

3. Regional Exports 2014-15

EconSearch provides data about the value of exports on an industry and industry sector basis for the RDAWEP region and each LGA. These data apply to exports to interstate and overseas markets, and other parts of South Australia. However, the proportion and value of exports to each of these markets is not identified.

The regional contribution to total South Australian exports also cannot be identified. This is because these data include intrastate exports, whereas the data for South Australia only apply to exports out of the State. A comparison of regional export data with State data would consequently overstate the regional contribution to South Australian export.

In 2014-15, exports from the RDAWEP region were valued at \$2.888 billion. The region's major export industries were:

- Agriculture – providing 27.9% of regional exports, valued at \$807.1 million,
- Mining – which provided 26.9% of exports, valued at \$777.8 million, and
- Manufacturing – 18.3% of exports, valued at \$535 million – see **Table 1**.

These three industries contributed over two-thirds (73%) of total exports from the region, valued at \$2.120 billion. The key exporting sectors within these industries were:

- **Mining:** iron and non-ferrous ore, which provided 23.1% of regional exports, valued at \$668.5 million,
- **Agriculture:** grains, 20.8% of exports valued at \$600.2 million, and
- **Manufacturing:** iron and steel production, providing 15.2% of regional exports, valued at \$438 million.

Other regional exporting industries included (in ranked order):

- Construction – 5.9% of exports, valued at \$171 million,
- Aquaculture – 3.8%, at \$109 million,
- Accommodation and Food Services – 2.9%, at \$82.4 million,
- Fishing, Hunting and Trapping – 2.1%, at \$60.3 million,
- Retail Trade – 2.0%, at \$59 million,
- Transport, Postal and Warehousing – 1.8%, at \$49 million, and
- Financial and Insurance Services – 0.6% of exports, valued at \$17 million – see **Table 1**.

These seven industries contributed approximately 19% of total exports from the region, valued at \$547.7 million – see **Table 1**.

Collectively, the top ten exporting industries contributed 92% of the region's exports, valued at approximately \$2.668 billion.

INDUSTRY	INDUSTRY SECTOR	TOTAL EXPORTS	
		(\$m)	(%)
Agriculture	Sheep	151.8	5.3
	Grains	600.2	20.8
	Beef Cattle	50.3	1.7
	Dairy Cattle	0	0.0
	Poultry	0	0.0
	Pigs	0	0.0
	Other Livestock	0	0.0
	Wine grapes	0.3	0.0
	Vegetables	0	0.0
	Fruit and Nuts	0.5	0.0
	Other Agriculture	0.1	0.0
	Forestry and Logging	3.4	0.1
	Ag, Forestry and Fishing Services	0.5	0.0
	Sub-total	807.1	27.9
Aquaculture	Aquaculture	109.9	3.8
Fishing, Hunting and Trapping	Fishing, Hunting and Trapping	60.3	2.1
Mining	Coal Mining	0.3	0.0
	Oil and Gas Extraction	31.8	1.1
	Iron and Non-ferrous Ore Mining	668.5	23.1
	Non-metallic Mineral Mining	4.6	0.2
	Exploration and Mining Services	72.6	2.5
	Sub-total	777.8	26.9
Manufacturing	Meat and Meat Products	1.3	0.0
	Processed Seafood Products	70.2	2.4
	Dairy Products	0	0.0
	Fruit and Vegetable Products	4.2	0.1
	Oils and Fats Manufacturing	1.0	0.0
	Grain Mill and Cereal Products	2.6	0.1
	Other Food Products	2.9	0.1
	Other Beverages	0	0.0
	Beer	0	0.0
	Wine and Spirits	0.9	0.0
	Textiles, Clothing and Footwear	0.1	0.0
	Sawmill Products	0	0.0
	Other Wood Products	0.1	0.0
	Pulp, Paper and Paperboard	0	0.0
	Paper Products	0.3	0.0
	Printing (including Recordings)	0.7	0.0
	Petroleum and Coal Products	0.2	0.0
	Pharma and Other Chemical Products	1.5	0.1
	Non-met Mineral Products	0.1	0.0
	Iron and Steel	438	15.2
	Basic Non-ferrous Metals	9.0	0.3
	Metal Products	0	0.0
	Motor Vehicles and Parts	0.1	0.0
	Other Machinery and Equipment	1.4	0.0

Table 1: RDAWEP Regional Exports by Industry and Sector 2014-15 (Cont'd over page).

