COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S

INDIA-AUSTRALIA BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. The Commonwealth of Australia occupies the Australian continent, Tasmania and several island territories in the southern hemisphere, with its capital at Canberra. It is a high-income, services-led economy and one of the world's largest exporters of iron ore, coal and liquefied natural gas. Australia is a member of the United Nations, WTO, IMF, World Bank, G20, OECD, APEC and the Quad, and has a Comprehensive Strategic Partnership with India.

2. According to the IMF's 2025 Article IV consultation (Executive Board, 9 February 2026), the Australian economy is managing a soft landing. Real GDP is estimated to have expanded by 1.9 percent in 2025 and is forecast to grow by 2.1 percent in 2026. Underlying inflation rose above 3 percent in 2025Q3, the unemployment rate stood at 4.3 percent, and the current account is expected to remain in deficit into the medium term. Risks are skewed toward slower growth and higher inflation.

3. The growth path since the post-pandemic rebound has been uneven. Real GDP growth slowed from 5.4 percent in 2021 to 1.0 percent in 2024, the weakest year in the series, before recovering to an estimated 1.9 percent in 2025 (Table 1). Nominal GDP is estimated at A$2,853 billion in 2025 for a population of 27.7 million, equivalent to roughly A$103,000 per head. The goods terms-of-trade index has fallen from 113 in 2022 to an estimated 95 in 2025 (−15.9 percent), which is the principal reason why the value of Australia's commodity exports has declined even where volumes have held up. Net lending/borrowing is estimated to have narrowed from 9.2 percent of GDP in 2021 to 1.9 percent in 2025 and is projected to reach 1.5 percent in 2027.

4. Subsequent official assessments point to a less benign outlook. The IMF's April 2026 World Economic Outlook raised its inflation projection for Australia to about 4 percent in 2026 and trimmed growth to 2.0 percent in 2026 and 1.7 percent in 2027. Following its 2026 mission, IMF staff (September 2026), as reported in the Australian press, projected growth of 1.9 percent in 2026 and 1.6 percent in 2027 and identified bringing down inflation as the priority for near-term policy, with weak productivity and the Middle East conflict cited among the headwinds. These revisions are relevant to the demand outlook for Indian exports, which are largely consumer and intermediate goods.

A snapshot of Australia's select economic indicators is as under.

TABLE 1
Australia: Main Economic Indicators, 2021-27

Indicators	2021	2022	2023	2024	2025	2026	2027
Real GDP growth (%)	5.4	4.2	2.1	1.0	1.9	2.1	2.2
Nominal GDP (billions of A$)	2,208	2,491	2,630	2,726	2,853	3,000	3,134
Population (millions)	25.8	26.3	27.0	27.4	27.7	28.1	28.4
Terms of trade, goods (index)	103	113	104	97	95	96	94
Net lending/borrowing (% of GDP)	-9.2	-3.7	-3.2	-2.9	-1.9	-1.8	-1.5

SOURCE : IMF Executive Board Concludes 2025 Article IV Consultation with Australia (Press Release No. 26/046, 9 Feb 2026; Country Report No. 26/38). 2025 onward: IMF staff estimates/projections.

NOTE : "…" indicates data not available in the source release.

FOREIGN TRADE

5. According to the World Integrated Trade Solution (WITS), Australia's principal exports are iron ores and concentrates, bituminous coal, liquefied natural gas, unwrought gold and other minerals, while its main imports include refined petroleum, telecommunication apparatus, passenger vehicles and diesel trucks. In UN COMTRADE's HS 2-digit classification, three chapters – ores, slag and ash; mineral fuels; and pearls, precious stones and metals (mainly gold) – together accounted for 67.1 percent of merchandise exports in 2025 (Table 5).

6. Australia's total merchandise exports were USD 342,036 million in 2021 and USD 369,235 million in 2023, after peaking at USD 410,253 million in 2022, and then eased to USD 340,850 million in 2024 and USD 335,841 million in 2025. Imports rose from USD 261,586 million in 2021 to USD 287,861 million in 2023 and USD 309,963 million in 2025, the highest in the series. Australia recorded a trade surplus in each year, but the surplus has narrowed steadily from USD 100,953 million in 2022 to USD 81,374 million in 2023, USD 44,370 million in 2024 and USD 25,878 million in 2025 – a fall of 74.4 percent from the 2022 peak. A snapshot of Australia's overall trade statistics is presented in Table 2 and Figure 1 below.

