

Green Shoots of Recovery?

Entering our fifth year since the commencement of the global financial crisis, we continue to be bombarded by news of business failures, projects shelved, staff cuts and a variable speed economy. Queensland suffered more than most states during the early period of the global financial crisis due to its reliance upon retiree-driven in-migration, dwelling construction and tourism.

However, are we seeing the green shoots of recovery? The following information suggests that this could be so:

1. The Australian share market has rallied 15% over the past six months, a recognised leading indicator of economic performance;
2. Commodity prices have rallied 18% over the past six months;
3. Queensland's monthly dwelling approvals (trend) have improved from their February 2009 trough, with the latest November 2012 figure being 14% greater;
4. Queensland is projected to record strong economic growth during the current and following four financial years (Queensland Treasury and Deloitte Access Economics);
5. Improving economic performance of China in late 2012;
6. Queensland's private sector should start to reap the benefits of the State Government's 'slash and burn' activities in 2012, with the LNP announcing this month an end to those activities; and
7. A Federal election must be held by late 2013, which hopefully should bring to an end our period of minority government.

Norling Consulting wishes all clients and associates a more prosperous 2013 and beyond.