



The EU–Australia Economic Relationship

KEY POINTS

- 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;
- Australia is the EU's sixteenth largest partner in two-way merchandise trade, being its twenty-ninth largest source of imports and twelfth largest export market;
- The EU is Australia's largest services trade partner, with services representing more than one quarter of total bilateral trade;
- In 2011, EU-Australia goods and services trade rose by 4.1% on the previous year;
- The EU is the largest investor in Australia 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

A strong economic and trade relationship constitutes a key feature of engagement between the European Union (EU) and Australia. Amidst the challenges the EU is facing as a result of the economic crisis, it remains an essential partner to Australia, as reflected in the consistent underlying growth of bilateral trade and investment. This *EU Insight* reviews the EU-Australia relationship 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 highly diverse, competitive market for Australia, with significant future potential. Although the EU may be projected to grow only very slowly in 2013 and 2014, its €12.6 trillion economy remains the largest in the world, with a per capita GDP of €25,000 for its 500 million consumers.

Europe is the world's largest exporter and importer of goods and services (excluding intra-EU trade – refer to Table 1). In today's interdependent supply chains, it is the top trading partner for 80 countries,

including major Australian trading partners, such as China and the United States. The EU also has the largest stocks of foreign direct investment abroad and is the world's largest recipient of foreign direct investment (European Commission, 2012).

Table 1: Leading exporters and importers in world goods and services trade, 2011

Rank	Exports	Value (\$USbn)	Share
1	EU	2,917	16.6%
2	China	2,080	11.9%
3	United States	2,061	11.8%
4	Japan	965	5.5%
15	Australia	321	1.8%

Rank	Imports	Value (\$USbn)	Share
1	EU	2,994	17.0%
2	United States	2,661	15.1%
3	China	1,980	11.3%
4	Japan	1,021	5.8%
14	Australia	304	1.7%

Rank	Two-Way	Value (\$USbn)	Share
1	EU	5,911	16.9%
2	United States	4,722	13.5%
3	China	4,061	11.6%
4	Japan	1,986	5.7%
13	Australia	625	1.8%

Based on WTO, 2012

The EU economy is competitive

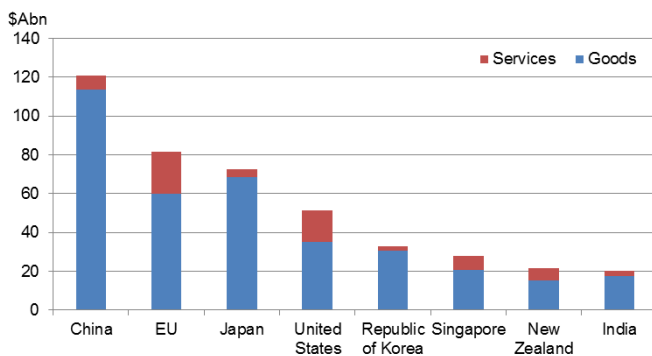
Even in the context of the crisis, the EU remains a competitive economy, which is attributable in large part to its capacity to implement structural reform. The *'Global Competitiveness Index 2012-13 rankings'* (World Economic Forum, 2012) found that five of the world's ten most competitive countries were EU Member States, with 19 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 2013 Index* (The World Bank/IFC, 2012) found that 18 of the top 50 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 investment stocks reflecting its longstanding nature. As Australia's second-largest trading partner in goods and services, after China (with two-way trade valued at \$A81.4 billion in 2011, up 4.1% on 2010), and its largest investment partner, (comprising two-way total investment stocks of almost \$A1 trillion) the EU's economic engagement with Australia remains significant and continues to expand, a point sometimes lost amidst the refocusing on Australia's growing trading relationships with its regional Asian partners (see Figure 1).

Figure 1: Australia's goods and services trade with major partners, 2011



Based on ABS 2013 and ABS 2012a

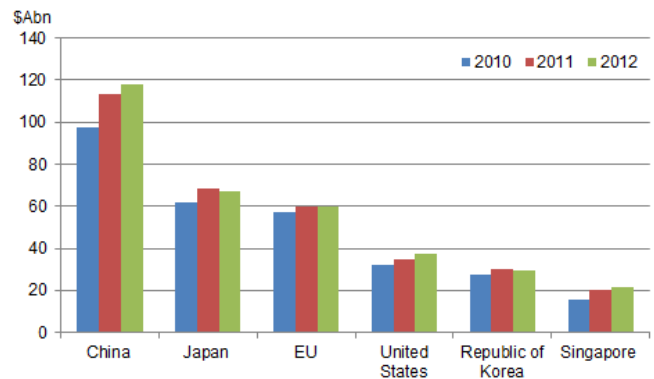
MERCHANDISE TRADE

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

The EU is Australia's third-largest merchandise trade partner, with two-way trade valued at \$A59.7 billion in 2012 (12.2% of Australia's total; 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, combined with 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, 2010-2012



Based on ABS 2013

The EU is Australia's fourth-largest merchandise export market

In 2012, the EU was Australia's fourth-largest merchandise export market, accounting for \$A17.1 billion (7% of Australia's total exports), behind China (\$A73 billion; 30%), Japan (\$A48 billion; 19%) and the Republic of Korea (\$A20 billion; 8%). Within the past decade there has been a significant surge in commodities trade with Asia, rapidly boosting Australia's exports to its Asian neighbours. In contrast, Australia's exports to the EU are yet to rebound from the lows experienced during the global financial crisis, matching Australia's export performance to other developed economies, such as the United States and New Zealand.

