

April 2024

# The economic landscape

Aaron Morey – CCIWA Chief Economist, Executive Director of Membership, Marketing, Strategy

 @AaronMorey

# Overview



The global economy



The local economy



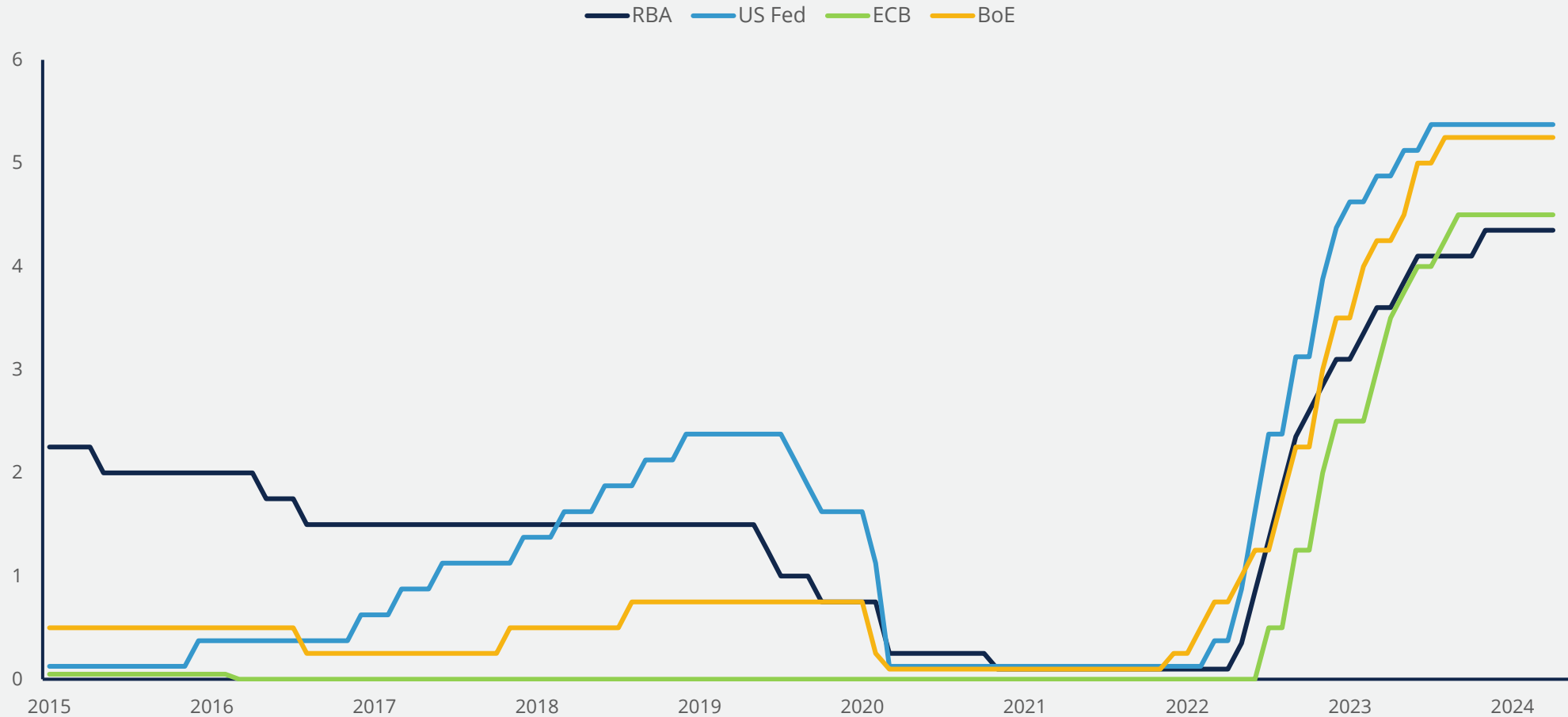
What comes next

# The global economy

A wooden boardwalk leads from the foreground towards a beach and the ocean under a twilight sky. The boardwalk is flanked by low wooden posts and a rope railing. The beach is visible in the middle ground, and the ocean extends to the horizon. The sky is a deep blue with some light clouds. The overall scene is serene and quiet.

