

Latest News

After a first quarter like the one we just had, the roller coaster ride seems to be slowing. There is general consensus that despite the deterioration in the US economy, the Australian economy has remained robust, and the main domestic challenges that we face in the coming months are those of strong demand, tight capacity and inflationary pressure.

Whilst the fallout from the US sub-prime mortgage crisis has had, and may continue to have an effect on our markets, the strong demand from our Asian trading partners for our commodities and services will continue to generate income flows supporting the Australian economy.

Australia's very low unemployment rate means that many firms face the challenge of attaining qualified labour and this can put pressure on wages which in turn has an inflationary effect. One of the top priorities for the Government is to keep a lid on inflation. To achieve this, the Australian economy cannot grow too fast. Ideally the growth in our economy will not be above 3%. If the slowdown in our economy can be achieved, The Reserve Bank will likely keep interest rates at their current levels for a while.

