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Delegation of the European Union to Australia www.delaus.ec.europa.eu SEPTEMBER 2011

EU–Australia Economic Relationship

HIGHLIGHTS OF THE EU-AUSTRALIA ECONOMIC RELATIONSHIP

- The EU is Australia's largest trade *and* investment partner;
- The EU is Australia's second-largest trading partner, after China, being the largest source of Australian imports and the third-largest destination for Australian exports;
- The EU is Australia's largest services trade partner, with services representing more than one quarter of total bilateral trade;
- Australia is the EU's seventeenth largest partner in two-way merchandise trade, being its twenty-eighth largest source of imports and thirteenth largest export market;
- The EU is Australia's largest investor and the second-largest destination for Australian investment overseas; and
- EU companies operating in Australia generate an estimated 1.4 million jobs, directly and indirectly.

INTRODUCTION

The European Union (EU) and Australia share a strong bilateral economic and trade relationship which continues to be reflected in consistent underlying growth. However, despite ongoing cooperation on our respective trade and investment agendas, the focus in Australia is often placed on individual countries and the importance of the EU, as a single market, is not always acknowledged. This *EU Insight* reviews the bilateral relationship between Australia and the European Union on a trade and investment level utilising the latest available data.

The European Union is the world's largest economy and the world's largest trader

The EU represents a huge market opportunity for Australia, both in terms of current trade levels and potential growth. With a combined GDP of €12.3 trillion in 2010 (European Commission (Eurostat), 2011a), representing around 26% of world GDP (IMF, 2011) the EU is the world's largest single market. The EU, accounting for almost 17% of global trade in goods and services, is also the world's largest exporter and importer of goods and services (excluding intra-EU trade) (see Table 1). Australia, by comparison, was ranked 13th in terms of two-way trade (1.7%).

Table 1: Leading exporters and importers in world goods and services trade, 2010

Rank	Exports	Value ($USbn)	Share
1	EU	2,471	16.8%
2	China	1,793	12.2%
3	US	1,748	11.9%
4	Japan	908	6.2%
15	Australia	260	1.8%
Rank	**Imports**	**Value ($USbn)**	**Share**
1	EU	2,575	17.0%
2	US	2,326	15.4%
3	China	1,587	10.5%
4	Japan	848	5.6%
13	Australia	252	1.7%
Rank	**Two-Way**	**Value ($USbn)**	**Share**
1	EU	5,046	16.9%
2	US	4,119	15.4%
3	China	3,335	10.5%
4	Japan	1,756	5.6%
13	Australia	512	1.7%

Based on WTO, 2011

The EU economy is competitive

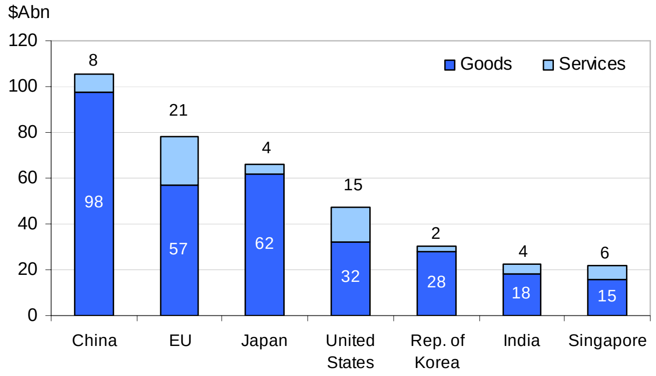
Notwithstanding present financial challenges, the EU remains a competitive economy, which is attributable in large part to its capacity to implement structural reform. The '*Global Competitiveness Index 2011-12 rankings*' (World Economic Forum, 2011) found that six of the world's ten most competitive countries were EU Member States, with 20 out of the 27 Member States featuring in the top 50. The same report ranked Australia as the 20th most competitive economy.

In terms of ease of doing business, the *Doing Business 2011 Index* (The World Bank, 2011) found that 12 of the top 30 countries were EU Member States, while Australia was ranked 10th.

OVERALL ECONOMIC RELATIONSHIP

The EU-Australia economic relationship is highly integrated, with diverse trade flows and substantial mutual investment stocks reflecting its longstanding nature. As Australia's largest partner in combined trade and investment, the EU remains both an important market for Australia, as well as its largest source of goods and services imports and inbound investment. Just in terms of two-way goods and services trade, the EU still stands as Australia's second-largest trading partner, surpassed by only China, a point sometimes lost amidst Australia's desire to highlight its close trading relationship exclusively with its regional Asian partners (see Figure 1).

Figure 1: Australia's goods and services trade with major partners, 2010



Based on ABS 2011a and ABS 2011b

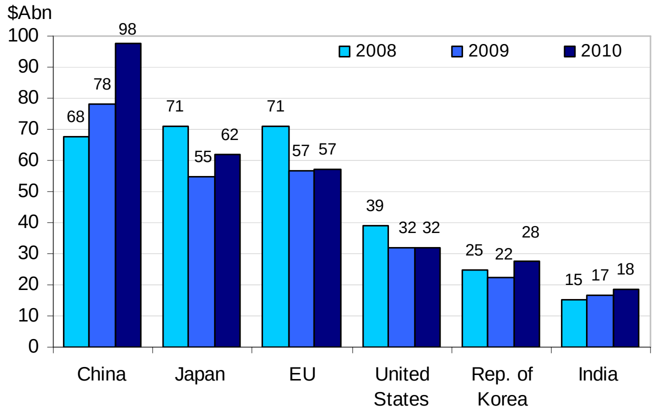
The broad underpinning of the EU-Australia economic relationship also stands in contrast to Australia's relations with some of its other major partners, where trade is heavily reliant on its export of specific goods, such as iron ore to China and coal to Japan.

MERCHANDISE TRADE

The EU is Australia's third largest partner in two-way goods trade

The EU is Australia's third most important merchandise trading partner, comprising 13% ($A57 billion) of two-way merchandise trade with Australia in 2010 (see Figure 2). Between 1996 and 2007, the EU had been Australia's most important merchandise trade partner, however the impressive growth of Australia's trade with its regional Asian partners amid sharply rising commodity prices has since seen it overtaken by China and Japan (refer to Table 2).

