



Australian Government

Department of Foreign Affairs and Trade

TRADE AT A GLANCE 2009



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Unless otherwise specified, all amounts are in Australian dollars.

Minister for Trade's Foreword



Welcome to 'Trade at a Glance 2009', a concise summary of Australia's trade performance that underlines the vital contribution that trade makes to Australia's prosperity.

Trade is a stimulus to growth. It expands the global economy, creates wealth and lifts living standards around the world. While international trade has been affected by the global economic crisis, it has on average been steadily expanding for the past 30 years.

Trade creates jobs, lifts incomes and encourages business to become more innovative. It gives consumers a greater choice of products at competitive prices and offers firms more options when sourcing production inputs.

Australia is part of a global trading system that is governed by the rules of the World Trade Organization (WTO). These rules aim to create an open, fair and transparent trading regime for all countries, including developing countries.

Australia is committed not only to supporting the WTO, but also working with APEC and our regional partners through free trade agreements and other mechanisms to open markets and further boost the flow of trade.

I hope you find 'Trade at a Glance 2009' to be a valuable trade resource.

A handwritten signature in blue ink, which appears to read 'Simon Crean'. The signature is fluid and cursive, written over a light blue background.

Simon Crean

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Trade Performance at a Glance



Profile of Australian Trade

Australia has a diverse export base and is a major exporter of food, resources, fuels and education. In 2008, Australia's two-way trade totalled \$561 billion, up from \$456 billion in 2007.

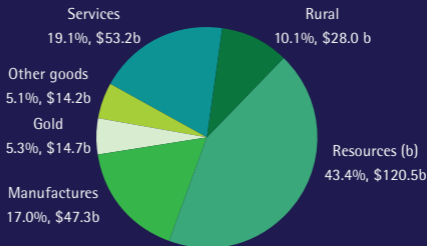
Japan, China, the United States and Singapore were the nation's top four trading partners in 2008. About 70 per cent of Australia's trade was with the member economies of the Asia-Pacific Economic Cooperation (APEC) forum.

Australia is an active and successful global trader of goods and services.



Exports of goods and services, 2008^(a)

Share of exports by sector



(a) Balance of payments basis. (b) Minerals and fuels.

Source: ABS catalogue 5368.0.

Australia's leading exports (goods & services) 2008^(a)

3

	(\$ billion)
Coal	46.4
Iron ore & concentrates	30.2
Education services ^(b)	15.5
Gold ^(c)	14.7
Personal travel (excl education) services	11.7
Crude petroleum	10.4
Natural gas	9.1
Professional, technical & other business services	6.5
Aluminium ores & conc (incl alumina)	6.5
Aluminium	5.8
Beef, fresh, chilled or frozen (f.c.f)	5.0
Other transportation services ^(d)	4.6
Other ores & concentrates	4.2
Copper ores & concentrates	4.2
Passenger transportation services ^(e)	4.0
Wheat	3.8
Passenger motor vehicles	3.7
Medicaments (incl veterinary)	3.6
Copper	3.5
Refined petroleum	3.5
Total exports ^(f)	227.9

(a) Goods trade are on a recorded trade basis. Services trade are on a balance of payments (BOP) basis.

(b) Includes Education-related travel and Other education services.

(c) BOP basis.

(d) Other transportation services exports covers a range of services provided in Australian airports and ports, including cargo and baggage handling services, agents fees associated with passenger and freight transportation and airport and port charges.

(e) Includes related agency fees and commissions.

(f) Total exports on a BOP basis.

Sources: ABS trade data on DFAT STARS database and ABS catalogue 5368.0.

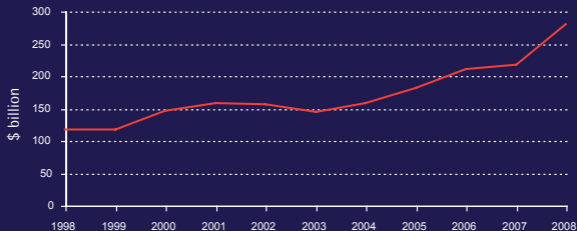
Australia's Trade Performance



Australian exports of goods and services grew 27.6 per cent in 2008, to \$278 billion. The strong growth was led by resources exports which were in very high demand, reaching \$121.2 billion. Education services exports rose 23 per cent to \$15.5 billion and around two-thirds of Australia's farm production was exported.

Imports increased 18.9 per cent to \$283 billion. Strong consumer demand, high oil prices and imports of capital goods by business contributed to this growth in the first nine months of the year. The fall in the value of the Australian dollar from a peak of 97 US cents in July 2008 to below 70 US cents at the end of the year also increased the value (in Australian dollar terms) of imports priced in foreign currencies.

Exports of goods and services ^(a)



(a) Balance of payments basis.

Source: ABS catalogue 5368.0.



