

Australia China Trade Statistics

1. Introduction

TradeData has the most up to date and detailed statistics on Australia China trade and has more than 20 years' experience analyzing and supplying data services to customers. Trade between Australia and China can be measured from the Australian or the Chinese end of the trade. In this paper we examine Australia China trade statistics from the Australian end for two reasons:

1. With President Trump's introduction of higher tariffs on Chinese goods in the US market in early 2018, Chinese authorities have restricted the release of some Chinese export and import statistics; and
2. More detailed statistics are available from the Australian sourced information compared with Chinese sourced trade statistics.

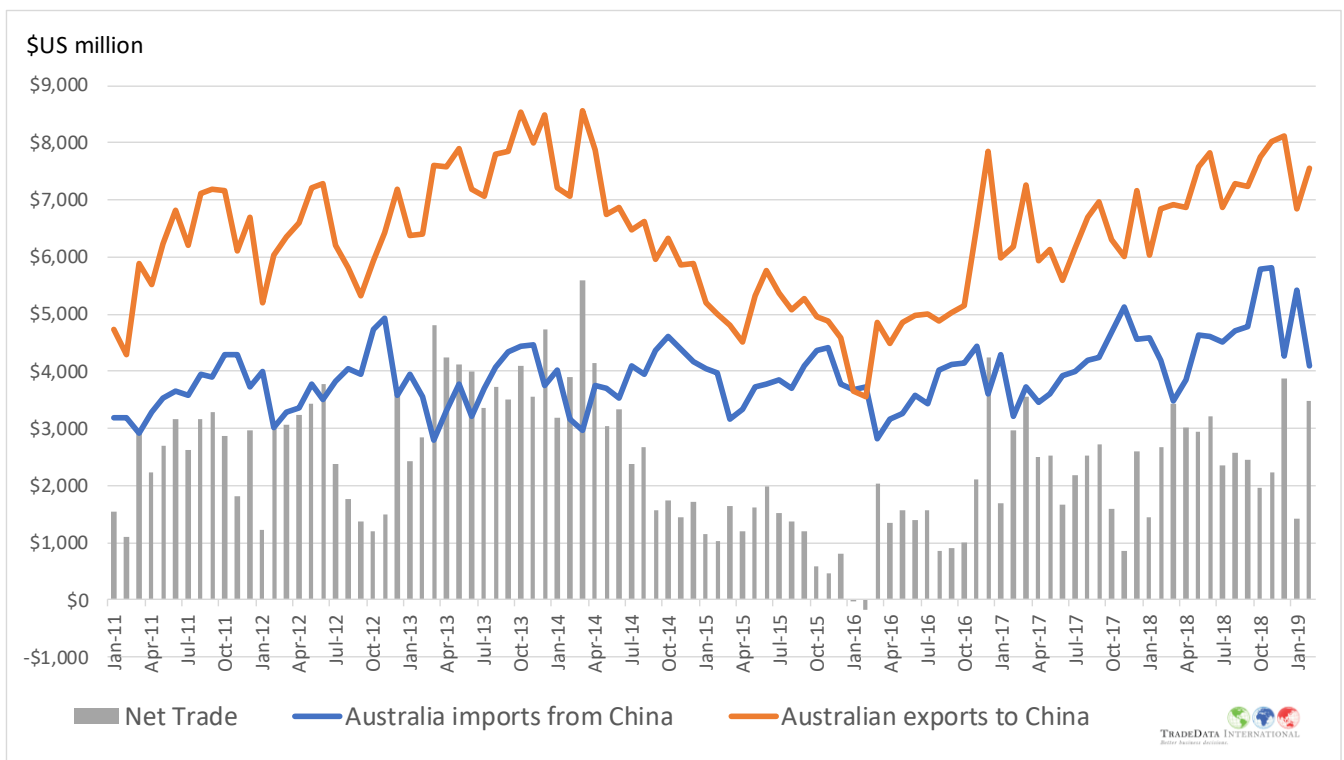
This paper outlines, initially at a macro level, recent Australia China trade performance. This is followed by two micro level example analyses of Australia China trade statistics analyzing trade in individual products.

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Trade Balance

Australia is one of the few developed countries with a positive trade balance with China. Over the last two years the trade balance for Australia, although volatile on a month to month basis, has averaged \$US 2.5 billion a month.

