



Australian Government

Department of Foreign Affairs and Trade

Trade at a Glance

2007



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Unless otherwise specified, all amounts are in Australian dollars.



Minister for Trade's Foreword

Trade at a Glance 2007 is an overview of Australia's trade with the rest of the world, including key statistics. Last year was a successful year for Australia's trade, with exports rising by 16 per cent to \$210 billion. Exports are set to grow further in 2007.

We all gain from trade. Trade raises our living standards, delivers jobs, lifts business innovation and productivity and gives households more choice and spending power.

The Australian Government has an active, broad-based approach to trade policy. Most importantly, we continue to press for a freeing up of global trade through the Doha Round of multilateral negotiations in the World Trade Organization. We are also pursuing comprehensive, high-quality, free trade agreements that could offer worthwhile gains for Australia. At home, we are helping businesses grasp new export opportunities and become more competitive on the global stage.

The Government is also very active in regional forums, especially Asia-Pacific Economic Cooperation (APEC). In September 2007, Australia will host the annual meeting of 21 APEC Leaders, which will focus on issues central to our trade and wider interests. As host of APEC 2007, Australia will be a showcase to economies that account for nearly 70 per cent of Australia's trade.

The following pages highlight these and other aspects of Australia's trade. I hope you will find *Trade at a Glance 2007* useful and informative.

A handwritten signature in black ink, which appears to read 'Warren Truss'. The signature is fluid and cursive, written over a light blue background.

Warren Truss

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Trade Performance at a Glance

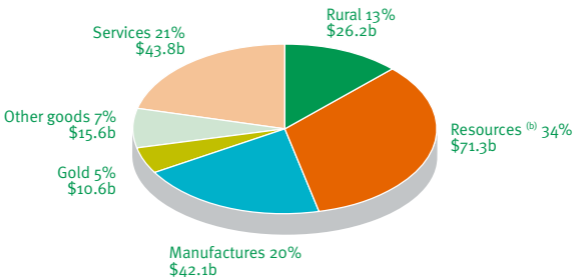


Profile of Australian Trade

Australia's exports come from all sectors of the economy.

Exports of Goods and Services 2006^(a)

Share of exports by sector



(a) Balance of payments basis.

(b) Minerals and Fuels.

Source: ABS Catalogue no. 5302.0.

Both goods and services feature as Australia's major exports.

Australia's Leading Exports (Goods and Services) 2006^(a)

	\$ billion
Coal	23.3
Iron ore	14.4
Personal travel (excl. education) ^(b)	11.0
Education services ^(c)	10.7
Gold	10.6
Crude petroleum	6.7
Aluminium ores (incl. alumina)	6.1
Aluminium	5.9
Natural gas	5.1
Beef	4.9
Professional and business services ^(d)	4.5
Copper ores	4.1
Passenger services	4.1
Other ores	3.8
Other transportation services ^(e)	3.7
Wheat	3.4
Refined petroleum	3.1
Medicines ^(f)	3.1
Copper	3.1
Passenger motor vehicles	2.9

(a) Goods on recorded trade basis except for gold which is on a balance of payments (BOP) basis. Services trade is on a BOP basis.

(b) Includes mainly recreational travel (tourism).

(c) Includes education-related travel and other education services.

(d) Includes services such as architecture, legal, accounting and engineering.

(e) Other transportation services cover a range of services provided in ports and airports, such as cargo handling, counter and baggage services. Also included in this are agents' fees associated with passenger and freight transportation.

(f) Also including veterinary medicines.

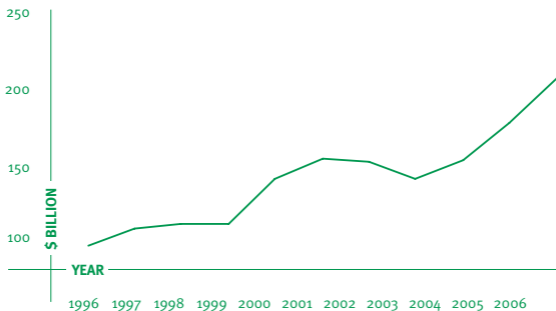
Source: ABS trade data on DFAT STARS database and ABS Catalogues no. 5368.0.

Australia's Trade Performance

Australian goods and services **exports** grew strongly in 2006, increasing by 16 per cent to a record \$210 billion. Records were achieved in resources, manufacturing and services.

Imports increased 12 per cent to \$221 billion. Robust consumer demand, high oil prices, a high Australian dollar and strong investment by Australian businesses through their imports of capital goods were key drivers.

Exports of Goods and Services



Source: ABS Catalogue no. 5302.0.

The Australian economy remains strong and competitive.

