



MEDIA RELEASE

DR CRAIG EMERSON

Minister for Trade

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Australia back into trade surplus

Australia posted a higher-than-expected trade surplus of \$1.7 billion in March, reversing the small deficit recorded in the previous month, according to figures released today by the Australian Bureau of Statistics.

The result far exceeded market expectations of a \$400 million surplus.

A 9 per cent improvement in exports, to a total of \$25 billion, was led by a strong recovery in iron ore and coal shipments, following unprecedented floods and other weather-related disruptions at the start of the year.

Trade Minister Craig Emerson welcomed the solid result.

“Australia is a major supplier of energy and resources to our region,” Dr Emerson said.

“It’s good to see our commodity exporters bounce back so strongly after severe disruptions in January and February,” he said.

Iron ore exports jumped 30 per cent to \$4.9 billion, led by a 43 per cent rise in volumes as exports from Port Hedland resumed following closures in February. Coal exports continued to recover, rising 27 per cent after a small rise in February. Coal volumes rose 20 per cent, while prices were up 6 per cent.

Dr Emerson, however, also acknowledged the impact the strong Australian dollar was having on the country’s exporters.

“The Australian dollar reached an average of US\$1.01 in March, weighing on rural exports, which fell 2 per cent in the month,” he said.

Imports of goods and services rose 1 per cent to \$23.3 billion, led by a \$615 million increase in fuels and lubricant imports. Excluding this normally-volatile component, imports would have fallen 2 per cent. Capital goods imports fell 8 per cent between February and March, but were still 8 per cent higher for the 12 months to March. This suggests strong business investment in the Australian economy during that time.

Dr Emerson warned that despite Australia’s solid trade performance in March, there were significant headwinds ahead.

“The tragic events in Japan, Australia’s second-largest trading partner, have caused Japanese industrial output to plummet, and we should expect our exports to Japan to decline in the coming months,” Dr Emerson said.

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