Chart 1. Australia China Trade Balance

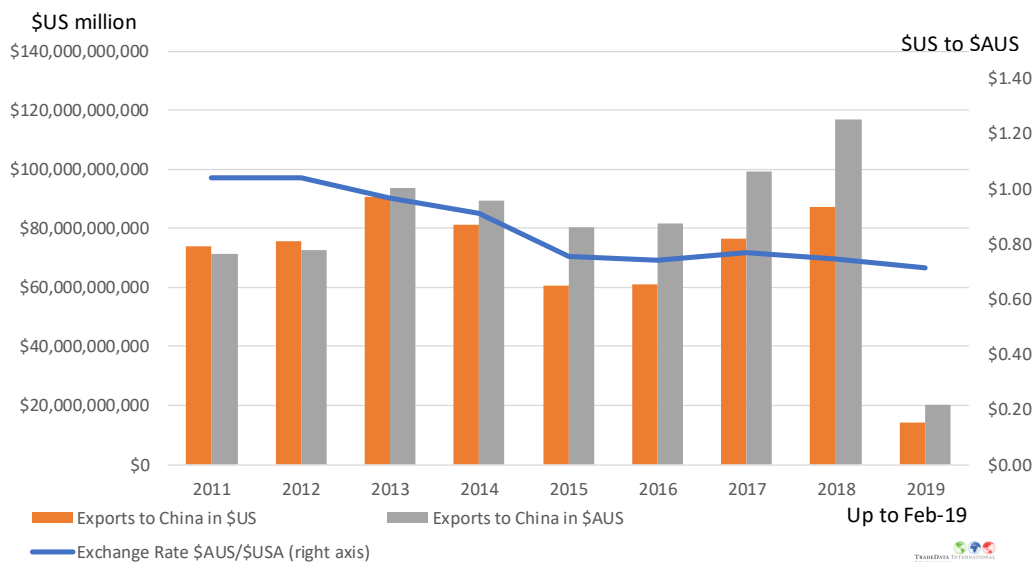


Trade valuations and the exchange rate

The US to Australia exchange rate is variable and effects export and import valuations. Chart 2 lists US dollar values for Australian exports to China and compares this with Australian dollar valuations.

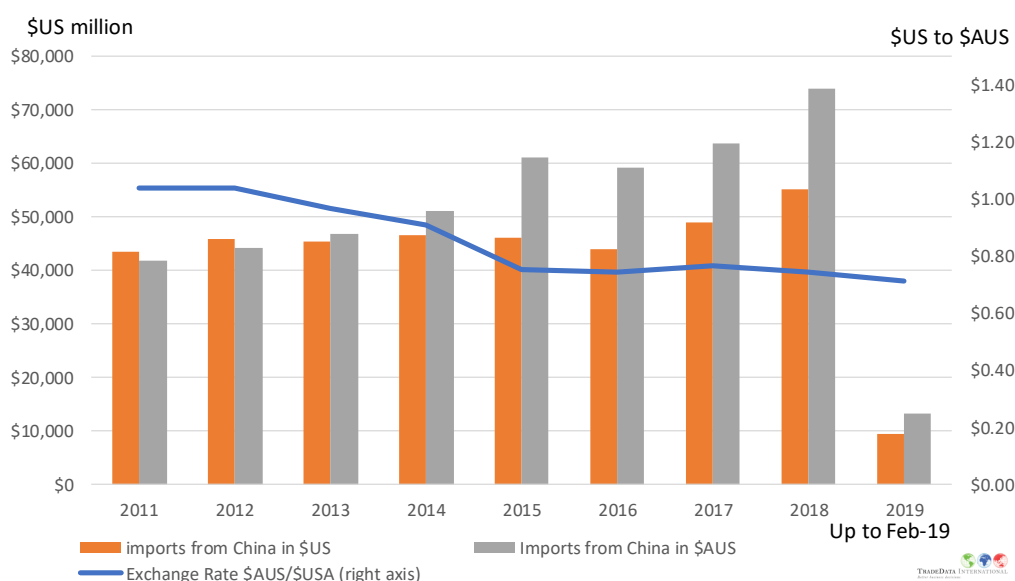
In terms of US dollars, Australian exports to China peaked in 2013 and then declined substantially until 2015. However, this was a period where the exchange rate declined by nearly 25%. Thus, the decline in US dollar exports was far greater than the decline in Australian dollar exports. In US dollars the decline in exports were 33% over the two years to 2015. When valued in Australian dollars the decline was more muted at 14%. Since 2015 the exchange rate has been stable and Australian exports to China have increased again. In Australian dollar terms this increase is well above previous 2013 peak levels.

Chart 2. Value of Australian exports and the exchange rate



Australian imports, when measured in Australian dollars, have increased strongly over the period. This was particularly so in 2014 and 2015 and was due, in part, to the large decline in the exchange rate at this time. Since 2015, the exchange rate has been stable, and imports have continued to increase strongly.