- Real GDP has grown 3.5 per cent per annum on average over the past decade.
- Inflation has averaged 2.8 per cent per annum over the past decade, the lowest level over a sustained period since the 1960s.
- In 2006, over 300,000 new jobs were created. Since 1996, nearly 2 million jobs have been created.
- The unemployment rate was at its lowest since 1976 at 4.6 per cent at the end of 2006.

Australia's Trade and Economic Statistics

Australia's Major Goods Exports 2006

Goods(a)	\$ million	% share
Coal	23,272	14.0
Iron ore	14,381	8.7
Gold (BOP basis)	10,567	6.4
Crude petroleum	6,677	4.0
Aluminium ores (incl. alumina)	6,071	3.7
Aluminium	5,934	3.6
Natural gas	5,119	3.1
Beef	4,856	2.9
Copper ores	4,133	2.5
Other ores	3,828	2.3
Wheat	3,362	2.0
Refined petroleum	3,120	1.9
Medicines (b)	3,080	1.9
Copper	3,053	1.8
Passenger motor vehicles	2,876	1.7
Alcoholic beverages (mainly wine)	2,855	1.7
Wool	2,367	1.4
Meat (excl. beef)	2,114	1.3
Zinc	1,424	0.9
Milk and cream	1,389	0.8
Total goods exports (BOP basis)	165,709	100.0

(a) Recorded trade basis.

(b) Also including veterinary medicines.

Source: ABS trade data on DFAT STARS database.

Australia's Services Exports 2006^(a)

	\$ million	% share
Transportation		
Passenger ^(b)	4,090	9.3
Freight	640	1.5
Other ^{(b)(c)}	3,664	8.4
Total transportation	8,394	19.2
Travel		
Business	2,275	5.2
Personal	21,496	49.1
Education-related	10,524	24.0
Other personal ^(d)	10,972	25.0
Total travel	23,771	54.3
Other		
Communication ^(e)	871	2.0
Construction	131	0.3
Insurance	704	1.6
Financial	1,004	2.3
Computer and information	1,343	3.1
Royalties and licence fees	852	1.9
Other business services	5,187	11.8
Personal, cultural and recreational	688	1.6
Government services, n.i.e.	863	2.0
Total other services	11,643	26.6
Total services exports	43,808	100.0

(a) Balance of payments basis.

(b) Passenger services include air transport-related agency fees and commissions.

(c) Transportation operation lease fees are included.

(d) Includes mainly recreational travel (tourism).

(e) Communications services include other services n.i.e. (not included elsewhere).

Source: ABS Catalogue no. 5302.0.

Australia's Major Goods Imports 2006

Goods(a)	\$ million	% share
Crude petroleum	13,289	7.5
Passenger motor vehicles	12,573	7.0
Refined petroleum	8,692	4.9
Computers	6,413	3.6
Telecommunications equipment	6,163	3.5
Medicines (b)	6,064	3.4
Gold	5,789	3.2
Motor vehicles for transporting goods	4,638	2.6
Aircraft and parts	3,392	1.9
Civil engineering equipment	2,847	1.6
Motor vehicle parts	2,389	1.3
Measuring and controlling instruments	2,365	1.3
Computer parts	2,264	1.3
Furniture	2,248	1.3
Other electrical machinery	2,107	1.2
Toys, games and sporting goods	2,069	1.2
Heating and cooling equipment	2,063	1.2
Paper and paperboard	2,057	1.2
Televisions	1,983	1.1
Organo-inorganic compounds	1,748	1.0
Total goods imports (BOP basis)	178,357	100.0

(a) Recorded trade basis.

(b) Also including veterinary medicines.

Source: ABS trade data on DFAT STARS database.

Australia's Services Imports 2006^(a)

	\$ million	% share
Transportation		
Passenger ^(b)	6,256	14.6
Freight	7,983	18.6
Other ^{(b)(c)}	807	1.9
Total transportation	15,046	35.2
Travel		
Business	2,646	6.2
Personal	12,949	30.3
Education-related	767	1.8
Other personal ^(d)	12,182	28.5
Total travel	15,595	36.4
Other		
Communication ^(e)	872	2.0
Construction	0	0.0
Insurance	900	2.1
Financial	600	1.4
Computer and information	1,223	2.9
Royalties and licence fees	2,910	6.8
Other business services	3,767	8.8
Personal, cultural and recreational	1,070	2.5
Government services, n.i.e.	822	1.9
Total other services	12,164	28.4
Total services imports	42,805	100.0

(a) Balance of payments basis.

(b) Passenger services include air transport-related agency fees and commissions.

(c) Transportation operation lease fees are included.

(d) Includes mainly recreational travel (tourism).

(e) Communications services include other services n.i.e. (not included elsewhere).

