

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

20-21 November 2013

Question: **SBT 53**

Topic: **Trade Surplus 2007-13**

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Senator WILLIAMS asked:

53. Senator WILLIAMS: Dr Parkinson, just looking back at the history of the terms of trade in Australia, I remember that in the nineties we were importing much more and exporting—except at the stage between 1997 or 1998, when there was a big devaluation of the Australian dollar down to less than 50c. I think it hit 47.5c or something. Then we went into a trade surplus. From 2007 until 2013, we ran many trade surpluses. Is that correct?

Dr Gruen: We have more recently run trade surpluses, but that is a development of the last couple of years. Before that, I think we ran trade deficits. We could check the details for you.

Senator WILLIAMS: Could you take on notice trade surpluses or deficits from that period 2007 until 2013 and give that to me so that I can just have a look at how we have been trading.

Dr Gruen: Certainly.

Answer:

53. In the nineties Australia had 32 quarterly trade deficits and 8 quarterly trade surpluses. There were three consecutive trade surpluses in 1997 and one in 1996. This did coincide with the start of a depreciation of the Australian dollar.

Since the first quarter of 2007, Australia has had 18 quarterly trade deficits and 9 trade surpluses.

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Table 1: Trade balance, March 1990 - December 1999

Date	Trade Balance (\$billions)	Date	Trade Balance (\$billions)	Date	Trade Balance (\$billions)
Mar-90	-2.0	Sep-93	-0.7	Mar-97	0.2
Jun-90	-0.7	Dec-93	-0.4	Jun-97	2.1
Sep-90	-0.9	Mar-94	-0.4	Sep-97	0.2
Dec-90	-0.6	Jun-94	-1.0	Dec-97	-0.5
Mar-91	0.0	Sep-94	-2.4	Mar-98	-2.6
Jun-91	0.6	Dec-94	-2.5	Jun-98	-1.9
Sep-91	0.6	Mar-95	-2.2	Sep-98	-3.0
Dec-91	0.0	Jun-95	-2.5	Dec-98	-2.8
Mar-92	0.2	Sep-95	-1.2	Mar-99	-3.9
Jun-92	0.0	Dec-95	-1.3	Jun-99	-4.3
Sep-92	-0.4	Mar-96	-0.2	Sep-99	-4.4
Dec-92	-0.5	Jun-96	0.2	Dec-99	-3.0
Mar-93	-0.1	Sep-96	-0.1		
Jun-93	-0.6	Dec-96	-0.3		

Source: ABS, Catalogue 5302.0 Balance of Payments and International Investment Position

Table 2: Trade balance, March 2007 – September 2013

Date	Trade Balance (\$billions)	Date	Trade Balance (\$billions)
Mar-07	-5.1	Sep-10	3.6
Jun-07	-5.6	Dec-10	4.0
Sep-07	-7.1	Mar-11	2.1
Dec-07	-8.6	Jun-11	3.9
Mar-08	-9.2	Sep-11	3.8
Jun-08	-5.7	Dec-11	1.1
Sep-08	-2.5	Mar-12	-4.8
Dec-08	1.9	Jun-12	-4.1
Mar-09	4.7	Sep-12	-7.0
Jun-09	-2.6	Dec-12	-7.0
Sep-09	-5.5	Mar-13	-1.4
Dec-09	-6.3	Jun-13	-2.7
Mar-10	-4.0	Sep-13	-2.6
Jun-10	3.1		

Source: ABS, Catalogue 5302.0 Balance of Payments and International Investment Position