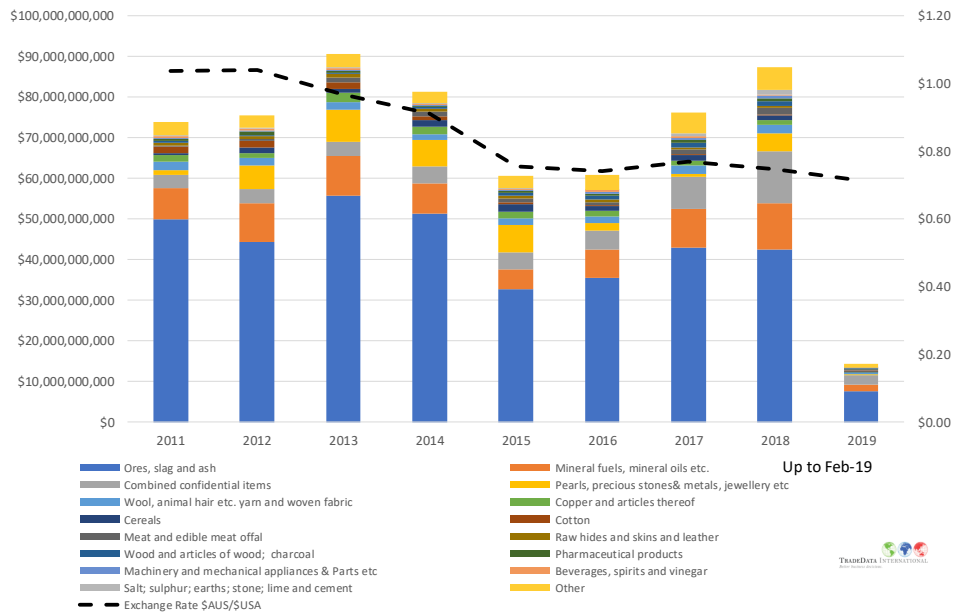
Chart 3. Value of Australian imports and the exchange rate



Australian Exports to China by Product

TradeData has very detailed Australia to China export statistics across thousands of individual products. A summary is list below at a high level of product aggregation. Australian exports are highly concentrated in ores, mineral fuels, precious metals and items that are confidential. These 4 categories account for 82% of Australian exports to China. Confidential items are items that have had some restrictions applied to their data release in order to protect the identity of firms involved in the export.

Chart 4. Australian exports by major product categories

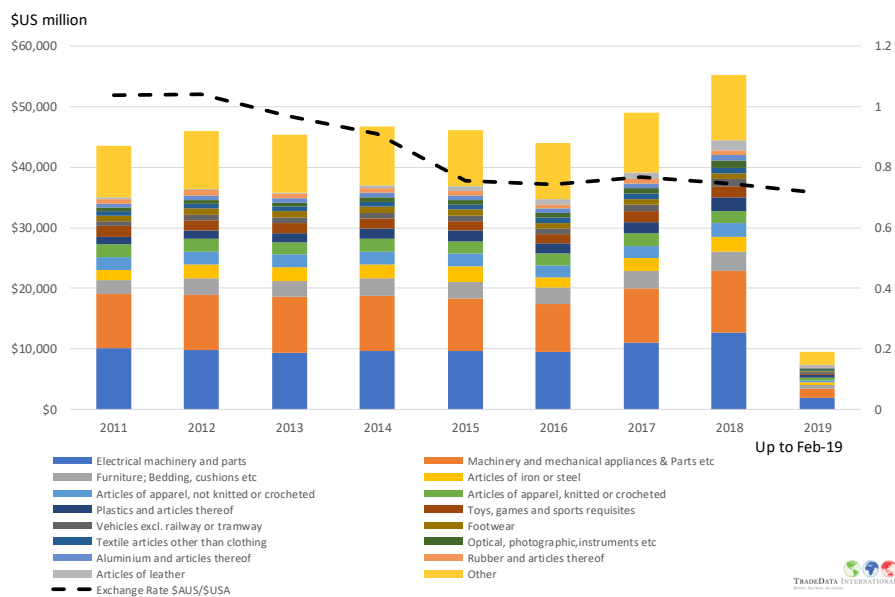


Australian Imports from China by Product

TradeData has very detailed Australian import statistics covering imports from China across thousands of individual products. A summary is list below at a high level of product aggregation.

Australia imports a wide range of products from China. The major product categories are various forms of machinery, appliances and equipment; iron steel and aluminium, clothing, instruments, plastics, rubber and leather products. Imports have increased strongly in the last two years.