Source: ABS Catalogue no. 5302.0.

Australia's Top 10 Two-way Trading Partners 2006 (\$ billion)

	Goods(a)	Services(b)	Total(c)	share %
1 Japan	49.7	5.2	55.0	12.8
2 China	45.9	4.4	50.3	11.7
3 United States	34.4	13.0	47.4	11.0
4 United Kingdom	14.3	8.4	22.8	5.3
5 Singapore	15.3	7.0	22.3	5.2
6 Republic of Korea	19.2	2.0	21.3	4.9
7 New Zealand	14.4	5.3	19.8	4.6
8 Germany	10.4	2.2	12.6	2.9
9 Thailand	10.5	1.9	12.5	2.9
10 India	10.1	1.9	12.0	2.80
Total two-way trade (BOP basis)	344.1	86.6	430.7	100.0
<i>Of which: APEC</i>	<i>243.8</i>	<i>50.1</i>	<i>293.9</i>	<i>68.2</i>
<i> ASEAN</i>	<i>54.0</i>	<i>13.8</i>	<i>67.8</i>	<i>15.7</i>
<i> EU25</i>	<i>56.7</i>	<i>18.3</i>	<i>75.0</i>	<i>17.4</i>
<i> OECD</i>	<i>183.5</i>	<i>47.0</i>	<i>230.5</i>	<i>53.5</i>

(a) Recorded trade basis.

(b) Balance of payments basis.

(c) Total may not sum due to rounding.

Source: ABS trade data on DFAT STARS database and ABS regional services data.

Australia's Global Export Position

How we compare to the rest of the world 2005 (US\$b)

Rank	Country	Goods ^(a)	Services ^(b)	Total exports	share %
1	United States	906	354	1,260	9.8
2	Germany	971	149	1,119	8.7
3	China	762	74	836	6.5
4	Japan	595	108	703	5.4
5	United Kingdom	384	204	589	4.6
6	France	463	115	578	4.5
7	Netherlands	406	78	485	3.8
8	Italy	373	89	462	3.6
9	Canada	359	52	412	3.2
10	Belgium	334	54	388	3.0
11	Hong Kong ^(c)	292	62	354	2.7
12	Republic of Korea	284	44	328	2.5
13	Spain	193	93	285	2.2
14	Singapore	230	51	281	2.2
15	Russian Federation	244	24	268	2.1
16	Mexico	214	16	230	1.8
17	Taiwan	198	26	224	1.7
18	Saudi Arabia	181	6	187	1.4
19	Austria	125	53	178	1.4
20	Switzerland	131	46	177	1.4
21	Sweden	130	43	173	1.3
22	Ireland	110	57	167	1.3
23	Malaysia	141	19	160	1.2
24	India	99	54	154	1.2
25	Australia	106	30	137	1.1
26	Brazil	118	15	133	1.0
27	Norway	104	29	133	1.0
28	Thailand	110	20	131	1.0
29	Denmark	85	42	128	1.0
30	United Arab Emirates	115	0	115	0.9
	Total exports	10,468	2,452	12,920	

(a) Goods on recorded trade basis.

(b) Commercial services on balance of payments basis.

(c) Special Administrative Region of China.

Source: WTO online database.

Australia's Top 10 Export Markets 2006 (\$ billion)

	Goods ^(a)	Services ^(b)	Total ^(c)	share %
1 Japan	32.5	3.1	35.6	17.0
2 China	20.4	3.3	23.7	11.3
3 United States	10.1	5.5	15.6	7.5
4 Republic of Korea	12.3	1.6	13.9	6.7
5 United Kingdom	8.1	4.6	12.7	6.1
6 New Zealand	8.9	3.1	12.0	5.7
7 India	8.8	1.5	10.3	4.9
8 Singapore	4.6	2.8	7.4	3.5
9 Taiwan	6.3	0.5	6.7	3.2
10 Indonesia	4.4	0.8	5.2	2.5
Total exports (BOP basis)	165.7	43.8	209.5	100.0
<i>Of which: APEC</i>	<i>117.3</i>	<i>26.2</i>	<i>143.5</i>	<i>68.5</i>
<i> ASEAN</i>	<i>18.8</i>	<i>6.2</i>	<i>25.0</i>	<i>11.9</i>
<i> EU25</i>	<i>20.3</i>	<i>8.3</i>	<i>28.6</i>	<i>13.6</i>
<i> OECD</i>	<i>87.4</i>	<i>23.1</i>	<i>110.5</i>	<i>52.7</i>

(a) Recorded trade basis.

(b) Balance of payments basis.

(c) Total may not sum due to rounding.

Source: ABS trade data on DFAT STARS database and ABS regional services data.