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

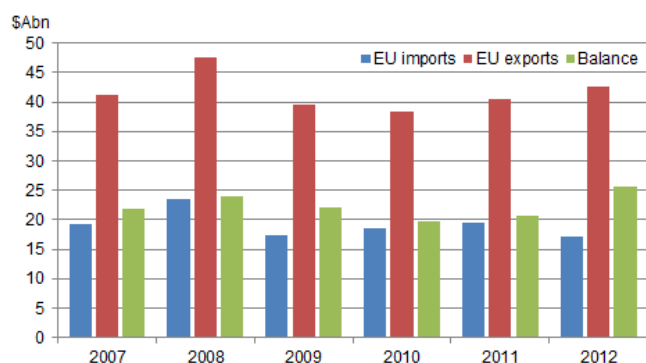
The EU is Australia's second-largest source of merchandise imports, which were valued at \$A42.6 billion (18%) in 2012, behind only China, which accounted for \$A44.5 billion (18%) of Australian imports.

Australian merchandise imports from the EU increased by 5% in 2012, although still remained 10% below the peak achieved in 2008, prior to the full onset of the crisis.

Although Australia generated an overall trade surplus in goods in 2012 of \$A6.2 billion, it continues to operate a merchandise trade deficit

with the EU, valued at a record \$A25.6 billion in 2012, up 23% on 2011 as Australia's exports to the EU decreased by \$A2.5 billion, while its imports from the EU rose by \$A2.2 billion. (See Figure 3).

Figure 3: The EU's merchandise trade balance with Australia, 2007-2012



Based on ABS 2013

Principal exports and imports

In 2011, Australia's principal merchandise exports to the EU were coal (\$A4.6 billion; representing 23% of Australian exports to the EU and 10% of Australia's total coal exports), gold (\$A4.4 billion; 22%; 29%), oilseeds (\$A1.0 billion; 5%; 80%) and alcoholic beverages (\$A0.7 billion; 3%; 33%) (refer to Table 3). The EU was also a major market for other Australian exports such as lead (\$A328 million; or 35% of Australia's total lead exports), precious metal ores (\$A313 million; 26%), measuring and analysing instruments (\$A237 million; 24%), nickel (\$A132 million; 21%) and pharmaceutical products (\$A113 million; 24%).

Among Australia's principal merchandise imports from the EU in 2011 were medicaments (\$A5.7 billion, representing 14% of Australian imports from the EU and 66% of Australia's total imports of medicaments), passenger motor vehicles (\$A4.2 billion; 11%; 30%), civil engineering equipment and parts (\$A1.2 billion; 3%; 29%) and pharmaceutical products (\$A1.1 billion; 3%; 53%).

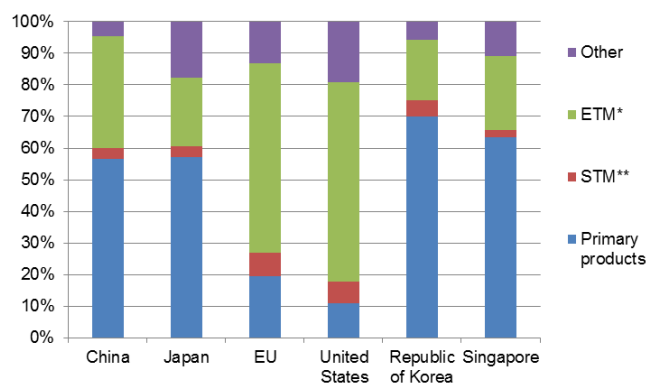
Australia's trade in goods with the EU is less reliant on primary products than with other partners

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

This is especially apparent with Australia's combined exports of just two products, iron ore and coal, to countries such as China (comprising 43% of bilateral two-way merchandise trade in 2011), Japan (41%), the Republic of Korea (45%) and

India (41%) (DFAT, 2012a). In comparison, trade between the EU and Australia exhibits a more balanced mix, with a greater focus on manufactures, as depicted in Figure 4. Primary products only account for about 20% of the EU-Australia trade relationship, causing the value of bilateral trade to be less susceptible to commodity price volatility, as has been exhibited on occasion with Australia's other trading partners.

Figure 4: Australia's two-way merchandise trade with major partners, by broad category, 2011



*ETM: elaborately transformed materials, **STM: simply transformed materials. Based on DFAT 2012b

From the EU's Perspective

Australia was ranked as the EU's 16th-largest partner in two-way merchandise trade in 2011. It was the EU's 29th largest source of imports and its 12th largest export market.

Australia is an important trading partner for the EU, as reflected by its ranking among the EU's top suppliers of a number of specific products, some of which are outlined below.

In 2011, Australia was the EU's:

- Largest supplier of: (value)
 - Rape/colza seeds €589mn
 - Unwrought lead €374mn
 - Zinc ores €338mn
 - Wool €245mn
- Second largest supplier of:
 - Wine €547mn
 - Unwrought nickel €302mn
 - Niobium, etc ores €231mn
 - Lead ores €113mn
- Third largest supplier of:
 - Coal €3,861mn

Source: European Commission (DG Trade), personal communication (5 September 2012)

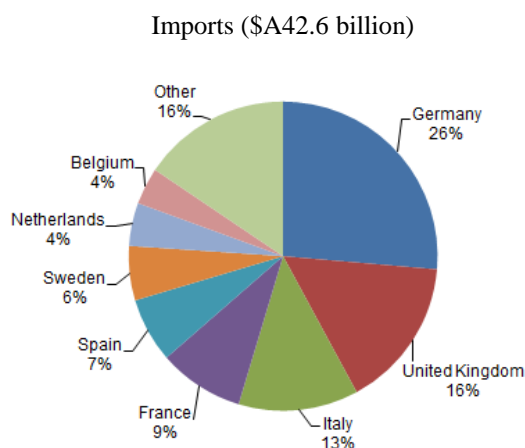
Member States and Merchandise Trade

Australia's economic 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, particular in supplying Australian imports (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 2012, Germany accounted for \$A11.2 billion of Australian merchandise imports, or 26% of its imports from the EU, followed by the UK (16%) and Italy (13%) (see Figure 5a). Other EU Member States that have increased their share of Australia's total imports from the EU over the past five years include Spain, the Netherlands, Italy, Poland, and the Czech Republic.

