

# Goods Trade Balance January 2025

Australia's seasonally adjusted goods trade surplus widened A\$696m to A\$5,620m in January, from a revised A\$4,924m in December (previously A\$5,085m). The market expectation was for a A\$5,900m surplus.

The rise in the goods trade surplus was driven by a 1.3% increase in exports, while imports fell by 0.3%.

## Key Numbers (A\$ Millions)

| Seasonally Adjusted | Change | January | December |
|---------------------|--------|---------|----------|
| Trade Balance       | 696    | 5,620   | 4,924    |
| Goods Exports       | 591    | 44,532  | 43,941   |
| Goods Imports       | -105   | 38,912  | 39,017   |

The rise in goods credits was driven by a sharp increase in non-monetary gold imports, which surged 78.6% to a record high of A\$5,361m.

Our major commodity exports metal ores and minerals, coal, as well as other mineral fuels fell sharply across a range of trading partners, including China.

Coal, coke, and briquette exports fell to the lowest level since July 2021, while metal ores and minerals declined from a 10-month high in December.

## Exports (A\$ Millions)

| Seasonally Adjusted                      | Change | January | December |
|--|--------|---------|----------|
| Rural Goods                              | 49     | 6,834   | 6,785    |
| Metal Ores and Minerals (Incl. Iron Ore) | -556   | 13,493  | 14,049   |
| Coal, Coke and Briquettes                | -920   | 5,751   | 6,671    |
| Other Mineral Fuels (Oil and Gas)        | -328   | 6,364   | 6,692    |
| Metals (Ex-Non-Monetary Gold)            | 88     | 1,548   | 1,460    |
| Non-Monetary Gold                        | 2,360  | 5,361   | 3,001    |
| Manufactures                             | -136   | 4,019   | 4,155    |

Imports had a similar lopsided profile despite the small headline fall.

Intermediate and other merchandise goods rose by 5.5%, largely due to a A\$563m (11.7%) increase in imports of other fuels and lubricants.

Consumption goods imports eased after rising to a nine-month high in December, while capital goods fell from a 15-month high.

## Imports (A\$ Millions)

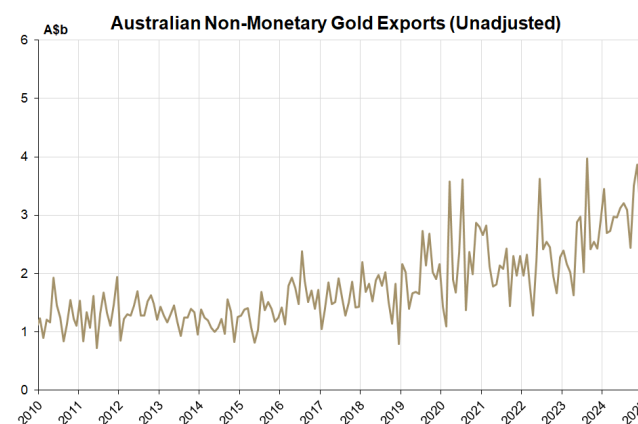
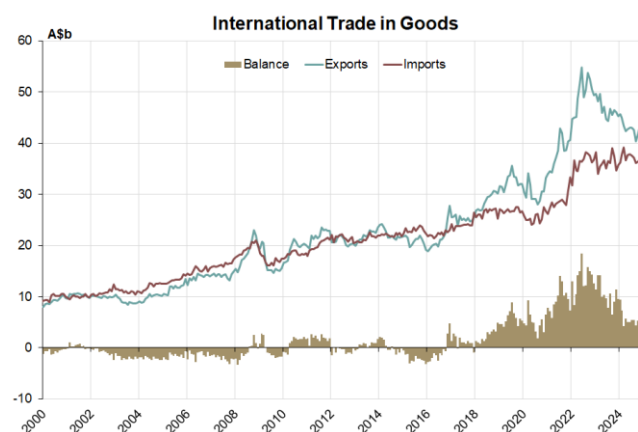
| Seasonally Adjusted                      | Change | January | December |
|--|--------|---------|----------|
| Consumption Goods                        | -78    | 12,081  | 12,159   |
| Capital Goods                            | -731   | 8,810   | 9,541    |
| Intermediate and Other Merchandise Goods | 887    | 17,007  | 16,120   |
| Non-Monetary Gold                        | -182   | 1,014   | 1,196    |

Western Australia's share of merchandise climbed to 48% in January, the highest level in 12 months. The rise in non-monetary gold likely played a role, with Western Australia being the biggest gold producing state.

## State Share Merchandise Goods Exports Excluding Re-Exports (Original, %)

|                   | January | December |
|-------------------|---------|----------|
| Western Australia | 48      | 45       |
| New South Wales   | 15      | 17       |
| Victoria          | 6       | 7        |
| Queensland        | 20      | 21       |
| South Australia   | 3       | 3        |
| Tasmania          | 1       | 1        |

\*May not add to 100% due to exclusion of re-exports.



## Comment

The January external trade report was heavily influenced by a sharp rise in non-monetary gold exports, which jumped to a record high during the month.

Total Aussie exports are off their pandemic-era highs but remain healthy across a range of items, despite the decline in January. At the same time, import values continue to occupy the relatively narrow range that they have occupied since mid-2022, reflecting the sluggish growth in the domestic economy.

The outlook for Aussie exports going forward will largely depend on the impact of US trade policies and the response of our major trading partners to US tariff increases on their goods exports.

This week has given us an insight into the uncertain environment ahead, with the US imposing 25% tariffs on Canadian and Mexican goods imports, and increasing duties on Chinese imports by another 10% on top of the earlier 10% increase, announced in early February.

Canada has come out hard in response to the US tariff announcement, with tariffs of its own on imports from the US. China's response to President Trump's tariffs has so far been relatively limited and mainly targeted at agricultural goods.

**06 March 2025**