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BUDGET FORECASTS POSITIVE GROWTH FOR THE SUNSHINE STATE

The Queensland economy is set to grow at 4 percent in 2001-02 and help lead the nation in a post-GST economic recovery, the Deputy Premier and Treasurer, Mr Terry Mackenroth, said.

Mr Mackenroth said the growth of gross state product, or total production of goods and services in Queensland, topped the national figure of 3¼ percent announced in last month's Federal Budget.

He said forecasts for major economic indicators were positive right across the board.

"Total employment is forecast to grow by 2 per cent in 2001-02 or twice the national average. This percentage growth represents an increase of about 33,000 jobs," Mr Mackenroth said.

"Although the GST and high interest rates inflicted damaging blows to business investment with a decline of 14½ percent last year, the Beattie Government's innovative investment pipeline of future projects is expected to help trigger a turnaround and growth of 3 percent.

"Dwelling construction figures are also set to rise 10 percent after declining 19¼ percent in 2000-01 and strong consumption by households and private capital investment are forecast to build impressive final demand figures.

"In addition the low exchange rate for the Australian dollar will preserve the international competitiveness of Queensland's exports and growth of 4½ percent is expected.

"Population is expected to grow by 1¾ percent as more and more people discover the many attractions the Sunshine State has to offer."

Mr Mackenroth said the forecasts painted a bright future for Queensland.

"We were one of the first states to feel the damaging effects of the economic slowdown after Queensland taxpayers were slugged with relatively greater burdens as a result of the GST and the Commonwealth Government's disastrous mismanagement of the economy," he said.

"However, the sound economic management and policy platforms of the Beattie Government have helped offset the damage and have positioned Queensland in a strong position to lead a national economic recovery."

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