



Established 1967

THE CEASA Files

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ECONOMIC POINTERS

Prime Minister Kevin Rudd's \$42 billion package to further stimulate the economy took every one by surprise because of its size and scope.

As important for future thinking by his government was his recent essay calling for a new era of "socialist capitalism" arguing for new government intervention in banking and financial markets world wide, with the 30 year era of neo-liberal free marketing over.

A reminder of John Maynard Keynes the 20th century British economist who held that the State can stimulate economic growth and improve stability in the private sector through interest rate, taxation and public projects. He was largely out of favour as economists were wearing free market clothes.

As Ross Gittins pointed out in the Sydney Morning Herald on Wednesday 28th January, in the capitalist system, boom and recession are endemic, always have been and always will be. On the other hand, recovery and return to "normal" is also written into the system.

MARKETING

It is pretty obvious that in the present financial climate, consumers are intent on good value for money and will respond to marketing which delivers it.

In response BMW and Holden among others are changing their approach BMW offers the best value car in its class instead of pushing German engineering. Holden offering cut price deals for consumers doing it tough. Louis Vuitton in the US is moving to the suburbs and is understood to be offering basic ranges of clothing.

The Australian Bureau of Statistics has identified a new genera-

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tion with the age group 0 to 19 who don't know life without the internet.. Assistant Director of Census Output Chris Mason, revealed that the Bureau *organised everyone who took part in the 2006 census into 20-year groupings.*

Generation i with 80% having the Internet at home. 77% at home with their parents. 29% studying and working

Generation X and Y combined cover age groups 20 to 39. 28% of women and 21% of men have a bachelor's degree of higher. 16% live at home with their parents. 40% with spouse or partner. 7% alone and 7% in a group household.

Baby Boomers - 40-59 have the highest rate of divorce at 19%. They presided over the growth of the two income household and the beginning of high rates of female employment and higher education.

The "Lucky" generation - 60-79 enjoyed the post war boom and full employment. 36% were born overseas.

The Oldest at 80+. 39% left school at year 8 or earlier. 33% live alone.

CARS

New car sales fell by 18.5% in January, according to the Federal Chamber of Automotive Industries. The trend towards small imported fuel-efficient models raised pressure on the three Australian car makers and the federal government's \$6.2 billion car industry plan.

Chrysler agreed to an alliance with Italy's Fiat which would buy a 35% holding in Chrysler.

Electric Cars: The preferred power source for electric cars now being worked on in the US, Japan and UK are Lithium batteries. The world's major source of Lithium comes from Bolivia where the President, Evo Morales, favours state control over natural resources. His government has started work on a plant to process lithium locally, thwarting overseas interests who would like to import and do the processing themselves.

RETAIL

December retail; sales data showed that there was a surge in consumption following the \$8.7 billion in cash handouts last year. Interestingly, spending showed a bias in favour of household goods including home entertainment- up 9.9% from November. Spending in department stores was up 8.3% on November.

ALDI, the discount supermarket chain, opened 13 stores in December and plans to open at least 30 stores a year.

On the up-market side, David Jones declared that it did not expect any of the govern-

ment's handout to come its way. It intended to focus on the youth market. The company believed that the \$42 billion government stimulus package would by-pass it as it did for the previous handout in December.

MEDIA

The 1990-91 recession "we had to have" according to Prime Minister at the time, Paul Keating, *wast he first time that an economic downturn had any affect on advertising volume.* Here is the picture:

| MEDIUM | % DIFFERENCE 89/90 | %DIFFERENCE 90/91 | %DIFFERENCE 91/92 |
|-------------------------|-----------------------|----------------------|----------------------|
| Metro/National Dailies | -8.4 | -8.0 | +2.6 |
| Metro Sundays | +12.5 | -10.2 | +4.2 |
| Regional Dailies | +3.5 | -1.4 | +4.2 |
| Regional Non-Dailies | -3.6 | +1.0 | -1.3 |
| Suburban Newspapers | -15.2 | +62.3 | +5.7 |
| TOTAL NEWSPAPERS | -5.6 | +1.1 | +3.3 |
| Women's Magazines | +26.3 | -11.3 | -1.8 |
| General Magazines | -4.8 | -16.6 | -5.1 |
| Special Interest Mags | +6.6 | -4.0 | +7.3 |
| TOTAL MAGAZINES | +10.6 | -12.3 | -1.8 |
| Business publications | -21.8 | -10.0 | -11.0 |
| Rural Publications. | +9.5 | -10.5 | -16.7 |
| TOTAL PRINT | -4.6 | -1.0 | +1.9 |
| Metropolitan Television | +3.6 | -15.1 | +11.5 |
| Regional Television | +2.5 | -9.0 | +8.6 |
| TOTAL TELEVISION | +3.4 | -13.8 | +10.8 |
| Metropolitan Radio | +1.2 | -0.7 | +2.9 |
| Regional Radio | +0.1 | -4.4 | +0.3 |
| TOTAL RADIO | +0.8 | -2.1 | +2.0 |
| Outdoor & Transport | -16.9 | -6.3 | -1.8 |
| Cinema | +20.0 | +2.0 | -4.0 |
| GRAND TOTAL | -2.2 | -6.0 | +4.6 |

Our records show that media activities were turbulent to say the least in 1990 and 1991. If you are particularly interested we can provide full information on either Media activity in the period or the State of the Nation or both but a nominal charge applies.

INTERNATIONAL

US President Obama gave Wall Street a well deserved serve for handing out large bonuses even while being supported by government handouts to rescue them.

At the annual World Economic Forum in Davos, Switzerland. Both the Chinese Premier Wen Jiabao and the Russian Prime Minister, Vladimir Putin blamed America in strong terms for the current world financial crisis...

China's economic growth rate slowed sharply to 6.8% year on year in the December 2008 quarter. This compared with the 13% growth rate in all of 2007. The National Bureau of Statistics in China said that full year growth for 2008 was 9%.

Concern has been expressed by the Chinese authorities that the 20 million sacked city workers returning to their rural villages may cause unrest.

Sources include the CEASA data base, the Australian Bureau of Statistics, The Reserve Bank Bulletin, electronic news services, The Australian, The Australian Financial Review, The Sydney Morning Herald, The Age, Time, The Economist.