

Long, Harsh Winter

Recently the financial score boards in nearly every country showed an abundance of red and disappointing figures and so did the tables of reports issued by the central statistics offices. The shares trade shows all the characteristics of a bear market. The amount buyers are willing to pay for dwellings is rigorously and rapidly falling. In sharp contrast to a few years back, banks are now very reluctant to provide credit to companies and individuals. State debts are running up by hundreds of billions on a quarterly basis, and countries are in danger of collapsing. Wealthy citizens are buying gold and silver en masse resulting in the prices being driven up 100-fold. Central banks regret having reduced their piles of gold in the past and are now buying precious metals diligently. These are obvious signs that a prolonged economic winter is dawning, in which the main aim of citizens, businesses and governments will be to reduce their debt that has grown to towering proportions over the past 30 years, when credit was available in abundance. In their attempt to repay their debts, consumers will be less likely to visit shopping malls resulting in companies seeing their sales shrink. The number of jobs will decrease, thereby increasing unemployment. Central and local governments will cut spending and increase taxes to avoid bankruptcy, while the wages of those who retained their jobs and pay income tax, will remain the same or, most likely, decrease. The model that has governed western countries and companies over the last thirty years has a nasty aftertaste. The belief that companies' main aim is maximising profits, with management receiving a commensurate reward rather than serving employees, consumers and the population at large, has carved the contours for a long period of economic downturn.

What does the above mean for the geomatics industry? Because governments will have to cut spending and are already doing so, the construction of infrastructure such as roads, railways and sewers will also undergo cut backs. Fewer houses and office buildings will be constructed. Projects aimed at protecting land from flooding or avoiding environmental damage will be marginalised. And these are all activities requiring a lot of geoinformation during the various stages from planning to construction. In short, the demand for geoinformation, devices for collecting the data and also professionals specialised in geoinformation technology will diminish gradually. Not a particularly pleasant prospect for our profession. We blindly followed the mighty bankers who drove us, ignorant people, into a harsh winter that will last throughout this decade. But then a new spring will dawn offering a young and active generation enormous opportunities. For decades, the US could not do without the products of the rest of the world, and the rest of world could not do without US dollars. But the geographic distribution of economic power will undoubtedly find other axes.