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Executive Summary

Australian resource and energy export earnings are forecast to decline by about 4% to $369 billion in 2025–26, down from an estimated $385 billion in 2024–25. A further fall to $352 billion is forecast in 2026–27. These forecasts are modestly weaker than those contained in the March 2025 *Resources and Energy Quarterly* (REQ). The outlook is more uncertain than normal, given the fallout from rising trade barriers is still emerging.

World economic growth remains relatively soft. Rising trade barriers – and uncertainty over how high these barriers will settle – have disrupted trade between the US and its major partners and caused businesses and consumers to adopt a 'wait and see' approach. The increased caution has induced further weakness in activity. The associated uncertainty is likely to impinge on world commodity demand, as the nations that Australia supplies are impacted.

US GDP fell in the March quarter 2025, primarily due to a surge in imports in anticipation of widespread import tariff hikes in early April. In China, rising trade barriers and ongoing weakness in the residential property sector are weighing on consumer and business confidence and thus spending.

The gold price reached new highs in the June quarter, with prices lifting above US$3,400 an ounce, while base metal prices generally weakened. The strength in gold prices came as investors sought safe haven assets on the back of both heightened economic uncertainty over rising trade barriers and worries over the US fiscal outlook. Prices are forecast to stay above $3,000 per ounce until the middle of 2026 due to strong demand. Gold is expected to overtake metallurgical coal to be our third highest value export in 2025–26.

Oil prices fell in April/May on the back of rising OPEC+ supply and weakness in demand, but spiked in mid-June as hostilities broke out between Israel and Iran.

Alumina prices lost some of last year's sharp gains in recent months, as bauxite supply issues in Africa were superseded by increased Chinese production.

Resource commodity export volumes rose in the year to the June quarter 2025 but energy export volumes fell. Australian coal exports were impacted by bad weather on the east coast. Resource and energy commodity export volumes are forecast to pick up modestly over the outlook period (to end 2027), as the impact of easier monetary conditions more than offsets the impact of rising trade barriers.

Capital expenditure in Australia's resource and energy sectors continues to rise, underscoring the favourable long-term outlook. Exploration has softened but remains at relatively high levels. Greenfield exploration activity has continued to account for much of the weakness in exploration, with spending falling to a 7-year low and drilling metres falling to an almost 9-year low. This reflects a continuation of recent trends in exploration companies (and investors) prioritising less-risky brownfield projects, as well as continued price weakness for nickel and lithium.

Risks to Australian export earnings forecast in this report include:

- ongoing trade tensions among the US and its major trading partners
- a slower-than-expected global disinflation path
- extended contraction in China's property sector
- a further rise in geopolitical tensions
- an increase in global bond yields.

Overview

Australia's resources and energy sector

Contributes around **11.4% of GDP**

Makes up around **two-thirds** of Australia's total merchandise exports

Directly employs around **300,000 people**

Outlook

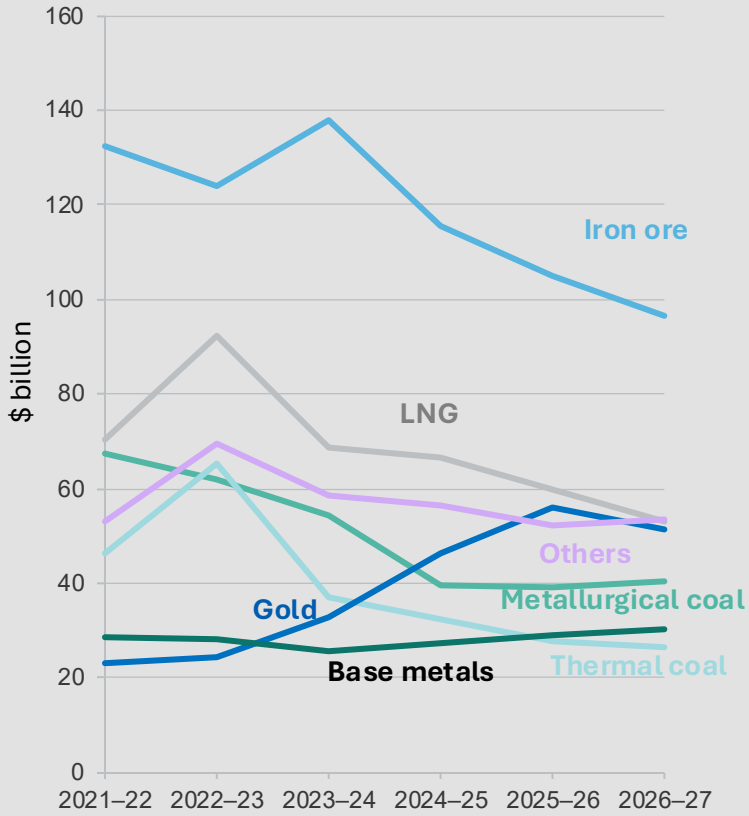
Near-term outlook for resource and energy exports is for further normalisation

World GDP growth outlook is uncertain in the near-term

Energy transition continues

Investment in new Australian deposits and mines to grow

Australian resources and energy exports



Source: ABS; DISR; OCE

1.1 Summary

- The near-term outlook for Australian resources and energy exports has softened as rising trade barriers hurt the world economy.
- From an estimated $385 billion in 2024–25, resource and energy export earnings are now forecast to fall to $369 billion in 2025–26 and then fall further to $352 billion in 2026–27.
- Higher volumes and price for our gold exports will only partly offset the impact of weaker than previously forecast iron ore and LNG prices in 2025–26 before gold exports fall back in 2026–27.

1.2 Macroeconomic, geopolitical and policy factors

Heightened trade barriers will hurt world growth and commodity demand

In mid April, the IMF lowered its projection for world growth for 2025 from 3.3% to 2.8% and trimmed its projection for 2026 growth from 3.3% to 3.0%. The downward revision was the result of the IMF's assessment of the impact of higher trade barriers erected (by the US and then retaliated to by China) in the first half of April. While some of these tariff hikes have since been largely wound back for now, US tariffs are at post-World War II highs.

The tariff changes have created an uncertain economic backdrop – especially in the US and China – which is hurting investment and consumption.

As a result of the weaker outlook for world growth, the demand for resource and energy commodities over H2 2025 and in 2026 is likely to be weaker than envisaged in the March 2025 REQ.

The Chinese economy was impacted by US tariffs of up to 145% on some imported goods in the first five weeks of the June 2025 quarter, since wound back to 30%. In May 2025, merchandise goods flows from China to the US fell by more than a third from May 2024; this decline was only partly offset by 11% growth in exports to the rest of the world.

Factory activity in China has slowed as result of the trade slowdown. As a result, the People's Bank of China eased monetary policy twice in May and took other economic support measures. These measures will help the Government in its efforts to achieve target growth of 5% in 2025.

US economic activity appears to have slowed since the March 2025 REQ. Of influence has been the pulling forward of imports to beat the imposition of US import tariffs, and then a significant disruption to trade with China as US tariffs surged in April before being largely reversed in the second week of May.

The US Federal Reserve held the Fed Funds rate steady in May and then again in June, citing an economy that is still growing solidly and a need for more time to assess the price and activity implications of recent trade measures.

The bond market is increasingly worried over the US budget deficit and rising US government debt. In mid-May, these concerns were reinforced by Moody's downgrading of the US to one level below the highest 'Aaa' rating.

In other major economies, Germany is embarking on a large rise in government spending to improve its defence capabilities and infrastructure.

Several major central banks have lowered official interest rates further since the March 2025 REQ. Over the outlook period, moves to a more neutral monetary stance by the major central banks should help support global economic growth and thus commodity demand.

Geopolitical tensions remain elevated, boosting gold demand

Trade tensions and hostilities in the Middle East and Ukraine have seen ongoing volatility in commodity markets, raising oil prices in mid-June and pushing up the demand for some safe-haven assets, including gold.

AUD expected to rise against the USD

In recent months, the AUD has rebounded against a generally weaker USD. Worries over the US economy and fiscal backdrop have driven the USD falls. The AUD has also benefitted from some easing in concerns over the outlook for China's economy: Chinese exporters seem likely to be able to pivot further away from the US to South America, Africa and other Asian nations.

1.3 Export values

Bulk commodity price falls to lower exports in 2025–26 and 2026–27

Commodity prices generally weakened during the June quarter, mainly on worries about rising trade barriers. However, a 7% rise in export volumes more than offset the impact of a 6% fall in prices, resulting in a 1% rise in the Resources and Energy Export Values Index from March quarter 2025.

Since the March 2025 REQ, there have been revisions to the aggregate forecasts for exports in 2025–26 and 2026–27, with weaker revenues for iron ore and LNG more than offsetting a rise in gold exports (Figure 1.1). From an estimated $385 billion in 2024–25 (down $2 billion from the March 2025 REQ), resource and energy export earnings are now forecast to be $369 billion in 2025–26 (down $4 billion). In 2026–27, exports are forecast to be $352 billion (down $8 billion). Lower prices will more than offset the impact of higher export volumes during the outlook period (Figure 1.2).

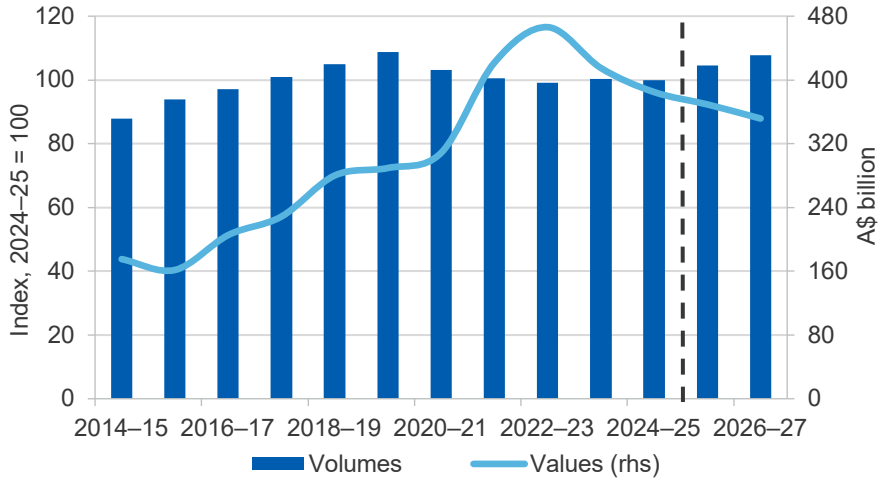
Resource commodity exports are forecast to be steady in 2025–26 but then fall in 2026–27. Among resource commodities:

- **Iron ore** export earnings will still account for over 25% of all resource and energy commodities over the outlook period. Iron ore exports are forecast to fall by $11 billion to $104.8 billion in 2025–26 and then fall $8.3 billion to $97 billion in 2026–27.
- **Gold** is set to surpass metallurgical coal to become our 3rd biggest resource and energy export earner in 2025–26, rising by $10 billion to $56 billion. Higher export volumes will add to the impact of a strong rise in prices. Gold prices are forecast to decline (but remain relatively high) in 2026–27, cutting earnings to $52 billion.
- Rising volumes and prices are forecast to see **copper** exports grow by more than 25% to over $16.7 billion in 2025–26 and then surpass $18 billion in 2026–27.
- **Alumina** earnings are forecast to fall back in 2025–26 as the extraordinary price surge of 2024 continues to unwind. From over $12 billion in 2024–25, earnings should fall to just over $9 billion in 2025–26. Lower prices are expected to drive a further (small) decline to $8.8 billion in 2026–27.
- **Lithium** earnings are expected to rise in 2025–26 as prices start to slowly recover from the recent slump. Earnings are forecast to rise from $4.6 billion in 2024–25 to over $5.5 billion in 2025–26 before surpassing $6.6 billion in 2026–27.

Energy exports are set to show falls over the outlook period, with lower thermal coal, LNG and oil exports driving the declines.

- **LNG** export earnings are forecast to decline on the back of weaker prices. LNG exports are forecast to fall by over $6 billion to $60 billion in 2025–26 and then fall to $53 billion in 2026–27.
- **Thermal coal** earnings are forecast to fall by $5 billion to $27.7 billion in 2025–26 due to the impact of weaker prices. Lower volumes are expected to drive a further decline to $26.2 billion in 2026–27.
- **Metallurgical coal** exports are forecast to be steady at around $40–41 billion over the outlook period.
- **Uranium** exports are projected to increase from $1.2 billion to $1.5 billion by 2026–27.

Figure 1.1: Australia's resources and energy exports



Source: ABS (2025); Department of Industry, Science and Resources (2025)

1.4 Prices

With some notable exceptions, resource and energy commodity prices have declined since the March 2025 REQ. Commodity markets are anticipating slower world growth as a result of rising trade barriers and monetary conditions that are still on the restrictive side of neutral in the US. A rise in export volumes offset part of the impact of falling prices.

In Australian dollar terms, the Resources and Energy Commodity Price Index fell by 5.9% in the June quarter 2025 to be down 2.9% year-on-year (Figure 1.3). In US dollar terms, the index fell by 4% in the quarter to be down 6% year-on-year. Resource export prices (in A$ terms) were up 4% year-on-year, while energy prices fell by 12%.

Iron ore prices have softened due to the strong supply outlook and weaker demand following China's steel production cuts announced in May 2025. From an estimated average price of US$93 a tonne (FOB) in 2024, the benchmark iron ore price is forecast to fall to an average of US$83 a tonne in 2025, then decline further to US$74 a tonne in 2027 (Figure 1.4).

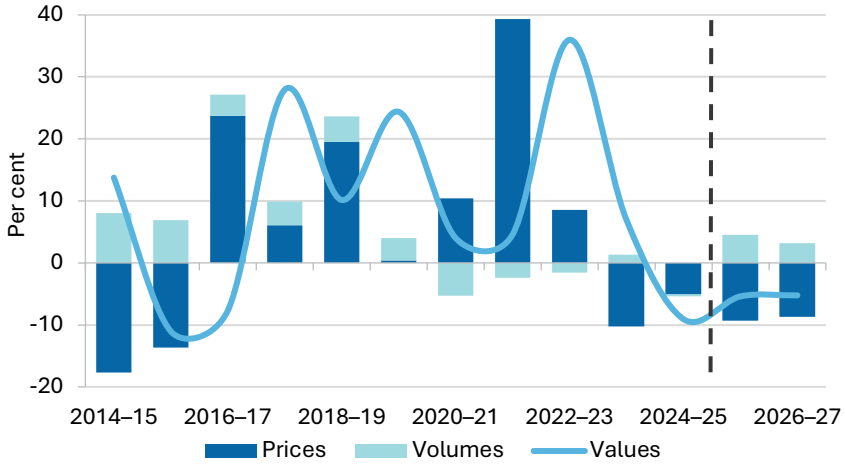
Metallurgical coal prices reached a low point of US$169 a tonne in late March but then increased to US$193 in May as disruptions to Australian production and exports curtailed supply. Indian demand should support prices in H2 2025 and stay about US$200 a tonne over the outlook period.

The **gold** price has been very strong in recent months, rising to a record of over US$3,400 an ounce. The increase was due to rising demand from investors on the back of global uncertainty and a deteriorating fiscal outlook in the US. Prices are forecast to increase to 2026 and then moderate but will remain relatively high over the outlook period. The risks are to the upside.

Copper prices dropped by about 15% in early 2025 to US$8,500 a tonne in response to the trade tensions. By early June 2025, prices recovered by around 12% as buyers took the advantage of lower prices. Over the outlook period (to the end of 2027), prices are expected to rise to over US$10,000 driven by strong copper demand and limited new supply (Figure 1.5).

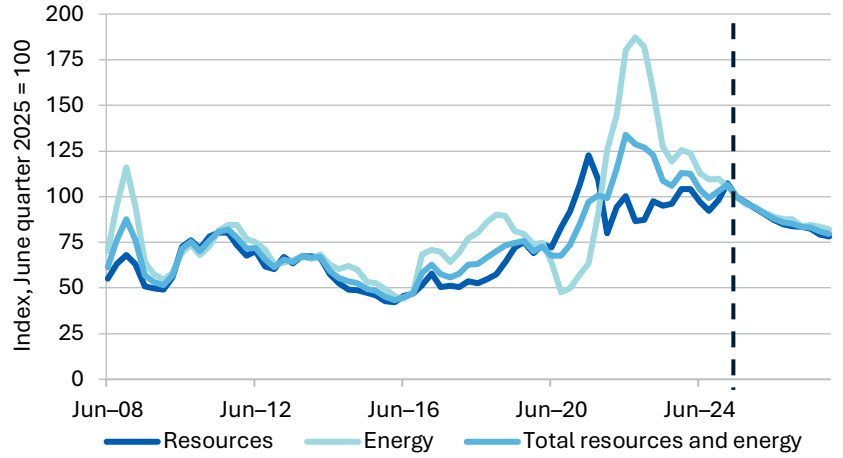
Aluminium prices have also eased in due to rising trade barriers. Alumina prices have fallen by 45% so far in 2025 due to a recovery in global supply driven by a large rise in Chinese output. Aluminium prices are forecast to rise over the outlook period on growing global demand for new, energy efficient cars and technologies.

Figure 1.2: Annual growth in Australia's resources and energy export values, contributions from prices and volumes



Source: ABS (2025); Department of Industry, Science and Resources (2025)

Figure 1.3: Resource and energy export prices, AUD terms



Notes: The export price index is based on Australian dollar export unit values (EUVs, export values divided by volumes); the export price index is a Fisher price Index, which weights each commodity's EUV by its share of total export values.
Source: ABS (2025); Department of Industry, Science and Resources (2025)

Nickel prices averaged US$15,300 a tonne in H1 2025, near five-year lows. Sustained growth in nickel supply has continued to outstrip demand growth, contributing to weaker prices and growing nickel stockpiles. Uncertainty around the impact of the US' announced tariffs for key end-use sectors like steel and EVs are further contributing to near-term pessimism on the demand outlook.

Zinc prices fell in early April as US tariff hikes were announced, hitting 2025 lows below US$2,600 a tonne. The zinc price is expected to average about US$2,700 a tonne in 2025. Prices are anticipated to rise slightly to US$2,750 a tonne by 2027 as demand picks up.

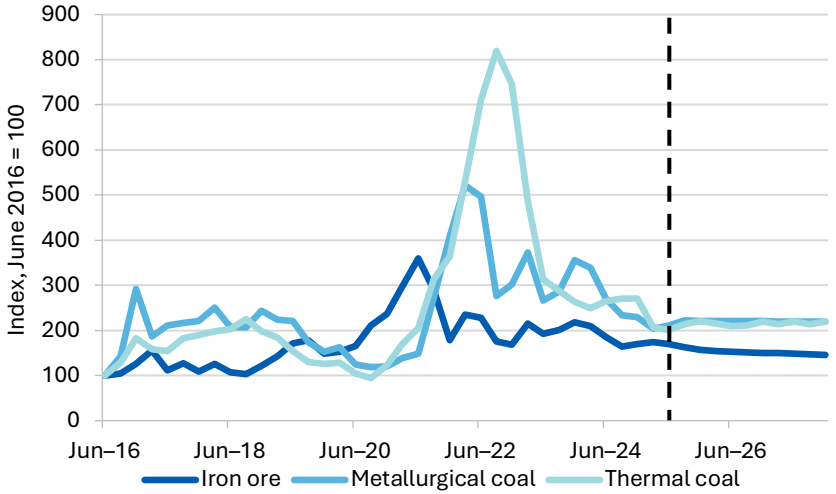
Spodumene prices fell to about US$610 a tonne by early June. The 25% price drop marked the end of price recovery from the lows of September 2024. Lithium hydroxide prices have continued to fall and were at US$7,550 a tonne in early June. We expect a slow price recovery in spodumene and lithium hydroxide in the outlook period. Rising demand and curtailments at high-cost mines are unlikely to clear the near-term spodumene oversupply.

