

AUSTRALIA'S IMPORTERS, 2002-03

INTRODUCTION

This is the fourth in a series of articles analysing the characteristics and international trading activities of Australia's exporters and importers, based on the Australian Business Number (ABN). *Australia's Exporters, 2002-03* was released on the ABS web site, concurrently with the October 2003 issue of *International Trade in Goods and Services, Australia* (Cat. no. 5368.0), on 4 December 2003.

Estimates for importers of merchandise (businesses that import goods) are compiled from data sourced from the Australian Customs Service (Customs) and from the Australian Taxation Office (ATO) Australian Business Register. Estimates for importers of services, compiled from the ABS Survey of International Trade in Services (SITS), are also included.

The estimates are subject to limitations in terms of the data available and methodology applied:

- a. consistent with previous studies, businesses which imported goods totalling less than \$10,000 in 2002-03 are excluded from the estimates of number of importers;
- b. service importers include businesses which receive services from off-shore businesses to their operations in Australia, i.e. supply modes 1 and 4 in the classification used by the World Trade Organisation (WTO). However, smaller and / or occasional service importers are unlikely to come to ABS notice and are therefore not included in the estimates. The number of excluded businesses may be significant, but the value of their imports is not thought to be appreciable in the totality of service imports. The ABS continues to try to identify these businesses and incorporate them into its surveys;
- c. the number of service importers excludes businesses that only import insurance, financial, government or travel services, as estimates for these service types are not derived from the Survey of International Trade in Services. Travel services are the supply of goods or services to Australian residents while they are overseas (supply mode 2), such as hotels, restaurants, retail, tourist facilities, transport, theatres, educational institutions, etc. The estimates also exclude Australian-owned businesses located overseas receiving goods or services in the country in which they are located (usually called foreign affiliates trade - supply mode 3), because their trade does not directly contribute to Australia's imports of goods and services;
- d. Australian businesses which receive goods or services from other businesses which undertake the importing function are excluded. For example, many products are imported into Australia by wholesalers who on-sell to the end consumer.

As the analysis has been undertaken on imports data extracted from earlier publication cycles, the value of imports of goods and services shown in the tables in this article are not necessarily consistent with those shown in the November 2003 issue of *International Trade in Goods and Services, Australia* (Cat. no. 5368.0). In addition, the value of goods imports is on a merchandise trade basis, while the value of service imports is on a balance of payments basis. This has no effect on the estimates of the number of importers and minimal effect on the analysis of import values.

NUMBER OF IMPORTERS

The number of importers in 2002-03 was estimated to be 58,523, as shown in Table F1. This was 3,168 more than the estimate for 2001-02 of 55,355 importers. In the same period, the total value of imports of goods and services rose by \$13.8b to \$166.0b. A rise in the value of the \$A against most major currencies impacted on the price of imports in this period. Between 2001-02 and 2002-03, the average value of the \$A increased by 12% against the \$US and 3% against the trade weighted index.

The number of goods importers was estimated to be 57,313 in 2002-03, an increase of 2,928. The number of service importers fell by 59 to 2,241. Of the businesses engaged in service imports, 46% (1,031) were also goods importers. By eliminating the duplication, the total number of importers was derived at 58,523 (57,313 plus 2,241 less 1,031).

TABLE F1: IMPORTERS

	IMPORTERS		TOTAL IMPORTS		
	2001-02 no.	2002-03 no.	2001-02 \$m	2002-03 \$m	2002-03 %
Goods importers					
\$100m or more	163	182	56,309	66,691	50.1
\$1m and less than \$100m	8,029	8,422	56,325	58,985	44.3
\$100,000 and less than \$1m	16,864	17,821	5,765	6,137	4.6
\$10,000 and less than \$100,000	29,329	30,888	1,058	1,113	0.8
Other goods importers	--		193	204	0.2
Total goods importers	54,385	57,313	119,649	133,130	100.0
Service importers					
Businesses importing services					
\$100m or more	n.a.	29	n.a.	10,057	30.6
\$1m and less than \$100m	n.a.	782	n.a.	6,625	20.1
Less than \$1m (a)	n.a.	1,430	n.a.	3,072	9.3
Total	2,300	2,241	19,596	19,754	60.1
Other service importers (b)	13,035	13,137	39.9
Total service importers	2,300	2,241	32,631	32,891	100.0
Total importers (c)	55,355	58,523	152,280	166,021	..

(a) Value of imports includes a component for freight services. No corresponding estimate has been made of the number of importers of freight services.

(b) Includes travel, insurance, financial and government services. Numbers of importers cannot be estimated for these service types, as the Survey of International Trade in Services is not used to measure these imports.