The Australian Economy

Australia's economic fundamentals are strong and the Government is committed to responsible economic management. The global financial crisis, which intensified in mid-September 2008 and has resulted in the worst global recession since WWII, is posing unique challenges for the Australian economy.

- Despite the global economy being in deep recession, Australia is performing better than most other advanced economies.
- Strong financial institutions and sound regulatory frameworks have enhanced Australia's ability to weather the global financial crisis.
- Despite the worsening of the global financial crisis, in the last quarter of 2008 Australia had recorded 17 successive years of growth.
- Australia has an independent central bank.
- Australia has one of the most multilingual workforces in the Asia-Pacific region.

Australia's major goods exports 2008

Goods ^(a)	\$ million	% share
Coal	46,403	20.6
Iron ore & concentrates	30,221	13.4
Gold ^(b)	14,702	6.5
Crude petroleum	10,360	4.6
Natural gas	9,053	4.0
Aluminium ores & conc (incl alumina)	6,467	2.9
Aluminium	5,794	2.6
Beef, fresh, chilled or frozen (f.c.f)	4,969	2.2
Other ores & concentrates	4,221	1.9
Copper ores & concentrates	4,194	1.9
Wheat	3,792	1.7
Passenger motor vehicles	3,716	1.7
Medicaments (incl veterinary)	3,578	1.6
Copper	3,506	1.6
Refined petroleum	3,479	1.5
Alcoholic beverages (mainly wine)	2,615	1.2
Wool & other animal hair (incl tops)	2,284	1.0
Meat (excl beef)	2,135	1.0
Nickel ores & concentrates	1,679	0.7
Milk & cream	1,541	0.7
Total goods export ^(b)	224,718	100.0

(a) Recorded trade basis.

(b) BOP basis.

Sources: ABS trade data on DFAT STARS database and ABS catalogue 5368.0.

Australia's services exports 2008^(a)

7

	\$ million	% share
Transportation		
Passenger ^(b)	3,991	7.5
Freight	666	1.3
Other ^{(b)(c)}	4,583	8.6
Total transportation	9,240	17.4
Travel		
Business	2,736	5.1
Personal	26,663	50.1
Education-related	15,002	28.2
Other personal ^(d)	11,661	21.9
Total travel	29,399	55.3
Other		
Communication ^(e)	924	1.7
Construction	82	0.2
Insurance	738	1.4
Financial	1,055	2.0
Computer and information	1,673	3.1
Royalties and licence fees	817	1.5
Other business services	7,655	14.4
Personal, cultural and recreational	780	1.5
Government services, not included elsewhere (nie)	848	1.6
Total other services	14,572	27.4
Total services exports	53,202	100.0

(a) BOP basis.

(b) Passenger services include air transport-related agency fees and commissions.

(c) Transportation operation lease fees are included.

(d) Inbound tourism for mainly recreational purposes.

(e) Communications services include other services (nie).

Source: ABS catalogue 5368.0.

Australia's major goods imports 2008

Goods ^(a)	\$ million	% share
Crude petroleum	17,905	7.8
Refined petroleum	15,061	6.6
Passenger motor vehicles	14,751	6.4
Gold	9,732	4.2
Telecom equipment & parts	6,902	3.0
Medicaments (incl veterinary)	6,800	3.0
Goods vehicles	6,587	2.9
Computers	5,818	2.5
Civil engineering equipment & parts	4,165	1.8
Aircraft, spacecraft & parts	4,159	1.8
Monitors, projectors & TVs	3,019	1.3
Measuring & analysing instruments	2,891	1.3
Furniture, mattresses & cushions	2,802	1.2
Prams, toys, games & sporting goods	2,753	1.2
Vehicle parts & accessories	2,745	1.2
Electrical machinery & parts, nie	2,468	1.1
Fertilisers (excl crude)	2,251	1.0
Mechanical handling equip & parts	2,160	0.9
Specialised machinery & parts	2,146	0.9
Heating & cooling equipment & parts	2,122	0.9
Total goods imports ^(b)	229,407	100.0

(a) Recorded trade basis.

(b) BOP basis

Sources: ABS trade data on DFAT STARS database and ABS catalogue 5368.0.

Australia's services imports 2008^(a)

9

	\$ million	% share
Transportation		
Passenger	7,214	13.4
Freight	9,753	18.1
Other	572	1.1
Total transportation	17,539	32.6
Travel		
Business	3,111	5.8
Personal	15,629	29.1
Education-related	894	1.7
Other personal ^(b)	14,735	27.4
Total travel	18,740	34.8
Other		
Communication ^(c)	1,162	2.2
Construction	0	0.0
Insurance	952	1.8
Financial	632	1.2
Computer and information	1,544	2.9
Royalties and licence fees	3,554	6.6
Other business services	7,372	13.7
Personal, cultural and recreational	1,439	2.7
Government services (nie)	848	1.6
Total other services	17,503	32.5
Total services imports	53,783	100.0

(a) BOP basis.

