

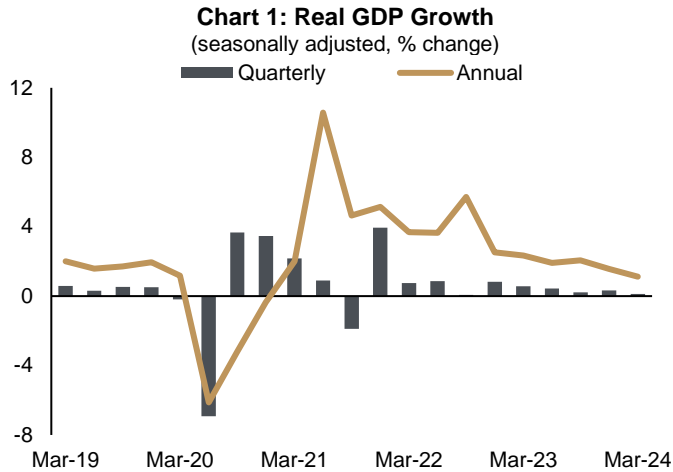
# ABS National Accounts: March quarter 2024

Source: ABS *National Accounts*, released 5 June 2024, 11:30 am AEST.

**GDP grew by 0.1% in March quarter 2024, marginally below market expectations of 0.2%, to be 1.1% higher over the year. Domestic demand was subdued in the quarter, while the rise in imports was offset by an increase in exports and change in inventories.**

**Change in inventories** contributed 0.7%-point to GDP in the quarter. *Non-mining* inventories saw a build up from broad strength in imports of intermediate and consumption goods, while *mining* inventories increased as production outpaced export demand.

**Net exports** detracted 0.9 percentage point from GDP growth in the quarter, driven by a 5.1% rise in *imports*, which more than offset a 0.7% rise in *exports*. The **terms of trade** rose 0.2% in the quarter, as export prices were offset by falls in import prices.



**Gross domestic product (GDP)** rose 0.1% (seasonally adjusted) in March quarter 2024 to be 1.1% higher over the year (**Chart 1**). Domestic demand was subdued in the quarter, while strong growth in imports was offset by a modest increase in exports and a build-up in inventories. GDP per capita fell 0.4% in the quarter, its fifth consecutive decline.

**Household consumption** rose 0.4% in the quarter, with an increase in both essential (up 0.5%, driven by electricity, health, rent and food) and discretionary (up 0.3%) spending.

**Real gross household disposable income** was unchanged in the quarter following a 1.8% increase in the previous quarter. The *household consumption deflator* (a measure of consumer price growth), rose 1.1% in the quarter to be 4.7% higher over the year. The *household saving ratio* fell to 0.9%, only slightly higher than the recent low in September quarter 2023 (0.2%) reflecting the relatively small rises in compensation of employees (COE) and investment income received this quarter.

COE rose 1.0% in the quarter, the slowest growth since September quarter 2021 and indicated ‘*slowing growth in the labour market*’, according to the ABS. *Gross operating surplus* (GOS, a measure of profits) rose 2.3% in the quarter, driven by *manufacturing, professional, scientific & technical services, and accommodation & food services*. The rises in GOS were partially offset by *mining* due to lower commodity prices and volumes.

**Business investment** fell 0.8% in the quarter but was 3.6% higher over the year. The decline in the quarter was driven by *non-residential construction* (down 4.3%), which more than offset a 2.2% rise in *machinery & equipment* investment.

**Dwelling investment** fell 0.5% in the quarter to be 3.4% lower over the year. Both *new & used dwellings* (down 0.6%) and *alterations & additions* (down 0.5%) were lower in the quarter.

**Public final demand** rose 0.6% in the quarter to be 4.6% higher over the year. Quarterly growth was driven by *public consumption* (up 1.0%) while public investment (down 0.9%) fell for the second consecutive quarter.

**Table 1: Components of GDP**  
(seasonally adjusted, March quarter 2024)

Chain Volume Measure	% change		ppt. contribution	
	quarterly	annual	quarterly	annual
<b>Household consumption</b>	0.4	1.3	0.2	0.6
<b>Private investment</b>	-0.8	1.9	-0.2	0.3
<b>Dwelling investment</b>	-0.5	-3.4	0.0	-0.2
<b>Business investment</b>	-0.8	3.6	-0.1	0.4
Machinery and equipment	2.2	4.7	0.1	0.2
Non-dwelling construction	-4.3	1.3	-0.2	0.1
Non-residential building	-3.1	2.7	-0.1	0.1
Engineering construction	-4.8	-0.1	-0.1	0.0
<b>Private Final Demand</b>	0.1	1.4	0.1	1.0
<b>Public Final Demand</b>	0.6	4.6	0.2	1.2
General government consumption	1.0	4.1	0.2	0.9
Public investment	-0.9	6.4	-0.1	0.3
<b>Changes in inventories</b>			0.7	-0.2
<b>Gross national expenditure</b>	1.0	2.1	1.0	2.0
<b>Net exports</b>			-0.9	-0.7
Exports of goods & services	0.7	3.2	0.2	0.8
less Imports of goods & services	5.1	7.4	-1.1	-1.6
<b>Statistical discrepancy</b>			0.1	-0.1
<b>GDP</b>	0.1	1.1	0.1	1.1
<b>Current Prices</b>				
Compensation of employees	1.0	7.1		
Gross operating surplus	2.3	-0.5		
GDP	1.4	3.5		
<b>Deflators and Prices</b>				
Terms of trade	0.2	-7.2		
Household consumption deflator	1.1	4.7		
GDP deflator	1.3	2.4		

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