Figure 2: Australia's two-way merchandise trade with major partners, 2008-2010



Based on ABS 2011a

The EU is Australia's fifth largest merchandise export market

In 2010, the EU was Australia's fourth merchandise export destination, with $A18.5 billion (8%) worth of Australian exports going to the EU, behind only China's $A58.4 billion (25%), Japan's $A43.5 billion (19%), and Korea's $A20.4 billion (9%). Over the last five years there has been a significant surge in commodities trade with Asia, rapidly boosting Australia's export to its Asian neighbours. Nonetheless, Australia's exports to the EU still expanded by 7% between 2009 and 2010, rebounding from falls in trade during the global financial crisis.

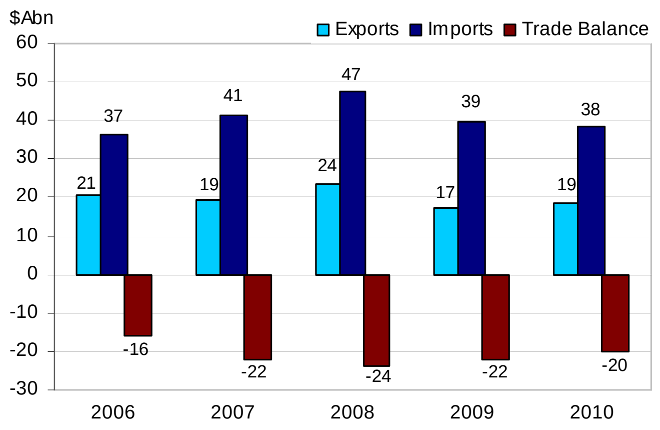
The EU is Australia's second largest source of merchandise imports

The EU is Australia's second largest source of merchandise imports, which were valued at $A38.4 billion (18%) in 2010, behind only China, which accounted for about $A40 billion (19%) of Australian imports.

Despite Australian merchandise imports from the EU declining by 2.7% between 2009 and 2010, modest growth is still apparent over the medium-term, with the five year average achieving the equivalent of around 2% annual growth.

Although Australia's generated an overall trade surplus in goods in 2010, it continues to operate a merchandise trade deficit with the EU, valued at $A19.9 billion in 2010, a 10% decrease on 2009 as Australia's exports to the EU increased by $A1.1 billion and its imports from the EU decreased by a similar amount. (See Figure 3)

Figure 3: Australia's merchandise trade balance with the EU, 2006-2010



Based on ABS 2011a

Principal exports and imports

In 2010, Australia's principal merchandise exports to the EU were gold ($A5.2 billion, representing 28% of Australian exports to the EU and 36% of Australia's total gold exports), coal ($A3.9 billion; 21%; 9%) and alcoholic beverages ($A0.8 billion; 4%; 36%) (refer to Table 3). The EU also formed a major market for other Australian exports such lead ($A405 million, or 51% of Australia's total lead exports), precious metal ores ($A216 million, 25%) and nickel ($A152 million, 23%).

Among Australia's principal merchandise imports from the EU in 2010 were medicaments ($A5.4 billion, representing 14% of Australian imports from the EU and 68% of Australia's total imports of medicaments), passenger motor vehicles ($A3.9 billion; 10%; 25%) and organo-inorganic compounds ($A1.1 billion; 3%; 59%).

Australia's trade in goods with the EU is less reliant on primary products than with other partners

Figure 4 illustrates that Australia's trade with some of its major partners remains heavily reliant on its export of primary products (and the value thereof).

From the EU's Perspective

Australia is ranked as the EU's 17th largest partner in two-way merchandise trade. It is the EU's 28th largest source of imports and its 13th largest export market.

Australia is an important trading partner for the EU, ranking among the EU's top ten import partners in 11 out of the 99 product sectors at a two digit Harmonised System level.[2] Listed below are some specific products of particular importance.

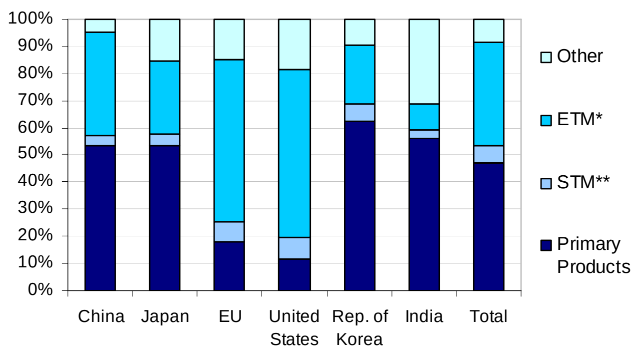
In 2010, Australia was the EU's:

	(value)
• Largest supplier of:	
- Lead and lead ores	€468mn
• Second largest supplier of:	
- Wine	€555mn
- Zinc ores	€277mn
- Wool	€142mn
- Rape/colza seeds	€129mn
- Nickel ores	€91mn
- Sheep meat	€79mn
• Third largest supplier of:	
- Coal	€3,100mn
- Olive oil	€7mn

Source: European Commission (DG Trade), personal communication (27 May 2011)

This is especially apparent with Australia's combined exports of just two products, iron ore and coal, to countries such as China (comprising 41% of bilateral two-way merchandise trade in 2010), Japan (38%), India (37%) and Korea (36%) (DFAT, 2011a). In comparison, trade between the EU and Australia is somewhat more balanced, with a greater focus on manufactures. Primary products only account for about 20% of the EU-Australia trade relationship when in total they represent around half of Australia's overall merchandise trade.

