

ADDENDUM

**NATIONAL INCOME,
EXPENDITURE AND PRODUCT**

AUSTRALIAN
NATIONAL
ACCOUNTS

EMBARGO: 11.30AM (CANBERRA TIME) WED 4 DEC 2002

ADDENDUM

**IMPACT OF THE DROUGHT ON AUSTRALIAN PRODUCTION IN
2002-03**

The estimates of the impact of the drought on agricultural production in 2002-03 appearing in the feature article in this publication were based on forecasts made by the Australian Bureau of Agricultural and Resource Economics (ABARE) in Australian Crop Report of 29 October 2002. These forecasts were revised in a further issue of the Report released on 2 December 2002, sometime after the feature article was prepared.

The ABS has now recalculated its projections of the impact of the drought on agricultural production in the national accounts using the latest ABARE forecasts. The following table shows, in seasonally adjusted chain volume terms, the published data for the March, June and September quarters 2002 and projections for the three remaining quarters of 2002-03 based on the revised ABARE forecasts. The table shows a more marked decline in agricultural outputs than previously projected, but the decline in inputs has not greatly changed. The difference between the outputs and the inputs is gross agricultural product at market prices. Gross agriculture product at market prices in chain volume terms is now projected to decline from \$22,583 million in 2001-02 to \$17,407 million in 2002-03, a fall of \$5,176 million or 22.9%. If this eventuates it would make a negative contribution of 0.7% percentage points to the growth in the volume of GDP between 2001-02 and 2002-03.

It is also projected that gross value added at basic prices for the agriculture industry will decline from \$21,131 million in 2001-02 to \$16,286 million in 2002-03, a fall of \$4,845 million or 22.9%.

Dennis Trewin
Australian Statistician

- For further information contact Carl Obst on Canberra 02 6252 6713 for income & consumption estimates, and Patricia Mahony on Canberra 02 6252 6711 for investment, trade & industry estimates.

ADDENDUM FOR FEATURE ARTICLE

AGRICULTURAL PRODUCTION, Chain volume measures(a)—Seasonally adjusted

	2001-02		2002-03			
	Mar	Jun	Sep	Dec(b)	Mar(b)	Jun(b)
	\$m	\$m	\$m	\$m	\$m	\$m
Outputs	9 959	9 869	9 151	8 088	8 217	7 700
less Inputs	4 119	4 058	4 051	3 899	3 949	3 850
Gross agricultural product at market prices	5 840	5 811	5 100	4 189	4 268	3 850
less Taxes less subsidies on products	375	373	327	271	275	248
Agriculture industry gross value added at basic prices	5 465	5 438	4 773	3 918	3 993	3 602
Gross domestic product	174 689	176 106	177 630	na	na	na

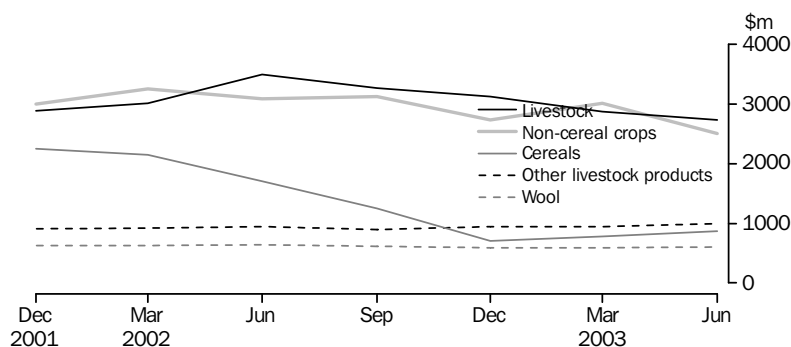
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(a) Reference year for chain volume measures is 2000-01.

(b) Projections based on ABARE forecasts.

The graph below, in seasonally adjusted chain volume terms, shows the revised projected outputs for five major categories of agricultural output.

FARM OUTPUT(a), Chain volume measures(b)—Seasonally adjusted



(a) Estimates for 2002-03 are projections based on ABARE forecasts.

(b) Reference year for chain volume measures is 2000-01.

For a complete picture of the impact of the drought on GDP the indirect effects of the drought must also be considered. These indirect effects are described in the feature article.