# Global Challenge One

## Central Bank Policy Rates



Source: CCIWA, Refinitiv

# The big gorillas



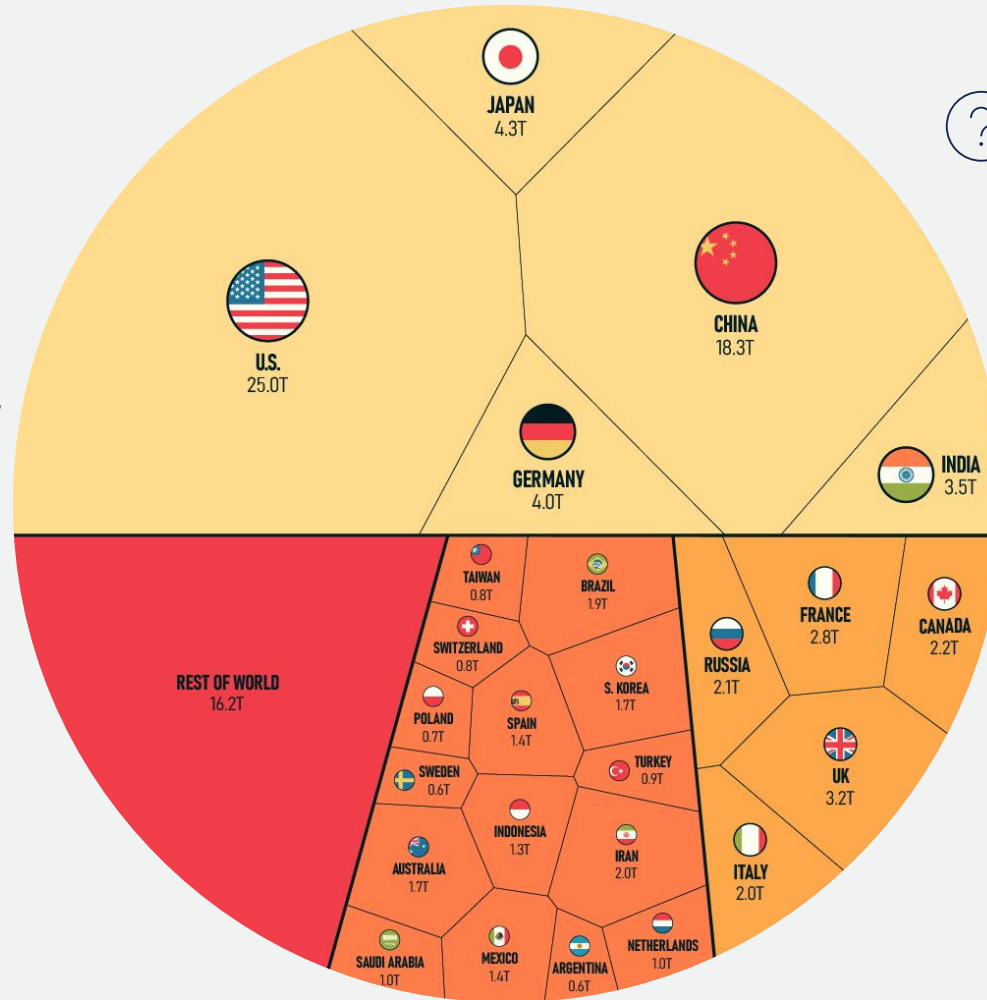
## United States

Strong housing market  
Inflation under control  
Recession risk up but low



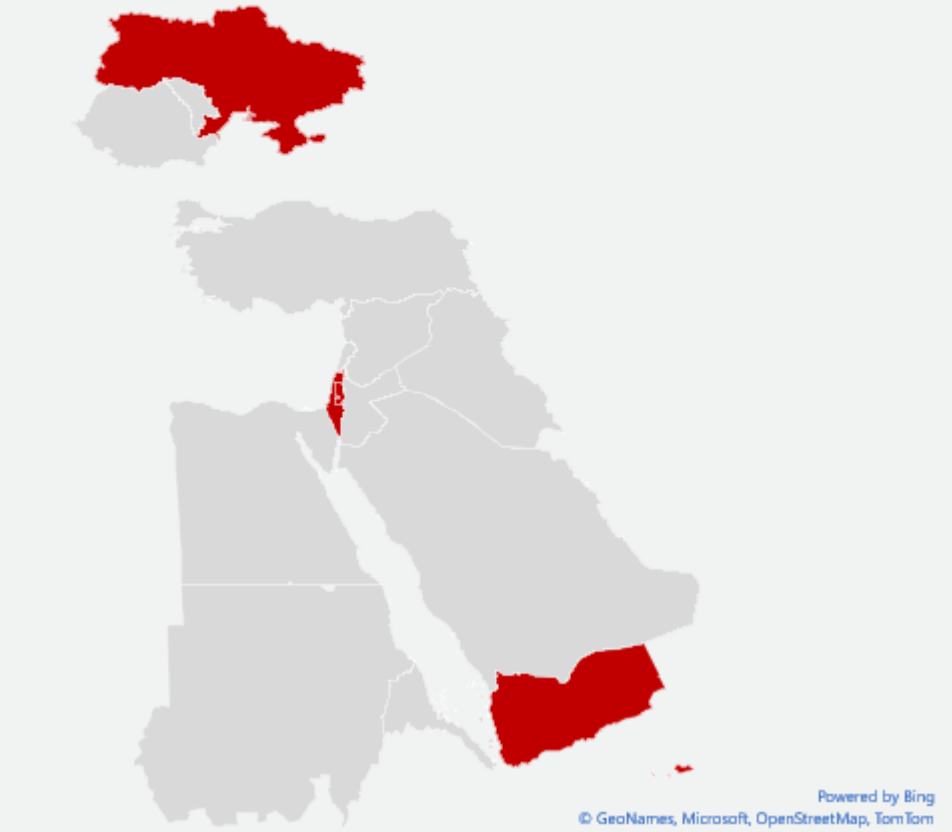
## China

Property sector troubles  
Investment concerns  
Will recover with world trade



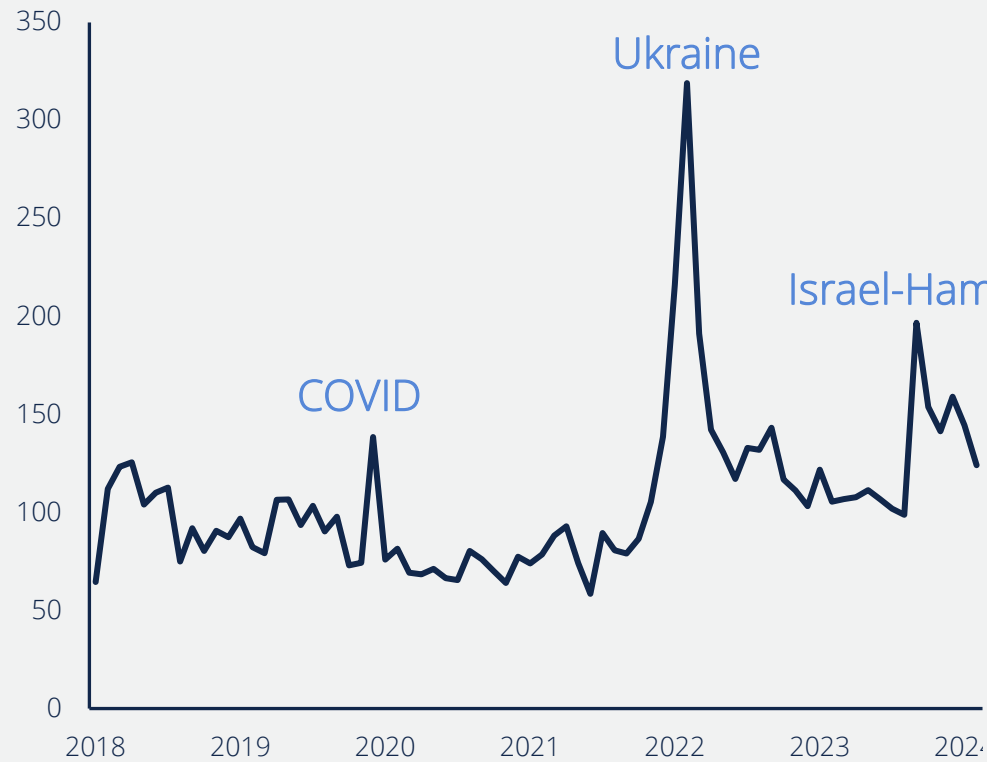
# Global Challenge Two

Ongoing conflict

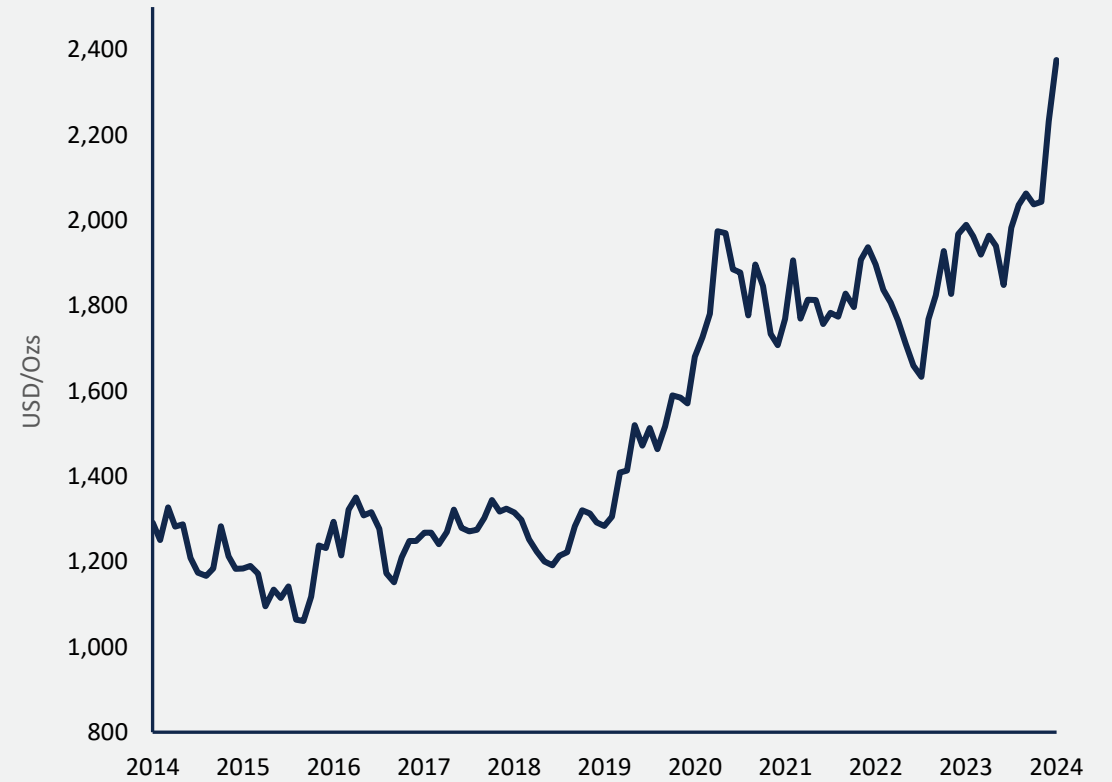


# Riskier world

## Geopolitical Risk Index



## Gold Price



Source: CCIWA, Economic Policy Uncertainty

# Hardly batting an eyelid

## Brent Crude Price

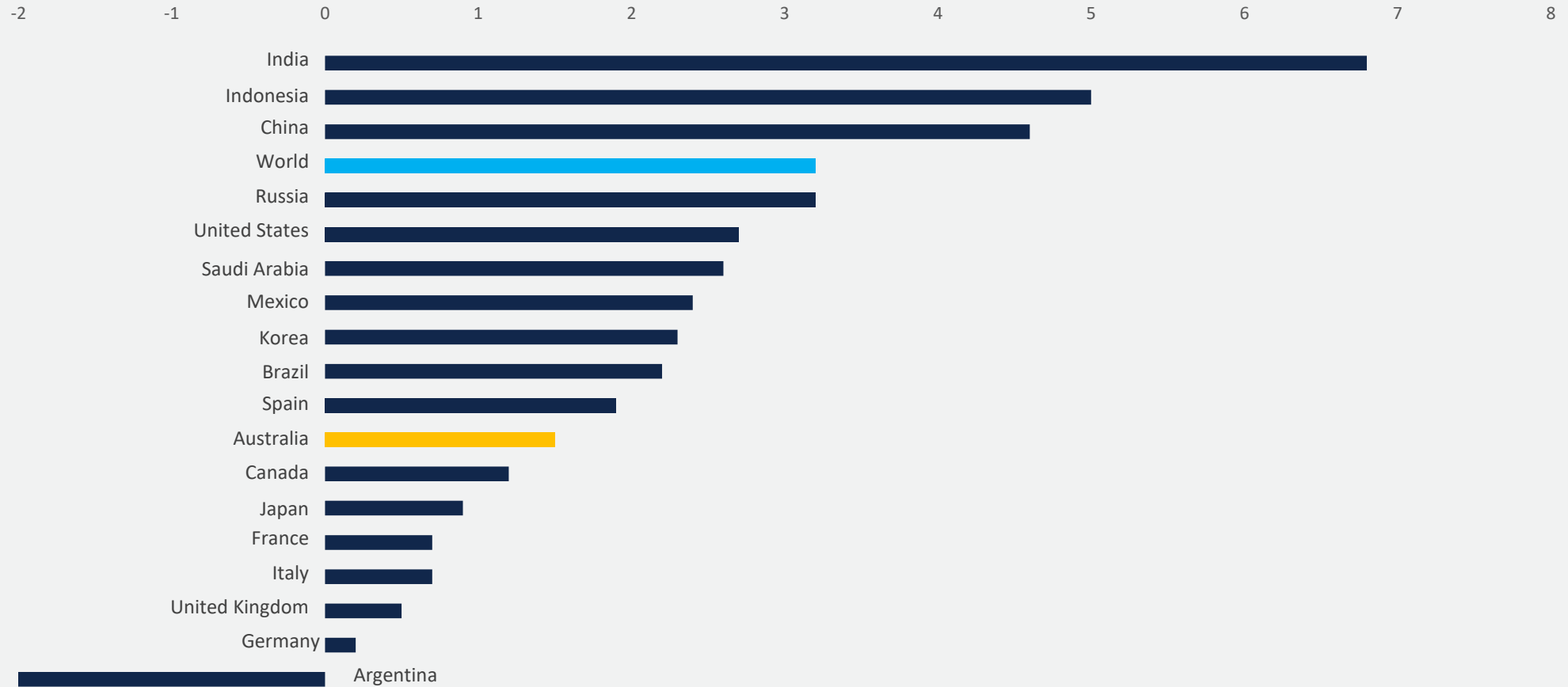


Source: CCIWA, Refinitiv



# Growth expectations

## IMF 2024 GDP Growth Forecasts (%)



Source: CCIWA, IMF

A wooden boardwalk leads from the foreground towards a beach and the ocean under a twilight sky. The boardwalk is flanked by low wooden posts and a rope. The background shows a wide expanse of sand and water meeting a dark, cloudy sky.