Figure 4: Australia's two-way merchandise trade with major partners, by broad category, 2010



*ETM: elaborately transformed materials, **STM: simply transformed materials. Based on DFAT 2011b

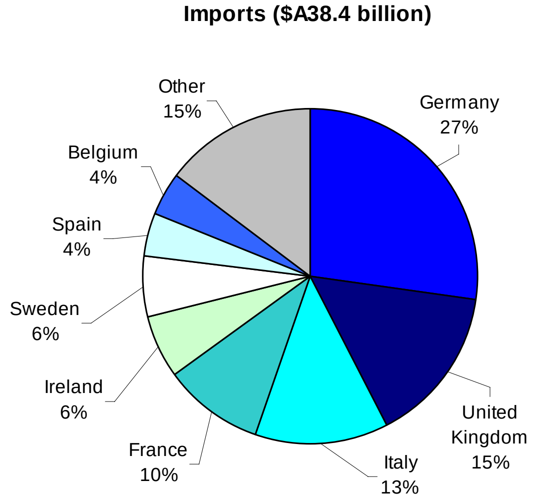
Member States and Merchandise Trade

Australia's trade relationship with Europe is commonly assumed to be heavily reliant on the United Kingdom. While this is still evident in trade in services and investment, other EU Member States have an increasingly important presence in trade in merchandise goods (refer to Table 4).

Imports

Indeed, Germany surpassed the UK as the main source of Australia's merchandise imports from the EU back in 2001. In 2010, Germany accounted for $A10.4 billion of Australian merchandise imports, or 27% of its imports from the EU, ahead of the UK's 15% share (see Figure 5a). Other EU Member States that have increased their share of Australia's total imports from the EU over the past decade include Italy, France and Ireland.

Figure 5a: Australia's merchandise imports from EU 27 (selected Member States), 2010

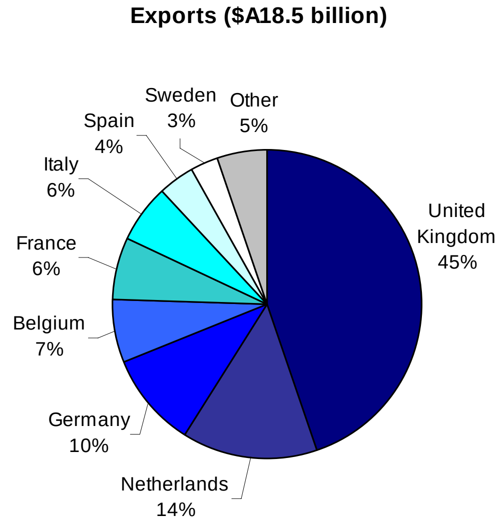


Based on ABS 2011a

Exports

In terms of Australian exports to the EU, some $A8.3bn was destined for the UK in 2010 (45% of total exports to the EU), with nearly two-thirds of this being gold, followed by the Netherlands with $A2.6 billion (14%) (See Figure 5b)

Figure 5b: Australia's merchandise exports to EU 27 (selected Member States), 2010



Based on ABS 2011a

Enlargement of the EU will provide further trade opportunities for Australia

Recent EU enlargements – in 2004, when ten additional member states acceded to the Union (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania Latvia, Lithuania, Malta, Poland, Slovak Republic and Slovenia), and again in 2007, with the accession of Bulgaria and Romania – has so far had a limited impact on trade levels between the EU and Australia, however the potential for future growth in the new Member States is well-recognised. In 2012, for example, all of these new Member States are projected to achieve annual growth rates above the EU27 average (European Commission (DG-Ecfin), 2011), with the three Baltic States forecast to achieve growth in excess of 4%, while the economies of Poland, Bulgaria and Romania are expected to expand by more than 3%. Meanwhile, with a further expansion in the number of EU Member States foreseen for as early as 2013, there are likely to be increased opportunities for trade between Australia and the EU in the years to come.

Beyond the bilateral trade relationship

The interdependency of global trade means that the relevance of the EU to Australia's trade opportunities goes beyond mere bilateral trade. To this end, it is worth noting that the EU is the largest market for merchandise goods from China and India, two of Australia's fastest-growing export markets. It is also the second-largest destination for goods exports from the United States, and the third-largest destination for merchandise exports from Japan and the Republic of Korea (European Commission (DG-Trade), 2011).

SERVICES TRADE

The EU is the world's largest trader in services

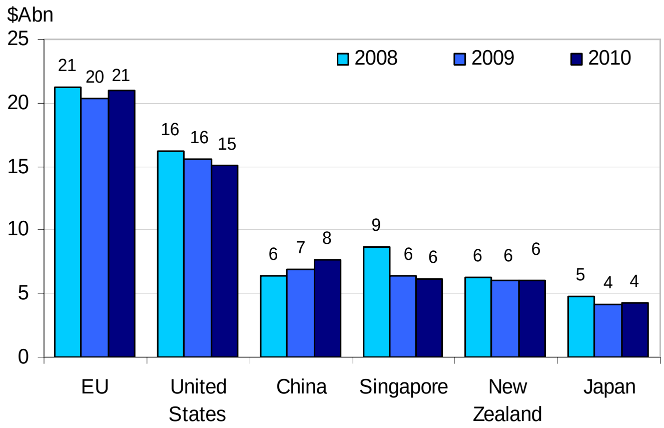
According to the World Trade Organization (WTO, 2011), the EU was responsible for $US1,282 billion, or 23% of global two-way trade in services, making it the world's largest trader in services, followed by the United States (16%) and China

(7%). In comparison, Australia represented fewer than 2% of world trade in services.

The EU is Australia's largest partner in two-way services trade

The EU is Australia's most important services trading partner, accounting for $A21.0 billion (19%) of Australia's total trade in services in 2010, up 3% from $A20.4 billion a year earlier. Services comprise more than one quarter of total two-way trade between Australia and the EU. Australia's next largest partner was the United States, accounting for 14% ($A15 billion) of Australia's services trade (see Figure 6).

Figure 6: Australia's two-way services trade with major partners, 2008-2010



Based on ABS 2011b

As Figure 5 shows, Australia's services trade relations with its key regional merchandise trading partners remain underdeveloped in comparison to the EU, with China and Japan accounting for just 7% and 4% of Australia's total two-way services trade respectively in 2010.

