

Economic Analysis

Australia's seasonally adjusted external trade surplus widened to A\$13,201m in November, from an upwardly revised A\$12,743m in October (originally A\$12,217m). The market consensus was for a fall to A\$11,500m.

The rise was driven by a A\$683m drop in imports that outweighed a A\$225m fall in exports.

Key Numbers (A\$ Millions)

Seasonally Adjusted	Change	November	October
Trade Balance	458	13,201	12,743
Goods and Services Exports	-225	59,348	59,573
Goods and Services Imports	-683	46,147	46,830

The fall in export income was driven by a \$558m drop in goods shipments, mainly driven by a big drop in LNG receipts as both prices and volumes declined.

Non-monetary gold and coal exports experienced the next biggest declines.

These falls were largely offset by a surge in the value of exports of metal ores and minerals to a 15-month high.

Services credits increased A\$333m to reach the highest level since February 2020, driven by a A\$309m increase in income from tourism-related services.

Exports (A\$ Millions)

Seasonally Adjusted	Change	November	October
Rural Goods	-40	6,973	7,013
Metal Ores and Minerals (Incl. Iron Ore)	1,127	15,392	14,265
Coal, Coke and Briquettes	-258	11,590	11,848
Other Mineral Fuels (Oil and Gas)	-1,331	9,666	10,997
Non-Monetary Gold	-280	1,670	1,950
Manufactures	80	3,844	3,764
Services	333	7,249	6,916

On the other side of the ledger, total goods debits fell A\$791m, led by a broad-based fall in capital goods imports to the lowest level since January. Imports of consumption goods fell across almost all categories, with a drop in passenger vehicle imports being the biggest contributor.

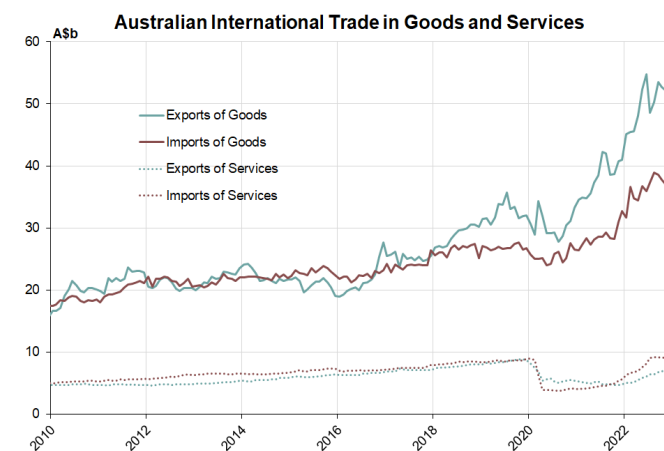
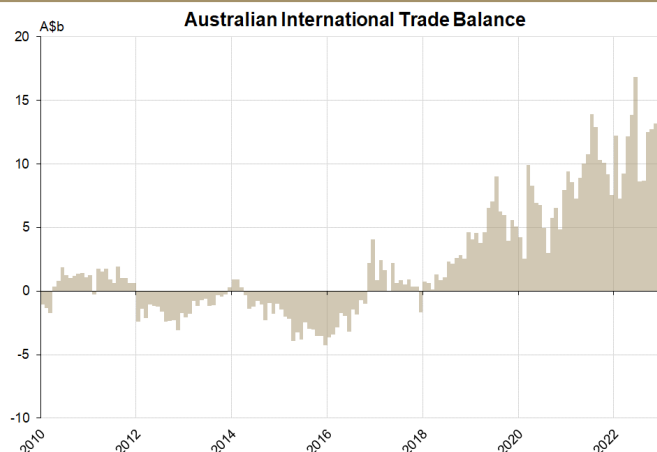
Increases in imports of fuels and lubricants and non-monetary gold were the biggest counterweights to these declines.

Services debits rose A\$109m as a A\$524m rise in outbound tourism spending was offset by a A\$524m drop in spending on freight services.

Imports (A\$ Millions)

Seasonally Adjusted	Change	November	October
Consumption Goods	-236	11,167	11,403
Capital Goods	-817	7,788	8,605
Intermediate and Other Merchandise Goods	108	17,502	17,394
Non-Monetary Gold	152	551	399
Services	109	9,138	9,029

Trade Balance November 2022



Western Australian merchandise exports fell A\$366m to A\$22,627m (unadjusted). However, the state's share of Australian merchandise goods exports increased to the highest level since January.

State Share Merchandise Goods Exports Excluding Re-Exports (Original, %)

	November	October
Western Australia	46	44
New South Wales	18	17
Victoria	6	5
Queensland	22	23
South Australia	2	2
Tasmania	1	1

*May not add to 100% due to exclusion of re-exports.

Comment

Australia's trade surplus increased to a five-month high in November. While there was a decline in trade values, both imports and exports remain at historically high levels.

With the domestic economy likely to slow this year, import values will remain under downward pressure as we move through 2023. However, Aussie export values are likely to be supported by Chinese government efforts to stimulate their economy, suggesting the trade surplus will remain healthy moving forward.

12 January 2023

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