

# TRADE AT A GLANCE 2011



Australian Government

Department of Foreign Affairs and Trade



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Unless otherwise specified, all amounts are in Australian dollars.



## Minister for Trade's Foreword 2011

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Welcome to *Trade at a Glance 2011*, an informative summary of Australia's trade performance.

Australia has long been an open and active trading country. This engagement in global commerce has helped us become a prosperous nation and also left us well-placed in recent years to weather the worst effects of the global financial crisis.

In 2010, Australia registered a \$16.8 billion trade surplus, with our goods and services exported to more than 200 countries. These exports generated more than 20 per cent of Australia's gross domestic product. Both exports and imports create employment: one in five Australian jobs is related to trade and expanding our international trade will help secure a high-skill, high-wage future.

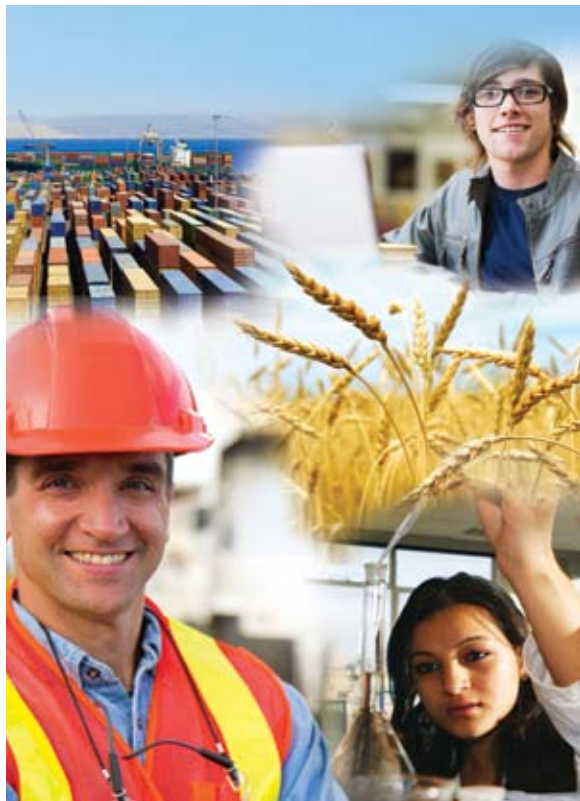
Australia's total trade with China in 2010 was \$105 billion, almost 24 per cent more than in the previous year. It was the first time that Australia's two-way trade with a single nation had topped the \$100 billion level.

China was Australia's largest two-way trading partner, our largest export market and biggest source of imports.

As we develop our trading relationships, we build our nation's wealth and contribute to the Government's vision for Australia as a prosperous, sustainable nation providing opportunity for all.

I encourage you to read *Trade at a Glance 2011*, and trust you will find it a valuable resource.

**The Hon Dr Craig Emerson MP**  
**Minister for Trade**



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## Profile of Australian Trade

Australia's two-way trade totalled \$552.4 billion in 2010.

Resource commodities including iron ore and coal, made up 47.5 per cent of Australia's exports. Australia's total goods and services exports reached \$284.6 billion.

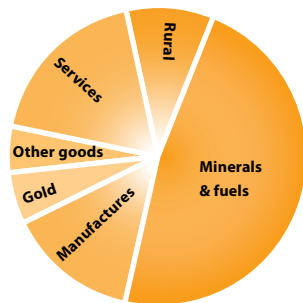
Other leading exports included services such as education and tourism, manufactured goods (including pharmaceuticals) and farm produce.

China, Japan, United States and the Republic of Korea were the nation's top four trading partners in 2010. About 70 per cent of Australia's trade was with the member economies of the Asia-Pacific Economic Cooperation (APEC) forum.

One in five Australian jobs is related to trade, according to the Centre for International Economics report *Benefits of Trade and Trade Liberalisation, 2009*.

### EXPORTS OF GOODS AND SERVICES, 2010<sup>(a)</sup>

#### Share of exports by sector



47.5%	Minerals & fuels	\$135.0b
18.4%	Services	\$52.4b
14.2%	Manufactures	\$40.5b
9.6%	Rural	\$27.5b
5.4%	Gold	\$15.0b
5.0%	Other goods	\$14.2b

<sup>(a)</sup> Balance of payment basis.  
Based on ABS catalogue 5302.0.

## Australia's 2010 Trade Performance

Australia's trade in goods and services grew strongly in 2010.

Australia registered a \$16.8 billion trade surplus in 2010, reversing a trade deficit of \$4 billion in 2009. This represents a turnaround in our trade performance of \$20.8 billion.

Two-way trade in goods and services grew 10 per cent to \$552.4 billion in 2010, up from \$503.9 billion in 2009.

The value of Australia's exports increased 13.9 per cent to a new record of \$284.6 billion and export volumes were up 5.2 per cent in 2010. The surge was led by strong demand and firm prices for metal ores, minerals and coal.

Australia's manufacturing exports also performed well in 2010, increasing by 4 per cent to \$40.5 billion, despite a strong dollar.

These were welcome results following 2009, when global trade flows fell by 11 per cent, in volume terms, due to the global recession.



<sup>(a)</sup> Balance of payment basis. Based on ABS catalogue 5302.0.