Chart 5. Australian imports by major product categories

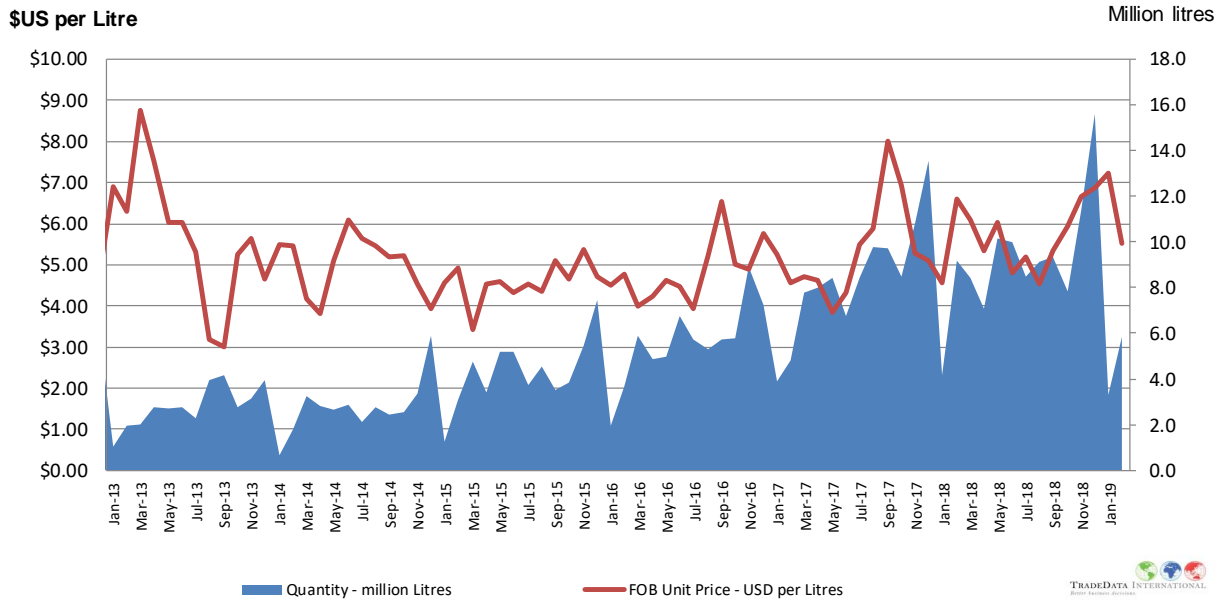


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2. Australian exports of red table wine to China

Chart 6 lists Australian exports of red wine to China by quantity and average prices. Export volumes are increasing strongly and display a seasonal pattern. Each year there is a large spike (increase) in exports near the end of the year and this is followed by an equally large decline early in the following year. The strong growth in export volumes can be seen that in 2018 exports averaged 8.7 million litres a month compared with 5.6 million litres a month in 2016. This represents a 55% increase in export volumes. Average prices have also increased from \$US 4.80 per litre in 2016 to \$US 5.50 per litre in 2018.

Chart 6. Australian exports of red table wine in bottles to China



Australian exports by destinations

Charts 7 and 8 list the major export markets for Australian red wine first by volume and then by value in \$US. Australia exports over 260 million litres of red wine a year with a value around \$US 1.3 billion. Previously the USA was the largest export market but in recent years exports to the USA have declined and been replaced by large increases in exports to China to the extent by 2017 China is the dominant destination.

Chart 7. Australian exports of red table wine by country by volume

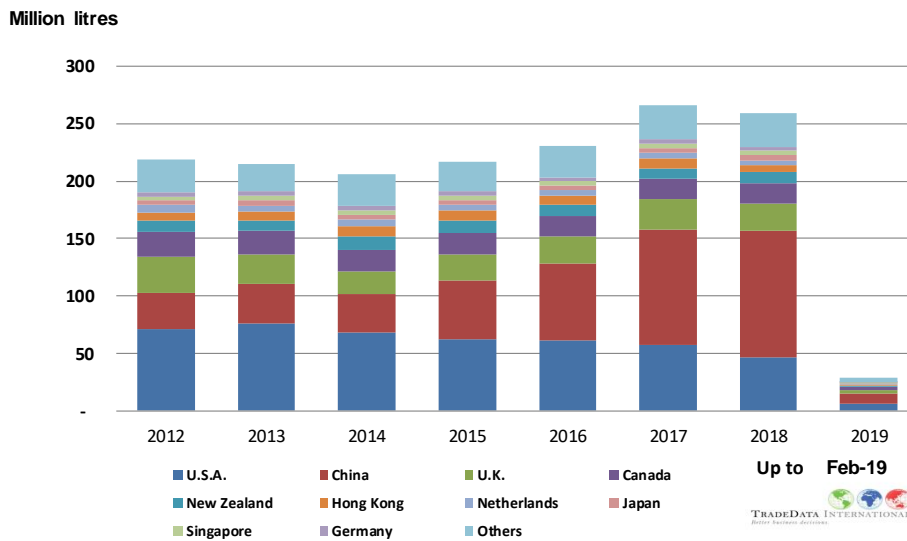
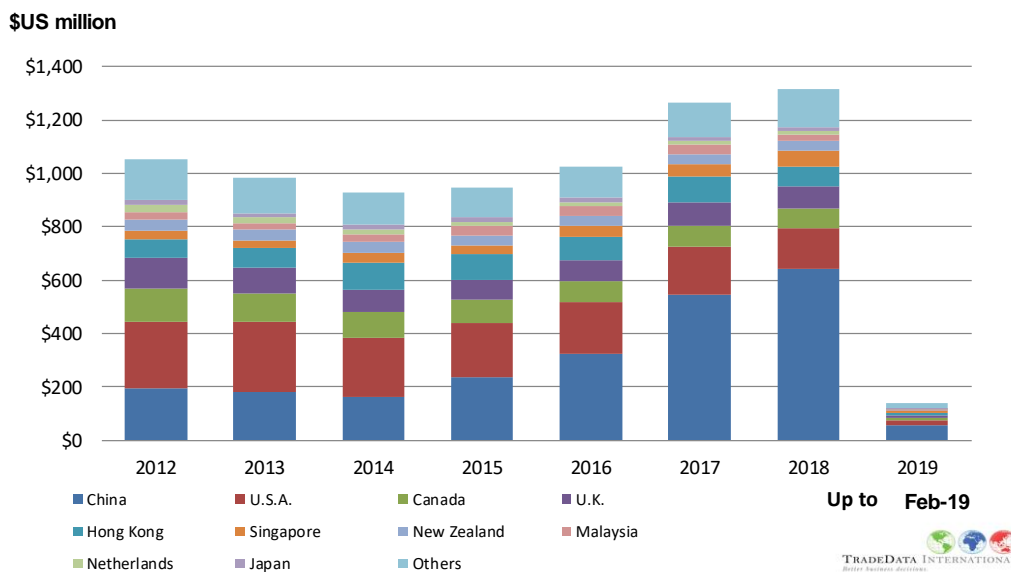