(b) Inbound tourism for mainly recreational purposes.

(c) Communications services include other services (nie).

Source: ABS catalogue 5368.0.

Australia's top 10 two-way trading partners 2008 (\$ billion)

	Goods ^(a)	Services ^(b)	Total ^(c)	% share
1 Japan	71.0	5.0	76.0	13.6
2 China	67.6	6.2	73.8	13.2
3 United States	38.8	15.9	54.7	9.8
4 Singapore	22.3	8.7	31.0	5.5
5 United Kingdom	19.3	9.2	28.4	5.1
6 Republic of Korea	24.8	2.4	27.2	4.9
7 New Zealand	16.9	6.0	22.9	4.1
8 India	15.3	3.6	18.9	3.4
9 Thailand	15.5	2.8	18.3	3.3
10 Germany	13.4	2.2	15.7	2.8
Total two-way trade ^(b)	453.8	107.0	560.8	100.0
of which:				
APEC	320.9	60.9	381.9	68.1
ASEAN	70.7	18.2	88.9	15.8
EU27	71.0	20.3	91.3	16.3
OECD	233.1	53.7	286.8	51.1

(a) Recorded trade basis.

(b) BOP basis.

(c) Total may not sum due to rounding.

Sources: ABS trade data on DFAT STARS database and ABS catalogue 5368.0.

Australia's global export position

How we compare to the rest of the world 2008 (US \$b)

		Goods ^(a)	Services ^(b)	Total	% share
1	United States	1,301	522	1,823	9.2
2	Germany	1,465	235	1,700	8.6
3	China	1,428	129	1,558	7.8
4	Japan	782	144	926	4.7
5	France	609	153	762	3.8
6	United Kingdom	458	283	741	3.7
7	Netherlands	634	102	736	3.7
8	Italy	540	123	663	3.3
9	Belgium	477	89	566	2.8
10	Russian Federation	472	50	522	2.6
11	Canada	456	62	519	2.6
12	Republic of Korea	422	74	496	2.5
13	Hong Kong (SAR of China)	370	91	461	2.3
14	Spain	268	143	411	2.1
15	Singapore	338	72	410	2.1
16	Saudi Arabia	329	8	337	1.7
17	Mexico	292	18	310	1.6
18	Taiwan	256	34	289	1.5
19	India	179	101	280	1.4
20	Switzerland	200	74	275	1.4
21	Sweden	184	71	255	1.3
22	Austria	182	62	244	1.2
23	United Arab Emirates	232	8	240	1.2
24	Australia	187	46	233	1.2
25	Malaysia	200	30	229	1.2
26	Brazil	198	29	227	1.1
27	Ireland	124	96	220	1.1
28	Norway	168	46	214	1.1
29	Thailand	178	33	211	1.1
30	Poland	168	35	202	1.0
Total exports		16,127	3,731	19,858	

(a) Recorded trade basis.

(b) Commercial services on BOP basis.

Sources: WTO online database and EIU Viewswire.

Australia's top 10 export markets 2008 (\$ billion)

	Goods ^(a)	Services ^(b)	Total ^(c)	% share
1 Japan	50.8	2.4	53.2	19.1
2 China	32.3	4.7	37.1	13.3
3 Republic of Korea	18.4	1.8	20.2	7.3
4 United States	12.1	6.1	18.3	6.6
5 India	13.5	3.0	16.5	5.9
6 United Kingdom	9.3	4.8	14.1	5.1
7 New Zealand	9.3	3.4	12.8	4.6
8 Singapore	6.1	3.9	10.1	3.6
9 Taiwan	8.3	0.5	8.7	3.1
10 Thailand	5.3	1.0	6.3	2.3
Total exports ^(b)	224.7	53.2	277.9	100.0
of which:				
APEC	162.4	30.7	193.1	69.5
ASEAN	22.9	8.5	31.4	11.3
EU27	23.5	9.0	32.5	11.7
OECD	117.7	24.5	142.2	51.2

(a) Recorded trade basis.

(b) BOP basis.

(c) Total may not sum due to rounding.

Sources: ABS trade data on DFAT STARS database and ABS catalogue 5368.0.

