TREASURY MINISTERIAL SUBMISSION

23 January 2018 | MS18-000163

Treasurer

DELOITTE ACCESS ECONOMICS BUSINESS OUTLOOK: DECEMBER 2017

Timing: The Deloitte Access Economics Business Outlook will be released on 29 January 2018 (EMBARGO UNTIL 12:01AM 29 January 2018).

KEY POINTS

- The Deloitte Access Economics (Access) forecasts for real GDP growth have been downgraded in 2017-18 from their September 2017 Outlook. Access forecasts real GDP growth of 2.8 per cent in 2017-18 and 3.1 per cent in 2018-19. These are broadly in line with the respective 2017-18 MYEFO forecasts of 2½ per cent and 3 per cent (Attachment A, Table 1).
  - Compared with MYEFO, Access forecasts stronger business investment, exports and public final demand, but weaker dwelling investment.
- Access forecasts nominal GDP growth of 3.6 per cent in 2017-18 and 3.3 per cent in 2018-19. The MYEFO forecasts nominal GDP growth of 3½ per cent in 2017-18 and 4 per cent in 2018-19.
- Access has upgraded its global growth forecast for 2018 to 3.6 per cent (a 0.1 percentage point upgrade) and left its forecast for 2019 and 2020 unchanged at 3.1 per cent and 2.9 per cent, respectively. The upgrade for 2018 largely reflects upgrades to the forecasts for the United States and Japan.
  - Access notes that global growth is more synchronised than it has been in a decade, with strength in Europe, the US, Japan and China. Access also notes that inflation remains low globally, implying that increases in global interest rates are likely to be relatively slow in the near term.
  - Over the medium term, Access expects a slowdown in global growth, driven by a slowdown in China and an eventual rise in interest rates.
  - The updated Access forecasts for global growth are in line with the MYEFO forecast for 2018 and lower for 2019.
- Access forecasts public sector underlying balance to be a deficit of $28.4 billion (or 1.6 per cent of GDP) in 2017-18, reducing to a deficit of $21.6 billion (or 1.0 per cent of GDP) in 2021-22. This measure is not directly comparable with the underlying cash balance published in the Budget (Attachment B).
- Across Australia, Access forecasts strong growth in the non-mining States (Attachment C).

s.22(1)(a)(ii) [redacted]

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Consultation: Budget Policy Division and Commonwealth-State Relations Division

ATTACHMENT A: ECONOMIC OUTLOOK

Table 1: Comparison of Access and MYEFO Forecasts

	2017-18		2018-19	
	Access	MYEFO	Access	MYEFO
GDP	2.8	2 1/2	3.1	3
Household consumption	2.2	2 1/4	2.7	2 3/4
Private dwelling investment	-3.3	-1 1/2	-3.0	-1 1/2
Private business investment[(a)(b)]	5.2	2	5.0	3
Public final demand[(b)]	4.9	4	3.2	3
Exports	5.7	3	5.0	4
Imports	5.6	3	3.0	2 1/2
Nominal GDP	3.6	3 1/2	3.3	4
Current account balance % of GDP	-2.3	-2	-3.0	-2 1/2
Terms of trade	-1.3	-2	-4.9	-5
Headline inflation[(c)]	1.9	2	2.1	2 1/4
Unemployment rate[(d)]	5.2	5 1/2	5.3	5 1/4

(a) Forecasts may not be directly comparable w ith Treasury's forecasts.

(b) Excludes second hand asset sales.

(c) Through-the-year to the June quarter.

(d) Seasonally adjusted rate for the June quarter.

Table 2: International GDP Growth Forecasts: Access, IMF and MYEFO

	FORECASTS								
	2018			2019			2020		
	Access[(a)]	IMF[(b)]	MYEFO[(c)]	Access[(a)]	IMF[(b)]	MYEFO[(c)]	Access[(a)]	IMF[(b)]	MYEFO[(c)]
US	2.4	2.7	2 1/4	1.9	2.5	2 1/4	1.6	1.8	N/A
Euro area	1.9	2.2	1 3/4	1.7	1.9	1 1/2	1.7	1.6	N/A
Japan	1.3	1.2	1	1.0	0.9	3/4	0.9	0.2	N/A
China	6.4	6.6	6 1/4	6.3	6.4	6	6.1	6.2	N/A
India	7.4	7.4	7 1/2	7.6	7.8	7 3/4	7.9	7.9	N/A
MTP	4.2	N/A	4	4.0	N/A	4	4.0	N/A	N/A
World	3.6	3.9	3 1/2	3.1	3.9	3 3/4	2.9	3.7	N/A

