

Australia's external goods trade surplus narrowed sharply to a seasonally adjusted A\$6,786m in September from a downwardly revised A\$10,161m in August (originally A\$10,380m). The market consensus was for a A\$9,500m surplus.

The narrower surplus was driven by a 7.5% jump in goods imports and a 1.4% fall in goods exports.

Key Numbers (A\$ Millions)

Seasonally Adjusted	Change	September	August
Trade Balance	-3,375	6,786	10,161
Goods Exports	-658	45,623	46,281
Goods Imports	2,716	38,836	36,120

Goods exports fell A\$658m in the month, driven by a A\$1,559m fall in non-monetary gold, which can be very volatile and fell from a record high in August.

The other major categories to decline were oil and gas, and 'other non-rural' category, which includes sugar and beverages.

The value of metal ores and mineral exports climbed 4.7% to the highest level in six months, with unadjusted supplementary data suggesting this was mainly driven by a solid increase in unit values of iron ore, while the volume of iron ore shipments also look to have increased.

Coal exports rose for the first time in seven months.

Exports (A\$ Millions)

Seasonally Adjusted	Change	September	August
Rural Goods	296	6,233	5,937
Metal Ores and Minerals (Incl. Iron Ore)	717	16,047	15,330
Coal, Coke and Briquettes	265	7,742	7,477
Other Mineral Fuels (Oil and Gas)	-161	6,801	6,962
Non-Monetary Gold	-1,559	2,416	3,975
Manufactures	25	3,824	3,799
Other Non-Rural Goods	-116	1,071	1,187

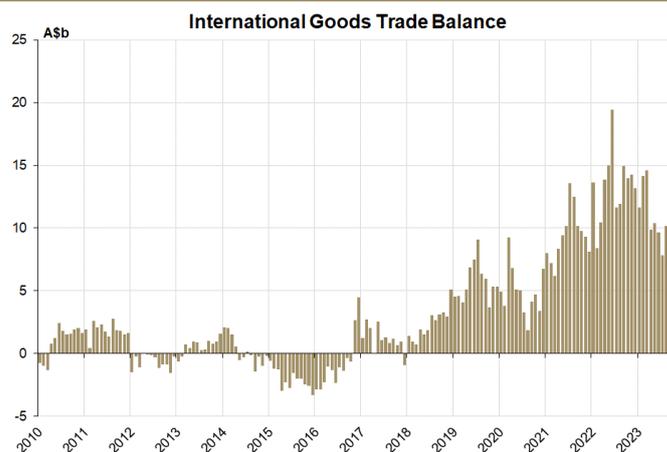
The A\$2,716m increase in goods imports was mainly driven by record capital goods imports due to a sharp increase in imports of industrial transport equipment. However, there were increases across all categories of capital goods imports.

The modest gain in consumption goods imports pushed this category to an eight-month high.

The increase in intermediate and other merchandise goods was broad-based, while non-monetary gold recovered half the big slump in August.

Imports (A\$ Millions)

Seasonally Adjusted	Change	September	August
Consumption Goods	35	11,876	11,841
Capital Goods	1,927	10,204	8,277
Intermediate and Other Merchandise Goods	517	15,922	15,405
Non-Monetary Gold	237	834	597



Western Australia contributed just under half of all total Australian merchandise goods exports in September.

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

	September	August
Western Australia	48	50
New South Wales	15	14
Victoria	6	6
Queensland	20	20
South Australia	3	3
Tasmania	1	1

Comment

The monthly international trade report is now confined to goods, with services to be reported on a quarterly basis in the balance of payments report.

The headline figure was distorted by record capital goods imports and the large drop in non-monetary gold exports, after they surged to a record high in August. The Aussie trade surplus nevertheless remains healthy even if it is well off the highs of 2022 and early 2023.

For Q3 as a whole, the trade balance fell A\$5.2b to A\$24.8b, with exports down in the quarter 1.4%, while imports rose 3.0%.

2 NOVEMBER 2023

Disclaimer

Any opinions, judgments, conclusions, forecasts, predictions or estimations contained in this advice are made in reliance on information provided to Western Australian Treasury Corporation which Western Australian Treasury Corporation believes to be reliable. Western Australian Treasury Corporation, however, cannot guarantee the accuracy of that information. Thus, any recommendations are made in good faith but are provided only to assist you with any decisions which you make. These recommendations are not intended to be a substitute for professional advice on a particular matter. Before accepting or rejecting those recommendations you must discuss your particular needs and circumstances with Western Australian Treasury Corporation.