## Australia's top 10 two-way trading partners 2010 (\$ billion)

	Goods <sup>(a)</sup>	Services <sup>(b)(c)</sup>	Total <sup>(c)(d)</sup>	% share
1 China	97.7	7.6	105.3	19.1
2 Japan	61.8	4.3	66.1	12.0
3 United States <sup>(e)</sup>	34.6	15.1	49.8	9.0
4 Republic of Korea	27.6	2.5	30.1	5.4
5 United Kingdom	14.1	8.5	22.6	4.1
6 India	18.4	3.8	22.2	4.0
7 Singapore	15.5	6.1	21.6	3.9
8 New Zealand	15.2	6.1	21.3	3.9
9 Thailand	16.9	3.0	19.8	3.6
10 Malaysia	12.7	2.8	15.6	2.8
<b>Total two-way trade <sup>(b)</sup></b>	<b>444.0</b>	<b>108.3</b>	<b>552.4</b>	<b>100.0</b>
<b>Of which:</b>				
APEC <sup>(e)</sup>	329.1	61.4	390.5	70.7
ASEAN10	62.5	18.0	80.5	14.6
EU27 <sup>(d)</sup>	57.0	21.0	78.0	14.1
OECD <sup>(e)</sup>	207.0	54.1	261.1	47.3

<sup>(a)</sup> Recorded trade basis. <sup>(b)</sup> Balance of payments basis. <sup>(c)</sup> Excludes imports of aircraft from regional import total from Sep-08 onwards (excl. the United States – see footnote (e)). This has a significant impact on import totals for France (EU27). <sup>(d)</sup> Total may not sum due to rounding. <sup>(e)</sup> Based on unpublished ABS data and includes confidential aircraft imports for the US only. **Based on ABS trade data on DFAT STARS database, ABS catalogues 5302.0. & 5368.0.05.004 and ABS unpublished data.**

## Australia's leading exports (goods and services) 2010 <sup>(a)</sup>

	(\$ billion)
Iron ore & concentrates	49.4
Coal	43.0
Education-related travel services	17.7
Gold <sup>(b)</sup>	15.0
Personal travel (excluding education) services	12.2
Crude petroleum	10.5
Natural gas	9.4
Aluminium ores & concentrates (including alumina)	5.3
Copper ores & concentrates	5.0
Aluminium	4.4
Beef	4.4
Wheat	4.2
Medicaments (including veterinary)	3.6
Technical & other business services	3.5
Copper	3.2
Professional services	3.1
Business travel services	3.0
Passenger transport services <sup>(c)</sup>	2.7
Refined petroleum	2.4
Meat (excluding beef)	2.3
<b>Total exports <sup>(d)</sup></b>	<b>284.6</b>

<sup>(a)</sup> Goods trade is on a recorded trade basis. Services trade is on a balance of payments basis.

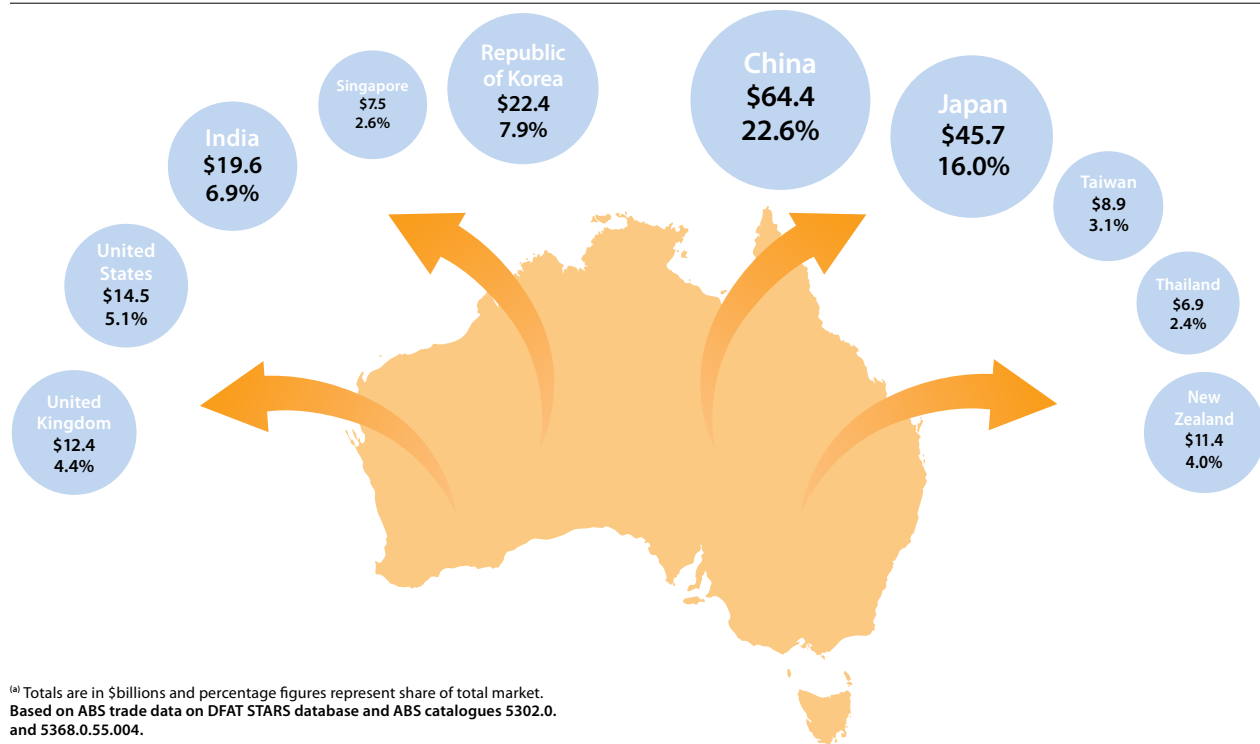
<sup>(b)</sup> Balance of payments basis.

<sup>(c)</sup> Includes related agency fees and commissions.

<sup>(d)</sup> Total exports on a BOP basis.