Energy prices have continued to decline from the highs seen in 2022 and 2023. Slow world economic growth and seasonal conditions have slowed energy use and supply has risen. **Oil (Brent)** prices fell sharply in April/May – from US$72 per barrel to US$60-65 per barrel – as OPEC+ brought barrels back to the market faster than originally expected. Hostilities between Israel and Iran then saw a spike in mid June. Oil prices are expected to drift lower over the outlook period, as supply rises and the switch to EVs reduces demand. Higher US output have resulted in **LNG** prices easing – from about US$15/MMbtu in early 2025 to US$13/MMbtu – in May and early June. Price volatility across LNG markets is also likely to ease due to rising supply, though this may not become apparent until post 2026.

Thermal coal prices have fallen on the back of weaker demand for seaborne coal. Increasing levels of domestic production are expected to continue in China and India, alongside the increased utilisation of renewable energy sources. These factors will continue to place downward downwards pressure on demand for thermal coal imports, holding prices around US$110 a tonne over the outlook period.

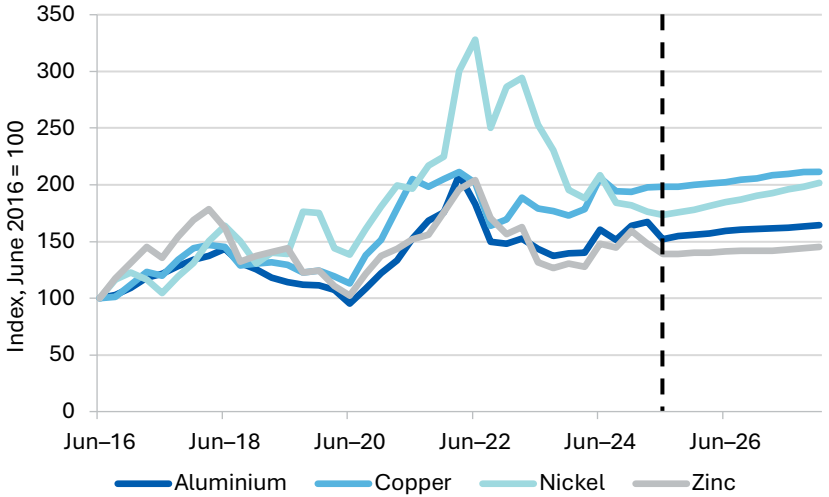
Uranium prices were relatively stable at US$64-75 a pound in H1 2025. Supply problems and higher demand are forecast to push prices up in H2 2025 and 2026.

Figure 1.4: Bulk commodity prices



Notes: Prices are in US dollars, and are the international benchmark prices
Source: ABS (2025); Department of Industry, Science and Resources (2025)

Figure 1.5: Base metal prices



Source: ABS (2025); Department of Industry, Science and Resources (2025)

1.5 Export volumes

Export volumes strengthened in the June quarter

The Resources and Energy Export Volumes Index is estimated to have risen by 7% in the June quarter 2025 from the March quarter 2025 to be up 1% year on year. Resource commodity export volumes rose by 3% in the year to June quarter 2025, but energy export volumes fell by 2% (Figure 1.6).

Apart from a blip higher in the 2019–20 period – largely a supply response to high iron ore prices – resource export volumes have been flat for a decade. High prices for base and precious metals should lift export volumes over the outlook period. Energy export volumes rose in response to price spikes driven by Russia's invasion of Ukraine. Modest growth in both resource and energy volumes is expected over the outlook period.

1.6 Contribution to growth and investment

Mining output was weaker in the March quarter and 2024 overall

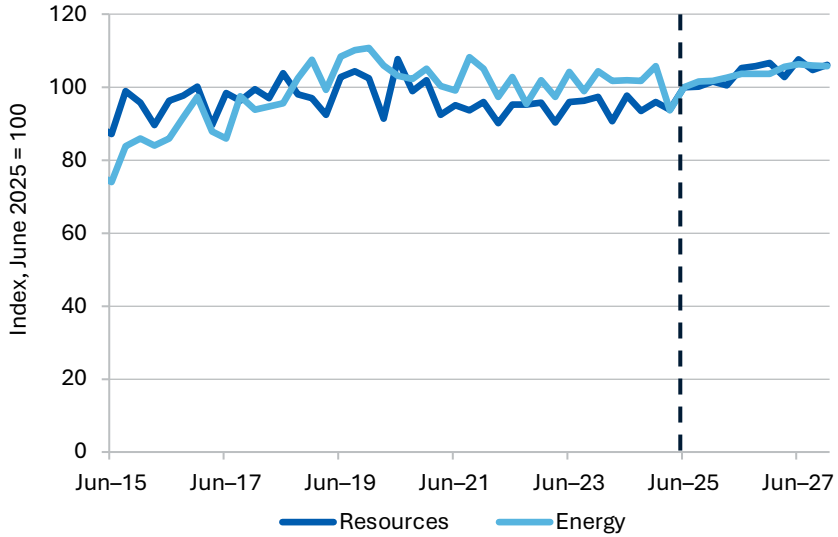
Australia's real GDP rose by 0.2% in the March quarter 2025, to be up 1.3% from a year before. Mining value-added fell by 2.1% in the March quarter to be down 4.9% from the March quarter 2024 (Figure 1.7). Mining production declined, with falls in major commodities including coal, iron ore, and oil and gas due to adverse weather conditions in Queensland and Western Australia.

Quarterly mining capital expenditure has picked up

The latest ABS Private New Capital Expenditure and Expected Expenditure survey shows that Australia's resources and energy industries invested $13.6 billion in the March quarter 2025, up 3% from the December quarter 2024 and 6% from the March quarter 2024. In non-seasonally adjusted terms, capital spending was less robust, falling in quarterly terms for most commodities (Figure 1.8).

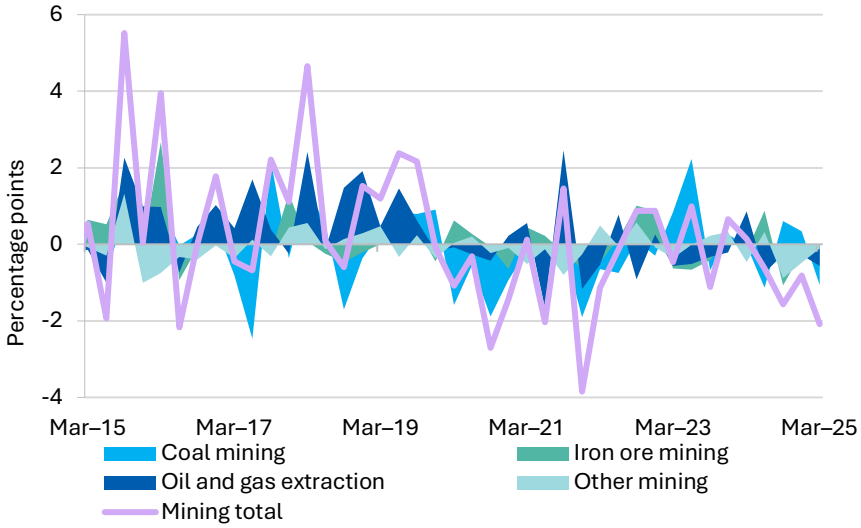
Expenditure for plant and equipment rose by 5.4% in the March quarter, while investment in buildings and structures rose by 2.1% (Figure 1.9). Both categories have recovered significantly from the lows of 2021. Spending on plant and machinery has accounted for a steadily rising share of total investment spending since 2017. However, in recent years, spending on buildings and structures has started to correlate more closely with spending on plant and equipment.

Figure 1.6: Resource and energy commodity export volumes



Source: ABS (2025); Department of Industry, Science and Resources (2025)

Figure 1.7: Contribution to quarterly growth by sector



Source: ABS (2025); Department of Industry, Science and Resources (2025)

Total mining industry investment forecast to hold up in 2025–26

Total mining industry investment in 2024–25 increased by 4% from 2023–24 (Figure 1.10). ABS surveys of expected capital expenditure in 2025–26 ($50 billion) represents a decline in capital spending, but estimates are typically revised up over time. Capital expenditure in the lithium and nickel sectors is expected to remain weak due to ongoing price weakness.

Exploration spending continues to fall, driven by low critical mineral prices

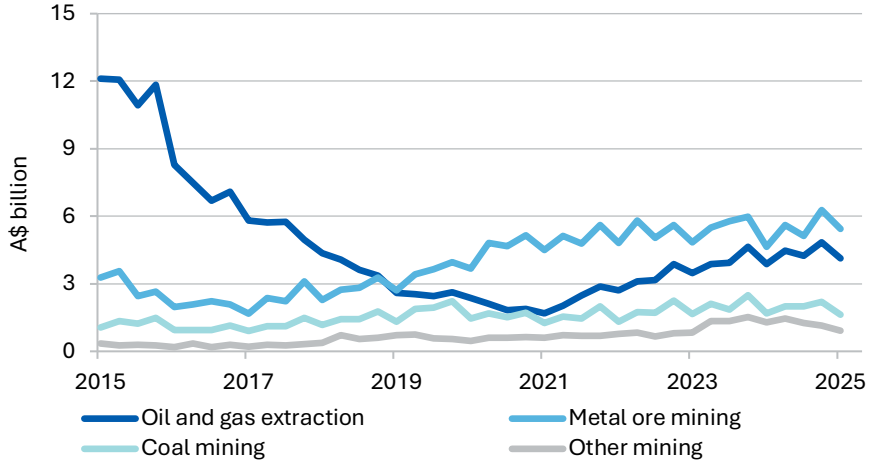
Australian mineral and petroleum exploration expenditure (in seasonally adjusted terms) declined in the March quarter 2025, to be 12% lower year-on-year. Lower expenditure was driven by declines in both mineral (down 11%) and petroleum (down 13%) exploration. Total mineral exploration expenditure has fallen to a 5-year low (adjusting for inflation), however spending remains relatively high in historical terms (Figure 1.11).

Annual exploration expenditure increased for iron ore (up by 18%) and uranium (up by 8.8%) but fell across all other mineral categories. Lower exploration expenditure in "other minerals" (a category that includes lithium) accounted for most (79%) of the year-on-year decline in total mineral exploration. Smaller declines were reported in coal (29%) and base metals including copper (down by 10%) and nickel (down by 7%). The weakness in nickel and other minerals is driven by price corrections after strong exploration expenditure growth for critical minerals through 2022–23.

Gold exploration expenditure was approximately flat year-on-year, following two years of decline despite steady rises in prices. Recent capital raising activity indicates gold and copper-gold exploration companies should account for a larger share of mineral exploration activity going forward, given strength in prices (gold) and long-term demand (copper).

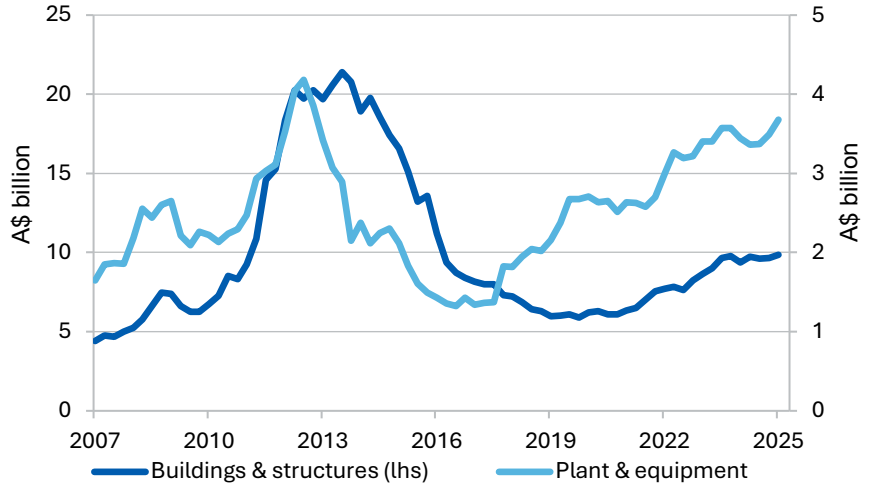
Greenfield exploration activity has continued to decline, with spending in the March quarter 2025 falling to a 7-year low (Figure 1.11) and drilling metres to an almost 9-year low (Figure 1.12). Decreased activity reflects a continuation of recent trends with exploration companies (and investors) prioritising less-risky brownfield projects, as tightened financial conditions and economic uncertainty have reduced investment flows into the sector.

Figure 1.8: Mining capex by commodity, not seasonally adjusted



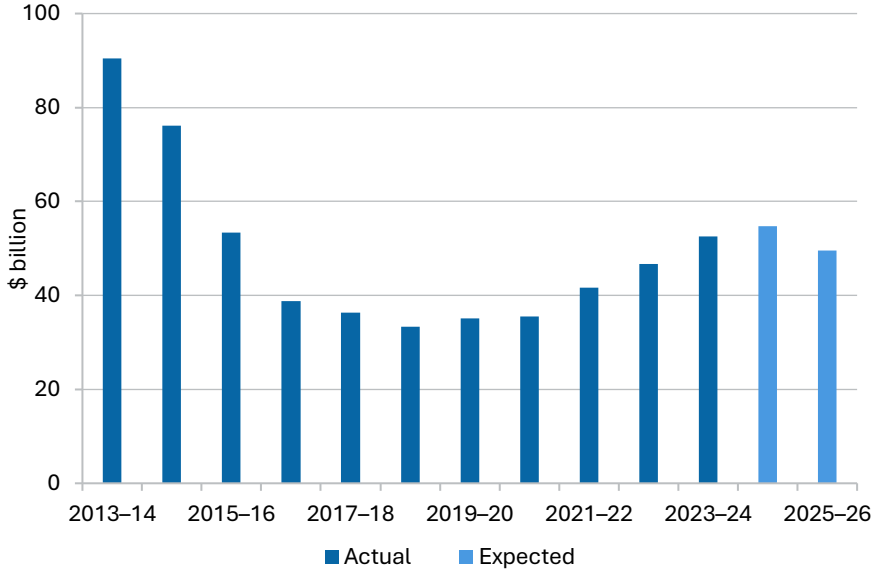
Notes: Other mining includes non-metallic mineral mining and quarrying and exploration and other mining support services; chart data is in nominal, original terms
Source: ABS (2025) Private New Capital Expenditure and Expected Expenditure, 5625.0

Figure 1.9: Mining industry capital expenditure by type, quarterly



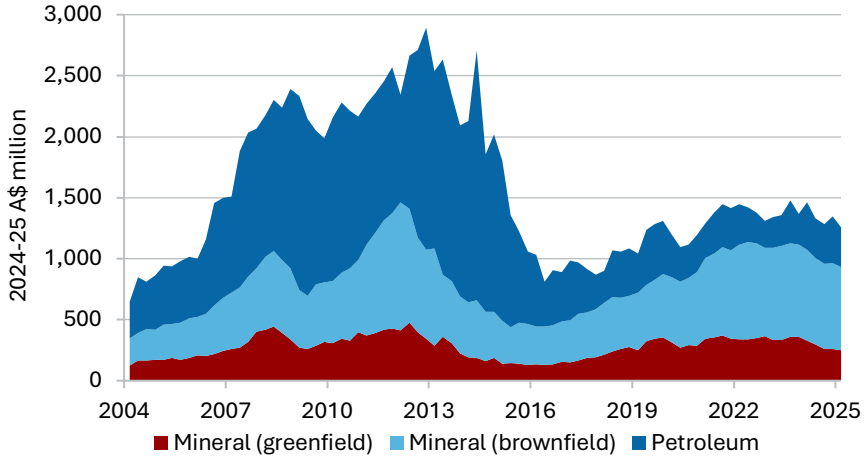
Notes: Chart data is in nominal terms, seasonally adjusted.
Source: ABS (2025) Private New Capital Expenditure and Expected Expenditure, 5625.0

Figure 1.10: Mining industry capital expenditure, fiscal year



Source: ABS (2025)

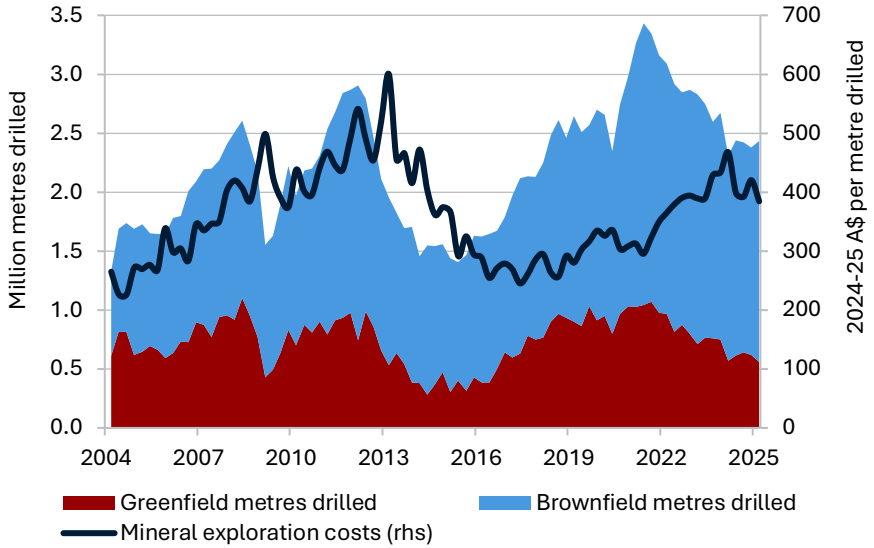
Figure 1.11: Quarterly mineral and petroleum exploration expenditure



Notes: Exploration expenditure data is presented here in real, seasonally adjusted terms.

Source: ABS (2025)

Figure 1.12: Metres drilled for mineral exploration and implied costs



Notes: Metres drilled are in seasonally adjusted terms.

Source: ABS (2025); Department of Industry, Science and Resources (2025).