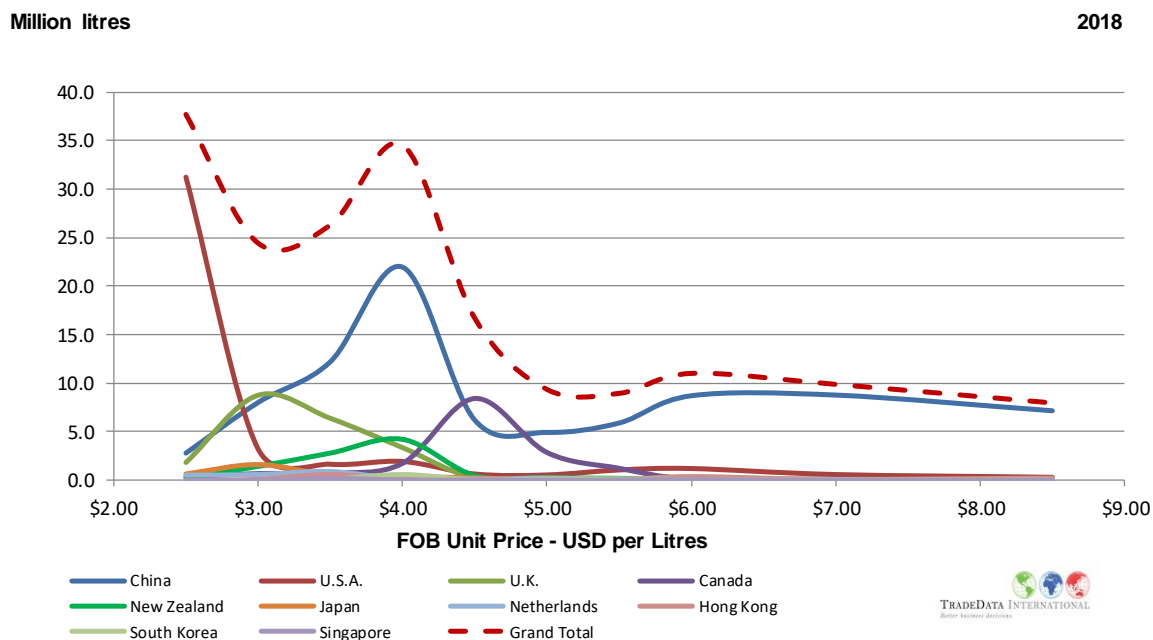
Chart 8. Australian exports of red table wine by country by value



Market Segments

Chart 8 list a price histogram of Australian red wine exports in 2018. The reason for Australian wine exports switching from the USA to China is evident. The USA is a relatively low-price market with most sales around \$US 3 per litre. Exports to China are at far higher prices with most sales at \$US 4 per and even much higher up to \$US 8.50 per litre. Most other countries purchase Australian red wine at around \$US 4 per litre with Canada at \$US 4.50 per litre.

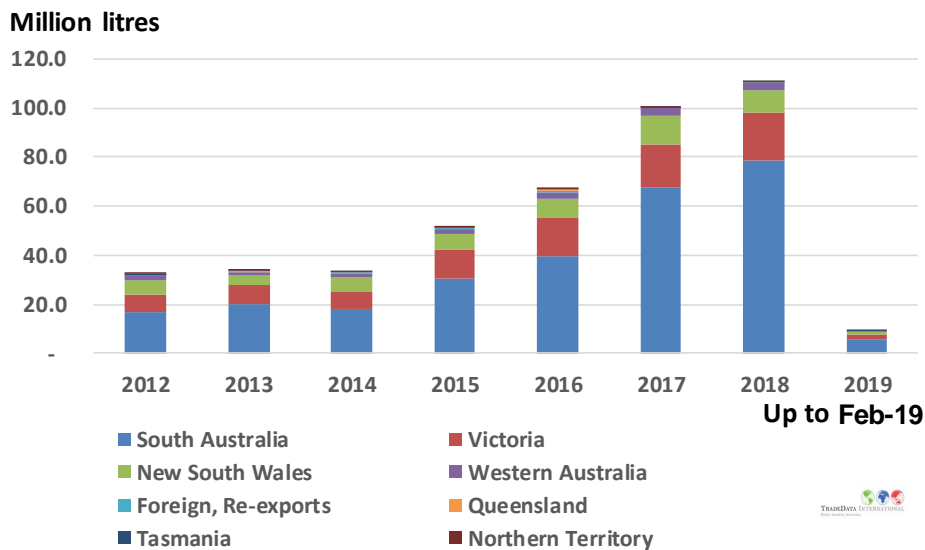
Chart 9. Price histogram - Australian exports of red table wine by price market segments



Australian States of Origin

Chart 9 list Australian exports to China by the States in Australia from where they originate. 67% of exports emanate from South Australia, 18% from Victoria and 11% from New South Wales. The strong growth in exports to China is mostly as a result of strong growth in exports from South Australia.