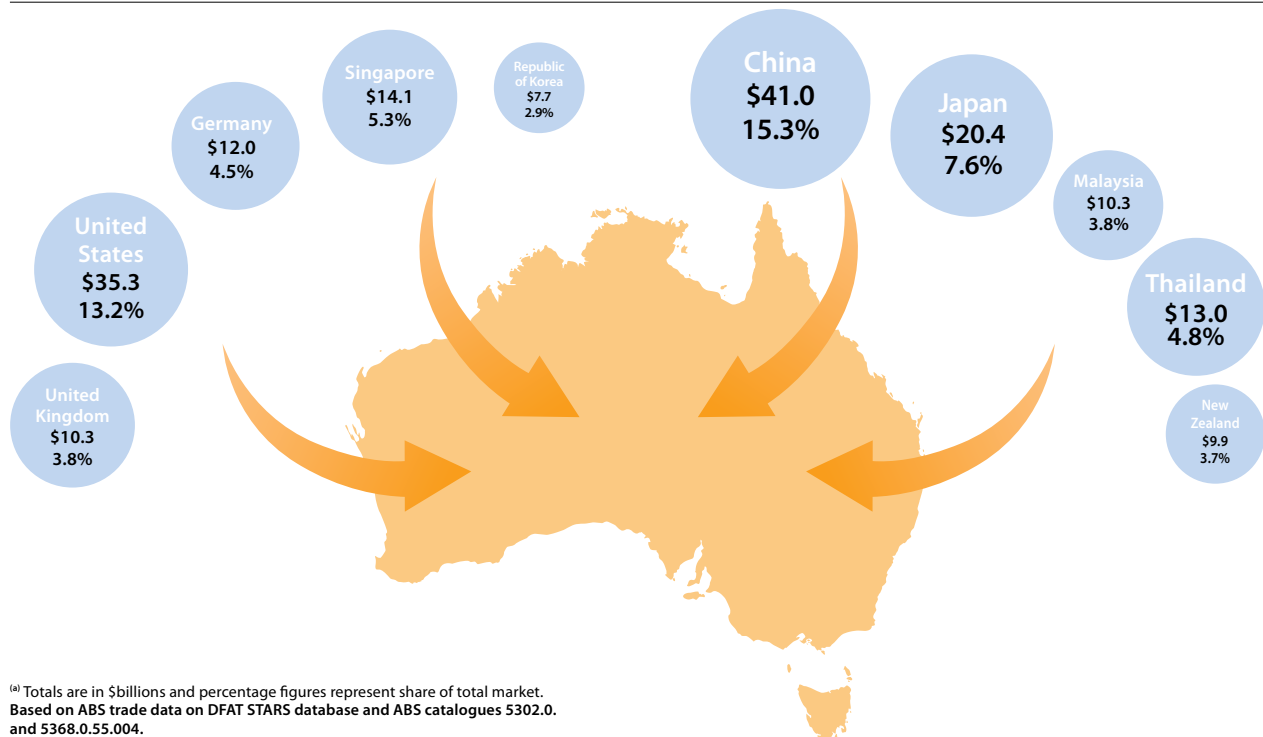
**Based on ABS trade data on DFAT STARS database and ABS catalogue 5302.0.**

## Australia's top 10 export markets 2010 (\$ billion)<sup>(a)</sup>



<sup>(a)</sup> Totals are in \$billions and percentage figures represent share of total market. Based on ABS trade data on DFAT STARS database and ABS catalogues 5302.0 and 5368.0.55.004.

## Australia's top 10 import markets 2010 (\$ billion)<sup>(a)</sup>



<sup>(a)</sup> Totals are in \$billions and percentage figures represent share of total market. Based on ABS trade data on DFAT STARS database and ABS catalogues 5302.0. and 5368.0.55.004.

## Australia's major goods imports 2010

Goods <sup>(a)</sup>	\$ million	% share
Crude petroleum	16,218	7.7
Passenger motor vehicles	15,917	7.5
Refined petroleum	9,970	4.7
Medicaments (incl. veterinary)	7,896	3.7
Telecom equipment & parts	7,534	3.6
Computers	6,526	3.1
Gold <sup>(b)</sup>	6,520	3.1
Goods vehicles	6,019	2.8
Civil engineering equipment & parts	3,049	1.4
Monitors, projectors & TVs	2,822	1.3
Furniture, mattresses & cushions	2,629	1.2
Measuring & analysing instruments	2,616	1.2
Vehicle parts & accessories	2,572	1.2
Prams, toys, games & sporting goods	2,565	1.2
Electrical machinery & parts, not elsewhere specified	2,447	1.2
Heating & cooling equipment & parts	2,247	1.1
Pumps (excl. liquid pumps) & parts	2,220	1.0
Rubber tyres, treads & tubes	2,173	1.0
Household-type equipment, not elsewhere specified	2,054	1.0
Office machines	2,025	1.0
<b>Total goods imports<sup>(c)</sup></b>	<b>211,850</b>	<b>100.0</b>

<sup>(a)</sup> Recorded trade basis. <sup>(b)</sup> Balance of payments basis. <sup>(c)</sup> Total goods imports on a BOP basis. Based on ABS trade data on DFAT STARS database and ABS catalogue 5302.0.

## Australia's major goods exports 2010

Goods <sup>(a)</sup>	\$ million	% share
Iron ore & concentrates	49,376	21.3
Coal	42,967	18.5
Gold <sup>(b)</sup>	15,005	6.5
Crude petroleum	10,502	4.5
Natural gas	9,425	4.1
Aluminium ores & concentrates (incl. alumina)	5,293	2.3
Copper ores & concentrates	5,036	2.2
Other ores & concentrates	4,441	1.9
Aluminium	4,409	1.9
Beef	4,369	1.9
Wheat	4,178	1.8
Medicaments (including veterinary)	3,601	1.6
Copper	3,160	1.4
Refined petroleum	2,438	1.1
Meat (excl. beef)	2,258	1.0
Alcoholic beverages (mainly wine)	2,238	1.0
Wool & other animal hair (incl. tops)	2,225	1.0
Passenger motor vehicles	1,802	0.8
Confidential mineral ores	1,655	0.7
Milk & cream	1,171	0.5
<b>Total goods exports<sup>(c)</sup></b>	<b>232,188</b>	<b>100.0</b>

<sup>(a)</sup> Recorded trade basis. <sup>(b)</sup> Balance of payments basis. <sup>(c)</sup> Total goods exports on a BOP basis. Based on ABS trade data on DFAT STARS database and ABS catalogue 5302.0.