The EU is both Australia's largest market for services exports and source of its imports

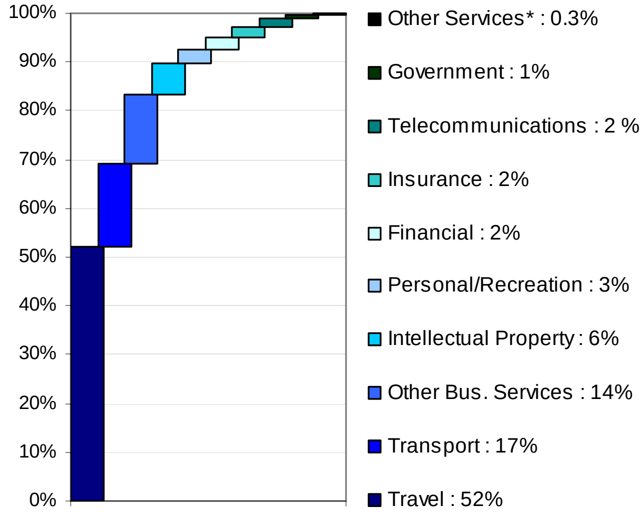
The EU was both the largest market for Australia's services exports in 2010 (worth $A8.5 billion or 16% of total services exports) and the largest source of its services imports (valued at $A12.5 billion, or 22% of the total) (refer to Table 5).

Viewed from an EU perspective, according to the latest 2009 data, Australia was the EU's 10th largest trading partner in services being the 9th largest destination for services exports and the 11th largest source of services imports.

Travel and transportation services are particularly important

Trade in travel services traditionally dominates Australia's services trade relationship with the EU (See Figure 7). In 2010, travel accounted for almost two thirds of Australian services exports to the EU, and more than two-fifths of imports. As a component of this, trade in education-related travel services between the EU and Australia totalled $A1.1 billion in 2010, placing the EU as Australia's third-largest trading partner in education-related services after only China and India.

Figure 7: EU-Australia two-way services trade, by services category, 2010



*"Other Services" includes: maintenance and repair, construction and manufacturing inputs. Based on ABS 2011b

Trade in transportation services is also a significant component of Australia's services relationship with the EU, accounting for $A3.6 billion in 2010, or 17% of total two-way services trade. An increasingly important sector showing strong annual average growth of 12.5% over the past five years is other business services (broadly encompassing professional and technical services) in which EU-Australia trade was valued at $A3.0 billion in 2010 (14% of Australia's two-way trade in services with the EU).

Historically, Australia imports more services than it exports, which also applies in its trade with the EU, with whom Australia had a services trade deficit of $A4.1 billion in 2010. This represented a 34% increase on 2009, largely due to a 7% increase in Australia's imports from the EU.

Significantly, recent data shows that the services sector accounts for more than 70% of gross value added in both the EU and Australia. As unrealised market opportunities are taken up, bilateral trade in this increasingly important sector will continue to expand, resulting in Australia and the EU become even more important partners in services trade.

Investment

The EU has a significant presence in world investment

The EU is the world's largest source of and destination for foreign direct investment (FDI), representing €3.7 trillion (35%) and €2.7 trillion (27%) of global FDI outbound and inbound stocks respectively in 2009 (European Commission (DG-Trade), 2011). Similarly, despite both world and EU FDI flows still being significantly down from pre-crisis levels, in 2010, the EU generated FDI outflows of €107 billion, behind only the United States, and was the third destination of FDI inflows after the United States and China, attracting €54 billion (European Commission (Eurostat), 2011b; UNCTAD, 2011).

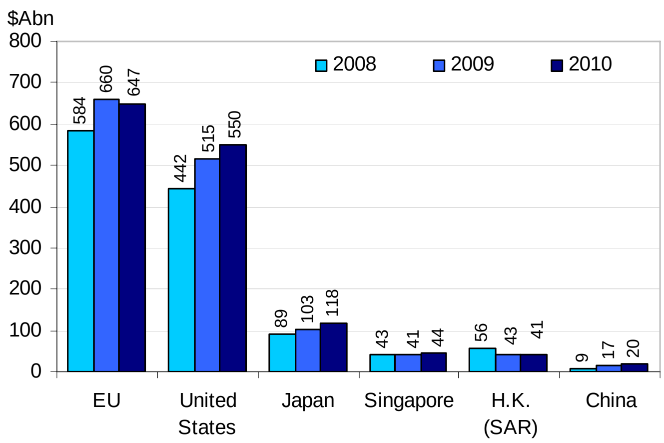
The EU is Australia's largest two-way investment partner

The EU has been Australia's largest two-way investment partner since 2007, when it surpassed the United States. Accounting for one-third ($A1.01 trillion) of Australia's two-way total investment stocks in 2010, the EU also remains significantly ahead of Australia's other major investment partners such as Japan and New Zealand (refer to Table 6).

The EU is Australia's largest source of investment

The EU remains Australia's largest source of total foreign investment accounting for about one-third ($A647 billion) of total foreign investment stocks in 2010, notably exceeding the United States (28%), and well above Australia's other major partners (c.f. Japan 6%, Singapore 2%, Hong Kong 2%, Switzerland 2%, and China 1%) (see Figure 8).

Figure 8: Level of total foreign investment in Australia, by selected major partners, 2008-2010

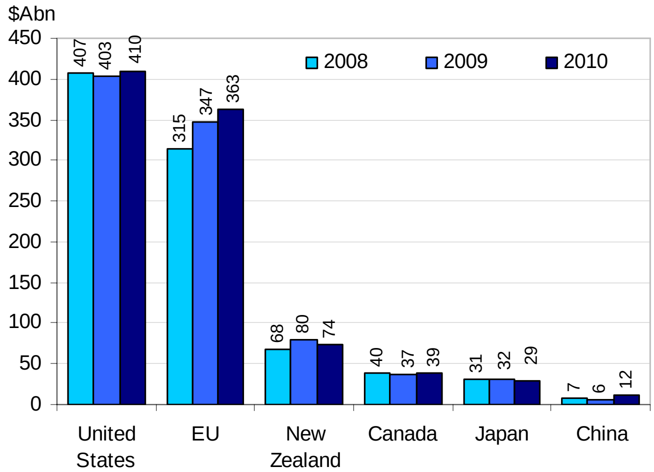


Based on ABS 2011c

The EU is the second largest destination for Australian investment overseas

The EU continues to be an important destination for total Australian investment abroad, with stocks rising by 5% since 2009 to $A363 billion, accounting for 30% of total Australian overseas investment. This was only exceeded by the United States with $A410 billion, or 35% of total investment stocks (see Figure 9).

