

5 October 2023

## Australia's trade account, August Surplus rebounds on gold rush.

**Balance: +\$9.6bn, previous +\$7.3bn. Exports +4.0%. Imports -0.4%.**

For August, Australia's trade surplus rebounded to \$9.6bn, up from \$7.3bn for July, to be broadly in line with the \$9.9bn outcome for June.

Despite the August rebound, the surplus is still down on the \$12.6bn monthly average in the year to March 2023. Since March, commodity prices have pulled back from their highs.

The August trade outcome represented an upside surprise, with Westpac expecting the surplus to narrow fractionally, by \$0.3bn, between July and August.

That \$2.3bn widening of the surplus in August was entirely due to a "gold rush" - a dynamic that is unlikely to drive further improvements of significance. Gold exports jumped 97% in the month, up \$1.96bn, to a record high of \$3.98bn. Gold imports moderated in the month, down 44%, some \$0.47bn lower to \$0.6bn. The balance in the trade of gold improved by a staggering \$2.4bn in August, to a record of \$3.38bn.

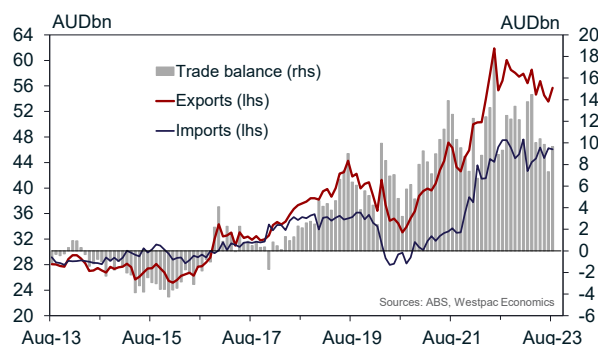
Imports and exports, ex gold, broadly met our expectations.

Total exports increased by 4.0% in August, and ex gold, rose by a tepid 0.3%, up \$0.2bn (in line with our expected +\$0.1bn). Commodity prices edged higher in the month, up 0.4%, but resource volumes were mixed, dented by weak Newcastle coal shipments. Service exports rose 1.5%, including a 2.0% increase in tourism related.

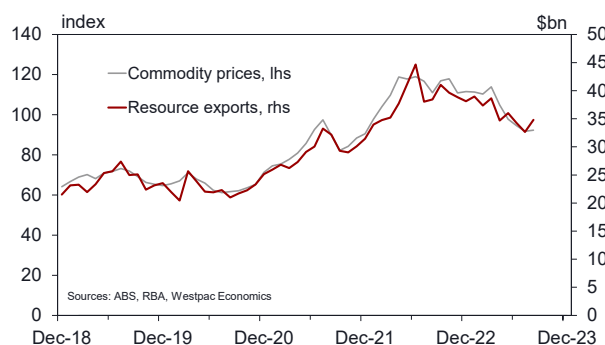
Total imports declined by -0.4% in August, and ex gold rose by 0.7%, up \$0.3bn (in line with our anticipated +\$0.4bn). Import prices increased, up on a lower Australian dollar and higher global oil prices. The fuel import bill jumped 21% in the month, up \$0.9bn. Transport imports, which have been volatile around an upward trend on improved supply, eased back a little from the July high, as anticipated. Service imports rose 1.6% in the month, including a 3.9% increase in tourism - extending a strong upward trend as more of us holiday abroad.

**Andrew Hanlan**, Senior Economist

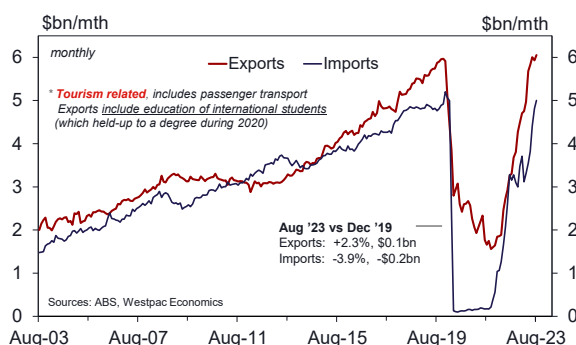
### Trade surplus: rebounds to \$9.6bn



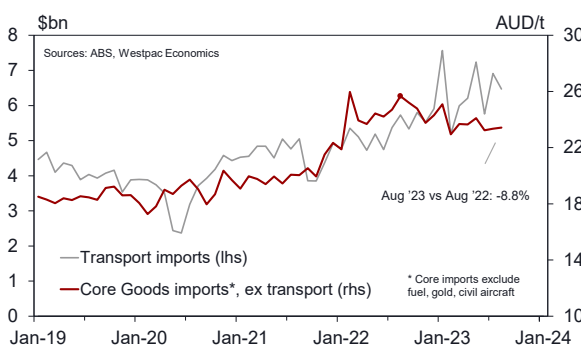
### Resource exports and commodity prices



### International tourism recovery on border reopening



### (Value of) Core goods imports trend softening



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