

D. CANADIAN TRADE WITH AUSTRALIA

1. Trends in Canada-Australia Trade

Commercial exchanges with Australia date from 1895, when the first trade commissioner was appointed by the Canadian Government to Sydney. In 1980, Canada-Australia trade totaled \$1.2 billion, an increase of 14 per cent (\$145 million) over the previous year. The 1980 level represented a fourfold increase over two-way trade in 1970 (\$344 million).

Canadian exports to Australia in 1980 amounted to a record \$663 million, an increase of 19 per cent (\$107 million) over the same period in 1979 (Table 9). Leading individual exports include newsprint (\$66 million), lumber (\$63 million) and sulphur (\$53 million). The bulk of Canada's exports to Australia consist of fabricated materials and finished goods (manufactures), sales of which totaled \$529 million in 1980 - an increase of 10 per cent over the corresponding period in 1979. Sales of manufactures have traditionally represented a large segment of our total exports to Australia: more than one-third in 1980. While automotive parts and accessories remain the largest individual item in that category (\$45 million last year), the relative share of automotive goods as a portion of total Canadian sales to Australia declined to seven per cent in 1980 (14 per cent in 1979). Other major manufactured goods exports include carpets (\$27 million), combines (\$12 million) and tractors (\$9 million). (See Table 10.)

Australia usually stands only behind the U.S., Britain and Venezuela as a market for Canadian finished goods although, on the basis of preliminary 1980 figures, Australia ranked sixth as a market for manufactures. At present, Canada supplies about 2.7 per cent of the total Australian import market - a relative decline from four per cent in 1970.

In 1980, Canadian imports from Australia were valued at \$507 million, up nine per cent over the same period in 1979, representing the highest level on record (Table 11). Shipments consisting primarily of agricultural products and minerals account for some three-quarters of total Australian sales to Canada. Leading individual import items are sugar (\$189 million), alumina (\$77 million) and beef (\$63 million). Australia ranks as Canada's 11th largest supplier and has less than one per cent of the total Canadian import market. Table 12 traces Canadian trade with Australia from 1970 to 1980.

2. Trade Policy Considerations

Trade between Canada and Australia is governed by both the General Agreement on Tariffs and Trade (GATT) and a separate bilateral Canada-Australia Trade Agreement (CATA) of 1960.