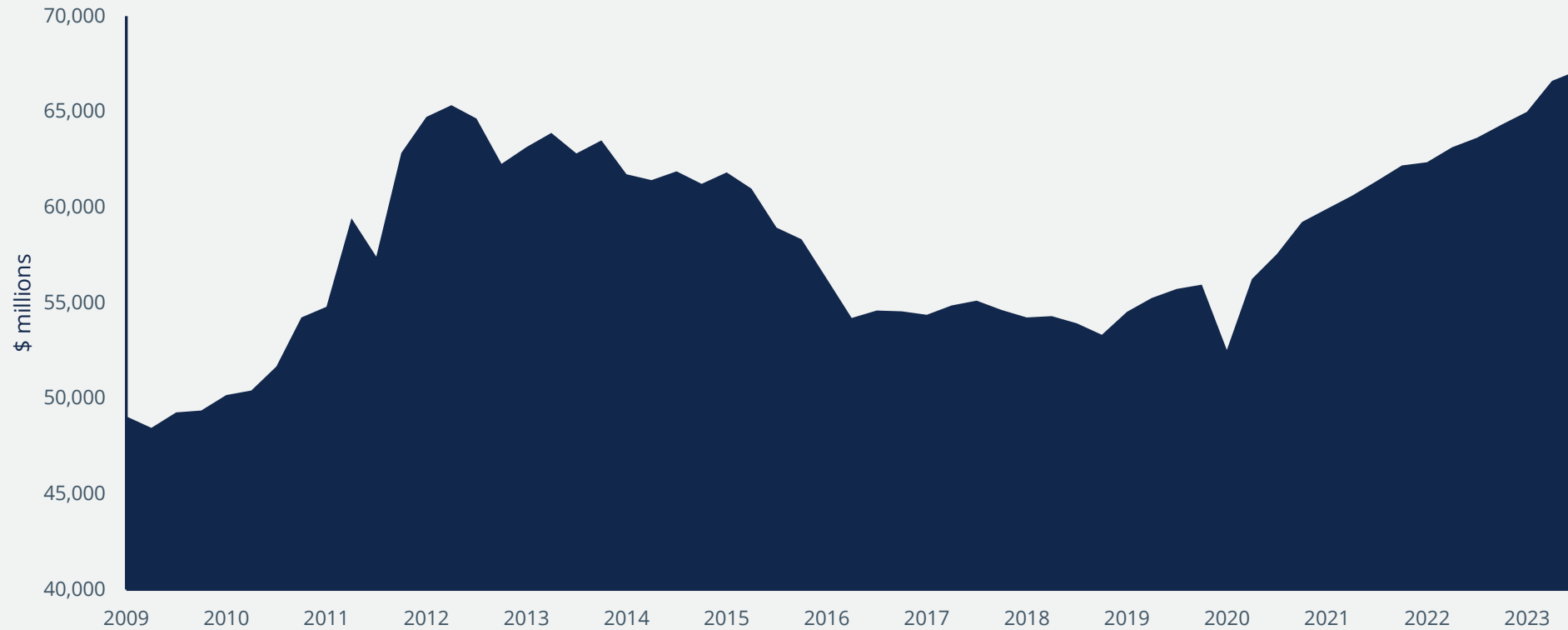
# The local economy

## Part 1: Business conditions

# An economy that won't quit

## Size of WA's Domestic Economy

State Final Demand

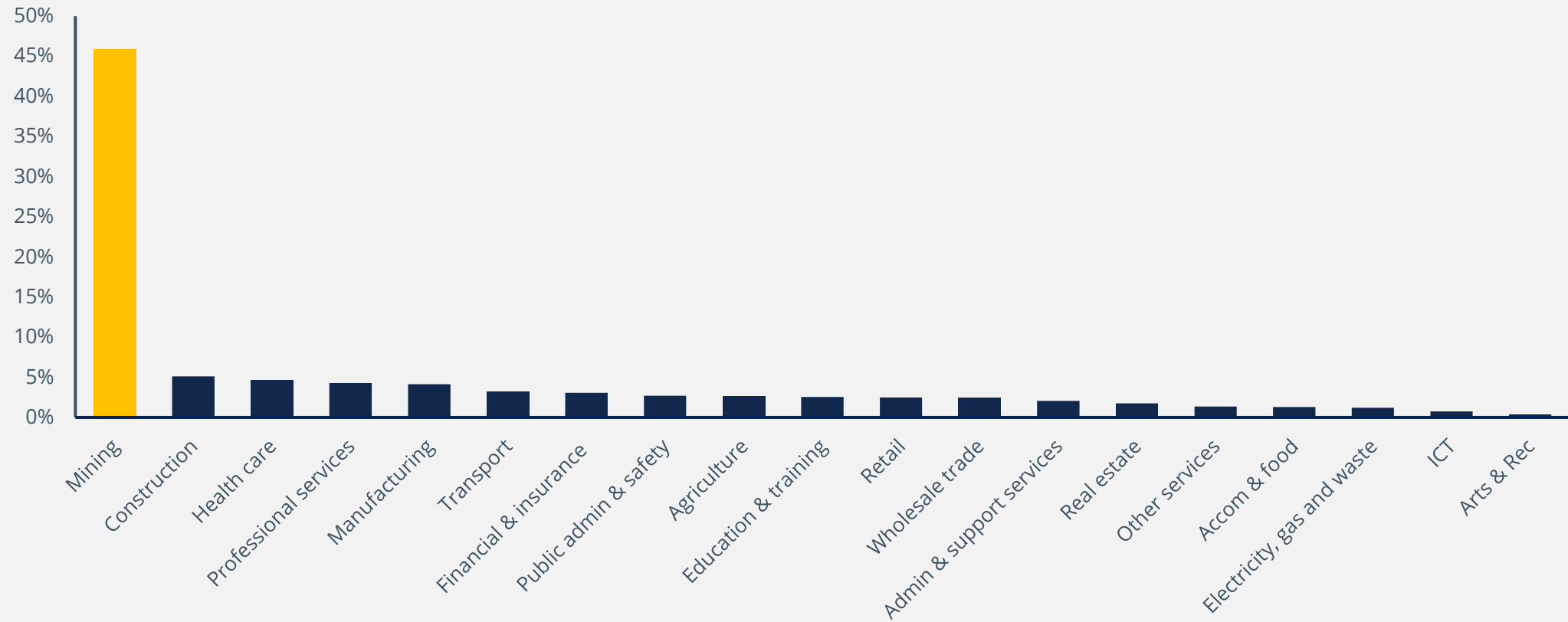


Source: CCIWA, ABS

# Breaking down WA's economy

## What makes up WA's economy?

2022-23, nominal GVA

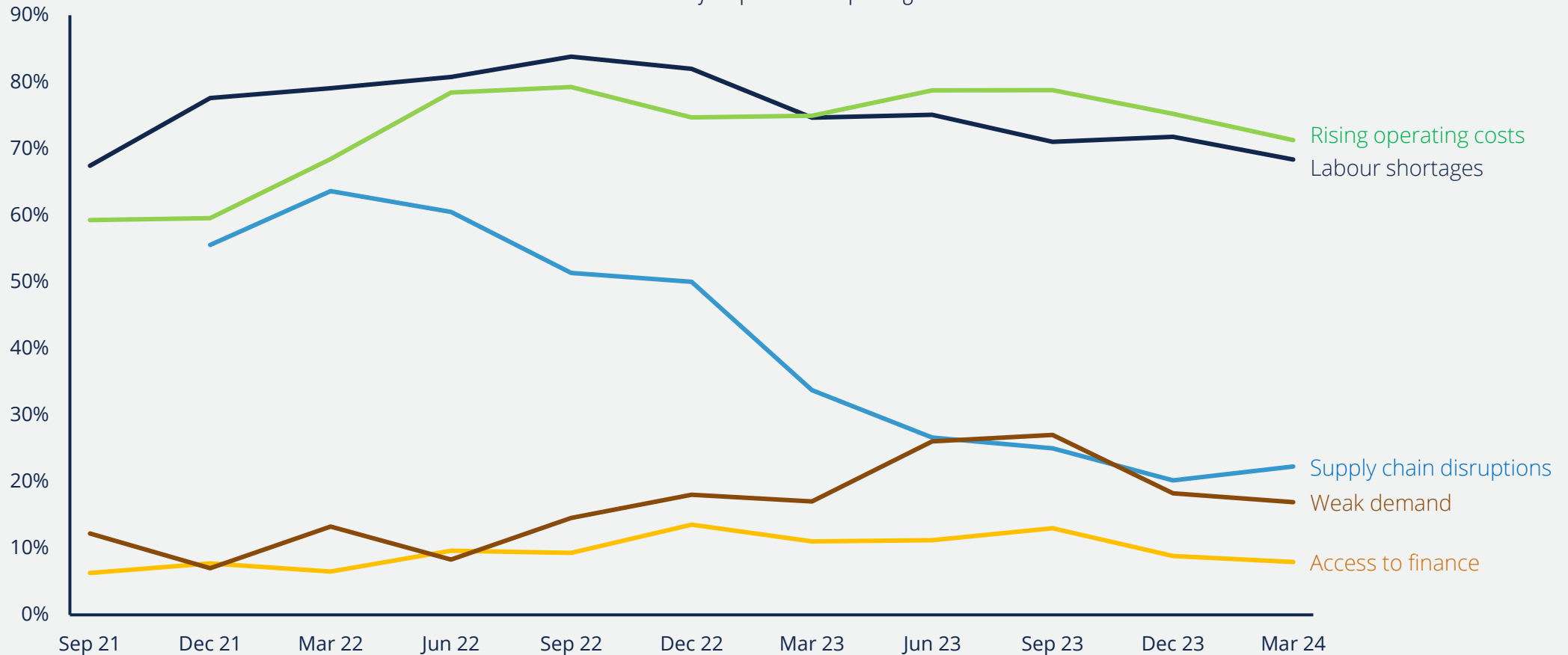


Source: CCIWA, ABS

