

## Economic Analysis

The seasonally adjusted external trade surplus widened to A\$9,314m in March, which is slightly more than the A\$8,520m expected by the markets.

The rise in the trade surplus was driven by a 4.6% decline in imports, while exports were only marginally lower.

### Key Numbers (A\$ Millions)

Seasonally Adjusted	Change	March	February
Trade Balance	1,877	9,314	7,437
Goods and Services Exports	-72	49,453	49,525
Goods and Services Imports	-1,949	40,139	42,088

The fall in exports in March was led by a A\$493m (6.8%) drop in non-monetary gold exports, while rural goods and manufactured goods exports also fell.

The second consecutive fall in rural goods exports followed a strong increase in January and was driven by cereal grains and preparations.

The falls were partly offset by gains in commodity exports. Exports of metal ores and minerals (mainly iron ore) picked up by A\$119m (0.8%) in the month and remained elevated by historical standards. Exports of coal, coke and briquettes as well as other mineral fuels (mainly oil and gas) reached record highs.

### Exports (A\$ Millions)

Seasonally Adjusted	Change	March	February
Rural Goods	-178	5,338	5,516
Metal Ores and Minerals (Incl. Iron Ore)	119	14,201	14,082
Coal, Coke and Briquettes	176	9,646	9,470
Other Mineral Fuels (Oil and Gas)	125	7,346	7,221
Non-Monetary Gold	-493	1,835	2,328
Manufactures	-73	3,328	3,401
Services	-14	4,775	4,789

Imports saw a broad-based decline from a record high in February. Consumption goods saw the largest drop of A\$962m (8.4%), with all subcategories except food seeing significant declines.

A large A\$697m (4.3%) fall was recorded also for intermediate and other merchandise goods, although this was largely due to a correction following a large rise in February. Imports of capital goods fell by A\$231m (2.9%), cushioned by a strong increase in machinery and industrial equipment.

Trade in services remained depressed in March, with tourism still very subdued.

### Imports (A\$ Millions)

Seasonally Adjusted	Change	March	February
Consumption Goods	-962	10,553	11,515
Capital Goods	-231	7,668	7,899
Intermediate and Other Merchandise Goods	-697	15,520	16,217
Non-Monetary Gold	20	602	582
Services	-79	5,796	5,875

## Trade Balance March 2022



Western Australia remained the state with by far the largest share in Aussie exports.

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

	March	February
Western Australia	46	45
New South Wales	16	15
Victoria	7	7
Queensland	19	23
South Australia	3	3
Tasmania	1	1

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

### Comment

March saw a re-widening of the Aussie trade surplus, driven by a fall in imports that was widely anticipated after imports surged to a record high in February.

Imports remain not far off a record high despite the decline and is a key indicator of not only buoyant Aussie demand but also higher prices.

Demand for Aussie commodities remains strong with coal and other mineral fuels, hitting record highs in the month. The value of commodity exports is also supported by high commodity prices, which look set to continue boosting the terms of trade and the national income in the period ahead.

7 April 2022

### 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.