Figure 5a: Australia's merchandise imports from EU 27, by Member State, 2012



Based on ABS 2013

Exports

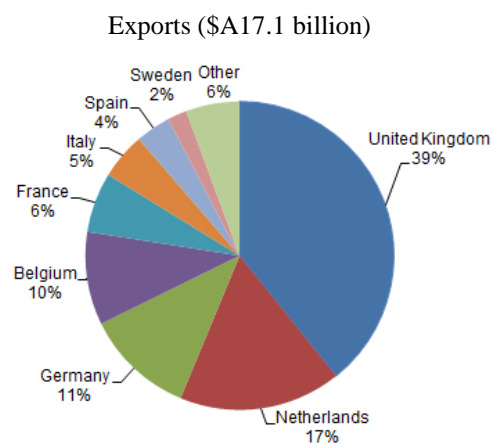
The United Kingdom remains the largest destination of Australian exports to the EU, accounting for \$A6.7 billion in 2012 (39%), followed by the Netherlands (17%) and Germany (11%) (see figure 5b).

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, Malta, Poland, Slovak Republic and Slovenia), and again in 2007, with the accession of Bulgaria and Romania – have so far had a limited impact on trade levels between the EU and Australia, although notably Australia's

trade with these member states has been expanding above the rate of growth of Australia's trade with the EU as a whole.

Figure 5b: Australia's merchandise exports to EU 27, by Member State, 2012



Based on ABS 2013

This is perhaps reflective of the recognised potential for future growth in the new member states. In 2013, for example, all but three of these member states are projected to achieve annual growth rates above the EU27 average (European Commission (DG-Ecfin), 2012), with the three Baltic States forecast to achieve growth in excess of 3%. Meanwhile, with a further expansion in the number of EU Member States foreseen, beginning with the accession of Croatia in July 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 world trade and globalisation of value chains 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 China's and India's largest trading partner in merchandise goods, two of Australia's fastest-growing export markets. It is also the second-largest destination for goods exports from the United States and the Republic of Korea, and the third-largest destination for merchandise exports from Japan (European Commission (DG-Trade), 2012).

SERVICES TRADE

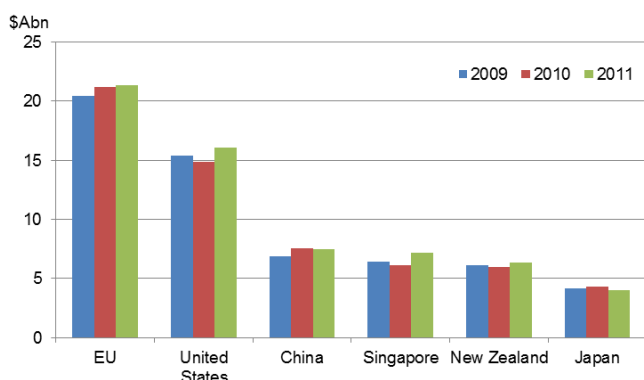
The EU is the world's largest trader in services

In 2011, the EU was the world's leading exporter and importer of services (WTO, 2012), with extra-EU two-way trade amounting to US\$1,428 billion (23% of global trade), ahead of the United States (16%) and China (7%). Ranked 12th, Australia accounted for just under 2% of world trade in services.

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

The EU is Australia's largest services trade partner, representing \$A21.3 billion (19.6%) of its two-way services trade in 2011, up 0.7% from the previous year. The United States is another significant trading partner in services with Australia, with bilateral trade valued at \$A16 billion (14.7%) (see Figure 6).

Figure 6: Australia's two-way services trade with major partners, 2009-2011



Based on ABS 2012a

Services account for more than one quarter of total trade between the EU and Australia, reflecting the sizeable presence of the services sector in both economies and existing opportunities for trade. In comparison, services represent just 6% of Australia's total trade with its two largest merchandise trading partners, China and Japan.

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 2011 (worth \$A8.3 billion or 16% of total services exports) and the largest source of its services imports (valued at \$A13.1 billion, or 22% of the total) (refer to Table 5).

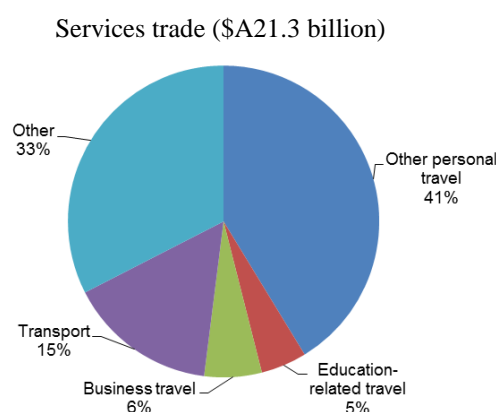
Viewed from an EU perspective, according to the latest 2010 data, Australia was the EU's 10th largest trading partner in services being the 7th largest

destination for services exports and the 12th-largest source of services imports.