## Australia's services imports 2010<sup>(a)</sup>

Services <sup>(a)</sup>	\$ million	% share
<b>Manufactured services on physical inputs owned by others</b>	6	0.0
<b>Maintenance &amp; repair</b>	283	0.5
<b>Transport</b>		
Passenger <sup>(b)</sup>	5,708	10.2
Freight	8,542	15.3
Other <sup>(c)</sup>	291	0.5
Postal & courier services	129	0.2
<b>Total transport</b>	<b>14,670</b>	<b>26.2</b>
<b>Travel</b>		
Business	3,150	5.6
Personal	21,248	38.0
Education-related	906	1.6
Other personal <sup>(d)</sup>	20,342	36.4
<b>Total travel</b>	<b>24,398</b>	<b>43.6</b>
<b>Other</b>		
Construction	0	0.0
Insurance & pension	615	1.1
Financial	664	1.2
Intellectual property charges	3,706	6.6
Telecommunications, computer & information	2,038	3.6
Other business services	7,277	13.0
Personal, cultural and recreational	1,377	2.5
Government services, not included elsewhere	888	1.6
<b>Total other services</b>	<b>16,565</b>	<b>29.6</b>
<b>Total services imports</b>	<b>55,922</b>	<b>100.0</b>

<sup>(a)</sup> Balance of payments basis. <sup>(b)</sup> Passenger services include air transport-related agency fees & commissions. <sup>(c)</sup> Transportation operation lease fees are included.

<sup>(d)</sup> Outbound tourism for mainly recreational purposes. Based on ABS catalogue 5302.0.

## Australia's services exports 2010<sup>(a)</sup>

Services <sup>(a)</sup>	\$ million	% share
<b>Manufactured services on physical inputs owned by others</b>	230	0.4
<b>Maintenance &amp; repair</b>	54	0.1
<b>Transport</b>		
Passenger <sup>(b)</sup>	2,713	5.2
Freight	425	0.8
Other <sup>(c)</sup>	2,251	4.3
Postal & courier services	950	1.8
<b>Total transport</b>	<b>6,339</b>	<b>12.1</b>
<b>Travel</b>		
Business	2,966	5.7
Personal	29,851	57.0
Education-related	17,685	33.8
Other personal <sup>(d)</sup>	12,166	23.2
<b>Total travel</b>	<b>32,817</b>	<b>62.6</b>
<b>Other</b>		
Construction	92	0.2
Insurance & pension	324	0.6
Financial	956	1.8
Intellectual property charges	1,027	2.0
Telecommunications, computer & information	1,816	3.5
Other business services	7,117	13.6
Personal, cultural and recreational	767	1.5
Government services, not included elsewhere	852	1.6
<b>Total other services</b>	<b>12,951</b>	<b>24.7</b>
<b>Total services exports</b>	<b>52,391</b>	<b>100.0</b>

<sup>(a)</sup> Balance of payments basis. <sup>(b)</sup> Passenger services include air transport-related agency fees & commissions. <sup>(c)</sup> Transportation operation lease fees are included.

<sup>(d)</sup> Inbound tourism for mainly recreational purposes. Based on ABS catalogue 5302.0.

## Foreign investment in Australia 2010<sup>(a)</sup> (\$ million)

Country	Level of direct investment in Australia	Level of total investment in Australia
United States	120,089	549,881
United Kingdom	52,525	472,649
Japan	49,417	117,633
Singapore	20,240	43,771
Netherlands	31,128	42,425
Hong Kong (SAR of China)	6,694	40,774
Germany	16,224	40,756
Switzerland	20,735	40,731
New Zealand	6,460	33,773
France	12,563	23,861
<b>Total all countries</b>	<b>473,673</b>	<b>1,967,806</b>
<b>Of which:</b>		
APEC	241,863	858,798
ASEAN10	27,477	61,332
EU27	131,562	647,400
OECD	347,888	1,414,184

<sup>(a)</sup> Foreign investment in Australia: level of investment (stocks) as at 31 December 2010, by selected country and country group. Source: ABS catalogue 5352.0.

## Australian investment abroad 2010<sup>(a)</sup> (\$ million)

Country	Level of direct investment abroad	Total Australian investment abroad
United States	93,417	410,046
United Kingdom	72,046	192,336
New Zealand	38,947	73,934
Canada	23,447	39,174
Germany	9,251	37,231
France	419	29,415
Japan	518	29,111
Singapore	6,255	25,057
Netherlands	4,490	24,543
Hong Kong (SAR of China)	5,090	23,362
<b>Total all countries</b>	<b>361,779</b>	<b>1,185,704</b>
<b>Of which:</b>		
APEC	200,791	661,882
ASEAN10	15,366	42,732
EU27	102,698	363,240
OECD	268,549	921,480

<sup>(a)</sup> Australian investment abroad: level of investment (stocks) as at 31 December 2010, by selected country and country group. Source: ABS catalogue 5352.0.

## Australia's global import position

How we compare to the rest of the world 2010 (US\$b)

Rank	Country	Goods <sup>(a)</sup>	Services <sup>(b)</sup>	Total imports	% share
1	USA	1,968	358	2,236	12.3
2	China	1,395	192	1,587	8.4
3	Germany	1,067	256	1,323	7.0
4	Japan	693	155	848	4.5
5	France	606	126	732	3.9
6	United Kingdom	558	156	714	3.8
7	Netherlands	517	109	626	3.3
8	Italy	484	108	592	3.1
9	Republic of Korea	425	93	518	2.7
10	Hong Kong <sup>(c)</sup>	442	51	493	2.6
11	Canada	402	89	491	2.6
12	Belgium	390	75	466	2.5
13	India	323	117	440	2.3
14	Singapore	311	96	407	2.2
15	Spain	312	85	398	2.1
16	Mexico	311	23	334	1.8
17	Russian Federation	248	70	318	1.7
18	Taiwan	251	37	288	1.5
<b>19</b>	<b>Australia</b>	<b>202</b>	<b>50</b>	<b>251</b>	<b>1.3</b>
20	Brazil	191	60	251	1.3
21	Thailand	182	45	228	1.2
22	Switzerland	176	38	215	1.1
23	United Arab Emirates	170	39	209	1.1
24	Turkey	185	18	204	1.1
25	Poland	174	27	201	1.1
26	Malaysia	165	32	197	1.0
27	Sweden	148	48	196	1.0
28	Austria	159	36	195	1.0
29	Saudi Arabia	102	74	176	0.9
30	Ireland	59	106	165	0.9
	<b>Total imports</b>	<b>15,376</b>	<b>3,503</b>	<b>18,879</b>	

<sup>(a)</sup> Goods on recorded trade basis. <sup>(b)</sup> Commercial services on balance of payments basis. <sup>(c)</sup> Special Administrative Region of China. Sources: WTO online database and EIU Viewswire.