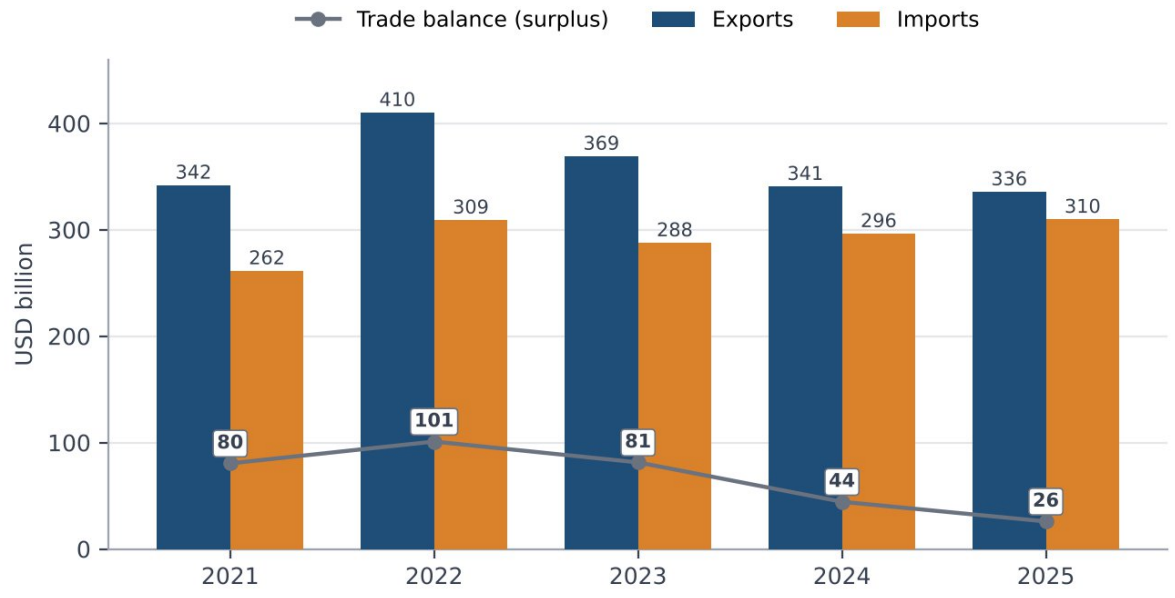
TABLE - 2
AUSTRALIA'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE, 2021 TO 2025
(Figures in USD Million)

Year	Exports	% Growth in Exports	Imports	% Growth in Imports	Volume of Trade	% Growth in Vol. of Trade	Balance of Trade
2021	342,036	…	261,586	…	603,622	…	80,450
2022	410,253	19.94	309,300	18.24	719,553	19.21	100,953
2023	369,235	-10.00	287,861	-6.93	657,096	-8.68	81,374
2024	340,850	-7.69	296,480	2.99	637,330	-3.01	44,370
2025	335,841	-1.47	309,963	4.55	645,804	1.33	25,878
Annual Compound Growth Rate (2021-25)	**-0.46**		**4.33**		**1.70**		

NOTE : Figures relate to calendar year (January to December). Volume of trade = exports + imports. Balance of trade = exports − imports (WITS reports the 2025 balance as 25,879 owing to rounding of unrounded source values). 2024 values are UN COMTRADE totals rounded to the nearest USD 10 million.

SOURCE : World Integrated Trade Solution (WITS), World Bank (UN COMTRADE reported data) for 2021-23 and 2025; UN COMTRADE (via Trading Economics, updated Oct 2026) for 2024.

Figure - 1
Australia's Merchandise Exports, Imports and Trade Balance, 2021-25
(USD billion)



7. Table 2 shows that trade has been rebalancing from exports towards imports. Exports have contracted for three consecutive years (-10.00 percent in 2023, -7.69 percent in 2024 and -1.47 percent in 2025), reflecting lower commodity prices, whereas imports have risen in each of the last two years (+2.99 percent and +4.55 percent). Over 2021-25 exports declined at a compound rate of 0.46 percent a year against growth of 4.33 percent a year in imports, so that the volume of trade grew by only 1.70 percent a year. Exports covered 108.3 percent of imports in 2025, down from 130.8 percent in 2021.

8. Official sources do not agree exactly on Australia's 2024 totals (Table 3). The WTO's Tariff & Trade Data profile, which draws on the WTO Integrated Database and Trade Data Monitor, gives exports of USD 338,998 million and imports of USD 283,058 million, i.e. a lower import figure and a correspondingly larger surplus than UN COMTRADE. Differences of this order are normal between data sources and reflect coverage, valuation and revision conventions; the UN COMTRADE series is used in Table 2 so that a single consistent series runs from 2021 to 2025.