Australia's global import position

How we compare to the rest of the world 2008 (US \$b)

		Goods ^(a)	Services ^(b)	Total	% share
1	United States	2,166	364	2,530	12.7
2	Germany	1,206	285	1,491	7.5
3	China	1,133	154	1,287	6.5
4	Japan	762	166	928	4.7
5	France	708	137	845	4.2
6	United Kingdom	632	199	831	4.2
7	Italy	556	132	689	3.5
8	Netherlands	574	92	666	3.3
9	Belgium	470	84	554	2.8
10	Republic of Korea	435	93	528	2.7
11	Spain	402	108	510	2.6
12	Canada	418	84	503	2.5
13	Hong Kong (SAR of China)	393	44	437	2.2
14	Singapore	320	76	396	2.0
15	Russian Federation	292	75	367	1.8
16	Mexico	323	25	348	1.7
17	India	292	53	344	1.7
18	Taiwan	240	34	274	1.4
19	Australia	200	45	246	1.2
20	Poland	204	30	234	1.2
21	Brazil	183	44	227	1.1
22	Austria	184	42	226	1.1
23	Thailand	179	46	225	1.1
24	Sweden	167	54	221	1.1
25	Switzerland	183	37	220	1.1
26	Turkey	202	16	218	1.1
27	United Arab Emirates	159	36	195	1.0
28	Malaysia	157	29	186	0.9
29	Ireland	83	103	186	0.9
30	Denmark	112	62	175	0.9
	Total imports	16,415	3,469	19,884	

(a) Recorded trade basis.

(b) Commercial services on BOP basis.

Sources: WTO online database and EIU Viewswire.

Australia's top 10 import sources 2008 (\$ billion)

	Goods ^(a)	Services ^(b)	Total ^(c)	% share
1 China	35.3	1.4	36.7	13.0
2 United States	26.7	9.8	36.5	12.9
3 Japan	20.2	2.6	22.8	8.1
4 Singapore	16.2	4.8	21.0	7.4
5 United Kingdom	10.0	4.4	14.4	5.1
6 Germany	11.4	1.2	12.6	4.4
7 Thailand	10.2	1.8	12.0	4.2
8 New Zealand	7.6	2.6	10.2	3.6
9 Malaysia	9.0	1.0	10.0	3.5
10 Republic of Korea	6.4	0.6	7.0	2.5
Total imports ^(b)	229.4	53.8	283.2	100.0
of which:				
APEC	158.5	30.2	188.7	66.6
ASEAN	47.7	9.7	57.4	20.3
EU27	47.5	11.3	58.7	20.7
OECD	115.4	29.2	144.6	51.0

(a) Recorded trade basis.

(b) BOP basis.

(c) Total may not sum due to rounding.

Sources: ABS trade data on DFAT STARS database and ABS catalogue 5368.0.

Foreign investment in Australia 2008 (\$ million) ^(a)

Country	Level of direct investment in Australia	Level of total investment in Australia
United Kingdom	60,373	427,070
United States	95,417	418,445
Japan	35,959	89,511
Hong Kong (SAR of China)	9,465	56,317
Singapore	10,103	43,050
Switzerland	19,509	38,133
Germany	13,738	36,272
Netherlands	25,085	32,901
France	13,406	28,936
New Zealand	5,362	27,061
Total all countries	392,862	1,724,444
of which:		
APEC	176,328	685,644
ASEAN	15,435	58,271
EU27	133,243	567,457
OECD	302,238	1,161,237

(a) Foreign investment in Australia: level of investment (stocks) as at 31 December 2008, by selected country and country group.

Source: ABS catalogue 5352.0.

Australian investment abroad 2008 (\$ million) ^(a)

Country	Level of direct investment abroad	Total Australian investment abroad
United States	121,435	394,614
United Kingdom	23,002	158,079
New Zealand	34,407	66,121
Canada	27,910	38,848
France	333	35,395
Netherlands	5,647	30,020
Japan	1,112	29,108
Germany	7,942	24,390
Singapore	6,726	21,994
Hong Kong (SAR of China)	5,847	20,141
Total all countries	281,064	1,010,642
of which:		
APEC	213,591	606,356
ASEAN	13,750	34,437
EU27	42,615	304,046
OECD	231,638	829,088

(a) Australian investment abroad: level of investment (stocks) as at 31 December 2008, by selected country and country group.

Source: ABS catalogue 5352.0.

Australia's industry structure 2008

	Gross value added ^(a)		Employed persons ^(b)	
	(\$m)	% share ^(c)	('000)	% share
Agriculture, forestry and fishing	25,386	2.5	371.6	3.5
Mining	84,585	8.4	180.3	1.7
Manufacturing	106,634	10.6	1,066.9	10.1
Services				
Electricity, gas and water	22,225	2.2	108.6	1.0
Construction	79,300	7.9	984.5	9.3
Wholesale trade	49,296	4.9	442.8	4.2
Retail trade	59,198	5.9	1,532.2	14.4
Accommodation, cafes and restaurants	20,228	2.0	515.9	4.9
Transport and storage	51,719	5.1	528.5	5.0
Communication services	26,726	2.7	198.7	1.9
Finance and insurance	80,463	8.0	383.8	3.6
Property and business services	131,616	13.1	1,291.4	12.2
Government administration and defence	40,863	4.1	486.4	4.6
Education	44,000	4.4	763.5	7.2
Health and community services	63,749	6.3	1,136.6	10.7
Cultural and recreational services	16,352	1.6	282.6	2.7
Personal and other services	20,067	2.0	413.5	3.9
Total services	705,802	70.1	9,069.2	85.5
Ownership of dwellings	84,565	8.4		
Gross value added at basic prices^(d)	1,006,972	100.0		
Taxes less subsidies on products	84,111			
Statistical discrepancy ^(e)	-1,354			
Total ^(d)	1,089,728		10,608	100.0

(a) The term is used to describe gross product by industry and by sector (Chain Volume Measures reference year 2006-07).

