

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S

INDIA-AUSTRALIA BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. The Commonwealth of Australia occupies the whole of the island continent of Australia, lying between the Indian and Pacific Oceans, and its offshore islands, principally Tasmania to the southeast. Australia's nearest neighbour is Papua New Guinea, to the north. Australia is a member of the UN, the Commonwealth, OECD (The Organization for Economic Cooperation and Development).

2 Australia's mixed-market economy is highly developed and rich in natural resources. It is the world's fourteenth-largest by nominal terms, and the 18th-largest by PPP. As of 2021, Australia has the second-highest amount of wealth per adult, after Luxembourg and the thirteenth-highest financial assets per capita, as well as one of the highest per capita incomes globally. As per available report of IMF Executive Board Concludes 2024 Article IV Consultation with Australia December 23, 2024, Australia's economic growth slowed to 1.0 percent (y/y) in Q2 2024 from 1.9 percent a year prior, with private consumption growth dropping to 0.5 percent (y/y). Growth in private business investment also eased to 1.6 percent (y/y). Economic activity was bolstered by public demand and infrastructure projects. Labor market conditions have been softening gradually, with unemployment at 4.1 percent in September 2024, while job creation remains strong. The current account returned to deficit in early 2024, as commodity prices continued to normalize. A snapshot of Australia's selected economic indicators is as under.

TABLE 1

Australia: Main Economic Indicators, 2019-2029											
(Annual percent change, unless otherwise indicated)											
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
						Projections					
NATIONAL ACCOUNTS											
Real GDP	1.8	-2.1	5.5	3.9	2.0	1.2	2.1	2.3	2.2	2.3	2.3
Domestic demand	1.2	-2.2	6.0	5.0	2.6	1.5	1.7	2.1	2.0	2.1	2.1
Private consumption	0.9	-6.1	5.1	7.2	2.0	1.0	2.2	2.5	2.6	2.7	2.6
Public consumption	6.4	7.8	5.7	4.9	1.9	3.9	1.1	1.3	0.6	0.8	0.8
Investment	-2.4	-2.4	10.7	2.2	5.4	0.6	1.6	2.6	2.6	2.4	2.5
Public	2.1	-0.7	7.4	4.2	10.2	1.0	1.3	1.0	1.1	1.6	2.2
Private business	-0.7	-3.5	9.2	6.2	9.2	0.9	1.6	3.1	3.0	2.8	2.7
Dwelling	-7.0	-4.4	9.4	-4.0	-1.8	-2.2	1.6	2.9	2.9	2.4	2.4
Net exports (contribution to growth, percentage points)	1.2	-0.4	-1.6	-1.9	0.4	-0.6	0.5	0.2	0.2	0.2	0.3
Gross domestic income	3.2	-1.9	9.2	5.5	0.3	-0.2	1.0	2.2	2.1	2.3	2.3
Investment (percent of GDP) 1/	22.5	22.3	23.3	23.7	24.0	24.2	24.0	24.0	24.1	24.2	24.2
Public	5.1	5.1	5.0	5.0	5.5	5.6	5.5	5.5	5.4	5.4	5.4
Private	17.6	17.4	18.0	17.8	18.6	18.5	18.4	18.6	18.7	18.8	18.9
Savings (gross, percent of GDP)	23.1	24.6	26.2	24.8	24.2	23.0	22.7	22.7	22.8	22.8	22.8
Households	10.1	17.0	14.5	10.0	7.4	8.4	9.3	9.2	8.9	8.6	8.36
Potential output	2.3	0.7	2.0	2.1	2.2	2.3	2.3	2.4	2.2	2.3	2.3
Output gap (percent of	-0.7	-3.4	-0.2	1.6	1.4	0.3	0.1	0.0	0.0	0.0	0.0

