Queensland’s state final demand (SFD) fell 5.9% in June quarter 2020, to be 5.2% lower annually (Table 1). This was the largest quarterly decline in Queensland’s SFD since the inception of the series, eclipsing the previous record decline of 2.3% in June quarter 1990.

Despite the historic quarterly decline, more timely data has shown a pick-up in consumer spending in Queensland toward the back end of the June quarter and early into the September quarter. For example, ABS data showed nominal retail spending to be 11.1% higher over the year to June, after rebounding strongly through May and June following the record decline in April at the peak of virus restrictions in Queensland.

**Household consumption** fell a record 9.6% in June quarter 2020, to be 9.3% lower annually. COVID-19 containment regulations resulted in several spending categories recording sharp declines in the quarter, with the most notable declines in the hotels, cafes and restaurants (down 51.7%), transport services (down 90.6%) and health (down 16.0%) categories. In contrast, spending from home arrangements saw increased spending on furnishings and household equipment (up 11.9%).

**Dwelling investment** fell 7.1% in June quarter 2020, driven by steep declines in both new dwellings (down 7.6%) and alterations & additions (6.5%). New dwellings investment is now down 39.4% since the height of the apartment construction boom in December quarter 2016.

Recent building approvals data, in addition to slower population growth, income losses and increased uncertainty resulting from virus containment measures suggest dwelling investment activity is likely to be subdued for some time.

Business investment fell 8.0% in June quarter 2020, to be 8.2% lower over the year. By component, a sharp decline in machinery and equipment (down 17.6%) more than offset increases in engineering construction (up 1.9%) and non-residential construction (up 0.9%).

Business investment growth was subdued before the COVID-19 pandemic, driven by ongoing uncertainties in both the global and domestic economies. These trends have since been exacerbated by the pandemic, further discouraging firms from committing to major new investment decisions.

**Public final demand** rose 2.8% in the quarter, to be 5.8% higher over the year. A strong quarterly increase in General government consumption (up 4.6%) more than offset a 1.0% decline in general government investment and a 12.7% decline in public corporation investment.

ABS 5302.0 (released 1 September), provided a snapshot of international trade in goods and services. Queensland’s overseas exports of goods and services (5.8%) fell 4.5% in June quarter 2020, to be 14.1% lower annually. Also, overseas imports of goods and services to Queensland fell 22.3%, to be 29.0% lower over the year.

With falling exports offset by a strong decline in imports, the overseas trade sector likely made a positive contribution to the State’s overall economic growth in the June quarter.