(a) Access' w eighting for Australia's major trading partners uses concurrent merchandise export w eights. Access' 'w orld' calculation excludes Eastern Europe, the former Soviet Union, North Korea, Africa, the Middle East, Latin America, Cuba and the Caribbean.

(b) IMF forecasts are based on the (draft) January 2018 World Economic Outlook, except for the 2020 forecasts, w hich are from the October 2017 WEO

(c) World and euro area forecasts are calculated using GDP w eights based on purchasing pow er parity (PPP), w hile grow th rates for major trading partners are calculated using export trade w eights.

ATTACHMENT B: FEDERAL/STATE BUDGET POSITION

> *…Budget repair can protect prosperity and improve fairness. It protects prosperity by boosting national firepower to defend against the next recession. That's desperately needed, given that neither the Reserve Bank nor Canberra have much ammo at their disposal. And it fights for fairness by putting a stop to the worsening in the huge future tax bill being run up at the expense of younger Australians – whose future is being mortgaged fast by today's leaders…*
>
> *…National income has surged since mid-2016 … 'hiding' the fact the battle against spending is still well and truly being lost ... More work on spending remains to be done. And the overall tax take will also have to go up to help towards Budget repair – indeed, the 2017-18 Federal Budget was a recognition of exactly that (though just six months after that Budget announced an increase in personal taxes – via the Medicare levy – the Government flagged the potential for pre-election personal tax cuts)…*
>
> *…We had no problem applauding when the Government shifted towards raising taxes rather than cutting spending in the Budget in May this year. But the new reliance on revenue means that much Budget repair relies on higher personal taxes being paid by middle income earners … With tax cuts back on the agenda, it's unclear that Australia now has a coherent strategy for Budget repair. On our forecasts, that says you can say sayonara to the Federal surplus…*
>
> *--Deloitte, pages 92-98*