## Australia's global export position

How we compare to the rest of the world 2010 (US\$b)

Rank	Country	Goods <sup>(a)</sup>	Services <sup>(b)</sup>	Total exports	% share
1	United States	1,278	515	1,793	9.5
2	China	1,578	170	1,748	9.2
3	Germany	1,269	230	1,499	7.9
4	Japan	770	138	907	4.8
5	Netherlands	572	111	683	3.6
6	France	521	140	661	3.5
7	United Kingdom	405	227	632	3.3
8	Republic of Korea	466	82	548	2.9
9	Italy	448	97	545	2.9
10	Hong Kong <sup>(c)</sup>	401	108	509	2.7
11	Belgium	411	81	492	2.6
12	Singapore	352	112	464	2.5
13	Canada	387	66	453	2.4
14	Russian Federation	400	44	444	2.3
15	Spain	245	121	365	1.9
16	India	216	110	326	1.7
17	Taiwan	275	41	315	1.7
18	Mexico	298	16	315	1.7
19	Switzerland	195	76	272	1.4
20	Saudi Arabia	254	10	264	1.4
<b>21</b>	<b>Australia</b>	<b>212</b>	<b>48</b>	<b>260</b>	<b>1.4</b>
22	United Arab Emirates	235	11	246	1.3
23	Brazil	202	30	232	1.2
24	Malaysia	199	32	231	1.2
25	Thailand	195	34	229	1.2
26	Sweden	158	64	222	1.2
27	Ireland	117	95	212	1.1
28	Austria	152	53	205	1.1
29	Poland	156	32	188	1.0
30	Indonesia	158	17	175	0.9
	<b>Total exports</b>	<b>15,238</b>	<b>3,664</b>	<b>18,902</b>	

<sup>(a)</sup> Goods on recorded trade basis. <sup>(b)</sup> Commercial services on balance of payments basis. <sup>(c)</sup> Special Administrative Region of China. Sources: WTO online database and EIU Viewswire.

## The Australian Economy

The Australian economy remains strong and resilient in the face of new and ongoing challenges. Australia's economic growth in 2010 was 2.5 per cent and the average unemployment rate was one of the lowest in the OECD at 5.2 per cent. Despite continuing international uncertainty, prospects for Australia's economy remain positive, with low public debt, low unemployment and a surge in business investment expected.

Despite the impact of natural disasters and a decrease in tax receipts, Australia's budget position remains amongst the strongest in the developed world.

The strong performance of the Australian economy is due to a number of factors, including:

- Australia's strong economic institutions, in particular, a sound, stable financial and banking system – no Australian bank collapsed or required a government bail-out during the global financial crisis; four of the world's nine most highly rated banking groups are Australian.
- Australia's flexible and open trade and investment environment and well-targeted economic policies supporting business growth and innovation.
- Australia's close trade and economic links with the emerging economies of Asia which help to support growth and employment. In 2010, while world trade values rose 18.8 per cent, Australia's exports to China increased by 34 per cent and Korea by 28 per cent.
- The success of monetary and fiscal stimulus measures in supporting economic growth during the global financial crisis.

The boom in the mining and resources sector is expected to see Australia's terms of trade reach their highest sustained level in 140 years. The 2011 Budget introduced measures that invest in the country's productive capability to maximise the benefits of the mining boom by targeted skills training and measures to boost participation.



## Australia's industry structure 2010

Gross value added <sup>(a)</sup>		Employed persons <sup>(b)</sup>	
\$m	% SHARE <sup>(c)</sup>		% SHARE ( '000)
32,076	2.6	AGRICULTURE, FORESTRY & FISHING	3.3 372.4
122,249	10.0	MINING	1.7 189.6
112,363	9.2	MANUFACTURING	8.9 998.2
SERVICES			
858,910	70.3	<b>Total services</b>	<b>85.8 9,654.0</b>
26,191	2.1	Electricity, gas, water & waste	1.3 144.6
93,269	7.6	Construction	9.1 1,023.5
56,661	4.6	Wholesale trade	3.7 418.8
55,164	4.5	Retail trade	10.8 1,213.5
26,121	2.1	Accommodation & food services	6.7 756.0
62,334	5.1	Transport, postal & warehousing	5.2 579.3
39,333	3.2	Information, media & telecoms	1.9 214.9
135,103	11.1	Finance & insurance	3.5 398.5
33,290	2.7	Rental, hiring & real estate	1.7 195.4
82,072	6.7	Professional, scientific & tech	7.6 853.9
30,608	2.5	Administrative & support	3.5 390.5
62,230	5.1	Public administration & safety	6.2 697.5
52,853	4.3	Education & training	7.6 853.8
73,402	6.0	Health care & social assistance	11.2 1,255.0
9,736	0.8	Arts & recreation	1.7 193.5
20,543	1.7	Other services	4.1 465.5
95,886	7.8	<b>OWNERSHIP OF DWELLINGS</b>	
1,221,481	100	Total gross value added <sup>(d)</sup>	

## Key economic indicators Australia

	2000	2008	2009	2010
<b>Demand and production – chain volume measures, reference year 2008-09</b>				
Gross domestic product <sup>(a)</sup> % change	3.4	2.4	1.4	2.5
Exports of goods & services <sup>(a)</sup> % change	11.0	4.7	2.9	5.2
Imports of goods & services <sup>(a)</sup> % change	7.4	11.3	-9.0	13.5

### Labour force

Population <sup>(b)</sup>	'000	19,273	21,731	22,152	22,408 <sup>(d)</sup>
Labour force	'000	9,590	11,356	11,602	11,868
Employed persons	'000	8,989	10,873	10,953	11,247
– Annual growth	%	2.6	2.8	0.7	2.7
Unemployment rate	%	6.3	4.3	5.6	5.2

### Prices and interest rates

Consumer prices	% change	5.8	3.7	2.1	2.7
Interest rates – 90 day bills <sup>(c)</sup>	% pa	6.2	7.0	3.4	4.7

<sup>(a)</sup> Derived from annual movements in original data <sup>(b)</sup> At end of period

<sup>(c)</sup> Annual average <sup>(d)</sup> September 2010 data. Based on Australian Bureau of Statistics and Reserve Bank, various catalogues.