Figure 9 : Level of total Australian investment abroad, by selected major partners, 2008-2010



Based on ABS 2011c

It is worth noting that, in terms of investment trends, the EU has increased its share of total Australian investment relative to the United States. Australian investments to the EU expanded by 13% per annum on average over the last five years, compared to a gain of 6% to the United States.

Investment flows still weighed by crisis

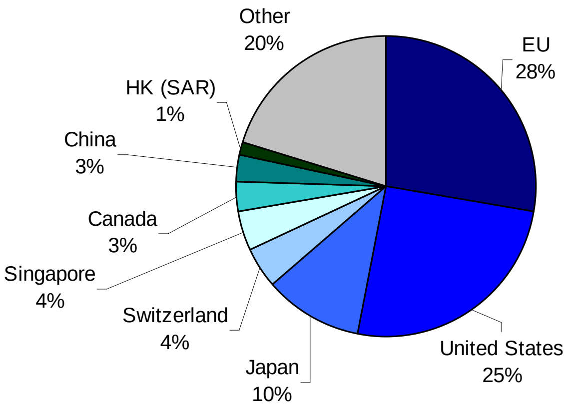
Amid ongoing economic uncertainties, EU and Australia bilateral investment flows have yet to recover to pre-crisis levels, notwithstanding their inherent year-on-year volatility. EU foreign investment in Australia recorded a net disinvestment of $A46.9 billion for 2010, more than offsetting the $A44.9 billion net inflow of the previous year. Likewise, incoming investment from Australia into the EU recorded a net disinvestment of $A15.7 billion. In both instances, a substantial reduction in the use of financial derivatives from the previous year accounted for these changes.

An additional perspective on the EU-Australia investment relationship can be provided by an analysis of foreign dire ct investment (FDI).

The EU is Australia's largest foreign direct investment partner

The EU is Australia's largest source of FDI ahead of the United States, at $A131 billion in 2010. Although this figure was down almost 11% on the previous year, it still represents 28% of Australia's total inward FDI stocks (see Figure 10).

Figure 10: Level of foreign direct investment in Australia, by major partners, 2010



Based on ABS 2011c

In 2010, Australia's stock of direct investment in the EU increased by 10% on the previous year, making it the largest destination for Australian FDI ahead of the United States, at $A103 billion, or 28% of Australia's total FDI.

EU investment generates $A270 billion and more than 1.4 million direct and indirect jobs in Australia

A 2009 update of an earlier survey conducted in 2006 by the European Commission Delegation in Australia, in cooperation with EU diplomatic missions, found that there were nearly 2,400 EU companies with a presence in Australia, with a total estimated turnover of almost $A270 billion (just over 14% of total sales in Australia). Furthermore, the survey found that EU companies directly created close to an estimated 500,000 jobs in Australia, and were possibly responsible for an additional 940,000 jobs when account is taken of the flow-on (multiplier) effects of EU company activities. This makes total direct and indirect employment generated by EU investment equivalent to more than 1.4 million jobs, or just over 12% of the Australian workforce. The 2006 survey indicated that the major areas of turnover by EU companies are in the manufacturing and finance and insurance sectors. Other important areas include mining, wholesale trade activities and construction.

Prepared by Valerie Morgan & Ben Slatter, September 2011

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Table 2 : Australia's merchandise trade with major trading partners

	Value ($A million)						Share of total (%)	% Change	5 year trend (%)
	2005	2006	2007	2008	2009	2010	2010	2009	
Exports									
China	16,129	20,373	23,792	32,337	42,527	58,420	25.3	37.4	29.1
Japan	28,460	32,442	31,932	50,765	38,240	43,590	18.9	14.0	9.2
Korea, Republic of	10,960	12,351	13,470	18,393	15,642	20,468	8.9	30.9	12.6
EU	15,052	20,575	19,202	23,533	17,400	18,569	8.0	6.7	2.2
India	6,978	8,816	9,294	13,516	14,472	16,424	7.1	13.5	19.2
United States	9,262	10,081	10,032	12,127	9,593	9,244	4.0	-3.6	0.1
Taiwan	5,520	6,258	5,948	8,262	6,503	8,385	3.6	28.9	7.5
New Zealand	9,002	8,941	9,474	9,345	7,928	8,007	3.5	1.0	-2.7
Thailand	4,131	4,281	4,416	5,332	4,236	5,855	2.5	38.2	5.6
Singapore	3,960	4,559	4,073	6,126	5,360	4,854	2.1	-9.4	5.6
Other	29,626	35,076	36,753	42,605	34,655	37,327	16.1	7.7	3.7
World	139,080	163,753	168,386	222,341	196,556	231,143	100.0	17.6	10.1
Imports									
China	21,365	25,484	29,015	35,256	35,780	39,255	18.7	9.7	12.9
EU	36,154	36,505	41,144	47,466	39,482	38,417	18.3	-2.7	2.0
United States	21,398	24,570	23,651	26,698	22,272	22,682	10.8	1.8	0.3
Japan	17,117	17,275	18,047	20,231	16,688	18,191	8.7	9.0	0.9
Thailand	4,812	6,258	7,890	10,152	11,628	11,005	5.2	-5.4	19.5
Singapore	8,627	10,708	10,475	16,182	11,171	10,620	5.1	-4.9	4.7
Malaysia	6,079	6,723	7,336	8,956	7,555	9,099	4.3	20.4	7.6
New Zealand	5,398	5,489	6,247	7,603	6,565	7,203	3.4	9.7	6.4
Korea, Republic of	5,170	6,905	5,941	6,427	6,628	7,144	3.4	7.8	4.6
Indonesia	3,656	4,542	4,845	5,247	4,557	5,320	2.5	16.7	5.8
Other	25,951	31,630	33,282	41,728	38,274	41,125	19.6	7.4	9.3
World	155,727	176,089	187,873	225,946	200,600	210,061	100.0	4.7	6.1
Two-way trade									
China	37,494	45,857	52,807	67,593	78,307	97,675	22.1	24.7	20.9
Japan	45,577	49,717	49,979	70,996	54,928	61,781	14.0	12.5	6.4
EU	51,206	57,080	60,346	70,999	56,882	56,986	12.9	0.2	2.0
United States	30,660	34,651	33,683	38,825	31,865	31,926	7.2	0.2	0.3
Korea, Republic of	16,130	19,256	19,411	24,820	22,270	27,612	6.3	24.0	10.1
India	8,193	10,095	10,753	15,346	16,503	18,399	4.2	11.5	18.3
Thailand	8,943	10,539	12,306	15,484	15,864	16,860	3.8	6.3	14.1
Singapore	12,587	15,267	14,548	22,308	16,531	15,474	3.5	-6.4	5.0
New Zealand	14,400	14,430	15,721	16,948	14,493	15,210	3.4	4.9	1.0
Malaysia	8,592	9,556	10,487	12,949	10,686	12,737	2.9	19.2	7.4
Other	61,025	73,394	76,218	92,019	78,827	86,544	19.6	9.8	6.3
World	294,807	339,842	356,259	448,287	397,156	441,204	100.0	11.1	8.1

