

Economic Outlook – March 2004 Quarter

A quarterly update from ACTU Economist Donna Hristodoulidis with the current key economic indicators including national accounts, consumer price index, labour force, incomes and financial markets.

Gross Domestic Product grew by 0.2 per cent for the March quarter 2004 down from 1.3 per cent in the December quarter 2003 taking year-ended growth to 3.2 per cent; down from 3.9 per cent in December 2003 quarter year-ended figures.

Low inflation and low unemployment still are the main features of the economy. Inflation rose by 0.9 per cent for the March quarter 2004 to be 2.0 per cent higher for the year well within the RBA's target band. At 5.5% the unemployment rate is at its lowest level since 1981.

Profits moderated slightly decreasing by 1.9 per cent for the March quarter 2004 to be 4.8 per cent higher than at the same time last year. Wages growth remains moderate.

The RBA held interest rates constant at 5.25 per cent.

Key National Indicators	Period	Value	% Change in previous period	% Change in corresponding period last year
National Accounts				
Gross domestic product GDP (\$m)	Mar qtr 2004	190,117	0.2	3.2
Prices				
Consumer price index	Mar qtr 2004		0.9	2.0
Labour Force				
Employed persons ('000)	Mthly May 2004	9,655.2	-0.4	0.2
Unemployment rate %	Mthly May 2004	5.5	-0.1pts	-0.7pts
Incomes				
Company gross operating profits (\$m)	Mar qtr 2003	23,630	-1.9	4.8
Average weekly ordinary time earnings full-time adults (AWOTE) (\$):	Feb qtr 2004	949.0	1.2	5.3
Average weekly earnings (AWE) - full time employees (\$)	Feb qtr 2004	996.2	1.1	5.7
Average weekly earnings (all employees) (\$)	Feb qtr 2004	751.3	0.7	5.1
Wage Cost Index	Mar qtr 2004	123.6	0.7	3.5
Trends in Federal Enterprise Bargaining	Mar qtr 2004		0.1	4.1
Financial markets				
Interest rates % (Current)	Mthly Jun 2004	5.45		

Source: ABS, DEWR and RBA

(a) All figures in Seasonally Adjusted terms except CPI, Interest Rates and Trends in Enterprise Bargaining figures