<sup>(a)</sup> The term is used to describe gross product by industry and by sector (Chain Volume Measures reference year 2008-09). Industry breakdown based on ANZSIC 2006. <sup>(b)</sup> Derived from seasonally adjusted data on an annual average <sup>(c)</sup> As a share of GDP at basic prices. <sup>(d)</sup> Basic prices are amounts received by producers, including the value of any subsidies on products, but before any taxes on products. Based on ABS catalogues 5206.0, 6202.0 and 6203.0.

## Trans-Pacific Partnership Agreement

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Once concluded, the Trans-Pacific Partnership (TPP) will be a high-quality, comprehensive, 21st century free trade agreement.

The TPP is the Government's highest regional trade negotiation priority because:

- It has the potential to expand our access to some of the most dynamic economies in the Asia-Pacific region, providing great opportunities for Australia's exporters;
- It aims to comprehensively address all trade and investment issues between the TPP countries, with the goal of more closely integrating the economies of all members;
- It will simplify trade arrangements and be responsive to the needs of modern businesses, making it easier for Australian companies to operate in the region; and
- It can provide a pathway to a free trade area of the Asia-Pacific, which would further expand opportunities in the region for Australian exporters and investors.

Current members of the TPP are Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Singapore, Peru, the United States and Vietnam.

Australia's decision to participate in the TPP followed an extensive public consultation process. Overall, there was widespread interest in, and support for, Australia's participation in the TPP.



## Key Interests and Benefits

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- A successful TPP negotiation will provide a pathway towards greater Asia-Pacific regional economic integration – it's in Australia's interest to be involved in order to shape the direction of the initiative.
- Australia's trade and investment relationship with current TPP parties is significant. TPP parties composed 21 per cent of Australia's total trade with the world in 2010, and there are great opportunities in the TPP, particularly as membership expands, since more than 70 per cent of Australia's total trade is with APEC members; and
- The Asia-Pacific accounts for more than half of global GDP and more than 40 per cent of world trade.

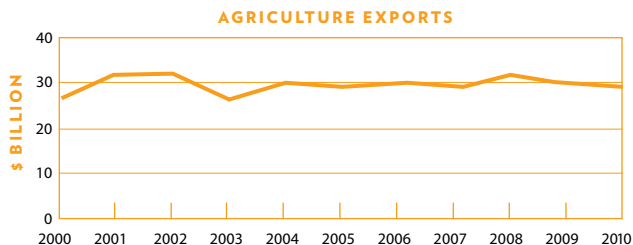
## Agriculture

- Beef was Australia's largest agricultural export in 2010, at \$4.4 billion.
- Agricultural products accounted for 10.6 per cent of Australia's exports in 2010.
- Australia exports around 60 per cent of its total farm production.

### Australia's top agricultural <sup>(a)</sup> exports 2010 <sup>(b)</sup>

Rank	Commodity	\$ million	% share
1	Beef	4,369	14.5
2	Wheat	4,178	13.9
3	Meat (excluding beef)	2,258	7.5
4	Wool & other animal hair (including tops)	2,225	7.4
5	Wine	2,126	7.1
6	Milk & cream	1,171	3.9
7	Live animals (excluding seafood)	1,144	3.8
8	Cotton	1,042	3.5
9	Animal feed	987	3.3
10	Wood in chips or particles	917	3.1
11	Barley	801	2.7
12	Vegetables	789	2.6
13	Cheese & curd	742	2.5
14	Hides & skins, raw (excluding furskins)	721	2.4
15	Edible products & preparations,	699	2.3
16	Cereal preparations	692	2.3
17	Crustaceans	664	2.2
18	Fruit & nuts	585	1.9
19	Oil-seeds & oleaginous fruits, soft	569	1.9
20	Animal oils & fats	306	1.0
	<b>Total</b>	<b>30,071</b>	<b>100.0</b>

<sup>(a)</sup> 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 lag. In 2009-10, raw sugar in bulk exports totalled \$1.8 billion. <sup>(b)</sup> Recorded trade basis. Based on ABS trade data on DFAT STARS database.



Based on ABS trade data on DFAT STARS database.

## Minerals and Fuels

- Minerals and fuels was Australia's largest export sector in 2010, valued at \$135.0 billion.
- Iron ore and coal were Australia's largest minerals exports, while crude petroleum was the leading fuels export.
- China and Japan were Australia's two largest markets for minerals and fuels.

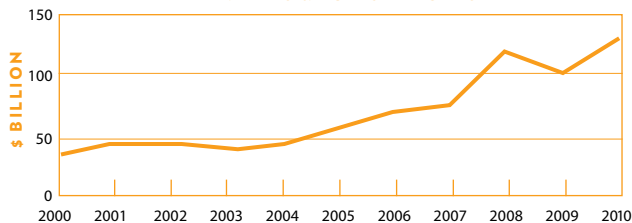
### Australia's top minerals and fuels exports 2010

Rank	Commodity <sup>(a)</sup>	\$ million	% share
1	Iron ore & concentrates	49,376	36.6
2	Coal	42,967	31.8
3	Crude petroleum	10,502	7.8
4	Natural gas	9,425	7.0
5	Aluminium ores & concentrates (including alumina)	5,293	3.9
6	Copper ores & concentrates	5,036	3.7
7	Other ores & concentrates	4,441	3.3
8	Refined petroleum	2,438	1.8
9	Confidential mineral ores	1,655	1.2
10	Liquefied propane & butane	1,081	0.8
11	Nickel ores & concentrates	889	0.7
12	Precious metal ores & concentrates (excluding gold)	871	0.6
13	Non-ferrous waste & scrap	839	0.6
14	Ferrous waste & scrap	722	0.5
15	Crude minerals	220	0.2
16	Coke & semi-coke	155	0.1
17	Stone, sand & gravel	106	0.1
18	Natural abrasives	32	0.0
19	Residual petroleum products	19	0.0
20	Crude fertilisers	3	0.0
	<b>Total<sup>(b)</sup></b>	<b>135,025</b>	<b>100.0</b>

<sup>(a)</sup> Recorded trade basis. <sup>(b)</sup> Total minerals and fuels exports on a Balance of Payments (BOP) basis. Based on ABS trade data on DFAT STARS database and ABS catalogue 5302.0.