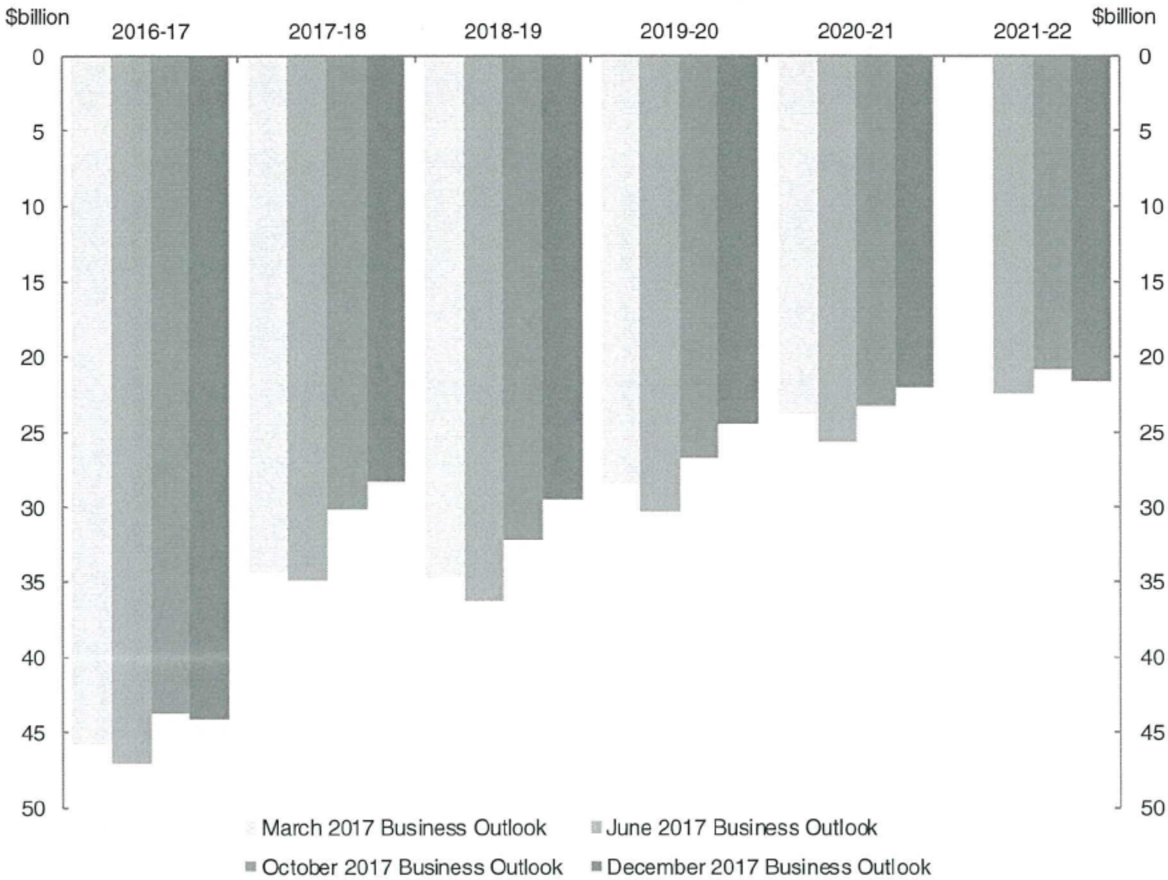
- Access forecasts public sector underlying balance to be a deficit of $28.3 billion (or 1.6 per cent of GDP) in 2017-18 and $29.5 billion (or 1.6 per cent of GDP) in 2018-19, reducing to a deficit of $21.6 billion (or 1.0 per cent of GDP) in 2021-22.
- The forecast for 2017-18, 2018-19 and 2019-20 is slightly better than expected in the October 2017 Business Outlook (the forecasts for 2020-21 and 2021-22 are broadly unchanged).
  - This improvement appears to predominantly reflect that Access has revised up its estimate of net advances paid (it defines this as assets and similar transactions which make one-off contributions to the budget balance).
  - This revision is not explicitly discussed in Access's analysis, but is likely to reflect asset sales by State Governments (e.g. land titles registries sales in both New South Wales and South Australia, and the Port of Melbourne sale in Victoria).
- Access calculates the *net public sector underlying balance* as the difference between net revenues and net spending on consumption and capital outlays by Commonwealth, State, Territory and local governments and public trading enterprises less net advances. It is not directly comparable with the underlying cash balance published in the Commonwealth budget papers.

Table 3: Deloitte Access Net Public Sector Underlying Balance

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Net public sector underlying balance ($ million)*	44,083	28,320	29,500	24,482	22,079	21,642
Net public sector underlying balance (per cent of GDP)*	2.5	1.6	1.6	1.3	1.1	1.0

* A positive number indicates a deficit

Chart 1: Comparison of Deloitte's Net Public Sector Underlying Balance Forecasts



Contact Officer: s.22(1)(a)(ii)

ATTACHMENT C: STATE FORECASTS

- Table 4 below compares Access' forecasts of Gross State Product (GSP) with the most recently published State and Territory (State) forecasts. State figures are sourced from 2017-18 Budgets for Tasmania and the ACT, as well as some figures for Queensland. State figures are sourced from 2017-18 Mid-Year Reports (MYEFOs) for all other States.

Table 4: GSP forecasts by State – real growth rates

Per cent		2017-18	2018-19	2019-20	2020-21
NSW	MYEFO	3	2¾	2¾	2½
	Access	3.1	3.2	2.8	2.6
VIC	MYEFO	3.00	2.75	2.75	2.75
	Access	3.8	3.4	2.9	3.1
QLD	MYEFO/Budget*	2¾	3	3	3
	Access	2.2	3.6	3.5	3.6
WA	MYEFO	2.5	3.0	3.0	3.0
	Access	2.0	2.5	2.8	3.2
SA	MYEFO	2¼	2¼	2¼	2¼
	Access	2.8	1.7	2.2	2.0
TAS	Budget	2½	2	2	2
	Access	1.9	2.0	1.9	1.8
ACT	Budget	2¾	2½	2½	2½
	Access	2.8	1.9	2.2	2.7
NT	MYEFO	1.1	0.5	1.4	2.7
	Access	1.7	3.9	3.4	3.5

*Queensland did not publish revised figures for 2019-20 and 2020-21 in its MYEFO.

