAY, OCTOBER 8, 2018

[The long run is now, and bills are arriving](#)

It's easy to take Keynes' dictum that "in the long run we're all dead" out of context. When you do, you can come badly unstuck - as the banks and insurance companies are discovering. In case you've ever wondered, economists see the short term as being for a year or two, the medium term as about the next 10 years, and the long term as everything further away than that. See the point? If the long run is only 10, 15, 20 years...

[Read more >>](#)

6. FROM AMP ECONOMICS

Successful investing despite 115 million worries

Economy and markets|Author Shane Oliver

28 September 2018

Key points

- A surge in financial information and opinion combined with our inclination to focus on negative news risks making us worse investors: more fearful, more jittery, more reactive, less reflective & more short term. This is potentially harmful to our long-term financial health.
- Five ways to turn down the noise & stay focussed as an investor are: put the latest worries in context; recognise shares return more than cash in the long term because they can lose money in the short term; find a process to help filter noise; don't check your investments so much; look for opportunities that worries throw up.

<https://corporate.amp.com.au/newsroom/2018/september/oliver-s-insights--successful-investing-despite-115-million-worr>

Five charts to explain the global economy

Economy and markets|Author Shane Oliver

20 September 2018

Key points

- Whether a recession is imminent or not in the US, and more broadly globally, is critically important in terms of whether a major bear market in shares is on the way.
- Five key global charts to watch in getting a handle on whether a major downturn is on the way are: global business conditions PMIs; global inflation; the US yield curve; the US dollar; and global trade growth.
- While risks have increased - particularly in the US where the economic cycle is more advanced and around the \$US and emerging countries and global trade - our assessment remains that a major US/global downturn still remains a way off.
- Which supports our assessment that notwithstanding periodic corrections - including through the seasonally weak period for share markets that we are now in - the broad trend in share markets is likely to remain up.

<https://corporate.amp.com.au/newsroom/2018/september/oliver-s-insights--five-charts-to-explain-the-global-economy->

Doug Cave
QETA Secretary/Treasurer

info@geta.com.au
<http://www.geta.com.au>

If you wish to unsubscribe from this newsletter, send an email to info@geta.com.au with "unsubscribe" in the subject line.

If you know of others who would like to subscribe, have them send an email to info@geta.com.au with "subscribe" in the subject line. To subscribe, they or their school must be a member of QETA.