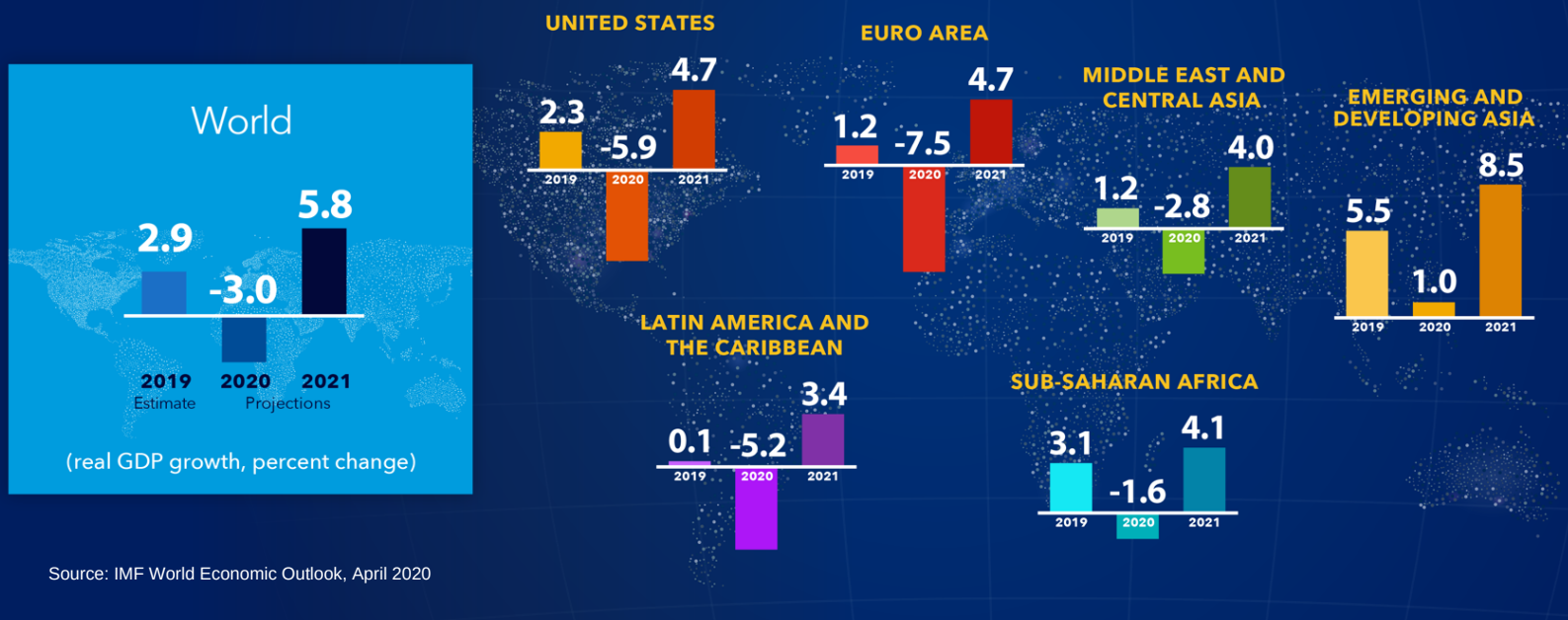


COVID-19 ECONOMIC MOVER

Economic recovery in focus

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Latest World Economic Outlook growth projections (percent change)



ECONOMIC OUTLOOK & RECOVERY

- As a result of COVID-19, the global economy is projected to contract sharply by -3 percent in 2020, as economic activity, employment, trade and spending, declines due to measures to control the disease.
- If restrictions begin to ease, and we enter the economic recovery phase in the second half of 2020, the global economy is projected to grow by 5.8 percent in 2021.
- In emerging and developing Asia, some of Queensland's main trading partners for agricultural exports, growth is expected to rebound to 8.5 percent in 2021.
- Whilst the outlook for 2020 is stark, the agriculture sector is likely to be shielded from the worst of the impacts as food is an essential commodity.
- While the pandemic has to date posed serious challenges for the food system, it provides an opportunity to accelerate transformations in the food and agriculture sector, make productivity gains and to build resilience.
- It also provides an opportunity to learn more about pinch points and vulnerabilities in the food system, in order to identify necessary investments and reforms that would further strengthen the resilience of the sector to a range of future shocks and challenges.

WHAT DOES THIS MEAN FOR QUEENSLAND?

