

Friday, 8 November 2019

RBA downgrades economic growth, consumption continues to crash

The RBA has downgraded its expectations for GDP growth to 2.3 per cent this year and 2.6 per cent in the year to June next year. That is down from 2.4 per cent and 2.7 per cent respectively.

Household consumption has also slowed, as working people head into the seventh consecutive year of record low wage growth and are increasingly raiding any savings they may have to pay for essential items.

Household consumption grew by 0.4 per cent in the June quarter and by 1.4 per cent over the year. Growth for all consumption categories except health slowed relative to the previous year, although the slowdown was more noticeable for discretionary components like furnishings and motor vehicles.

The RBA statement on Monetary Policy released today also stated “wages growth is low and shows little sign of picking up”.

The Australian economy is faltering. We have the slowest economic growth since the GFC, a wages crisis, households being forced to dip into their savings, low consumption and retail trade has had its worst result since the 1990s recession.

Quotes attributable to ACTU Secretary Sally McManus:

“The legacy of the Morrison Government will be an historic period of low wage growth which has driven down living standards for millions of working Australians and stalled economic growth.

“Wage growth is now going backwards in new private sector agreements, the Morrison Government has no plan to fix the crisis in wage growth crisis, only more attacks on working people and unions.

“Working people create economic growth through spending, but the Morrison Government has implemented a deliberate plan to stop wage growth, and the result of that is lower spending, and slowing growth.

“The Morrison Government is so committed to trickle-down economics that even as the RBA downgrades economic growth, they are preparing to bring the Ensuring Integrity Bill to the Senate, a Bill which will make it harder for all Australian workers to get a pay rise.

“The Morrison Government is the source of this problem. It has driven down wages and all Australian workers are being forced to pay the price.”

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