



Australian Government
Department of Industry and Science

Office of the
Chief Economist

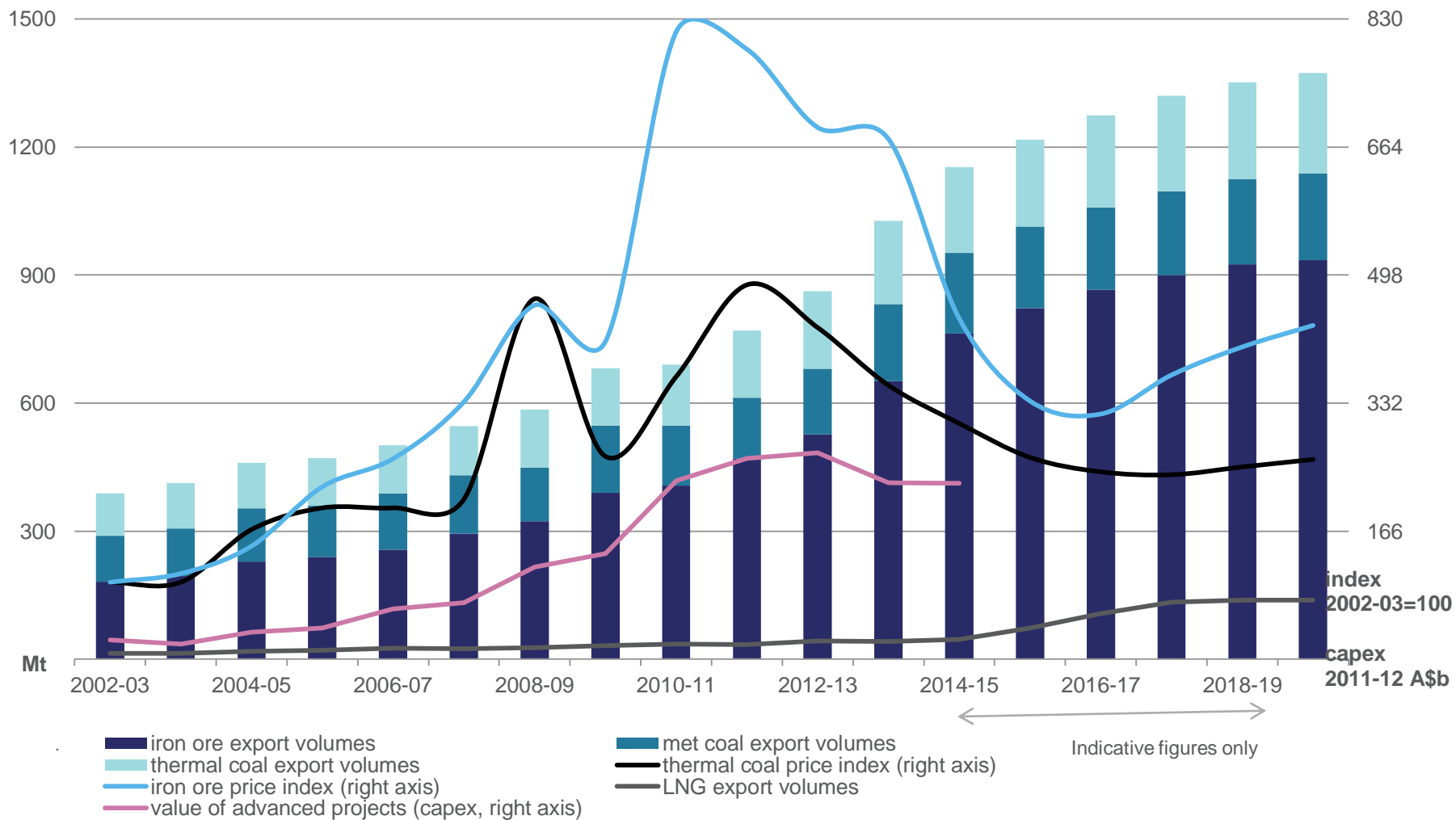


Riding the resources cycle: the outlook for the Australian resources and energy sector