- **New South Wales (NSW):** Access notes that the NSW economy is set to stay pumped in 2018 as State government spending on infrastructure surges and interest rates on houses not expected to rise anytime soon. The lower exchange rate has also helped key sectors such as manufacturing, farming, tourism, and international education. Despite the positive outlook, Access notes the growth of NSW economy has already eased from its recent peaks. Housing construction in NSW remains at an elevated level but the outlook is uncertain as tighter lending standards have lowered housing price growth, which may reduce demand for future new builds.

- **Victoria:** Access notes that the outlook for Victoria's economy remains robust. Strong population growth is helping the State's economy grow, particularly as businesses and government invest in new capacity to meet this increasing demand. While population growth has boosted the housing market in recent years, Access notes that the Victorian housing construction cycle looks to have peaked, and is not expecting this to add to the State's economic growth over the near term.

- **Queensland:** Access notes that the Queensland economy is improving at a gradual rate. Access highlights positive net interstate and overseas migration, and the strong global environment boosting export demand for minerals, education and tourism as key contributors to this improvement. Access also highlights a recovery in commodity prices, increasing engineering construction activity and stronger job growth. Downsides for the Queensland economy include an oversupplied property market compared to other capital cities, underperforming retail trade and slower housing construction activity due to a decline in building approvals.

- **Western Australia (WA):** WA is still recovering from the mining boom as it continues its transition to a period of lower investment activity. Access notes that at its peak, engineering construction accounted for more than a quarter of the WA economy, whereas now it is closer to 5 per cent. Low consumer spending, weak population growth and increasing vacancy rates all flag difficult conditions. However, Access observes improvements with job growth now close to the Australian average, falling unemployment, and the shift to production phase for a number of projects being supported by strong demand in China which pushed up mining profits by 275 per cent over the past year. State spending on infrastructure projects, including METRONET, will also help stimulate additional economic activity.

- **South Australia (SA):** Access believes that there are various positive factors in SA that are not receiving the same coverage as headline news such as the loss of car manufacturing or gaps in Defence activity. SA is still impacted by people moving interstate exacerbating demographic shifts with a growing concentration of retirees, as well as by falling rents and flat house prices. Positive factors include growing business investment levels, improving small business confidence levels and the highest new business survival rate in the country. Access also notes improving employment levels, increases in both domestic and international visitors and visitor spending, large-scale utility investment, as well as export growth and retail growth highs.

- **Tasmania:** Tasmania's economy has been steady over the past four years. Lower interest rates and a lower Australian dollar have helped the State's manufacturing, farming and tourism sectors, with housing construction also supporting growth. While housing construction has pulled back in Tasmania over the past year, Access notes the prospects of a boost in housing construction look strong, driven by low vacancy rates. While there has been an improvement in the labour market and a pick-up in business investment, Access notes low population growth continues to constrain Tasmania's overall growth prospects.

- **Australian Capital Territory (ACT):** Access notes the ACT was the fastest growing jurisdiction in the 2016-17 financial year and the second fastest in terms of population. Small business confidence is well above the national average and jobs growth has rebounded. For now, the ACT's economy is looking pretty good, with housing and light rail construction contributing to growth and rental growth among the highest in the country. The key risk, Access notes, is a future federal election delivering control of both houses to the same party and resulting in cuts to ACT-related spending and employment.

- **Northern Territory (NT):** The NT economy is riding towards the end of its resource construction boom. But with no large project in the pipeline to replace the very near completion of the Ichthys LNG mega-project, the glory days of the resource construction boom are firmly in the rear view mirror. Despite this, Access is forecasting stronger economic growth over the next few years compared to the NT's own (MYEFO) economic forecasts, largely due to increasing export activity once the Ichthys plant starts delivering LNG for export in big volumes by the end of 2018.

