



Queensland's Export Performance

In 2004/05, Queensland's merchandise exports were valued at \$26.2 billion (B), up 30.2 per cent over the previous year's figure of \$20.1B. This massive growth was driven largely by increases in exports of coal products which increased by 61 per cent compared with the previous financial year.

Exports of coal, meat and non-ferrous metals continued to dominate Queensland's major merchandise exports in 2004/05. The top 10 commodity exports accounted for 71 per cent of Queensland's total exports.

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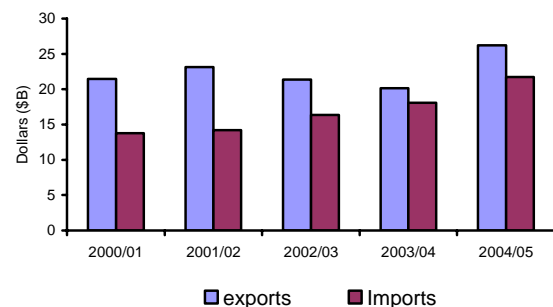
Importance of exports to the economy...

- It is estimated that one in five jobs in Queensland is export related, increasing to one in four in the regions outside South East Queensland. This equates to about 380,000 jobs being export related throughout the State.
- The Australia-United States Free Trade Agreement (AUSFTA) is expected to increase trade and investment opportunities for Queensland.¹
- Exporting companies are among Australia's fastest-growing and most competitive, offering Australians more full-time and permanent jobs, on average, than non-exporting firms. Exporting companies generally have higher rates of productivity than non-exporting firms and tend to pay higher wages².

¹ http://www.export.qld.gov.au/information_exporters/usa.html

² http://www.dfat.gov.au/trade/trade2004/chapte_01.html

Merchandise Trade, Queensland



Source: OESR international trade data

Our major export destinations...

Over half of Queensland's total merchandise exports are sent to our top four export markets - Japan, the European Union, South Korea and the USA. However, in the past decade external shocks like the Asian Financial Crisis and SARS have seen Queensland exporters pursue diversification strategies seeking out new markets.

Queensland's Top 10 Merchandise Export Markets, 2004/05

	Value (\$M)	Growth (%)	
		5-year	10-year
Japan	7,487	9.4	4.6
EU	3,840	10.0	4.9
South Korea	3,122	15.5	7.4
China	1,825	29.3	13.7
India	1,768	19.1	9.1
USA	1,428	2.5	1.3
Taiwan	1,244	10.3	5.0
NZ	908	9.5	4.6
Indonesia	560	6.0	2.9
Malaysia	540	1.3	0.7
Total	22,722	11.1	5.4

Source: ABS Unpublished Trade Data

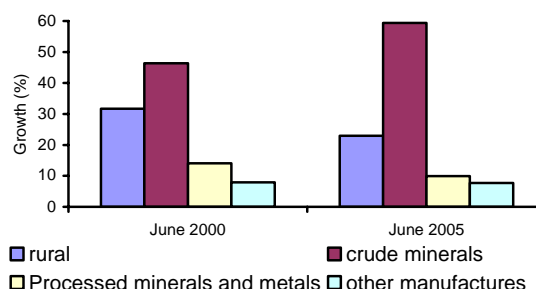
- Japan remains Queensland's largest merchandise export destination with exports totalling \$7.5B in 2004/05, representing 28.3 per cent of total Queensland exports. Over the past decade exports to Queensland's more traditional markets including Japan have witnessed moderate to steady growth.
- The strongest growth markets for Queensland exports over the past decade have been China and India, with average annual growth of 13.7 per cent and 9.1 per cent respectively. The opening up of the Chinese economy and its thirst for resources have fuelled growth, whilst India's demand for coal has driven export growth to this market.

Diversification of merchandise exports...

- Queensland's merchandise exports which include coal, meat products and manufactured goods, have been growing at a rate of 7.7 per cent per annum over the past decade, slightly stronger than the 6.3 per cent growth recorded for Australia.
- Queensland's largest commodity exports in 2004/05 were coal, meat, metals and specialised machinery. Coal, our largest commodity export, boosted by high commodity prices, achieved export earnings of \$9.7B in 2004/05, representing 56 per cent of total Australian coal exports and 36 per cent of total Queensland exports.
- The Top 10 exports by growth for commodities with over \$1M worth of exports were:
 - Fuel wood and wood charcoal
 - Pulp and waste Paper
 - Aluminium ores and concentrate
 - Accessories for machine tools
 - Miscellaneous manufactured articles
 - Tractors
 - Televisions
 - Photographic and cinematic supplies
 - Organic chemicals
 - Photographic apparatus
- Queensland's merchandise exports have become increasingly diversified over the past 5 years. Rural exports have declined as a share of total exports

(from 32% to 23%), whilst crude minerals have increased from 46 per cent to 59 per cent of total exports.

Growth of Crude Minerals, Queensland



Source: ABS unpublished Trade Data. Excludes confidential items

- Between 1999/00 and 2004/05 high technology exports, such as medicinal and pharmaceutical product manufacturing increased on an annualised rate of 15.2 per cent (from \$182M to \$367M) in Queensland compared with 2.4 per cent for the rest of Australia.
- Medium-high technology, such as electrical equipment manufacturing, has also seen a rapid increase with a 9.4 per cent annualised increase (from \$598M to \$939M) in Queensland between 1999/00 and 2004/05. This compares to a 3.7 per cent annualised increase for the rest of Australia
- Since 1988/89 knowledge intensive exports have increased as a share of total exports from 1.9 per cent to 5.0 per cent in 2004/05. Future growth for these goods depends largely on global demand conditions³.