(c) Total excludes duplication from businesses which import both goods and services.

GOODS IMPORTERS

Value of imports

As shown in Table F1, the 182 largest goods importers, each with imports worth \$100m or more, accounted for half (\$66.7b) of Australia's goods imports in 2002-03. There were 8,604 businesses that imported goods worth \$1m or more, together accounting for \$125.7b (94%) of goods imports.

Another 17,821 businesses imported goods valued between \$100,000 and \$1m, accounting for \$6.1b (5%) of goods imports in 2002-03. Over half (30,888) of Australia's goods importers had imports valued between \$10,000 and \$100,000 during 2002-03, accounting for \$1.1b (1%) of goods imports in that period.

Industry

Most goods imports were by the wholesale trade (44% by value) and manufacturing (36%) industries, as shown in Table F2. Together these accounted for \$106.7b (80%) of Australia's \$133.1b of goods imports during 2002-03. The next most significant industry was retail trade with \$7.6b (6%) of goods imports.

Imports by machinery and equipment manufacturers, and machinery and motor vehicle wholesalers, together accounted for almost \$50b (37%) of Australia's total goods imports.

TABLE F2: IMPORTS OF GOODS, INDUSTRY OF IMPORTER

Industry of importer	IMPORTERS(a)		TOTAL GOODS IMPORTS		
	2001-02 no.	2002-03 no.	2001-02 \$m	2002-03 \$m	2002-03 %
Agriculture, forestry and fishing	928	977	455	491	0.4
Mining	282	303	4,407	5,237	3.9
Manufacturing					
Food, beverage and tobacco manufacturing	761	828	2,833	3,193	2.4
Textile, clothing, footwear and leather manufacturing	1,246	1,273	1,968	2,007	1.5
Wood and paper product manufacturing	428	458	1,256	1,448	1.1
Printing, publishing and recorded media	673	698	1,269	1,325	1.0
Petroleum, coal, chemical and associated product manufacturing	1,204	1,261	12,485	16,016	12.0
Non-metallic mineral product manufacturing	375	409	357	389	0.3
Metal product manufacturing	1,105	1,194	4,263	4,659	3.5
Machinery and equipment manufacturing	3,201	3,303	17,906	17,865	13.4
Other manufacturing	1,120	1,188	1,226	1,176	0.9
Total	10,113	10,612	43,563	48,078	36.1
Electricity, gas and water supply	104	111	132	109	0.1
Construction	1,232	1,560	1,061	1,227	0.9
Wholesale trade					
Basic material wholesaling	2,126	2,467	8,097	6,850	5.1
Machinery and motor vehicle wholesaling	5,099	5,439	28,292	31,959	24.0
Personal and household good wholesaling	8,602	9,057	18,299	19,802	14.9
Total	15,827	16,963	54,687	58,610	44.0
Retail trade					
Food retailing	373	460	468	540	0.4
Personal and household good retailing	5,734	6,368	5,560	6,037	4.5
Motor vehicle retailing and services	896	961	886	1,000	0.8
Total	7,003	7,789	6,914	7,577	5.7
Accommodation, cafes and restaurants	230	279	42	185	0.1
Transport and storage	717	744	2,943	5,864	4.4
Communication services	252	275	371	367	0.3
Finance and insurance	933	985	1,344	1,311	1.0
Property and business services	3,409	3,948	1,876	2,053	1.5
Government administration and defence	176	173	n.p.	n.p.	n.p.
Education	173	209	50	n.p.	n.p.
Health and community services	386	396	171	125	0.1
Cultural and recreational services	619	694	207	264	0.2
Personal and other services	509	608	184	208	0.2
Other	54	130	n.p.	n.p.	n.p.
Industry not known	11,438	10,557	(b)	(b)	(b)
Total goods importers	54,385	57,313	119,649	133,130	100.0

(a) Includes only those businesses that imported at least \$10,000 of goods.

(b) The value of imports with 'Industry not known' was \$261m. These imports were prorated across the industries that imported the same commodities.

Size of business

Two different size measures are used for goods importers in this article. They are the value of imports (see Table F1) and size of business (Table F3). Traditionally, the ABS has only used employment to determine the size of a business because this has been the only sizing variable generally available. Many significant importers were found not to have large employment.

For the purpose of this analysis, size of business has been defined in terms of three variables - employment, estimated annual turnover (both from the ATO business registers) and value of imports (from Customs):

- small businesses - having fewer than 20 employees and estimated annual turnover less than \$1m and imports of less than \$1m during 2002-03;
- large businesses - having 200 or more employees or estimated annual turnover of \$20m or more or imports of \$20m or more during 2002-03; and
- medium businesses - all businesses other than those defined as small or large.

