

Economic Analysis

Australia's external trade surplus rose to a seasonally adjusted A\$15,269m in March, from an upwardly revised A\$14,151m in February (originally A\$13,870m). The consensus market expectation was for a decline to A\$12,900m surplus.

The rise in the surplus was caused by a rise in exports, partly offset by higher imports.

Key Numbers (A\$ Millions)

Seasonally Adjusted	Change	March	February
Trade Balance	1,118	15,269	14,151
Goods and Services Exports	2,181	59,299	57,118
Goods and Services Imports	1,062	44,029	42,967

Exports were up A\$2,181m (3.8%), with goods seeing a A\$2,111m (4.3%) surge and services rising A\$70m (0.9%).

The significant rise in exports was driven by a A\$1,758m (11.6%) bounce in metal ores and minerals (mainly iron ore), amid higher export volumes and rising prices. A broad-based A\$658m (10.9%) rise in rural goods exports also made a sizable contribution.

At the same time, there were declines in exports of other mineral fuels (mainly oil and gas), manufactures and the volatile non-monetary gold.

Exports (A\$ Millions)

Seasonally Adjusted	Change	March	February
Rural Goods	658	6,702	6,044
Metal Ores and Minerals (Incl. Iron Ore)	1,758	16,937	15,179
Coal, Coke and Briquettes	203	10,733	10,530
Other Mineral Fuels (Oil and Gas)	-501	8,359	8,860
Non-Monetary Gold	-130	2,029	2,159
Manufactures	-70	3,711	3,781
Services	70	8,022	7,952

Imports rose A\$1,062m or 2.5%, driven by a A\$1,167m (3.4%) increase in goods partly offset by a A\$105m (1.3%) decline in services.

The rise in goods imports stemmed almost exclusively from a A\$1,414m (14.1%) broad-based surge in consumption goods credits. The largest contribution came from a A\$594m (23.9%) bounce in non-industrial transport equipment to the second highest level on record (behind January).

Imports of intermediate and other merchandise goods were virtually unchanged in March, while capital goods saw a A\$211m (2.5%) decline driven by a 37.5% plunge in the volatile civil aircraft and other confidentialised items.

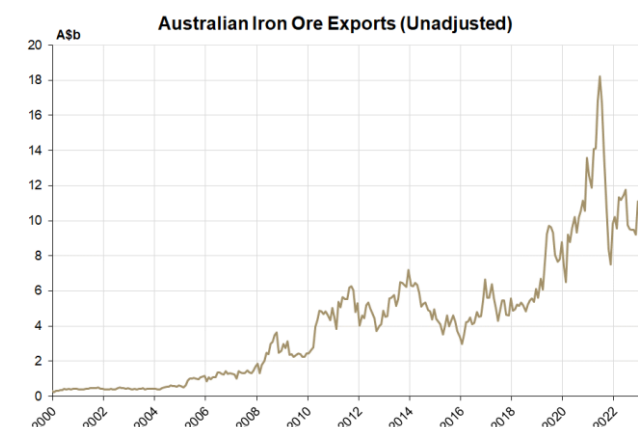
Imports (A\$ Millions)

Seasonally Adjusted	Change	March	February
Consumption Goods	1,414	11,475	10,061
Capital Goods	-211	8,341	8,552
Intermediate and Other Merchandise Goods	9	15,338	15,329
Non-Monetary Gold	-43	742	785
Services	-105	8,134	8,239

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Trade Balance March 2023



Western Australia's share in the totality of Aussie merchandise exports rose to 49%.

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

	March	February
Western Australia	49	46
New South Wales	16	17
Victoria	6	6
Queensland	18	21
South Australia	3	4
Tasmania	1	1

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

Comment

Australia continued to boast a very healthy trade surplus in early 2023.

The increase in the surplus to the second highest level on record was mainly due to higher iron ore exports and, to a lesser extent, higher rural goods exports.

While supported mainly by a rise in demand for private vehicles, the rise in consumer goods imports was quite broad-based. This contrasts with evidence of weakening consumer demand from yesterday's [retail sales report](#).

We continue to expect that the pending slowdown in global and domestic economies will see an easing in trade values in the coming months.

4 May 2023