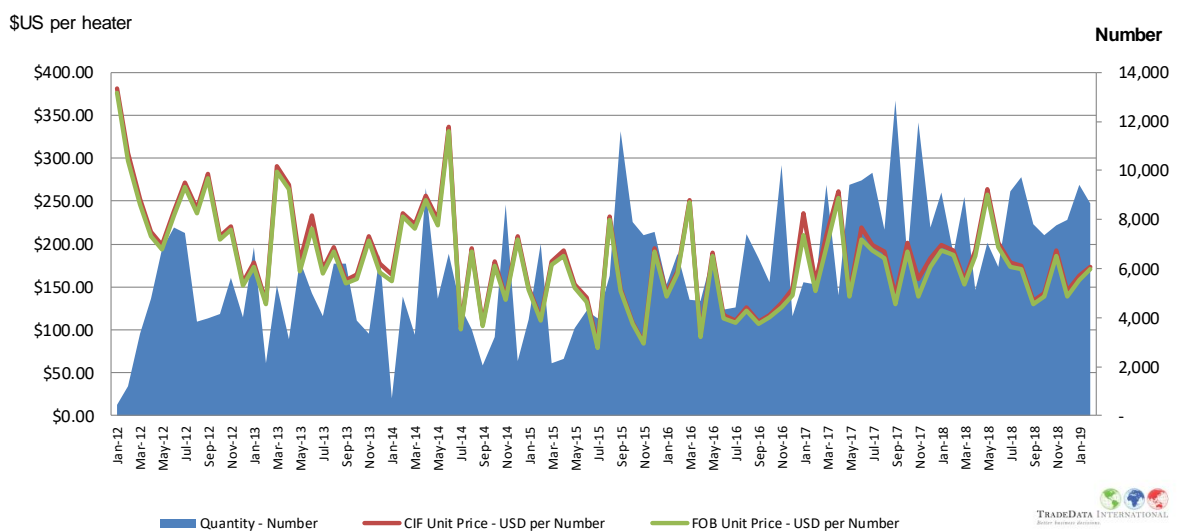
Chart 10. Australian exports of red wine to China by Australian States of Origin



3. Australian imports of Instantaneous gas water heaters

Chart 10 lists Australian imports of instantaneous gas water heaters from China by volume and average price. Import volumes from China have increased strongly in recent years from around 4,000 a month in mid-2015 to around 8,000 a month in 2018. Average prices are highly variable on a month to month basis, suggesting a changing mix each month of higher and lower priced heaters.

Chart 10. Australian imports of instantaneous gas water heaters from China



Australian imports by countries of origin

Charts 11 and 12 list the major countries of origin for instantaneous gas water heaters imports first by volume and then by value in \$US. Australia imports more than 300,000 instantaneous gas water heaters a year with a value of more than \$US 80 million. The market is highly concentrated. Imports from Japan dominate followed by imports from China. All other supply countries have a small share of the import market. In recent years imports from China have grown and displaced supply from Japan.

Chart 11. Australian imports of instantaneous gas water heaters by country by volume