Travel and transportation services are particularly important

Travel services continue to feature prominently in EU-Australia services trade, accounting for \$A11.1 billion, or more than half of two-way trade in services. While the bulk of this is represented by personal travel, trade in education-related travel services between the EU and Australia totalled \$1.0 billion in 2011, 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 broad category, 2011



Based on ABS 2012a

Transport services constitute the second-largest services sector traded between the EU and Australia, representing \$A3.3 billion in 2011 or 15% of two-way services trade (see Figure 7). Another sector displaying strong growth is other business services (broadly encompassing professional and technical services), where EU-Australia trade was valued at \$A3.1 billion in 2011, of which EU exports to Australia have expanded by over 150% in the past 5 years, to \$2.0 billion.

Historically, Australia imports more services than it exports, which also applies in its trade with the EU, with whom Australia recorded a services trade deficit of \$A4.8 billion in 2011. This represented a 13% increase on its deficit in 2010, due to a 3% increase in Australia's imports from the EU, and a 2% decrease in Australia's exports to 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 largest source and recipient of foreign direct investment (FDI) in the global economy, accounting for €5.0 trillion and €3.8 trillion of outward and inward FDI stocks (excluding intra-EU stocks) respectively in 2011. Although world and EU FDI flows are yet to return to pre-crisis levels, in 2011 EU FDI flows exhibited continued signs of recovery, recording outflows to the rest of the world of €365 billion (+18% from the previous year) and inflows of €242 billion (+13%) (European Commission (Eurostat), 2012b).

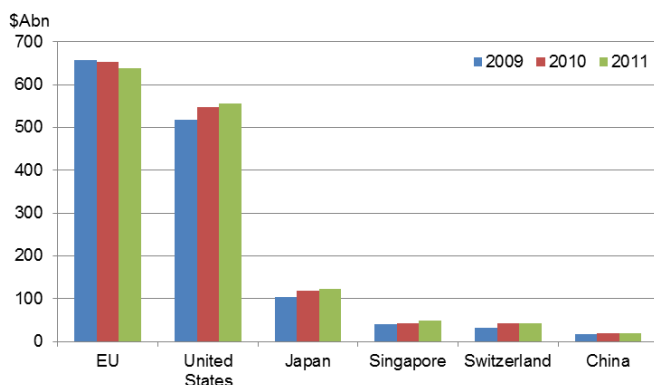
The EU is Australia's largest two-way investment partner

The EU has been Australia's largest two-way investment partner since 2006, when it surpassed the United States. Accounting for almost one-third (\$A993 billion) of Australia's two-way total investment stocks in 2011, 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 is Australia's largest source of foreign investment, accounting for almost one-third (\$A637 billion) of Australia's total foreign investment stocks in 2011. Although this represented a 2.5% decrease from 2010, the EU's share still exceeds that of the United States (27%) and remains well above Australia's other major partners (see Figure 8).

Figure 8: Level of total foreign investment in Australia, by selected major partners, 2009-2011



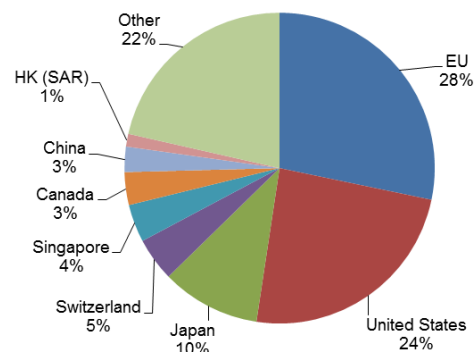
Based on ABS 2012b

Significantly, the EU is also the largest supplier of FDI to Australia, at \$A143 billion in 2011 (+4.5%

on 2010). This represents 28% of Australia's inward FDI stocks (see Figure 9), ahead of the United States' 24% share and Japan's 10%. China by comparison remains a small FDI contributor (although its recent year-on-year growth has been impressive), representing just 3% of Australia's total FDI stocks.

Figure 9: Level of foreign direct investment in Australia, by major partners, 2011

Direct Investment in Australia (\$A507.3 billion)

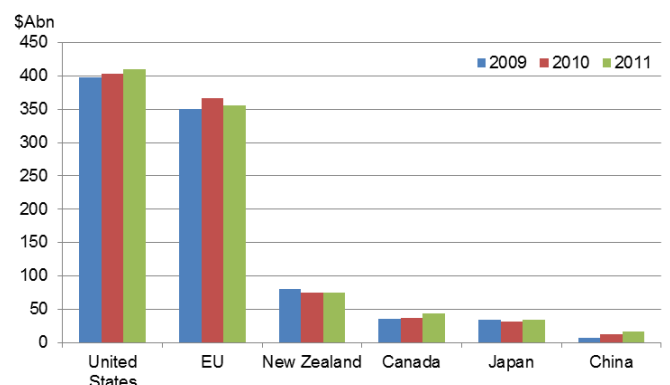


Based on ABS 2012b

The EU is the second largest destination for Australian investment overseas

The EU continues to be an important destination for Australian investment abroad, with stocks totalling \$A356 billion in 2011 (-2.7%), representing 30% of total Australian overseas investment. This was only exceeded by the United States with \$A411 billion, or 35% of Australia's overseas investment stocks (see Figure 10).

