

Economic Growth Zero But Job Losses Limited

The unemployment rate will rise but Australia may well get through the global economic crisis without the big job losses seen in previous downturns, a leading expert told an economic outlook breakfast in Sydney this morning.

"There is unlikely to be a severe recession and it's still possible there won't be a recession at all."

- HSBC Chief Economist
John Edwards

Output growth is probably close to zero but Australia is also likely to avoid a severe recession, HSBC Chief Economist John Edwards said to Sydney CFOs in the presentation held by finance and accounting recruitment practice Aequalis Consulting.

This will be a rugged quarter. However, I think by the end of this year we'll start to see a turnaround.

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and it's still possible there won't be a recession at all.

Regardless of whether our GDP falls below zero in the coming months, Dr Edwards said that most people will keep their jobs. "It's likely that only a very small proportion of current employees will be made redundant during that time.

"However, overall job growth is slowing rapidly. Between August of last year and February of this year Australia lost about 100,000 full time jobs, and created 114,000 part time jobs, so that job numbers overall increased at a time when other economies were losing jobs.

"While jobs are steady overall, full-time jobs are falling. People are working fewer hours but remaining employed."

This is supported by survey results released earlier this week by Aequalis Consulting, which suggested the majority of people don't expect to lose their jobs during the economic downturn. The results showed 59.4 per cent of respondents believe it is "fairly"

to "extremely" unlikely they will be made redundant in 2009, with just 14.4 per cent saying it's highly likely they'll be laid off.

"Another 33.3 per cent of people are expecting a salary increase this year, suggesting there is still a degree of confidence in the employment market," Aequalis Director Simon Boulton said.

"These surprising results suggest that Australians are remaining positive, despite what economists are predicting about the looming recession. However, Australian employees are cleverly taking steps to prepare for the worst – just in case."

Boulton said the solution is for employees to recession-proof their careers wisely.

Aequalis Consulting is launching its Career Services Seminar Series on April 8, 2009. For information contact Aequalis Consulting on (02) 8916 7600 or visit www.aequalisconsulting.com.au.

John Edwards, Chief Economist, HSBC

John Edwards has been chief economist for HSBC in Australia since early 1997. Between 1991 and 1994 he was Senior Adviser (Economic) to Treasurer and then Prime Minister Paul Keating. After leaving the Prime Minister's office in 1994 he worked in banking roles, first as an adviser at Macquarie Bank and then as chief economist for Societe Generale.

Mr Edwards spent most of his previous career as an economic and political reporter in Sydney, Canberra and Washington. Before joining Mr. Keating he was Washington correspondent for the Sydney Morning Herald.

He holds a Ph.D. in economics from George Washington University and is the author of three books, including Keating, a best selling biography of the former prime minister, and Curtin's Gift, a reinterpretation of the wartime prime minister.

Mr Edwards role at HSBC includes the provision of economic views and advice to the commercial bank and the treasury and capital markets group.

For information contact Aequalis Consulting on (02) 8916 7600 or visit www.aequalisconsulting.com.au

About Aequalis

Aequalis Consulting is a highly respected Sydney-based accounting and finance recruitment practice. It provides tailored strategies for small-to-medium and top-tier enterprises across a diverse range of industries to attract and retain the most talented professionals in the market, from chief financial officers to operational accounting roles.