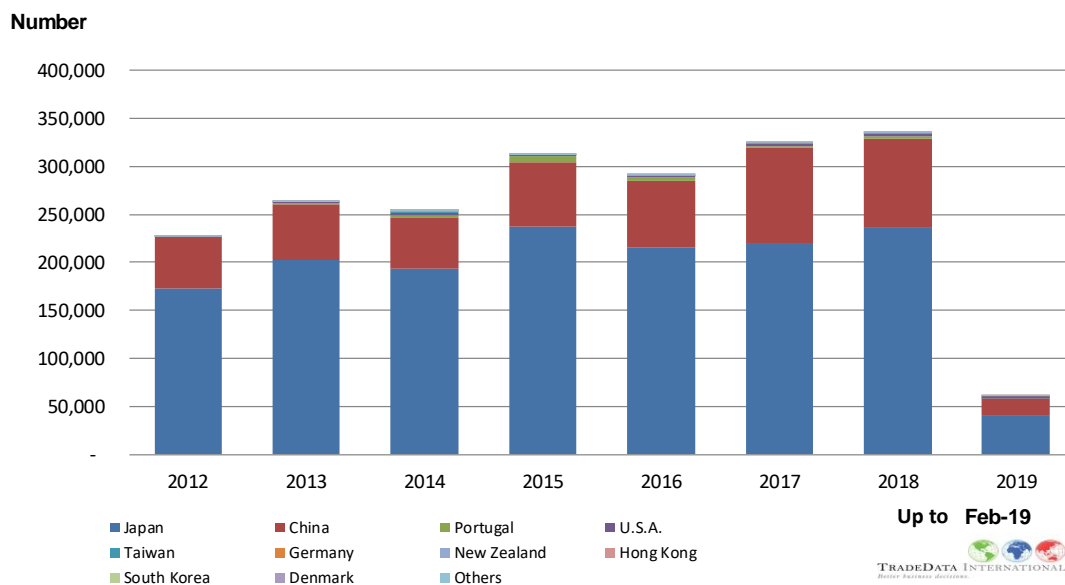
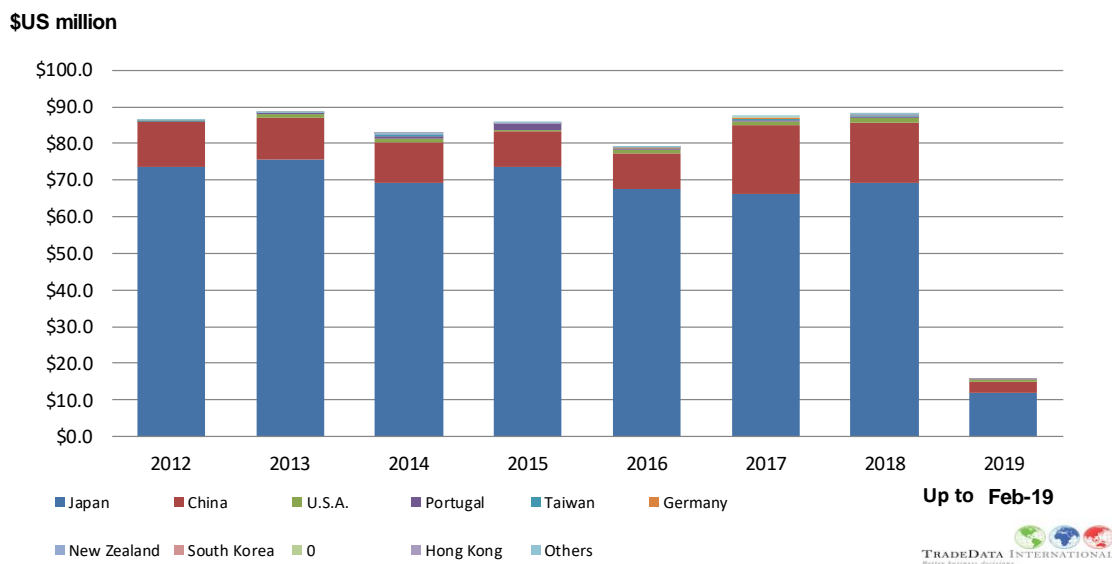


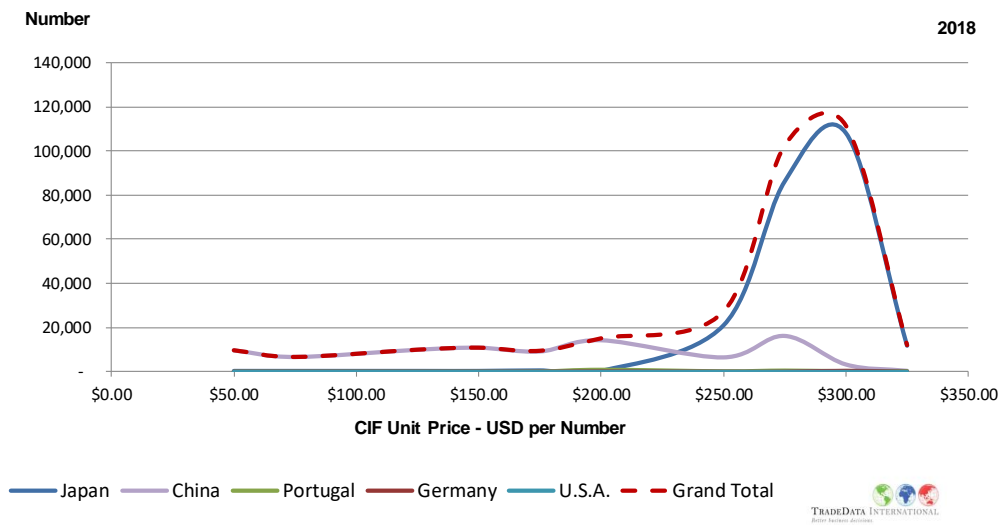
Chart 12. Australian imports of instantaneous gas water heaters by country by value



Market Segments

Chart 13 list a price histogram of instantaneous gas water heater imports in 2018. Japan, the dominant supply country, mostly supplies at prices around \$US300 per heater. China, the other important supplier, supplies at slightly lower prices between \$US 200 and \$US 275 per heater.