Figure 10: Level of total Australian investment abroad, by selected major partners, 2009-2011



Based on ABS 2012b

Australia's stock of direct investment in the EU suffered a sharp drop of 26% in 2011, to \$A76 billion (22% of the total). This enabled the United States to overtake the EU as the largest recipient of Australian FDI, at \$A98 billion, or 29% of Australia's total FDI.

Investment flows still to recover from crisis

Global economic uncertainties have meant that 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 negative inflow for the second year in a row in 2011, of \$A37.9 billion. Yet this was largely a result of an unwinding of portfolio and financial derivative investments, with EU FDI inflows to Australia recovering from -\$A1.0 billion in 2010 to \$A12.3 billion in 2011, exceeding FDI inflows from the United States, Japan, Canada and China. Conversely, the EU has become an attractive destination for Australia to invest, topping the list of recipients of its investment outflows, at \$14.4 billion, including \$A7.8 billion of FDI outflows

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 Marjolein Coonen & Ben Slatter, February 2013

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

	Value (\$A million)						Share of	%	5 year
	2007	2008	2009	2010	2011	2012	total (%)	Change	trend (%)
							2012	2011	
Exports									
China	23,792	32,337	42,527	58,420	71,451	73,285	29.5	2.6	26.8
Japan	31,932	50,765	38,240	43,590	50,441	48,030	19.3	-4.8	6.3
Republic of Korea	13,470	18,393	15,642	20,468	23,240	19,849	8.0	-14.6	8.7
EU	19,202	23,533	17,400	18,569	19,618	17,069	6.9	-13.0	-3.0
India	9,294	13,516	14,472	16,424	15,247	12,186	4.9	-20.1	5.4
United States	10,032	12,127	9,593	9,244	9,773	9,376	3.8	-4.1	-2.9
Taiwan	5,948	8,262	6,503	8,385	9,134	7,984	3.2	-12.6	6.0
New Zealand	9,474	9,345	7,928	8,007	7,680	7,412	3.0	-3.5	-5.0
Singapore	4,073	6,126	5,360	4,854	6,391	7,147	2.9	11.8	8.5
Malaysia	3,151	3,993	3,131	3,638	4,490	5,078	2.0	13.1	8.6
Other	38,018	43,944	35,760	39,544	44,232	40,916	16.5	-7.5	1.4
World	168,386	222,341	196,556	231,143	261,697	248,332	100.0	-5.1	7.7
Imports									
China	29,015	35,256	35,780	39,255	42,145	44,463	18.4	5.5	8.2
EU	41,144	47,466	39,482	38,417	40,416	42,629	17.6	5.5	-0.9
United States	23,651	26,698	22,272	22,682	25,347	27,789	11.5	9.6	1.9
Japan	18,047	20,231	16,688	18,191	18,003	19,054	7.9	5.8	0.0
Singapore	10,475	16,182	11,171	10,620	14,144	14,545	6.0	2.8	3.4
Thailand	7,890	10,152	11,628	11,005	8,441	10,173	4.2	20.5	1.9
Republic of Korea	5,941	6,427	6,628	7,144	7,128	9,860	4.1	38.3	8.7
Malaysia	7,336	8,956	7,555	9,099	8,562	9,644	4.0	12.6	4.1
New Zealand	6,247	7,603	6,565	7,203	7,593	7,277	3.0	-4.2	2.5
Indonesia	4,845	5,247	4,557	5,320	5,909	6,305	2.6	6.7	5.4
Other	33,282	41,728	38,274	41,125	49,420	50,434	20.8	2.1	7.9
World	187,873	225,946	200,600	210,061	227,108	242,173	100.0	6.6	3.9
Two-way trade									
China	52,807	67,593	78,307	97,675	113,596	117,748	24.0	3.7	18.0
Japan	49,979	70,996	54,928	61,781	68,444	67,084	13.7	-2.0	4.3
EU	60,346	70,999	56,882	56,986	60,034	59,698	12.2	-0.6	-1.6
United States	33,683	38,825	31,865	31,926	35,120	37,165	7.6	5.8	0.6
Republic of Korea	19,717	25,996	22,207	27,671	30,833	29,709	6.1	-3.6	8.3
Singapore	13,626	20,175	14,302	14,258	18,634	21,692	4.4	16.4	6.1
Thailand	12,306	15,484	15,864	16,860	15,207	15,047	3.1	-1.1	2.9
India	10,753	15,346	16,503	18,399	17,473	14,769	3.0	-15.5	6.1
Malaysia	10,487	12,949	10,686	12,737	13,052	14,722	3.0	12.8	5.6
New Zealand	15,721	16,948	14,493	15,210	15,273	14,689	3.0	-3.8	-1.7
Other	76,834	92,976	81,119	87,701	101,139	98,182	20.0	-2.9	4.5
World	356,259	448,287	397,156	441,204	488,805	490,505	100.0	0.3	5.8