Contact Officer: s.22(1)(a)(ii)

 Document 5

TREASURY MINISTERIAL SUBMISSION

23 January 2018 PDR No. MS18-000169

Treasurer cc: Minister for Revenue and Financial Services

2017 TAX EXPENDITURES STATEMENT - TABLING OUT OF SESSION - LETTER TO THE PRESIDENT OF THE SENATE

Timing: Urgent, by Thursday 25 January 2018

Recommendation

- That you sign the attached letter to the President of the Senate to enable the 2017 Tax Expenditures Statement (TES) to be tabled out-of-session on Tuesday 30 January 2018.

Approved/Not Approved Signature: .... …../…../2018

- We are proposing the 2017 TES be tabled in the Parliament on 30 January 2018. This would satisfy the requirement under the *Charter of Budget Honesty Act 1998* that the TES be tabled by the end of January. As Parliament is not sitting, the TES must be tabled out-of-session in the Senate.
  - The letter to the President of the Senate at Attachment A would enable this to occur.
- The document itself has been finalised and is now being printed. The final version is at Attachment B. We will provide you with hard copies once they are returned from the printer early next week.

s.22(1)(a)(ii)

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Consultation: Tax Analysis Division, Communications and Parliamentary Division

TREASURER

Senator the Hon Scott Ryan
President of the Senate
Parliament House
CANBERRA ACT 2600

Dear President

Pursuant to Standing Order 166, relating to the presentation of documents when the Senate is not sitting, I present to you the *2017 Tax Expenditures Statement*.

The *Charter of Budget Honesty Act 1998* requires the Australian Government to publish detailed information on its tax expenditures by 31 January each year.

Yours sincerely

The Hon Scott Morrison MP
/ / 2018

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TREASURY MINISTERIAL SUBMISSION

24 January 2018 MS18-000179.

Treasurer

COMMENTARY ON US TAX CUTS

Timing: Your Office requested a summary of business commentary on the US tax cuts.

KEY POINTS

- A summary of commentary from large US companies, international companies with US investments, and reactions to the tax cuts in larger OECD countries is below. A table outlining some specific announcements by some large well-known corporations, in relation to the tax cuts is included at Additional Information.

US Companies

- A number of large US companies have made announcements supporting the recent US tax cuts, particularly in the general retail, banking, automotive and aviation industries.
  - Among these are large well-known companies and significant employers in the US such as Walmart, AT&T, Apple, UPS, Wells Fargo, Bank of America, American Airlines, Boeing and Fiat Chrysler.
  - As at 22 January 2018, 220 companies had made an announcement linking increases in wages (including minimum wage), bonuses or contributions to retirement savings according to Americans for Tax Reform.
- There has been some analysis in the media in the US of the bonus payments to employees.
  - The majority of companies who are linking employee benefits to the tax cuts are paying one-off bonuses rather than permanent wage increases. Permanent wage increases are primarily increases to the minimum wage.
  - Many companies who are paying bonuses have also announced share buybacks or increased dividends. These are often significantly higher than the announced bonuses or wage increases to employees.
- Many companies have also announced large capital spending programmes. For example, Apple plans to spend $US30 billion over five years and AT&T plans to increase US capital spending by $US1 billion.
- Companies are also announcing one-off upfront tax payments on the repatriation of overseas cash, including Apple ($US33 billion), Microsoft ($US19 billion) and Pfizer ($US11 billion).
- A number of companies have made announcements supporting the reforms as being good for business but have not committed any money to new investments or to employees; examples include JPM Morgan Chase, Home Depot and Fed Ex.
- Companies in the US who are reporting to investors in January and February are expected to comment on the impact of the tax cuts on their company profits. A number have already done so. The key themes are changes to accounting profit because of changes to tax deferred assets, an expected lower effective tax rate and a boost in earnings per share. Companies are

announcing how the benefits of the tax cuts will be incorporated into their capital management strategy, generally through additional distributions to shareholders (via share buybacks or dividends) or reinvestment in the company (in the US or globally).

International companies with existing or new US investments

- Overseas headquartered companies operating in the US are generally positive about the long term impacts of the tax cut, although they have been warning investors that they will see lower accounting profits this year because of changes to deferred tax assets sitting on company balance sheets.

- Companies are concerned however about the impact of the Base Erosion and Anti-Abuse Tax and whether it will limit the positive impact of the tax cuts. Examples of companies that have publicly commented so far include Shell, Barclays Bank and Credit Suisse.