MARK CULLY

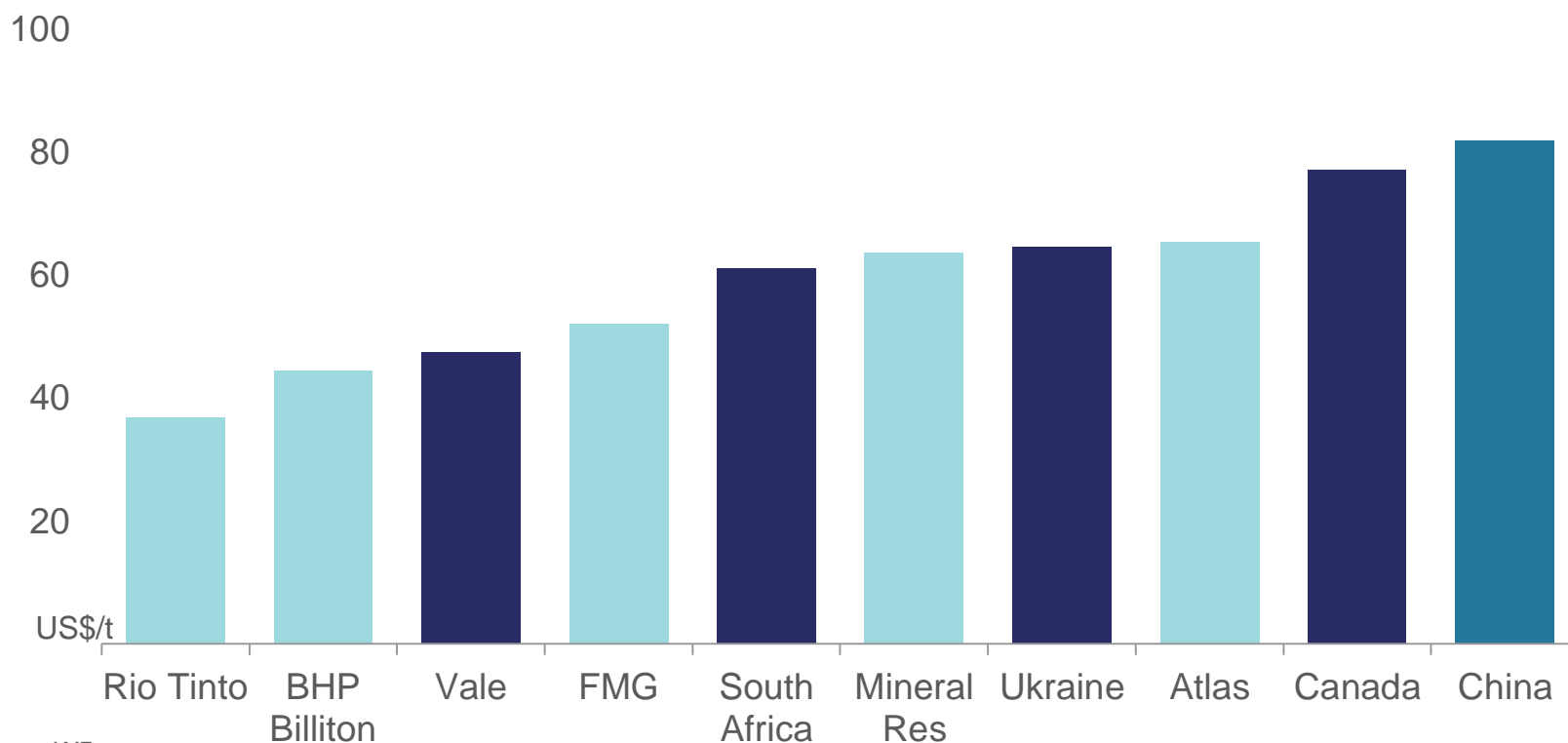
28 April 2015

Millennium Boom



Australian producers can deliver iron ore