### MINERALS & FUELS EXPORTS



Based on ABS catalogue 5302.0.



## Manufacturing

- Aluminium, medicines and copper were Australia's largest exports of manufactured goods.
- Exports of manufactures rose from \$38.8 billion in 2009 to \$40.5 billion in 2010.
- The manufacturing sector accounted for 14.2 per cent of Australian exports in 2010.

### Australia's top manufactures exports 2010

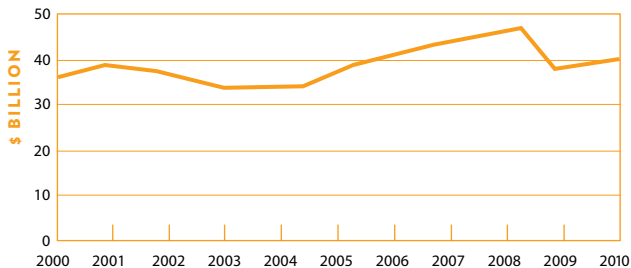
Rank	Commodity <sup>(a)</sup>	\$ million	% share
1	Aluminium	4,409	10.9
2	Medicaments (including veterinary)	3,601	8.9
3	Copper	3,160	7.8
4	Passenger motor vehicles	1,802	4.5
5	Medical instruments (including veterinary)	994	2.5
6	Zinc	934	2.3
7	Uncoated flat-rolled iron & steel	933	2.3
8	Measuring & analysing instruments	911	2.3
9	Civil engineering equipment & parts	851	2.1
10	Telecom equipment & parts	836	2.1
11	Lead	787	1.9
12	Specialised machinery & parts	760	1.9
13	Aircraft, spacecraft & parts	677	1.7
14	Vehicle parts & accessories	658	1.6
15	Nickel	647	1.6
16	Paper & paperboard	641	1.6
17	Pigments, paints & varnishes	637	1.6
18	Computer parts & accessories	632	1.6
19	Misc manufactured articles	557	1.4
20	Starches, inulin & wheat gluten	549	1.4
	<b>Total<sup>(b)</sup></b>	<b>40,484</b>	<b>100.0</b>

<sup>(a)</sup> Recorded trade basis. <sup>(b)</sup> Total manufactures exports on a BOP basis.

Based on ABS trade data on DFAT STARS database and ABS catalogue 5302.0.



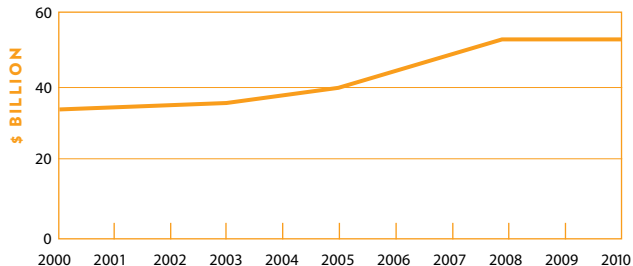
### MANUFACTURES EXPORTS



Based on ABS catalogue 5302.0.

## Services

- Education, recreational travel, technical and other business services were Australia's leading services exports.
- Australia's services exports stood at \$52.4 billion in 2010.
- The services sector accounted for 18.4 per cent of Australian exports in 2010.



Based on ABS catalogue 5302.0.

## Australia's Trade Policy



### Trading our way to more jobs and prosperity

The Government's vision for the nation is of a prosperous, sustainable Australia providing opportunity for all. International trade contributes to the fulfilment of that vision by increasing productivity, international competitiveness, creating a high-skill, high-wage workforce and building national prosperity.

With these objectives in mind the Government's trade policy statement, *Trading our way to more jobs and prosperity*, released by Trade Minister Dr Craig Emerson on 12 April 2011, sets out five guiding principles:

- unilateralism – a commitment to the pursuit of ongoing, trade-related economic reform without waiting for other countries to reform their own economies;
- non-discrimination – Australia will not seek exclusive or entrenched preferential access to other countries' markets;
- separation – foreign policy considerations will not override trade policy assessments in determining the choice of negotiating partners and consideration of proposed trade deals;
- transparency – the public will be kept well informed about the progress of trade negotiations and will have the opportunity to provide input; and
- the indivisibility of trade policy and wider economic reform – domestic economic reform, improved international competitiveness and increased market access work together to create jobs and prosperity.

Consistent with these principles the Government will continue to pursue improved market access for Australian exporters in global markets. The number one priority remains the Doha Round of multilateral trade negotiations in the World Trade Organization (WTO), as a successful outcome to these negotiations offers Australia the most potential economic benefit.

Apart from its role in facilitating trade liberalisation at a global level, the WTO also provides the core set of commitments and rules for its 153 members, creating an open, equitable and enforceable international trading regime. The WTO's dispute settlement system is central to that regime, and gives member countries and exporters confidence that the commitments and obligations contained in the WTO agreements will be respected.

At a regional level, the Government will continue to champion the Asia-Pacific Economic Cooperation (APEC) forum, which has proved its effectiveness as a driver of trade liberalisation in the Asia Pacific.

The Government will also pursue high-quality, comprehensive free trade agreements where these are clearly in Australia's interests.



## Australia and the WTO

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As a founding member of both the World Trade Organization (WTO) in 1995 and its predecessor, the General Agreement of Tariffs and Trade (GATT) in 1947, Australia has a longstanding commitment to the global rules-based trading system operated by the WTO. This system provides the legal framework governing world trade, including a means to settle trade disputes. WTO Members agree on legally binding rules that provide 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, industrial goods and services.