Based on ABS 2013

Table 3: Australia's merchandise trade with the EU

	Value (\$A million)					Share of	%	5 year
	2007	2008	2009	2010	2011	total (%)	Change	trend (%)
						2011	2010	
Top 20 merchandise exports (a)								
Coal	3,024	6,203	2,498	3,934	4,593	23.4	16.8	2.7
Gold	2,754	4,839	5,606	5,222	4,357	22.2	-16.6	12.3
Oil- seeds & oleaginous fruits, soft	1	156	405	170	1,029	5.2	504.7	115.5
Alcoholic beverages	1,410	1,175	957	817	671	3.4	-17.8	-13.7
Other ores & concentrates (b)	1,082	478	202	619	582	3.0	-6.0	-15.2
Gold coin & legal tender coin	113	295	355	366	486	2.5	33.0	49.5
Medicaments (incl veterinary)	602	635	644	426	351	1.8	-17.7	-8.1
Lead	471	507	365	405	328	1.7	-18.9	0.4
Wool & other animal hair (incl tops)	368	335	135	225	318	1.6	41.1	-11.7
Precious metal ores & conc (excl gold)	26	48	41	216	307	1.6	42.0	91.2
Misc manufactured articles, nes	193	192	201	234	268	1.4	14.5	8.7
Measuring & analysing instruments	192	206	175	177	237	1.2	33.7	1.5
Aircraft, spacecraft & parts	118	184	212	172	186	0.9	8.0	7.3
Medical instruments (incl veterinary)	233	287	249	158	172	0.9	8.6	-5.5
Meat (excl beef), f.c.f.	153	168	160	143	168	0.9	17.9	-0.1
Non- ferrous waste & scrap	138	166	147	178	156	0.8	-12.4	9.9
Nickel (c)	325	238	59	152	133	0.7	-12.5	-18.3
Beef, f.c.f.	66	136	102	100	130	0.7	29.9	9.8
Pharm products (excl medicaments)	91	79	89	87	113	0.6	29.9	3.6
Telecom equipment & parts	68	72	87	118	111	0.6	-5.8	22.4
Total merchandise exports	19,201	23,533	17,400	18,570	19,618	100.0	5.6	-1.8
Top 20 merchandise imports (a) (d)								
Medicaments (incl veterinary)	4,535	4,770	5,258	5,355	5,669	28.9	5.8	6.7
Passenger motor vehicles	3,278	3,849	2,851	3,906	4,248	21.7	8.8	6.8
Civil engineering equip. & parts	1,068	1,158	777	921	1,246	6.4	35.3	3.7
Pharm products (excl medicaments)	593	744	858	881	1,084	5.5	23.0	14.0
Measuring & analysing instruments	940	1,111	948	903	939	4.8	3.9	0.4
Organo- inorganic compounds	850	956	1,146	1,131	899	4.6	-20.5	13.2
Goods vehicles	1,185	1,327	481	645	831	4.2	28.9	-5.9
Telecom equipment & parts	928	781	842	728	823	4.2	13.1	-4.0
Specialised machinery & parts	832	1,059	955	696	775	3.9	11.3	-1.8
Mechanical handling equip & parts	773	921	775	600	707	3.6	17.8	-2.2
Vehicle parts & accessories	688	798	659	744	683	3.5	-8.1	0.7
Alcoholic beverages	513	626	598	608	641	3.3	5.3	5.5
Electrical circuits equipment	494	612	534	529	618	3.2	16.9	4.5
Silver & platinum	24	82	115	49	577	2.9	1,085.2	57.9
Misc manufactured articles, nes	454	520	497	516	533	2.7	3.2	5.1
Pumps (excl liquid pumps) & parts	567	599	790	587	527	2.7	-10.2	-0.5
Medical instruments (incl veterinary)	441	524	567	551	516	2.6	-6.3	4.2
Paper & paperboard	697	688	571	500	501	2.6	0.4	-7.4
Perfumery & cosmetics (excl soap)	484	489	524	520	497	2.5	-4.4	2.3
Rotating electric plant & parts	505	875	680	279	460	2.3	64.7	-5.1
Total merchandise imports	41,145	47,468	39,483	38,417	40,416	100.0	5.2	0.3

Source: Department of Foreign Affairs and Trade, personal communication (11 October 2012)

