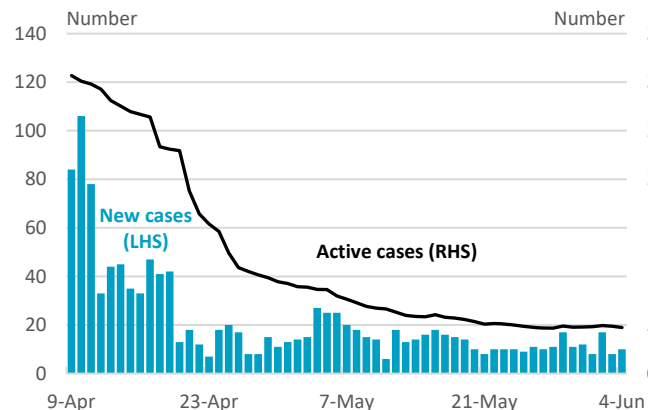


ASFA Economic Snapshot: week ending 5 June

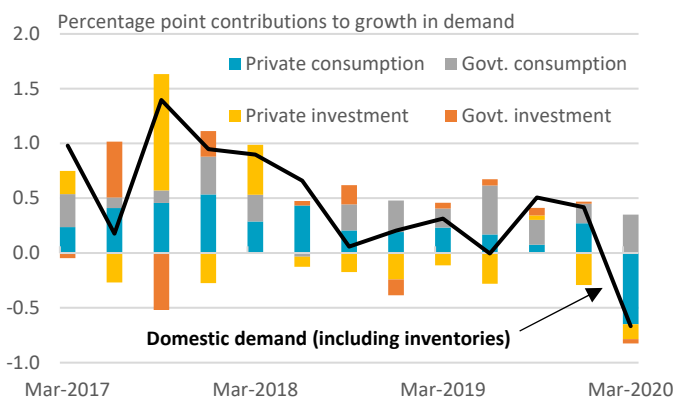
This is a weekly update on the impact of the COVID-19 pandemic on financial and economic conditions, in Australia and globally, and government policy measures to support economic activity and employment.

Active virus cases stabilise ...



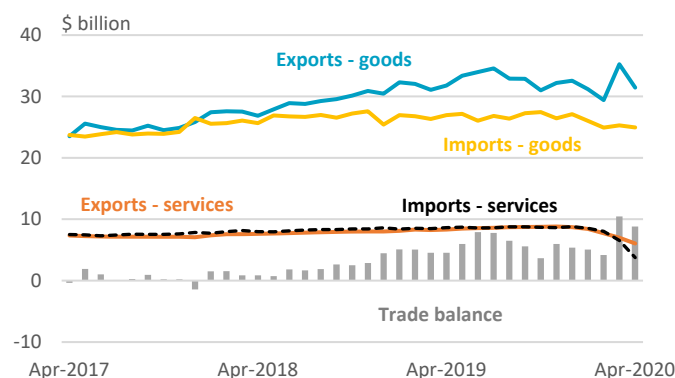
Nationally, the number of cases has stabilised – although outcomes vary across states. Over the past week, both the number of recoveries and new cases averaged 12 per day. By state, new cases were recorded in NSW (16), Victoria (53), Queensland (1) and WA (13). No new cases have been recorded in the other 4 jurisdictions for 2 weeks.

Australian domestic demand falls in March ...