Australia's Global Import Position

How we compare to the rest of the world 2005 (US\$b)

Rank	Country	Goods ^(a)	Services ^(b)	Total imports	share %
1	United States	1,735	281	2,016	15.3
2	Germany	777	201	978	7.4
3	China	660	83	743	5.6
4	United Kingdom	514	159	673	5.1
5	Japan	515	133	647	4.9
6	France	504	105	609	4.6
7	Italy	385	89	474	3.6
8	Netherlands	364	72	436	3.3
9	Canada	321	64	386	2.9
10	Belgium	319	51	369	2.8
11	Spain	289	65	354	2.7
12	Hong Kong (c)	300	32	333	2.5
13	Republic of Korea	261	58	319	2.4
14	Singapore	200	54	254	1.9
15	Mexico	232	21	253	1.9
16	Taiwan	183	31	214	1.6
17	India	139	49	189	1.4
18	Austria	127	49	176	1.3
19	Russian Federation	125	38	164	1.2
20	Australia	125	30	155	1.2
21	Switzerland	127	26	153	1.2
22	Sweden	111	35	146	1.1
23	Thailand	118	27	146	1.1
24	Ireland	69	70	138	1.0
25	Malaysia	115	22	136	1.0
26	Turkey	117	11	127	1.0
27	Poland	102	14	116	0.9
28	Denmark	76	38	113	0.9
29	Brazil	78	22	100	0.8
30	Czech Republic	77	10	86	0.7
	Total imports	10,837	2,375	13,212	

(a) Goods on recorded trade basis.

(b) Commercial services on balance of payments basis.

(c) Special Administrative Region of China.

Source: WTO online database.

Australia's Top 10 Import Sources 2006 (\$ billion)

	Goods ^(a)	Services ^(b)	Total ^(c)	share %
1 United States	24.4	7.5	31.8	14.4
2 China	25.5	1.1	26.6	12.0
3 Japan	17.3	2.1	19.4	8.8
4 Singapore	10.8	4.1	14.9	6.7
5 Germany	9.0	1.3	10.3	4.6
6 United Kingdom	6.2	3.8	10.1	4.6
7 New Zealand	5.5	2.2	7.7	3.5
8 Malaysia	6.7	0.9	7.6	3.4
9 Thailand	6.3	1.2	7.5	3.4
10 Republic of Korea	6.9	0.4	7.3	3.3
Total imports (BOP basis)	178.4	42.8	221.2	100.0
<i>Of which: APEC</i>	<i>126.6</i>	<i>23.9</i>	<i>150.5</i>	<i>68.0</i>
<i>ASEAN</i>	<i>35.2</i>	<i>7.6</i>	<i>42.8</i>	<i>19.4</i>
<i>EU25</i>	<i>36.5</i>	<i>10.0</i>	<i>46.4</i>	<i>21.0</i>
<i>OECD</i>	<i>96.1</i>	<i>23.9</i>	<i>120.0</i>	<i>54.2</i>

(a) Recorded trade basis.

(b) Balance of payments basis.

(c) Total may not sum due to rounding.

Source: ABS trade data on DFAT STARS database and ABS regional services data.

Foreign Investment in Australia 2005^(a) \$ million

Country	Level of direct investment in Australia	Level of total investment in Australia
United States	69,065	325,294
United Kingdom	51,314	294,693
Japan	23,805	53,329
Hong Kong ^(b) np	31,260	
Netherlands	19,137	29,837
Switzerland	14,369	25,079
New Zealand	5,889	24,280
Belgium	np	23,090
Germany	9,891	21,099
Singapore	4,200	19,664
Total all countries	281,121	1,210,042
<i>Of which: APEC</i>	<i>118,029</i>	<i>483,086</i>
<i>ASEAN</i>	<i>9,321</i>	<i>37,270</i>
<i>EU25</i>	<i>98,313</i>	<i>411,782</i>
<i>OECD</i>	<i>219,685</i>	<i>841,382</i>

(a) Foreign investment in Australia: level of investment (stocks) as at 31 December 2005, by selected country and country groups.

(b) Special Administrative Region of China.

np – Not published.

Source: ABS Catalogue no. 5352.0 – International Investment Position, Australia: Supplementary Country Statistics 2005.

Australian Investment Abroad 2005^(a) \$ million

Country	Level of direct investment abroad	Total Australian investment abroad
United States	110,588	290,974
United Kingdom	42,426	96,132
New Zealand	38,305	58,862
Japan	135	31,597
Netherlands	7,460	25,788
Germany	2,919	17,021
France ^(b)	np	14,916
Canada	4,194	11,452
Hong Kong ^(c)	4,624	10,288
Singapore	2,731	9,014
Total all countries	241,437	680,168
<i>Of which:</i> APEC	165,984	429,576
ASEAN	7,655	17,551
EU25	58,508	195,681
OECD	213,460	576,841

(a) Australian investment abroad: level of investment (stocks) as at 31 December 2005, by selected country and country groups.