INDUSTRY	INDUSTRY SECTOR	TOTAL EXPORTS	
		(\$m)	(%)
	Furniture Manufacturing	0.1	0.0
	Other Manufactured Products	0.2	0.0
	Sub-total	535	18.3
Electricity, Gas, Water and Waste Services	Electricity Generation	0	0.0
	Electricity Supply	1.1	0.0
	Gas Supply	0.4	0.0
	Water Supply, Sewerage and Drainage	0.5	0.0
	Waste Management Services	0.1	0.0
	Sub-total	2.1	0.0
Construction	Residential Building Construction	144.1	5.0
	Other Construction	24.9	0.9
	Construction Services	2.3	0.1
	Sub-total	171.3	6.0
Wholesale Trade	Wholesale Trade	13.4	0.5
Retail Trade	Retail Trade	59	2.0
Accommodation and Food Services	Accommodation	57.6	2.0
	Food and Beverage Services	24.8	0.9
	Sub-total	82.4	2.9
Transport, Postal and Warehousing	Road Transport	23.4	0.8
	Rail Transport	13.6	0.5
	Water, Pipeline and Other Transport	2.8	0.1
	Air and Space Transport	4.5	0.2
	Transport Support and Storage	4.8	0.2
	Sub-total	49.1	1.8
Information, Media and Telecommunications	Publishing (excluding Web and Music)	0.5	0.0
	Communication Services	1.3	0.0
	Sub-total	1.8	0.0
Finance and Insurance	Finance	12.6	0.4
	Insurance and Other Financial Services	4.5	0.2
	Sub-total	17.1	0.6
Rental Hiring and Real Estate	Rental, Hiring and Real Estate	2.5	0.1
Ownership of Dwellings	Ownership of Dwellings	24.9	0.9
Prof., Scientific and Technical	Professional, Scientific and Technical Services	3.1	0.1
Administrative Support Services	Administrative Support Services	0.6	0.0
Public Administration and Safety	Public Administration and Regulatory Services	0.1	0.0
	Defence	0	
	Public Order and Safety	0	0.0
	Sub-total	0.1	0.0
Education and Training	Education and Training	10.7	0.4
Health Care and Social Assistance	Health and Community Services	13	0.4
Arts and Recreational Services	Cultural and Recreational Services	4.0	0.1
Other Services	Personal and Other Services	1.3	0.0
	Taxes Less Subsidies ¹	22.6	0.8
	Imports ²	118.1	4.1
PRIMARY IMPORTS SUB-TOTAL		140.7	4.9
TOTAL EXPORTS³		2,886	100.00

¹Taxes less subsidies is included to factor in instances where exported goods incur taxation – e.g. GST can be payable on some intra and interstate exports.

² Imports are included to factor in re-exported goods which are passing through the region.

³Variations in totals from other data tables are caused by rounding.

Exports by Key Industry Sector and Council Area

Whyalla was the main exporting Council, with total exports in 2014-15 valued at \$1.455 billion. This was largely due to high export levels in mining (\$706 million) and manufacturing (\$480 million); with their combined exports valued at \$1.186 billion – see **Table 2**.

Port Lincoln was the second main exporting Council with the value of exports totalling \$476 million. The main export industries in Port Lincoln were manufacturing (\$115 million); construction (\$83 million); aquaculture (\$42 million), and fishing, hunting and trapping (\$37 million) – **Table 2**. The main contributing sector in the manufacturing industry was the processing of seafood products, with exports valued at \$81 million.

