



MEDIA RELEASE

DR CRAIG EMERSON

Minister for Trade

Australia's engagement with Asia yields another trade surplus

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Australia recorded a trade surplus of \$1.8 billion in July 2011, the fifth monthly surplus since floods and other weather-related disruptions led to a small deficit in February.

Australia's engagement with its regional partners underpinned the solid performance in July. Exports to East Asia have surged during the past 12 months, with shipments to China up 35 per cent, Korea up 27 per cent and Japan up 23 per cent.

"Australia's export success with Asia hasn't been the result of good luck but of good management over the last quarter century," Trade Minister Craig Emerson said.

According to the Australian Bureau of Statistics, exports for July slipped 1 per cent, to \$26.1 billion, compared with June. Imports were also down about 1 per cent, at \$24.3 billion, although a 3 per cent increase in the importation of capital goods such as machinery and telecommunications equipment pointed to expansion in productive capacity.

"An uncertain global economic climate, together with the strong Australian dollar, present formidable challenges for Australian exporters," Dr Emerson said.

"On the whole our exporters are succeeding despite having to bear these burdens," he said.

The month-on-month fall in exports was driven mainly by a 12 per cent decline in coal shipments and a 19 per cent fall in 'other mineral fuels'.

Over the 12 months to July 2011, however, the value of resources exports rose 29 per cent.

“Australia’s bulk commodity exports are continuing to recover from the effects of natural disasters on production and port facilities at the start of this year,” Dr Emerson said.

Despite this, volume shipments from the main coal terminals remain about 12 per cent below their 2010 average, according to today’s figures.

Manufactured exports rose 6 per cent in July. Metals - excluding gold - rose 18 per cent, while other major manufacturing export categories were steady.

Rural exports fell 1 per cent to \$2.8 billion, and services exports also fell by 1 per cent, to \$4.2 billion, in July.

**Media contact: Mark Mulligan, Minister Emerson's Office + 61 0413250632
+ 61 2 6277 7420**