Balance of Payments Q4 2025

Balance of Payment

Australia's seasonally adjusted current account deficit deteriorated by A$2.8b to A$21.1b in Q4 2025, the fourth widest on record. This was a worse outcome than the deficit of A$16.5b expected by the market. The Q3 2025 current account deficit also turned out to be wider than first estimated (A$18.3b instead of A$16.6b).

The deterioration in the current account balance was mainly due to a wider net primary income deficit, with the trade surplus declining only marginally. That said, the trade surplus, at A$1.3b, was the lowest since mid-2018.

Current Account Balance (A$m, Seasonally Adjusted)

	Change	Q4 2025	Q3 2025
Current Account	-2,753	-21,093	-18,340
Trade Balance	-49	1,324	1,373
Net Primary Income Balance	-2,518	-21,729	-19,211

The marginal decline in the trade surplus resulted from a slightly stronger rise in imports than exports.

The rise in exports was supported by all major categories except for fossil fuels.

The strongest gain in values was recorded for the volatile non-monetary gold, which surged by A$2.4b or 16.6% amid higher global prices. Metal ores and minerals (mainly iron ore) saw the second strongest gain of A$2.0b (4.9%), thanks to both higher prices and volumes.

Rural goods (A$1.2b or 6.0%) and services (A$0.9b or 2.6%) saw more moderate gains.

The declines in fossil fuel export values were due to lower volumes and prices.

Key Exports (Seasonally Adjusted)

	Change (A$m)	Volume (%)	Prices (%)
Rural Goods	1,158	2.4	3.5
Metal Ores and Minerals	2,028	3.9	1.0
Coal, Coke and Briquettes	-264	-0.3	-1.3
Other Mineral Fuels (Oil and Gas)	-1,419	-0.4	-7.6
Non-Monetary Gold	2,407	-2.8	19.5
Services	933	1.1	1.5

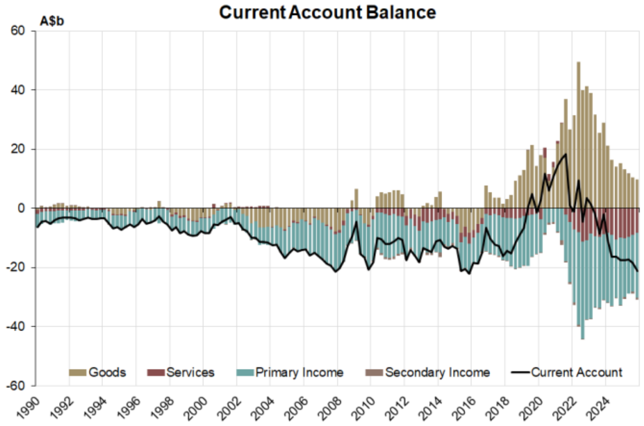
The rise in imports was also quite broad-based, with capital goods being the only major category that saw a decline due to lower prices.

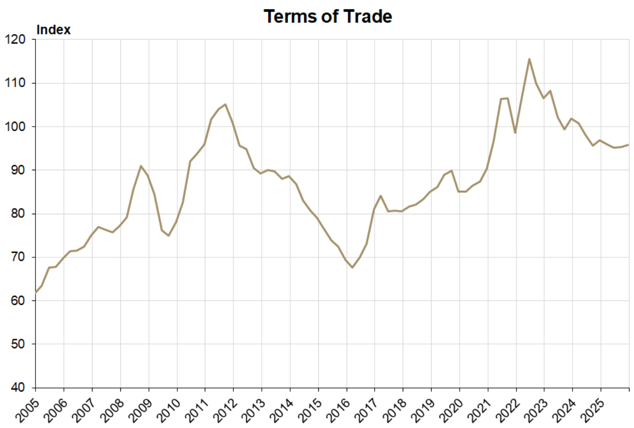
Non-monetary gold also led a rise in import values, with a A$2.8b or 68.2% surge to a new record high of A$7.0b, amid both higher volumes and prices.

There were also solid gains in consumption goods (A$1.0b or 2.7%) as well as intermediate and other merchandise goods (A$1.4b or 2.8%), with a rise in prices and volumes. Services saw a more measured increase of A$0.3b or 0.7%.

Key Imports (Seasonally Adjusted)

	Change (A$m)	Volume (%)	Prices (%)
Consumption Goods	1,004	2.5	0.2
Capital Goods	-110	0.6	-1.0
Intermediate and Other Merch. Goods	1,350	2.1	0.7
Non-Monetary Gold	2,828	40.5	19.8
Services	299	-0.4	1.1





Net primary income deficit widened by A$2.5b to A$21.1b, a level unseen in a year. The widening was caused by higher dividends paid by Australian companies to overseas investors.

The terms of trade ticked up by 0.4% in Q4 2025 but remained 17.1% off their record high from mid-2022.

Net International Investment Position

The net international liability position narrowed to A$638.5b from A$663.7b. Net foreign debt picked up to a record high of A$1,481.2b.

Comment

The further deterioration in Australia's foreign position in late 2025 was driven by payments from Australian companies to foreign investors amid high commodity prices.

At the same time, trade in goods and services remains in surplus, even if it continues to narrow amid solid imports reflecting an improvement in domestic conditions towards the end of 2025. The ABS estimates that net trade detracted 0.1ppts from real GDP growth in Q4.

Looking ahead, the escalation of the conflict in the Middle East over the weekend, including attacks on oil and gas processing facilities, implies an upside risk to prices and volumes of Aussie LNG exports, but also an upside risk to import prices of petroleum.

03 March 2026