to China cheaper than anyone else

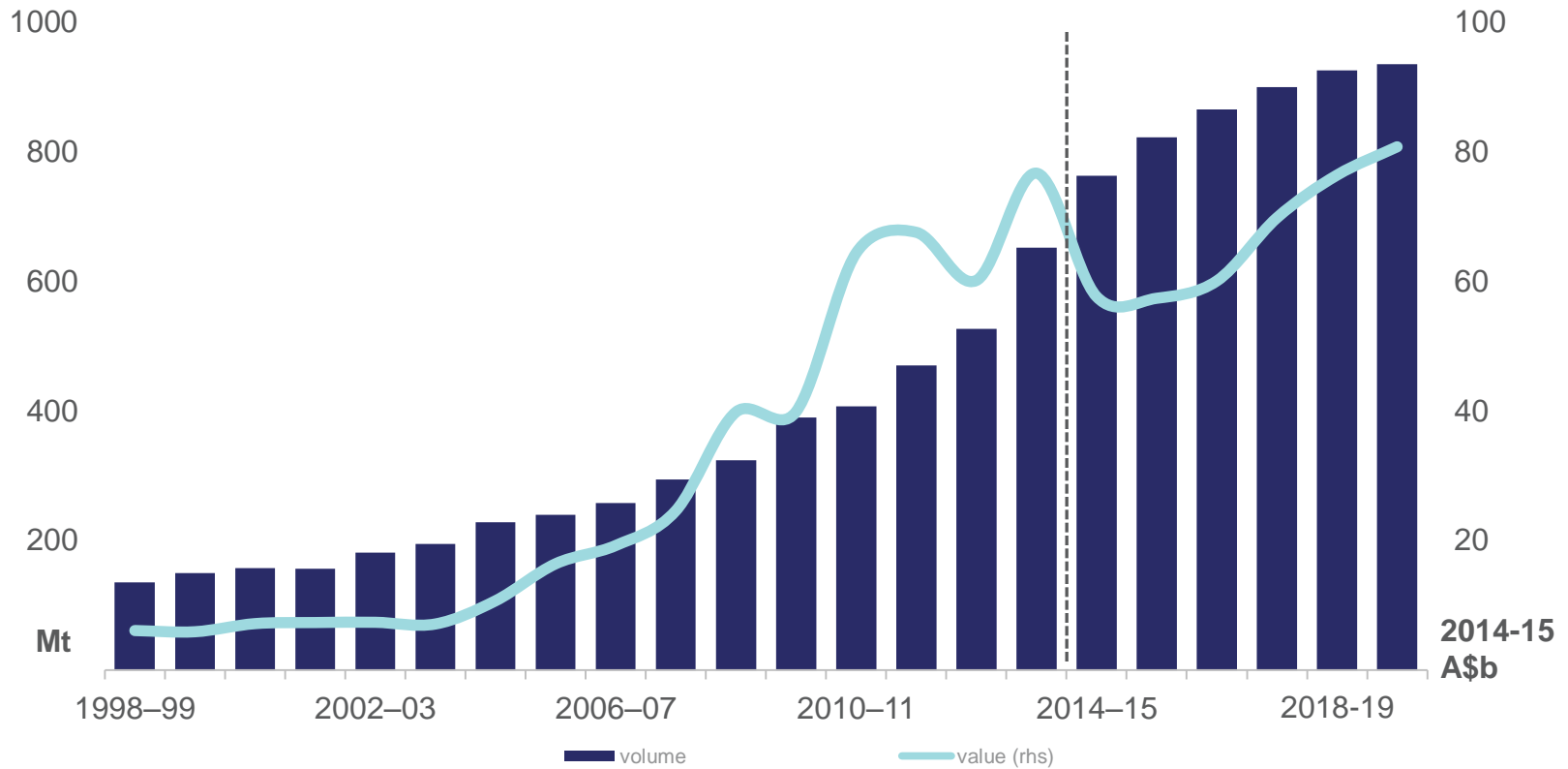
Total production cost, CFR China



Source: AME.

