

ON THE EXPORT MAP

New statistics show that Australian exporters have made the world their oyster. **By Tim Harcourt**

Trade statistics have caused much controversy recently. The debate is mainly about destinations — whether Australia is too focused on Asia at the expense of Europe, the United States or newly emerging markets — and products, with suggestions that there is too much focus on commodities and not enough on manufacturing and services. To

make matters more contentious, trade has been very much in the political arena because of free-trade agreements.

But have people been looking at the most meaningful data? Most of the trade statistics considered in these debates concerns volumes and values of exports; less focus has been on the exporting companies. Fortunately, because the Australian Bureau of Statistics (ABS) has access to new data as a result of changes to the taxation system, more is now known about the exporting community and where exports go.

According to the ABS, in 2002-03 there were 31,174 exporting businesses in Australia, made up of 29,876 goods exporters and 2306 service exporters (**some businesses export both**) — although it does exclude inbound services, such as tourism and education, and those businesses that had exports of less than \$10,000 over the year. The ABS asked the 29,876 exporting businesses where they sent goods. The answers make interesting reading.

New Zealand topped the list: 13,726 Australian businesses exported to there in 2002-03. Many exporters find trans-Tasman exporting relatively easy, and it is a good “nursery” when learning the art of exporting.

The US is second, with 7,929 exporters, and is a key market for services and “elaborately transformed manufactures”. Many small and medium-size businesses get a start in the US because of its size, and the new free-trade agreement could bring further benefits to these companies.

Singapore is third with 6,238 exporters, followed by Britain (5,052) and Hong Kong (4,920). Places such as Singapore and Hong Kong tend to have lots of wholesale trading houses and act as hub ports for exporters. Singapore has been a gateway port for South-East Asia, and Hong Kong has played a similar role in exporting to North-East Asia, particularly before China opened up more to international trade and commerce.

Britain is well ahead of any other European country as a destination for Australian exports, indicating that many

companies head there first because of cultural or historical links and then try to use Britain as a base to expand into Europe.

In sixth place is Japan (3,955 exporters), which is no surprise, followed by Malaysia (3,752) and Papua New Guinea (3,212). Another Pacific destination, Fiji, just makes it into the top 10, and China, the rising star, is in 9th place with a strong showing in volume and value.

After the top 10, the focus is still firmly on Asia and includes some emerging markets, such as Indonesia (11th with 2,825 exporters) and Taiwan. China, Hong Kong and Taiwan together account for more than 10,600 exporters' destinations. Other leading destinations are Germany (2,486 exporters), South Korea (2,436), Thailand (2,302) and Canada (2,027).

South Africa is the main destination in Africa, attracting 1,948 exporters. Other important trading partners include the Philippines, India and United Arab Emirates, building on Dubai's central role as “the Singapore of the Middle East”.

Many exporters have multiple destinations, so they may be counted twice in terms of country although not in the region. The analysis of numbers does not necessarily reflect value. For example, although New Zealand attracts more than 13,000 exporters and Japan only about 4,000, the value of exports to Japan was \$21.8 billion. To New Zealand, it was \$8.1 billion. That is, the average value of Australian exports, per company, to Japan was \$5.5 million; to New Zealand it was \$600,000. Generally, North-East Asia is dominant in terms of value; Japan, South Korea and China account for more than \$40 billion of Australian exports.

The exporter community in Australia is spread across the globe, yet is concentrated enough on the bigger markets to get good bang for their bucks. Most commentators expect economic recovery in most of these markets over the next 12 months, so exporting companies might be in the right place at the right time to take advantage. ●

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TOP 10 FOR TRADE

Australia exporters by destination*

COUNTRY	NUMBER OF EXPORTERS	VALUE (\$m)	VALUE PER EXPORTER (\$m)
New Zealand	13,726	8,131	0.6
United States	7,929	10,350	1.3
Singapore	6,328	4,560	0.7
Britain	5,052	7,251	1.4
Hong Kong	4,920	3,139	0.6
Japan	3,955	21,702	5.5
Malaysia	3,752	2,110	0.6
Papua New Guinea	3,212	952	0.3
China	3,101	8,837	2.8
Fiji	3,002	537	0.2

* Includes multiple-destination exporters.

SOURCE: AUSTRALIAN BUREAU OF STATISTICS, UNPUBLISHED DATA