TABLE - 3
AUSTRALIA'S MERCHANDISE TRADE IN 2024: COMPARISON OF SOURCES
(Figures in USD Million)

Source	Exports	Imports	Balance of Trade
UN COMTRADE (via Trading Economics)	340,850	296,480	44,370
WTO Tariff & Trade Data (IDB / Trade Data Monitor)	338,998	283,058	55,940
Difference (WTO − UN COMTRADE)	**-1,852**	**-13,422**	**+11,570**

SOURCE : UN COMTRADE database; WTO Tariff & Trade Data, Australia profile (data for 2024).

9. Australia's trade is concentrated in a few Asian partners (Table 4). China alone took 30.3 percent of Australia's exports and supplied 26.7 percent of its imports in 2025; the four largest export destinations (China, Japan, the United States and South Korea) accounted for 51.1 percent of the total. India was Australia's sixth-largest export market (USD 13.26 billion, 3.95 percent) and tenth-largest source of imports (USD 7.85 billion, 2.53 percent). Taking exports and imports together, India ranked fifth among Australia's goods-trade partners in 2025, behind China, the United States, Japan and South Korea, and ahead of the United Kingdom, Singapore and Malaysia.

TABLE - 4
AUSTRALIA'S MAJOR TRADING PARTNERS, 2025
(Value in USD Billion)

Rank	Export destination	Value	Share (%)	Import source	Value	Share (%)
1	China	101.75	30.30	China	82.88	26.74
2	Japan	25.25	7.52	United States	34.05	10.99
3	United States	24.82	7.39	Japan	16.48	5.32
4	South Korea	19.82	5.90	South Korea	14.60	4.71
5	United Kingdom	13.88	4.13	Singapore	13.15	4.24
6	India	13.26	3.95	Thailand	12.57	4.06
7	Hong Kong	8.54	2.54	Malaysia	12.36	3.99
8	New Zealand	8.39	2.50	Germany	11.72	3.78
9	Indonesia	7.22	2.15	Vietnam	8.48	2.74
10	Vietnam	6.42	1.91	India	7.85	2.53
	Total (all countries)	**335.84**	**100.00**	**Total (all countries)**	**309.96**	**100.00**

NOTE : Figures relate to calendar year 2025 (UN COMTRADE reported data). India's entries are highlighted.

SOURCE : UN COMTRADE via Trading Economics (Australia Exports/Imports by Country, updated Oct 2026).

10. The commodity pattern (Tables 5 and 6) is that of a resource exporter and a manufactures importer. Exports are dominated by ores (USD 95.23 billion) and mineral fuels (USD 90.32 billion). Fuel exports fell 20.2 percent from USD 113.13 billion in 2024, whereas exports of pearls, precious stones and metals – chiefly gold – surged 61.5 percent from USD 24.75 billion to USD 39.96 billion, partly offsetting the decline in energy earnings. Agricultural exports remain significant, led by meat (USD 17.42 billion) and cereals (USD 9.65 billion). On the import side, machinery, vehicles, mineral fuels and electrical equipment together made up 50.7 percent of the total; the notable movement in 2025 was a 84.1 percent jump in imports of precious metals, while vehicle and fuel imports declined.

TABLE - 5
AUSTRALIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS, 2025
(Value in USD Billion)

Sl. No.	Name of the Merchandise Commodities	Value (USD Billion)	Share in total (%)
1	Ores, slag and ash	95.23	28.36
2	Mineral fuels, oils, distillation products	90.32	26.89
3	Pearls, precious stones, metals, coins	39.96	11.90
4	Meat and edible meat offal	17.42	5.19
5	Cereals	9.65	2.87
6	Inorganic chemicals; precious metal compounds	6.87	2.05
7	Machinery, nuclear reactors, boilers	5.89	1.75
8	Aluminium	4.99	1.49
9	Copper	4.83	1.44
10	Optical, photo, technical, medical apparatus	4.34	1.29
	Total (all commodities)	**335.84**	**100.00**

NOTE : Figures relate to calendar year 2025 (UN COMTRADE classification, HS 2-digit chapters).
SOURCE : UN COMTRADE via Trading Economics (Australia Exports by Category, updated Oct 2026).

