

## SUMMARY

During 2019-20:

- South Australia's **gross state product** (GSP) fell 1.4% in **chain volume** (real) terms (nationally, gross domestic product (GDP) fell 0.3%).
- This followed GSP growth of 1.1% in the previous financial year (2.2% nationally).
- The non-farm economy contracted 1.1% in South Australia (nationally, non-farm GDP contracted 0.1%).

## FURTHER ANALYSIS

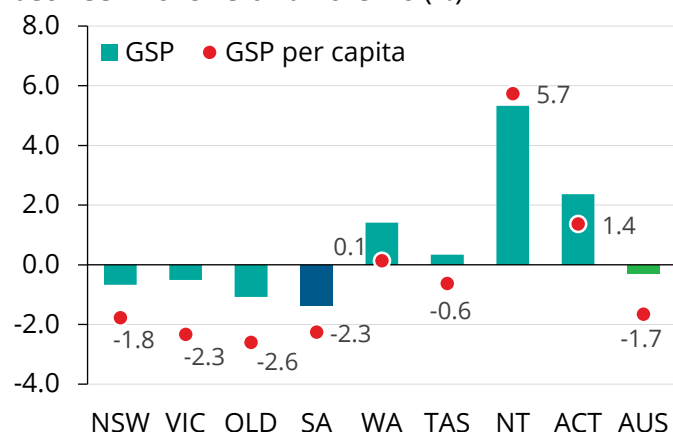
GSP (and national GDP) measures the total value of production in an economy. It is derived in 3 ways:

- summing all **final expenditure** in the economy – GSP(E);
- summing the **value added** in production – GSP(P); or
- summing all **incomes** generated – GSP(I).

South Australia's GSP fell 1.4% in real terms in 2019-20, the lowest rate of growth of the states and territories.

In **per capita** terms, South Australia's GSP fell 2.3% in 2019-20, the equal second lowest rate of growth in GSP per capita of the states and territories – see Chart 1.

**Chart 1: Real GSP and GSP per capita growth between 2018-19 and 2019-20 (%)**



## EXPENDITURE COMPONENTS OF GSP – GSP(E)

Using the expenditure method, the major components of GSP are the same as for state final demand (spending within the state) – while GSP also includes net interstate and overseas exports and changes in inventories (stocks).

**State final demand** (SFD) in South Australia contracted by 2.2% in 2019-20 – see Table 1.

Expenditure components that contributed the most to South Australia's GSP growth in 2019-20 include:

- Public consumption, up 2.2% or \$568m (nationally up 6.6%); and
- Overseas export of services, up 2.3% or \$84m.

**Table 1: Real growth in GSP/GDP expenditure components between 2018-19 and 2019-20 (%)**

	South Australia	Australia
Household final consumption expenditure	-3.1	-3.0
Private new business investment	-5.7	-2.4
Dwelling investment	0.2	-8.8
Government final consumption expenditure	2.2	6.6
Government investment	-5.4	2.4
<b>State Final Demand/ Domestic Final Demand</b>	<b>-2.2</b>	<b>-1.1</b>
Overseas exports of goods	-9.1	-0.7
Overseas exports of services	2.3	-6.5
Overseas imports of goods	-8.3	-3.7
Overseas imports of services	-19.1	-18.9
<b>GSP/GDP</b>	<b>-1.4</b>	<b>-0.3</b>

## GSP BREAKDOWN BY INDUSTRY PRODUCTION – GSP(P)

Using the production method, GSP is broken down to the level of gross value added (GVA) by each industry.

In South Australia, total industry GVA declined 1.0% in real terms in 2019-20 (nationally it remained unchanged) – see Table 2.

In South Australia, the industries recording the strongest real GVA growth in 2019-20 include:

- Health care and social assistance (up 3.8%);
- Information media and telecommunications (up 3.0%);
- Rental, hiring and real estate services (up 2.4%); and
- Financial and insurance services; professional, scientific and technical services; and public administration (all up 2.2%).

Meanwhile, the South Australian industries recording the weakest real GVA growth in 2019-20 include:

- Accommodation and food services (down 11%);
- Construction (down 7.6%);
- Wholesale trade (down 7.6%); and
- Agriculture, forestry and fishing (down 6.7%).

**Table 2: Real industry GVA, 2019-20**

	South Australia	Australia	
	Industry GVA (\$m)	Annual growth (%)	Annual growth (%)
Agriculture, forestry and fishing	4,953	-6.7	-8.0
Mining	3,896	1.2	4.9
Manufacturing	6,767	0.7	-1.6
Electricity, gas, water and waste services	3,935	-1.8	-1.8
Construction	7,389	-7.6	-4.6
Wholesale trade	4,400	-7.6	-1.4
Retail trade	5,236	-0.9	-0.5
Accommodation and food services	2,497	-11.0	-11.0
Transport, postal and warehousing	4,099	-6.5	-6.1
Information media & telecommunications	2,041	3.0	0.9
Financial and insurance services	8,247	2.2	1.8
Rental, hiring and real estate services	2,609	2.4	-2.1
Professional, scientific and technical services	5,594	2.2	2.6
Administrative and support services	3,041	-3.3	-4.9
Public administration and safety	6,521	2.2	4.7
Education and training	6,387	0.3	1.8
Health care and social assistance	11,287	3.8	4.4
Arts and recreation services	707	-0.1	-6.2
Other services	2,096	-2.3	-5.2
Ownership of dwellings	9,589	0.8	2.0
Total all industries	101,291	-1.0	0.0
Taxes less subsidies on products	7,212	-4.2	-4.1
<b>GSP/GDP</b>	<b>108,334</b>	<b>-1.4</b>	<b>-0.3</b>

## INCOME COMPONENTS OF GSP – GSP(I)

Income components of GSP and GDP are only available in nominal terms. A deflator is used to convert nominal GSP to real GSP.

Compensation of employees in 2019-20 rose 2.3% in South Australia (nationally it was up 3.5%). Gross operating surplus (profits of incorporated entities) and gross mixed income (profits of unincorporated entities which also includes elements of compensation of employees) rose 5.6% in 2019-20 in South Australia (nationally it was up 5.9%) – see Table 3.

**Table 3: Real growth in GSP/GDP income components between 2018-19 and 2019-20 (%)**

	South Australia	Australia
Compensation of employees	2.3	3.5
Gross operating surplus and gross mixed income	5.6	5.9
Taxes less subsidies on production and imports	-22.8	-26.0
Nominal GSP/GDP	0.7	1.7
GSP/GDP implicit price deflator	2.1	2.0
<b>Real GSP/GDP</b>	<b>-1.4</b>	<b>-0.3</b>

*Selected terms used in this brief are explained on the [DTF website](#).*

*The next release of [this ABS data](#) (formerly Cat. No. 5220.0) is expected around mid-November 2021.*