(b) Derived from seasonally adjusted data.

(c) As a share of GDP at basic prices.

(d) Basic prices are amounts received by producers, including the value of any subsidies on products, but before any taxes on products. GDP at purchasers' (market) prices is derived by adding taxes less subsidies on products to gross value added at basic prices.

(e) Production approach.

Sources: ABS catalogues 5206.0, 6202.0 and 6203.0.

Key economic indicators Australia

		1998	2006	2007	2008
Demand and production – chain volume measures, reference year 2006–07					
Gross domestic product ^(a)	% change	5.1	2.6	4.2	2.0
Exports of goods & services ^(a)	% change	0.1	3.3	3.2	4.7
Imports of goods & services ^(a)	% change	6.5	7.3	11.8	10.5
Labour force					
Population ^(b)	'000	18,814	20,874	21,238	21,543 ^(c)
Labour force ^(c)	'000	9,375	10,910	11,144	11,319
Employed persons ^(c)	'000	8,688	10,413	10,671	10,808
– Annual growth	%	2.0	3.3	2.5	1.3
Unemployment rate ^(c)	%	7.3	4.6	4.2	4.5
Prices and interest rates					
Consumer prices	% change	1.6	3.3	3.0	3.7
Interest rates – 90 day bills ^(d)	% pa	5.0	6.0	6.7	7.0

(a) Derived from annual movements in original data.

(b) At end of period.

(c) Derived from seasonally adjusted data.

(d) Annual average.

(e) September 2008 data.

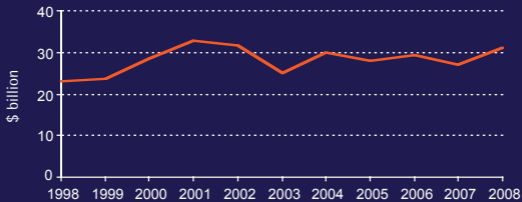
Sources: Australian Bureau of Statistics and Reserve Bank, various catalogues.

Agriculture

- Australia exports around two-thirds of its total farm production.
- Agricultural products^(a), including food and beverages, accounted for 11.1 per cent of Australia's exports in 2008.
- Most Australian agriculture tariffs are applied at rates between zero and five per cent.



Agricultural Exports



Source: DFAT STARS database.

(a) Based on the WTO definition of agriculture, which includes alcoholic beverages but excludes confidential raw sugar in bulk.

Australia's top agricultural ^(a) exports 2008 ^(b)

Rank	Commodity	\$ million	% share
1	Beef	4,969	16.0
2	Wheat	3,792	12.2
3	Wine	2,510	8.1
4	Wool & other animal hair (incl tops)	2,284	7.4
5	Meat (excl beef)	2,135	6.9
6	Milk & cream	1,541	5.0
7	Barley	1,245	4.0
8	Wood in chips or particles	1,146	3.7
9	Live animals (excl seafood)	1,119	3.6
10	Animal feed	1,106	3.6
11	Cheese & curd	904	2.9
12	Cereal preparations	741	2.4
13	Crustaceans	732	2.4
14	Hides & skins, raw (excl furskins)	718	2.3
15	Vegetables	600	1.9
16	Fruit & nuts	574	1.9
17	Edible products & preparations	505	1.6
18	Cotton	449	1.4
19	Oil-seeds & oleaginous fruits, soft	401	1.3
20	Animal oils & fats	393	1.3
Total agricultural exports		30,984	100.0

(a) Based on the WTO definition of agriculture, which includes alcoholic beverages but excludes confidential raw sugar in bulk. Data for confidential raw sugar in bulk are released with a six-month lag. In 2007-08, raw sugar in bulk exports totalled \$958 million.

(b) Recorded trade basis.

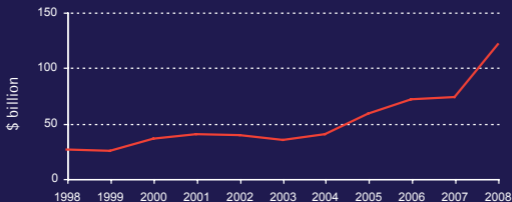
Source: ABS trade data on DFAT STARS database.