(b) Includes Monaco and Andorra.

(c) Special Administrative Region of China.

np – Not published.

Source: ABS Catalogue no. 5352.0 – International Investment Position, Australia: Supplementary Country Statistics 2005.

Australia's Industry Structure 2006

	Gross value added(a)		Employed persons(b)	
	(\$m)	% share	('000)	% share
Agriculture, forestry and fishing	24,956	2.7	365.6	3.5
Mining	46,587	5.0	136.6	1.3
Manufacturing	95,866	10.3	1,054.8	10.2
Electricity, gas and water	20,898	2.2	80.9	0.8
Construction	64,739	6.9	946.4	9.2
Wholesale trade	45,424	4.9	470.8	4.6
Retail trade	54,197	5.8	1,488.0	14.4
Accommodation, cafes and restaurants	20,497	2.2	485.6	4.7
Transport and storage	43,046	4.6	459.3	4.4
Communication services	26,505	2.8	182.2	1.8
Finance and insurance	67,227	7.2	397.6	3.8
Property and business services	111,017	11.9	1,230.7	11.9
Government administration and defence	37,088	4.0	469.9	4.5
Education	38,858	4.2	716.8	6.9
Health and community services	56,099	6.0	1,074.8	10.4
Cultural and recreational services	13,740	1.5	281.4	2.7
Personal and other services	17,859	1.9	408.1	3.9
Ownership of dwellings	75,041	8.0		
Gross value added at basic prices (c)	859,645	92.1		
Taxes less subsidies on products	77,873	8.3		
Statistical discrepancy (d)	-4,578	-0.5		
Total(c)	932,939	100.0	10,342	100.0

(a) The term is used to describe gross product by industry and by sector (Chain Volume Measures reference year 2004-05).

(b) Derived from seasonally adjusted data.

(c) Basic prices are amounts received by producers, including the value of any subsidies on products, but before any taxes on products. GDP at purchasers' (market) prices is derived by adding *Taxes less subsidies on products* to *Gross value added at basic prices*.

(d) Production approach.

Source: ABS Catalogue nos. 5206.0, 6202.0 and 6203.0.

Key Economic Indicators Australia

		1996	2002	2003	2004	2005	2006
Demand and production		Chain volume measures, reference year 2004–05					
Gross domestic product (a)	% change	4.0	3.9	3.4	3.2	3.0	2.4
Exports of goods & services (a)	% change	10.7	0.2	-1.6	4.6	2.4	3.4
Imports of goods & services (a)	% change	8.1	10.9	10.7	15.3	8.5	7.7
Labour force							
Population (b)	'000	18,420	19,755	19,983	20,206	20,476	20,674 ^(d)
Labour force (c)	'000	9,174	10,048	10,156	10,358	10,585	10,843
Employed persons (c)	'000	8,403	9,415	9,566	9,827	10,039	10,342
– Annual growth	%	0.6	3.1	1.6	2.7	2.2	3.0
Unemployment rate (c)	%	8.4	6.3	5.8	5.1	5.2	4.6
Prices and interest rates							
Annual changes in:							
Consumer prices	%	1.5	3.0	2.4	2.6	2.8	3.3
Interest rates (e)							
(90-day bank bill)	%	6.1	4.8	5.5	5.4	5.6	6.4

(a) Derived from annual movements in original data.

(b) At end of period.

(c) Derived from seasonally adjusted data.

(d) September 2006 data.

(e) Annual average.

Source: Australian Bureau of Statistics and Reserve Bank data on the DX Database, various catalogues.

Australia's trade by sector

Agriculture

- Agricultural products^(a), including food and beverages, account for 14 per cent of Australia's exports.
- The Australian farm sector is export-focused with around two-thirds of total production currently exported.
- Australia's agricultural sector is among the most efficient in the world.
 - Most Australian agriculture tariffs are applied at rates between zero and five per cent.

Agricultural exports



Source: DFAT STARS database.

(a) Based on the WTO definition of agriculture, which includes alcoholic beverages but excludes confidential raw sugar in bulk.