  - Media outlets are reporting similar impacts on companies in the UK, European Union, Japan, and South Korea.

- Some companies have made announcements about investment in the US since the tax cuts, particularly the automotive industry. Hyundai, Kia, Mazda and Toyota have had announcements linked to the tax cuts by the media and the Republican Party, but the companies themselves have not mentioned the connection. There is media speculation that car manufacturers are trying to realign their value chains to have more of the cars that are sold in the US, made in the US. Particularly after the industry was directly targeted by the US administration as one which could have an import tax placed on imported cars.

  - The primary example is a joint investment in US manufacturing by Mazda and Toyota.

Reactions to the US tax cuts in larger OECD economies

- The Canadian Central Bank commented on 17 January 2018 that they are taking into account 'a small benefit to Canada's economy from stronger US demand arising from recent tax changes'. A combination of the tax changes and uncertainty about NAFTA may attract investment from Canada to the US.

- Business tax cuts have reportedly become part of the negotiations for forming government in Germany. Germany currently has one of the highest corporate tax rates in the OECD.

- A number of countries have already announced tax cuts in the last year, including France, Belgium and Japan. Japan's tax cuts are heavily linked to wage growth and domestic investment.

- A number of countries have expressed concerns about the impact of the Base Erosion and Anti-Abuse Tax including the UK, France, Germany, Italy and Spain. As outlined above, international companies are also concerned and are working through the complex law to determine the impact.

s.22(1)(a)(ii) [redacted]

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Consultation: Treasury US Washington D.C. Post

ADDITIONAL INFORMATION

Selected US companies announcements

Company	Announcement	Source
Walmart	Walmart to raise US wages, provide one-time bonus and expand hourly maternity and parental leave.	https://news.walmart.com/2018/01/11/walmart-to-raise-us-wages-provide-one-time-bonus-and-expand-hourly-maternity-and-parental-leave
Apple	Issuing a bonus of $US2,500 worth of restricted stock units, following the introduction of the new US tax law, according to people familiar with the matter. Apple expects to invest over $US30 billion in capital expenditures in the US over the next five years and create over 20,000 new jobs through hiring at existing campuses and opening a new one.	https://www.apple.com/newsroom/2018/01/apple-accelerates-us-investment-and-job-creation/
UnitedHealth Group	The company revised its 2018 financial outlook to reflect the effects of the US corporate tax law changes, dedicating a significant portion of the benefits to accelerating investments in data analytics, technology and innovations to better serve consumers and care systems and to advancing new and existing business platforms. UnitedHealth Group now expects 2018 net earnings of $US11.65 to $US11.95 per share and adjusted net earnings of $US12.30 to $US12.60 per share. Cash flows from operations are expected to range from $US15 billion to $US15.5 billion.	http://www.unitedhealthgroup.com/Newsroom/Articles/Feed/UnitedHealth%20Group/2018/~/media/UHG/PDF/2017/UNH-Q4-2017-Release.ashx
CVS Health	The company will benefit from the recent comprehensive tax reform signed into law last month. Taking into account the change in the statutory federal rate as well as the law's effects on state taxes and other permanent items, the company expects its effective tax rate to be approximately 27 per cent in 2018. This reduction in the tax rate represents an increase in cash flow of approximately $US1.2 billion. With the financial flexibility that tax reform provides, the company anticipates making strategic investments in future areas of growth in its business, particularly as CVS Health and Aetna combine to remake the consumer health experience, and will have more to say as plans are finalized.	https://cvshealth.com/newsroom/press-releases/cvs-health-provides-2018-outlook
AT&T	AT&T plans to increase US capital spending by $1 billion and provide $US1,000 Special Bonus to more than 200,000 US Employees	http://about.att.com/story/att_tax_reform.html