Ongoing strength of services exports...

- In the 12 months to March 2005 services exports such as education totalled \$6.5B, and have experienced solid average annual growth of 6.2 per cent over the past decade.

³ Queensland Government Export Statement 2003/04

- Tourism represents approximately 38 per cent (\$2.4B) of total international services exports in Queensland.

For further information please contact:

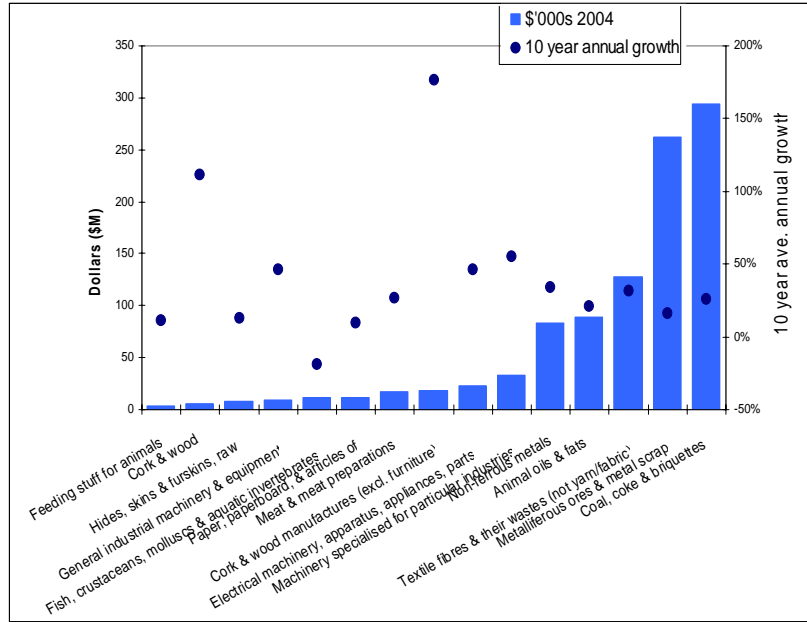
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Data in this paper has been sourced from the Office of Economic and Statistical Research, Australian Bureau of Statistics and may vary from other published data due to rounding during calculation.

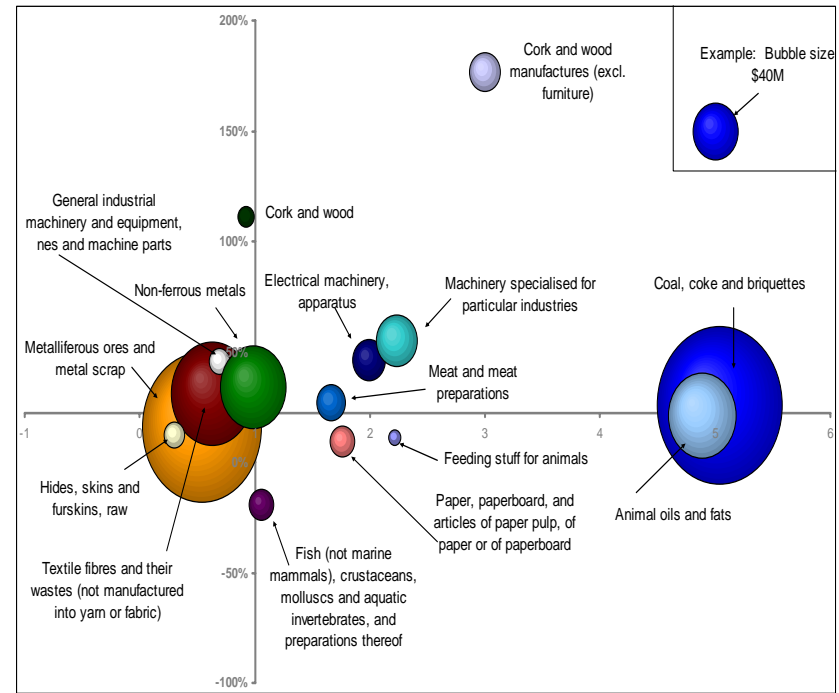
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Case Study: Top 15 Exports to China, Value and 10 Year CAGR



Queensland's exports to China have increased rapidly over the past 10 years. The above graph shows the value of exports in 2004 on the left vertical axis and the 10 year annualised growth rate (CAGR)⁴ on the right axis. This shows that cork and wood manufactures have grown the most rapidly while coal makes up the greatest amount in terms of export dollars.

The bubble chart represents the commodity exports by comparing them to the rest of Australia. The horizontal axis depicts the Location Quotient (LQ) for certain exports, a measure of export concentration in Queensland relative to Australia. An LQ of greater than 1 indicates a particular commodity, as a proportion of total exports, is higher in Queensland for the same commodity



nationally. The size of the bubble indicates the value of exports in dollar terms. The vertical axis represents the average annual growth for Queensland exports over the past decade.

Therefore, the further to the right the bubble appears, the greater the percentage of exports are in Queensland compared to Australia. The higher the bubble, the faster it is growing and the bigger the bubble, the greater the dollar value that has being exported.

⁴ Compound Annual Growth Rate