# Businesses not without challenges...

## Barriers to Business Growth

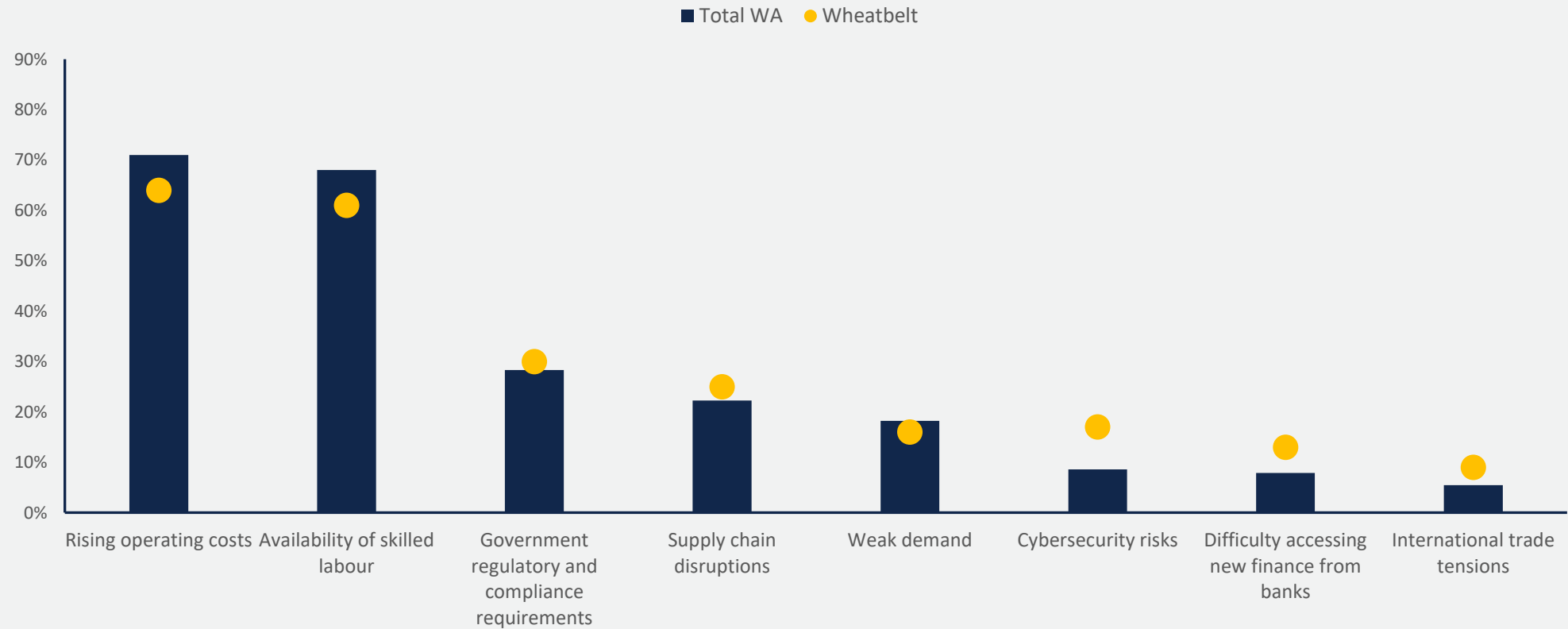
% of survey respondents reporting barrier



# Businesses not without challenges...

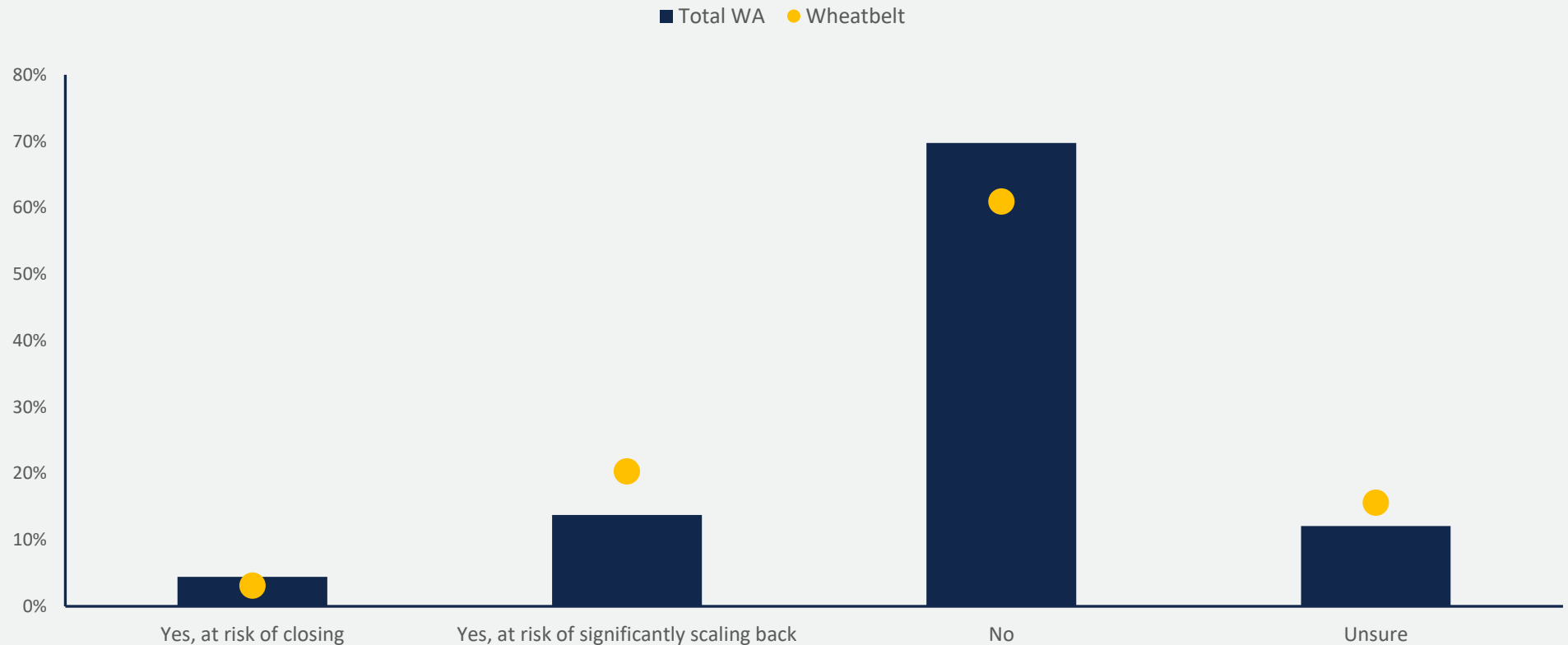
## Barriers to Growth - Next 12 Months

Proportion that responded 'yes'



# At risk of scaling back

Is your business at risk of closing or significantly scaling back its operations this year?