Increased volumes will support higher iron ore export earnings

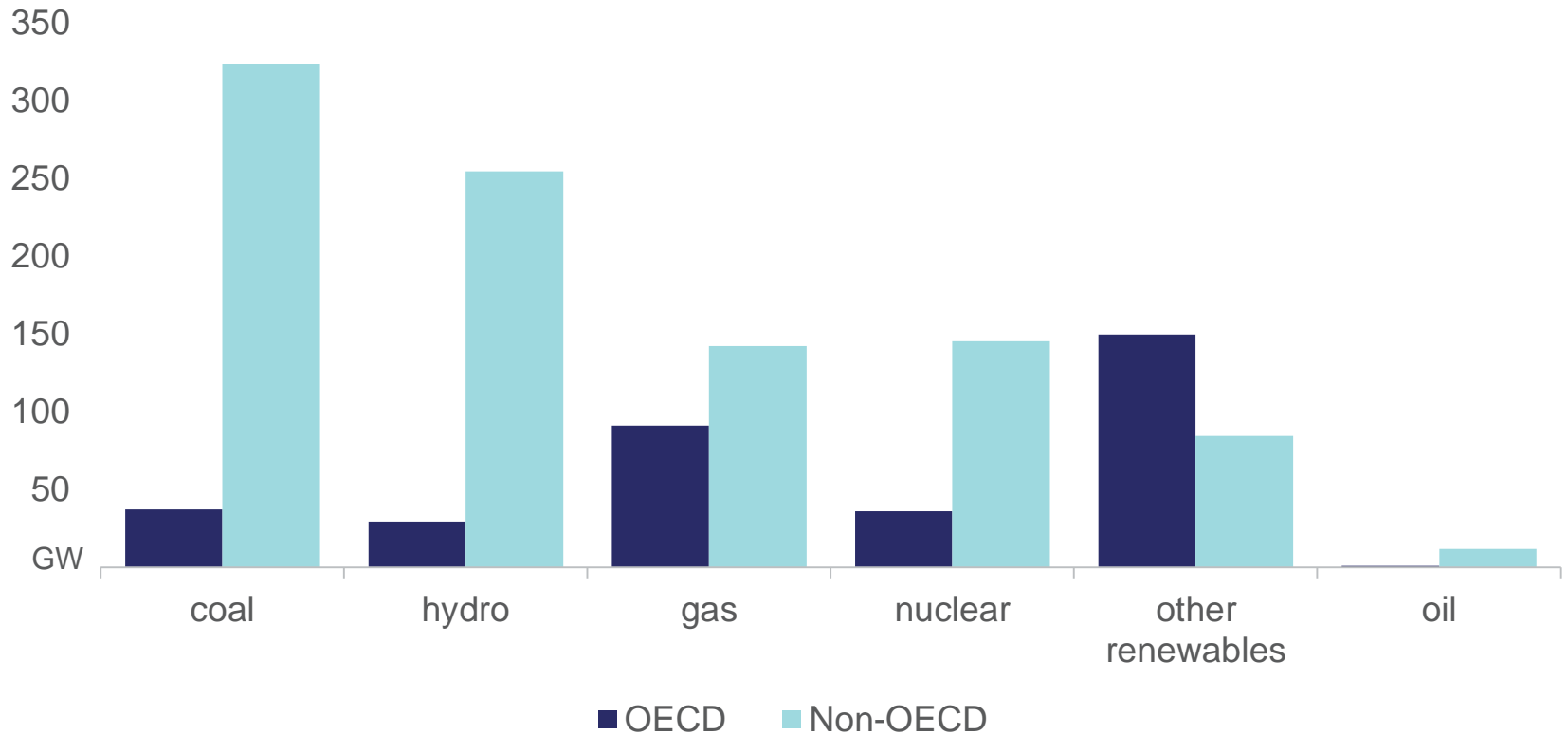
Australia's iron ore exports



Source: ABS.