There were 4,417 large goods importers in 2002-03, accounting for \$109.9b (83%) of goods imports. The 20,121 medium sized importers accounted for \$21.0b (16%) of goods imports. They were most prevalent in the manufacturing and wholesale trade industries, accounting for 53% and 47% of importers in those industries. Almost 60% (32,775) of Australia's goods importers were small businesses. They contributed \$2.2b (2%) of goods imports.

TABLE F3: IMPORTS OF GOODS, SIZE OF BUSINESS BY INDUSTRY OF IMPORTER -- 2002-03

Industry of importer	NUMBER OF IMPORTERS(a)				VALUE OF IMPORTS			
	Large no.	Medium no.	Small no.	Total(b) no.	Large \$m	Medium \$m	Small \$m	Total \$m
Mining	111	108	84	303	5,107	122	8	5,237
Manufacturing	1,448	5,573	3,591	10,612	43,057	4,688	334	48,078
Wholesale trade	1,223	7,931	7,809	16,963	45,576	12,073	962	58,610
Retail trade	349	2,576	4,864	7,789	5,241	1,918	418	7,577
Transport and storage	163	298	283	744	5,628	212	24	5,864
Finance and insurance	135	259	591	985	1,006	248	57	1,311
Property and business services	277	1,385	2,286	3,948	1,050	810	192	2,053
Other	711	1,941	2,760	5,412	3,221	962	216	4,400
Industry not known(b)	0	50	10,507	10,557	(c)	(c)	(c)	(c)
Total goods importers	4,417	20,121	32,775	57,313	109,886	21,034	2,210	133,130
PERCENT								
Mining	36.6	35.6	27.7	100.0	97.5	2.3	0.2	100.0
Manufacturing	13.6	52.5	33.8	100.0	89.6	9.7	0.7	100.0
Wholesale trade	7.2	46.8	46.0	100.0	77.8	20.6	1.6	100.0
Retail trade	4.5	33.1	62.4	100.0	69.2	25.3	5.5	100.0
Transport and storage	21.9	40.1	38.0	100.0	96.0	3.6	0.4	100.0
Finance and insurance	4.5	33.1	62.4	100.0	69.2	25.3	5.5	100.0
Property and business services	7.0	35.1	57.9	100.0	51.2	39.5	9.4	100.0
Other	13.1	35.9	51.0	100.0	73.2	21.9	4.9	100.0
Industry not known(b)	0.0	0.5	99.5	100.0	(c)	(c)	(c)	(c)
Total goods importers	7.7	35.1	57.2	100.0	82.5	15.8	1.7	100.0

(a) Includes only those businesses that imported at least \$10,000 of goods.

(b) Importers who did not report an ABN have been allocated a size of business based only on the value of their imports: large business if imports valued at \$20m or more, medium business if imports valued between \$1m and \$20m, small business if imports valued at less than \$1m.

(c) Imports for which no ABN was reported (valued at \$261m) were prorated across the industries that imported the same commodities.

State of destination

New South Wales and Victoria were the state of destination of almost three quarters of Australia's goods imports in 2002-03, as shown in Table F4. These two States accounted for 81% (\$47.6b) of imports by the wholesaling industry and 65% (\$31.1b) of imports by the manufacturing industry.

TABLE F4: IMPORTS OF GOODS, INDUSTRY OF IMPORTER BY STATE OF DESTINATION OF COMMODITY(a) -- 2002-03

Industry of importer	New South Wales \$m	Victoria \$m	Queensland \$m	South Australia \$m	Western Australia \$m	Tasmania \$m	Other(b) \$m	Total goods imports \$m
Mining	n.p.	n.p.	967	48	n.p.	32	399	5,237
Manufacturing	15,565	15,546	6,952	3,741	5,848	333	94	48,078
Wholesale trade	29,232	18,391	5,987	1,358	3,529	62	50	58,610
Retail trade	3,292	2,418	1,119	241	480	13	13	7,577
Finance and insurance	n.p.	n.p.	104	32	n.p.	6	2	1,311
Property and business services	922	660	278	64	122	3	5	2,053
Other	4,516	3,341	939	249	492	317	410	10,263
Total goods imports	55,280	42,257	16,348	5,732	11,775	765	973	133,130

(a) State estimates in this table differ slightly from those published in International Trade in Goods and Services, Australia (cat no. 5368.0) because the estimation system used to allocate data with no ABN (\$261m) is based on industry not state.

(b) Includes imports into Northern Territory and the Australian Capital Territory.