**For more information on Australia's participation in the WTO visit: [www.dfat.gov.au/trade/negotiations](http://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 about 15 per cent of the overall aid program, which was around \$600 million in 2009-2010. Aid for Trade is part of the Government's support for the achievement of the United Nations' Millennium Development Goals.

**For more information on Australia's development assistance visit: [www.ausaid.gov.au](http://www.ausaid.gov.au)**

## Agricultural Trade

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

## Non-Agricultural Trade

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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.

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.

## Services Trade

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The Government is working hard to achieve better access for Australia's services exports, which accounted for almost one fifth of Australia's total exports in 2010, at \$52.4 billion.

Through negotiations in the WTO Doha Round and the negotiation of comprehensive Free Trade Agreements, including the Trans-Pacific Partnership Agreement, the Australian Government aims to reduce barriers facing our services exporters in overseas markets.

In particular, the Government is aiming to reduce foreign equity caps on overseas investments, improve regulatory transparency and make it easier for business people to pursue opportunities in foreign markets, through improved business mobility.

Given the importance of this sector to the Australian economy, Australia is working to ensure that services are prominent in all its trade negotiations.

Australia is active in promoting regulatory reform and services market access through the Asia-Pacific Economic Cooperation (APEC) process.

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.

## Free Trade Agreements (FTAs)

The Government will pursue WTO-consistent, high-quality, comprehensive free trade agreements with key trading partners, where they offer net benefits to Australia and are supportive of global trade liberalisation.

### Australia has concluded six FTAs:

- ASEAN-Australia-New Zealand (AANZFTA) 2010
- Australia-Chile Free Trade Agreement (ACFTA) 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
- The Gulf Cooperation Council (Saudi Arabia, Qatar, Bahrain, Oman, Kuwait, United Arab Emirates)
- India
- Indonesia
- Japan
- Republic of Korea
- Malaysia
- Pacific Agreement on Closer Economic Relations – PACER Plus
- Trans-Pacific Partnership Agreement

### Australia's FTAs should:

- be fully consistent with WTO principles and rules, deliver WTO-plus outcomes and reinforce the multilateral trading system;
- be comprehensive and genuinely liberalising, eliminating or substantially reducing barriers to goods and services trade and investment;
- deliver substantial net economic benefit to Australia;
- be negotiated in a way that ensures the public is well informed about trade negotiations and has an opportunity for input;
- avoid entrenching preferential market access, while ensuring that Australian exporters and investors have an opportunity to compete on terms as favourable as anyone else's; and
- not delay domestic economic reform.

For more information on Australia's FTAs visit: [www.dfat.gov.au/trade/](http://www.dfat.gov.au/trade/)



## Australia and the G20

Australia is a founding member of the Group of 20 (G20), the premier forum for international economic cooperation. The G20 comprises 19 countries and the European Union.

The G20 played a key role in responding to the global financial crisis and averting a global depression, including through coordinated fiscal and monetary stimulus packages.

Its focus has now shifted to strengthening the global economy, reforming international financial institutions and improving financial regulation.

France is the current chair of the G20, and will host the next G20 Summit in Cannes in November 2011. Mexico will host in 2012.

### G20 MEMBERS ARE:

Argentina	European Union	Italy	South Africa
Australia	France	Japan	South Korea
Brazil	Germany	Mexico	Turkey
Canada	India	Russia	United Kingdom
China	Indonesia	Saudi Arabia	United States

### G20 countries make up:

- 87 per cent of global GDP
- 65 per cent of world population
- 77 per cent of world trade

## 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.

- APEC has 21 member economies which account for 44 per cent of world trade and 71 per cent of Australia's total trade.
- Eight of Australia's 10 largest export markets are within APEC, including our top three export markets – China, Japan and Korea.
- APEC is driving an extensive trade and investment liberalisation and facilitation agenda aimed at creating a seamless regional economy.
- APEC is increasingly focused on structural economic reform as a means of strengthening competitiveness and the efficiency of trade and investment flows.

### Members of APEC are:

Australia	Japan	The Philippines
Brunei Darussalam	Republic of Korea	Russia
Canada	Malaysia	Singapore
Chile	Mexico	Chinese Taipei
Peoples Republic of China	New Zealand	Thailand
Hong Kong China	Papua New Guinea	United States
Indonesia	Peru	Viet Nam

Australia hosted APEC in 2007, with the APEC Economic Leaders' Meeting held in Sydney in September 2007. The United States is the current host.

For more information on APEC: [www.apec.org](http://www.apec.org)

## Trade Liberalisation and Jobs

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One in five Australian jobs is related to trade. This equates to over 2 million jobs in today's workforce.

A study by the Centre for International Economics (CIE) in 2009 showed that both exports and imports create jobs in our economy.

The jobs created by trade are typically good jobs. According to a discussion paper by the Australian Trade Commission and the University of NSW, exporters:

- pay higher wages or salaries than non-exporters, even after allowing for differences in size;
- are more committed than non-exporters to providing a safe working environment;
- employ a higher percentage of staff on a full-time basis; and
- are more likely to offer training to workers than non-exporters.

Trade liberalisation, along with other reforms such as the deregulation of the financial system, opening the economy to foreign investment and the implementation of competition policy, has helped to reduce unemployment in Australia.

As tariffs have fallen and Australia's engagement in international trade has increased, the unemployment rate has fallen from double digit levels in the early 1990s to around 5 per cent currently.

## Information and Contacts

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### Department of Foreign Affairs and Trade (DFAT)

For more information on trade policy and statistics visit:

[www.dfat.gov.au/trade](http://www.dfat.gov.au/trade)

### DFAT Statistical and consultancy services

<http://dfat.gov.au/publications/stats.html>

### Australian Trade Commission (Austrade)

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

[www.austrade.gov.au](http://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](http://www.efic.gov.au) or call 1800 887 588

### Further Contacts:

For information about the Australian Government visit:

[www.australia.gov.au](http://www.australia.gov.au)





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