Total world electricity capacity investment

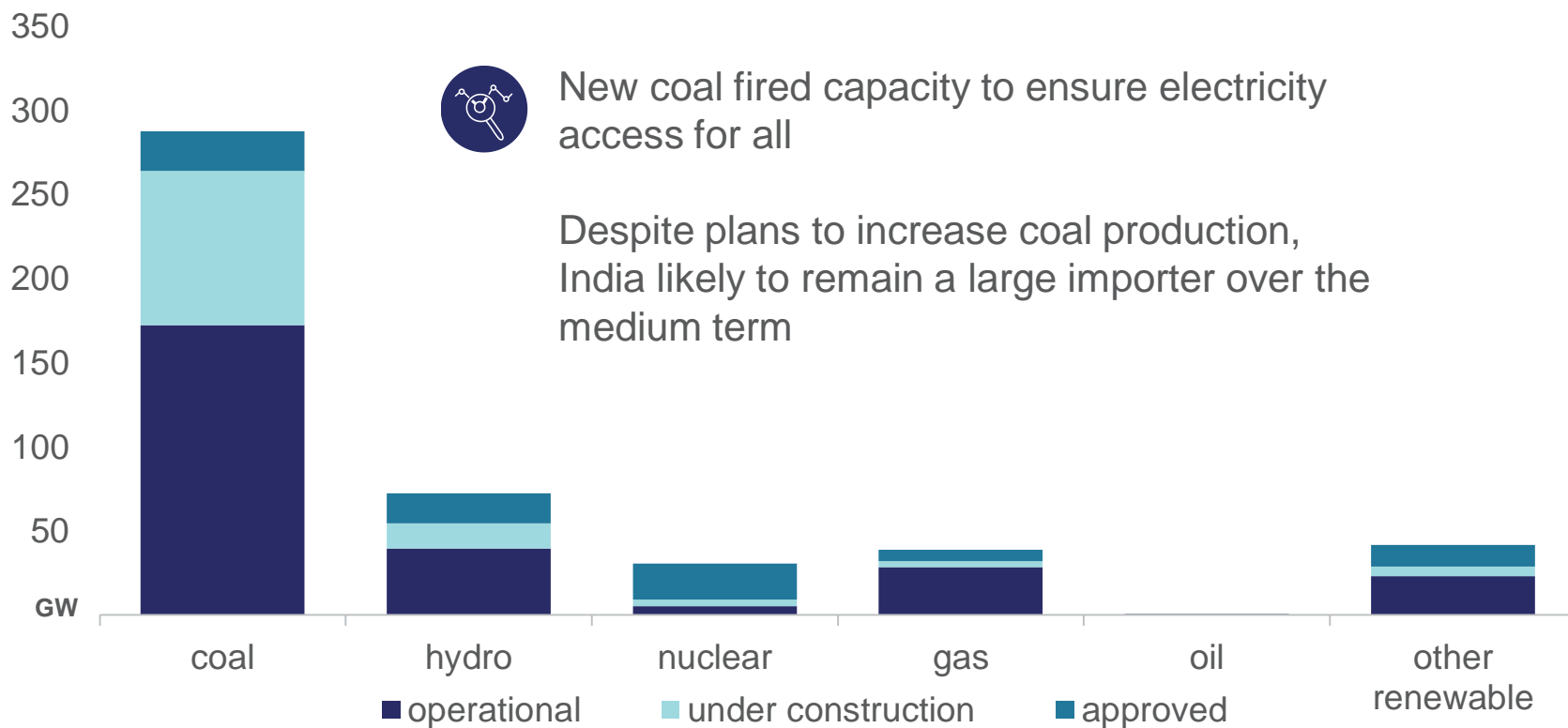
World electricity capacity under construction or approved



Source: Enerdata, www.enerdata.net.

