

# SEPTEMBER QUARTER 2009 NATIONAL ACCOUNTS



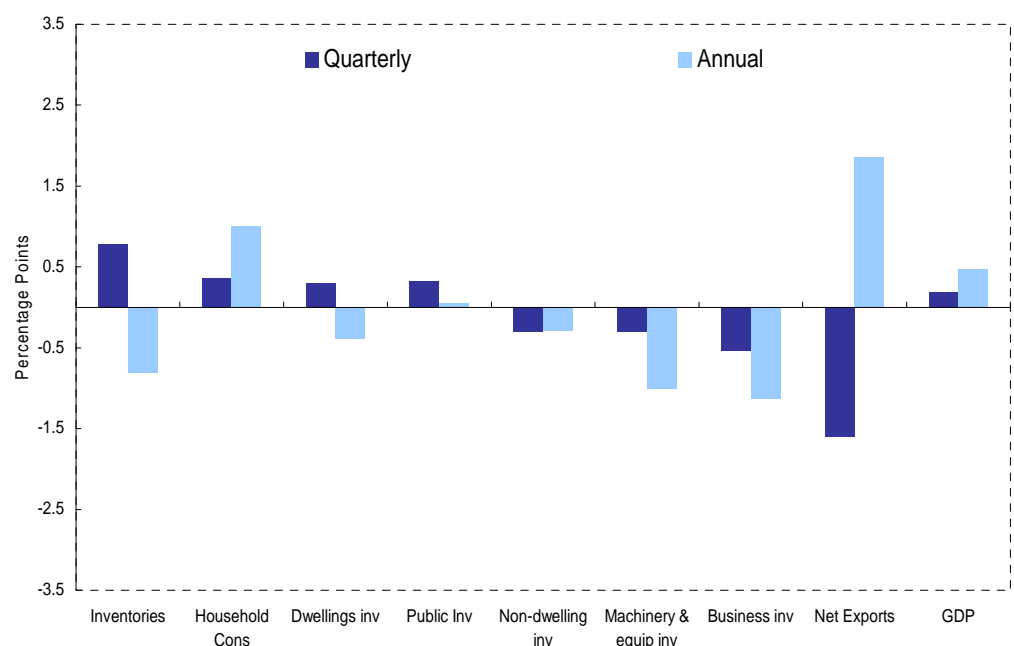
**Ai Group Assistance:**

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## Economic Growth by Expenditure

- Seasonally adjusted, GDP rose by 0.2% in the September quarter 2009 to be up 0.5% in annual terms.
- The significant drivers of growth in the quarter were inventories, household consumption, dwelling construction and public investment. With the exception of inventories, these growth drivers reflect the ongoing impact of policy stimulus in the form of low interest rates, the boost to the First Homebuyers Grant and the government's infrastructure spending.
- The main detractors from growth were private non-dwelling construction, machinery and equipment investment and net exports.
- In terms of the positive drivers of growth in the September quarter, inventories contributed 0.8 percentage points to growth; household consumption rose by 0.7% adding 0.4 percentage points, while public investment grew by 6.2% adding 0.3 percentage points. Dwellings investment rose by 5.9% also adding 0.3 percentage points to growth.
- In terms of the key negative contributors to growth in the quarter, exports fell by 2.3% while imports rose by 5.8%, with the net impact a detraction of 1.6 percentage points from GDP growth in the quarter. Non-dwelling construction fell by 4.3% detracting 0.3 percentage points from growth in the September quarter. Overall business investment fell by 3.2% in the September quarter to be 6.3% lower than a year ago.
- Government consumption made a small contribution to growth in the quarter. As an important indicator of underlying demand conditions, domestic final demand growth eased, to 0.6% in the quarter to be up 0.1% in annual terms.

## Chart: Contributions to Economic Growth



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## Contribution by Industry

- On an industry basis, the main positive contributors to growth in the September quarter 2009 were the rental, hiring and real estate services sector (contributing 0.3 percentage points) and the construction sector (contributing 0.2 percentage points).
- Wholesale trade; transport and storage; and finance and insurance services each contributed 0.1 percentage points to GDP growth.
- The public administration and safety sector was the only sector to detract significantly from GDP growth in the quarter (detracting 0.2 percentage points).
- Manufacturing production grew by 0.6% in the quarter to be 7.8% lower over the year, consistent with Ai Group's Performance of Manufacturing Index (PMI) outcomes for the quarter.
- The rise in manufacturing in the September quarter 2009 was driven by expansions in food, beverages & tobacco (up 1.1%); machinery and equipment (up 3.5%); wood and paper products (up 7.5%); and non-metallic minerals (up 3.4%).
- Production fell most heavily in textiles, clothing and footwear (down 7.6%); printing and recorded media (down 6.2%); and metal products (down 3.0%).
- The construction sector's output grew by 2.2% in the September quarter 2009, to be 1.7% lower over the year.
- The impact of fiscal policy stimulus on the retail trade sector appears to have eased in the September quarter 2009, with the sector contracting by 0.7%.

**Table: Economic Growth by Sector**

	Growth Rate (%)		Percentage Point Contribution to growth Sept quarter 2009
	Sept quarter 2009	Year to Sept quarter 2009	
<b>Agriculture, forestry and fishing</b>	-1.9	-14.1	0.0
<b>Mining</b>	0.3	0.7	0.0
Food, beverage and alcohol	1.1	6.4	0.0
Textile, clothing, footwear and leather	-7.6	-19.9	0.0
Wood and paper products	7.5	-4.5	0.0
Printing, publishing and recorded media	-6.1	-12.0	0.0
Petroleum, coal, chemical	2.0	-5.7	0.0
Non-metallic mineral products	3.4	-5.0	0.0
Metal products	-2.9	-16.7	-0.1
Machinery and equipment	3.5	-9.3	0.1
<b>Manufacturing</b>	0.6	-7.8	0.0
<b>Electricity, gas and water</b>	-2.2	-0.2	-0.1
<b>Construction</b>	2.2	-1.7	0.2
<b>Wholesale trade</b>	2.3	1.5	0.1
<b>Retail trade</b>	-0.7	1.9	0.0
<b>Accommodation and food services</b>	-1.4	-1.7	0.0
<b>Transport and storage</b>	2.5	3.6	0.1
<b>Info media &amp; telecoms</b>	-2.0	-1.9	-0.1
<b>Finance and insurance</b>	0.8	1.7	0.1
<b>Rental, hiring and retail services</b>	9.9	4.0	0.3
<b>Prof, scientific and tech services</b>	-0.9	0.9	-0.1
<b>Admin and support services</b>	0.6	-8.1	0.0
<b>Public admin &amp; safety</b>	-3.3	0.6	-0.2
<b>Education &amp; training</b>	0.5	2.0	0.0
<b>Health care &amp; social assistance</b>	0.8	3.2	0.0
<b>Art &amp; rec services</b>	0.5	2.0	0.0
<b>Other services</b>	-3.4	-4.9	-0.1