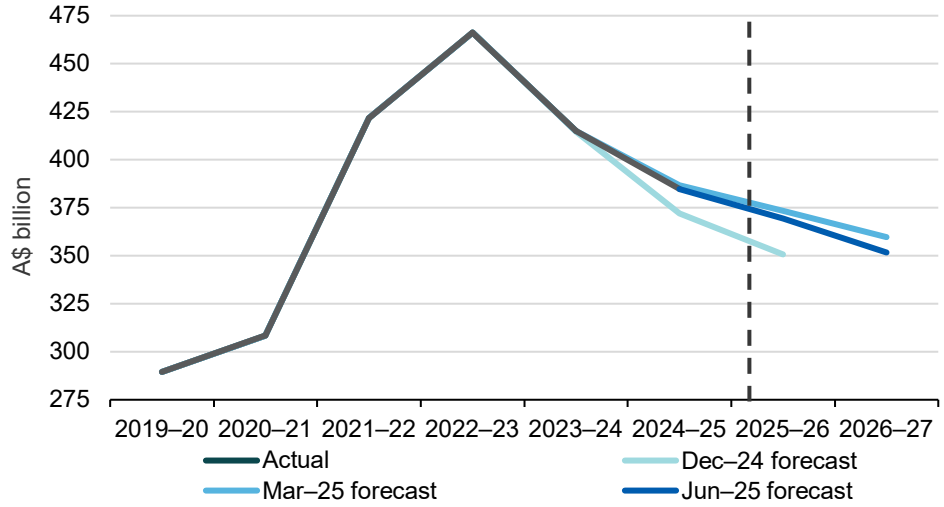
1.7 Revisions to the outlook

Downgrades to LNG/iron ore more than offsetting higher gold exports

Total resource and energy exports in 2025–26 are forecast to be $4.1 billion lower than in the March 2025 REQ, while exports in 2026–27 have been revised down by $8.0 billion (Figure 1.13). From an estimated $385 billion in 2024–25 (revised down $1.9 billion from the March 2025 REQ forecast), resource and energy exports are now forecast to fall to $369 billion in 2025–26. In 2026–27, exports are now forecast to be $352 billion.

A surge in gold prices has driven a noticeable upward revision in gold exports in the outlook period. However, forecast weaker revenues for iron ore and LNG have more than offset the upward revision. The weaker revenues for iron ore and LNG are the result of downward price revisions and upward revisions to the Consensus forecasts for the AUD/USD. The LNG price is linked directly to oil prices, which have been revised down due to both increased oil production by OPEC+ and weaker-than-expected global oil demand.

Figure 1.13: Resource and energy exports, by forecast publication



Source: ABS (2025); Department of Industry, Science and Resources (2025)

Table 1.1: Outlook for Australia's resources and energy exports in nominal and real terms

					Percentage change			
Exports (A$m)	**2023–24**	**2024–25 s**	**2025–26 f**	**2026–27 f**	**2023–24**	**2024–25 s**	**2025–26 f**	**2026–27 f**
Resources and energy	414,991	384,786	369,268	351,560	–11.0	–7.3	–4.0	–4.8
– real[b]	425,082	384,786	358,860	332,311	–14.6	–9.5	–6.7	–7.4
Energy	180,151	156,957	144,045	135,924	–24.5	–12.9	–8.2	–5.6
– real[b]	184,531	156,957	139,985	128,482	–27.6	–14.9	–10.8	–8.2
Resources	234,840	227,829	225,223	215,636	3.2	–3.0	–1.1	–4.3
– real[b]	240,550	227,829	218,874	203,829	–0.9	–5.3	–3.9	–6.9

Notes: **b** In 2024–25 Australian dollars; **s** estimate; **f** forecast.
Source: ABS (2025); Department of Industry, Science and Resources (2025).

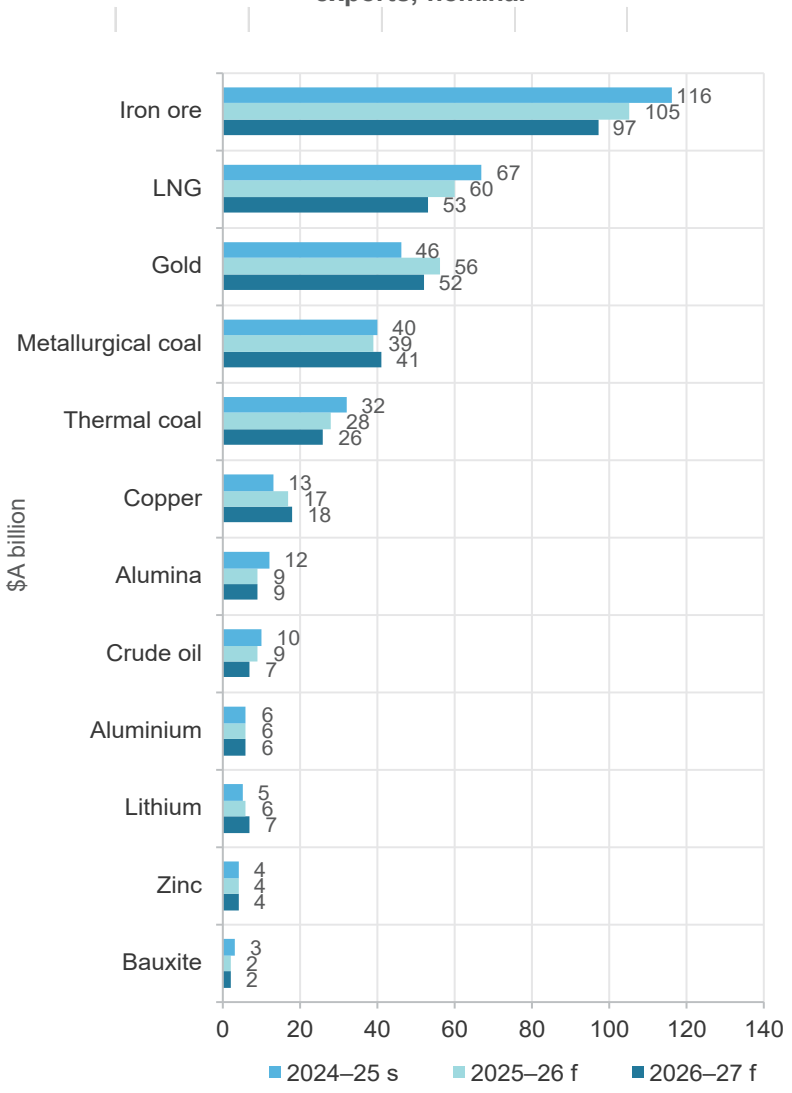
Table 1.2: Australia's resource and energy exports, selected commodities

	Prices				Export volumes				Export values, A$b		
	Unit	**2024–25 s**	**2025–26 f**	**2026–27 f**	**Unit**	**2024–25 s**	**2025–26 f**	**2026–27 f**	**2024–25 s**	**2025–26 f**	**2026–27 f**
Iron ore	US$/t	86	79	75	Mt	895	920	927	116	105	97
LNG	A$/GJ	15.9	14.2	12.2	Mt	79	80	82	67	60	53
Gold	US$/oz	2,800	3,200	2,825	t	250	289	313	46	56	52
Metallurgical	US$/t	197	198	201	Mt	147	160	169	40	39	41
Thermal Coal	US$/t	121	110	110	Mt	207	204	200	32	28	26
Copper	US$/t	9,278	9,477	9,793	Kt	793	959	1,044	13	17	18
Alumina	US$/t	532	393	369	Kt	14,732	15,660	16,632	12	9.0	8.8
Crude oil	US$/bbl	75	67	61	Kb/d	243	234	227	10	9	7
Aluminium	US$/t	2,502	2,455	2,535	Kt	1,471	1,549	1,552	5.9	5.7	5.7
Lithium	US$/t	784	775	925	Kt	468	504	525	4.6	5.5	6.6
Zinc	US$/t	2,834	2,683	2,724	Kt	1,291	1,347	1,385	4.3	3.7	3.7
Nickel	US$/t	15,792	15,875	16,900	Kt	82	57	48	2.2	1.2	1.1
Uranium	US$/lb	74	78	88	t	5,288	6,706	7,006	1.3	1.4	1.5

Notes: **a** Export data covers both crude oil and condensate; **b** Lithium carbonate equivalent; **f** forecast; **s** estimate. **Price information:** Iron ore fob (free-on-board) at 62 per cent iron content estimated netback from Western Australia to Qingdao China; Metallurgical coal premium hard coking coal fob East Coast Australia; Thermal coal fob Newcastle 6000 kc (calorific content); LNG fob Australia's export unit values; Gold LBMA PM; Alumina fob Australia; Copper LME cash; Crude oil Brent; Aluminum LME cash; Zinc LME cash; Nickel LME cash; Lithium spodumene ore.

Sources: ABS (2025); LME (2025); London Bullion Market Association (2025); The Ux Consulting Company (2025); US Department of Energy (2025); Metal Bulletin (2025); Japan Ministry of Economy, Trade and Industry (2025); Department of Industry, Science and Resources (2025).

Figure 1.14: Australia's major resources and energy commodity exports, nominal



Annual per cent change

2025–26 f			2026–27 f		
volume	EUV	value	volume	EUV	value
▲ 3	▼ -12	▼ -9	▲ 2	▼ -10	▼ -9
▲ 1	▼ -11	▼ -10	▲ 2	▼ -12	▼ -11
▲ 16	▲ 4	▲ 21	▲ 12	▼ -6	▲ 5
▲ 9	▼ -9	▼ -1	▲ 7	▼ -6	▲ 1
▼ -1	▼ -14	▼ -15	▼ -1	▼ -9	▼ -10
▲ 22	▲ 4	▲ 28	▲ 15	▲ 2	▲ 18
▲ 6	▼ -30	▼ -26	▲ 6	▼ -20	▼ -15
▼ -4	▼ -12	▼ -16	▼ -3	▼ -13	▼ -16
▲ 5	▼ -8	▼ -3	▲ 3	▼ -5	▼ -2
▲ 7	▲ 12	▲ 20	▲ 5	▲ 14	▲ 20
▲ 6	▼ -19	▼ -14	▲ 4	▼ -11	▼ -7
▼ -5	▼ -28	▼ -32	▼ -1	▼ -12	▼ -13

Notes: f forecast; s estimate. EUV is export unit value

Source: ABS (2025) International Trade in Goods and Services, 5368.0; Department of Industry, Science and Resources (2025)

Macroeconomic outlook

Share of global GDP and economic growth, 2023

Country	China	US	EU	India	ASEAN	Japan	S Korea	Taiwan	**Australia**
Per cent share of global GDP (PPP)	**19**	**15**	**15**	**8**	**5**	**4**	**2**	**1**	**1**
Yearly change	▲ 5.2%	▲ 2.9%	▲ 0.6%	▲ 8.2%	▲ 4.0%	▲ 1.7%	▲ 1.4%	▲ 1.3%	▲ **2.0%**
Share of Australia's 2-way trade	30%	6%	9%	4%	10%	12%	7%	4%	–

Global overview

- Uncertainty dominates the global economic outlook with most countries receiving a downgrade in growth prospects in 2025 and 2026 from the IMF and OECD.
- Global industrial growth is expected to be weak in the second half of 2025 and pick up over the rest of the forecast period.

Global risks

- Increasing and uncertain trade barriers.
- Increased geopolitical tensions.
- Global trade and economic fragmentation.

Source: IMF; ABS; OCE

2.1 Summary

- The global macroeconomic outlook has deteriorated since the March 2025 *Resources and Energy Quarterly* because of uncertainty surrounding constantly changing but higher trade barriers.
- Stagflation risks are increasing, as slower global economic growth could coincide with higher prices associated with increased tariffs, sanctions and supply chain disruptions.
- The IMF forecasts growth of Australia's major trading partners to moderate with higher trade barriers. Any increase in global conflicts will adversely impact confidence and may thus reduce growth.

2.2 World economic outlook

Uncertainty dominates the world growth outlook

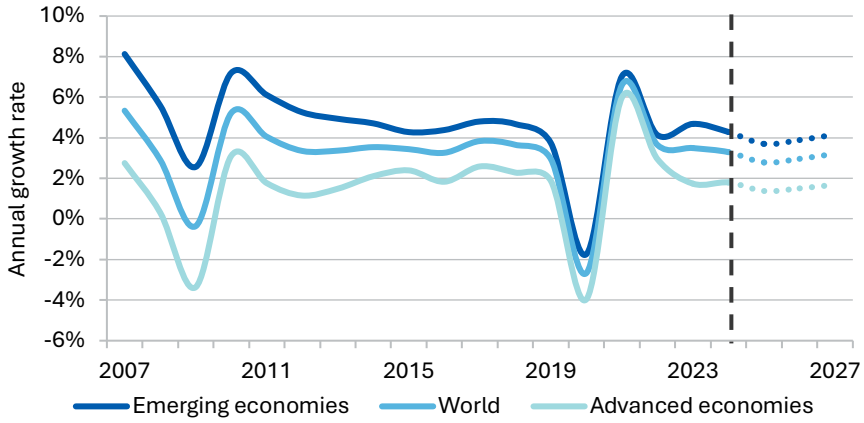
The International Monetary Fund's (IMF) April World Economic Outlook projects world economic output to fall from 3.3% in 2024 to 2.8% in 2025, before recovering to 3% in 2026. IMF global growth projections have been downgraded for nearly all countries since January (Figure 2.1). The current IMF forecast accounts for all policy announcements up to and including 2 April 2025. The OECD's June Economic Outlook also revised their growth forecasts downward to 2.9% in 2025 and 2026 due to tariffs and weak investment, noting uncertainty and deteriorating trade prospects.

Downward revisions to IMF growth projections reflect lower-than-expected growth in the December quarter 2024 and downside risks from protracted trade uncertainty. Uncertainty has been created by the imposition of the US' broad-based tariffs and the drawn-out nature of trade negotiations between major global economies.

Businesses will likely defer investments until it becomes clear where global tariff levels will settle and whether new non-tariff trade barriers will further disrupt supply chains. Consumer sentiment is also low, putting downward pressure on economic growth. IP growth in the March 2025 quarter was much lower than expected. PMI surveys suggest that industrial demand will be softer in H2 2025.

Downside risks to the outlook include further policy uncertainty and trade protection measures. However, not all tariffs are included in current forecasts and more changes are likely, which could lead to growth forecasts to surprise on the upside.

Figure 2.1: IMF GDP growth forecasts



Source: IMF (April 2025)

Trade and budget policy will impact the US economy and may slow US official interest rate cuts

Tariff announcements on 2 April 2025 led to a temporary sharp drop in equity prices and a spike in bond yields. While some of these tariff hikes have since been paused- leading to a recovery in equity markets- worries over the US fiscal outlook have kept US bond yields relatively high. In mid-May, these concerns were reinforced by Moody's downgrading of the US to one level below the 'Aaa' rating. Rising Japanese bond yields have impacted fund flows between the US and Japan. If sustained, higher US bond yields will lift mortgage rates and hurt investment and consumption.

In May 2025, the US Government announced a 90-day reduction in US-China tariffs that reversed much of the cumulative tariff increases introduced by both nations since the start of 2025. These reductions improved market expectations over the demand outlook for resources and energy commodities. However, substantial uncertainty remains around future levels of US-China tariffs.

US inflation rose in May 2025 by 2.8% year-on-year which was lower than market expectations, suggesting US companies are holding back on passing on higher tariff costs to consumers or that all impacts of tariffs have not yet. Looking ahead, upward pressure on prices will be felt by US consumers as prices rise from possible supply chain disruptions and inventories built-up ahead of the tariff hike are depleted. As a result, US official interest rate cuts are forecast to be slower than expected in the March 2025 *Resources and Energy Quarterly*.

Disinflation has stalled in most advanced and developing economies, limiting the possibility of renewed monetary and fiscal stimulus. Global services disinflation continues but has been offset by core goods inflation. China has more scope to lower interest rates and loosen fiscal settings than many other countries and is already using this scope to counteract negative trade shocks.

The IMF downgraded its world trade outlook in the April 2025 World Economic Outlook compared to the January 2025 edition. The IMF now expects world trade volumes to grow by 1.7% in 2025 (-1.5 ppt) and 2.5% in 2026 (-0.8 ppt). The downgrade reflects increased tariffs and cyclical factors that are reducing global trade volumes. Especially slower US growth and weaker global demand due to increased uncertainty in many other economies including Europe.

Growth in major trading partners to slow in 2025 and 2026, India to accelerate modestly

Assuming a reversal in the constant changes to trade barriers, the RBA forecasts GDP growth in Australia's major trading partners will fall to 2.8% by December 2025. Growth will then gradually pick up to 3.3% by the end of 2026. The outlook is weak in historical terms and reflects lower growth forecasts in China, Japan and India.

China's economy grew by 5.4% year-on-year in the March quarter 2025. Growth through the year was driven by industrial production and net exports. However, China's real estate sector continued to drag on growth. Chinese consumer demand has picked up in the last two quarters to account for about half of GDP growth over the year.

Looking forward, China's economy is forecast by the IMF to grow by 3.2% year-on-year to December 2025. China's government has set a GDP growth target of around 5% in 2025, indicating further policy support to push up domestic demand. Policy support is expected to be delivered through use of increased government spending. Policy support will lift from the planned 6.6% in 2024 to the recently announced 8% of GDP (or US$1.5 trillion.

United States annual GDP growth was negative in the March quarter 2025, the first contraction in three years. The fall follows US growth outperforming expectations for much of 2024 due to robust domestic demand, easing monetary policy and financial conditions. The IMF downgraded US GDP growth to 1.7% in 2025 (-0.9 ppt) and to 1.7% in 2026 (-0.4 ppt) with concerns of trade barrier induced supply shocks and a pickup in inflation, limiting the US Federal Reserve's ability to loosen monetary policy.

2.3 Global industrial conditions

Pre-trade barrier US imports whipsawed inventory and growth in H1 2025

Global industrial production grew 2.6% year-on-year in the March quarter 2025, a modest pickup from the 2.0% growth in the December quarter 2024 (Figure 2.2).

Global industrial production growth in the March quarter was largely driven by China. However, China's industrial production slowed in April, as the US raised tariffs on imports from China. Growth was supported by expansions in emerging Asia and high-tech export economies such as South Korea, Taiwan and Singapore. Weak and declining output in advanced economies continued to be a drag on global growth. Europe's industrial production remains weak due to high energy prices and weak consumer demand.

After strengthening in the March quarter 2025, forward indicators of global manufacturing activity have weakened in recent months. Weakness in both output and new orders in major manufacturing economies have led the JP Morgan Global Manufacturing Purchasing Managers Index (PMI) into contractionary territory in April 2025 (Figure 2.2).

Global merchandise trade rose 7% year-on-year in March 2025. This was the strongest monthly growth since the post-COVID rebound in 2021. That this strong growth was not accompanied by a commensurate upswing in global industrial production indicates a rapid buildup in inventories ahead of tariff increases.

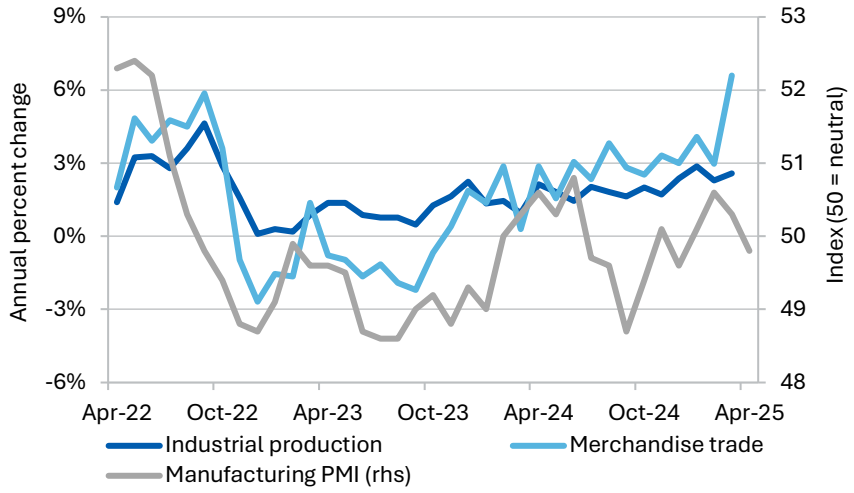
Global industrial production should grow modestly once supply chains recover from trade turmoil

Global industrial production growth is forecast to pick up over the next two years to 2.3% in 2025 and 2.7% in 2026, following 2 years of below-average growth. Despite this pickup, the growth outlook for industrial production is weaker than forecast in the March 2025 *Resources and Energy Quarterly*.

