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Celsius celebrates its first birthday

The current economic slump is a long overdue slowdown but has begun with the UK in a stronger position than in previous recessions, Chief Economist of HSBC Dennis Turner told business leaders at a meeting of the high profile Celsius group.

Mr Turner was speaking at the first anniversary of Celsius, the exclusive invitation-only club for top companies set up a year ago by South London Business. The event, at HSBC's Canary Wharf headquarters, was told to expect a short, sharp recession because of overall economic conditions. "We believe this will be what we call a V-shaped recession. Quickly in and quickly out," Mr Turner told his audience drawn from the top firms south of the Thames in London.

It followed an unprecedented 16 years of economic growth with inflation at no more than 3 percent and with interest rates at their lowest level since 1955. The state of the economy and the credit crunch could be likened to two trains heading towards each other on the same track but the government was acting to divert one of them off into a siding to avoid a head-on collision.

"This government has acted early and decisively," said Mr Turner. Banks were like "the plumbing that allowed goods and services to move around the economy. The trouble is at the moment the banks don't trust each other." When the credit crunch came to an end the banking system would be "much chastened", he predicted.

Chief executive of South London Business Peter Pledger said Celsius provided an important networking opportunity for the 100 major business concerns based south of the river in London. It members included the UK arm of Russian gas industry giant Gazprom, the Brit Oval, Biggin Hill airport and O2 which was now the biggest entertainment venue in the world by ticket sales.

Chair of Celsius, regional director of HSBC Carol Bagnald said the group's purpose was "to make some noise to make sure South London was known."