potential)											
LABOR MARKET											
Employment	2.3	-1.7	3.1	4.5	3.4	2.1	1.3	1.5	1.6	1.5	1.7
Unemployment (percent of labor force)	5.2	6.5	5.1	3.7	3.7	4.2	4.5	4.5	4.5	4.6	4.5
Wages (nominal percent change)	2.3	1.6	2.0	3.0	4.0	3.7	3.4	3.4	3.3	3.1	2.9
PRICES											
Terms of trade index (goods, avg)	77	77	94	103	96	90	87	87	86	86	87
% change	8.2	0.2	22.0	9.8	-7.1	-6.1	-3.1	-0.5	-0.2	0.1	0.1
Consumer prices (avg)	1.6	0.9	2.8	6.6	5.6	3.3	3.3	3.0	2.5	2.5	2.5
Core consumer prices (avg)	1.6	1.2	2.8	5.7	5.3	3.6	3.0	2.6	2.5	2.5	2.5
GDP deflator (avg)	3.3	1.2	5.8	8.2	3.5	2.5	2.3	2.6	2.3	2.3	2.3
FINANCIAL											
Reserve Bank of Australia cash rate target (percent, avg)	1.2	0.3	0.1	1.6	4.0	4.4	4.0	3.5	3.5	3.5	3.5
10-year treasury bond yield (percent, avg)	1.4	0.9	1.6	3.6	3.9	4.2	4.3	4.2	4.3	4.3	4.3
Mortgage lending rate (percent, avg)	4.8	4.5	4.5	7.3	8.7	8.4	7.7	7.5	7.4	7.3	7.2
MACRO- FINANCIAL											
Credit to the private sector	2.5	2.1	7.4	8.3	4.9	5.7	5.4	4.9	4.5	4.5	4.7
House prices (% change)	2.5	3.6	23.7	-4.9	8.3	7.2	7.0	5.6	4.6	4.5	4.7
House price-to-income, national median value (ratio)	6.4	6.6	7.8	7.4	7.6	7.7	7.7	7.7	7.7	7.7	7.7
Estimated interest payments (percent of disposable income)	7.0	5.8	5.2	6.9	7.6	7.3	7.0	6.9	6.9	6.8	6.8
Household savings (percent of disposable income)	6.2	15.6	12.9	6.2	1.3	2.2	3.4	3.9	3.0	2.9	2.9
Household debt (percent of disposable income) 2/	186	181	187	188	185	182	178	177	177	176	176
Business credit (percent of GDP)	49.0	49.9	48.5	48.7	49.1	50.7	51.2	51.4	51.6	51.7	51.8
GENERAL GOVERNMENT (percent of GDP) 3/											
Revenue	35.6	34.4	34.9	35.6	36.1	36.7	36.1	35.8	36.1	36.2	36.2
Expenditure	36.8	42.0	44.1	39.3	36.9	37.6	38.5	37.6	37.0	37.1	37.1
Net lending/borrowing	-1.2	-7.6	-9.2	-3.7	-0.8	-0.9	-2.4	-1.8	-0.9	-1.0	-1.0
Commonwealth only	-0.1	-4.8	-6.9	-1.3	0.9	0.3	-1.1	-1.4	-0.9	-0.7	-0.6
Operating balance	0.9	-5.5	-7.0	-1.5	1.5	1.0	-0.4	-0.5	0.9	0.9	0.9
Cyclically adjusted	0.2	-6.1	-6.1	-2.6	-0.5	-0.3	-1.2	-0.6	0.4	0.1	0.1

