

Goods Trade Balance October 2024

Australia's seasonally adjusted goods trade surplus increased to a six-month high of A\$5,953m in October, from the downwardly revised A\$4,532m in the previous month (originally A\$4,609m). The market expectation was for a decline to A\$4,500m.

The increase in the goods trade surplus was driven by a A\$1,456m (3.6%) increase in goods exports, only marginally offset by a A\$35m (0.1%) uptick in imports.

Key Numbers (A\$ Millions)

Seasonally Adjusted	Change	October	September
Goods Trade Balance	1,421	5,953	4,532
Goods Exports	1,456	42,148	40,692
Goods Imports	35	36,195	36,160

The rise in goods credits was driven mainly by exports of the volatile non-monetary gold, which bounced by A\$1,067m (43.8%) and a A\$875m (15.4%) rise in other mineral fuels (mainly oil and gas).

At the same time, there was a considerable decline in exports of coal, coke and briquettes (-A\$476m or -6.9%).

Exports of other commodities were little changed in October. Metal ores and minerals (mainly iron ore) rose by just A\$70m (0.5%), as a rise in prices more than offset a fall in export volumes.

Goods Exports (A\$ Millions)

Seasonally Adjusted	Change	October	September
Rural Goods	-28	5,608	5,636
Metal Ores and Minerals (Incl. Iron Ore)	70	13,127	13,057
Coal, Coke and Briquettes	-476	6,381	6,857
Other Mineral Fuels (Oil and Gas)	875	6,554	5,679
Metals (Ex Non-monetary Gold)	17	1,530	1,513
Non-monetary Gold	1,067	3,505	2,438
Manufactures	103	4,215	4,112

The slight increase in goods debits resulted from gains in imports of consumption goods (+A\$98m or 0.8%) as well as intermediate and other merchandise goods (+A\$258m or +1.7%) being almost entirely offset by declines in capital goods (-A\$182m or -2.1%) and non-monetary gold (-A\$138m or -15.5%).

Fuels and lubricants saw further declines in imports, reflecting lower global oil prices.

Goods Imports (A\$ Millions)

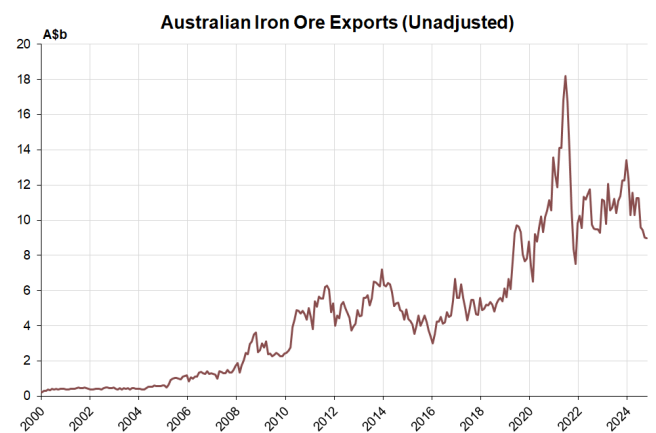
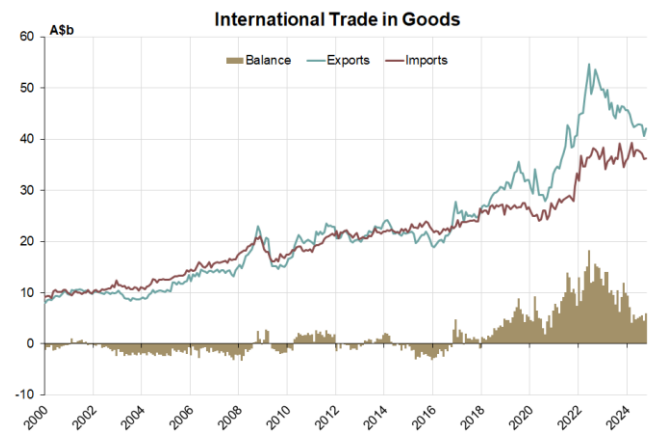
Seasonally Adjusted	Change	October	September
Consumption Goods	98	11,782	11,684
Capital Goods	-182	8,505	8,687
Intermediate and Other Merchandise Goods	258	15,158	14,900
Non-monetary Gold	-138	751	889

Western Australia remains the dominant state in terms of exports.

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

	October	September
Western Australia	44	43
New South Wales	16	16
Victoria	7	7
Queensland	22	23
South Australia	3	3
Tasmania	1	1

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



Comment

The Aussie trade surplus remains healthy, with the rise in October largely driven by an increase in exports of non-monetary gold, which is often volatile. LNG exports also played a role, thanks to higher prices and a rebound in export volumes after a big fall in the previous month.

Looking through the short-term volatility, export values are still clearly normalising, while subdued domestic demand keeps a lid on import growth.

According to Bloomberg consensus forecasts and the most recent RBA projection, both exports and imports are expected to pick up in the coming quarters. The RBA is a little more dovish on the outlook for exports, however, because they do not see acceleration in the economic growth of Australia's major trading partners, particularly China.

The outlook for Aussie exports has become even cloudier after the US elections, with the likely rise in trade barriers posing a significant downside risk. However, given that the scope of the US tariff measures and the range of possible policy responses, particularly from China, are unknown, the scale of the impact is difficult to quantify at this stage.

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