TABLE - 6
AUSTRALIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS, 2025 AND 2024
(Value in USD Billion)

Sl. No.	Name of the Merchandise Commodities	2025	Share in 2025 (%)	2024	% Change
1	Machinery, nuclear reactors, boilers	44.49	14.35	42.31	+5.2
2	Vehicles other than railway, tramway	41.21	13.30	44.25	−6.9
3	Mineral fuels, oils, distillation products	36.05	11.63	39.45	−8.6
4	Electrical, electronic equipment	35.29	11.39	32.18	+9.7
5	Pearls, precious stones, metals, coins	16.57	5.35	9.00	+84.1
6	Pharmaceutical products	11.86	3.83	11.15	+6.4
7	Optical, photo, technical, medical apparatus	10.83	3.49	10.36	+4.5
8	Plastics	7.59	2.45	7.72	−1.7
	Total (all commodities)	**309.96**	**100.00**	**296.48**	**+4.5**

NOTE : Figures relate to calendar years (UN COMTRADE classification, HS 2-digit chapters). Ranking is by 2025 value; articles of iron or steel (USD 7.12 billion) and furniture, lighting and prefabricated buildings (USD 5.77 billion) rank ninth and tenth in 2025.
SOURCE : UN COMTRADE via Trading Economics (Australia Imports by Category).

11. Trade is central to the Australian economy. According to WITS, exports and imports of goods and services were equivalent to 26.8 percent and 22.4 percent of GDP respectively in 2023, and global value chain-related trade made up 39 percent of gross trade in 2022. In 2023 Australia ran a services deficit, with services exports of USD 76.6 billion against imports of USD 101.3 billion. Trade is also important for domestic output and employment: the Department of Foreign Affairs and Trade has stated that trade supports 31 percent of Australia's economic output and 3 million jobs.

12. Australia's tariff regime is low and getting lower (Table 7). WTO data show a simple average MFN applied tariff of 2.4 percent in 2024, with 52.1 percent of the MFN schedule duty-free, while WITS reports a trade-weighted average of only 1.31 percent in 2023 and a network of 26 preferential tariff agreements. The WTO Secretariat's report for Australia's ninth Trade Policy Review (April 2025) notes that Australia has made little use of trade remedy measures and that duty-free access under its recent agreements, including those with India and the United Kingdom, has supported trade growth. For Indian exporters the relevant benchmark is therefore not the MFN rate but the Ind-Aus ECTA preference, discussed below, which has taken the applicable duty to zero on all tariff lines from 1 January 2026.

TABLE - 7
AUSTRALIA: SELECT TARIFF AND TRADE-POLICY INDICATORS

Indicator	Value	Source (year)
Simple average MFN applied tariff (%)	2.4	WTO (2024)
Trade-weighted average MFN applied tariff (%)	2.6	WTO (2024)
Share of MFN duty-free (%)	52.1	WTO (2024)
Simple average applied tariff (%)	2.05	WITS (2023)
Effectively applied tariff, weighted average (%)	1.31	WITS (2023)
Maximum applied tariff rate (%)	28.05	WITS (2023)
Duty-free tariff lines, share (%)	56.92	WITS (2023)
Number of preferential tariff agreements	26	WITS (2023)
Services trade restrictiveness index (overall)	20.20	WITS / World Bank SPRD
GVC-related trade (% of gross trade)	39	WITS (2022)
Exports of goods and services (% of GDP)	26.80	WITS / World Bank (2023)
Imports of goods and services (% of GDP)	22.43	WITS / World Bank (2023)

NOTE : WTO and WITS applied-tariff figures differ in year, tariff-line weighting and treatment of preferences, and are not strictly comparable.
SOURCE : WTO Tariff & Trade Data (Australia profile); WTO Trade Policy Review of Australia (2025); WITS Country Snapshot, World Bank.

BILATERAL TRADE WITH INDIA

13. India and Australia share a Comprehensive Strategic Partnership. The India-Australia Economic Cooperation and Trade Agreement (Ind-Aus ECTA), signed on 2 April 2022 and in force from 29 December 2022, gave India preferential access on 70.3% of tariff lines covering 90.6% of trade value, while Australia granted preferential access on 100% of tariff lines. From 1 January 2026 all Indian exports are eligible for zero-duty access into Australia. Negotiations on a Comprehensive Economic Cooperation Agreement (CECA) and a bilateral investment treaty are under way; the two Trade Ministers discussed fast-tracking the CECA at the G20 Trade Ministers' meeting in October 2026. Both governments have set a goal of raising bilateral trade to USD 100 billion by 2030, and in September 2025 the two sides signed a Mutual Recognition Arrangement on organic products to reduce certification costs for exporters.