# At risk of scaling back

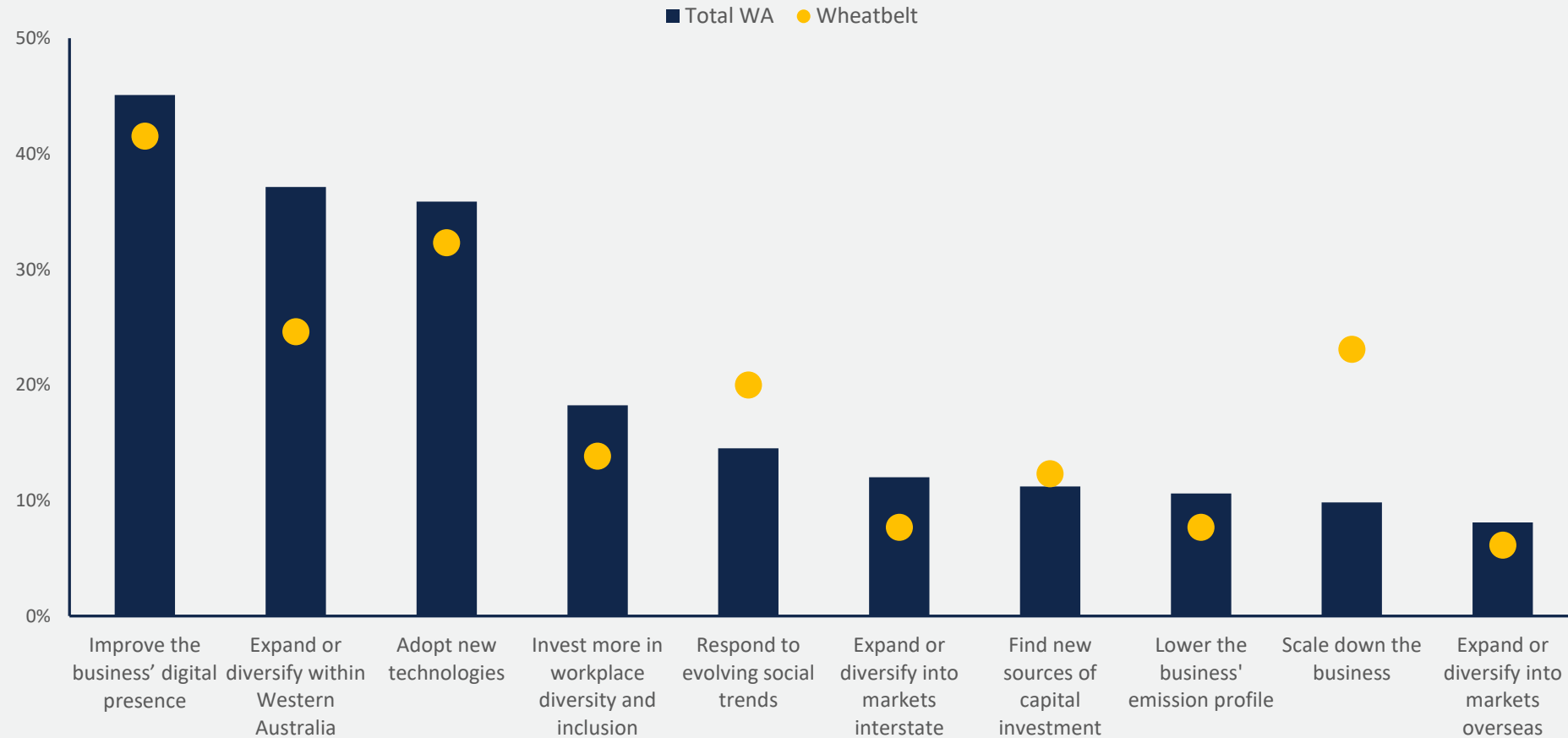
## Factors driving the closure of businesses or scaling back of operations





# Businesses activities in the Wheatbelt

## Business plans over the next 12 months



A wooden boardwalk leads from the foreground towards a beach at dusk. The boardwalk is made of weathered wooden planks and is flanked by low wooden posts connected by a thin rope. The beach is wide and sandy, with gentle waves lapping at the shore. The sky is a deep, dark blue with some light clouds. The overall mood is serene and quiet.