India to become a key driver of growth in seaborne coal trade

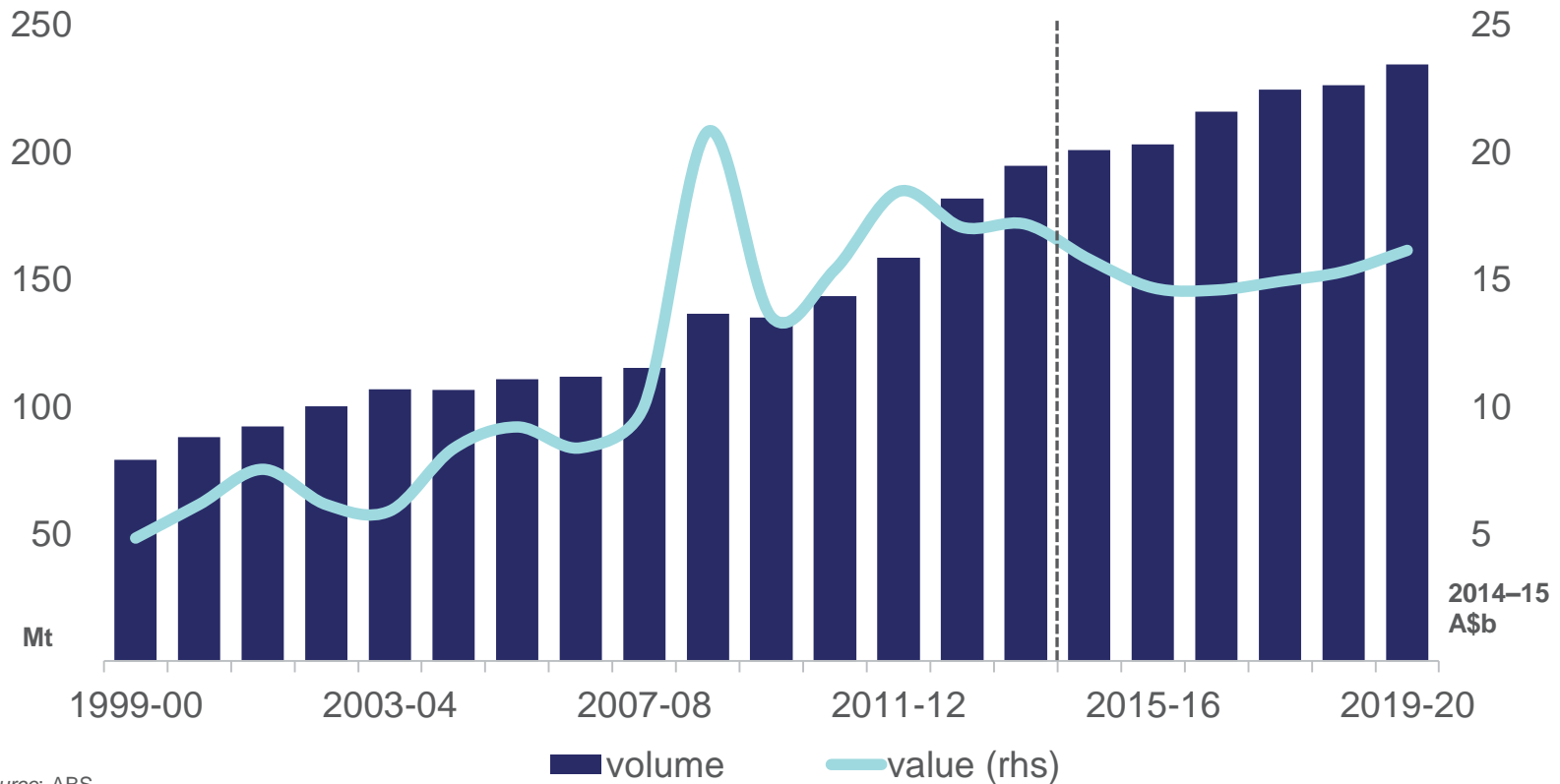
India's electricity generating capacity >50MW



Source: Enerdata, www.enerdata.net.