Based on ABS 2011a

Table 3: Australia's merchandise trade with the EU (a)

	Value ($A million)					Share of total (%)	% Change
	2006	2007	2008	2009	2010	2010	2009
			Top 20 merchandise exports				
Gold	2,922	2,754	4,839	5,606	5,222	28.1	-6.9
Coal	3,729	3,024	6,203	2,498	3,934	21.2	57.5
Alcoholic beverages	1,299	1,410	1,175	957	817	4.4	-14.6
Other ores & concentrates (b)	1,113	1,082	478	202	615	3.3	204.1
Medicaments (incl veterinary)	518	602	635	644	426	2.3	-33.8
Lead	273	471	507	365	405	2.2	10.8
Gold coin & legal tender coin	61	113	295	355	366	2.0	3.0
Misc manufactured articles, nes	170	193	192	201	234	1.3	16.3
Wool & other animal hair (incl tops)	472	368	335	135	226	1.2	67.1
Precious metal ores & conc (excl gold)	11	26	48	41	216	1.2	426.4
Non-ferrous waste & scrap	91	138	166	147	178	1.0	20.9
Measuring & analysing instruments	197	192	206	175	177	1.0	1.3
Aircraft, spacecraft & parts	146	118	184	212	172	0.9	-18.9
Oil-seeds & oleaginous fruits, soft	107	1	156	405	170	0.9	-58.0
Medical instruments (incl veterinary)	196	233	287	249	158	0.9	-36.5
Nickel (c)	262	325	238	59	152	0.8	158.2
Meat (excl beef), f.c.f.	161	153	168	160	143	0.8	-10.7
Iron ore & concentrates	397	277	439	38	141	0.8	267.8
Telecom equipment & parts	39	68	72	87	118	0.6	35.3
Electrical circuits equipment	145	188	165	119	109	0.6	-8.7
Total commodities	20,576	19,201	23,534	17,400	18,567	100.0	6.7
			Top 20 merchandise imports (d)				
Medicaments (incl veterinary)	4,059	4,535	4,770	5,258	5,355	13.9	1.9
Passenger motor vehicles	2,795	3,278	3,849	2,851	3,906	10.2	37.0
Organo-inorganic compounds	465	850	956	1,146	1,131	2.9	-1.2
Civil engineering equipment & parts	816	1,068	1,158	777	921	2.4	18.5
Measuring & analysing instruments	865	940	1,111	948	903	2.4	-4.7
Pharm products (excl medicaments)	567	593	744	858	881	2.3	2.7
Vehicle parts & accessories	656	688	798	659	744	1.9	12.8
Telecom equipment & parts	964	928	781	842	728	1.9	-13.5
Specialised machinery & parts	776	832	1,059	955	696	1.8	-27.1
Goods vehicles	723	1,185	1,327	481	645	1.7	34.1
Alcoholic beverages	484	513	626	598	608	1.6	1.8
Mechanical handling equip & parts	686	773	921	775	600	1.6	-22.5
Edible products & preparations, nes	576	666	687	721	589	1.5	-18.4
Pumps (excl liquid pumps) & parts	589	567	599	790	587	1.5	-25.7
Medical instruments (incl veterinary)	450	441	524	567	551	1.4	-2.9
Electrical circuits equipment	461	494	612	534	529	1.4	-0.9
Perfumery & cosmetics (excl soap)	448	484	489	524	520	1.4	-0.7
Misc manufactured articles, nes	403	454	520	497	516	1.3	3.9
Paper & paperboard	680	697	688	571	500	1.3	-12.5
Railway vehicles (incl hovertrains)	85	62	193	329	454	1.2	37.9
Total commodities	36,504	41,145	47,468	39,483	38,417	100.0	-2.7

Source: DFAT, personal communication (3 August 2011)

(a) Rank based on 2010. (b) Mainly Zinc ores & concentrates and Lead ores & concentrates. (c) Excludes Nickel mattes, Nickel oxide sinters and Nickel unwrought. Refer to Table A in the analysis. (d) Imports of aircraft were made confidential by the ABS from Sep-08 onwards and are excluded from total imports.