(a) Rank based on 2011. (b) Mainly Zinc ores & concentrates and Lead ores & concentrates. (c) Excludes Nickel mattes, Nickel oxide sinters and Nickel unwrought. (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	%	5 year
	2007	2008	2009	2010	2011	2012	total (%)	Change	trend (%)
							2012	2011	
Exports									
Austria	63	76	87	106	126	90	0.5	-28.6	10.5
Belgium	1,471	1,514	831	1,259	1,423	1,667	9.8	17.1	2.5
Bulgaria	53	30	10	5	9	110	0.6	1,122.2	-1.9
Cyprus	15	13	8	10	7	3	0.0	-57.1	-24.2
Czech Republic	91	79	54	81	115	108	0.6	-6.1	7.1
Denmark	168	171	171	144	240	146	0.9	-39.2	0.4
Estonia	15	13	12	11	23	18	0.1	-21.7	7.5
Finland	1,166	1,053	286	248	319	240	1.4	-24.8	-28.3
France	1,421	1,743	1,218	1,172	1,180	1,077	6.3	-8.7	-7.1
Germany	1,425	2,074	1,599	1,861	2,305	1,957	11.5	-15.1	6.0
Greece	112	90	53	38	27	26	0.2	-3.7	-27.5
Hungary	13	15	12	13	16	14	0.1	-12.5	1.9
Ireland	227	214	115	133	95	78	0.5	-17.9	-19.6
Italy	1,563	1,686	1,012	1,134	1,259	833	4.9	-33.8	-10.6
Latvia	13	11	6	8	9	10	0.1	11.1	-4.5
Lithuania	5	3	3	1	4	6	0.0	50.0	2.0
Luxembourg	0	0	0	0	0	1	0.0
Malta	1	13	28	107	4	4	0.0	0.0	14.5
Netherlands	2,782	3,635	2,022	2,619	3,492	2,906	17.0	-16.8	1.0
Poland	28	41	24	21	29	64	0.4	120.7	8.8
Portugal	44	26	28	20	17	10	0.1	-41.2	-22.7
Romania	141	171	33	13	10	25	0.1	150.0	-40.4
Slovak Republic	2	4	2	2	0	1	0.0
Slovenia	17	18	22	3	23	8	0.0	-65.2	-13.4
Spain	1,008	874	389	710	902	625	3.7	-30.7	-4.7
Sweden	341	628	354	536	432	347	2.0	-19.7	-1.8
United Kingdom	7,013	9,332	9,022	8,308	7,538	6,700	39.3	-11.1	-2.7
<i>European Union</i>	19,202	23,533	17,400	18,569	19,618	17,069	100.0	-13.0	-3.0
Imports									
Austria	1,006	1,122	1,026	917	803	864	2.0	7.6	-5.2
Belgium	1,616	1,911	1,566	1,547	1,654	1,648	3.9	-0.4	-1.0
Bulgaria	25	47	26	41	37	42	0.1	13.5	6.9
Cyprus	7	13	12	10	11	13	0.0	18.2	7.1
Czech Republic	228	373	233	262	372	425	1.0	14.2	9.6
Denmark	982	1,017	1,108	1,023	989	1,138	2.7	15.1	1.7
Estonia	8	17	16	40	50	37	0.1	-26.0	40.1
Finland	896	1,059	738	730	964	921	2.2	-4.5	-0.4
France	4,680	5,000	4,086	3,822	3,752	3,819	9.0	1.8	-5.4
Germany	9,737	11,351	10,615	10,493	10,618	11,236	26.4	5.8	1.5
Greece	157	174	155	160	148	169	0.4	14.2	-0.2
Hungary	332	417	432	449	410	325	0.8	-20.7	-0.3
Ireland	2,135	2,234	2,338	2,311	2,120	1,585	3.7	-25.2	-4.6
Italy	4,836	5,336	4,886	4,897	5,027	5,352	12.6	6.5	0.9
Latvia	3	1	0	1	4	7	0.0	75.0	...
Lithuania	32	32	25	19	41	53	0.1	29.3	8.9
Luxembourg	24	24	36	25	23	28	0.1	21.7	0.8
Malta	14	15	14	16	13	11	0.0	-15.4	-4.2
Netherlands	1,458	1,822	1,526	1,315	1,522	1,921	4.5	26.2	2.0
Poland	291	373	371	315	383	509	1.2	32.9	8.1
Portugal	176	165	120	133	149	154	0.4	3.4	-2.5
Romania	40	80	53	48	66	68	0.2	3.0	5.8
Slovak Republic	136	211	109	153	163	224	0.5	37.4	6.1
Slovenia	53	54	40	46	56	61	0.1	8.9	2.8
Spain	1,826	2,062	1,604	1,651	1,802	2,885	6.8	60.1	5.6
Sweden	2,337	2,598	2,142	2,189	2,505	2,424	5.7	-3.2	0.3
United Kingdom	8,100	9,956	6,194	5,801	6,730	6,711	15.7	-0.3	-6.0
<i>European Union</i>	41,144	47,466	39,482	38,417	40,416	42,629	100.0	5.5	-0.9

Based on ABS 2013

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

	Value (\$A million)						Share of	%	5 year
	2006	2007	2008	2009	2010	2011	total (%)	Change	trend (%)
							2011	2010	
Exports									
EU	8,839	9,277	8,931	8,701	8,464	8,257	16.5	-2.4	-1.8
China	3,351	3,975	4,775	5,396	5,873	5,654	11.3	-3.7	11.8
United States	5,271	5,526	5,722	5,388	5,053	5,125	10.2	1.4	-1.3
New Zealand	3,315	3,583	3,549	3,224	3,264	3,329	6.6	2.0	-1.0
Singapore	2,738	3,053	3,804	2,917	2,590	3,129	6.2	20.8	-0.3
India	1,535	2,059	3,001	3,653	3,104	2,140	4.3	-31.1	9.2
Japan	3,045	2,680	2,347	2,030	2,075	1,926	3.8	-7.2	-8.7
Hong Kong (SAR)	1,628	1,595	1,625	1,671	1,681	1,718	3.4	2.2	1.3
Korea, Republic of	1,657	1,868	1,847	1,810	1,911	1,713	3.4	-10.4	0.6
Malaysia	1,235	1,356	1,539	1,637	1,653	1,644	3.3	-0.5	6.1
Other	11,828	14,045	15,511	15,943	16,197	15,469	30.9	-4.5	5.3
World	44,442	49,017	52,651	52,370	51,865	50,104	100.0	-3.4	2.2
Imports									
EU	10,027	10,832	12,291	11,721	12,732	13,084	22.2	2.8	5.2
United States	7,382	9,101	10,627	10,035	9,822	10,933	18.5	11.3	6.3
Singapore	3,988	4,260	4,869	3,469	3,547	4,010	6.8	13.1	-2.4
New Zealand	2,140	2,411	2,772	2,873	2,706	2,986	5.1	10.3	6.0
Thailand	1,219	1,640	2,078	2,242	1,950	2,291	3.9	17.5	11.3
Indonesia	517	705	1,128	1,432	1,813	2,258	3.8	24.5	34.8
Japan	1,779	1,825	2,497	2,122	2,213	2,099	3.6	-5.2	3.6
Hong Kong (SAR)	1,645	1,716	2,069	1,834	1,936	2,012	3.4	3.9	3.6
China	1,109	1,300	1,569	1,458	1,651	1,793	3.0	8.6	9.1
Malaysia	848	1,022	1,073	985	1,138	1,330	2.3	16.9	7.4
Other	12,423	13,425	16,422	15,114	16,211	16,205	27.5	0.0	5.3
World	43,077	48,237	57,395	53,285	55,719	59,001	100.0	5.9	5.7
Two-way trade									
EU	18,866	20,109	21,222	20,422	21,196	21,341	19.6	0.7	2.1
United States	12,653	14,627	16,349	15,423	14,875	16,058	14.7	8.0	3.4
China	4,460	5,275	6,344	6,854	7,524	7,447	6.8	-1.0	11.2
Singapore	6,726	7,313	8,673	6,386	6,137	7,139	6.5	16.3	-1.5
New Zealand	5,455	5,994	6,321	6,097	5,970	6,315	5.8	5.8	2.0
Japan	4,824	4,505	4,844	4,152	4,288	4,025	3.7	-6.1	-3.4
Hong Kong (SAR)	3,273	3,311	3,694	3,505	3,617	3,730	3.4	3.1	2.5
Indonesia	1,385	1,642	2,166	2,624	3,055	3,525	3.2	15.4	21.2
Thailand	1,915	2,460	3,012	3,312	2,957	3,254	3.0	10.0	9.9
Malaysia	2,083	2,378	2,612	2,622	2,791	2,974	2.7	6.6	6.7
Other	25,879	29,640	34,809	34,258	35,174	33,297	30.5	-5.3	5.2
World	87,519	97,254	110,046	105,655	107,584	109,105	100.0	1.4	4.0

