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cc: Mr Robert Katter, MP
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THE COMPOSITION OF AUSTRALIA'S EXPORTS

Issue:

- Following on from the briefing provided to you on 1 September 2010, the attached charts provide an overview of the composition of Australia's exports.

KEY POINTS

- Chart 1 shows the composition of Australia's exports in 1999 and 2009, in value terms.
 - The share of non-rural commodity exports increased significantly between 1999 and 2009, while the shares of rural commodity exports and manufactured exports declined.
 - : The increased share of non-rural commodity exports largely reflects higher world prices for these exports, driven by the re-emergence of China. Export volumes also increased strongly, reflecting significant expansions to mine and infrastructure capacity.
 - : For rural commodity exports, growth in volumes and prices between 1999 and 2009 was substantially less than for non-rural commodity exports.
 - : For manufactured exports, volumes growth between 1999 and 2009 was on par with non-rural commodities, however prices of manufactured exports fell during this period.
- Chart 2 shows the composition of Australia's commodity exports in 2009 (both non-rural and rural commodities), in value terms.
 - *Metal ores (and minerals)* is the largest component, of which around two-thirds is iron ore.
- While the ABS compiles data that disaggregates Australia's exports by both country *and* category, Treasury does not currently have access to this data.
 - Treasury will have access to this data in the near future.

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Chart 1 – Australia’s exports by major category for 1999 and 2009 (values)

- Additional information on the major categories (note that all figures for export price growth are in Australian-dollar terms).
 - *Non-rural commodities*: the volume of non-rural commodity exports increased by 35 per cent from 1999 to 2009, and the price of non-rural commodity exports increased by around 150 per cent.
 - *Rural commodities*: the volume of rural commodity exports increased by 5 per cent from 1999 to 2009, and the price of rural commodity exports increased by 17 per cent.
 - *Manufactures*: the volume of manufactured exports increased by 35 per cent from 1999 to 2009, while the price of manufactured exports decreased by 3 per cent.
 - *Services*: the volume of services exports increased by 45 per cent from 1999 to 2009, and the price of services exports increased by 26 per cent.

Chart 2 – Australia’s commodity exports for 2009 (non-rural and rural, by value)

- Additional information on selected commodity categories:
 - *Metal ores (and minerals)*: iron ore presently accounts for around two-thirds of metal ores (and minerals) exports. Iron ore’s share is expected to increase over the next few years, with a significant amount of mine capacity expected to come on line.
 - *Metals*: the major components are aluminium, copper, lead, nickel and zinc.
 - *Mineral fuels*: this is comprised of gas (around 55 per cent) and oil (around 45 per cent).