Revisions to the outlook

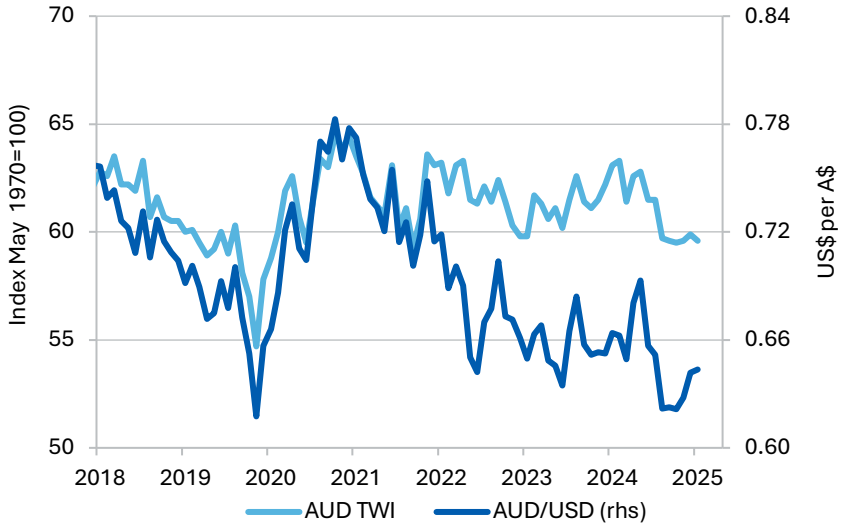
Exchange rate assumptions have been revised up. Since the release of the March 2025 *Resources and Energy Quarterly*, the forecast for the Australian dollar has been revised up to be stronger against the US dollar and in trade weighted terms. Australian export value forecasts in this *Resources and Energy Quarterly* adopt the market consensus on the outlook for the AUD/USD. The consensus is for the AUD/USD to appreciate over the outlook period as the USD weakens due to slower-than-expected disinflation. Adopting recent consensus forecasts leads to upgrades of about US$0.02 in 2025 and 2026 in AUD/USD compared with the March 2025 *Resources and Energy Quarterly*.

Figure 2.2: Manufacturing PMI vs growth in global industrial production and trade



Source: CPB Netherlands Bureau for Economic Policy Analysis (2025)

Figure 2.3: Australian trade-weighted index, US dollar exchange rate



Source: RBA (2025)

Table 2.1: IMF annual GDP growth projections for major trading partners

	2024	2025[a]	2026[a]	2027[a]
World [b]	3.3	2.8	3.0	3.2
China [c]	5.0	4.0	4.0	4.2
Japan	0.1	0.6	0.6	0.6
Republic of Korea	2.0	1.0	1.4	2.1
India [d]	6.5	6.2	6.3	6.5
ASEAN-5 [e]	4.6	4.0	3.9	4.2
Eurozone	1.1	1.2	1.5	1.6
United States	2.8	1.8	1.7	2.0

Notes: **a** Assumption; **b** Calculated by the IMF using purchasing power parity (PPP) weights for nominal country gross domestic product; **c** Excludes Hong Kong; **d** Based on fiscal years, starting in April; **e** Indonesia, Malaysia, Philippines, Thailand and Vietnam.

Sources: IMF (2025); Bloomberg (2025)

Table 2.2: Exchange rate and inflation assumptions

	2024	2025[a]	2026[a]	2027[a]
AUD/USD exchange rate	0.66	0.64	0.68	0.70
Inflation rate [b]				
United States	3.0	3.0	2.5	2.1
	2023–24	**2024–25[a]**	**2025–26[a]**	**2026–27[a]**
Australia	4.2	2.4	2.9	2.8

Notes: **a** Assumption; **b** Average CPI growth over the specified year (fiscal or calendar).

Sources: ABS (2025); Bloomberg (2025); Department of Industry, Science and Resources (2025); IMF (2025); RBA (2025).

Iron ore

Australia's iron ore sector

World No.1

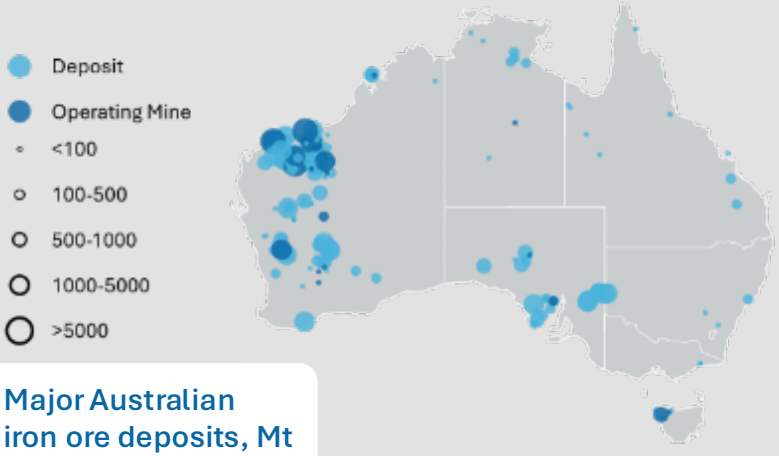
for iron ore resources

Largest producer

of iron ore in the world

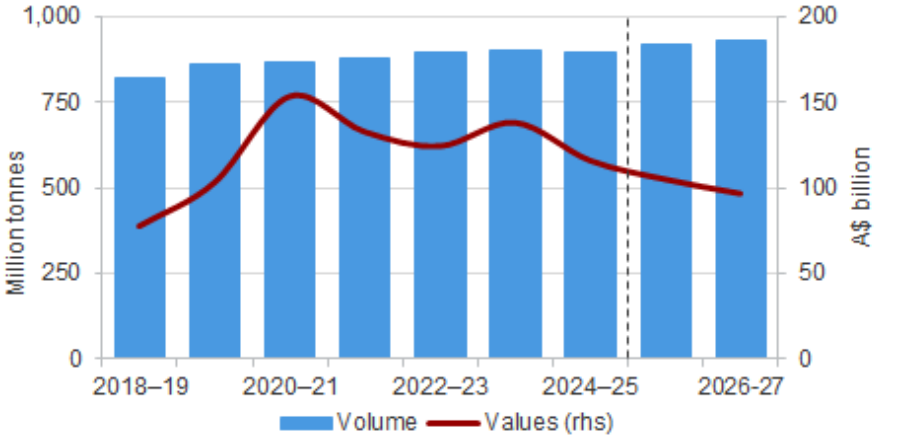
902 million tonnes

of iron ore exported in 2024



Major Australian iron ore deposits, Mt

Australian iron ore exports

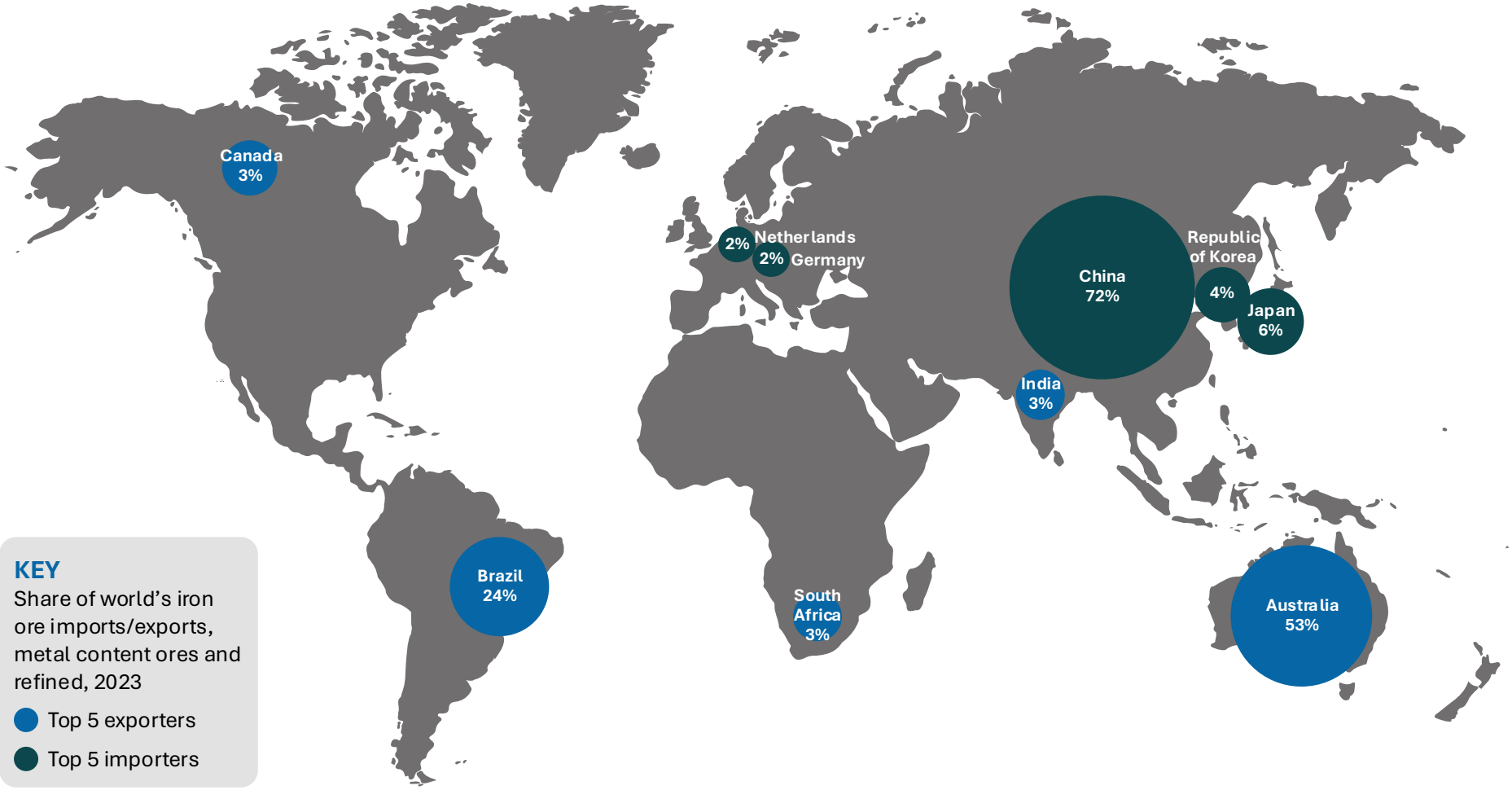


Outlook

- Ore prices to fall as demand falls and global supply rises
- Earnings to fall as prices decline
- Australian export volumes to peak and stabilise
- Exploration strong as producers replace depleting reserves

Source: GA; ABS; DISR

Iron ore trade map



Source: WSA; ABS

3.1 Summary

- The outlook for world steel production has softened due to increased trade barriers and announced plans to reduce China's steel production to lift mill profitability.
- Australian iron ore export volumes declined year-on-year in the March quarter 2025 due to weather disruptions at key operations. Spot iron ore prices were relatively stable in H1 2025, after falling for most of 2024.
- Lower forecast prices will cut Australia's iron ore exports from $116 billion in 2024–25 to $105 billion in 2025–26 and $97 billion in 2026–27.

3.2 World steel production and demand

Outlook for steel demand weakens due to uncertainty over trade barriers

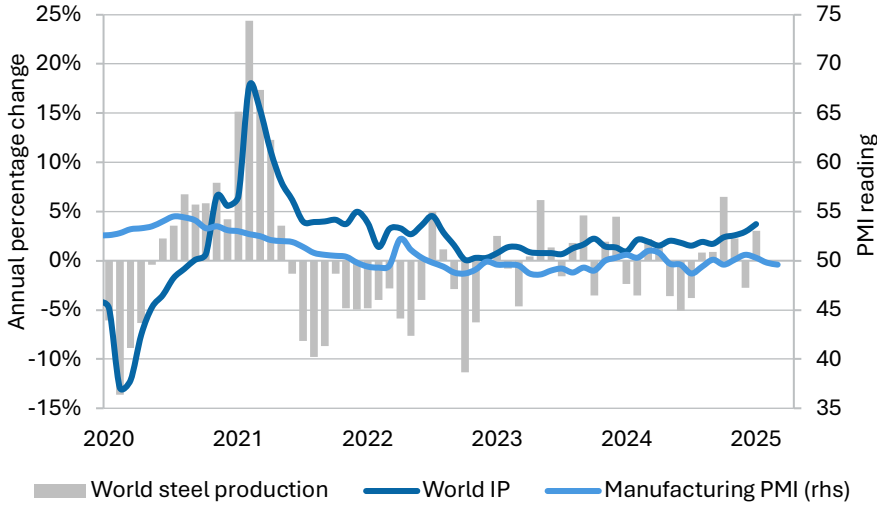
World steel production in the four months to April 2025 was 624 million tonnes (Mt). This was 0.3% below the corresponding period in 2024. The slight decline in global steel production was driven by weak steel demand and production in Europe, Japan, Republic of Korea and Russia.

Global steel production is expected to remain weak over H2 2025 due to increased trade barrier uncertainties and announced planned output cuts in China. Global output in 2025 is expected to fall by 0.2%, continuing the trend of slowing global steel production that has persisted since 2021 (Figure 3.1).

The deteriorating outlook for steel reflects a slowdown in global economic growth, in particular industrial production growth. Global industrial production is expected to grow by around 2.5% a year over the outlook period to 2027 (down by 0.6% a year from the March 2025 REQ), as steel-intensive manufacturing, infrastructure and civil construction sectors slowly recover.

Global manufacturing outside of China is expected to stabilise and then grow slowly. Combined with infrastructure projects, this should lead to a moderate recovery in steel demand by 2026, gaining momentum in 2027 (Table 3.1).

Figure 3.1: World manufacturing PMI and industrial output



Notes: JPMorgan Global Manufacturing Index; a reading above 50 indicates an overall increase compared to the previous month, and below 50 an overall decrease

Sources: Bloomberg (2025); S&P Global (2025); World Steel Association (2025)

China curbs steel production to restore mill profitability

China's steel production has been slowed in 2025 due to rising trade uncertainty, falling construction activities and low steel mill profitability. Steel production for the first five months of the year was 1% below the same period in 2024 (Figure 3.2).

Chinese steel mill profitability has improved somewhat in recent months, with lower input costs, particularly metallurgical coal, contributing to improved mill margins. However, profitability remains weak due to low steel prices (Figure 3.3). Consequently, in May, the China Iron and Steel Association (CISA) announced it would act on its mandate to reduce steel production in 2025. The scale of proposed cut has not been announced.

Sector profitability should improve as China's steel sector consolidates and phases out older, higher-cost capacity. However, ongoing weakness in demand from China's property sector continues to limit steel use. New residential construction starts – the most steel-intensive stage of the

construction process – continue to fall, down 23% in the year to April 2025 compared to the same period in 2024.

Increased production of electric vehicles, shipbuilding, and new energy technology components and infrastructure is expected to partially counteract the low demand in the property sector over H2 2025.

During the first four months in 2025, Chinese producers exported a total of 37.9 Mt of steel, representing an 8.2% increase year-on-year, building on the 22% growth in 2024. Anecdotal evidence suggests the rise in exports during March and April can be attributed to exporters accelerating shipments in anticipation of potential disruptions caused by the United States' introduction of a 25% tariff in March 2025 (subsequently increased to 50% in June 2025). The acceleration in exports has led to a growing number of global anti-dumping cases against China.

The response to the tariff announcement was sharp increases in across-the-board tariff rates between China and the US. While China exports very little crude steel to the US, increases in US tariffs on imports of manufactures from China will indirectly impact China's steel sector. The US imports large volumes of whitegoods and other manufactured goods containing steel inputs from China.

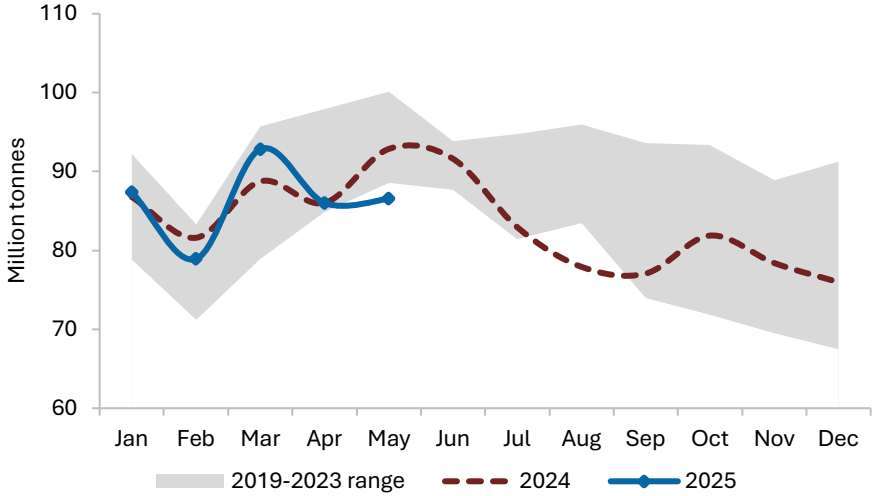
Concerns about an escalation of tariff measures saw US steel prices surge in February and March, consequently prices have since begun to correct (Figure 3.3).

India's steel production continues to grow to meet rising domestic demand

India continues to lead world steel production growth, with steel production increasing by 6.9% in the year to April 2025 (Figure 3.4). Additional Indian steelmaking capacity is expected to be added in coming years that should see India's steel production exceed 200 Mt by 2030, more than double the level at the start of the decade.

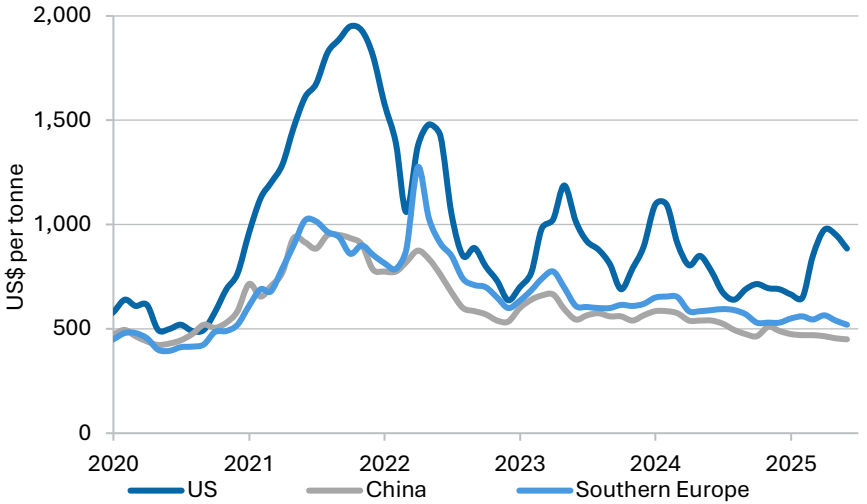
Over the outlook period to 2027, India's steel demand is expected to be bolstered by ongoing infrastructure projects and ambitious targets for new affordable housing projects. However, the onset of the monsoon season in the September quarter is expected to temporarily dampen construction activity and thus steel demand.

