
Slowdown signs - Australia posts record trade deficit in May

Saturday, 04 Jul, 2009

Australia has recorded a seasonally adjusted trade deficit of AUD 556 million in May, an AUD 274 million increase on the revised deficit of AUD 282 million in April.

Mr Kim Carr acting minister for trade said that data released by the Australian Bureau of Statistics showed the impact that the deepest global recession since the 1930s was having on the Australian economy. He added that "This government has been saying for a long time that Australia is weathering the global recession better than most, but we are not immune. Today's figures highlight the need for the Government's measures to cushion the economy and support Australian jobs."

Mr Carr said that "It underlines the importance of the government's commitment in the May Budget to invest AUD 22 billion in infrastructure. This is supporting jobs now and helping to ensure the economy is ready to take advantage of any recovery. While it is disappointing to see the value of exports falling, it is an inevitable consequence of the rapid slowdown in the economies of our major trading partners and the large falls in commodity prices that have occurred."

The value of coal exports fell by AUD 540 million or 15% in May as the large reductions in coal prices negotiated by Australian miners for the new Japanese financial year came into effect. Exports of goods to Japan fell by 13% in May but exports to China continue to grow, up by 9%.

Mr Carr said that "The pleasing thing about today's figures is that volumes for our resource exports are holding up well. The volume of high rank metallurgical coal exports rose by 17% in May, while semi soft coking coal rose by 6%. The value of metal ore and minerals exports fell by 2%, a strong result given the large falls in contract prices for iron ore that have been announced recently. I also welcome the continued growth in the value of our services exports, which rose by 1% to a new high of AUD 4.7 billion in May."

The value of manufacturing exports fell by 3% in May, with exports of transport equipment down by AUD 55 million and metals exports falling AUD 39 million or 51%. Imports fell by 4% in May, with imports of capital goods falling AUD 577 million or 14% largely driven by a fall in the value of civil aircraft imports.

(Sourced from www.trademinister.gov.au)

For more news visit at www.steelguru.com