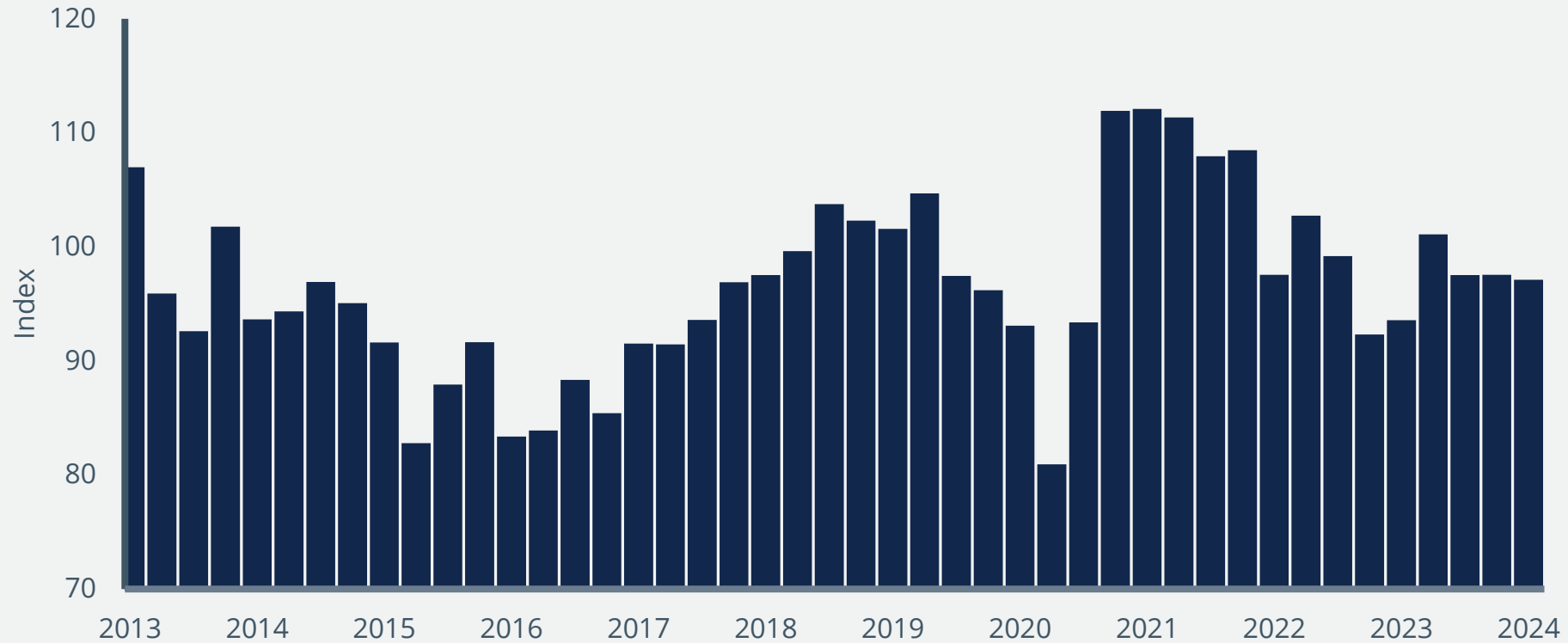
# The local economy

## Part 2: Households and Housing

# Confidence holding steady

## CCIWA Consumer Confidence Index

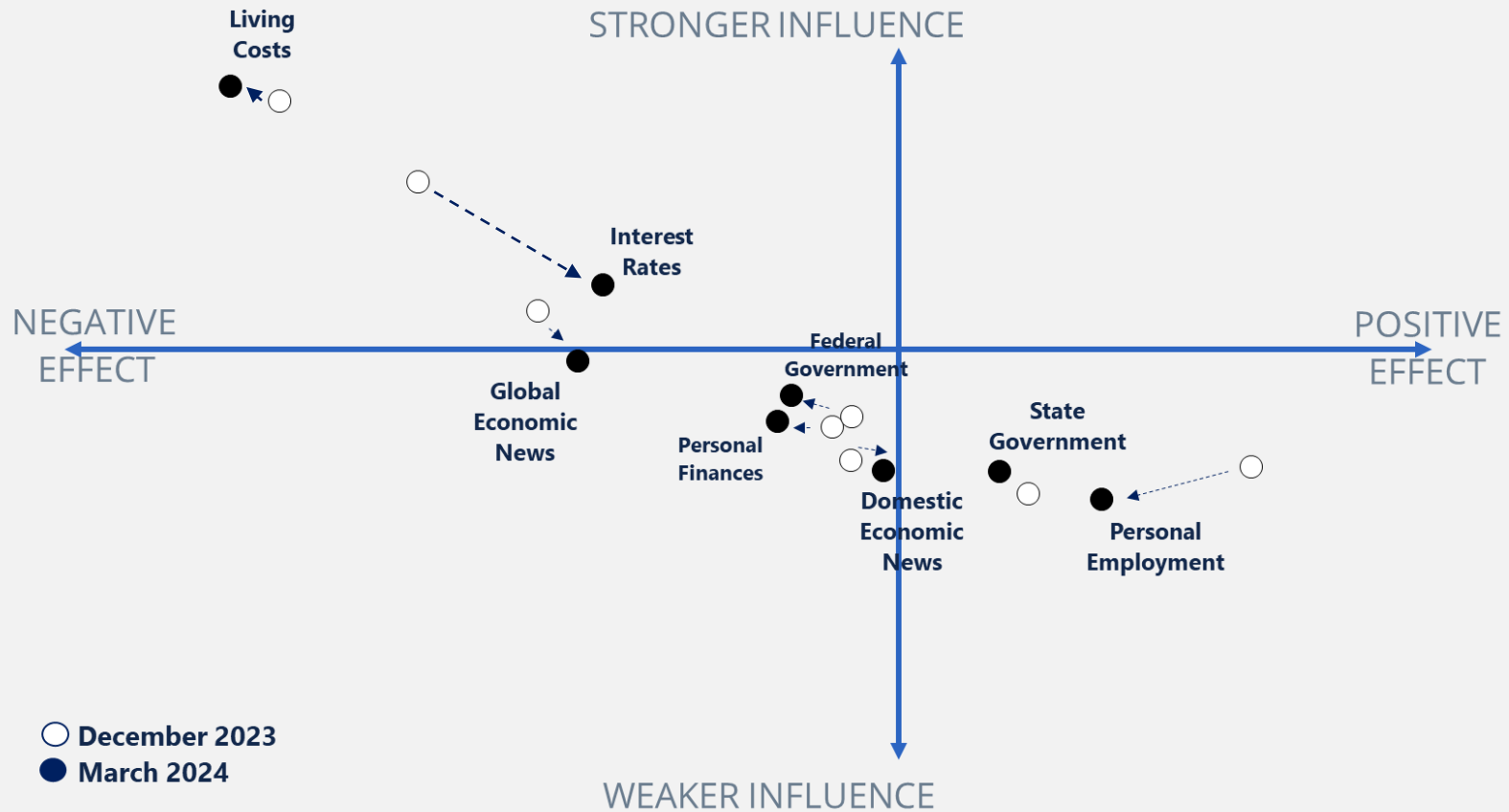
2018 Average = 100



# The factors driving confidence

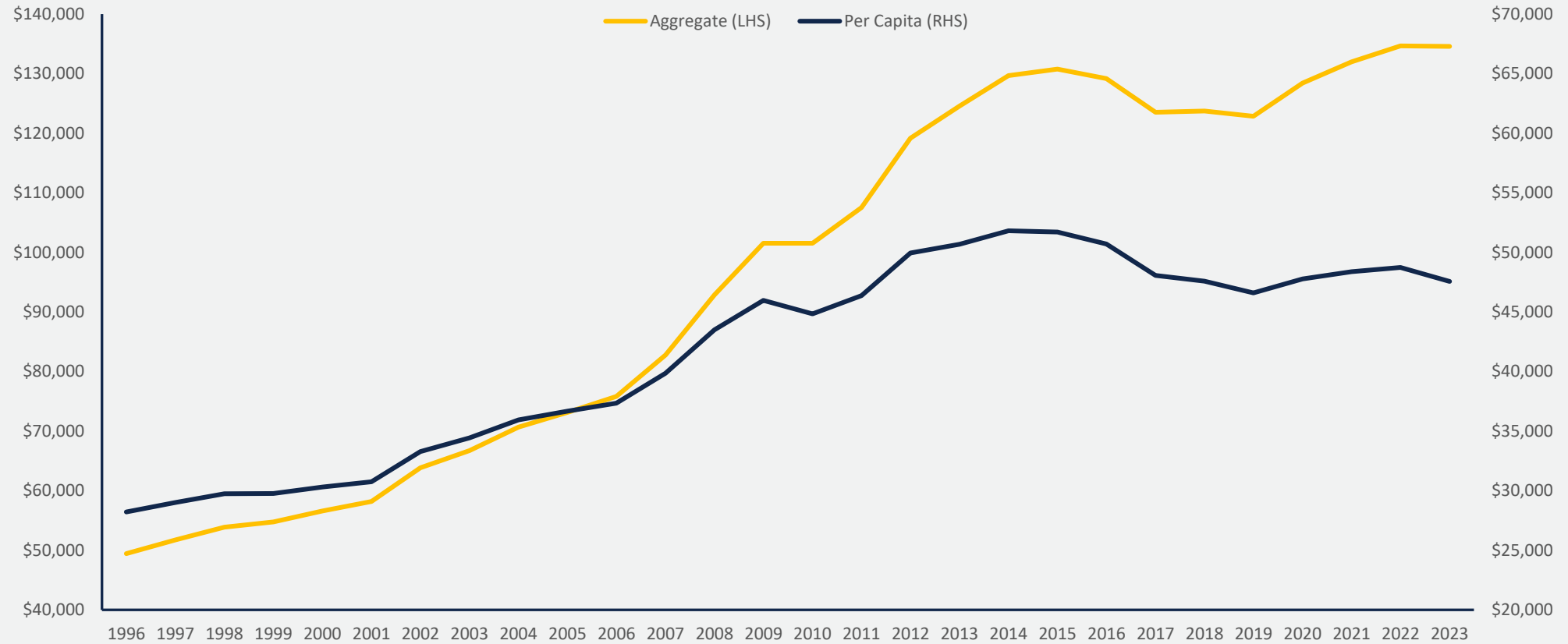
## WHAT INFLUENCES CONSUMERS?