Australia to become world's largest thermal coal exporter

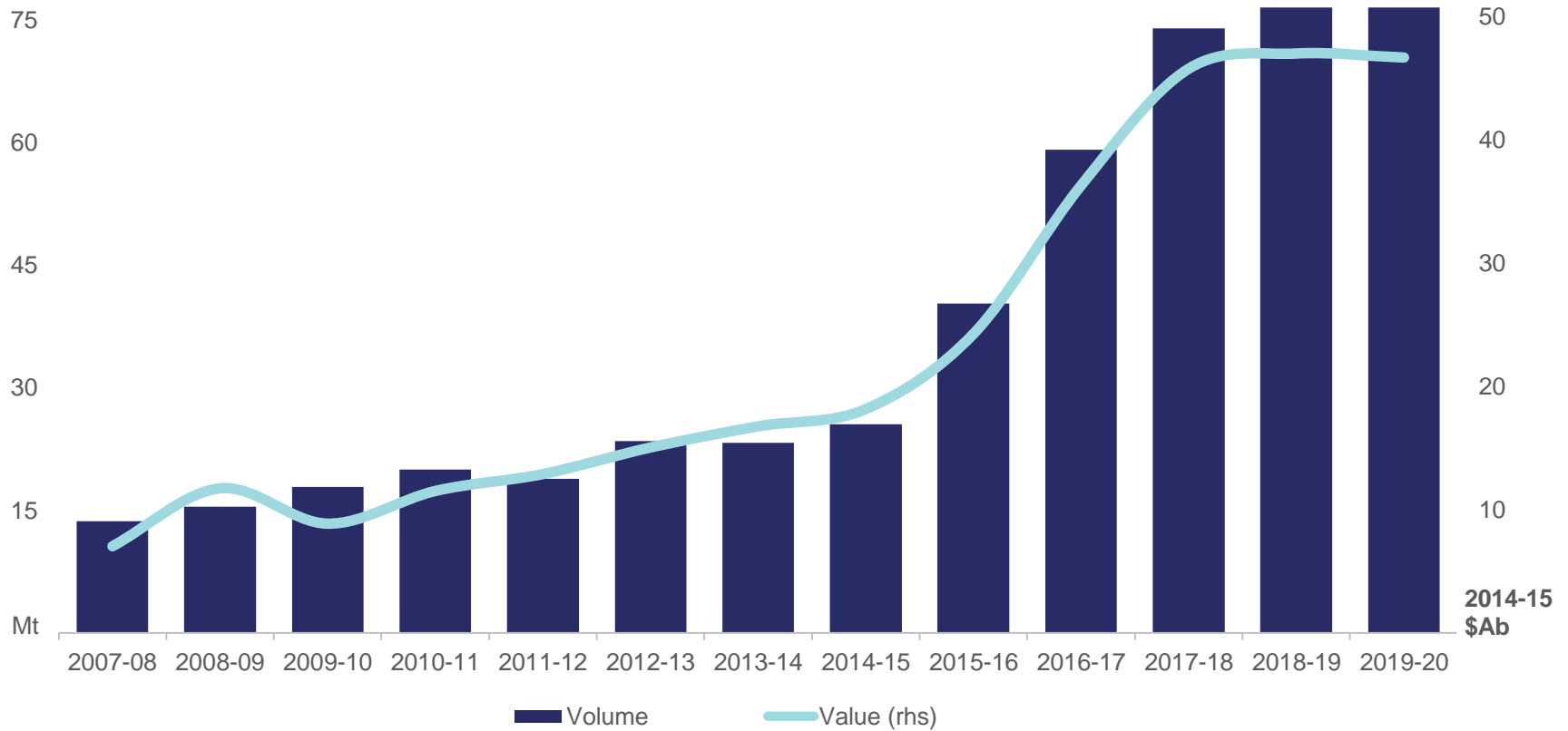
Australia's thermal coal exports



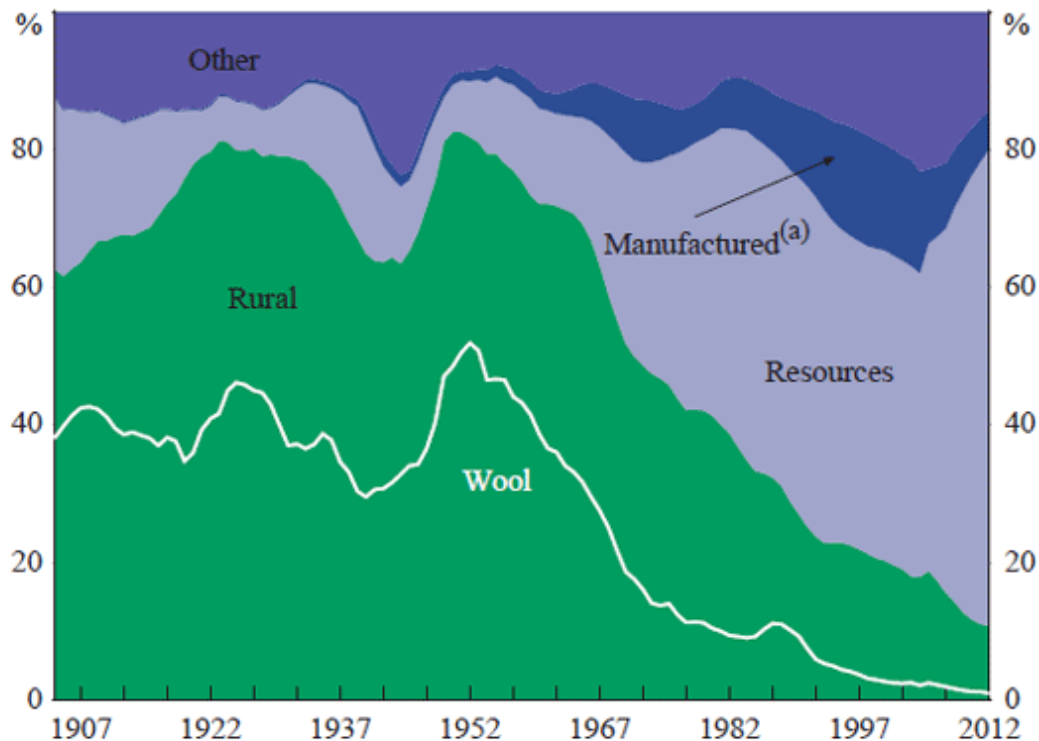
Source: ABS.

