

# Private New CAPEX – September Quarter 2011

**ECONOMIC ALERT**

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## CAPEX by asset type

- The volume of private new capital expenditure (CAPEX) rose by a seasonally adjusted 12.3% in the September quarter 2011, up from the 6.2% increase recorded in the June quarter. The annual rate of change rose to 31.3% in the September quarter from 23.9% in the June quarter.
- The pick-up in the growth in private new CAPEX in the September quarter was due to higher growth in investments in building and structures, as well as in equipment, plant and machinery.
- Investment in building and structures (volumes) increased 17.1% in the September quarter, following a 10.6% expansion in the previous quarter, to be 39.5% higher over the year.
- Similarly, growth in investment in equipment, plant and machinery increased to 6.3% in the September quarter, up from the 1.3% expansion in the previous quarter. In the year to the September quarter 2011, investment in equipment, plant and machinery increased 21.1%.

## CAPEX by industry

- The seasonally adjusted volume of private CAPEX in manufacturing increased 9.8% in the September quarter, following a 7.9% increase in the June quarter. The volume of manufacturing investment in the September quarter was 29% higher than a year ago.
- Elsewhere, capital investment in the mining industry expanded by a seasonally adjusted 22.1% in volume terms in the September quarter, following the 18.3% increase in the preceding quarter. Over the year to the September quarter, the volume of mining investment rose 60.2%.
- Investment in “other selected industries” increased 4.1% in the September quarter, a turnaround from the 3% contraction in the June quarter.

## CAPEX expectations

- The third estimate for total private CAPEX in 2011-12 was released. This estimate is for investment of \$158,032 million. Using the outcome of \$119,741 million for investment in 2010-11 and a ten-year average realisation ratio of 1.09 for investment in 2011-12 implies strong growth in the value of total private CAPEX of 44.4% in 2011-12.

## Chart: Annual growth in actual capital expenditure (chain volume measure)