Australia's Top Agricultural^(a) Exports 2006^(b)

Rank	Commodity	\$ million	% share
1	Beef	4,856	16.5
2	Wheat	3,362	11.4
3	Wine	2,855	9.7
4	Wool	2,367	8.1
5	Meat (excl. beef)	2,114	7.2
6	Milk and cream	1,389	4.7
7	Cotton	1,014	3.5
8	Barley	930	3.2
9	Wood chips	901	3.1
10	Live animals	879	3.0
11	Animal feed	858	2.9
12	Crustaceans	846	2.9
13	Cheese and curd	837	2.8
14	Raw hides and skins (except furskins)	662	2.3
15	Fruit and nuts, fresh or dried	606	2.1
16	Vegetables	594	2.0
17	Cereal preparations	518	1.8
18	Other food products	372	1.3
19	Oil seeds and oleaginous fruits 'soft'	349	1.2
20	Fish (fresh, chilled or frozen)	268	0.9
	Total agricultural exports	29,381	100.0

(a) Based on the WTO definition of agriculture, which includes alcoholic beverages but excludes confidential raw sugar in bulk. Data for confidential raw sugar in bulk are released with a six-month lag. In 2005–06, raw sugar in bulk exports totalled \$1,508 million.

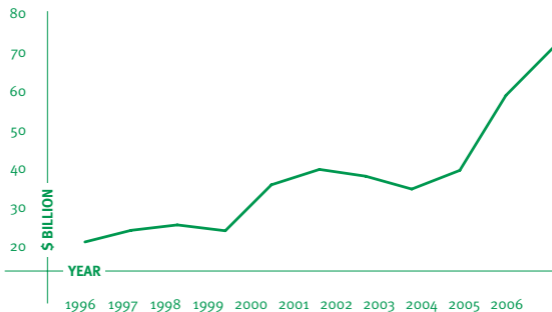
(b) Recorded trade basis.

Source: ABS trade data on DFAT STARS database.

Minerals and Fuels

- The minerals and fuels sector is Australia's largest export sector accounting for 34 per cent of total exports.
- Exports of minerals and fuels were valued at \$71.3 billion in 2006, up 21 per cent from \$58.8 billion in 2005.
- Almost all applied tariffs on mining and energy products in Australia are either five per cent or zero.

Minerals and Fuels Exports



Source: ABS Catalogue no. 5302.0.

Australia's Top Minerals and Fuels Exports 2006

Rank	Commodity ^(a)	\$ million	% share
1	Coal	23,272	32.6
2	Iron ore	14,381	20.2
3	Crude petroleum	6,677	9.4
4	Aluminium ores (incl. alumina)	6,071	8.5
5	Natural gas	5,119	7.2
6	Copper ores	4,133	5.8
7	Other ores	3,828	5.4
8	Refined petroleum	3,120	4.4
9	Nickel ores	1,358	1.9
10	Liquefied propane and butane	1,055	1.5
11	Confidential minerals	859	1.2
12	Non-ferrous base metal waste	712	1.0
13	Ferrous waste and scrap	556	0.8
14	Uranium or thorium ores	533	0.7
15	Crude minerals, nes	407	0.6
16	Stone, sand and gravel	104	0.1
17	Coke	79	0.1
18	Precious metal ores (excl. gold)	39	0.1
19	Natural abrasives	26	0.0
20	Residual petroleum products	19	0.0
	Total minerals and fuels exports (BOP basis)	71,328	100.0

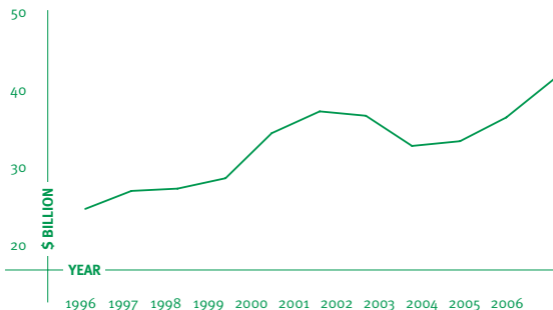
(a) Recorded trade basis.

Source: ABS trade data on DFAT STARS database and ABS Catalogue no. 5302.0.

Manufacturing

- The manufacturing sector accounted for 20 per cent of Australia's total exports in 2006.
- Australian exports of simply transformed manufactures have doubled since 1996.
- Australian exports of elaborately transformed manufactures have increased by almost 50 per cent since 1996.
- Growth and diversification of Australia's manufacturing have occurred while we have reduced our own tariff levels.
 - Average effective rates of assistance to manufacturing have fallen to around 5 per cent from 35 per cent in 1970–71.
- Australia's applied tariffs on manufactures are almost all either five per cent or zero, with the main exceptions being:
 - passenger motor vehicles including parts and components, for which tariffs are currently 10 per cent and scheduled to fall to 5 per cent in 2010
 - textiles, clothing and footwear, which currently range from 5 per cent to 17.5 per cent and are scheduled to fall to 5 per cent (by either 2010 or 2015, depending on the particular product).

Manufactures Exports



Source: ABS Catalogue no. 5302.0.