Based on ABS 2012a

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

	Value (\$A mn)						Share of	%	5 year
	2006	2007	2008	2009	2010	2011	total (%)	Change	trend (%)
							2011	2010	
Inwards									
EU	495,752	553,182	582,122	657,860	653,180	637,176	31.4	-2.5	5.5
United States	383,053	441,121	443,416	516,914	548,194	555,868	27.4	1.4	7.9
Japan	51,679	63,380	89,033	102,910	119,071	123,410	6.1	3.6	20.0
Singapore	27,436	39,168	43,259	41,071	41,965	48,709	2.4	16.1	9.0
Switzerland	28,748	30,395	37,248	32,318	41,601	42,281	2.1	1.6	8.1
Hong Kong (SAR)	38,873	45,933	55,671	41,504	39,565	39,416	1.9	-0.4	-1.9
New Zealand	35,711	42,861	28,546	31,591	34,299	29,707	1.5	-13.4	-4.2
Canada	12,489	10,776	15,070	19,148	18,717	25,048	1.2	33.8	16.6
China	3,508	6,187	8,417	16,487	19,467	19,047	0.9	-2.2	43.2
Malaysia	5,523	6,767	10,058	8,786	8,410	13,987	0.7	66.3	15.9
Other	397,013	440,073	448,432	438,857	446,282	495,383	24.4	11.0	3.3
World	1,479,785	1,679,843	1,761,272	1,907,446	1,970,751	2,030,032	100.0	3.0	6.3
Outwards									
United States	352,765	412,459	399,743	397,801	403,554	410,612	34.9	1.7	2.0
EU	257,119	301,518	318,856	350,464	366,097	356,141	30.3	-2.7	6.8
New Zealand	69,420	72,045	68,313	79,915	75,139	74,267	6.3	-1.2	1.8
Canada	26,856	31,463	39,491	36,047	37,396	43,476	3.7	16.3	8.4
Japan	41,633	37,256	31,912	33,643	30,924	34,595	2.9	11.9	-4.0
Singapore	15,102	18,493	23,010	22,090	26,041	21,350	1.8	-18.0	8.1
Hong Kong (SAR)	16,492	17,451	20,773	30,301	29,434	20,386	1.7	-30.7	9.0
Switzerland	9,999	17,232	15,446	16,300	20,006	18,777	1.6	-6.1	11.0
China	3,043	5,993	7,141	6,547	12,024	16,994	1.4	41.3	35.4
Korea, Republic of	6,898	9,212	7,575	6,587	7,275	7,633	0.6	4.9	-1.0
Other	98,122	120,769	123,925	155,123	187,814	171,149	14.6	-8.9	13.2
World	897,449	1,043,891	1,056,185	1,134,818	1,195,704	1,175,380	100.0	-1.7	5.4
Two-way investment									
EU	752,871	854,700	900,978	1,008,324	1,019,277	993,317	31.0	-2.5	6.0
United States	735,818	853,580	843,159	914,715	951,748	966,480	30.2	1.5	5.2
Japan	93,312	100,636	120,945	136,553	149,995	158,005	4.9	5.3	12.0
New Zealand	105,131	114,906	96,859	111,506	109,438	103,974	3.2	-5.0	-0.2
Singapore	42,538	57,661	66,269	63,161	68,006	70,059	2.2	3.0	8.8
Canada	39,345	42,239	54,561	55,195	56,113	68,524	2.1	22.1	11.0
Switzerland	38,747	47,627	52,694	48,618	61,607	61,058	1.9	-0.9	8.8
Hong Kong (SAR)	55,365	63,384	76,444	71,805	68,999	59,802	1.9	-13.3	1.7
China	6,551	12,180	15,558	23,034	31,491	36,041	1.1	14.4	40.0
Korea	11,857	17,008	14,753	15,793	16,525	20,405	0.6	23.5	8.0
Other	495,699	559,813	575,237	593,560	633,256	667,747	20.8	5.4	5.6
World	2,377,234	2,723,734	2,817,457	3,042,264	3,166,455	3,205,412	100.0	1.2	6.0

Based on ABS 2012b