



MEDIA RELEASE

DR CRAIG EMERSON

Minister for Trade

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Australia consolidates return to trade surplus

Australia's trade balance continued to recover from summer's natural disasters, showing a \$1.6bn surplus in April, according to figures released today by the Australian Bureau of Statistics.

Although down slightly from the \$1.7 billion surplus in March, the result compares with a trade deficit in February, and consolidates the recovery from severe weather-related disruptions in Queensland and other states in January and February.

The figure was below market expectations of around \$2 billion, but well within a forecast range of \$1.2 billion to \$3 billion. The trade balance was affected by a fall in exports to large Asian markets - including Japan following its devastating tsunami and nuclear reactor crisis in March - and an increase in imports to Australia.

In seasonally adjusted terms, Australia's exports of goods and services rose 1 per cent between March and April, to \$25.3 billion. The rise was led by resource exports, which were up 2 per cent at \$12.4 billion, and rural goods, which increased 6 per cent, to \$2.7bn. Shipments of coal, coke and briquettes, which were hit hard by flooding and infrastructure damage early in the year, were up 1 per cent, at \$3.2 billion.

Trade Minister Craig Emerson welcomed the solid result.

"The results reflect a continued rebound from the first quarter's figures, that were largely the cause of the economic contraction reported yesterday," Dr Emerson said.

"They are testament to the resilience of the Australian economy in recovering from natural disasters."

"And they show that if Mother Nature knocks Queenslanders down, they just get up again."

Dr Emerson added: "Australia's exports to Japan are likely to remain weak over the second quarter, but will recover as the Japanese economy's rebuilding phase gains momentum in the second half of the year."

The slight month-on-month drop in the trade surplus was also driven by a rise in imports.

This was underpinned by a 12 per cent increase in the importation of capital goods, which reflects continued investment in productive capacity.

“The imports of capital goods will help boost productive capacity and augur well for Australia’s longer-term economic performance,” Dr Emerson said.

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