- Looking to recovery Queensland has a comparative advantage in the economic recovery post COVID-19 compared with other States and Territories due to the ratio of agriculture and mining to social service sectors.
- Agriculture has the potential to lead Queensland's economic recovery, along with other key rural and regional industries. Regionals comprise 40 per cent of national economic output and employ one third of Australia's workforce.
- Queensland is particularly strong from this perspective, due to large base of agricultural and resource industries, and high levels of regional innovation and business activity.
- COVID-19 presents both threats and opportunities for Queensland agriculture, with an acceleration of technology adoption likely to drive productivity growth and competitiveness in the sector.



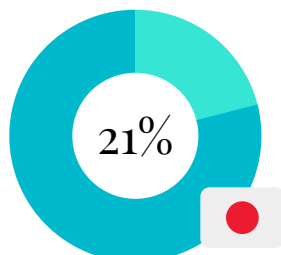
QUEENSLAND AGRICULTURE

TRADE SNAPSHOT

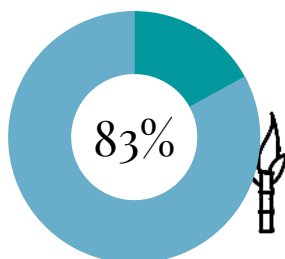
\$17.7b

Queensland ag output pre-COVID-19

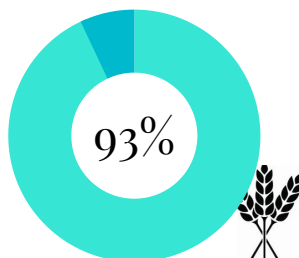
Japan is Queensland's largest agricultural product destination by value at 21%



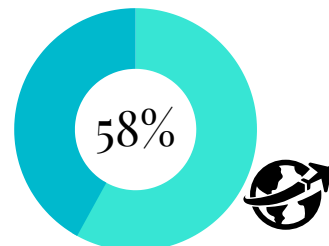
Queensland exports 83% of all sugar by value



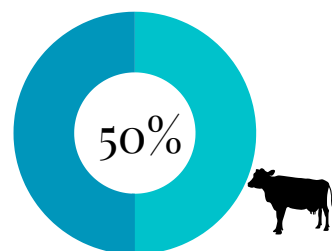
Queensland exports 93% of all grain and grain products by value



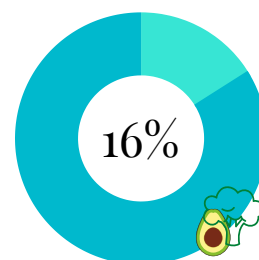
Queensland exports 58% of all agricultural output



Queensland exports 50% of all meat products by value



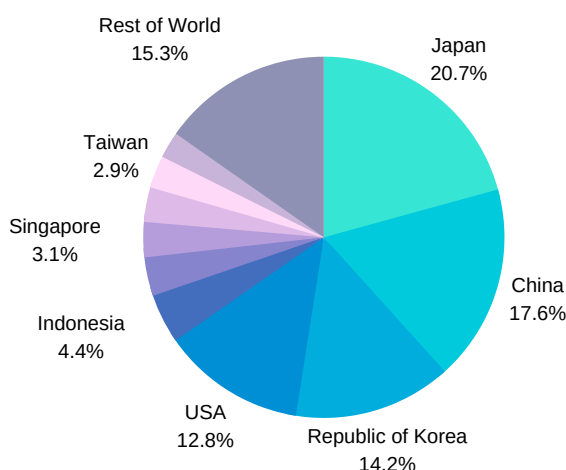
Queensland exports 16% of all fruit and vegetable products by value



\$5.3b

Beef exports from Queensland 2018-19

Queensland Agriculture Food Fibre commodities export destinations, % of value 2018-19



Agricultural trade and economic recovery

- Pre-COVID-19, Queensland primary industries output was estimated at \$17.763 billion in 2019-20. Eighty-six per cent of this was from food and feed, with the remaining value from forestry, fibre and lifestyle horticulture.
- Queensland is a food secure state exporting 58 per cent of all agricultural output.
- Exports of Australian agriculture fisheries and forestry products are not uniform over the year. There is a clear seasonality in exports in line with harvest and production cycles.
- Whilst trade in some markets may be more exposed and at greater risk to demand shocks, there will be opportunities.
- The coincidence of these cycles with the recovery of economies post COVID-19 places Queensland agriculture in a strong position to lead Queensland's economic recovery. For example cotton and horticulture are yet to reach their export peaks for 2020-21.
- Furthermore, the nature of the shock across many of our traditional competitors, may present Queensland with opportunities to supply new markets and diversify our export markets, building resilience for future disruptions.
- Policy support, economic modelling and regulatory amendment will be key to ensure we capitalise on these opportunities.