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South Australia's Overseas Exports

Overview

South Australia exported \$8.9 billion of goods and services in 2003-04. The value of exports declined in 2002-03 and 2003-04 following a decade of sustained export growth. In volume terms, the average annual growth in State exports over the last fourteen years has been an impressive 10.7 per cent. More recently the volume trend has been essentially flat; the dip in values results from prices coming off very strong levels.

South Australia is becoming more oriented to overseas exports. The ratio of State overseas exports to Gross State Product now stands at 16.6 per cent. This is an historically above-average level. It is higher than the ratios for New South Wales

1. Trends in Aggregate Overseas Exports

According to the latest figures from the Australian Bureau of Statistics (ABS), South Australia exported \$7.942 billion of goods and \$0.979 billion of services to overseas customers, for a total of \$8.921 billion in 2003-04. This represented a fall of 4.7 per cent from total exports in 2002-03. Exports had also declined in 2002-03, by 7.2 per cent.

This two-year fall comes at the end of over a decade of sustained export growth. Figure 1 shows that from 1989-90 to 2001-02, exports measured in current prices increased in ten out of twelve years.

Figure 1
Overseas Exports
South Australia – Current Price

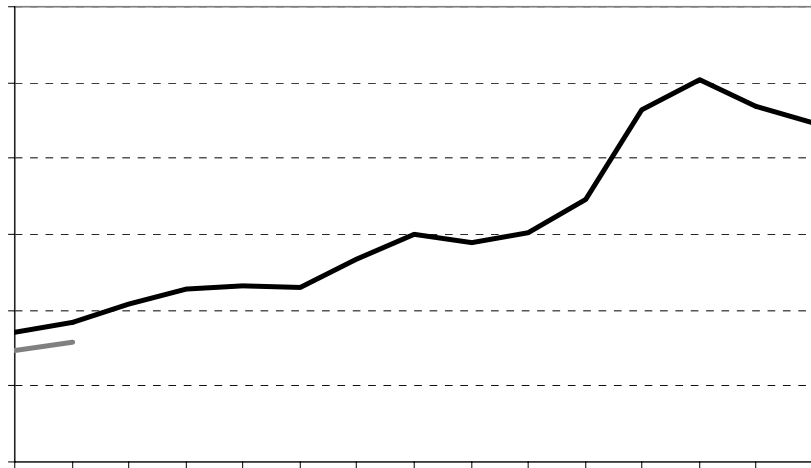
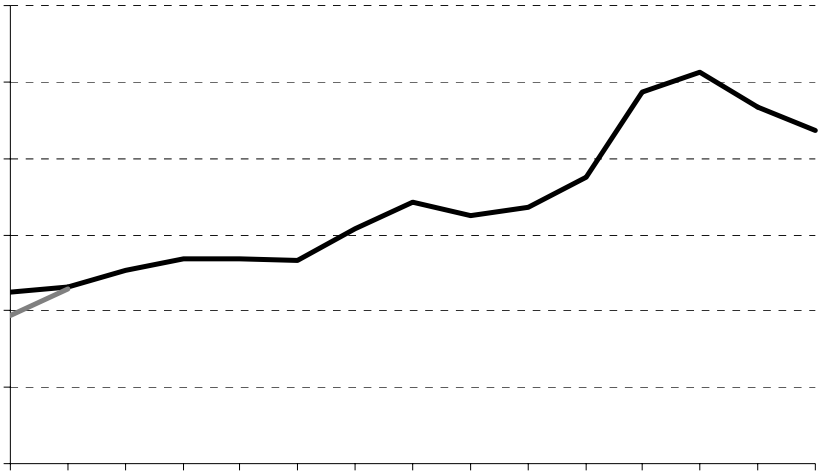


Figure 2
Overseas Exports in Real Terms
South Australia – Constant Price (Chain Volume Measures)



Figure 3
Overseas Exports in Real Terms
South Australia – Real Export Income and Export Volume



now roughly equal to the Australian ratio and is higher than the ratios for New South Wales and Victoria. Although robust interstate export data are not available, it is highly likely that South Australia's historic reliance on domestic markets has diminished as the overseas export sector has grown.