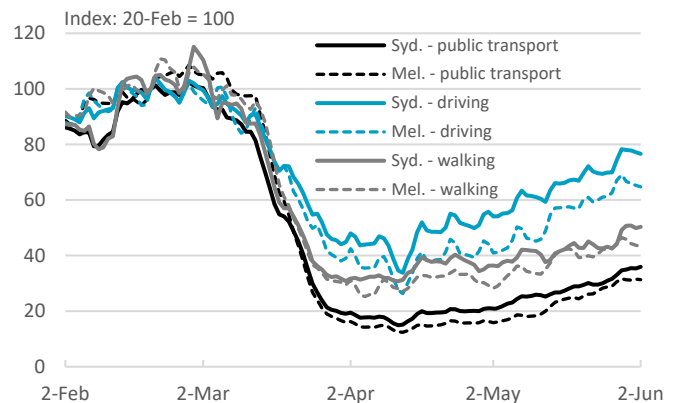
The ABS's March quarter National Accounts show that domestic demand fell by 0.7% in the quarter. Private (household) consumption was the largest contributor to the fall in demand, followed by private (dwelling and business) investment. Overall, private sector demand fell by 1%. In contrast, total public sector demand (government purchases of goods and services, and fixed capital investment) increased by 1.2%.

Australia records its second-highest trade surplus ...



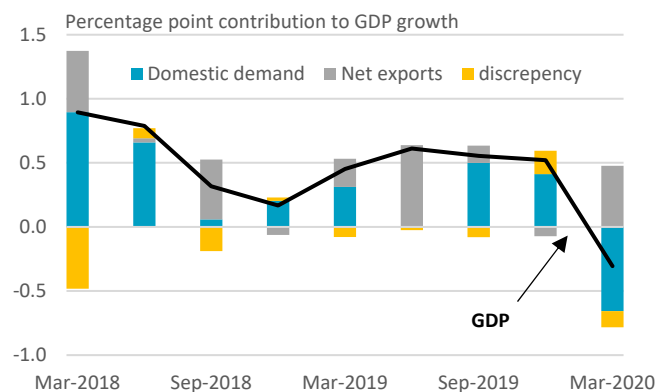
ABS trade data for the month of April shows that the value of goods exports fell by 11%, largely reflecting a drop in iron ore prices and a fall in thermal coal volumes to India. Iron ore volumes to China were steady. Services exports fell by 13%, mainly due to a drop in foreign tourism. Similarly, the drop in overseas travel by Australians drove a 42% fall in services imports. Australia's trade surplus was \$8.8 billion.

... as Australians get out and about



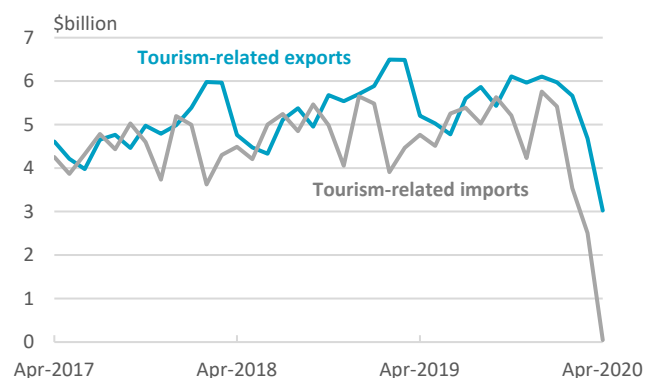
The above chart represents the number of requests for directions from Apple's mapping service in Sydney and Melbourne. Similar patterns are observed for other state capitals. The data suggest that after bottoming-out in mid-April, use of transport has increased steadily in both cities (although Melbourne lags Sydney).

... GDP also falls, but by less



GDP incorporates domestic demand (previous panel) as well as net exports (exports less imports). While domestic demand fell by 0.7% in the quarter, GDP fell by only 0.3%. Net exports made a positive contribution to GDP growth – however this reflected weak imports rather than strong exports (both fell in the quarter). A large fall in GDP is expected in the June quarter, reflecting the full impact of the crisis.

... but tourism exports will fall more



The international travel bans put in place in Australia (and elsewhere) led to big drops in in-bound and out-bound tourist numbers in April, and associated tourist spending (reflected in exports and imports respectively). Tourism-related imports were effectively zero in April, reflecting Australia's strict bans on locals travelling overseas. The full impact on tourism exports will be in the next ABS trade release.