March 2024



# Disposable income

## WA Real Gross Household Disposable Income

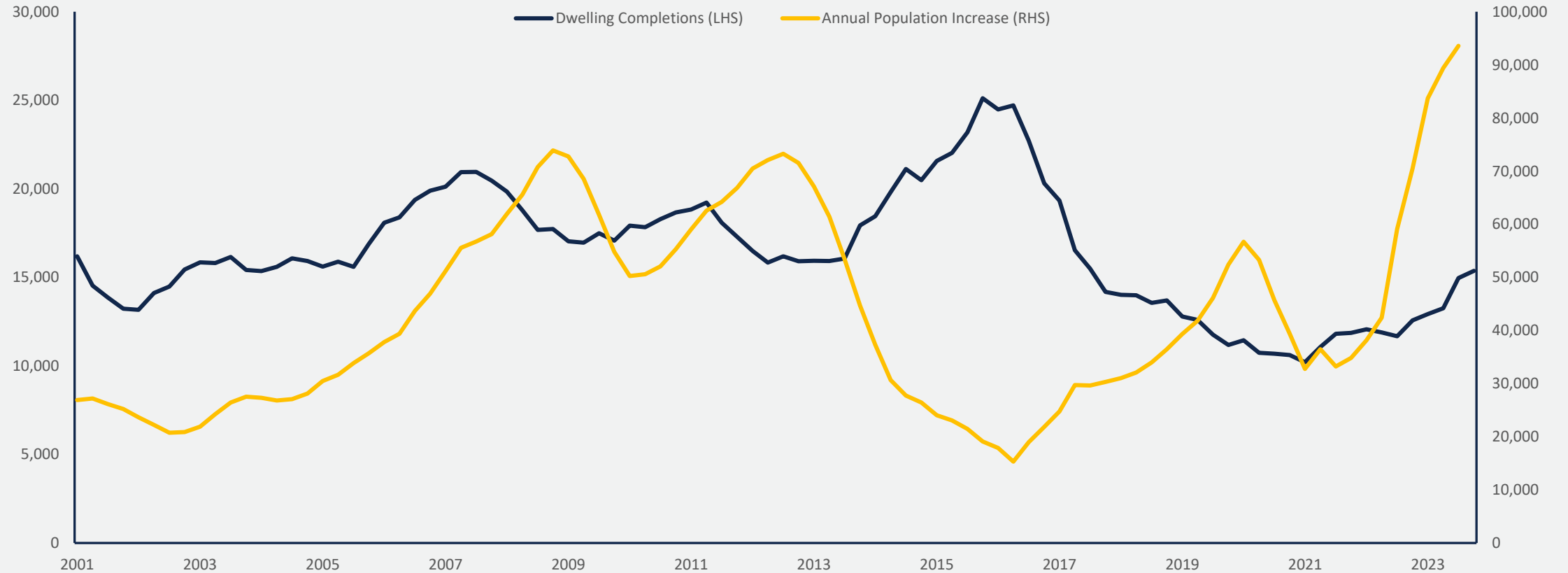


Source: CCIWA, ABS

# Housing sector

## Home Construction and Population Growth

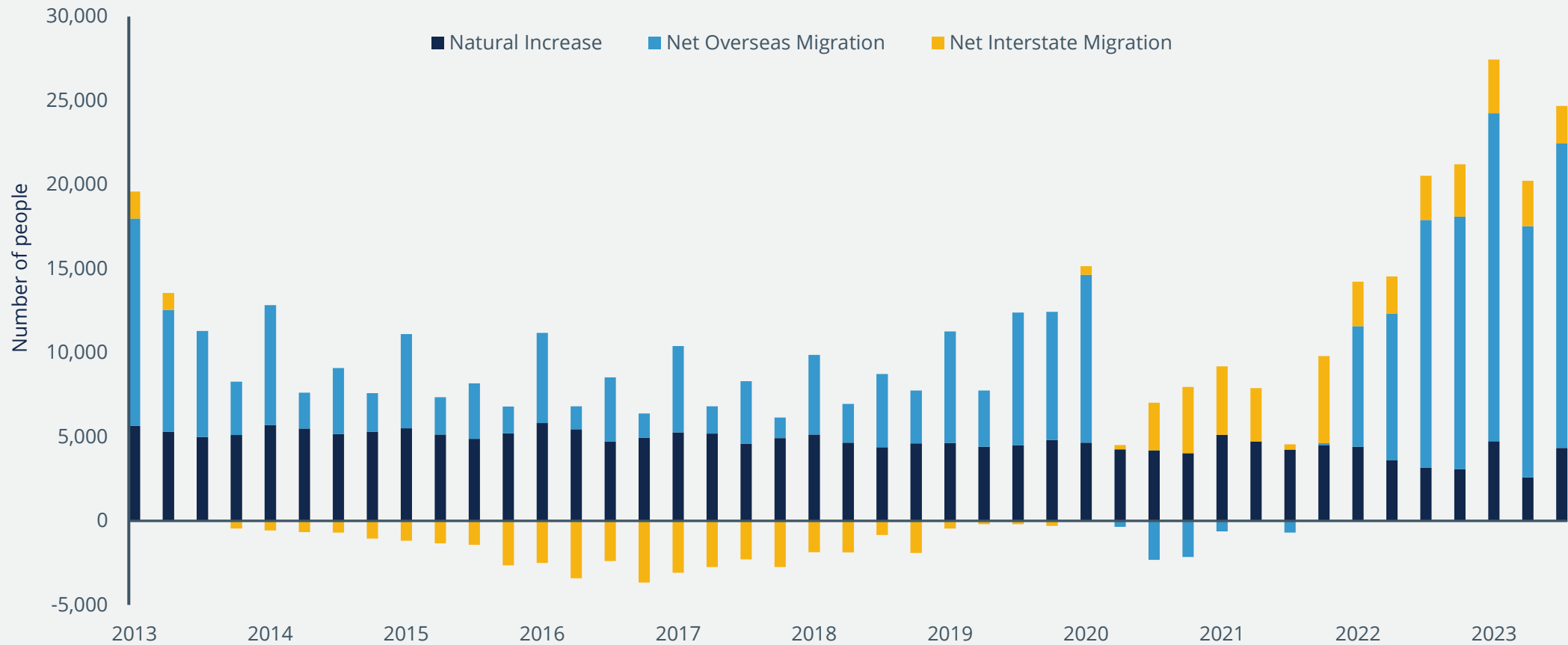
Western Australia, rolling 12 months



Source: CCIWA, ABS

# Population picture

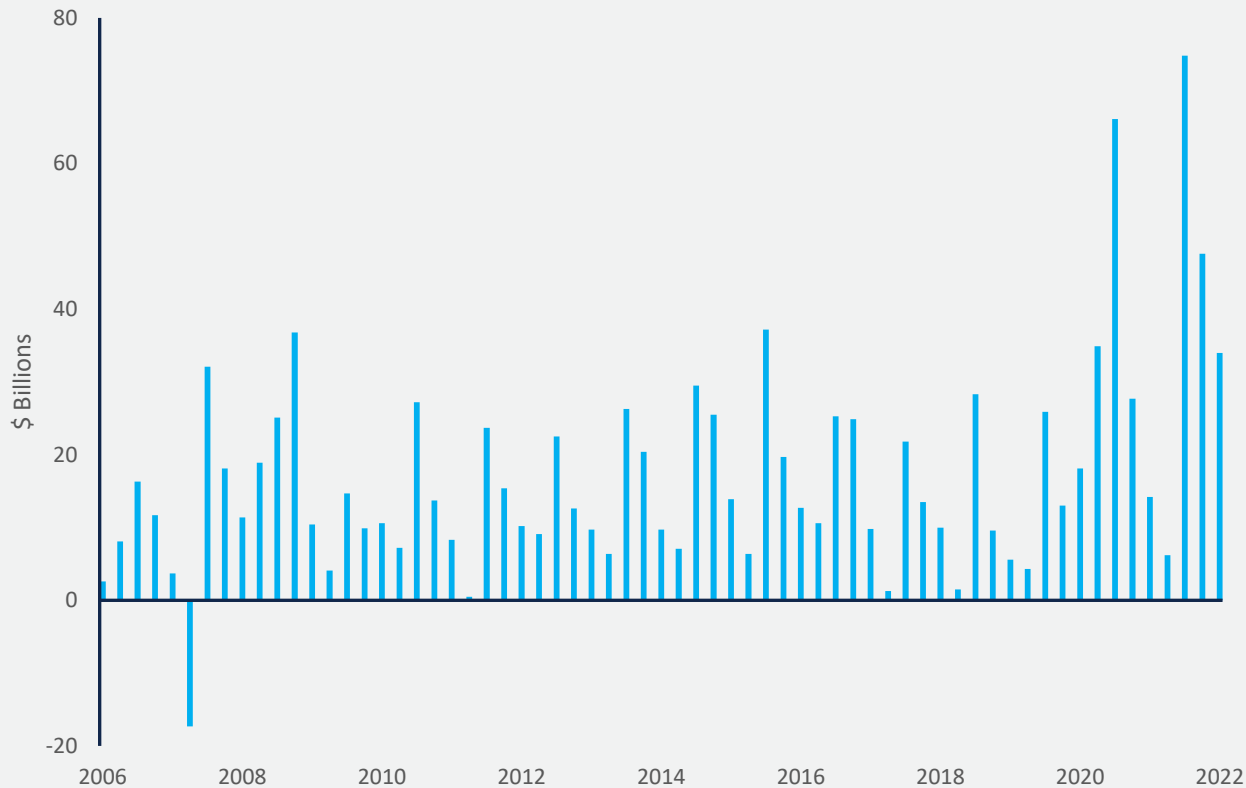
## Quarterly Population Growth - WA



Source: CCIWA, ABS

# Household deposits holding up

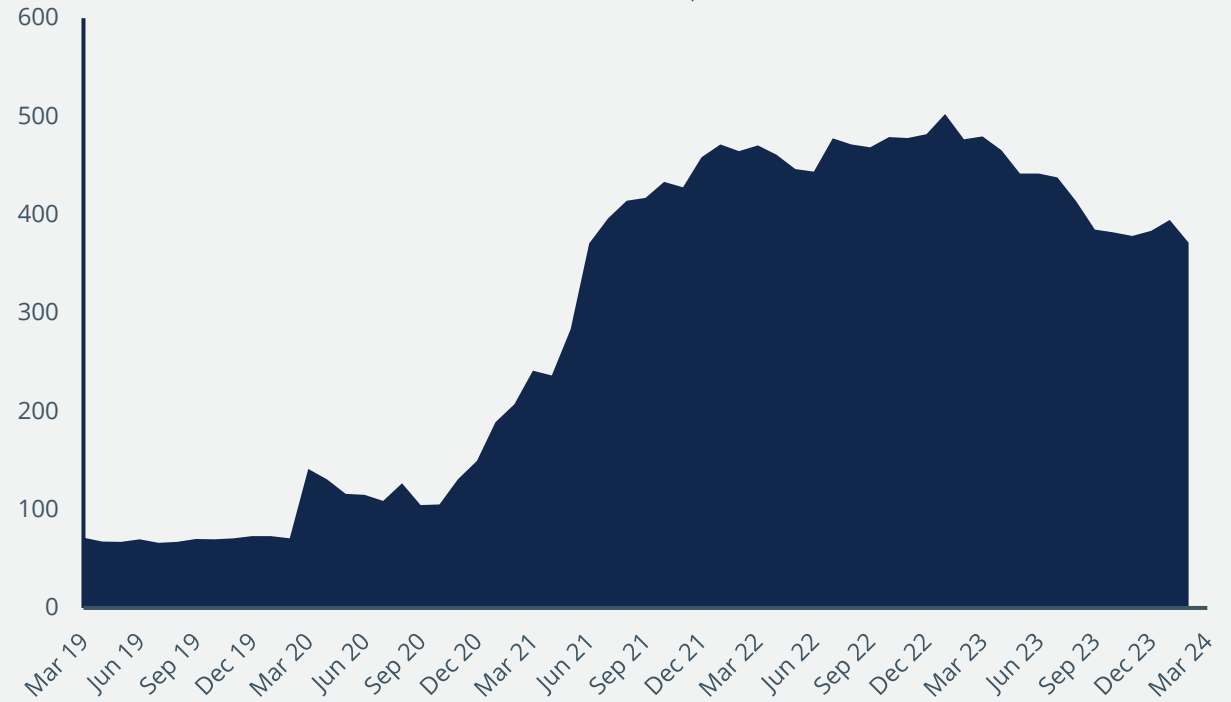
## Change in Household Deposits



Source: CCIWA, ABS

## Cash Deposits - Australia

Financial Institutions, \$ Billions



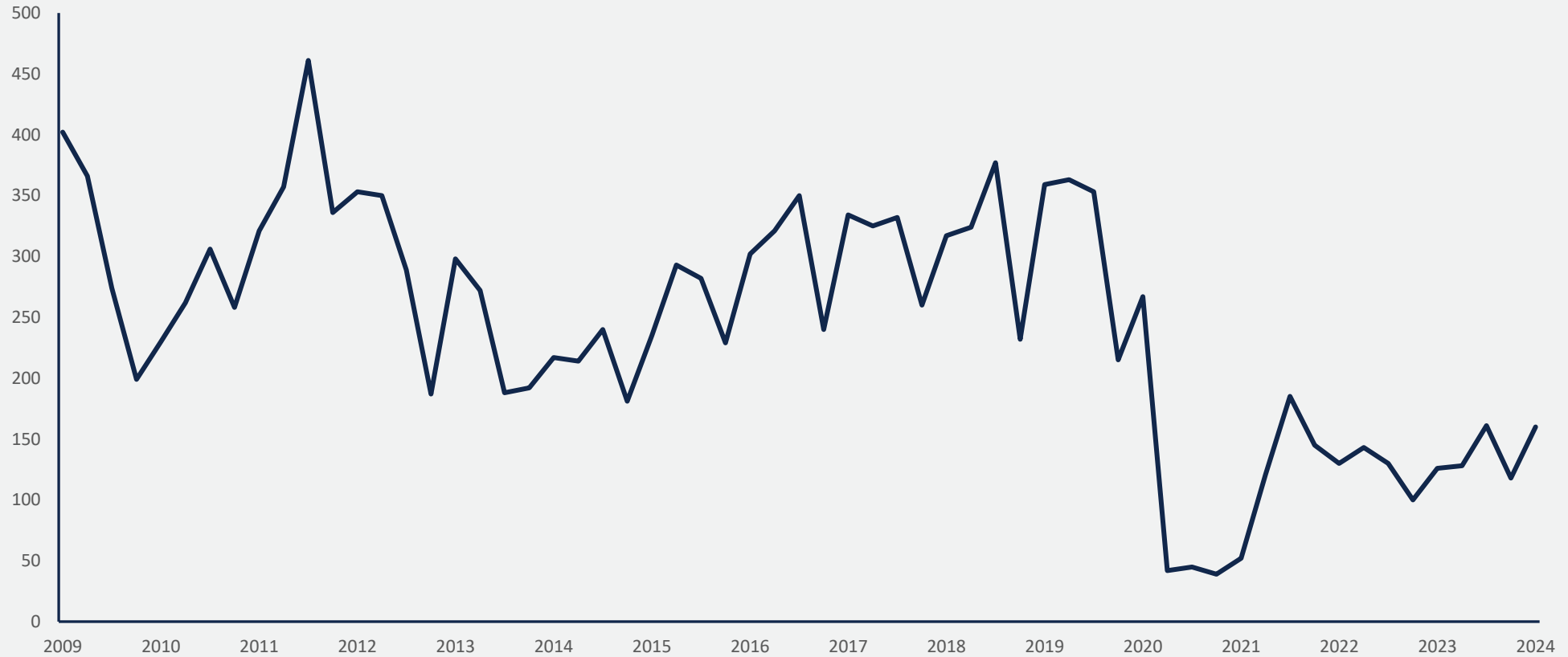
Source: CCIWA, APRA



# Mortgage defaults still low

## Civil Property Possession Applications

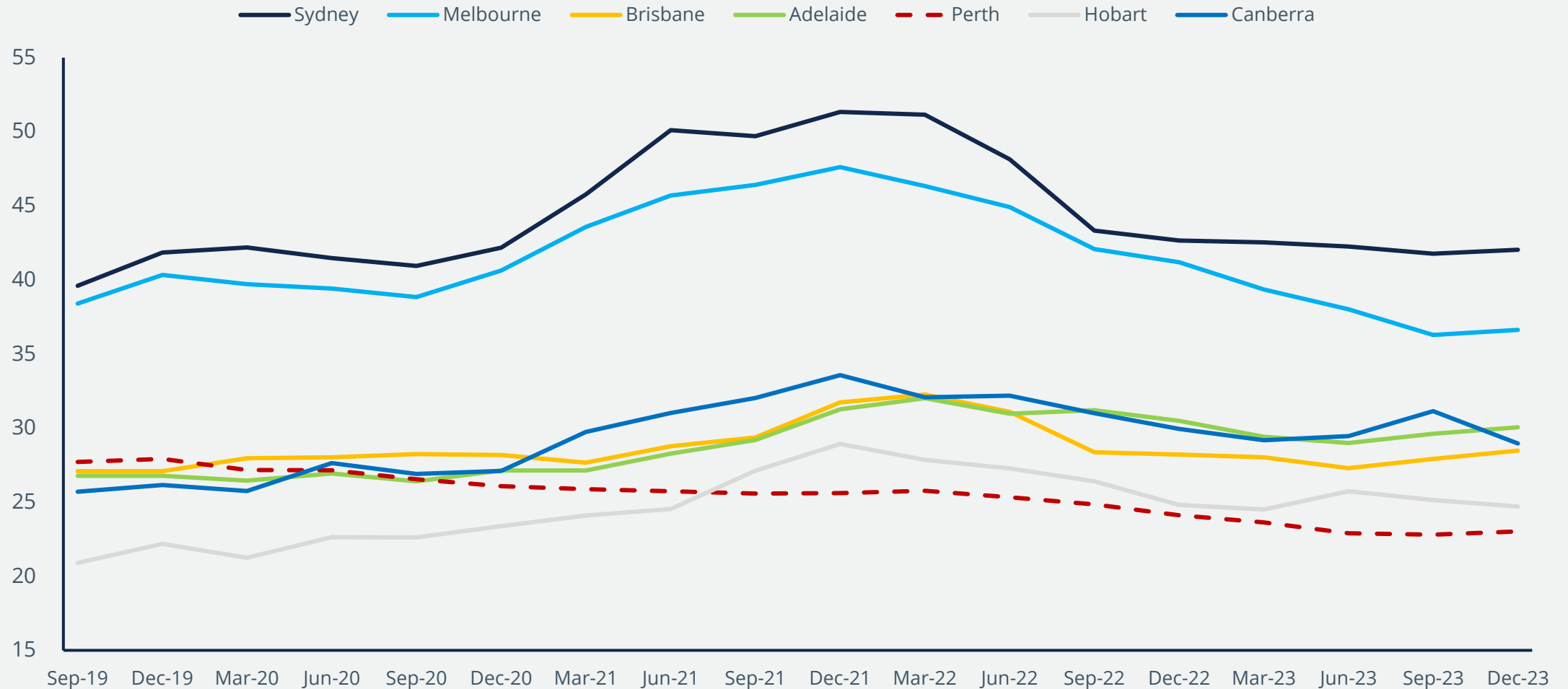
Western Australia, Quarterly



Source: CCIWA, Supreme Court of Western Australia

# Bubble Boy

## House price-rent ratios



A photograph of a wooden boardwalk leading to a beach at dusk. The boardwalk is made of weathered wooden planks and is flanked by low wooden posts connected by a thin rope. The boardwalk leads from the foreground, through a field of low-lying green and grey vegetation, towards a sandy beach and the ocean. The sky is a deep, dark blue with some light, wispy clouds. The overall mood is serene and contemplative.