Figure 4
Ratio of State Exports to Gross State Products

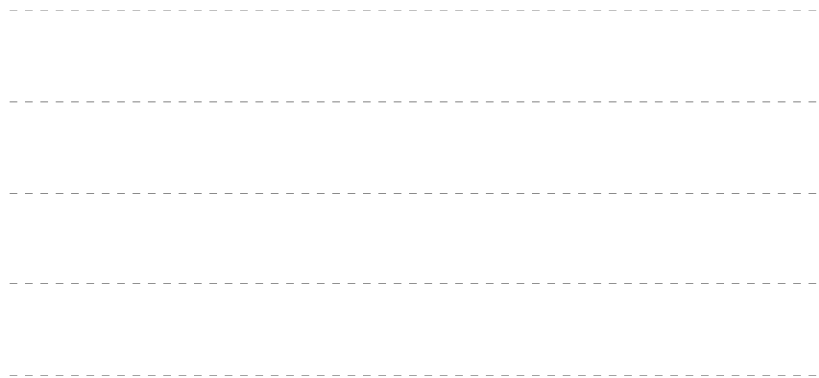
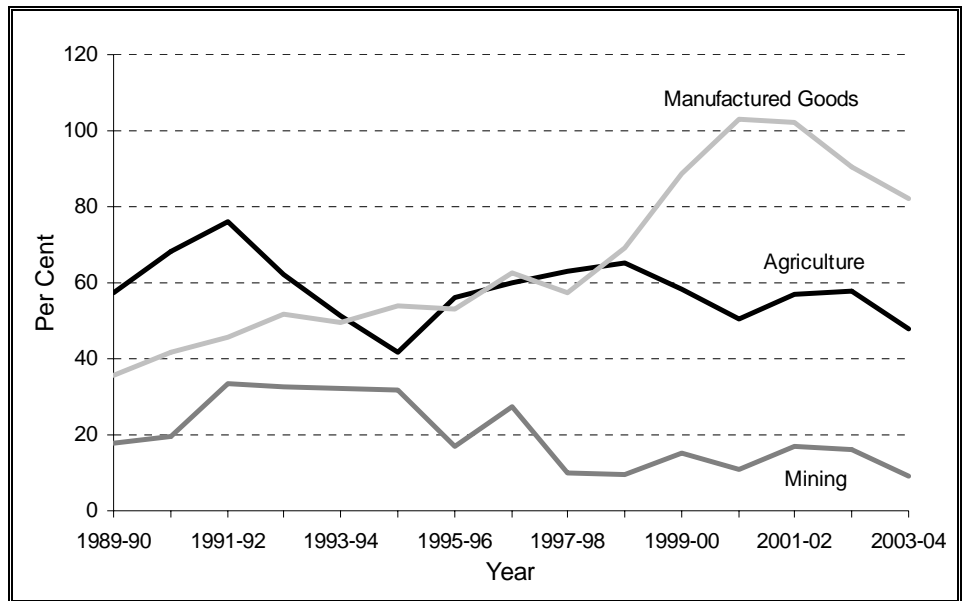


Figure 5
Ratio of Export Income to Total Factor Income – Major Industry Sectors



Note: Industries classified according to Australian & New Zealand Standard Industrial Classification (ANZSIC) system.

Source: ABS unpublished data.

Figure 6
Major Export Destinations (Moving Annual Totals)

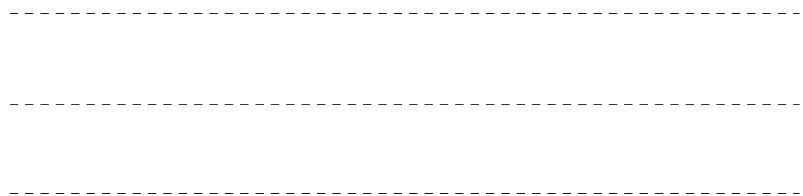


Figure 7
US/Australian Exchange Rates and South Australian Exports to US

Figure 10
Exports by Major Destination: 2000-04
Standard Deviation of Annual Growth Rate