Minerals and Fuels

- This was Australia's largest export sector in 2008 – at \$120.5 billion it accounted for 43.4 per cent of total exports. Coal and Iron ore were the top two resources exports.
- Japan and China were Australia's leading export markets for minerals and fuels.
- Almost all applied tariffs on mining and energy products in Australia are between zero and five per cent.



Minerals and fuels exports



Source: ABS catalogue 5368.0.

Australia's top minerals and fuels exports 2008

Rank	Commodity ^(a)	\$ million	% share
1	Coal	46,403	38.5
2	Iron ore & concentrates	30,221	25.1
3	Crude petroleum	10,360	8.6
4	Natural gas	9,053	7.5
5	Aluminium ores & conc (incl alumina)	6,467	5.4
6	Other ores & concentrates	4,221	3.5
7	Copper ores & concentrates	4,194	3.5
8	Refined petroleum	3,479	2.9
9	Nickel ores & concentrates	1,679	1.4
10	Liquefied propane & butane	1,220	1.0
11	Confidential mineral ores	1,206	1.0
12	Ferrous waste & scrap	822	0.7
13	Uranium or thorium ores & conc	736	0.6
14	Non-ferrous waste & scrap	722	0.6
15	Coke & semi-coke	245	0.2
16	Crude minerals, nes	229	0.2
17	Precious metal ores & conc (excl gold)	132	0.1
18	Stone, sand & gravel	116	0.1
19	Natural abrasives	48	0.0
20	Residual petroleum products, nie	19	0.0
Total minerals and fuels exports ^(b)		120,526	100.0

(a) Recorded trade basis.

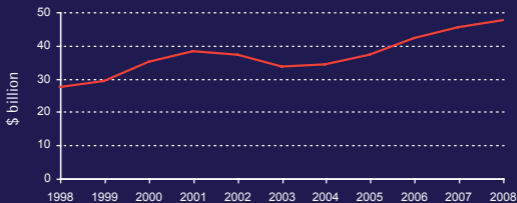
(b) Total minerals and fuels exports on a BOP basis.

Sources: ABS trade data on DFAT STARS database and ABS catalogue 5368.0.

Manufacturing

- About 65 per cent of Australia's manufactured exports are *Elaborately transformed manufactures* – worth \$31 billion.
- Australian exports of *Simply transformed manufactures* (mainly processed metals) were in demand in North Asia and were valued at \$16 billion.
- The manufacturing sector accounted for 17 per cent of Australia's total exports in 2008.
- Australia's applied tariffs on manufactures are almost all either five per cent or zero, with the main exceptions being:
 - Passenger motor vehicles and automotive parts and components, for which tariffs are currently 10 per cent, but are scheduled to fall to five per cent in 2010.
 - Textiles, clothing and footwear, which currently range from five per cent to 17.5 per cent and are scheduled to fall to five per cent (by either 2010 or 2015 depending on the product).

Manufactures exports



Source: ABS catalogue 5368.0.

Australia's top manufactures exports 2008

Rank	Commodity ^(a)	\$ million	% share
1	Aluminium	5,794	12.3
2	Passenger motor vehicles	3,716	7.9
3	Medicaments (incl veterinary)	3,578	7.6
4	Copper	3,506	7.4
5	Lead	1,129	2.4
6	Medical instruments (incl veterinary)	1,109	2.3
7	Zinc	1,045	2.2
8	Aircraft, spacecraft & parts	1,010	2.1
9	Uncoated flat-rolled iron & steel	991	2.1
10	Measuring & analysing instruments	913	1.9
11	Telecom equipment & parts	898	1.9
12	Civil engineering equipment & parts	791	1.7
13	Specialised machinery & parts	752	1.6
14	Vehicle parts & accessories	677	1.4
15	Fertilisers (excl crude)	649	1.4
16	Internal combustion piston engines	618	1.3
17	Nickel	605	1.3
18	Pigments, paints & varnishes	563	1.2
19	Starches, inulin & wheat gluten	558	1.2
20	Paper & paperboard	554	1.2
Total manufactures exports ^(b)		47,260	100.0

(a) Recorded trade basis.

(b) Total manufactures exports on a BOP basis.

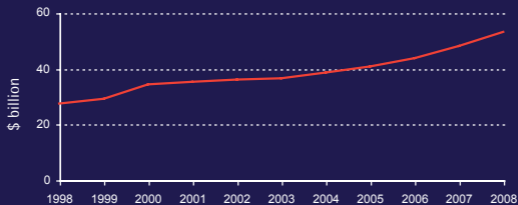
Sources: ABS trade data on DFAT STARS database and ABS catalogue 5368.0.

Services

- Services accounted for 19.1 per cent of Australia's total exports in 2008 at \$53 billion.
- Education was Australia's largest services export, more than 543,898 international students were enrolled in Australia in 2008.
- The United States, the United Kingdom and China are Australia's top export markets for services.