14. Bilateral merchandise trade stood at USD 24.1 billion in FY 2024-25, comprising Indian exports of USD 8.58 billion and imports of USD 15.52 billion, leaving India with a deficit of about USD 6.94 billion. India's exports have more than doubled from about USD 4 billion in FY 2020-21 and grew by 8% in FY 2024-25. Bilateral trade in FY 2025-26 (April to February) was USD 19.3 billion; for the full year, TRADESTAT data show total trade of USD 21.10 billion, made up of exports of USD 7.28 billion and imports of USD 13.81 billion. A snapshot is presented in Table 8 and Figure 2.

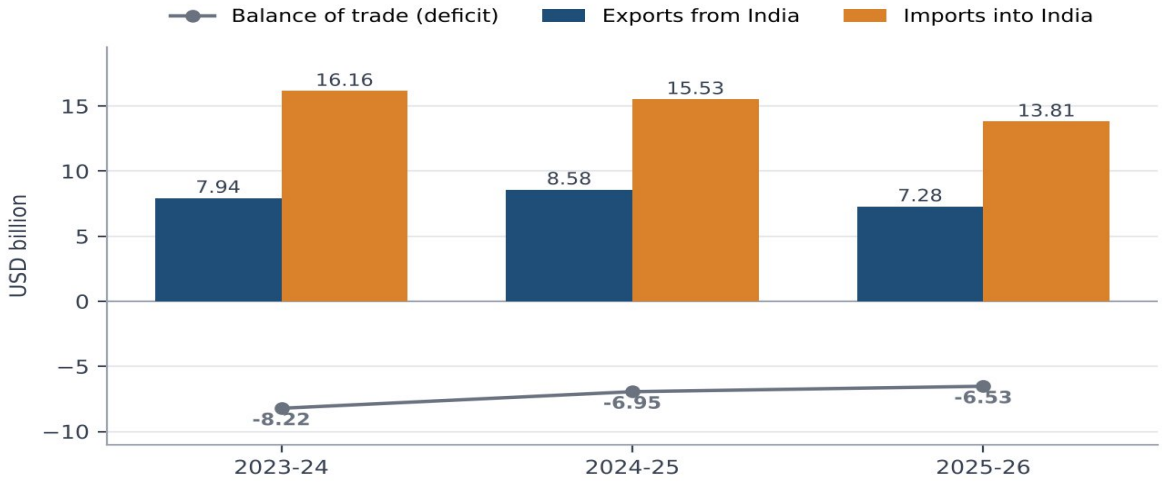
TABLE-8
INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. AUSTRALIA
Value in USD Million

Year	Exports from India	% Growth in Exports from India	Imports to India	% Growth in Imports to India	Volume of Trade	% Growth in Vol. of Trade	Balance of Trade
2023-24	7,940.75	14.23	16,159.20	-15.00	24,099.95	≈ -7.18	-8,218.45
2024-25	8,581.38	8.07	15,526.46	-3.92	24,107.84	0.03	-6,945.08
2025-26	7,284.18	-15.12	13,811.35	-11.05	21,095.53	-12.50	-6,527.17

NOTE : Figures relate to Financial Year (April to March). The growth rate of trade volume for 2023-24 is derived from the reported growth rates of exports and imports (2022-23 total of about USD 26 billion) and is therefore approximate.

SOURCE : TRADESTAT, Department of Commerce, Ministry of Commerce & Industry, GoI; Ministry of Commerce & Industry (Ind-Aus ECTA four-year release, 2 Apr 2026). Figures are subject to revision.

Figure - 2
India's Merchandise Trade with Australia, FY 2023-24 to 2025-26
(USD billion)



15. The ECTA era has two distinct phases. In the first, India's exports rose from about USD 4.0 billion in FY 2020-21 to USD 8.58 billion in FY 2024-25 – an increase of 115 percent, or a compound 21.0 percent a year – while total trade doubled from USD 12.2 billion to about USD 26 billion in FY 2022-23. In the second, FY 2025-26, bilateral trade contracted 12.5 percent to USD 21.10 billion as imports from Australia fell 11.0 percent and exports fell 15.1 percent. Even so, exports remain 82 percent above their FY 2020-21 level and account for 1.65 percent of India's merchandise exports of USD 441.8 billion in FY 2025-26.

16. The deficit has become smaller, but for the wrong reason. India's trade deficit with Australia narrowed from USD 8.22 billion in FY 2023-24 to USD 6.95 billion in FY 2024-25 and USD 6.53 billion in FY 2025-26, yet the improvement in FY 2025-26 came about because imports (mainly coal and energy) shrank faster in value terms than exports, not because exports grew. Imports from Australia have fallen in each of the last three financial years (−15.0, −3.9 and −11.1 percent). Since Indian exports to Australia have zero-duty access on all lines from 1 January 2026, the fourth quarter of FY 2025-26 was the first period in which the full ECTA preference applied, and FY 2026-27 will be the first full year in which it can be tested.

