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## Australia's trade account, November: Surplus widens to above \$13bn despite lower commodity prices. Surplus, \$13.2bn, previous \$12.7bn (r). Exports -0.4%. Imports -1.5%.

Australia's November trade balance printed a \$13.2bn surplus, exceeding expectations, the market median of \$11.3bn.

It was widely expected that the trade surplus would narrow in November, led by lower global commodity prices denting export earnings. The RBA commodity price index reported a 3.6% decline in the month in US dollar terms, and a fall of 6.8% in AUD terms - with the AUD bouncing off its lows, to 65.9US¢ from 63.6¢.

In the event, the surplus widened by \$0.5bn, to exceed \$13bn for only the fourth occasion.

One factor driving the surprise was a stronger starting position on an upgrade to the October surplus, to \$12.7bn from \$12.2bn.

A smaller import bill also contributed to the larger surplus. Imports declined by -1.5%, down 0.7%, rather than being flat as we anticipated. This reflected an easing of volumes, off the strong result for the September quarter (+3.9%). Weakness in the month was concentrated in capital goods, -\$1.0bn, and car imports, following the recent improvement in supply, -\$0.2bn.

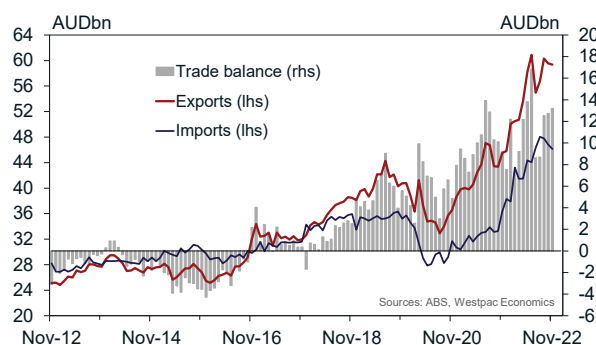
In addition, export earnings proved to be resilient, declining by only 0.4%, \$0.2bn, despite the sharp fall in commodity prices. Energy exports (coal and fuels, largely LNG) were weaker, down by a combined \$1.6bn, on lower prices.

However, "other" metal ores (dominated by lithium) rode to the rescue, more than doubling to a fresh high of \$2.5bn, up \$1.3bn.

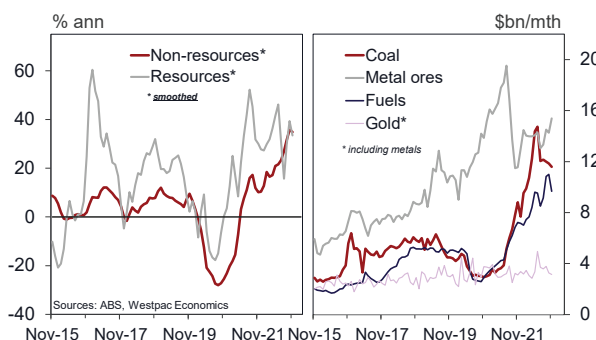
Service exports again featured. Total tourism related exports (which includes foreign students) rose a further 8.7%, +\$0.3bn. Since the low of October 2021, they have recovered 53% of the fall from pre-covid levels. On the import side, there has been a spectacular 70% recovery in overseas travel by Australians from pre-covid levels (up from the extreme low of June 2020).

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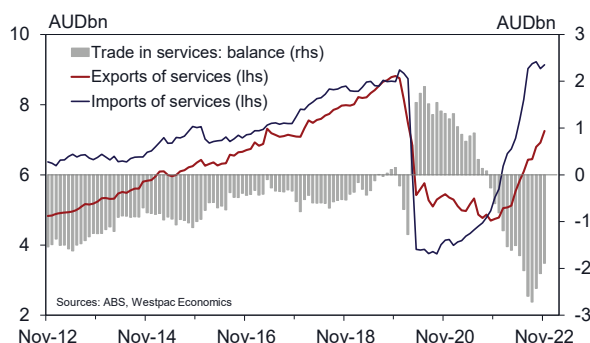
### Trade surplus: hits \$13.2bn in November



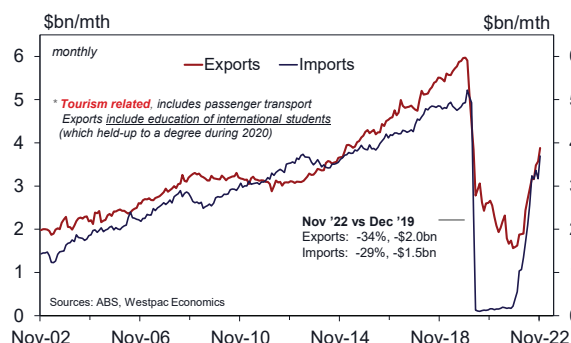
### Export earnings



### Services: back in deficit on border reopening



### International tourism sharp rebound on reopening



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