Australia's Top Manufactures Imports 2006

Rank	Commodity ^(a)	\$ million	% share
1	Aluminium	5,934	14.1
2	Medicaments (incl. veterinary)	3,080	7.3
3	Copper	3,053	7.3
4	Passenger motor vehicles	2,876	6.8
5	Zinc	1,424	3.4
6	Nickel	992	2.4
7	Medical instruments	860	2.0
8	Internal combustion piston engines	816	1.9
9	Telecommunications equipment	746	1.8
10	Measuring and controlling instruments	745	1.8
11	Motor vehicle parts	653	1.6
12	Lead	627	1.5
13	Aircraft and parts	614	1.5
14	Pigments, paints, varnishes	613	1.5
15	Computers	607	1.4
16	Specialised machinery	579	1.4
17	Paper and paperboard	570	1.4
18	Pearls and gems	529	1.3
19	Uncoated flat-rolled steel	515	1.2
20	Other manufactures of base metal	484	1.2
	Total manufactures exports (BOP basis)	42,058	100.0

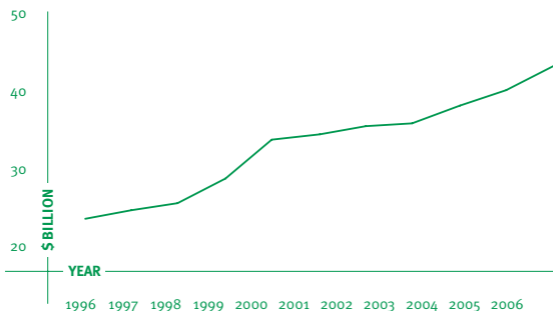
(a) Recorded trade basis.

Source: ABS trade data on DFAT STARS database and ABS Catalogue no. 5302.0.

Services

- Service industries accounted for 72 per cent of Australia's GDP and employed 4 out of every 5 Australian workers.
- Exports of services accounted for 21 per cent of total exports in 2006.
- Services exports have increased 82 per cent since 1996.

Services Exports



Source: ABS Catalogue no. 5302.0.

The details of Australia's services exports are set out on page 7.

Trade Policy at a Glance



Australia's Trade Policy

Pursuing Every Opportunity to Increase Trade

Australia has a flexible, efficient and resilient economy. Our trade policies aim to improve access to overseas markets for Australian goods and services and create a more open world trading system based on clear rules.

The Government pursues every opportunity to negotiate better conditions in global markets for Australian businesses, including through:

- Global (multilateral) negotiations in the **World Trade Organization (WTO)**.
- Regional cooperation through such forums as the **Asia-Pacific Economic Cooperation (APEC)**.
- Negotiations with our important trading partners including **free trade agreements**.

For more information on Australia's trade policy visit www.dfat.gov.au/trade

Global trade negotiations in the WTO

The WTO provides the legal framework governing world trade. Australia's prospects for gaining better access to world markets are maximised through negotiations with the 149 other Members. A successful outcome to the Doha Round, one which provides commercially meaningful improvements in market access across all negotiating sectors, is Australia's top trade policy priority.

- The WTO was created in 1995. Its 150 Members account for 97 per cent of global trade. More than two dozen more countries, including Russia, have applied to join.
- Together, WTO Members agree on measures to make trading with each other fairer and more predictable.
- The WTO's **dispute settlement system** allows Members to take legal action if they feel other Members are not complying with agreed commitments. Australia has successfully used this system to promote and defend our trade interests.
- Members agreed to start the current round of WTO negotiations in November 2001 in Doha, Qatar. This round is referred to as the **Doha Round**. In February 2007, negotiations resumed after their suspension in July 2006.

- Australia meets regularly with key Members—such as the United States, European Union, Brazil, India and Japan—to try to move the Round forward.

For more information on Australia's participation in the WTO, visit: www.dfat.gov.au/trade/negotiations

Australia's Leading Role in World Agricultural Negotiations

World agricultural trade remains highly protected and distorted. Australia's role as Chair of the Cairns Group is central to our strategy for achieving agricultural trade reform through the WTO.

- The Cairns Group was formed in Cairns in 1986. This diverse coalition comprises 19 developed and developing countries which together account for one quarter of the world's agricultural exports.
- The Cairns Group aims to use member countries' combined influence to bring about change in international rules governing agricultural trade.

Members of the Cairns Group

Argentina	Chile	Malaysia	Philippines
Australia	Colombia	New Zealand	South Africa
Bolivia	Costa Rica	Pakistan	Thailand
Brazil	Guatemala	Paraguay	Uruguay
Canada	Indonesia	Peru	

Non-Agricultural Trade

Non-agricultural trade accounts for around 90 per cent of global trade in goods, so a strong Doha Round outcome will provide a significant boost to the world economy, with flow-on benefits to Australia.