17. Calendar-year UN COMTRADE data (Table 9) allow the Indian and Australian records of the same trade to be compared. For 2024 the two sides agree closely: India reports exports of USD 7.74 billion against Australia's reported imports of USD 7.83 billion, and India's reported imports of USD 16.43 billion match Australia's reported exports of USD 16.48 billion. For 2025 India's reported exports (USD 7.75 billion) and Australia's reported imports (USD 7.85 billion) are again consistent, but Australia's reported exports to India (USD 13.26 billion) are USD 2.70 billion lower than India's reported imports (USD 15.96 billion). The size of this gap is unusual and should be checked when the finalised 2025 records are released. Note that calendar-year COMTRADE totals are not comparable with the financial-year DGCI&S/TRADESTAT totals in Table 8, which differ in period, coverage and valuation.

TABLE - 9
INDIA-AUSTRALIA MERCHANDISE TRADE: INDIA'S AND AUSTRALIA'S REPORTED FIGURES, CY2024 AND CY2025
(Value in USD Billion)

Flow	2024: India-reported	2024: Australia-reported	2025: India-reported	2025: Australia-reported
India's exports to Australia	7.74	7.83	7.75	7.85
India's imports from Australia	16.43	16.48	15.96	13.26
Volume of trade	**24.17**	**24.31**	**23.71**	**21.11**
Balance of trade (India)	**-8.69**	**-8.65**	**-8.21**	**-5.41**

NOTE : Calendar years. India-reported = India's own exports and imports; Australia-reported = Australia's imports from, and exports to, India (mirror data). Values are rounded to USD 0.01 billion in the source.
SOURCE : UN COMTRADE via Trading Economics (updated Oct 2026).

18. From Tables 10 and 11 it is seen that, in 2025, mineral fuels (refined petroleum products) were by far the largest Indian export to Australia at USD 3.29 billion (42.5 percent), followed by machinery, pharmaceutical products and electrical equipment, while mineral fuels (coal and gas), gold and other precious metals, vegetables and ores dominated India's imports. Mineral fuels alone accounted for 49.2 percent of the UN COMTRADE value of India's imports from Australia, and the top ten chapters together made up 93.6 percent of the total, compared with 77.7 percent for India's exports, which are far more diversified.

TABLE - 10
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO AUSTRALIA, 2025
(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value (USD Million)	Share in total (%)
1	Mineral fuels, oils, distillation products	3,290.00	42.45
2	Machinery, nuclear reactors, boilers	525.31	6.78
3	Pharmaceutical products	475.23	6.13
4	Electrical, electronic equipment	380.77	4.91
5	Pearls, precious stones, metals, coins	366.16	4.72
6	Vehicles other than railway, tramway	264.56	3.41
7	Other made-up textile articles, sets, worn clothing	197.92	2.55
8	Articles of apparel, not knit or crocheted	178.19	2.30
9	Articles of apparel, knit or crocheted	172.19	2.22
10	Articles of iron or steel	171.05	2.21
	Total (all commodities)	**7,750.00**	**100.00**

NOTE : Figures relate to calendar year 2025 (UN COMTRADE classification, HS 2-digit chapters; India-reported exports). Total is as published, rounded to USD 10 million.

SOURCE : UN COMTRADE (India's exports to Australia, calendar year 2025; HS 2-digit chapters) via Trading Economics.

TABLE - 11

INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM AUSTRALIA, 2025 AND 2024