Figure 3.2: China's monthly steel production



Source: World Steel Association (2025); DISR (2025)

Figure 3.3: Hot rolled coil steel prices



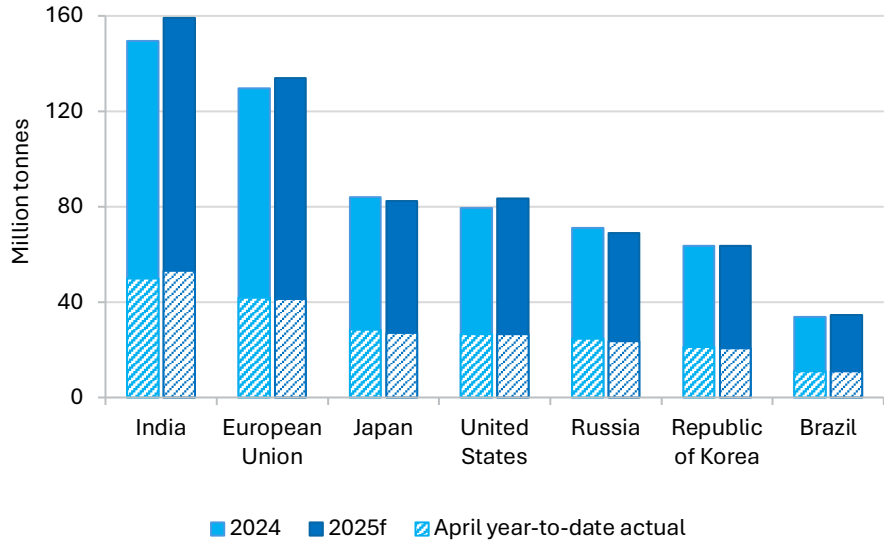
Source: Bloomberg (2025)

India's steel producers face reduced margins due to cheap Chinese steel imports. Following the imposition of broad-based tariffs on steel imports by the US Government in March, the Indian Government introduced a 12% 'safeguard levy' to shelter domestic steel producers from the possible redirection of Chinese steel into the Indian market. However, ongoing falls in Chinese export prices are undermining the effectiveness of the levy.

New smelter construction to boost steel production in Southeast Asia

World steel output is forecast to grow by 1.1% in 2026 and by 1.9% in 2027. Large gains in steel output are expected in Southeast Asia, with new production capacity coming from projects in Vietnam, the Philippines, Malaysia and Indonesia. Blast furnace steelmaking – using iron ore and metallurgical coal as inputs as opposed to scrap steel or direct-reduced iron – is forecast to account for about two-thirds of new capacity in Asia.

Figure 3.4: Steel production – other major producers



Source: World Steel Association (2025); DISR (2025)

European steel production is stagnant due to weak industrial production and building construction. With the US accounting for around 20% of EU finished steel exports, additional tariff escalation will further dampen the outlook for Europe's steel sector.

Steel production from both Japan and Republic of Korea is expected to be relatively flat over the outlook to 2027. In Japan, a focus on high quality products (such as high-strength electrical steel sheets and plates) will support exports. However, Japan's domestic steel demand could be affected by any flow-on impacts on escalating global tariffs on vehicles. In Republic of Korea, crude steel production has been weak due to sluggish domestic demand from the construction, automobile and shipbuilding sectors.

3.3 World iron ore trade

Global supply to rise driven by new supply in Brazil and Africa

Global iron ore supply is expected to increase by 0.9% a year over the outlook period to 2027, with new supply coming online in Australia, Brazil and Africa. Australia and Brazil, the world's two largest producers, are expected to continue to collectively grow export volumes by 1.3% a year over the outlook period. Brazil is expected to grow iron ore exports by about 1.7% a year over the outlook period. Vale's S11D expansion and new and expanded output by several other miners, such as CSN and IndoSino will contribute to the growth.

Total iron ore shipments from Brazil rose by 0.9% year-on-year in the March quarter 2025. Vale, which accounts for over 80% of Brazil's iron ore output, recorded a decrease of 4.5% in output to produce 68 Mt of ore in the March quarter 2025 because of the impact of heavy rainfall.

Outside of Australia and Brazil, iron ore exports are projected to be bolstered by additional supply from Canada, India and new projects coming out of Africa, including the Simandou mine in Guinea which is targeting first production at the end of 2025.

Guinea's Simandou mine on track start production later this year

The development of Guinea's Simandou 120 Mtpa mine project advanced during the March quarter of 2025. Rio Tinto's SimFer mine has a targeted capacity of 60 Mt a year. Another 60 Mt capacity is under development by WCS, a joint venture between Baowu and Guinea's Government.

The SimFer mine – a joint venture between Rio Tinto, Chalco Iron Ore and the Guinean Government – is expected to lift production over 30 months to reach a capacity of 60 Mt a year. In April 2025, Rio Tinto stated that construction of the SimFer mine, rail spur and port is progressing well, with the first iron ore shipment from the Simandou project expected about November 2025.

Weak steel demand contributed to lower Chinese iron ore imports

China's iron ore imports fell by 8% in the March quarter year-on-year due to supply disruptions. China's iron ore imports from Australia declined by 1.6% year-on-year in the March quarter 2025, due to weather-related disruptions in Australia. Combined shipments to China from Australia, Brazil, India and South Africa – representing over 85% of China's iron ore imports – were estimated at about 248 Mt for March quarter 2025, a fall of 8.4% from the same period in 2024. As China's steel output moderates, imports of iron ore are expected to steadily decline over the outlook period.

The reduction in China's iron ore imports has led to a decrease in portside stocks, which fell from 148 Mt in February 2025 to 137 Mt in May 2025. In April 2025, stockpiles reached the five-year average level of 134 Mt, after remaining above average for 14 months.

India's iron ore exports fell as the domestic market was prioritised

India's iron ore exports fell by 41% year-on-year in the March quarter. The reduction reflected local mines prioritising the domestic market over exports as local iron ore prices rose in response to strong demand from DRI (direct reduced iron), billet and integrated steel producers. India has historically been a price-sensitive iron ore exporter, with domestic miners exporting in times of high seaborne prices. The forecast easing in global iron ore prices suggests India's iron ore exports are likely to grow relatively slowly over the outlook period. As India's steelmaking capacity grows – to meet rising demand from the manufacturing, infrastructure and residential and commercial construction sectors – the availability of iron ore for export will fall.

India's demand for iron ore will rise over the outlook period, in line with its rising steel capacity. The extent to which this increased demand for iron ore will be met through domestic sources remains unclear. India's iron ore imports are forecast to rise over the next few years. However, India is expected to remain a net exporter of iron ore over the outlook period.

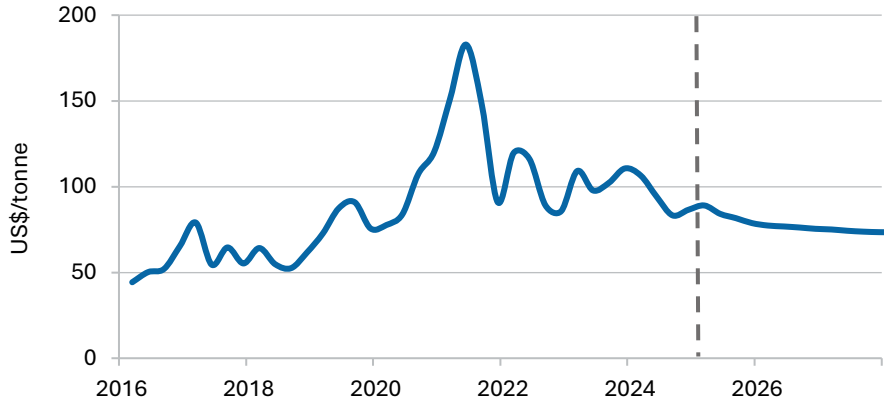
3.4 Prices

Iron ore prices to moderate on the back of weak steel output and rising supply of iron ore

The benchmark iron ore spot price (62% Fe fines CFR Qingdao) averaged around $93 a tonne in the June quarter 2025. Daily benchmark iron ore spot prices dropped to about US$90 a tonne in early April following the import tariffs announced by the US government (Figure 3.5). Prices subsequently picked up slightly before moderating in June. However, markets remained cautious about the impact of heightened trade barriers.

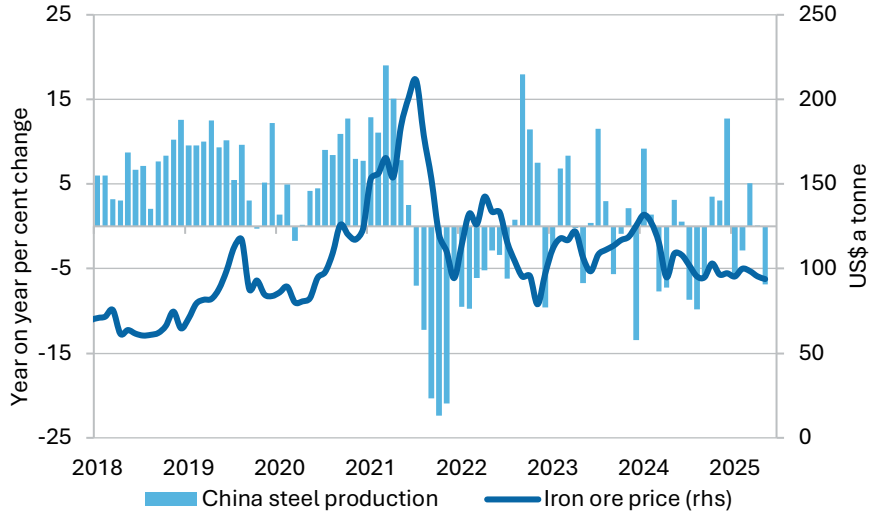
The market is currently subject to heightened uncertainty. Prices were changed little immediately following the steel output curbs announced by China in May but have since moderated (Figure 3.6). Prices may change further if the size of the proposed output cuts is larger than expected. Conversely, any additional Chinese Government policy support provided to achieve their GDP growth target of 'about 5%' in 2025 would help to bolster steel demand and thus iron ore prices. The outlook for iron ore prices remains soft due to the strong supply outlook and weaker steel demand. From an estimated average price of US$93 a tonne (FOB) in 2024, the benchmark iron ore price is forecast to fall to an average of US$83 a tonne in 2025, then decline further to US$74 a tonne in 2027 (Figure 3.5).

Figure 3.5: Iron ore price (FOB) outlook, quarterly



Notes: China import iron ore fines 62% Fe spot (FOB) nominal prices
Source: Bloomberg (2025); DISR (2025)

Figure 3.6: Iron ore price (CFR) and China steel production, monthly



Notes: China import Iron ore fines 62% Fe spot (CFR Tianjin port)

Sources: Bloomberg (2025) China import prices; World Steel Association (2025)

3.5 Australia

Weaker prices and a rising exchange rate to lower iron ore earnings

Australia's iron ore export earnings were $28.7 billion in the March quarter 2025, a 16.3% (or $5.6 billion) decrease year-on-year. The decrease reflected lower iron ore prices over the period, with the unit export price in the March quarter 2025 14.8% lower compared with a year ago. The falling iron ore price is not forecast to result in material changes in Australian export volumes.

In volume terms, Australia exported 207 Mt of iron ore in the March quarter 2025, down by 1.5% (32.3 Mt) year-on-year. Weaker exports in the March quarter 2025 reflected weather disruptions at key operations. Historically, exports tend to decline during the March quarter due to weather disruptions, including cyclones and associated flooding, before recovering in the subsequent quarters of the year (Figure 3.7).

Over the outlook period to end 2027, Australia's iron ore production volumes are projected to increase by 1.1% a year to reach an estimated 927 Mt by 2026–27 (Table 3.2). Weaker prices and a rising AUD/USD exchange rate are forecast to lower iron ore earnings over the outlook period. Having reached an estimated $116 billion in 2024–25, exports are forecast to decline to $105 billion in 2025–26 and $97 billion in 2026–27 (Figure 3.8, Table 3.3).

In the March quarter 2025, Rio Tinto shipped approximately 70.7 Mt (100% basis) of iron ore, marking a 9% decrease compared to the same period in 2024 largely because of production losses from four cyclones.

In May, Rio Tinto announced that it will be downgrading its Pilbara Blend Fines product from 61.6% iron content to 60.8%, the first downgrade in almost 20 years. The changes take effect in the September quarter and the lower ore grade will result in a lower price a tonne.

Pilbara production was down in March quarter due to bad weather

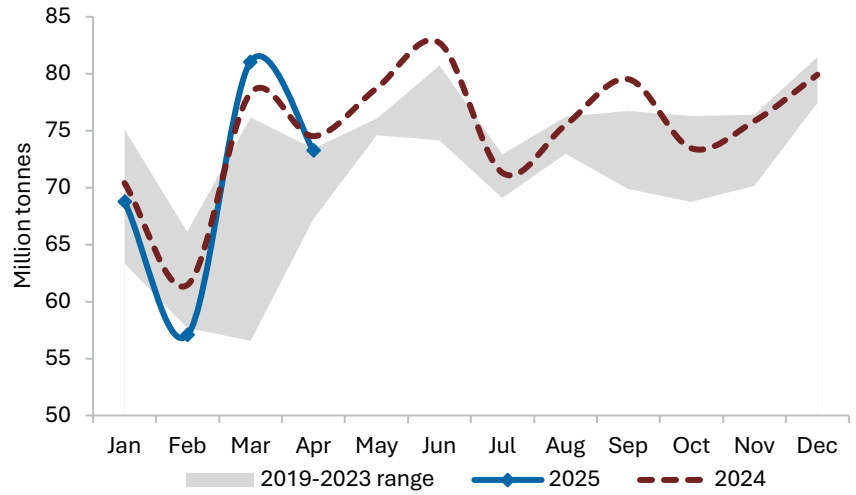
Rio Tinto's Pilbara Iron Ore replacement projects are progressing as planned. The Brockman Syncline 1 investment has been approved following the receipt of all necessary government approvals, with first production expected in 2027. In June 2025, Rio Tinto officially opened its newest iron ore mine, Western Range, which has the capacity to produce up to 25 Mt a year.

BHP's Western Australian iron ore output was 68 Mt in the March quarter 2025 (100% basis), almost the same as a year ago. Production rose because of the ongoing strong performance of the supply chain, with record volumes delivered from the Central Pilbara hub (South Flank and Mining Area C) following the completion of the South Flank ramp-up in 2024–25. However, this strong performance was partly offset by the impact of tropical cyclones.

Fortescue's total iron ore shipments increased by 6% year-on-year and reached 46 Mt in the March quarter 2025, despite disruptions due to significant weather events. In May 2025, the company announced a revised schedule of the staged ramp up of the Iron Bridge facility following an optimisation assessment. The company expects shipments of 10–12 Mt in 2025–26, and for the operation to achieve an annualised production rate of 16–20 Mt in H2 2026–27 (100% basis). Iron Bridge's nameplate capacity of 22 Mt a year is targeted in 2027–28.

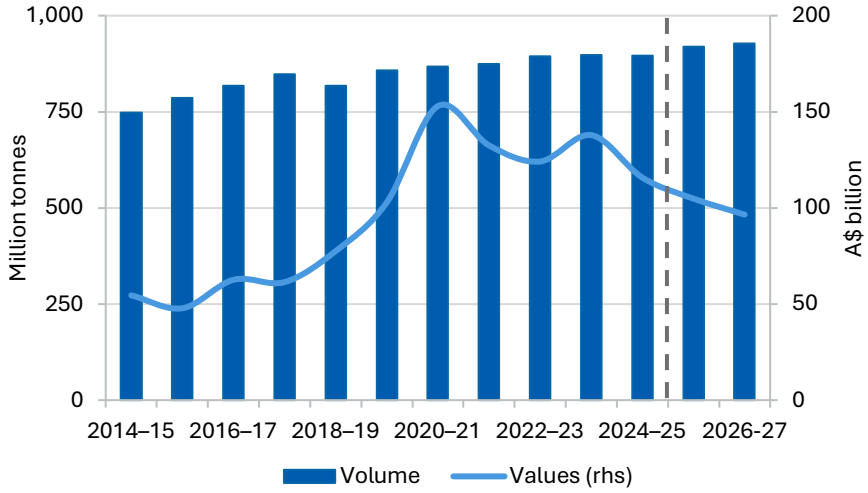
Mineral Resources' Onslow Iron project and Pilbara hub produced 6 Mt in the March quarter 2025. In May, the company announced that it had revised down its guidance for 2024–25 by around 10% to 13.8–14.1 Mt (100% basis) due to lower-than-expected availability of contractor road trains for haulage.

Figure 3.7: Australian monthly iron ore export volumes



Source: ABS (2025); DISR (2025)

Figure 3.8: Australia's iron ore export volumes and values



Source: ABS (2025); Department of Industry, Science and Resources (2025)

Flooding in January and February damaged parts of the 150 km haul road. Mineral Resources committed to a $230 million upgrade to the road to prepare for autonomous road train operations.

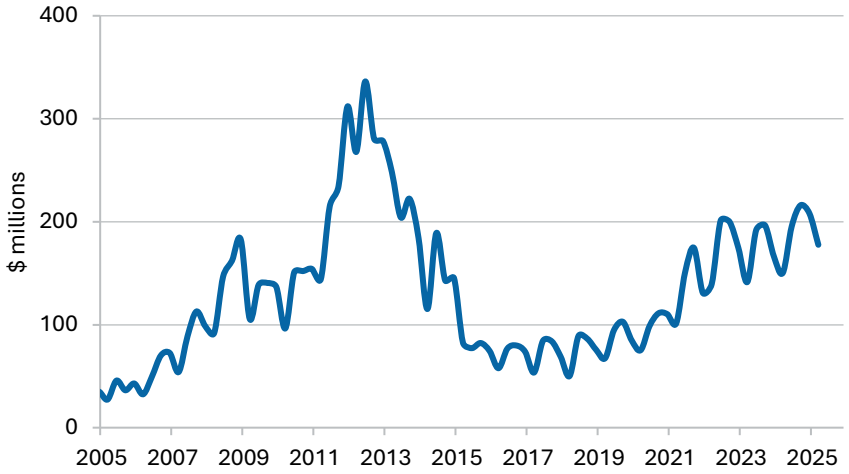
Exploration high as miners prove up deposits to maintain output

A total of $178 million was spent on iron ore exploration in the March quarter 2025 (Figure 3.9), up 18% from a year earlier. The latest results continue the robust levels of iron ore exploration triggered by the historical high iron ore prices (of above US$200 a tonne) in early 2021. The current high levels of exploration spending are likely to persist over the outlook period, as Australia producers look for deposits with suitable volumes and ore grades to replace depleting mines.

Revisions to the outlook

Iron ore export earnings in 2024–25 are estimated to be around $1 billion lower than forecast in the March 2025 *Resources and Energy Quarterly*, reflecting slightly lower price and export volumes and a higher exchange rate assumption. Export earnings in 2025–26 and 2026–27 have been revised down by $8.3 billion and $6.5 billion, respectively, driven by forecasts of a higher exchange rate, weaker prices and lower export volumes.

