

## SUMMARY

During 2017-18:

- South Australia's gross state product (GSP) rose 2.0% in real terms (nationally, GDP rose 2.8%).
- This followed upwardly revised growth of 2.4% in the previous financial year (2.3% nationally).
- The non-farm economy grew by 2.9% in South Australia in 2017-18 (nationally, non-farm GDP grew by 3.1%).

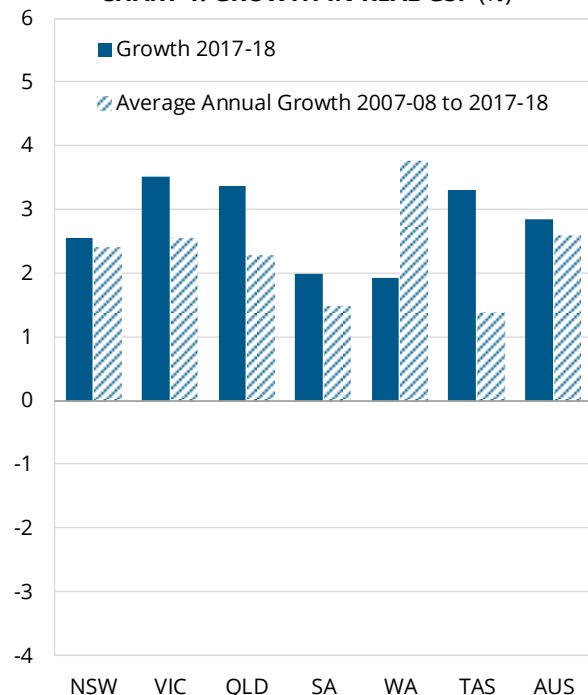
The Australian Capital Territory recorded the highest GSP growth rate of the states and territories in 2017-18 (4.0%) followed by Victoria (3.5%). The Northern Territory recorded the lowest growth (1.7%). South Australia ranked sixth of the states and territories.

GSP growth exceeded population growth in all states and territories. South Australia and the Northern Territory recorded the equal fourth highest per capita GSP growth of the states and territories (1.4%)—after Tasmania (2.3%), the Australian Capital Territory (1.8%) and Queensland (up 1.7%). National GDP per capita growth was 1.2% in 2017-18.

## FURTHER ANALYSIS

As Chart 1 shows, the rise in South Australia's real GSP of 2.0% in 2017-18 was above its 10-year annual average growth rate of 1.5% (national GDP growth was also higher than its 10-year annual average growth rate of 2.6%).

**CHART 1: GROWTH IN REAL GSP (%)**



## Expenditure components of GSP/GDP

GDP measures production in the economy. The ABS also publishes State Final Demand (SFD) estimates by State—these measure spending in the local economy. South Australia recorded SFD growth of 3.4% in 2017-18 (national DFD also rose 3.4%) –see Table 1.

Household consumption spending in South Australia rose 2.0% during 2017-18 (rose 2.9% nationally).

Private new business investment in South Australia rose 11% in 2017-18 (rose 6.0% nationally).

Public consumption in South Australia rose by 3.6% during 2017-18 (rose by 3.9% nationally).

**TABLE 1: Percentage change of expenditure components of GSP/GDP in real terms between 2016-17 and 2017-18**

	South Australia	Australia
Household Final Consumption Expenditure	2.0	2.9
Private New Business Investment	11.3	6.0
Dwellings	9.5	-0.1
Government Consumption	3.6	3.9
Government Investment	-28.9	1.8
<b>State Final Demand/ Domestic Final Demand</b>	<b>3.4</b>	<b>3.4</b>
Overseas export of goods	-0.5	3.6
Overseas export of services	-7.9	2.7
Overseas import of goods	-0.7	6.9
Overseas import of services	0.7	5.8
<b>GSP/ GDP</b>	<b>2.0</b>	<b>2.8</b>

### Income components of GSP/GDP

Table 2 shows the growth rates of the income components of South Australian GSP and national GDP during 2017-18. Compensation of employees rose 4.1% in South Australia during 2017-18 (rose 4.5% nationally). Gross operating surplus (profits of incorporated entities) and gross mixed income rose 2.3% in South Australia during 2017-18 (rose 5.2% nationally).

**TABLE 2: Percentage change of income components of GSP/GDP in real terms between 2016-17 and 2017-18**

	South Australia (%)	Australia (%)
Compensation of employees	4.1	4.5
Gross operating surplus and Gross mixed income (GOSMI)	2.3	5.2
Taxes less subsidies on production and imports	6.1	4.4
Gross State Product/GDP (Current prices)	3.3	4.7
GSP/GDP deflator	1.3	1.8
<b>Real GSP/GDP</b>	<b>2.0</b>	<b>2.8</b>

### Gross Value Added by industry

Table 3 shows the growth rates of the gross value-added by industry in the South Australian and national economies during 2017-18. In South Australia, the industries recording the strongest growth during 2017-18 included:

- Health care and social assistance (up 8.6%);
- Professional, scientific and technical services (up 7.4%);
- Construction (up 4.8%); and
- Electricity, gas and water (up 8.2%).

The industries showing the weakest growth during 2017-18 included:

- Agriculture, forestry and fishing (down 12%);
- Public administration and safety (down 1.7%); and
- Wholesale trade (down 0.2%).

<b>TABLE 3: Percentage change in GVA by industry in real terms between 2016-17 and 2017-18</b>		
	<b>South Australia</b>	<b>Australia</b>
Agriculture, forestry and fishing	-12.0	-5.1
Mining	0.8	2.9
Manufacturing	0.7	3.0
Electricity, gas, water and waste services	8.2	1.9
Construction	4.8	5.1
Wholesale trade	-0.2	0.7
Retail trade	4.2	2.4
Accommodation and food services	4.7	4.1
Transport, postal and warehousing	1.5	0.8
Information media and telecommunication	0.4	2.7
Financial and insurance services	0.2	3.4
Rental, hiring and real estate services	0.7	1.0
Professional, scientific and technical services	7.4	4.4
Administrative and support services	3.6	4.0
Public administration and safety	-1.7	0.1
Education and training	1.5	2.0
Health and social assistance	8.6	6.3
Arts and recreation services	4.2	3.6
Other services	2.5	3.4
Ownership of dwellings	1.4	2.4
Total all industries	1.9	2.8
Taxes less subsidies on products	2.2	3.3
<b>GSP/GDP</b>	<b>2.0</b>	<b>2.8</b>