



MEDIA RELEASE

DR CRAIG EMERSON

Minister for Trade

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Australia's trade surplus beats forecasts

Australia's trade surplus widened more than \$700 million between April and May, beating forecasts and consolidating the robust recovery from the slump caused by floods and cyclones earlier this year.

According to Australian Bureau of Statistics figures released today, there was a surplus of \$2.3 billion in May, an increase of \$716 million on April's \$1.6 billion. The surplus exceeded market expectations by more than \$400 million, and was the fifth-highest on record.

The rise was driven by a 3 per cent increase in exports of goods and services for the month. Imports, meanwhile, were virtually flat. This was the third surplus since a small deficit in February.

"This result demonstrates the resilience of the Australian economy in rebounding from shocks," Trade Minister Craig Emerson said.

"The natural disasters of late last year and early this year took a heavy toll all-around, but our exporters are now recovering."

Australia's export growth was led by non-monetary gold, which increased about 50 per cent. Shipments of rural goods climbed 6 per cent, and there was an almost 3 per cent increase in the value of coal, coke and briquette shipments, which had been badly affected earlier in the year by flooding and infrastructure damage caused by extreme weather.

Service exports remained steady, despite the strong 6 per cent appreciation of the Australian dollar in the first five months of 2011.

While Australia's imports of goods and services were flat overall, consumption goods rose 4 per cent. This partly reflected the recovery in Japanese industrial production, as carmakers picked up the pace of output following the devastating earthquake and tsunami which struck the country in March this year.

Dr Emerson welcomed Japan's return to industrial production after the tragic events of March.

"While Australia's exports to Japan are likely to remain weak in the second quarter of 2011, they should improve as Japan's industrial recovery gains momentum," he said.

Over the last 12 months, exports to East Asia grew strongly, with increases of 43 per cent for China, 40 per cent for Korea and 29 per cent for Japan. Exports to the European Union rose a robust 26 per cent.

“Australia’s economic engagement with Asia is continuing to be an important and growing source of national income, while our exporters continue to enjoy success on far away European markets,” Dr Emerson said.

**Media contact: Mark Mulligan, Minister Emerson's Office + 61 413 250 632
+ 61 2 6277 7420**