Services Trade

Australia is working hard to achieve improved access for our services exports, which account for 21 per cent of Australia's total exports and have grown on average at 4.5 per cent a year for the past five years. Our priority sectors for market opening include professional services, financial services, telecommunications, education services, mining and energy-related services, and environmental services.

Trade with our region: APEC

Asia-Pacific Economic Cooperation (APEC) is the major forum for pursuing common trade and economic goals in the region.

- The 21 APEC economies account for around 44 per cent of world trade and 69 per cent of Australia's trade.
- Eight of Australia's 10 largest export markets are within APEC, including our top three export markets—Japan, China and the United States.
- Australia is hosting APEC in 2007, culminating in the annual Leaders' Meeting on 8-9 September. APEC 2007 will showcase Australia and could shape APEC well into the future.
- In 2007, APEC will address major trade, economic, security and social issues such as the Doha Round of multilateral negotiations, clean development and climate change, strengthening economic integration in the region, reducing business costs, counter-terrorism and responses to human pandemics.

Members of APEC

Australia	Brunei Darussalam
Canada	Chile
People's Republic of China	Hong Kong, China
Indonesia	Japan
Republic of Korea	Malaysia
Mexico	New Zealand
Papua New Guinea	Peru
Philippines	Russia
Singapore	Chinese Taipei
Thailand	United States
Vietnam	

For more information on Australia's role in APEC, visit:

www.dfat.gov.au/apec/index.html

www.apec2007.org

www.apec.org

Free Trade Agreements (FTAs)

High-quality, comprehensive free trade agreements deliver important benefits for Australian exporters. Free trade agreements have been spreading rapidly, both globally and in our region.

Australia's FTAs aim to:

- deliver substantial commercial and wider economic benefits to Australia more quickly than would be possible through multilateral efforts
- be fully consistent with WTO principles and rules, and deliver WTO-plus outcomes
- comprehensively and substantially liberalise goods and services trade and investment
- significantly enhance Australia's broader economic, foreign policy and strategic interests
- secure Australia's competitiveness with key trading partners.

Australia has negotiated four free trade agreements:

- The **Australia–United States Free Trade Agreement (AUSFTA)** – in place since January 2005
- The **Thailand–Australia Free Trade Agreement (TAFTA)**
– in place since January 2005
- The **Singapore–Australia Free Trade Agreement (SAFTA)**
– in place since July 2003
- The **Australia–New Zealand Closer Economic Relations Trade Agreement (ANZCERTA)** – in place since 1983

We are also exploring new opportunities:

- Together with New Zealand, we are undertaking FTA negotiations with the 10 members of the Association of Southeast Asian Nations (ASEAN)
- We are also undertaking FTA negotiations with
 - Japan
 - China
 - Malaysia
 - The Gulf Cooperation Council (Saudi Arabia, Qatar, Bahrain, Oman, Kuwait, United Arab Emirates)

- In addition, an FTA negotiation process is underway with Chile, and we are conducting joint studies with the Republic of Korea and Mexico.

For more information on Australia's FTAs and negotiations visit www.dfat.gov.au/trade/ftas.html or www.fta.gov.au

Information and Contacts



Department of Foreign Affairs and Trade (DFAT)

For more information on trade policy visit
www.dfat.gov.au/trade

For more information on DFAT's trade statistics service,
visit www.dfat.gov.au/publications/stats.html

Australian Trade Commission (Austrade)

For information on the range of services available to
new and existing exporters, visit www.austrade.gov.au,
or contact **13 28 78**.

Export Finance and Insurance Corporation (EFIC)

To find out about EFIC's export credit and insurance services
visit www.efic.gov.au or call **1800 887 588**.

DFAT has a network of offices around the country

State Office	Phone	Fax
Adelaide, South Australia	(08) 8403 4899	(08) 8403 4873
Brisbane, Queensland	(07) 3405 4795	(07) 3405 4782
Darwin, Northern Territory	(08) 8982 4199	(08) 8982 4155
Hobart, Tasmania	(03) 6238 4099	(03) 6238 4024
Melbourne, Victoria	(03) 9221 5555	(03) 9221 5455
Perth, Western Australia	(08)92314499	(08)9221 2827
Sydney, New South Wales	(02) 9356 6222	(02) 9356 4238
Canberra, (Head Office)	(02) 6261 1111	(02) 6261 3111

Further Contacts:

For information about customs regulations visit www.customs.gov.au or call the Australian Customs Service on **1300 363 263**.

For information about Australia's quarantine export regulations and importing country requirements visit www.aqis.gov.au or call the Australia Quarantine and Inspection Service toll-free: **1800 020 504**.