Australia's LNG exports are projected to triple

Australian LNG exports



Australia's export profile has changed markedly since Federation, with resources now dominant

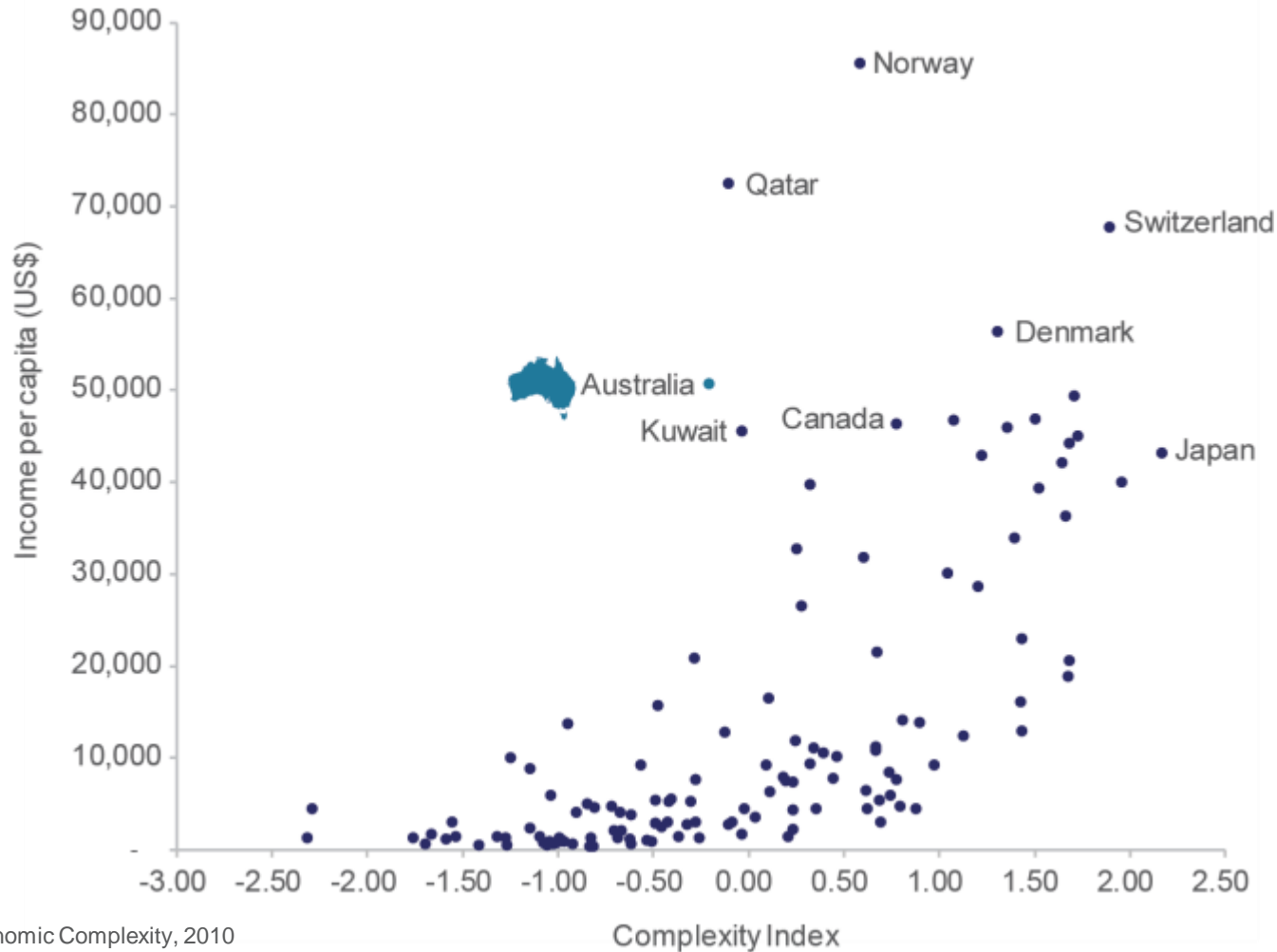


Notes: Data are five-year moving averages

(a) Machinery, transport equipment and other manufactures

Source: RBA DP2014-01, available [here](#)

Australia's level of export complexity is lowest in the OECD and declining



Source: Atlas of Economic Complexity, 2010



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