Ceduna had exports totalling \$202 million, with the main export industries being mining (\$99 million) and agriculture (\$34 million).

The District Council of Lower Eyre Peninsula was the largest agriculture exporting Council with exports valued at \$132 million. Other key agriculture exporting Councils were Cleve (\$102 million), Tumby Bay (\$99 million); Elliston (\$92 million); Kimba (\$83 million); and Wudinna (\$80 million) – **Table 2**.

Tumby Bay had total exports valued at \$205 million, due to high levels of export from agriculture (\$99 million) and mining activity (\$75 million).

Council and Region Export Value Difference

The total value of exports generated by the region's 11 EPLGA Councils in 2014-15 was \$3.211 billion. This is \$323 million higher than the total value of regional exports estimated at \$2.888 billion.

The cause of this difference is that these collective Council data include the value of product and services traded between the 11 Council areas, but *within* the RDAWEP region; whereas the regional data only include the value of goods and services exported *from* the region to markets in other parts of South Australia, interstate and overseas.


These data indicate that the region experienced a high level of internal trade activity between the 11 EPLGA Councils, valued at \$323 million. The largest differences occurred in the mining industry (\$138 million); manufacturing (\$68 million), and transport, postal and warehousing (\$40 million) – see **Table 2**.

Agriculture Exports

A discrepancy is apparent with the EconSearch data for agricultural exports. The data in **Table 2** indicate that total agricultural exports from the Councils summed to \$739 million, which is lower than the regional export estimate of \$807 million. Clarification was sought from EconSearch about this matter.

EconSearch has advised that, in this instance, the grain sector exports from individual Councils have probably been underestimated. This is an outcome of the input-output table balancing process, which is complicated because most of the grains manufacturing and processing occurs outside the region.

EconSearch has advised that, in aggregate, the Council agricultural exports should be more in line with, or greater than, the regional total.



Data glitches and inconsistencies such as this only become apparent when data are being analysed. These issues are gradually being resolved through continuous data improvement and greater familiarity with the region's economic characteristics. EconSearch is planning to incorporate additional safeguards in its data processing to avoid such issues in the future.

LOCAL GOVERNMENT AREA	TOP TEN EXPORTING INDUSTRIES IN REGION 2014-15										Total (All Exports) (\$m)
	Mining (\$m)	Agriculture (\$m)	Manufacturing (\$m)	Construction (\$m)	Transport, Postal and Warehousing (\$m)	Aquaculture (\$m)	Retail Trade (\$m)	Accommodation and Food Services (\$m)	Finance and Insurance Services (\$m)	Fishing, Hunting and Trapping (\$m)	
Whyalla	706	1	480	61	28	0	31	29	10	1	1,445
Port Lincoln	4	10	115	83	29	42	21	21	8	37	476
Ceduna	99	34	0	11	7	12	4	10	0	1	202
Cleve	0	102	0	4	6	11	4	2	1	0	144
Elliston	0	92	0	1	0	2	1	5	0	6	113
Franklin Harbour	21	32	4	3	0	16	1	3	0	1	88
Kimba	0	83	0	8	1	0	1	2	1	0	102
Lower Eyre Pen.	3	132	1	5	15	36	2	3	1	2	214
Streaky Bay	0	74	1	4	1	3	2	4	1	8	108
Tumby Bay	75	99	4	7	1	0	2	6	1	0	205
Wudinna	8	80	0	2	1	0	1	2	1	0	104
LGA Totals	916	739	605	189	89	122	70	87	24	56	3,211
REGION TOTALS	778	807	537	171	49	110	59	82	17	60	2,888

Table 2: Top Ten Exports and Total Exports by Industry and LGA 2014-15

Changes to Exports Between 2012-13 to 2014-15

In 2012-13, the value of the region's exports was estimated at \$3.14 billion. The value of regional exports grew by approximately \$1 billion to an estimated \$4.144 billion in 2013-14.

