

## Australia will cope with economic slowdown: Swan

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The Federal Treasurer has admitted there is "no doubt" the economy is slowing, but says Australia is well placed to weather bad economic conditions.

Figures from the Australian Bureau of Statistics yesterday showed an unexpected fall in retail sales of 1 per cent in June, reflecting a sharp economic slowdown after 16 years of growth.

Treasurer Wayne Swan says Australians should keep the figures "in perspective" and talk of a recession is not helpful.

"We are absolutely committed to disciplined economic management but we must also recognise the underlying strengths of the Australian economy and the fact that our surplus gives us a buffer against international uncertainty," he said.

It has also been forecast that an interest rate cut may come sooner than expected and Mr Swan says banks should pass on any cut to consumers.

"I think customers will be absolutely filthy if the banks do not pass on within a reasonable time any official cash rate reductions," he said.

Opposition Treasury spokesman Malcolm Turnbull has criticised Mr Swan and Prime Minister Kevin Rudd for "talking down" the economy.

"They have been seeking to slow our economy, that has been their policy and we have asked them how many jobs is this going to cost? What is it going to mean to people paying off their mortgages?" he said.

"They have been hell-bent on slowing our economy down and now they are getting exactly what they wanted.

"When Kevin Rudd was asked this morning on radio whether he thought Australia's economy was slowing too quickly, he couldn't even give the Australian people a straight answer."

"(But) when it comes to the statistics provided by the ABS (Australian Bureau of Statistics), it is not appropriate for politicians or prime ministers to speculate on future data."

**Source: Emma Rodgers**



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