primary balance											
Gross debt	42.1	52.5	58.0	52.9	49.2	49.0	49.8	49.4	48.4	47.5	46.5
Net debt	24.5	32.0	37.8	33.4	30.6	28.5	30.6	30.6	29.7	28.9	28.1
BALANCE OF PAYMENTS											
Current account (percent of GDP)	0.3	2.2	2.9	0.9	0.3	-1.2	-1.3	-1.4	-1.4	-1.4	-1.4
Export volume	3.1	-9.6	-2.4	2.6	6.7	1.8	3.7	3.1	2.6	2.7	2.9
Import volume	-1.0	-11.8	4.8	13.5	6.4	5.1	2.0	2.8	2.4	2.4	2.4
Net international investment position (percent of GDP)	-50.1	-53.2	-38.9	-38.4	-32.0	-27.1	-27.2	-27.3	-27.5	-27.7	-27.9
Gross official reserves (bn A\$)	84	56	81	85	94	...	...	...	...	...	...
MEMORANDUM ITEMS											
Nominal GDP (bn A\$)	1,996	1,977	2,206	2,481	2,618	2,716	2,837	2,978	3,114	3,257	3,409
Percent change	5.2	-1.0	11.6	12.5	5.5	3.7	4.5	5.0	4.5	4.6	4.7
Real GDP per capita (% change)	0.3	-3.0	5.2	2.3	-0.5	-0.4	0.8	1.1	1.0	1.1	1.1
Population (million)	25.5	25.6	25.8	26.3	27.0	27.3	27.6	28.0	28.3	28.7	29.0
Nominal effective exchange rate	86.3	86.0	90.8	90.3	88.1	...	...	...	...	...	...
Real effective exchange rate	86.0	85.3	90.5	90.8	90.3	...	...	...	...	...	...
Sources: Authorities' data; IMF World Economic Outlook database; and IMF staff estimates and projections. 1/ Includes changes in inventories. 2/ Reflects the national accounts measure of household debt, including to the financial sector, state and federal governments and foreign overseas banks and governments. It also includes other accounts payable to these sectors and a range of other smaller entities including pension funds. 3/ Fiscal year ending June.											

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the four major merchandise export partners of Australia are China, Japan, Korea Rep. and India. On the other hand four major import partners of Australia are China, Korea RP, Japan and Singapore. Major five exported goods of Australia are (i) Bituminous coal, not agglomerated, (ii) non-agglomerated iron ores and concentrates, (iii) Natural gas, liquefied, (iv) Gold in other semi-manufactured forms, non-monetary and (v) Petroleum oils and oils obtained from bituminous. On the other hand major five imported goods are (i) Petroleum oils, etc, (excl. crude); preparation, (ii) Transmission apparatus, for radiotelephone Incorp, (iii) Automobiles with reciprocating piston engine, (iv) Petroleum oils and oils obtained from bituminous and (v) Diesel powered trucks with a GVW.

4. Australia's total exports in 2020 were of the order of USD 340,855 million. It scaled to USD 247,159 million in 2024 with 27.74% downfall recorded in 2024 and a pick-up by 11.11% in the year 2022 compared to the previous year. During the period from 2020 to 2024, the annual average compound rate of growth of exports was -7.72%.

5. Australia's total imports in 2020 were of the order of USD 296,482 million and which touched USD 210,213 million mark in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of Imports was -8.24%.

6. Australia runs an overall Balance of Trade surplus from 2020 to 2024 and that scaled up to USD 100,953 million in 2022. During the period from 2020 to 2024, the annual average compound rate of growth of total volume of trade was -7.96%.

A snapshot of Australia’s overall Trade Statistics is presented in Table 2 and Figure 1 below.

TABLE - 2

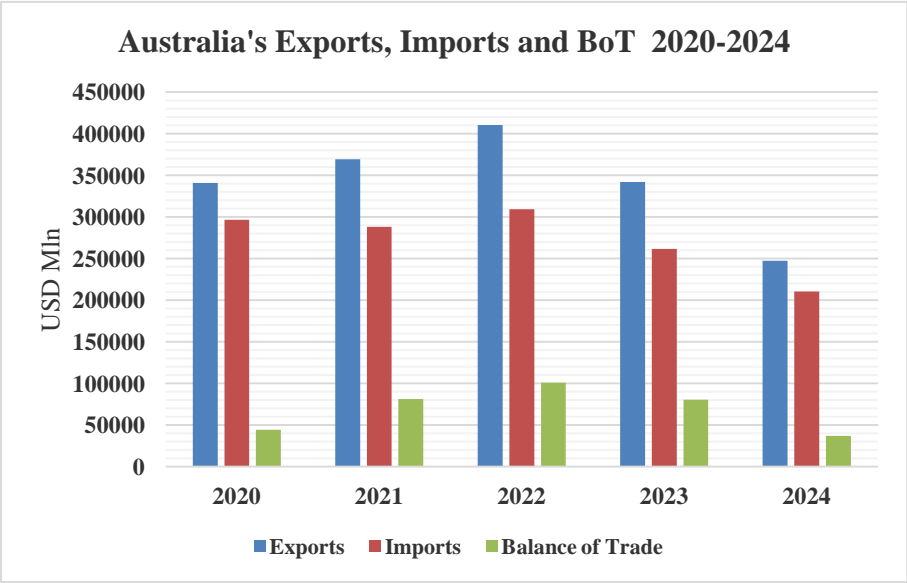
AUSTRALIA'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE
AND BALANCE OF TRADE BETWEEN 2020 TO 2024

