
Recession reports - Worst US recession ended - NABE survey

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According to a survey released by National Association of Business Economists, the worst US recession since the Great Depression has ended, but weak household spending as the labor market struggles to create jobs will slow the pace of the economy's recovery.

NABE survey found that 80% of the respondents believed the economy was growing again after four straight quarters of declines.

Mr Elect Lynn Reaser president of NABE said that "The great recession is over. The vast majority of business economists believe that the recession has ended, but that the economic recovery is likely to be more moderate than those typically experienced following steep declines."

Recessions in the United States are dated by the National Bureau of Economic Research. The private sector group, which does not define a recession as two consecutive quarters of decline in real gross domestic product, often takes months to make determinations. The current recession that started in December 2007 is the longest and deepest since the 1930s. It was triggered by the collapse of the US housing market and the ensuing global credit crisis.

The NABE survey, conducted in September, predicted real GDP growth expanding at a 2.9% pace over the second half of this year. Output for the whole of 2009 is expected to contract 2.5% and next year, rebound to 2.6%.

Much of the anticipated recovery was seen driven by businesses rebuilding their inventories after aggressively reducing unwanted stocks of unsold goods to match weak demand. Investment in the residential market would also add to growth, with the majority of the respondents in the survey convinced that the more than three year housing market downturn was close to coming to an end.

The survey predicted that the unemployment rate would rise to 10% in the first quarter of 2010 and edge down to 9.5% by the end of that year. The labor market was not expected to regain most the jobs destroyed in the current recession until 2012 or beyond.

(Sourced from www.reuters.com)

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