Goods exporters and importers

Table F5 shows that of the 57,313 businesses with goods imports worth \$10,000 or more during 2002-03, 14,046 (25%) also exported goods valued at \$10,000 or more. Of the 8,604 businesses with goods imports of \$1m or more, 21% (1,778) also exported goods valued at \$1m or more in 2002-03. Businesses with imports valued between \$10,000 and \$100,000 were the least likely to have also exported goods. 3372 (11%) of these exported goods worth \$10,000 or more in 2002-03.

TABLE F5: GOODS EXPORTERS AND IMPORTERS -- 2002-03

	VALUE OF IMPORTS					Total goods exporters no.
	\$100m or more no.	\$1m and less than \$100m no.	\$100,000 and less than \$1m no.	\$10,000 and less than \$100,000 no.	Other(a) no.	
Value of exports						
\$100m or more	27	54	20	9	84	194
\$1m and less than \$100m	123	1,574	644	412	1,406	4,159
\$100,000 and less than \$1m	18	2,226	1,627	1,050	4,614	9,535
\$10,000 and less than \$100,000	7	1,714	2,640	1,901	9,726	15,988
Other(b)	7	2,854	12,890	27,516
Total goods importers	182	8,422	17,821	30,888	..	(c)

(a) Includes businesses whose imports are not known or valued at less than \$10,000.

(b) Includes businesses whose exports are not known or valued at less than \$10,000.

(c) Total goods exporters were 29,876 and total goods importers were 57,313.

SERVICE IMPORTERS

Value of imports

As shown in Table F1, businesses importing services were dominated by a small number of importers, with just 29 businesses accounting for 31% (\$10.1b) of Australia's total service imports in 2002-03. There were 782 (35% of total) service importers with imports worth between \$1m and \$100m, accounting for 20% of total service imports. Almost two-thirds (1,430) of identified importers of services had service imports worth less than \$1m in 2002-03.

Service type

The service types with the highest numbers of importers in 2002-03 were Other business services (1,963), Royalties and licence fees (1,378) and Computer and information services (1,296), as shown in Table F6. Transportation services had the highest value of imports per business, averaging \$164m per importer in 2002-03.

TABLE F6: IMPORTS OF SERVICES, TYPE OF SERVICE -- 2002-03

Type of service	Importers(a) no.	Total service imports \$m	Total service imports %	Average service imports per business \$m
Transportation services	67	10,960	33.3	163.6
Travel services	(b)	11,012	33.5	(b)
Communication services	938	1,407	4.3	1.5
Insurance services	(b)	856	2.6	(b)
Financial services	(b)	585	1.8	(b)
Computer and information services	1,296	967	2.9	0.7
Royalties and licence fees	1,378	1,828	5.6	1.3
Other business services	1,963	3,746	11.4	1.9
Personal, cultural and recreational services	948	846	2.6	0.9
Government services n.i.e.	(b)	684	2.1	(b)
Total service importers	2,241	32,891	100.0	..

(a) Businesses may import more than one type of service.

(b) Number of importers cannot be estimated as the Survey of International Trade in Services is not used to measure imports of this service type.

Industry

As shown in Table F7, the industries with the largest number of service importers included in the overall estimate in 2002-03 were the property and business services industries (724 service importers) and manufacturing industry (475 service importers). Service importers in both these industries averaged about \$2.5m of service imports per business. The businesses with the highest average value of service imports were the transport and storage (\$107m) and communication services (\$32m) industries.

TABLE F7: IMPORTS OF SERVICES, INDUSTRY OF IMPORTER -- 2002-03

Industry of importer	Importers no.	Total services imports \$m	Total services imports %	Average service imports per business \$m
Businesses importing services				
Agriculture, forestry and fishing	14	11	0.0	0.8
Mining	83	456	1.4	5.5
Manufacturing	475	1,220	3.7	2.6
Construction	36	38	0.1	1.1
Wholesale trade	324	1,428	4.3	4.4
Retail trade	66	147	0.4	2.2
Transport and storage	112	12,034	36.6	107.4
Communication services	42	1,358	4.1	32.3
Property and business services	724	1,792	5.4	2.5
Education	63	87	0.3	1.4
Cultural and recreational services	149	792	2.4	5.3
Personal and other services	13	19	0.1	1.5
Other	140	372	1.1	2.7
Total	2,241	19,754	60.1	8.8
Other service importers (a)	(a)	13,137	39.9	(a)
Total service importers	2,241	32,891	100.0	..

(a) Numbers of importers cannot be estimated as the Survey of International Trade in Services is not used to measure imports of all services. This includes imports of travel, insurance, financial and government services.

SYMBOLS AND OTHER USAGE

The following symbols and abbreviations have been used in this article:

.. not applicable

n.a. not available

n.p. not available for publication