**What comes next**

# Key calls



**World economy to absorb ongoing conflict**



**State economy to continue expanding**



**Housing market to remain tight**



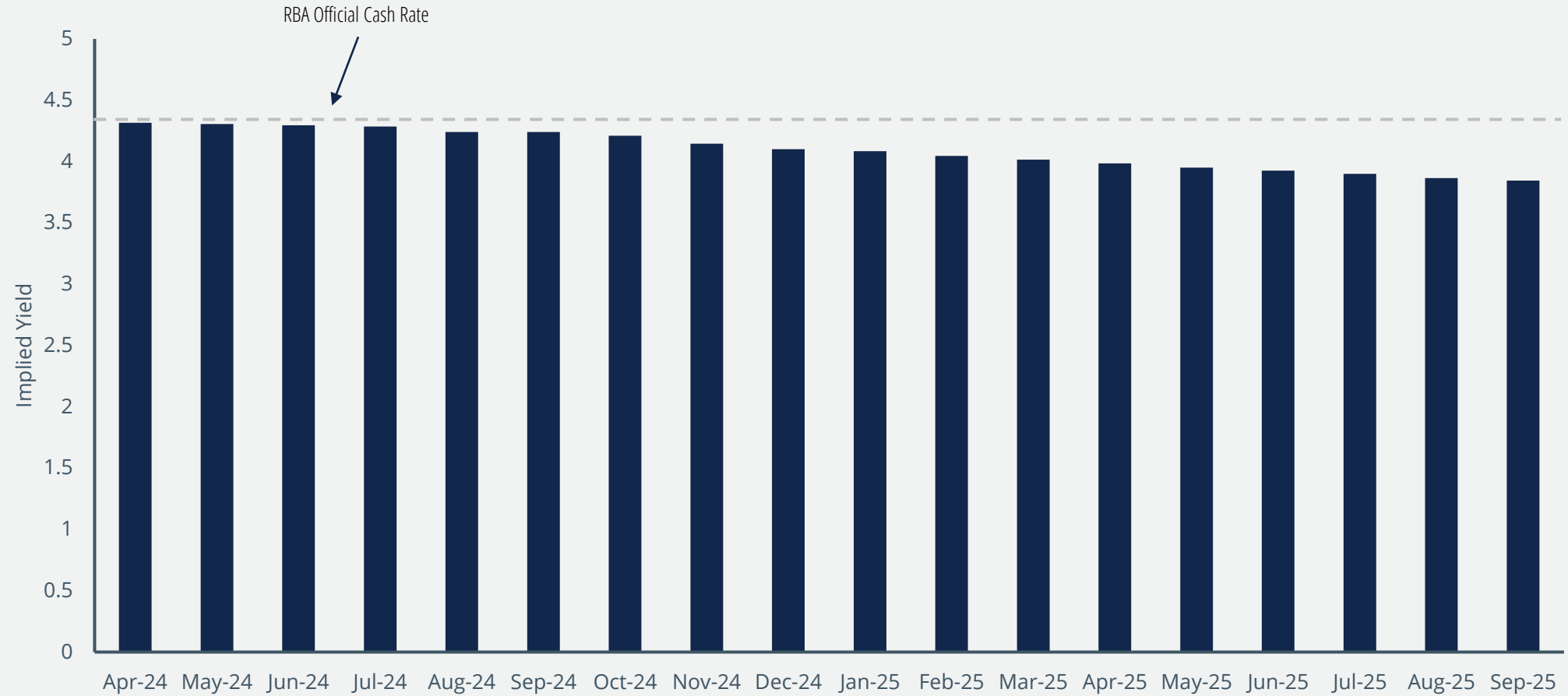
**Labour market to improve slowly**



**Inflation and interest rates higher for longer**

# Path for interest rates

## 30 Day Interbank Futures Implied Yield Curve (Where investors think interest rates will go)



Source: CCIWA, ASX

A scenic view of a beach at sunset. In the foreground, a wooden boardwalk made of weathered planks leads from the bottom center towards the beach. The boardwalk is flanked by low wooden posts and a thin white rope. The ground is covered with green and yellowish coastal vegetation. In the middle ground, a wide, sandy beach stretches across the frame. The ocean is visible in the background, with gentle waves breaking near the shore. The sky is a mix of light blue and orange, with wispy white clouds scattered across it.

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