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	340855		296482		6,37,337		44373
2021	369235	8.33	287861	-2.91	6,57,096	3.10	81374
2022	410253	11.11	309300	7.45	7,19,553	9.51	100953
2023	342036	-16.63	261586	-15.43	6,03,622	-16.11	80450
2024	247159	-27.74	210213	-19.64	4,57,372	-24.23	36946
Annual Compound Growth Rate		-7.72			-8.24	-7.96	

NOTE : Figures relate to calendar year (January to December)
SOURCE : UN COMTRADE PUBLICATION

Figure - 1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. India and Australia have strong and growing trade relations, bolstered by the India-Australia Economic Cooperation and Trade Agreement (Ind-Aus ECTA), which came into effect in December 2022 and has already more than doubled bilateral merchandise trade. Key sectors benefiting include textiles, agriculture, and pharmaceuticals for India, and raw materials like coal and mineral ores for Australia. According to a 2023 report by India's Ministry of External Affairs, **India ranks as Australia's sixth-largest trading partner.**

Australia ranked 10th as an export destination of India in FY 2024-25. India exported to Australia 1.96 % of its total export value in FY 2024-25. In the same financial year imports from Australia was 2.20% of India's total import value. Australia was the 15th largest import partner of India in FY 2024-25. In FY 2024-25 almost 1.87% of India's international trade value was between India and Australia as per DGCI&S database.

8. Indo-Australia total volume of bilateral trade in FY 2020-21 was of the order of USD 12,292.79 million. It scaled up to USD 24,505.62 million in FY 2024-25. The annual compound growth rate of total volume of trade during the period from 2020-21 to 2024-25 has been of the order of 18.82%.

9. It appears from the available figures that between 2020-21 and 2024-25, India had a deficit Balance of Trade with Australia. Exports from India to Australia increased steeply 104.78% in FY 2021-22 over FY 2020-21. The annual average compound rate of growth of Exports was 20.68%. On the other hand, imports from Australia to India increased by 103.16% in FY 2021-22 compared to FY 2020-21. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of imports was 17.88%

A snapshot of India's merchandise trade statistics w.r.t. Australia is presented in **Table 3 & Figure 2.**

TABLE - 3

**INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. AUSTRALIA
FY 2020-2021 to 2024-2025**

(Value in USD Million)

Year	Exports from India to Australia	Percentage Growth in Exports	Imports from Australia to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	4044.94		8247.85		12292.79		-4202.91
2021-22	8283.13	104.78	16756.17	103.16	25039.30	103.69	-8473.04
2022-23	6951.32	-16.08	19011.31	13.46	25962.63	3.69	-12059.99
2023-24	7940.75	14.23	16159.43	-15.00	24100.18	-7.17	-8218.68
2024-25	8578.84	8.04	15926.78	-1.44	24505.62	1.68	-7347.94
Annual Compound Growth Rate		20.68		17.88		18.82	

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

FIGURE-2



10. Additionally, from Tables 4 & 5 presented below the following are stated:

a. **Petroleum Products, Drugs Formulations Biologicals and RMG Cotton Incl. Accessories** are occupying the top three slots in India's exports to Australia in the year 2024-25. Petroleum Products occupying the 52.27% share of export value from India to Australia.

b. **Coal Coke And Briquettes Etc., Gold and Pulses** are the three major commodities in India's imports list from Australia in the year 2024-25. India imports a significant amount of **Coal Coke And Briquettes Etc .** from Australia with a share of 43.38% of total imports from Australia recorded in 2024-25. Australia is one of the leading supplier of Coking coal to India.