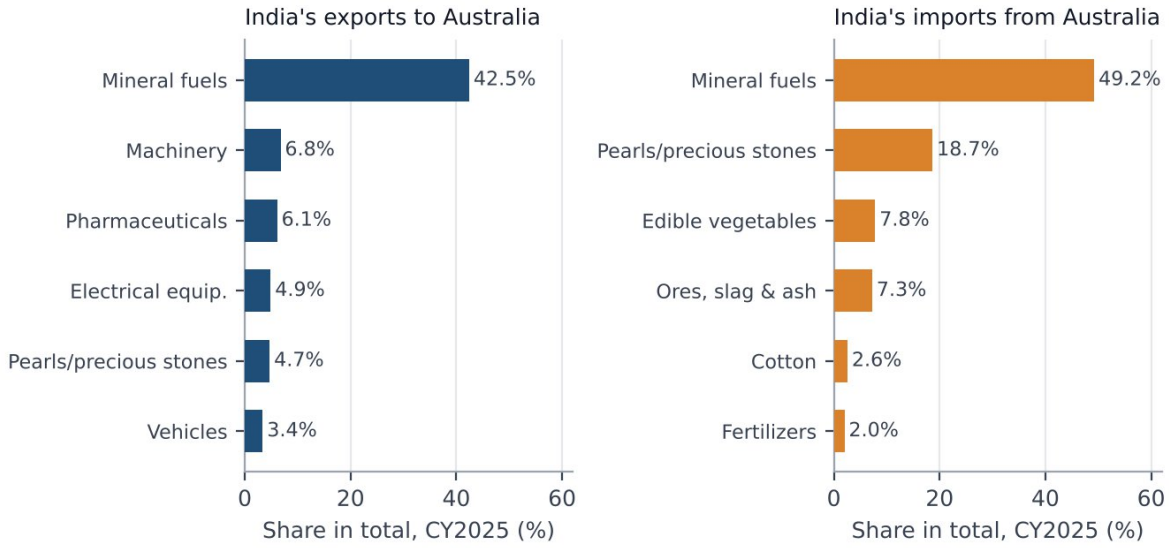
(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	2025	Share in 2025 (%)	2024	% Change
1	Mineral fuels, oils, distillation products	7,860.00	49.25	9,590.00	−18.0
2	Pearls, precious stones, metals, coins	2,980.00	18.67	2,990.00	−0.3
3	Edible vegetables, roots and tubers	1,250.00	7.83	617.61	+102.4
4	Ores, slag and ash	1,160.00	7.27	900.15	+28.9
5	Cotton	414.16	2.59	264.28	+56.7
6	Fertilizers	321.54	2.01	<138.27	>+132
7	Inorganic chemicals; precious metal compounds	295.06	1.85	410.73	−28.2
8	Aluminium	255.09	1.60	208.06	+22.6
9	Iron and steel	219.79	1.38	258.43	−15.0
10	Wood and articles of wood	184.08	1.15	138.27	+33.1
	Total (all commodities)	**15,960.00**	**100.00**	**16,430.00**	**−2.9**

NOTE : Figures relate to calendar years (UN COMTRADE classification, HS 2-digit chapters; India-reported imports). Fertilizers were not among the ten largest chapters in 2024, i.e. their 2024 value was below that of the tenth-ranked chapter (USD 138.27 million).

SOURCE : UN COMTRADE (India's imports from Australia, calendar years 2024 and 2025; HS 2-digit chapters) via Trading Economics.

Figure - 3
Composition of India-Australia Merchandise Trade, 2025
(Share in India's total exports to / imports from Australia, %)



19. Year-on-year changes in India's imports (Table 11) show how the trade structure is shifting. Imports of mineral fuels dropped 18.0 percent to USD 7.86 billion, a fall of USD 1.73 billion that more than accounts for the USD 0.47 billion decline in total imports. Against this, imports of edible vegetables (a chapter that includes pulses) doubled (+102 percent), cotton rose 56.7 percent, ores 28.9 percent and aluminium 22.6 percent, while fertilizers entered the top ten. India's complementarity with Australia is thus gradually widening from coal and gold towards agricultural inputs, critical minerals and metals, which fits the priorities of the proposed CECA.

20. On the export side, the 2025 value of USD 7.75 billion was virtually unchanged from USD 7.74 billion in 2024, but its composition improved. Exports of mineral fuels declined 12.5 percent from USD 3.76 billion, while non-fuel exports rose: pharmaceutical products by 15.0 percent (USD 413.32 million to USD 475.23 million), electrical and electronic equipment by 12.2 percent (USD 339.42 million to USD 380.77 million) and pearls, precious stones and jewellery by 19.3 percent (USD 306.93 million to USD 366.16 million). Textiles and apparel are emerging as a distinct group: made-up textile articles, non-knit apparel and knit apparel together contributed USD 548.30 million, more than electrical equipment. These labour-intensive lines are among those that benefit from the zero-duty access available to all Indian exports since 1 January 2026.

21. Australian import statistics give a complementary view of the same trade (Table 12). Australia's reported imports from India were USD 7.85 billion in 2025, with mineral fuels at USD 2.48 billion (31.6 percent), followed by pharmaceutical products, machinery, electrical equipment and precious stones and jewellery. In Australian data, imports of pharmaceuticals rose 21.7 percent, machinery 14.3 percent and electrical equipment 26.6 percent in 2025 over 2024, whereas fuel imports from India fell 15.6 percent and vehicles 18.0 percent. Australian customs data also record sizeable imports of apparel and made-up textiles from India (USD 210.50 million for non-knit apparel and USD 193.08 million for other made-up textiles).

