

2 November 2023

Australia, international trade in goods, September Surplus dips to \$6.8bn on a spike in imports. Balance: +\$6.8bn, previous +\$10.2bn. Imports +7.5%, Exports -1.4%.

For the month of September, Australia's international trade in goods surplus dipped on a spike in imports.

The surplus printed at \$6.8bn, down from \$10.2bn for August.

Note, in this release, the ABS coverage of international trade narrowed, to exclude services. Updates on services will be available on a quarterly basis, in the Balance of Payments (BoP).

For the past six months, the surplus for goods averaged \$9.1bn, a clear step down from the \$14.1bn average over the year April 2022 to March 2023. The key driver of that move, a retreat in commodity prices from the historic highs following Russia's invasion of Ukraine.

The import bill in September jumped by \$2.7bn, up a sharp 7.5%. We had anticipated a lift in volumes off a softer read for August, but that outcome was well in excess of our forecast of +\$0.7bn.

Transport equipment imports posted a 16% jump, up \$1.0bn, centred on industrial transport on this occasion. This extends the theme of improved supply in 2023. Core imports (ex transport) posted a firmer read, within the context of a soft trend - they were up 5.4%, +\$1.26bn, in the month. Gains were broadly based across capital goods and intermediate items.

Export earnings declined by -1.4%, down \$0.7bn. Gold exports did correct lower from the August record high, as we foreshadowed, but the move was sharper than anticipated - with a fall of 39%, down \$1.6bn, to a still solid \$2.4bn.

Exports ex gold rose by 2.1% in the month, propelled higher by a partial rebound in commodity prices, which rose by 4.3% to still be well below the end 2022 level, down by -12.5%.

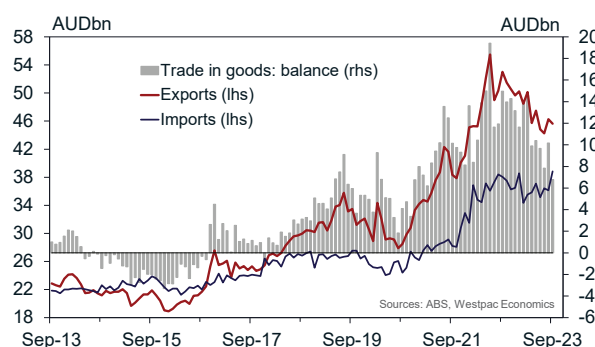
For the September quarter, the surplus was \$24.8bn, down from \$30bn for the June quarter.

Goods export earnings contracted in the quarter, down -1.4%, with prices sharply (the price index reported a fall of -3.1%). Goods import rose by 3.0%, on a combination of higher prices (the price index up 0.8%) and increased volumes.

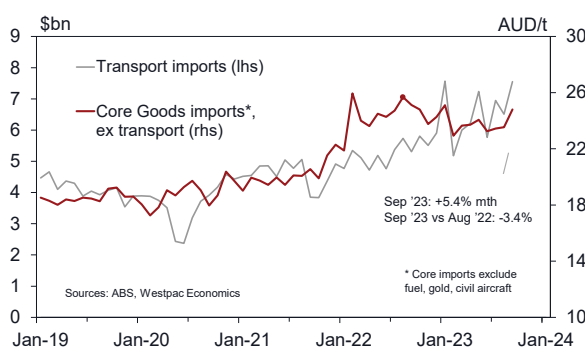
Note, the BoP estimates for trade in goods can differ from the monthly release - due to the application of different seasonal factors and the potential to include revisions. As noted above, the BoP will provide information on services, trends in which differ from those for goods.

Andrew Hanlan, Senior Economist

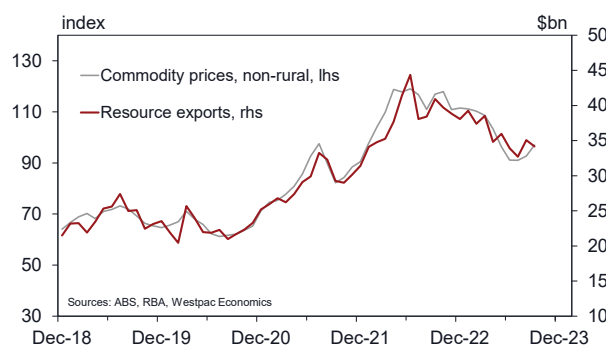
Trade in goods: surplus dips to \$6.8bn



Core goods imports: firmer read in a soft trend



Resource exports and commodity prices



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Disclaimer continued

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