Table 4: Australia's merchandise trade with EU member states

	Value ($A million)						Share of total (%)	% Change	5 year trend (%)
	2005	2006	2007	2008	2009	2010	2010	2009	
Exports									
Austria	67	75	63	76	87	106	0.6	21.8	8.7
Belgium	998	1,099	1,471	1,514	831	1,259	6.8	51.5	1.0
Bulgaria	74	54	53	30	10	5	0.0	-50.0	-42.1
Cyprus	9	15	15	13	8	10	0.1	25.0	-4.2
Czech Republic	63	100	91	79	54	81	0.4	50.0	-2.1
Denmark	184	204	168	171	171	144	0.8	-15.8	-4.8
Estonia	1	10	15	13	12	11	0.1	-8.3	42.5
Finland	643	1,532	1,166	1,053	286	248	1.3	-13.3	-24.6
France	1,104	1,257	1,421	1,743	1,218	1,172	6.3	-3.8	1.2
Germany	1,385	1,411	1,425	2,074	1,599	1,861	10.0	16.4	6.6
Greece	103	51	112	90	53	38	0.2	-28.3	-13.5
Hungary	21	25	13	15	12	13	0.1	8.3	-12.0
Ireland	154	161	227	214	115	133	0.7	15.7	-5.0
Italy	1,503	1,819	1,563	1,686	1,012	1,134	6.1	12.1	-8.5
Latvia	9	12	13	11	6	8	0.0	33.3	-7.8
Lithuania	6	3	5	3	3	1	0.0	-66.7	-23.7
Luxembourg	0	1	0	0	0	0	0.0	..	..
Malta	4	46	1	13	28	107	0.6	282.1	64.9
Netherlands	2,178	2,828	2,782	3,635	2,022	2,619	14.1	29.5	0.5
Poland	50	43	28	41	24	21	0.1	-12.5	-15.0
Portugal	44	64	44	26	28	20	0.1	-28.6	-18.0
Romania	51	119	141	171	33	13	0.1	-60.6	-25.9
Slovak Republic	4	1	2	4	2	2	0.0	0.0	-2.0
Slovenia	12	14	17	18	22	3	0.0	-86.4	-14.6
Spain	991	1149	1008	874	389	710	3.8	82.5	-13.5
Sweden	412	364	341	628	354	536	2.9	51.4	5.4
United Kingdom	4,968	8,114	7,013	9,332	9,022	8,308	44.7	-7.9	9.5
European Union	*15,052*	*20,575*	*19,202*	*23,533*	*17,400*	*18,569*	100.0	6.7	2.2
Imports									
Austria	973	1014	1006	1,122	1,026	917	2.4	-10.6	-0.4
Belgium	1,351	1,542	1,616	1,911	1,566	1,547	4.0	-1.2	2.6
Bulgaria	24	24	25	47	26	41	0.1	57.7	10.7
Cyprus	1	5	7	13	12	10	0.0	-16.7	52.5
Czech Republic	179	202	228	373	233	262	0.7	12.4	8.4
Denmark	944	1,030	982	1,017	1,108	1,023	2.7	-7.7	1.9
Estonia	18	14	8	17	16	40	0.1	150.0	15.8
Finland	835	797	896	1,059	738	730	1.9	-1.1	-2.1
France	4,996	4,101	4,680	5,000	4,086	3,822	9.9	-6.5	-3.6
Germany	8,703	8,991	9,737	11,351	10,615	10,493	27.3	-1.1	4.6
Greece	146	152	157	174	155	160	0.4	3.2	1.8
Hungary	199	241	332	417	432	449	1.2	3.9	18.9
Ireland	1,964	1,837	2,135	2,234	2,338	2,311	6.0	-1.2	4.6
Italy	4,352	4,485	4,836	5,336	4,886	4,897	12.7	0.2	2.7
Latvia	0	2	3	1	0	1	0.0	..	..
Lithuania	14	32	32	32	25	19	0.0	-24.0	2.3
Luxembourg	3	13	24	24	36	25	0.1	-30.6	47.7
Malta	12	16	14	15	14	16	0.0	14.3	3.2
Netherlands	1,276	1,398	1,458	1,822	1,526	1,315	3.4	-13.8	1.8
Poland	342	196	291	373	371	315	0.8	-15.1	5.1
Portugal	161	137	176	165	120	133	0.3	10.8	-4.0
Romania	36	27	40	80	53	48	0.1	-9.4	12.6
Slovak Republic	24	46	136	211	109	153	0.4	40.4	42.1
Slovenia	58	59	53	54	40	46	0.1	15.0	-6.4
Spain	1,287	1,380	1,826	2,062	1,604	1,651	4.3	2.9	5.3
Sweden	2,073	2,506	2,337	2,598	2,142	2,189	5.7	2.2	-0.3
United Kingdom	6,186	6,260	8,100	9,956	6,194	5,801	15.1	-6.3	-0.4
European Union	*36,154*	*36,505*	*41,144*	*47,466*	*39,482*	*38,417*	100.0	-2.7	2.0