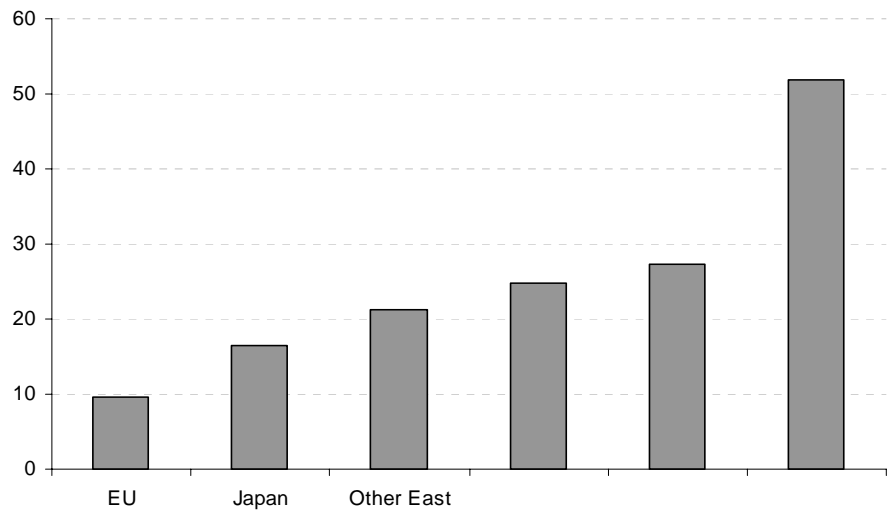
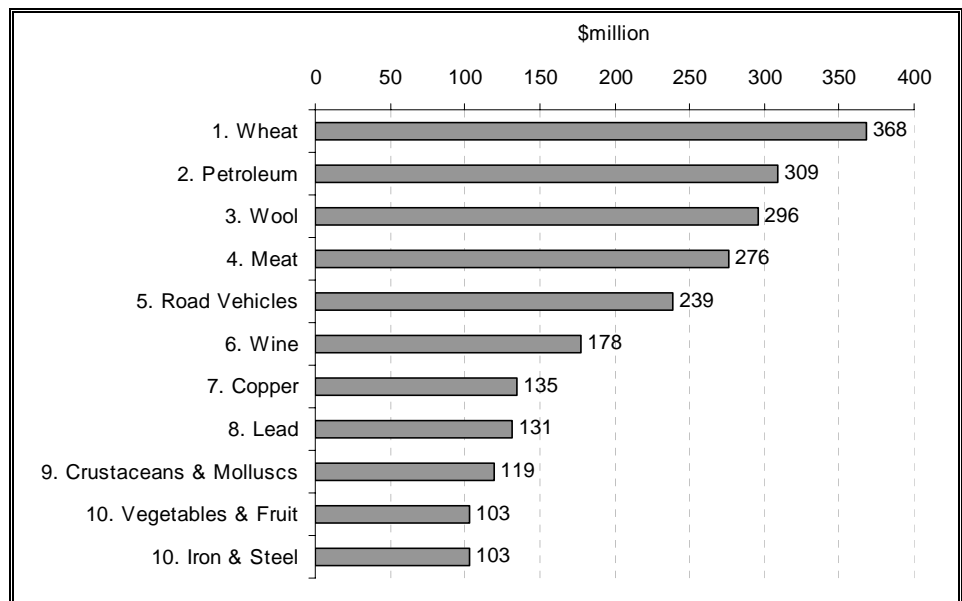


Figure 11
Top 10 Export Commodities, Annual Average, 1990-1994



Note: Commodities classified in this figure under Standard International Trade Classification (SITC) system.

In the five years 2000 to 2004, average per annum State merchandise exports were \$8.05 billion. This was 128 per cent higher than the average \$3.53 billion recorded in the five years from 1990 to 1994. The largest contributors to growth were, not surprisingly, wine and motor vehicles: they each added over a billion dollars of exports per annum. They were followed by copper, wheat, and fish.

Table 3
Biggest Contributors to Annual Export Growth
(\$ million)

	Increase in Average Per Annum Exports from 1990-94 to 2000-04
1. Wine	1,142
2. Road Vehicles	1,057
3. Wheat	395
4. Copper	339
5. Fish	232

Note: Commodities classified in this table under Standard International Trade Classification (SITC) system.

Source: ABS unpublished data.

Appendix A

The 'European Union' category is what is referred to as the 'EU 25': Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

The 'Middle East' category comprises: Bahrain, Cyprus, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Syria, the United Arab Emirates, and Yemen.

The 'Other East Asia' category comprises: China, Hong Kong, Taiwan, and South Korea.

End Notes

- ¹ The standard deviation is a measure of how much a statistic varies around its mean. A low standard deviation implies that it is relatively steady; a high standard deviation means that it varies a lot.
- ² It is difficult to analyse movements in exports of some commodities because of the way the Australian Bureau of Statistics implements data-confidentiality requirements. Certain commodities are aggregated by the Australian Bureau of Statistics into one category – “confidential items” – in order to protect commercially-sensitive information. Some of the commodities involved are quite significant to the South Australian economy, including barley, wool tops, and uranium ore. It is not possible to meaningfully discuss the trends in such commodities.