Figure 3.9: Australia's iron ore quarterly exploration expenditure



Source: ABS (2025)

Table 3.1: World steel demand and production

	Million tonnes				Annual percentage change		
Crude steel consumption	**2024**	**2025[f]**	**2026[f]**	**2027[f]**	**2025[f]**	**2026[f]**	**2027[f]**
China	898	880	873	881	-2.0	-0.8	0.9
European Union	135	137	140	144	1.8	2.5	2.8
India	152	160	167	174	5.3	4.2	4.3
United States	101	102	104	106	0.9	2.0	2.1
Other Asia[a]	108	114	119	125	5.3	4.5	4.4
Japan	56	56	57	57	0.9	0.5	-0.2
Middle East	59	61	63	65	3.2	3.0	3.5
Republic of Korea	51	52	52	52	1.5	1.2	-0.4
Russia	45	43	43	42	-2.7	-1.7	-0.9
World steel consumption	1,847	1,860	1,879	1,915	0.7	1.0	1.9
Crude steel production	**2024**	**2025[f]**	**2026[f]**	**2027[f]**	**2025[f]**	**2026[f]**	**2027[f]**
China	1,005	968	958	964	-3.7	-1.0	0.6
European Union	130	134	137	141	3.3	2.5	2.6
India	149	159	167	176	6.5	4.8	5.3
United States	79	83	88	90	5.0	5.5	2.3
Other Asia	67	75	79	83	12.5	4.8	5.4
Japan	84	82	83	83	-1.9	0.3	-0.1
Middle East	52	55	57	60	5.8	4.3	4.5
Republic of Korea	64	64	64	64	0.1	0.7	0.3
Russia	71	69	67	66	-3.0	-2.4	-1.7
World steel production	**1,885**	**1,882**	**1,902**	**1,937**	**-0.2**	**1.1**	**1.9**

Notes: **a** Asia ex. China, India, Japan, Republic of Korea and Taiwan; **f** Forecast.

Sources: Department of Industry, Science and Resources (2025); World Steel Association (2025)

Table 3.2: World trade in iron ore

	Million tonnes				Annual percentage change		
	2024	2025[f]	2026[f]	2027[f]	2025[f]	2026[f]	2027[f]
World trade	**1,712**	**1,723**	**1,746**	**1,759**	**0.6**	**1.3**	**0.7**
Iron ore imports							
China	1,238	1,197	1,169	1,179	-3.3	-2.4	0.8
Japan	97	94	93	95	-3.4	-0.7	2.1
European Union	102	108	110	111	6.1	1.6	0.8
Republic of Korea	70	64	64	65	-9.1	0.8	1.9
Rest of Asia[a]	50	61	69	75	21.6	12.8	9.1
India	5	5	14	22	0.0	>100	58.8
Iron ore exports							
Australia	902	905	924	932	0.4	2.1	0.9
Brazil	415	424	435	436	2.2	2.6	0.2
South Africa	60	61	54	53	1.7	-11.4	-1.8
Other Africa[b]	27	32	56	87	17.5	76.2	55.9
Canada	60	62	66	66	3.3	6.4	0.0
India	45	46	47	48	2.2	2.2	2.1

Notes: **a** Asia ex. China, India, Japan, Republic of Korea and Taiwan; **b** Includes Guinea, Mauritania, Sierra Leone, Liberia, Algeria, Kenya, Morocco; **f** Forecast

Sources: Department of Industry, Science and Resources (2025); World Steel Association (2025), Wood Mackenzie (2025)

Table 3.3: Iron ore outlook

						Annual percentage change		
World	**Unit**	**2024**	**2025[f]**	**2026[f]**	**2027[f]**	**2025[f]**	**2026[f]**	**2027[f]**
Prices [a]								
– nominal	US$/t	93	83	76	74	-10.0	-8.3	-3.0
– real [b]	US$/t	95	83	75	71	-12.6	-10.6	-5.0
Australia	**Unit**	**2023–24**	**2024–25[s]**	**2025–26[f]**	**2026–27[f]**	**2024–25[s]**	**2025–26[f]**	**2026–27[f]**
Production								
– Steel [c]	Mt	4.87	4.80	5.46	5.43	-1.5	13.8	-0.5
– Iron ore [g]	Mt	952	947	983	991	-0.5	3.8	0.8
Exports								
Steel [c]	Mt	1.08	0.98	1.09	1.06	-9.8	11.9	-3.2
– nominal value	A$m	1,373	1,158	1,330	1,246	-15.7	14.9	-6.3
– real value [i]	A$m	1,406	1,158	1,293	1,178	-17.7	11.7	-8.9
Iron ore [h]	Mt	898	895	920	927	-0.3	2.7	0.8
– nominal value	A$m	137,850	115,739	104,822	96,503	-16.0	-9.4	-7.9
– real value [i]	A$m	141,201	115,739	101,867	91,219	-18.0	-12.0	-10.5

Notes: **a** Spot price, 62% iron content, fob Australian basis; **b** In 2025 US dollars; **c** Crude steel equivalent; Crude steel is defined as the first solid state of production after melting. In ABS Australian Harmonized Export Commodity Classification, crude steel equivalent includes most items from 7206 to 7307, excluding ferrous waste and scrap and ferroalloys; **f** forecast; **g** In wet metric tonnes; **h** In dry metric tonnes; **i** In 2024–25 Australian dollars; **s** estimate.

Sources: Department of Industry, Science and Resources (2025); ABS (2025) International Trade in Goods and Services, Australia; Bloomberg (2025); World Steel Association (2025); company reports.

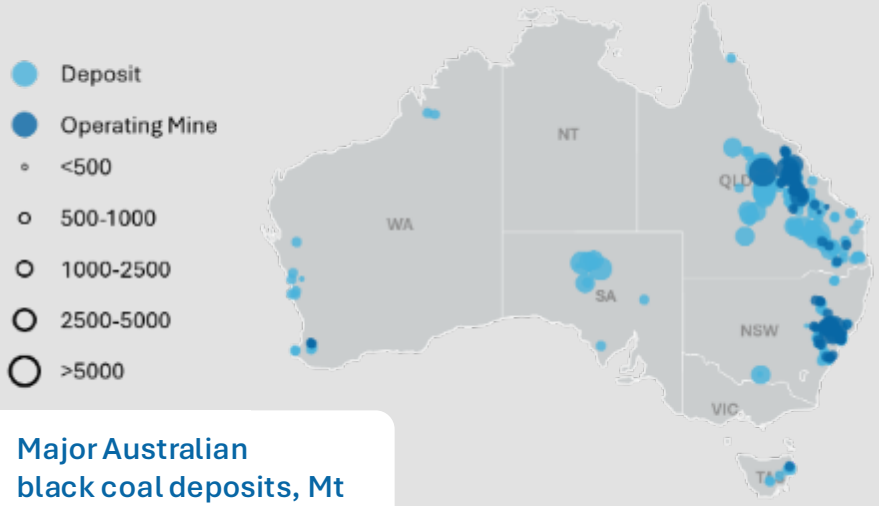
Metallurgical coal

Australia's metallurgical coal sector

153 million tonnes
Exported in 2024

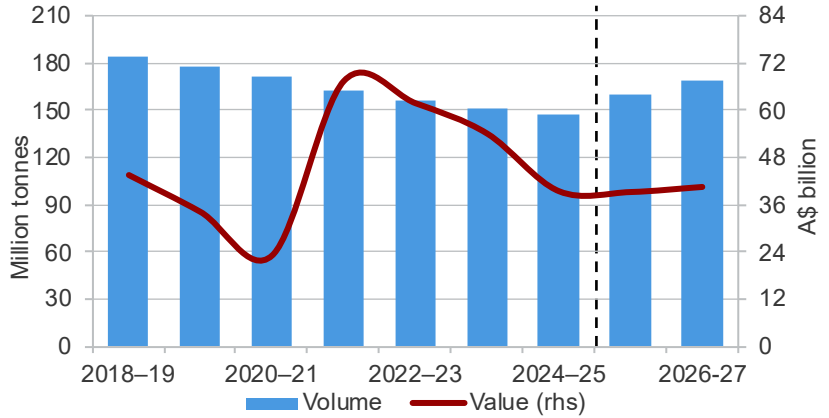
World No. 1
Metallurgical coal exporter

Over 95% exported
of Australia's production



Major Australian black coal deposits, Mt

Australian metallurgical coal exports

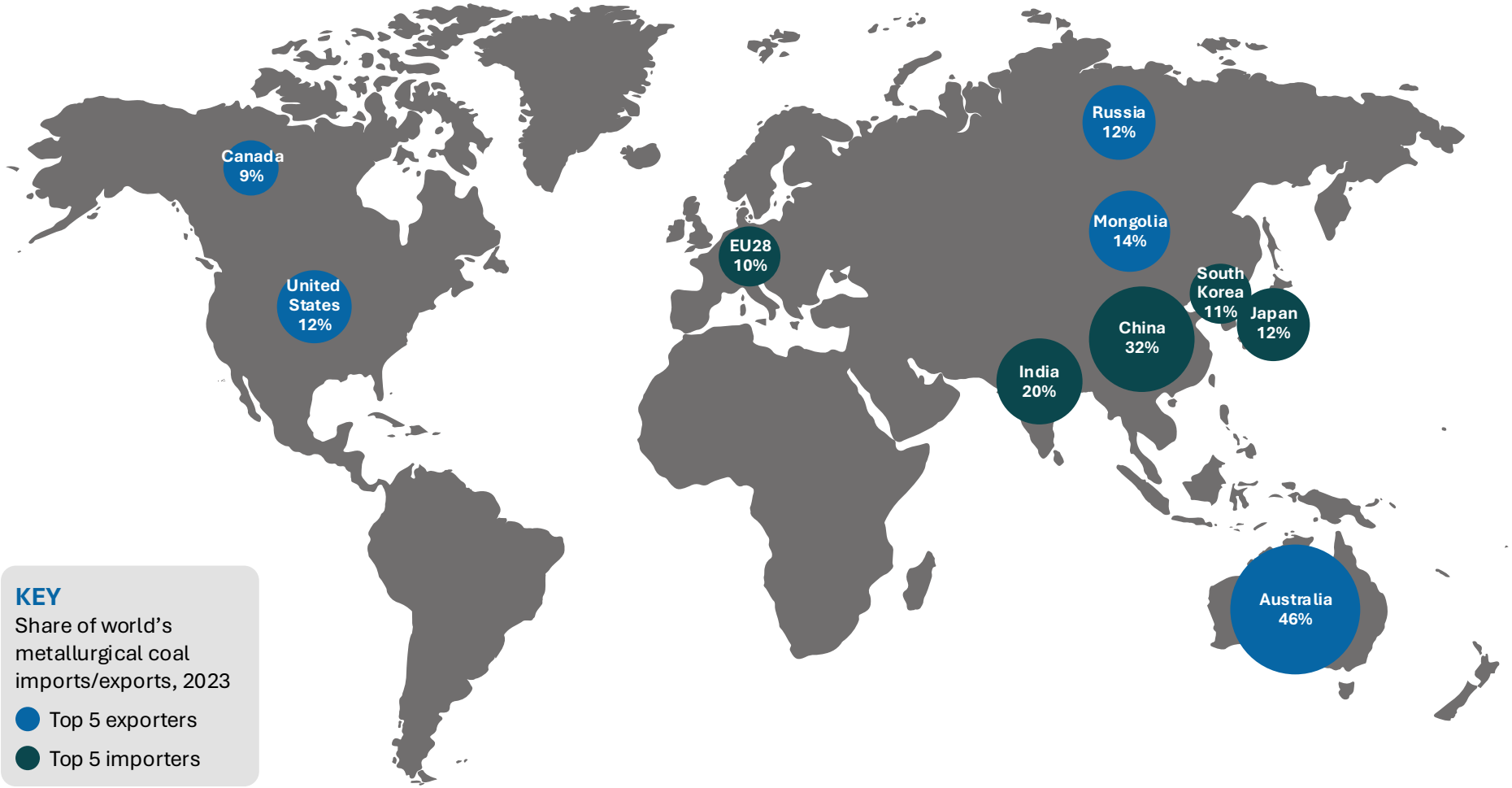


Outlook

- Prices are expected to stabilise
- Export earnings to remain steady
- Export volumes expected to grow
- Demand in India continues to grow

Source: IEA; ABS; McCloskey

Metallurgical coal trade map



Source: IEA; ABS

4.1 Summary

- Prices are expected to remain rangebound around US$200 a tonne in 2026 and 2027, well below US$235 a tonne averaged in 2024.
- Australian exports volumes are expected to be weaker in 2024–25 at 147 million tonnes (Mt) due to production disruptions. Export volumes are forecast to increase to 160 Mt in 2025–26 and 169 Mt in 2026–27.
- Export earnings are expected to remain stable around $40 billion per financial year over the outlook period.

4.2 World trade

Seaborne exports to remain flat

In the first four months of 2025, the global seaborne metallurgical coal trade has tracked broadly in line with 2023 and 2024 levels (Figure 4.1). Demand has risen among key importers India and Europe, and the supply disruptions that hampered Australian exports are easing.

Despite a broadly steady H1 2025, the market faces an uncertain outlook due to trade disputes and the associated prospects of weaker than expected economic growth. The impacts of trade barriers between China and the United States are slowing metallurgical coal trade between the 2 countries.

Despite the challenges of supply disruptions and trade barriers, seaborne exports are expected to remain at relatively high historical levels in 2025.

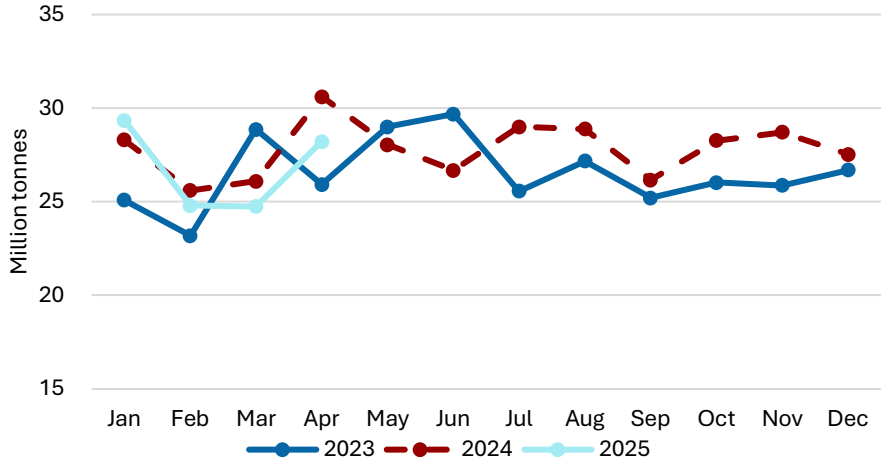
4.3 World imports

Cuts to Chinese steel production will reduce demand

Chinese imports of metallurgical coal increased 2% in the March quarter 2025 from the March quarter 2024. Seaborne imports increased their market share, as Chinese steelmaking blast furnaces operated at high-capacity levels.

Despite the strong start to the year, Chinese imports are tracking much weaker over the June quarter as the impacts of increasing trade barriers are felt. At the same time, excess production capacity has created an oversupply of steel, coinciding with an anticipated fall in steel demand stemming from trade tensions.

Figure 4.1: Global seaborne imports of metallurgical coal



Source: Wood Mackenzie (2025)

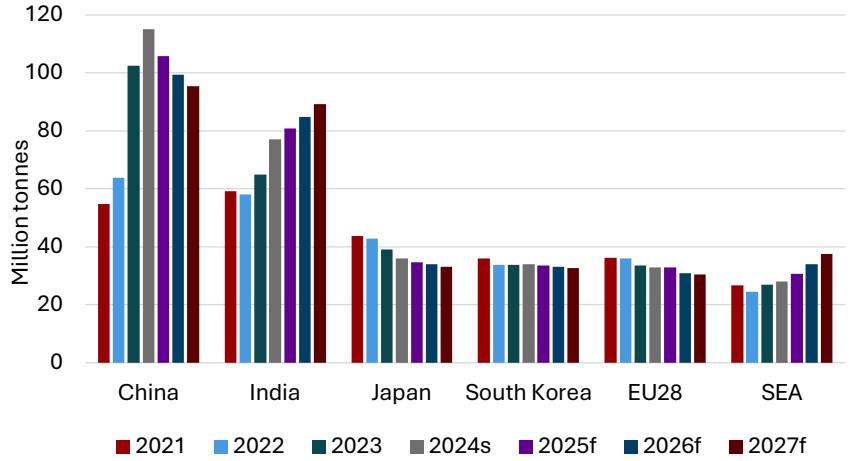
These factors have placed downward pressure on Chinese steel prices and exports, leading to plans to have multiple blast furnaces placed into maintenance in the June quarter 2025. These cuts to steel production will soften demand for metallurgical imports and lead to 2025 imports being substantially lower than in 2024.

Indian demand continues to strengthen

Indian imports were up marginally in the March quarter 2025, recording a 1% gain year-on-year. Slowing growth was primarily the result of supply disruptions in key source countries, particularly Australia, rather than a decline in demand. Demand for imports is expected to remain strong over the rest of 2025 on the back of growth in the Indian manufacturing, automotive and construction sectors.

India continues to underpin global demand for metallurgical coal imports (Figure 4.2). Rapidly expanding infrastructure requirements and a growing industrial sector are fuelling continued growth in Indian steel production. Demand for steel will continue to grow. Under the National Steel Policy, India has set a target of producing 300 million tonnes of steel by 2030, double the production volume of 149 million tonnes in 2024.

Figure 4.2: Metallurgical coal imports



Notes: f Forecast. s Estimate

Source: Department of Industry, Science and Resources (2025); McCloskey (2025)

4.4 World exports

US exports to China have fallen dramatically as Chinese tariffs take effect

In 2024, the United States exported 8.1 Mt of metallurgical coal to China, representing 17% of total US metallurgical exports. These volumes of trade have now collapsed due to trade barriers between the nations. Over the months of March and April 2025, Chinese imports from the US were down 75% from the same period in 2024. To date, US exporters have largely been able to redirect shipments to South America and India. Despite this redirection of trade, US exporters face headwinds over H2 2025, as trade disputes create substantial uncertainty for the sector.

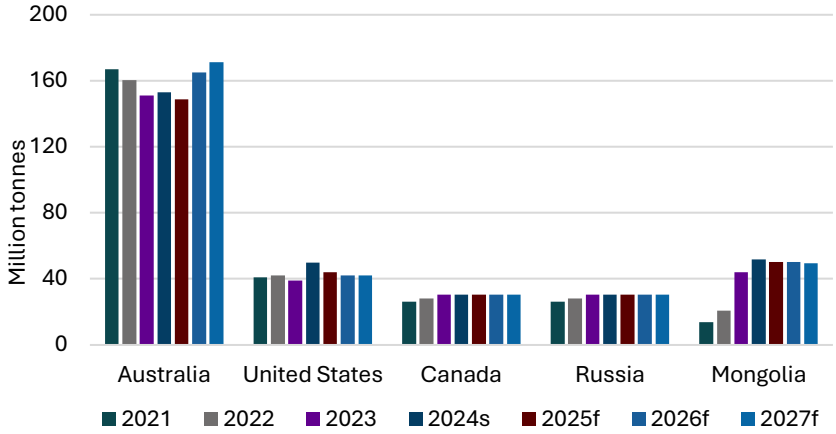
Mongolia highly exposed to a slowdown in Chinese economic growth

Mongolia is one of the world's largest exporters of metallurgical coal, exporting more than 50 Mt in 2024 (figure 4.3). After several years of strong growth, exports fell 20.5% year on year in the March quarter 2025. Mongolia exports exclusively to China, and a lack of Chinese demand led to the sizable export fall. With Mongolia aiming to boost export volumes in 2025, the slowdown in demand triggered concerns. Given its reliance on China as its primary export destination, any large swings to Chinese demand pose a substantial risk to Mongolian miners.