Based on ABS 2011a

Table 5: Australia's trade in services with major trading partners

	Value ($A million)						Share of total (%)	% Change	5 year trend (%)
	2005	2006	2007	2008	2009	2010	2010	2009	
Exports									
EU	7,848	8,208	8,690	8,867	8,684	8,469	16.2	-2.5	1.6
China	3,056	3,355	3,970	4,780	5,397	5,954	11.4	10.3	15.2
United States	4,528	5,313	5,423	5,725	5,640	5,256	6.0	-13.7	24.5
New Zealand	3,170	3,136	3,489	3,529	3,214	3,343	4.0	2.1	-9.3
India	1,233	1,538	2,057	3,008	3,654	3,154	3.7	6.6	6.0
Singapore	2,481	2,755	3,051	3,813	2,931	2,610	6.4	4.0	1.0
Japan	3,154	3,046	2,652	2,338	2,036	2,079	10.0	-6.8	2.8
Korea, Republic of	1,355	1,646	1,861	1,848	1,810	1,930	5.0	-11.0	1.9
Hong Kong	1,563	1,577	1,579	1,608	1,672	1,690	1.9	-5.1	10.7
Malaysia	1,279	1,235	1,351	1,539	1,637	1,667	1.0	-4.9	2.2
Other	10,570	11,664	13,192	15,256	15,973	16,239	31.0	1.7	9.7
World	40,237	43,473	47,315	52,311	52,648	52,391	100.0	-0.5	5.9
Imports									
EU	9,412	9,726	10,777	12,343	11,718	12,549	22.4	7.1	6.3
United States	7,056	7,504	8,895	10,474	9,939	9,872	17.7	-0.7	8.0
Singapore	2,997	4,009	4,278	4,902	3,463	3,525	6.3	1.8	1.5
New Zealand	2,012	2,170	2,423	2,807	2,877	2,739	4.9	-4.8	7.5
Japan	1,884	1,786	1,830	2,497	2,124	2,229	4.0	4.9	4.9
Thailand	912	1,209	1,621	2,055	2,225	1,955	3.5	-12.1	18.3
Hong Kong	1,607	1,613	1,715	2,072	1,836	1,942	3.5	5.8	4.5
Indonesia	864	517	706	1,128	1,432	1,850	3.3	29.2	23.3
China	1,213	1,120	1,317	1,588	1,462	1,694	3.0	15.9	7.9
Malaysia	795	853	1,029	1,080	986	1,149	2.1	16.5	6.9
Other	11,667	12,536	13,502	16,567	15,129	16,418	29.4	8.5	7.3
World	40,419	43,043	48,093	57,513	53,191	55,922	100.0	5.1	7.2
Two-way trade									
EU	17,260	17,934	19,467	21,210	20,402	21,018	19.4	3.0	4.3
United States	11,584	12,817	14,318	16,199	15,579	15,128	14.0	-2.9	6.0
China	4,269	4,475	5,287	6,368	6,859	7,648	7.1	11.5	13.3
Singapore	5,478	6,764	7,329	8,715	6,394	6,135	5.7	-4.1	1.6
New Zealand	5,182	5,306	5,912	6,336	6,091	6,082	5.6	-0.1	3.7
Japan	5,038	4,832	4,482	4,835	4,160	4,308	4.0	3.6	-3.2
India	1,564	1,939	2,556	3,713	4,315	3,814	3.5	-11.6	22.9
Hong Kong	3,170	3,190	3,294	3,680	3,508	3,632	3.4	3.5	3.1
Indonesia	1,752	1,385	1,641	2,167	2,624	3,096	2.9	18.0	15.5
Thailand	1,573	1,906	2,440	2,990	3,295	2,970	2.7	-9.9	15.4
Other	23,786	25,968	28,682	33,611	32,612	34,482	31.8	5.7	8.0
World	80,656	86,516	95,408	109,824	105,839	108,313	100.0	2.3	6.5

Based on ABS 2011b

Table 6: Australia's total stock of investment with major partners

	Value ($A million)						Share of total (%)	% Change	5 year trend (%)
	2005	2006	2007	2008	2009	2010	2010	2009	
Inwards									
EU	419,758	495,752	553,598	583,825	659,820	647,400	32.9	-1.9	9.2
United States	333,987	383,053	440,742	442,068	514,919	549,881	27.9	6.8	10.1
Japan	51,023	51,679	63,522	89,262	102,538	117,633	6.0	14.7	20.7
Singapore	19,665	27,436	39,169	43,287	41,088	43,771	2.2	6.5	16.4
Hong Kong (SAR)	31,571	38,873	46,120	56,030	43,201	40,774	2.1	-5.6	5.2
Switzerland	19,945	28,748	30,439	37,280	32,226	40,731	2.1	26.4	12.5
New Zealand	27,248	35,711	42,905	28,736	31,682	33,773	1.7	6.6	0.9
Canada	13,372	12,489	14,536	17,239	19,555	21,497	1.1	9.9	11.8
China	2,274	3,508	6,241	8,517	16,629	19,525	1.0	17.4	56.7
Korea, Republic of	900	4,959	7,796	7,178	9,274	9,365	0.5	1.0	47.1
Other	311,486	387,198	423,546	432,340	421,819	425,235	21.6	0.8	5.4
World	1,240,311	1,479,785	1,680,294	1,761,575	1,906,553	1,967,806	100.0	3.2	9.3
Outwards									
United States	303,118	352,765	422,167	407,251	403,355	410,046	34.6	1.7	5.5
EU	190,127	257,119	296,262	315,155	346,554	363,240	30.6	4.8	12.7
New Zealand	61,512	69,420	72,109	68,474	79,700	73,934	6.2	-7.2	3.7
Canada	11,856	26,856	31,100	39,514	36,756	39,174	3.3	6.6	22.7
Japan	31,752	41,633	35,424	30,528	31,623	29,111	2.5	-7.9	-3.9
Singapore	9,049	15,102	18,380	22,940	21,658	25,057	2.1	15.7	20.0
Hong Kong (SAR)	10,398	16,492	17,336	20,705	28,120	23,362	2.0	-16.9	18.1
Switzerland	4,522	9,999	17,045	15,281	16,003	19,673	1.7	22.9	28.0
China	2,034	3,043	5,789	6,993	6,327	11,876	1.0	87.7	37.7
Korea, Republic of	4,728	6,898	8,843	7,370	6,264	6,836	0.6	9.1	4.0
Other	83,261	87,544	104,051	109,867	138,627	166,973	14.1	20.4	15.1
World	720,048	897,449	1,044,098	1,056,458	1,131,669	1,185,704	100.0	4.8	9.6
Two-way investment									
EU	609,885	752,871	849,860	898,980	1,006,374	1,010,640	32.0	0.4	10.4
United States	637,105	735,818	862,909	849,319	918,274	959,927	30.4	4.5	8.0
Japan	82,775	93,312	98,946	119,790	134,161	146,744	4.7	9.4	12.6
New Zealand	88,760	105,131	115,014	97,210	111,382	107,707	3.4	-3.3	2.8
Singapore	28,714	42,538	57,549	66,227	62,746	68,828	2.2	9.7	17.6
Hong Kong (SAR)	41,969	55,365	63,456	76,735	71,321	64,136	2.0	-10.1	9.2
Canada	25,228	39,345	45,636	56,753	56,311	60,671	1.9	7.7	17.6
Switzerland	24,467	38,747	47,484	52,561	48,229	60,404	1.9	25.2	16.3
China	4,308	6,551	12,030	15,510	22,956	31,401	1.0	36.8	49.0
Korea, Republic of	5,628	11,857	16,639	14,548	15,538	16,201	0.5	4.3	18.6
Other	394,747	474,742	527,597	542,207	560,446	592,208	18.8	5.7	7.6
World	1,960,359	2,377,234	2,724,392	2,818,033	3,038,222	3,153,510	100.0	3.8	9.4

Based on ABS 2011c