UPS	With the additional resources from tax reform UPS will expand and accelerate investments in our people, technology, transportation fleets, facilities and value-generating customer services, which will further stimulate job creation. Tax savings, combined with UPS's strong return on invested capital will result in additional value for UPS customers, shareowners and employees. We applaud passage of the Tax Cuts and Jobs Act, the President's signature, and look forward to full implementation of the Bill."	https://www.pressroom.ups.com/pressroom/ContentDetailsViewer.page?ConceptType=PressReleases&id=1513715144869-157
Wells Fargo	Wells Fargo & Company (NYSE: WFC) today announced an expansion of its ongoing investments in team members, communities, small businesses, and homeownership, pledging the following actions once tax reform is signed into law: • Raising the minimum hourly pay rate for its team members to $US15 per hour. • Targeting $US400 million in donations to community and nonprofit organizations in 2018. The company also announced that beginning in 2019, it will target 2 percent of its after-tax profits for corporate philanthropy. • As part of this expanded philanthropy, targeting $US100 million in capital and other resources over the next three years to support the growth of diverse small businesses and $US75 million in 2018 to its NeighborhoodLIFT® program, an innovative public-private collaboration focused on sustainable homeownership and neighborhood revitalization.	https://newsroom.wf.com/press-release/corporate-and-financial/wells-fargo-raise-minimum-hourly-pay-rate-15-target-400
US Bank Corp	US Bank Corp, announced investments today in its employees, the US Bank Foundation and several strategic projects as a result of the tax reform package. Management has made the following decisions: • A special $US1,000 bonus for nearly 60,000 employees; • Raising minimum wage to $US15 for all hourly employees; • A one-time $US150 million contribution to the US Bank Foundation; • Enhancements to employees' health care offerings effective for the 2019 enrolment period; and • An additional investment in strategic projects centered on the customer experience with an emphasis on digital and mobile capabilities.	http://phx.corporate-ir.net/phoenix.zhtml?c=117565&p=irol-newsArticle&ID=2324443

Fiat Chrysler	The automaker said it would pay a bonus of \$US2,000 to about 60,000 FCA hourly and salaried employees in the US, excluding senior leadership.	https://www.ft.com/content/856b42df-7b11-3979-ae2a-212242f08fa7
Boeing	Boeing announces immediate additional employee-related and charitable investments of \$US300 million as a result of new law.	http://boeing.mediaroom.com/2017-12-20-Boeing-CEO-Muilenburg-Applauds-Tax-Law-Announces-300-Million-in-Employee-Related-and-Charitable-Investments-to-Spur-Innovation-and-Growth

Selected international companies announcements

Company	Announcement	Source
Barclays	Barclays expects the measurement of its us deferred tax assets ("dtas") to reduce by c.£1bn as a result of the reduced tax rate. Barclays notes the tax cuts and jobs act ("the act") enacted on 22 December 2017, reducing the statutory rate of us federal corporate income tax to 21 per cent.	https://www.home.barclays/content/dam/barclayspublic/docs/InvestorRelations/IRNewsPresentations/2017News/20171227_Barclays_statement_re_US_Tax_Reform.pdf
Shell	Royal Dutch Shell plc expects the potential economic impact of the recently enacted US tax reform legislation to be favourable to Shell and to its US operations, primarily due to the future reduction in the US corporate income tax rate from 35 per cent to 21 per cent. This change in US tax legislation (effective January 1, 2018) will impact Shell's fourth quarter 2017 results but the analysis of the actual impact is not yet complete. Shell intends to determine and announce the actual impact including any fourth quarter movements, and balance sheet adjustments, as part of its fourth quarter 2017 results. However, on the basis of the third quarter 2017 financial statements, Shell would have incurred an estimated charge to earnings of \$2.0 to \$US2.5 billion primarily driven by a re-measurement of its deferred tax position to reflect the lower corporate income tax rate. This charge represents a non-cash adjustment and will be reflected as an identified item.	https://www.shell.com/media/news-and-media-releases/2017/united-states-tax-reform-legislatio-implications-for-shell.html

Credit Suisse	Credit Suisse expects write-down of approximately CHF 2.3 billion in 4Q17 due to US tax reforms. Tax reforms are expected to have a positive impact on the US economy and our activity levels in the US. New tax on services and interest payments to affiliates outside US to likely have a negative impact on Credit Suisse US tax liabilities in 2018. Further detail on impact of US tax reform to be provided with announcement of full-year 2017 results in February.	https://www.credit-suisse.com/corporate/en/articles/media-releases/us-tax-reform-201712.html