Russia plans to significantly increase exports in the long term

Russian export volumes have been broadly unaffected by trade sanctions, but Russian miners are struggling to remain profitable. The industry is currently under pressure from weaker seaborne prices, a higher exchange rate and domestic logistical costs. Considering these challenges, the Russian Government has announced measures to alleviate the costs associated with rail transportation and is offering taxation deferrals.

Figure 4.3: Metallurgical coal exports



Notes: f Forecast. **s** Estimate

Source: Department of Industry, Science and Resources (2025); McCloskey (2025)

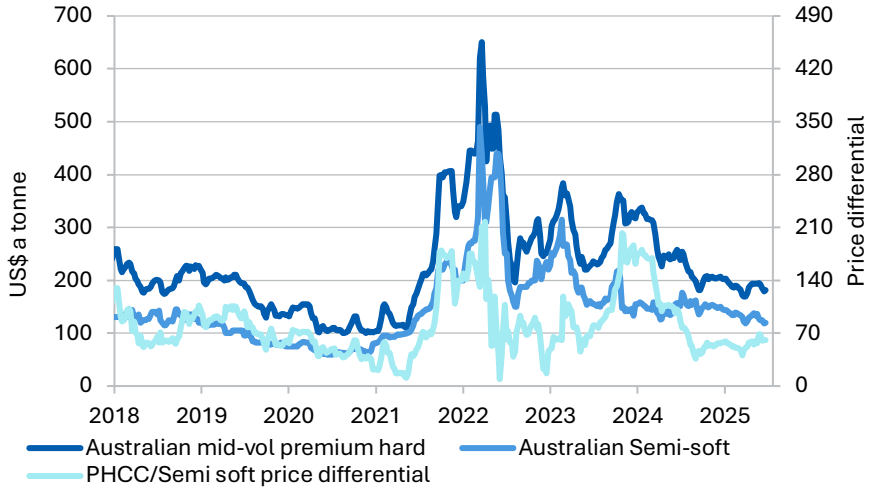
Despite the current pressures faced by the industry, the newly released Russian energy strategy aims to lift total coal exports by about 50–80% over the next 25 years. Under the strategy's base case scenario, exports would increase to 244 Mt by 2030 and 295 Mt by 2050. In a scenario with an increased level of investment, exports would increase to 267 Mt by 2030 and 350 Mt by 2050. The strategy seeks to increase its market share of the global coal trade to around 20% by 2036, up from 15% in 2023.

4.5 Prices

Weather related disruptions in Queensland have buoyed prices

Prices for Australian benchmark premium hard coking coal (PHCC) were under US$200 a tonne for the first five months of 2025 (Figure 4.4). Prices fell to a low of US$169 in March but then rebounded to US$193 in May.
The recent uptick in prices follows a substantial shock to Australian production and exports. Wet weather in Queensland and incidents at multiple mine sites sharply reduced supply and swung the balance of the market from surplus to shortage.

Figure 4.4: Metallurgical coal prices



Source: Department of Industry, Science and Resources (2025); McCloskey (2025)

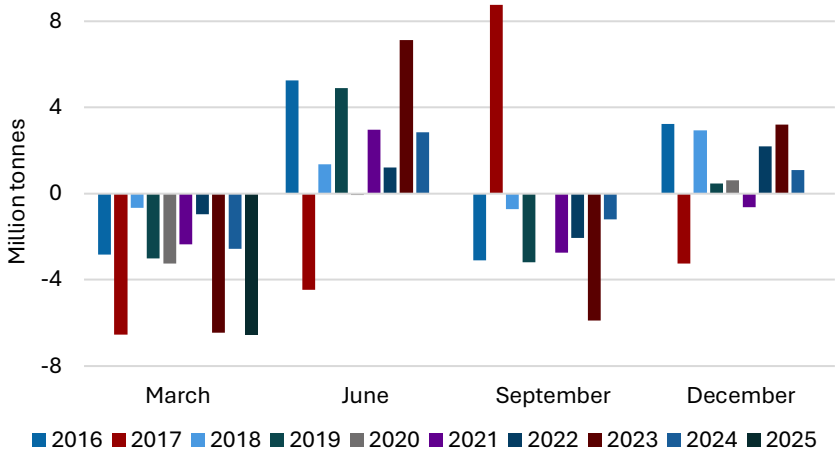
Demand from key importers, particularly India, picked up in recent months. In April, the Indian Ministry of Finance implemented a temporary 12% safeguard duty on certain steel imports to support domestic steelmakers. The safeguard duty, along with seasonal gains in demand as the monsoon season subsides in India, will bolster metallurgical coal demand coal in H2 2025 and help keep prices stable near current levels.

4.6 Australia

Australian exports weakened materially in early 2025 but will bounce back after weather disruptions

Wet weather and incidents at Australian mines hampered export volumes in the March quarter 2025, which were down 9.7% from the March quarter 2024. Higher-than-average rainfall in Queensland disrupted production at surface mines and affected exports through Queensland coal terminals. Incidents at Moranbah North and Appin have also impacted Australian production in the June quarter.

Figure 4.5: Quarterly change in Australian metallurgical coal exports



Source: Australian Bureau of Statistics (2025)

As these disruptions abate, Australian exports will recover over the remainder of 2025. A decline in Chinese demand is a downside risk for Australian exports, although the diversity of Australia's export markets will enable exporters to be responsive to changes in global trade conditions. Exports to India and Southeast Asia are forecast to continue to grow.

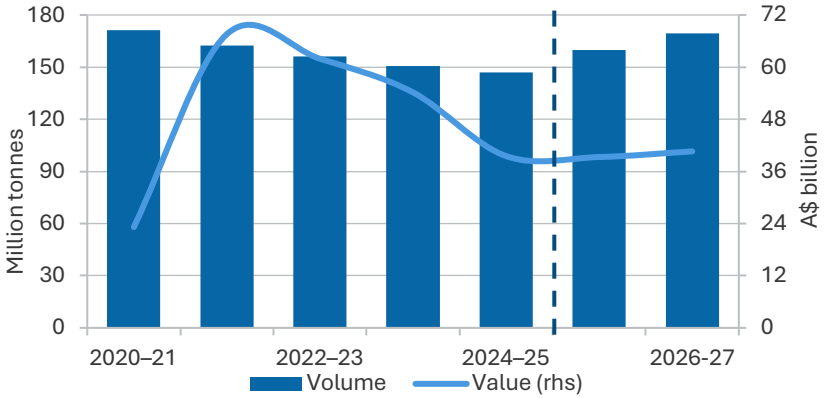
Exploration spending fell in March 2025 quarter

Coal exploration spending fell to $56.6 million in the March 2025 quarter, down from $83.3 million in the December 2024 quarter. The 32% fall in expenditure occurred alongside significant falls in the prices of both metallurgical and thermal coal in the March quarter.

Revisions to the outlook

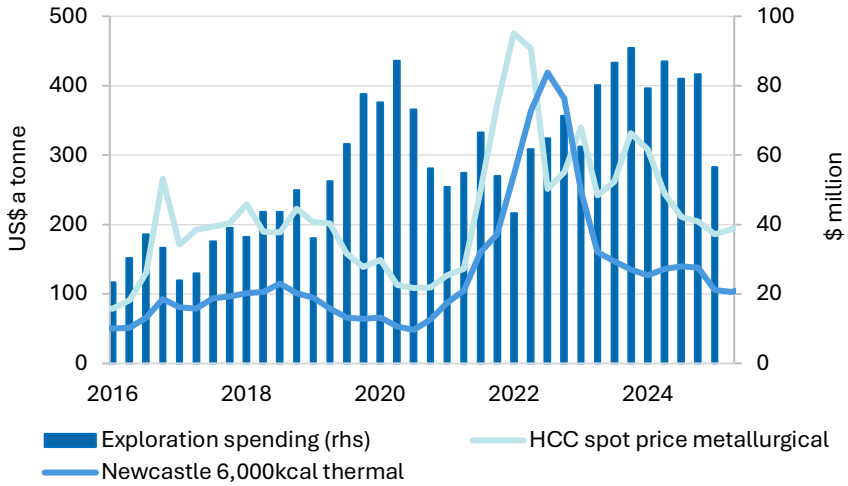
Export volumes and values have been revised down since the March 2025 *Resources and Energy Quarterly*. The revisions are primarily due to the impacts of unseasonably wet weather and incidents at Australian mine sites on Australian exports and marginally weaker prices. Export volumes have been revised down 8 Mt in 2024–25, 3 Mt in 2025–26 and 4Mt in 2026–27. Earnings have been revised down by $1 billion in 2024–25, and revised up by $2 billion in 2025–26 and by $1 billion in 2026–27, due to price, volume and exchange rate effects.

Figure 4.6: Australia's metallurgical coal exports



Source: ABS (2025). Department of Industry, Science and Resources (2025)

Figure 4.7: Australian coal exploration expenditure and price



Notes: Exploration for all coal types

Source: ABS (2025). McCloskey (2025)

Table 4.1: World trade in metallurgical coal

						Annual percentage change		
	Unit	2024[s]	2025[f]	2026[f]	2027[z]	2025[f]	2026[f]	2027[z]
World trade	Mt	349	338	352	357	-3.0	4.1	1.4
Metallurgical coal imports								
China	Mt	115	106	99	95	-8.0	-6.0	-4.0
India	Mt	77	81	85	89	5.0	5.0	5.0
Japan	Mt	36	35	34	33	-3.5	-2.2	-2.2
European Union 28	Mt	33	33	31	30	0.0	-6.1	-2.0
Southeast Asia	Mt	28	31	34	37	10.0	10.3	10.5
Metallurgical coal exports		**2024**	**2025**	**2026**	**2027**			
Australia	Mt	153	149	165	171	-2.9	11.0	3.7
United States	Mt	50	44	42	42	-12.0	-4.0	0.0
Canada	Mt	30	30	30	30	0.0	0.0	0.0
Russia	Mt	43	45	45	45	4.7	0.0	0.0
Mongolia	Mt	52	50	50	49	-3.0	0.0	-2.0
Mozambique	Mt	4	3	2	2	-25.0	-25.0	-25.0

Notes: f Forecast; **s** Estimate; **z** Projection.

Source: IEA (2024) Coal Information; IHS (2024); Department of Industry, Science and Resources (2024)

Table 4.2: Metallurgical coal outlook

						Annual percentage change		
World	**Unit**	**2024**	**2025[f]**	**2026[f]**	**2027[f]**	**2025[f]**	**2026[f]**	**2027[f]**
Contract prices[e]								
– nominal	US$/t	254	191	202	200	-24.9	5.8	-0.9
– real[d]	US$/t	262	191	197	191	-27.1	3.3	-2.9
Spot prices[g]								
– nominal	US$/t	242	190	202	200	-21.5	6.1	-1.1
– real[d]	US$/t	249	190	197	191	-23.7	3.6	-3.1
Australia	**Unit**	**2023–24**	**2024–25[s]**	**2025–26[f]**	**2026-27[f]**	**2024–25[s]**	**2025–26f**	**2026-27[f]**
Production	Mt	157	152	165	174	-3.5	8.4	5.7
Export volume	Mt	151	147	160	169	-2.5	8.8	5.9
– nominal value	A$m	54,176	39,529	39,315	40,610	-27.0	-0.5	3.3
– real value[i]	A$m	55,541	39,529	38,207	38,386	-28.8	-3.3	0.5

Notes: **d** In 2025 US dollars; **e** Contract price assessment for high-quality hard coking coal; **i** In 2024–25 Australian dollars; **f** Forecast; **g** Hard coking coal fob Australia East Coast ports; **s** Estimate.

Source: McCloskey (2025); ABS (2025); Department of Industry, Science and Resources (2025).

Thermal coal

Australia's thermal coal sector

World No.2

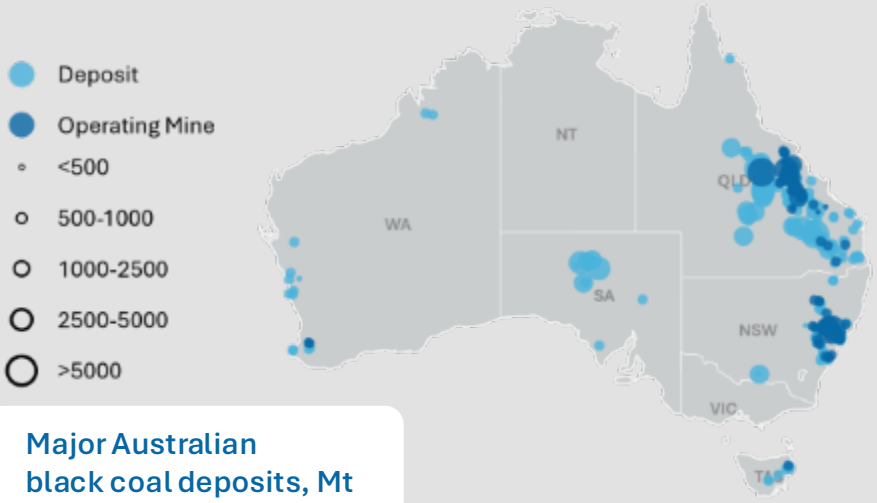
largest thermal coal exporter

Japan and China

are the biggest export markets

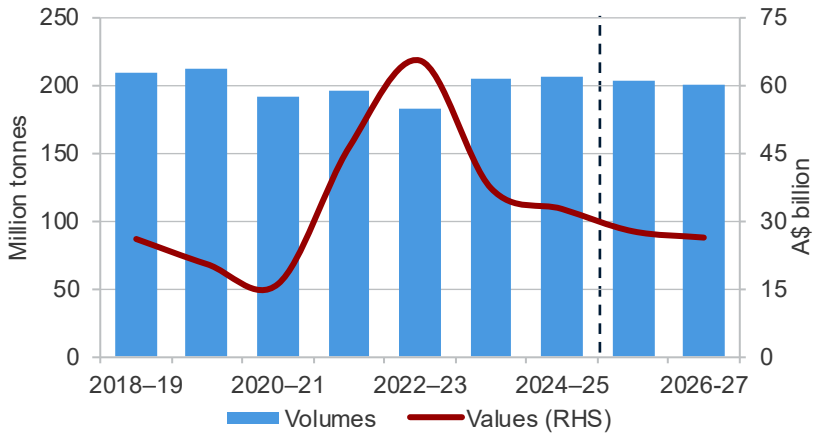
80%

of Australia's thermal coal is exported



Major Australian black coal deposits, Mt

Australian thermal coal exports

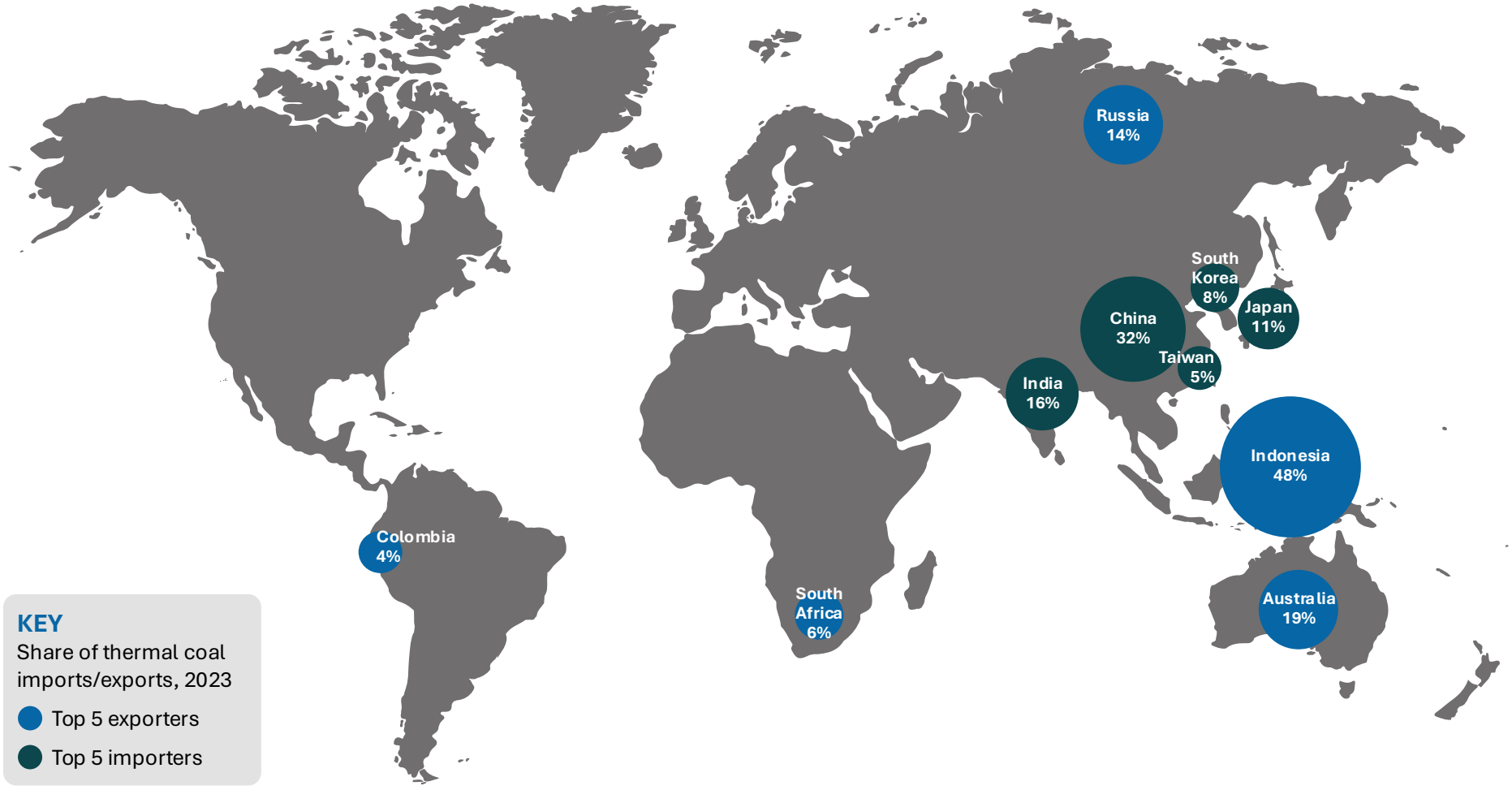


Outlook

- Australian export earnings continue to decline
- Export volumes gradually declining from high levels
- Heightened domestic coal production in India and China
- Increased renewable capacity for key importers

Source: Geoscience Australia; IEA; ABS; DISR; McCloskey

Thermal coal trade map



Source: IEA, McCloskey

5.1 Summary

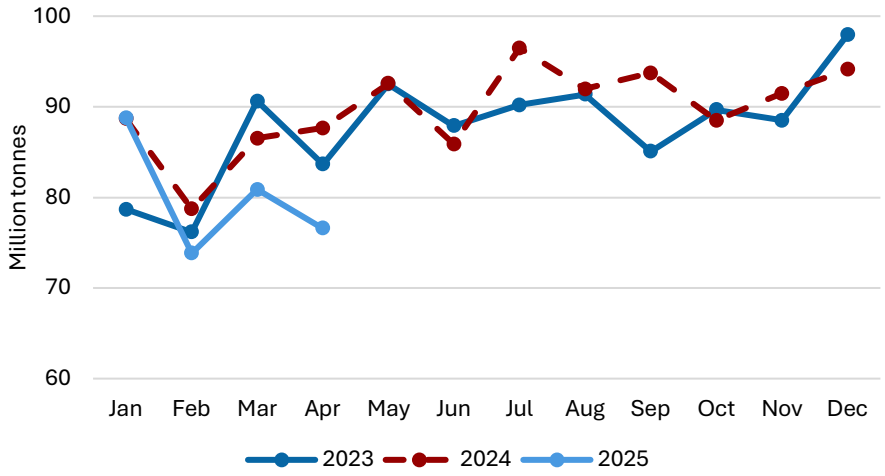
- Thermal coal prices are expected to remain subdued over the outlook period, falling from US$135 a tonne in 2024 to US$107 a tonne in 2025. Prices are forecast to remain around US$110 a tonne in 2026 and 2027.
- Australia's export volumes are expected to decline over the outlook period, falling from 207 million tonnes (Mt) in 2024–25 to 200 Mt in 2026–27.
- Export earnings are expected to ease from $32 billion in 2024–25 to $26 billion in 2026–27.