TABLE -4

**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO AUSTRALIA
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Petroleum Products	1135.16	4566.94	2991.73	3813.06	4483.79	302.32	-34.49	27.45	17.59
	Share in total export	28.06	55.14	43.04	48.02	52.27				
2	Drug Formulations Biologicals	311.16	351.36	383.14	409.56	425.53	12.92	9.04	6.90	3.90
	Share in total export	7.69	4.24	5.51	5.16	4.96				
3	RMG Cotton Incl. Accessories	129.80	184.98	197.29	211.25	240.07	42.51	6.65	7.08	13.64
	Share in total export	3.21	2.23	2.84	2.66	2.80				
4	Gold And Other Precs. Metal. Jewellery.	1230.37	151.88	157.28	168.18	207.12	-87.66	3.56	6.93	23.15
	Share in total export	30.42	1.83	2.26	2.12	2.41				
5	Products Of Iron And Steel	176.67	207.22	238.18	243.15	188.24	17.29	14.94	2.09	- 22.58
	Share in total export	4.37	2.50	3.43	3.06	2.19				
6	Motor Vehicle/Cars	44.04	113.72	105.28	189.58	177.22	158.22	-7.42	80.07	-6.52
	Share in total export	1.09	1.37	1.51	2.39	2.07				
7	Cotton Fabrics, Madeups Etc.	120.25	133.64	142.53	136.48	162.68	11.14	6.65	-4.24	19.20
	Share in total export	2.97	1.61	2.05	1.72	1.90				
8	Electric Machinery And Equipment	95.86	123.96	273.07	254.23	162.11	29.31	120.29	-6.90	- 36.23
	Share in total export	2.37	1.50	3.93	3.20	1.89				
9	Pearl, Precs. Semi Precs. Stones	140.18	188.19	182.28	128.77	111.63	34.25	-3.14	- 29.36	- 13.31
	Share in total export	3.47	2.27	2.62	1.62	1.30				
10	Electronics Instruments	95.86	123.07	273.07	66.60	101.83	28.39	121.88	- 75.61	- 52.90
	Share in total export	2.37	1.49	3.93	0.84	1.19				
	Total exports to AUSTRALIA	4044.94	8283.13	6951.32	7940.75	8578.84	104.78	-16.08	14.23	8.04

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCIS, M/o C&I

TABLE -5

**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM AUSTRALIA
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Import					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Coal, Coke And Briquettes	5779.02	13044.96	14712.31	10829.60	6909.68	125.73	12.78	-26.39	-36.20
	Share in total import	70.07	77.85	77.39	67.02	43.38				
2	Gold	594.71	900.72	966.79	1993.57	33.87	51.46	7.34	106.21	-98.30
	Share in total import	7.21	5.38	5.09	12.34	0.21				
3	Pulses	83.64	123.73	274.49	617.02	1365.65	47.93	121.85	124.79	121.33
	Share in total import	1.01	0.74	1.44	3.82	8.57				
4	Bulk Minerals And Ores	150.48	767.20	638.96	390.21	749.01	409.84	-16.72	-38.93	91.95
	Share in total import	1.82	4.58	3.36	2.41	4.70				
5	Cotton Raw Incl. Waste	13.29	66.39	285.92	140.34	516.46	399.55	330.67	-50.92	268.01
	Share in total import	0.16	0.40	1.50	0.87	3.24				
6	Silver	63.59	6.89	54.57		280.00	-89.16	692.02	-100.00	
	Share in total import	0.77	0.04	0.29		1.76				
7	Processed Minerals	422.60	393.12	303.94	272.69	277.37	-6.98	-22.69	-10.28	1.72
	Share in total import	5.12	2.35	1.60	1.69	1.74				
8	Petroleum Products	264.98	127.07	487.83	191.83	263.70	-52.05	283.91	-60.68	37.47
	Share in total import	3.21	0.76	2.57	1.19	1.66				
9	Iron Ore	8.06	106.74	15.53	331.48	263.27	1224.32	-85.45	2034.45	-20.58
	Share in total import	0.10	0.64	0.08	2.05	1.65				
10	Iron And Steel	100.93	81.74	112.09	173.90	2350.62	-19.01	37.13	55.14	1251.71
	Share in total import	1.22	0.49	0.59	1.08	14.76				
	Total import from AUSTRALIA	8247.85	16756.17	19011.31	16159.43	15926.78	103.16	13.46	-15.00	-1.44

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

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