



MEDIA RELEASE

DR CRAIG EMERSON

Minister for Trade

Bumper trade surplus and record exports in Asian Century

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Australia posted a trade surplus of \$3.1 billion in August - the second highest on record - and record goods exports to Asia as exporters consolidated their recovery from severe weather-related disruption to production earlier this year.

The August figure, released today by the Australian Bureau of Statistics, represented a rise of 71 per cent on the July surplus, and came in well above market expectations of about \$2 billion.

The sixth consecutive monthly surplus, after flood and cyclone damage to mines and ports led to a small deficit in February, comes against a strong dollar and global economic uncertainty.

Trade Minister Craig Emerson said Australia's convincing bounce-back from the export slump earlier this year testified to the resilience of Australian exporters.

"Australian exporters are quick to their feet after being knocked down," Dr Emerson said.

"Bulk commodity exporters such as iron ore and coal producers were the worst affected by the severe weather – and now they are driving this outstanding export performance."

Volume shipments of iron ore rose 20 per cent between July and August, while hard coking coal was ahead 18 per cent.

Total exports of goods and services for August rose 8 per cent, to \$28.4 billion, while imports were up 3 per cent at \$25.3 billion.

Australia's economic engagement with its regional partners drove the growth, reinforcing Prime Minister Julia Gillard's message last week

about the importance of Australia's engagement with Asia in the "Asian Century".

Merchandise exports to China surged 16 per cent month-on-month, to \$6.6 billion. Exports to Japan, which had been affected by the devastating earthquake and tsunami in March, were ahead 7 per cent at nearly \$5 billion, while shipments to Korea climbed 14 per cent to more than \$2 billion.

For the 12 months to August, exports to East Asia rose 26 per cent, with shipments to China rising an astonishing 33 per cent.

Dr Emerson pointed out that exports to China had increased 25-fold in real terms since 1990.

"Australia's economic integration with Asia, which began in earnest under the Hawke Government in the mid-1980s, has positioned the country brilliantly to benefit from the economic transformation underway in China and other Asian countries," Dr Emerson said.

"The Gillard Government's economic reforms are designed to ensure these benefits keep flowing well into the Asian Century."

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