Chart 13. Price histogram - Australian imports of instantaneous gas water heaters by price market segments



Port Details

Charts 14 and 15 list the ports of discharge (in Australia) and loading (overseas) respectively of instantaneous gas water heaters imports. Sydney and Melbourne and to a lesser extent Brisbane, Fremantle and Adelaide are the major discharge ports across Australia. Nagoya (Japan) is the major load port accounting for half of imports. Imports from Kobe have increased strongly in 2018.

Chart 14. Australian imports of instantaneous gas water heaters by ports of discharge

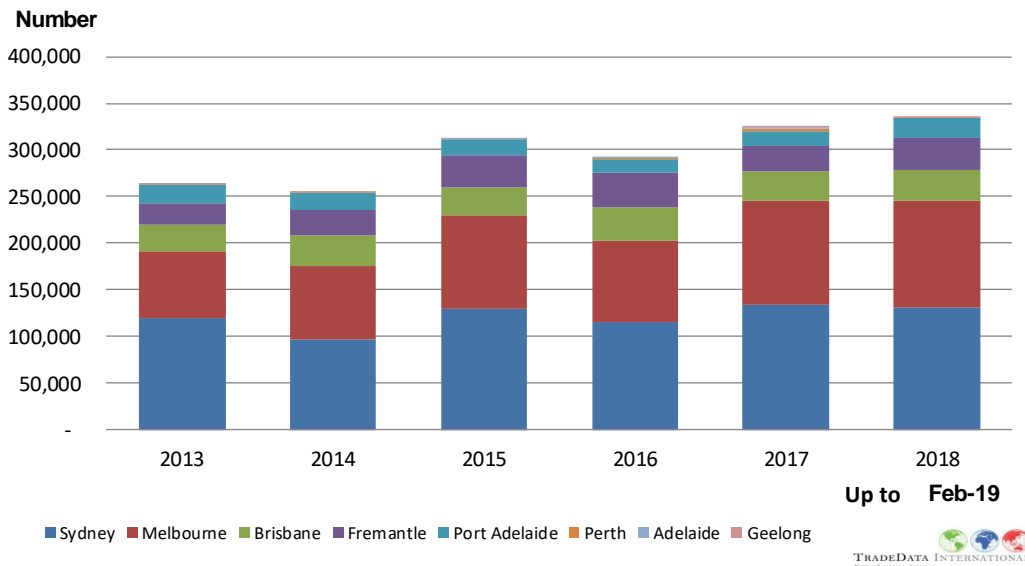
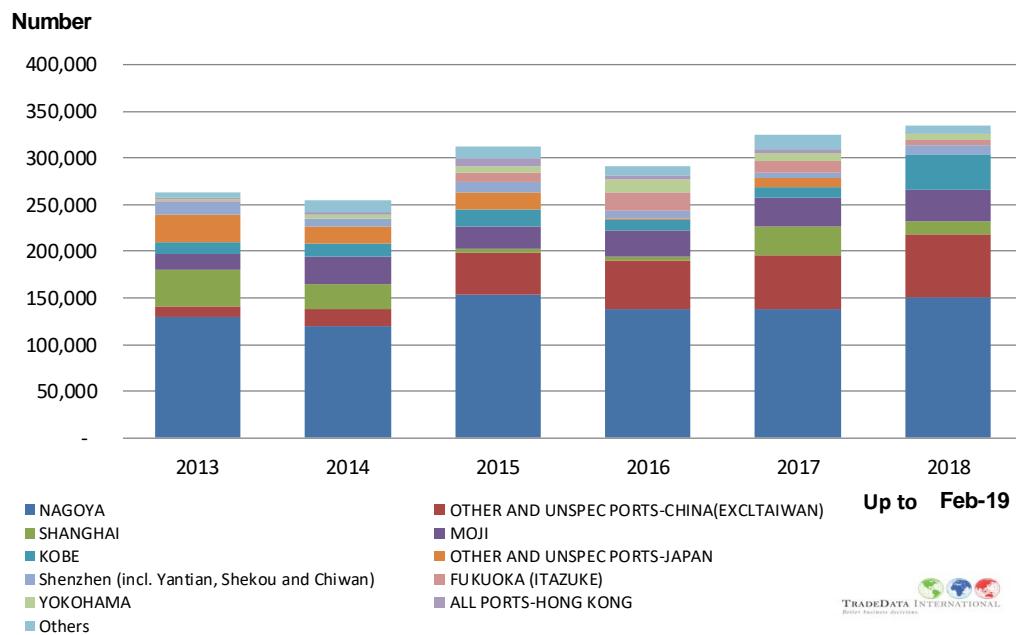


Chart 15. Australian imports of instantaneous gas water heaters by ports of loading



Concluding Comments

TradeData are the China Australia Trade Statistics experts and have access to the most up to date and most detailed China Australia Import and Export Statistics available. With over 20 years' experience, TradeData can solve common issues that arise, such as:

- What is the correct HS Classification code for my product and how has this changed over time?
- How accurate is the data? How do I detect and what do I do if there are errors?
- How do I use and interpret the data?
- What are confidential data items, and can these be overcome?
- If there are two or more different products within the one HS classification code, can I analyse these separately?

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