Services exports



Source: ABS catalogue 5368.0.

The details of Australia's services exports are set out on page 7.

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Trade Policy at a Glance



Australia's Trade Policy



A Strong, Prosperous and Outward Looking Nation

Trade is vital to Australia's economy and the prosperity of its people.

Australia's trade policy aims to open new markets, reduce barriers to trade and improve market access for Australian goods and services. The Government is also working to improve competition, innovation and productivity behind the border. Australia is committed to full participation in the global economy and supports an open, transparent and rules-based global trading system.

The Government is pursuing improved market access for Australian exporters in global markets through multilateral trade negotiations in the **World Trade Organization (WTO)**.

At a regional level, the Government actively engages with the **Asia-Pacific Economic Cooperation (APEC)** forum and the **Association of South East Asian Nations (ASEAN)**.

The Australian Government also undertakes bilateral negotiations with key trading partners through comprehensive **Free Trade Agreements**.

The international trading regime of the WTO is open, equitable and enforceable. The WTO's dispute settlement system is central to that regime. It gives member countries and exporters confidence that the commitments and obligations contained in the WTO agreements will be respected. Regional fora (APEC and ASEAN) and comprehensive bilateral agreements provide exporters with further rules-based systems and a more open, fair and predictable trading environment in which to operate.

For more information on Australia's trade policy visit:

www.dfat.gov.au/trade



Trade and the global recession

World trade has been adversely affected by the global recession, with trade volumes experiencing the largest falls since the end of WWII. East Asian economies have been particularly affected by the fall in trade flows because exports make up a large proportion of their economies.

The Government considers that keeping trade flows open by resisting protectionism and continuing to liberalise international trade are important parts of the solution to the economic downturn.

At the G20 Leaders' meeting in London in April 2009, governments from the twenty largest economies in the world agreed not to engage in protectionist measures until the end of 2010. G20 Leaders also agreed to promptly notify the WTO of protectionist measures taken. They endorsed the WTO's recent initiative to monitor and report on the impact of the financial crisis on the trade policies and trade finance of its members. The Australian Government supports the WTO in this important monitoring role.

The G20 Leaders also re-committed to reaching an ambitious and balanced conclusion to the WTO Doha Round of trade negotiations (see over). In addition, a new \$250 billion trade finance facility will be established to assist the restoration of normal trade flows involving developing countries.

Australia and the WTO

As a founding member of both the WTO in 1995 and its predecessor, the General Agreement of Tariffs and Trade (GATT) in 1947, Australia has a longstanding commitment to the multilateral trading system operated by the WTO. This system provides the legal framework governing world trade. WTO Members agree on legally binding rules governing trade providing important legal certainty for their exporters.

The Australian Government's key trade policy priority is a successful conclusion to the WTO Doha Round of trade negotiations, launched in Doha, Qatar, in November 2001. It seeks real improvements in market access for Australian exports across all negotiating sectors – agriculture, industrials and services.

For more information on Australia's participation in the WTO visit:

www.dfat.gov.au/trade/negotiations

The Doha Round has a strong development focus. It aims to improve developing countries' market access, reduce agricultural subsidies and increase global Aid for Trade. Aid for Trade refers to development assistance that addresses trade-related needs (such as policy, infrastructure and productive capacity) to help increase developing country participation in trade and support economic growth. Australia's Aid for Trade represents a large component of the overall aid program – about 10% – and is expected to reach around \$400 million in 2009-10. Aid for Trade is part of the Government's support for the achievement of the Millennium Development Goals.

For more information on Australia's development assistance visit:

www.usaid.gov.au.



The Australian Government's goal in the agriculture negotiations of the Doha Round is to reform agricultural trade, which is one of the most distorted and highly protected sectors of international trade.

As Chair of the Cairns Group, the Australian Government is pushing for agricultural trade reform through the WTO. In particular, Australia is pursuing significant reductions in agricultural tariffs, deep cuts to domestic support and tight disciplines on export competition.

- The Cairns Group is a coalition of 19 agricultural exporting countries, bringing together a diverse range of developed and developing countries from Latin America, Africa and the Asia-Pacific region.
- The Cairns Group has been an influential voice in the agricultural reform debate since its formation in 1986 and continues to play a major role in pressing the WTO membership to meet the Doha Round's far-reaching mandate.

Members of the Cairns Group

Argentina	Chile	Malaysia	Philippines
Australia	Colombia	New Zealand	South Africa
Bolivia	Costa Rica	Pakistan	Thailand
Brazil	Guatemala	Paraguay	Uruguay
Canada	Indonesia	Peru	

Non-Agricultural Trade

In the Doha Round, the Government is pushing for reductions in tariffs and other barriers to trade in non-agricultural goods (which include industrial, forestry and seafood products). These reforms would expand potential markets for Australian industry.

