

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates

13 – 14 February 2013

**Question:** AET 86

**Topic:** Global Economic Uncertainty and Forecasting for the 2013-14 Budget

**Written:** Received from Committee – 22 February 2013

**Senator SINODINOS asked:**

86. According to Treasury's economic model, what is the relationship between US GDP growth and Australian GDP growth? What impact will a 1% increase in the US GDP growth level have on Australian GDP?

**Answer:**

86. Treasury does not model nor calculate a direct elasticity of Australian GDP to US GDP. Major developments in the United States are assessed individually, and the effect on Australia (if any) is assessed on a case-by-case basis and captured in the relevant components of GDP growth.