TABLE - 12
AUSTRALIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM INDIA, 2025 (MIRROR DATA)
(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value (USD Million)	Share in total (%)
1	Mineral fuels, oils, distillation products	2,480.00	31.59
2	Pharmaceutical products	647.87	8.25
3	Machinery, nuclear reactors, boilers	581.16	7.40
4	Electrical, electronic equipment	484.88	6.18
5	Pearls, precious stones, metals, coins	436.01	5.55
6	Vehicles other than railway, tramway	326.21	4.16
7	Articles of iron or steel	324.89	4.14
8	Articles of apparel, not knit or crocheted	210.50	2.68
	Total (all commodities)	**7,850.00**	**100.00**

NOTE : Figures relate to calendar year 2025 (UN COMTRADE classification, HS 2-digit chapters; Australia-reported imports). Total is as published, rounded to USD 10 million.

SOURCE : UN COMTRADE (Australian imports from India, calendar year 2025; HS 2-digit chapters) via Trading Economics.

OUTLOOK & ANALYTICAL OBSERVATIONS

22. Structural complementarity. Australia exports raw materials, energy, agricultural produce and gold, and imports machinery, vehicles, electrical goods and medicines. India's exports to Australia (manufactures, pharmaceuticals, textiles, jewellery, refined fuels) fit the Australian import basket, while India's needs for coal, gas, ores, metals, pulses and cotton fit the Australian export basket. This complementarity explains why trade has more than doubled since 2020-21 and why it is likely to stay resilient.

23. The cycle is price-driven on the import side. The decline in India's imports from Australia in 2024-25 and 2025-26 is mostly a price and demand effect in mineral fuels, consistent with the fall in Australia's terms of trade (Table 1) and its fuel export values (Table 5). Indian trade statistics for this partner will therefore remain sensitive to energy prices and to India's own coal-import needs, and the deficit should be read with this in mind.

24. Room to grow in Australia's market. India supplies only 2.5 percent of Australia's imports even though Australia buys USD 309.96 billion of goods a year, including USD 11.86 billion of pharmaceuticals, USD 10.83 billion of precision and medical apparatus, USD 7.59 billion of plastics and several billion of apparel. With the removal of all remaining duties from 1 January 2026, the product lines in which Indian capacity is strong – generics, auto components, engineering goods, apparel, leather and footwear, jewellery, processed food – are the natural sources of export growth.

25. Risks. The IMF's successive downward revisions to Australian growth and upward revisions to inflation, combined with higher domestic interest rates, imply softer Australian import demand in 2026-27. Exchange-rate movements, compliance with Australian regulatory standards (such as therapeutic goods registration and biosecurity requirements) and the unresolved gap between Indian and Australian records of 2025 trade (Table 9) are additional factors to watch.

26. Policy pipeline. The CECA, the proposed investment treaty, the organic products arrangement and cooperation on critical minerals are the main levers to deepen trade in services, investment and value-added sectors. Services and investment are not covered in the merchandise statistics in this profile, and the trade value of the partnership is therefore understated by these figures.

DATA SOURCES & NOTES

- IMF – Article IV Consultation with Australia, Press Release No. 26/046 and Country Report No. 26/38 (Feb 2026); IMF World Economic Outlook (Jan and Apr 2026) and IMF staff concluding statement on the 2026 Article IV mission (Sep 2026), as reported by the Australian press.
- WITS, World Bank – Australia trade summary 2021-2023 and 2025; Country Snapshot (tariff, services and GVC indicators).
- UN COMTRADE via Trading Economics (data updated Oct 2026) – Australia's trade by partner and commodity, 2024-25; India's exports to and imports from Australia, 2024-25; Australia's imports from India, 2025.
- WTO – Tariff & Trade Data, Australia profile (2024); Trade Policy Review of Australia, 2025.
- Department of Foreign Affairs and Trade, Australia – statement to Senate Estimates on trade, output and jobs.
- Ministry of Commerce & Industry, GoI – Ind-Aus ECTA four-year release (2 Apr 2026) and press releases on India's FY 2025-26 exports; TRADESTAT, Department of Commerce / DGCI&S, M/o C&I (financial-year series, FY 2023-24 to FY 2025-26).
- Calendar-year UN COMTRADE data and financial-year DGCI&S/TRADESTAT data.

NOTICE: Rights of permission for reproduction in part or entirely of these official papers published in the Indian Trade Journal is reserved by the Directorate General of Commercial Intelligence & Statistics, Kolkata – 700 107.