The growth of the mining industry was the main reason for this difference, with the value of mining exports increasing by approximately \$744 million; from \$519 million in 2012-13 to \$1.263 billion in 2013-14 – see **Table 3**. This increase can be attributed to a combination of factors, including:

- **Increased iron ore exports by Arrium:** In July 2013, Arrium formally opened a \$200 million upgrade of the Whyalla Port. This upgrade was undertaken to enhance port export capacity to 12 million tonnes per annum. The loading of Cape-class vessels commenced prior to the port opening in February 2013, and grew to a record 195,000 tonnes of iron ore being loaded on the *Cape Kallia* in November that year. In August 2013, Arrium also announced the reinvestment of \$165 million to mine additional iron ore reserves that had been identified at Iron Knob.
- **The relatively high commodity price of iron ore:** In November 2012, the iron ore price per dry metric tonne was approximately \$US119.00 and rose to \$US152.76 in February 2013. The commodity price then slumped to \$US123.94 per tonne in May 2013. (*Iron Ore Monthly Commodity Prices*, www.indexmundi.com). In April 2014, iron ore was trading at \$US113.20 per tonne, up from a low of \$US105 per tonne in March 2014. Predictions indicated that the price would reach \$US120 per tonne, however the price declined to \$US98.50 per tonne in May 2014, a fall of 26% from January. (*The Advertiser*, Iron ore plunges below \$US100, May 20, 2014).

Even though the commodity price of iron ore declined between 2012-13 and 2013-14, the fluctuations were largely offset by increased export tonnages.

- **High levels of mining exploration activity across the Eyre Peninsula:** In 2013-14, there was also a peak in mining exploration by companies such as Centrex Metals/Eyre Iron (for the Fusion Joint Venture); Iron Road Limited (for the Central Eyre Iron Project); and graphite exploration by Valence Industries, Lincoln Minerals and Archer Exploration Limited. This activity led to higher levels of mining contribution to GRP in this period.

Circumstances changed in 2014-15, when the commodity price of iron ore fell to less than \$US40.00 per tonne and remained very low for a long period. Mining exports consequently dropped from \$1.263 billion in 2013-14 to \$778 million in 2014-15; and there was also a decline in manufacturing exports from \$792 million to \$5635 million in the same period.

These combined factors partly led to the decline of profitability at Arrium in Whyalla during 2015-16, with Arrium going into voluntary administration in April 2016.

There was an overall decline in exports for most industries – see **Table 3**. This was largely due to a revision in the EconSearch methodology used for estimating aggregate imports and exports. This methodology will improve over time.

INDUSTRY RANKING	2012-13	Export (\$m)	2013-14	Export (\$m)	2014-15	Export (\$m)
1	Agriculture	879	Mining	1,263	Agriculture	807
2	Manufacturing	715	Agriculture	882	Mining	778
3	Mining	519	Manufacturing	792	Manufacturing	535
4	Construction	184	Construction	260	Construction	171
5	Aquaculture	99	Transport, Postal and Warehousing	136	Aquaculture	109
6	Retail Trade	81	Aquaculture	129	Accommodation and Food Services	82
7	Accommodation and Food Services	76	Retail Trade	107	Fishing, Hunting and Trapping	60
8	Health Care and Social Assistance	65	Accommodation and Food Services	97	Retail Trade	59
9	Transport, Postal and Warehousing	62	Financial and Insurance Services	88	Transport, Postal and Warehousing	49
10	Fishing, Hunting and Trapping	46	Fishing, Hunting and Trapping	46	Financial and Insurance Services	17
TOTAL	Total Regional Exports	3,140	Total Regional Exports	4,144	Total Regional Exports	2,888

Table 3: Comparative RDAWEP Regional Top 10 Industry Rankings by Export, 2012-13, 2013-14 and 2014-15.