

# Goods Trade Balance December 2024

Australia's seasonally adjusted goods trade surplus dropped to a six-month low of A\$5,085m in December, from the downwardly revised A\$6,792m in the previous month (originally A\$7,079m). The market expectation was for a much smaller decline, to A\$6,500m.

The increase in the goods trade surplus came as a strong 5.9% rise in imports was only partly offset by a 1.1% increase in exports.

## Key Numbers (A\$ Millions)

Seasonally Adjusted	Change	December	November
Goods Trade Balance	-1,707	5,085	6,792
Goods Exports	471	44,027	43,556
Goods Imports	2,177	38,942	36,765

The increase in goods credits was mainly driven by a A\$566m (9.1%) rise in rural goods exports and A\$521m (3.8%) gain in metal ores and minerals (mainly iron ore). According to supplementary information provided by the ABS, iron ore exports saw strong increases in prices and volumes.

This was largely offset by an A\$866m (22.4%) fall in exports of non-monetary gold, which is often volatile.

## Goods Exports (A\$ Millions)

Seasonally Adjusted	Change	December	November
Rural Goods	566	6,782	6,216
Metal Ores and Minerals (Incl. Iron Ore)	521	14,078	13,557
Coal, Coke and Briquettes	52	6,672	6,620
Other Mineral Fuels (Oil and Gas)	50	6,779	6,729
Metals (Ex Non-monetary Gold)	-11	1,450	1,461
Non-monetary Gold	-866	3,001	3,867
Manufactures	250	4,164	3,914

The solid increase in goods debits was broad-based across the major categories.

Capital goods saw the strongest gain of A\$917m (10.6%), though most of the increase came from 'capital goods not elsewhere specified'.

Intermediate and other merchandise goods imports rose by A\$587m (3.8%), including a A\$479m (11.5%) increase in fuels and lubricants. Consumer goods saw a A\$423m (3.6%) gain, with a solid increase in textiles, clothing and footwear.

## Goods Imports (A\$ Millions)

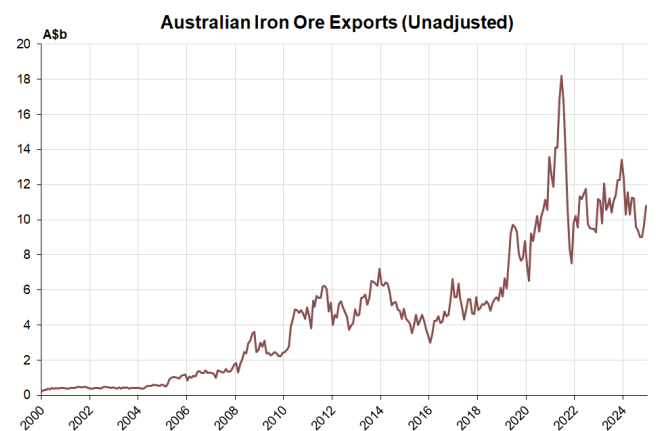
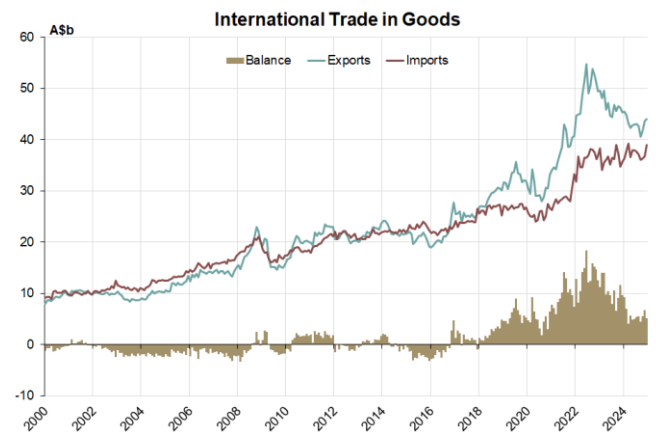
Seasonally Adjusted	Change	December	November
Consumption Goods	423	12,192	11,769
Capital Goods	917	9,575	8,658
Intermediate and Other Merchandise Goods	587	15,980	15,393
Non-monetary Gold	251	1,196	945

Western Australia remains the dominant state in terms of exports.

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

	December	November
Western Australia	44	46
New South Wales	17	15
Victoria	7	7
Queensland	22	22
South Australia	3	3
Tasmania	1	1

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



## Comment

The December external trade report pointed to ongoing solid demand for Australia's key commodity exports and a strengthening domestic economy in late 2024.

However, this is the last report before the inauguration of President Donald Trump, who appears to be determined to move US trade policy to a more protectionist stance in order to encourage the return of manufacturing to the US and meet other policy goals.

For now, the tariffs imposed on China are not as high as announced during the presidential campaign (10%, not 60%), and the Chinese reaction has been moderate.

That said, the early days of the Trump administration have increased uncertainty about the global trade outlook.

According to a Bloomberg survey conducted 16-21 January, exports are expected to increase in the coming quarters, albeit slower than the consensus forecast from the December survey. Imports are expected to grow somewhat faster than exports, but also slower than forecast in December.

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