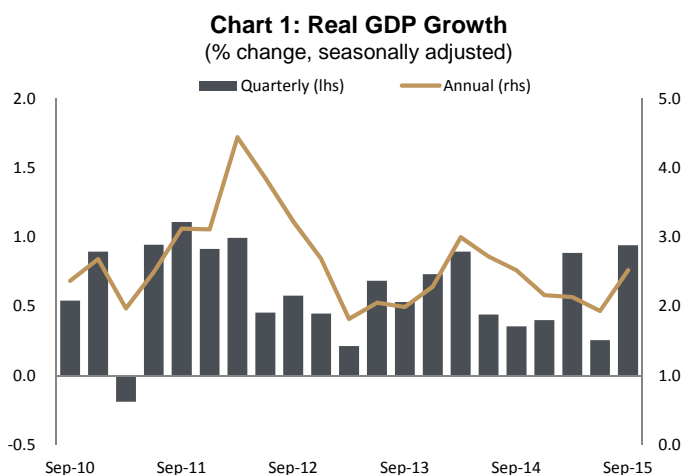


# ABS National Accounts: September quarter 2015

Source: ABS 5206.0, released 2 December 2015, 10:30 am AEST.

Today's *National Accounts* shows that the Australian economy continues to rebalance, as resource-related projects transition to the production and export phase. While business investment fell, the trade sector was the key driver of economic growth in the September quarter. Growth in household consumption and dwelling investment also strengthened in the quarter.

Over the year, net exports contributed 1.6 percentage points to overall economic growth, driven by increased metal ore and mineral exports as a number of large resource projects transition from construction to production.



Seasonally adjusted (sa) **gross domestic product (GDP)** rose 0.9% in September quarter 2015, following 0.3% growth in the previous quarter. This result was slightly stronger than market expectations and saw annual growth strengthen to 2.5% (see Chart 1).

**Household consumption** grew by 0.7% in the September quarter (up from 0.6% in the previous quarter). With growth in consumption outpacing a 0.4% rise in real household disposable income, the household saving ratio fell to 9.0% in the quarter.

**Business investment** fell 5.1% in the quarter, driven by a 5.3% reduction in non-dwelling construction and a 4.6% decrease in machinery and equipment investment. Reflecting the ongoing wind-down in resource related investment, engineering construction fell 7.1% in the quarter, to be 21.5% lower over the year.

**Dwelling investment** rose 0.9% in the September quarter, following a 0.4% increase in the previous quarter. This result saw dwelling investment rise 10.3% over the year, supported by a sustained period of very low interest rates and increased interest from investors.

**Changes in inventories** detracted 0.1 percentage point from GDP growth in the quarter, driven by a run-down in manufacturing and farm stocks.

With commodity prices continuing to fall, the **terms of trade** declined 2.4% in the September quarter, to be 10.4% lower over the year and 31.9% below its 2011 peak.

Following a weak result in the previous quarter, **net exports** rebounded to contribute 1.5 percentage points to GDP growth in the September quarter. This was the largest quarterly contribution to growth since March quarter 2009.

**Table 1: Components of GDP\***  
(seasonally adjusted, September quarter 2015)

Chain Volume Measure*	% change		% point contribution	
	quarterly	annual	quarterly	annual
<b>Total consumption</b>	<b>0.7</b>	<b>2.9</b>	<b>0.5</b>	<b>2.1</b>
Household consumption	0.7	2.7	0.4	1.5
General government consumption	0.7	3.6	0.1	0.6
<b>Private dwellings</b>	<b>0.9</b>	<b>10.3</b>	<b>0.0</b>	<b>0.5</b>
<b>Business investment</b>	<b>-5.1</b>	<b>-11.3</b>	<b>-0.6</b>	<b>-1.5</b>
Machinery and equipment	-4.6	-10.7	-0.2	-0.5
Non-dwelling construction	-5.3	-11.7	-0.4	-1.0
Non-residential building	-2.8	2.6	-0.1	0.1
Engineering construction	-7.1	-21.5	-0.3	-1.2
<b>Private gross fixed capital</b>	<b>-2.9</b>	<b>-4.3</b>	<b>-0.6</b>	<b>-0.9</b>
<b>Public gross fixed capital</b>	<b>-9.2</b>	<b>-7.9</b>	<b>-0.4</b>	<b>-0.3</b>
<b>Changes in inventories</b>			<b>-0.1</b>	<b>-0.6</b>
<b>Gross national expenditure</b>	<b>-0.6</b>	<b>0.2</b>	<b>-0.6</b>	<b>0.2</b>
<b>Net exports</b>			<b>1.5</b>	<b>1.6</b>
Exports of goods & services	4.6	6.5	1.0	1.4
less Imports of goods & services	-2.4	-1.2	0.5	0.2
<b>Statistical discrepancy</b>			<b>0.1</b>	<b>0.6</b>
<b>GDP</b>	<b>0.9</b>	<b>2.5</b>	<b>0.9</b>	<b>2.5</b>
<b>Current Prices</b>				
Compensation of employees	1.1	2.6		
Gross operating surplus	0.4	0.2		
GDP	0.8	2.2		
<b>Deflators and Prices</b>				
Terms of trade	-2.4	-10.4		
Household consumption deflator	0.1	1.6		
GDP deflator	-0.1	-0.3		

\*The reference year for chain volume measure = 2013-14

**Chart 2: Contributions to GDP Growth**  
(quarterly % point contribution, seasonally adjusted)

