

# ABS National Accounts: March quarter 2022

Source: ABS National Accounts, released 1 June 2022, 11:30 am AEST.

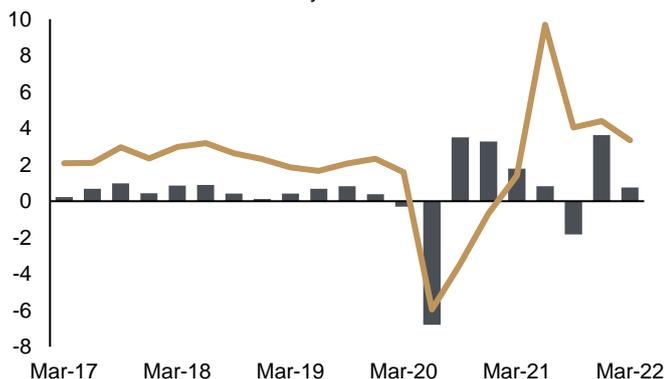
Today's **National Accounts** showed GDP grew by 0.8% in March quarter 2022, driven by solid growth in household and government spending. However, net exports and dwelling investment detracted from growth in the quarter.

Queensland and an increase in health-related spending in Victoria to combat COVID-19. *Public investment* also rose in the quarter (up 1.7%), driven by a 13.6% increase in *national defence*.

The **terms of trade** rose 5.9% in the quarter, with global supply constraints driving growth in the prices of key commodity exports.

**Net exports** detracted 1.7 percentage point from GDP growth in the quarter, with *imports* rising 8.1% and *exports* falling 0.9%.

**Chart 1: Real GDP Growth**  
(seasonally adjusted, % change)



**Gross domestic product (GDP)** rose 0.8% seasonally adjusted (sa) in March quarter 2022 to be 3.3% higher over the year (Chart 1). The economy grew for a second consecutive quarter following a fall in September quarter 2021, which was impacted by Delta variant extended lockdowns in NSW, Victoria and the ACT. GDP is now up 4.8% on its pre-COVID level in March quarter 2020.

**Household consumption** rose 1.5% in the quarter, following a 6.4% rebound in the December quarter. Reflecting an easing of COVID-19 restrictions, spending on *transport services, recreation and culture* and *hotels, cafes and restaurants* were the largest contributors to growth in household consumption in the quarter.

Real gross **household disposable income** fell 0.8% in the quarter, due to a 1.5% rise in the household consumption deflator. In nominal terms, gross disposable household income rose 0.6% in the quarter. The household saving ratio fell from 13.4% in the December quarter to 11.4% in the March quarter, the closest it has been to the pre-pandemic level of 9.7% since the start of the pandemic.

*Compensation of employees* rose 1.8% in the quarter, consistent with a 1.9% increase in employed persons. *Gross operating surplus* rose 4.8% in the quarter, driven by mining (due to large price increases for LNG, coal and iron ore) and wholesale trade (due to increases in margins on grains, petroleum products and motor vehicles).

**Business investment** rose 1.5% in the quarter to be 3.8% higher than the pre-pandemic level. Growth in the quarter was driven by *machinery and equipment* (up 3.6%) and *engineering construction* (up 2.3%), while *non-residential construction* fell (down 2.6%).

**Dwelling investment** fell 1.0% in the quarter, driven by a 2.2% decline in *new & used dwelling construction*, while *alterations and additions* rose 0.7%. The March quarter was impacted by several factors which likely constrained construction, including the surge in omicron cases, ongoing supply chain issues, and weather events.

**Public final demand** rose 2.5% in the quarter to be 13.0% higher than the pre-pandemic level. *General government consumption* rose strongly in the quarter (up 2.7%) due to increased expenditure to support flood-affected regions in New South Wales and

**Table 1: Components of GDP\***  
(seasonally adjusted, March quarter 2022)

Chain Volume Measure	% change		ppt. contribution	
	quarterly	annual	quarterly	annual
<b>Household consumption</b>	1.5	4.0	0.8	2.1
<b>Private investment</b>	0.5	2.7	0.1	0.5
Dwelling investment	-1.0	-1.3	-0.1	-0.1
Business investment	1.5	3.0	0.1	0.3
Machinery and equipment	3.6	1.9	0.1	0.1
Non-dwelling construction	-0.2	4.0	0.0	0.2
Non-residential building	-2.6	5.1	-0.1	0.1
Engineering construction	2.3	3.7	0.1	0.1
<b>Private Final Demand</b>	1.2	3.7	0.9	2.6
<b>Public Final Demand</b>	2.5	7.7	0.7	2.1
General government consumption	2.7	8.3	0.6	1.8
Public investment	1.7	5.3	0.1	0.3
<b>Changes in inventories</b>			1.0	0.7
<b>Gross national expenditure</b>	2.6	5.4	2.5	5.3
<b>Net exports</b>			-1.7	-2.4
Exports of goods & services	-0.9	-4.2	-0.2	-0.9
less Imports of goods & services	8.1	7.6	-1.5	-1.5
<b>Statistical discrepancy</b>			-0.1	0.4
<b>GDP</b>	0.8	3.3	0.8	3.3
<b>Current Prices</b>				
Compensation of employees	1.8	5.5		
Gross operating surplus	4.8	14.4		
GDP	3.7	10.2		
<b>Deflators and Prices</b>				
Terms of trade	5.9	8.3		
Household consumption deflator	1.5	3.2		
GDP deflator	2.9	6.6		

\* The reference year for chain volume measure = 2019-20

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

