

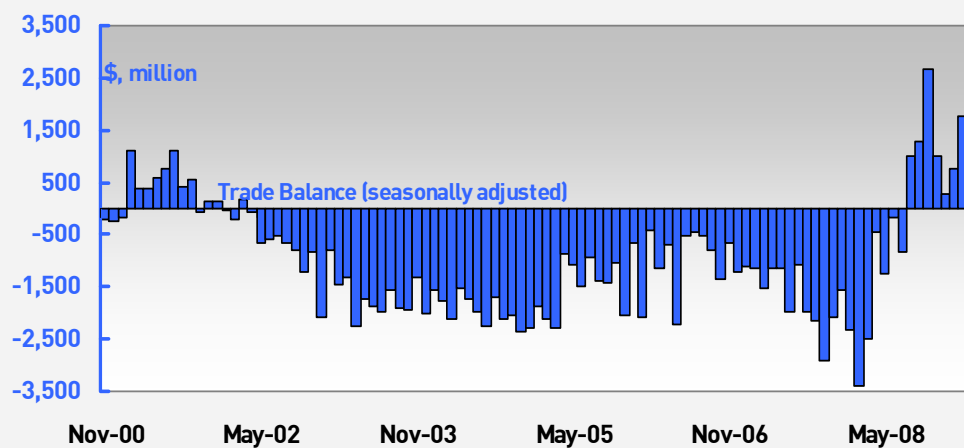
DATA SNAPSHOT

International Trade – March 2009

Wednesday, 6 May 2009

- The trade surplus widened to \$2.5bn in March from \$1.8bn in February. It was better than consensus expectations for a surplus of \$1.9bn.
- It was the eight consecutive month in which the trade balance has been in surplus and is the largest surplus since October.
- Imports fell 3.0% in the month as the domestic economy continued to slow. Exports held up better, gaining just 0.1%. This slight increase follows a 4.0% jump in February.

International Trade Balance



Data Source: ABS, EcoWin

The increase in exports this month was due to an increase in rural goods exports (10.0%). The main component contributing to the rise was cereal grains and cereal preparations (+41.0%). One offsetting factor to the increase in rural goods exports was that of non-rural goods (-1.0%) with a drop in coal, coke and briquettes exports (-5.0%) a key downward driver. A drop in non-monetary gold exports (-5.0%) was another key downward influence.

The 3.0% drop in imports reflected a 12.0% fall in capital goods, a 3.0% drop in intermediate and other merchandise goods and a hefty 46.0% fall in non-monetary gold imports. Higher consumption goods imports (+15.0%) offset these decreases. The large increase in consumption goods imports has occurred in line with a more than 5 US cent surge in the Australian Dollar during this month to the 70 US cent level. It has also occurred along with a solid gain in retail spending for the same period (which was likely boosted by the fiscal payments, historically low mortgage rates, lower petrol prices and a surge in domestic equities).

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