

Economic news keeps on getting better

MILES KEMP
BEN HYDE

ADELAIDE shoppers were yesterday basking in the state's bright economic future, predicted in an Access Economics business outlook report.

The report, to be released today, has projections as far as the 2013-14 financial year and shows South Australia emerging steadily from

the global financial crisis and leading the nation in some indicators.

The authors describe South Australia's housing industry as "beautiful", and are enthusiastic about population growth.

"Moreover, population is healthier than it has been in decades, always good news in a state where population has been a longstanding Achilles heel," it says.

"The stability in this state's housing sector - stable house prices, stable vacancy rates, stable levels of housing starts and a stable rate of population growth - is beautiful.

"And all the more so against the backdrop of a national slide in the pace of housing construction."

The fact that those leaving South Australia for interstate is now acting as a "brake", not an overall popu-

lation reduction, is "part of the reason why housing construction in SA has been riding out the recent storm much better than Australia as a whole has done".

The international student sector is increasing retail spending and increasing permanent migration.

"Numbers of overseas students have risen faster in SA than the matching national gains since 2003,"

the report states. "That has underwritten strong growth not merely in education exports, but is also encouraging students to eventually become migrants from the likes of China, India, Malaysia, Korea and Vietnam."

Treasurer Kevin Foley welcomed the report as grounds for "cautious optimism".

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"In particular the report highlights how the Government's pursuit of further investment in South Australia as the Defence state has provided not only valuable business investment, but that in turn has supported broader commercial building approvals," he said.

"The report also acknowledges the success the state has had in attracting skilled migration to support our new industries.

"This in turn has supported stability in our housing sector.

"Although the report notes the global downturn has had a significant impact on exports of wine, wool and cars, it also reflects on the success of the Government's program to attract international students to the state, not only as an income earner but as a means to attract more skilled migration in the future."

Less optimistic findings from the report include:

FURTHER tough times ahead for manufacturers.

BUSINESS investment is not as good as interstate trends but the Olympic Dam development represents "very big bucks" and the air warfare destroyer contracts are keeping investment stable.

GLOBAL downturn is evident in lost sales of both wine and wool and export of cars.

COMMERCIAL building approvals are at the second highest level ever, but based on the Federal Government's school building program.

Shona Waters and Emily Gray, who were shopping in Rundle Mall yesterday, are among those whose habits back the report's finding of a strong "willingness to spend" and predictions that by mid-2011 spending will reach its highest level since 2007.

Mrs Waters said the rebounding economy meant she had more freedom to shop.

"There is less pressure to save now that things are becoming a bit more stable," she said.

Another shopper, Chloe Barr, 20, of Bedford Park, said she was considering buying a dress at Witchery on Jetty Rd at Glenelg.

"I have been shopping a bit more," Ms Barr said.

"There are nice colours coming out."

Sales assistant Paris Dean said she had noticed an increase in spending by customers in the past few weeks.

"People have been a little bit more willing to pull their credit card out," she said.

"People are spending more now and we have some promotions that help that as well, which makes it worthwhile for the customer.

"People are a little bit more relaxed."



SHOPPING: Emily Gray and Shona Waters enjoy the juggling by "Loopy" in Rundle Mall yesterday and, top, Chloe Barr of Bedford Park gets some shopping done.
Pictures: CALUM ROBERTSON/ MIKE BURTON