Non-agricultural trade accounts for around 90 per cent of global trade in goods. A strong Doha Round outcome would provide a significant boost to the world economy, with flow-on benefits to Australia.

Services Trade

The Government is working hard to achieve better access for Australia's services exports which accounted for approximately one fifth of Australia's total exports in 2008, at \$53 billion. In coming years, the services sector is predicted to be the most strongly growing sector in global trade. Education and tourism services are Australia's top services exports.

The Doha Round negotiations aim to reduce barriers that services exporters face in overseas markets by recognising qualifications and standards and investment rules and regulations relating to the temporary entry of business people. Given the importance of this sector to the Australian economy, Australia takes a prominent role in the services negotiations. Australia also promotes improved services exports through APEC and the negotiation of comprehensive Free Trade Agreements.



Trade with our region: APEC

Asia-Pacific Economic Cooperation (APEC) is the pre-eminent economic forum in our region and has delivered major gains to Australia and regional trading partners through trade liberalisation, business facilitation, and economic cooperation and technical assistance – the three pillars of APEC.

- APEC has 21 member economies which account for 48 per cent of world trade and 68 per cent of Australia's total trade.
- Together, APEC economies account for 57 per cent of world GDP, and 40 per cent of the world's population.
- Eight of Australia's 10 largest export markets are within APEC, including our top three export markets – Japan, China and the United States.
- APEC is driving an extensive trade and investment liberalisation and facilitation agenda, working towards a future Free Trade Area of the Asia-Pacific.
- APEC is increasingly focused on structural economic reform as a means of strengthening economies' competitiveness and trade and investment flows.

Members of APEC

Australia	Philippines	Japan
Canada	Singapore	Malaysia
People's Republic of China	Thailand	New Zealand
Indonesia	Vietnam	Peru
Republic of Korea	Brunei Darussalam	Russia
Mexico	Chile	Chinese Taipei
Papua New Guinea	Hong Kong, China	United States

Australia hosted APEC in 2007, with the APEC Economic Leaders' Meeting held in Sydney in September 2007. Singapore is the 2009 host. The United States will be the host in 2010.

For more information on Australia's role in APEC visit:
www.dfat.gov.au/apec/index.html
www.apec.org

Free Trade Agreements (FTAs)

Comprehensive bilateral and regional FTAs can enhance the trading relationship if they are truly liberalising across all sectors and consistent with WTO rules and complement the multilateral trading system.

Australia has negotiated six FTAs:

- | | |
|--|------|
| • ASEAN-Australia-New Zealand (AANZFTA) | 2009 |
| • Australia-Chile Free Trade Agreement (ACIFTA) | 2009 |
| • Australia-United States Free Trade Agreement (AUSFTA) | 2005 |
| • Thailand-Australia Free Trade Agreement (TAFTA) | 2005 |
| • Singapore-Australia Free Trade Agreement (SAFTA) | 2003 |
| • Australia-New Zealand Closer Economic Relations Trade Agreement (ANZCERTA) | 1983 |

Australia is undertaking FTA negotiations with:

- China
- Japan
- Malaysia
- The Gulf Cooperation Council (Saudi Arabia, Qatar, Bahrain, Oman, Kuwait, United Arab Emirates)
- Republic of Korea
- Trans-Pacific Partnership Agreement





FTAs

In addition, Australia is considering a number of FTAs:

- Australia – India joint FTA feasibility study, due for completion in 2009
- Australia – Indonesia joint FTA feasibility study, completed February 2009
- Pacific Agreement on Closer Economic Relations – PACER Plus

Australia's FTAs aim to:

- Be fully consistent with WTO principles and rules, deliver WTO-plus outcomes and reinforce the multilateral trading system
- Comprehensively and substantially liberalise goods and services trade and investment
- Deliver substantial commercial and wider economic benefits to Australia more quickly than would be possible through multilateral or regional processes
- Promote stronger trade and commercial ties between participating countries, and open up opportunities for Australian exporters and investors to expand their business into key markets
- Secure Australia's competitiveness with key trading partners
- Significantly enhance Australia's broader economic, foreign policy and strategic interests

For more information on Australia's FTAs and negotiations visit:
www.dfat.gov.au/trade/ftas.html

Information and Contacts

Department of Foreign Affairs and Trade (DFAT)

For more information on trade policy and statistics visit:

www.dfat.gov.au/trade

Australian Trade Commission (Austrade)

For information on the range of services available to new and existing exporters visit:

www.austrade.gov.au or contact 13 28 78

Export Finance and Insurance Corporation (EFIC)

To find out about EFIC's export credit and insurance services visit:

www.efic.gov.au or call 1800 887 588

Further Contacts:

For information about the Australian Government visit www.australia.gov.au

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Perth, Western Australia	08 9231 4499	08 9221 2827
Sydney, New South Wales	02 9356 6222	02 9356 4238



www.dfat.gov.au/trade