5.2 World trade

Oversupply and weaker demand mark the start of 2025

The seaborne thermal coal trade slowed in 2025 (Figure 5.1). Increased domestic production in China and India and a surge in renewable power capacity reduced demand for seaborne coal. As a result prices have fallen and profit margins reduced.

Figure 5.1: Global seaborne imports of thermal coal



Source: Wood Mackenzie (2025)

Seasonal impacts, as the Northern Hemisphere moves into the warmer summer months, are expected to increase seaborne import demand and prices over the rest of 2025.

Global economic growth is expected to slow over the next two years. Thermal coal, which is used for energy production, is generally less sensitive to swings in economic growth than metallurgical coal, which is used for steel production. However, if energy demand declines with a broader slowdown in economic activity, demand for thermal coal could be lower than forecast.

5.3 World imports

Chinese imports lower as domestic coal production and renewable power output both increase

China's imports weakened in the March quarter 2025, down 10% from the equivalent period in 2024. The decline in imports has been driven primarily by a surge in domestic production. These higher levels of domestic production led to a supply glut as coal-fired power generation declined early in the year. The oversupply led to a build-up of inventories at coastal ports and mine sites, slowing the need for imported coal.

Thermal coal demand remains under pressure from the continued increase in renewable power output in China. Wind and solar capacity are now greater than the combined generational capacity of coal and gas, although coal remains the dominant source of power generation due to its base load capabilities. Over the outlook period, the combined impacts of elevated domestic production and pressure from renewables are forecast to limit import demand. In 2025, Chinese imports are set to fall from the record highs observed in 2024, with further falls expected in 2026 and 2027. These falls will decrease China's share of total import demand from 36% in 2024 to 31% in 2027.

Indian power demand has been increasingly satisfied by local production

India's imports were down 9% in March 2025 year-on-year. The fall in imports occurred as domestic production in India has surged over the last five years. The continued increase in domestic production has contributed to coal stocks rising to record high levels, limiting the need for additional imports.

Increased power demand associated with the warmer summer months will likely lead to increased thermal coal consumption and provide a potential upside for imports as stockpiles run down. The monsoon season is likely to then soften coal demand through cooler temperatures and increased hydroelectric output as dam levels increase.

Over 2026 and 2027, Indian demand for imported thermal coal will likely moderate as it balances a push for increased domestic production with imported usage (figure 5.2).

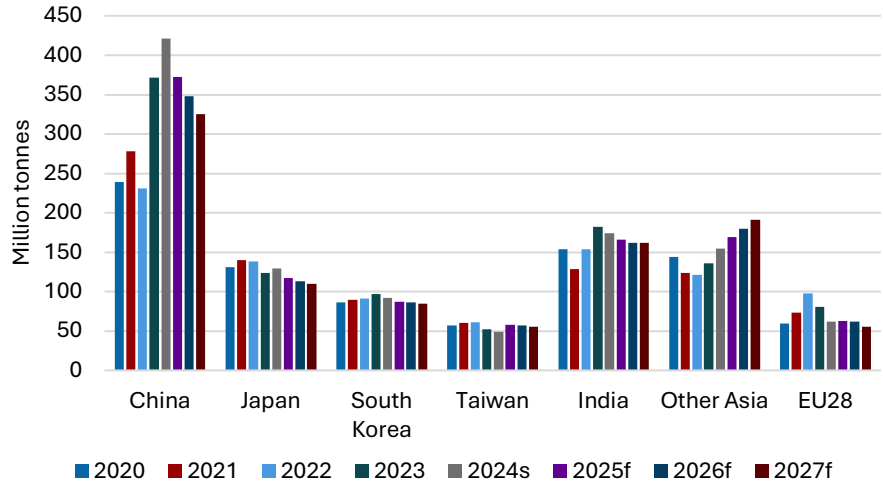
South Korea and Taiwan both record sizable falls in imports, while Japanese imports increased

South Korean imports declined steeply in the March quarter 2025, down 14% on the same period last year. These falls are the result of a mild winter and increased output from nuclear, gas and renewables. Nuclear is now the largest source of electricity generation in the country, and with output from renewables continuing to grow, demand for thermal coal will continue to soften.

Taiwan also recorded a substantial fall in imports in the March 2025 quarter, down 12% from March 2024. These falls come amidst a decline in coal-fired power generation that was offset by increased gas-fired power generation. With Taiwan decommissioning its last nuclear reactor in May, demand for coal may increase over the summer months, providing some upside to import demand over the remainder of 2025.

Japanese imports were up 6% year-on-year in the March 2025 quarter. The increase in imports occurred despite Japan restarting two nuclear reactors in late 2024. These reactors had been offline since the 2011 Fukushima nuclear accident. Despite the recent uptick in imports, Japanese thermal demand is forecast to decline due to expanded nuclear capacity and the increased share of power generation from renewables.

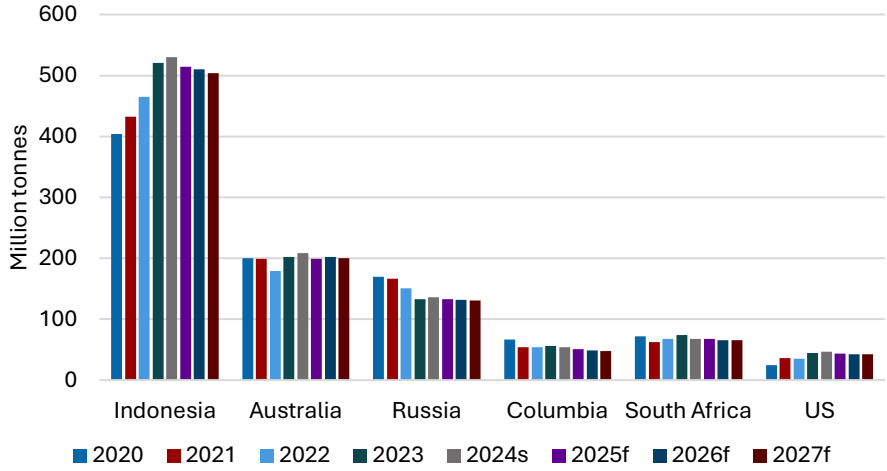
Figure 5.2: Global imports of thermal coal



Notes: **f** Forecast. **s** Estimate

Source: Department of Industry, Science and Resources (2025); McCloskey (2025)

Figure 5.3: Figure 5.3 Global exports of thermal coal



Notes: **f** Forecast. **s** Estimate

Source: Department of Industry, Science and Resources (2025); McCloskey (2025)

5.4 World exports

Indonesian exports soften on uncertainty over floor price regulations

Indonesia's exports fell in the March quarter, down 6% from March 2024. Two key buyers of Indonesian thermal coal, China and India, now have ample supply due to high levels of domestic production and increased output from renewables, resulting in lower import demand. In addition, Indonesian floor price regulations are causing uncertainty between buyers and sellers.

Since 1 March 2025, any Indonesian exporter selling at a price below the domestic benchmark price must pay the shortfall in royalties and taxes. The system has led to confusion between buyers and sellers as they face difficulty calculating long term prices. With the market already oversupplied, the system's complexities are seeing buyers hesitate at striking new deals. As a result, 2025 export levels are expected to be markedly lower than 2024. Due to a broader slowdown in thermal coal demand from China, Indonesian exports are forecast to stay close to these relatively low levels in 2026 and 2027 (Figure 5.3).

New US executive orders aim to lift domestic coal production and exports

In early 2025, US exports have weakened on the back of softer demand in key import countries, particularly India and South Korea.

The outlook for US thermal coal exports is highly uncertain due to high global trade tensions. As part of trade negotiations with the US, partners countries may seek to increase US energy imports to reduce their trade surpluses.

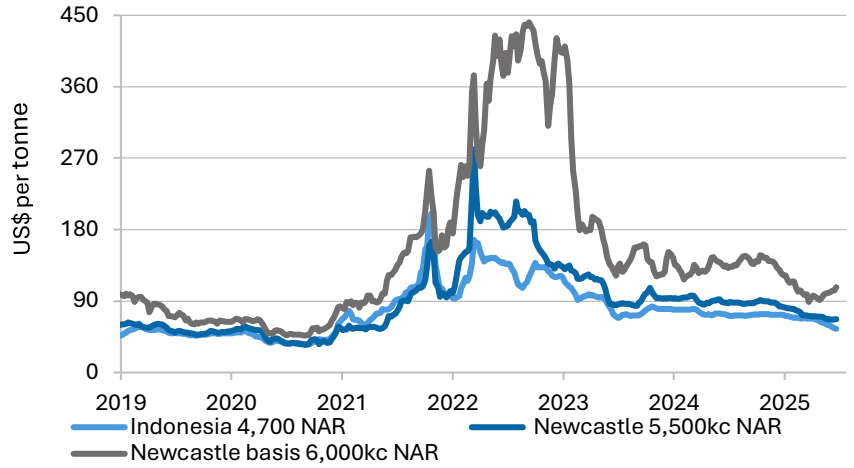
However, the timing, extent and possible dislocation of exports from other countries is difficult to determine at this stage. Recently issued Executive Orders may also offer some upside to US coal exporters as they seek to roll back regulations and identify opportunities to boost exports.

5.5 Prices

Weak demand has lowered prices in early 2025

Over the course of April and May 2025, the price of Newcastle 6000 kcal has averaged US$96 a tonne, down from US$106 in the March 2025 quarter and US$138 in the December 2024 quarter (Figure 5.4). Lower prices reflect higher domestic production and the heightened usage of alternative energy sources in key import markets. As these factors are likely to be structural, they will anchor prices around these relatively lower levels going forward.

Figure 5.4: Thermal coal prices – Australia and Indonesia



Source: McCloskey (2025). NAR – Net as received.

Over H2 2025, stockpiles will be reduced and increases in Northern Hemisphere power generation will increase demand. Stockpile reductions and higher demand will result in a slight increase in prices. Prices are then expected to remain steady, averaging US$109 a tonne in 2026 and US$111 in 2027.

5.6 Australia

Despite a slow start to 2025 Australian exports will remain high

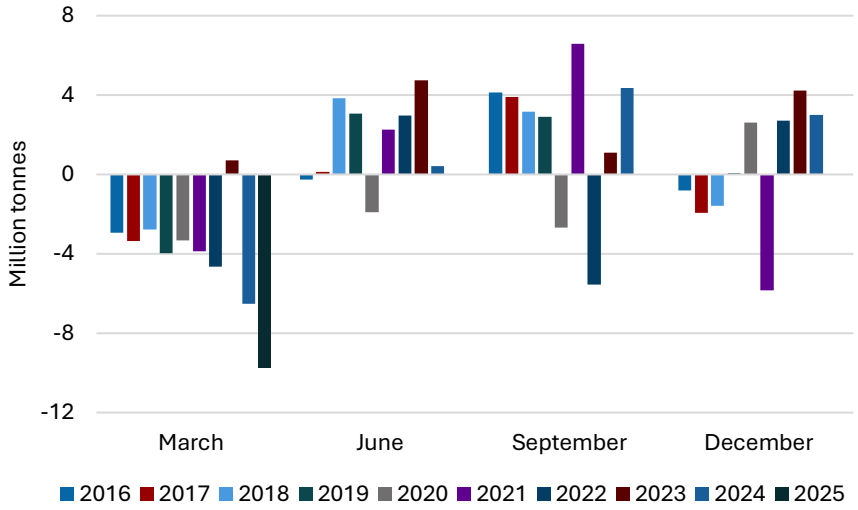
The March quarter generally brings seasonal weakness to Australian thermal coal exports, as wet weather and cyclone activity interrupts production and shipping. However, the quarterly fall in exports in March 2025 was particularly pronounced. The above-average fall was the result of typical seasonal weakness plus unusually weak demand from Australia's key export markets – China, Japan, South Korea and Taiwan.

Normal seasonal patterns generally bring a bounce back in Australian exports in the June quarter, although recent flooding in New South Wales may weaken this recovery. Australian exports are still forecast to strengthen in H2 2025 as supply issues are overcome and Northern Hemisphere demand increases. We forecast a decrease in global stockpiles as demand increases, underpinning Australian exports at relatively high levels of 204 Mt in 2025–26 and 200 Mt in 2026–27.

Revisions to the outlook

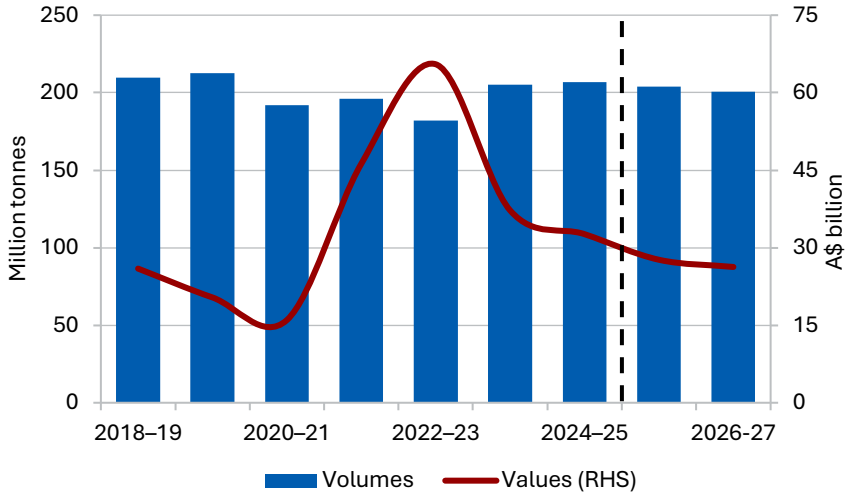
Export volumes and values have been revised down since the March 2025 *Resources and Energy Quarterly*. These revisions are due to larger than forecast price decreases in H1 2025, and the impacts of unseasonably wet weather on Australian exports. Export volumes have been revised down 7 Mt in 2024–25, 3 Mt in 2025–26 and 2 Mt in 2026–27. Earnings have been revised down $1 billion in 2024–25 due to price, volume and exchange rate effects.

Figure 5.5: Quarterly change in Australian thermal coal exports



Source: Australian Bureau of Statistics (2025)

Figure 5.6: Australia's thermal coal exports



Source: ABS (2025). Department of Industry, Science and Resources (2025)

Table 5.1: World trade in thermal coal

Thermal coal						Annual percentage change		
	Unit	2024[s]	2025[f]	2026[f]	2027[f]	2025[f]	2026[f]	2027[f]
World trade	Mt	1,166	1,124	1,082	1,056	-3.6	-3.7	-2.4
Thermal coal imports		**2024[s]**	**2025[f]**	**2026[f]**	**2027[f]**			
Asia	Mt	1,020	970	945	929	-4.9	-2.5	-1.8
China	Mt	421	372	348	325	-11.6	-6.5	-6.6
India	Mt	174	166	162	162	-4.6	-2.4	0.0
Japan	Mt	129	117	113	110	-9.3	-3.4	-2.7
South Korea	Mt	92	87	86	85	-5.4	-1.1	-1.2
Thermal coal exports		**2024[s]**	**2025[f]**	**2026[f]**	**2027[f]**			
Indonesia	Mt	530	514	510	504	-3.0	-0.8	-1.2
Australia	Mt	209	199	202	200	-4.9	1.7	-1.0
Russia	Mt	136	133	132	131	-2.2	-0.8	-0.8
Colombia	Mt	54	51	49	48	-5.6	-3.9	-2.0
South Africa	Mt	68	68	66	66	0.0	-2.9	0.0
US	Mt	47	43	42	42	-8.5	-2.3	0.0

Notes: **f** Forecast, **s** Estimate

Source: International Energy Agency (2025); McCloskey (2025); Department of Industry, Science and Resources (2025).

Table 5.2: Thermal coal outlook

						Annual percentage change		
World	**Unit**	**2024**	**2025[f]**	**2026[f]**	**2027[f]**	**2025[f]**	**2026[f]**	**2027[f]**
Contract prices[e]								
– nominal	US$/t	147	116	119	120	-21.0	2.3	1.2
– real[d]	US$/t	140	109	109	108	-22.6	0.3	-0.9
Spot prices								
– nominal	US$/t	135	107	109	111	-20.7	2.3	1.1
– real[d]	US$/t	138	107	107	106	-22.3	-0.2	-0.9
Australia	**Unit**	**2023–24**	**2024–25[f]**	**2025–26[f]**	**2026-27[f]**	**2024–25[s]**	**2025–26[f]**	**2026-27[f]**
Production	Mt	233	233	244	234	0.0	4.5	-4.0
Export volume	Mt	205	207	204	200	0.8	-1.3	-1.7
– nominal value	A$m	37,214	32,476	27,668	26,277	-12.7	-14.8	-5.0
– real value[i]	A$m	38,152	32,476	26,888	24,838	-14.9	-17.2	-7.6

Notes: **a** refers to benchmark Japanese Fiscal Year 6322kcal GAR thermal coal contract reference price; **b** In current JFY US dollars; **c** fob Newcastle 6000 kcal net as received; **d** In 2025 US dollars; **e** In 2024–25 Australian dollars; **f** Forecast

Sources: ABS (2025) International Trade in Goods and Services, Australia, Cat. No. 5368.0; McCloskey (2025); NSW Coal Services (2025); Queensland Department of Natural Resources and Mines (2025); Company Reports; Department of Industry, Science and Resources (2025)

Gas

Australia's LNG sector

81 million tonnes

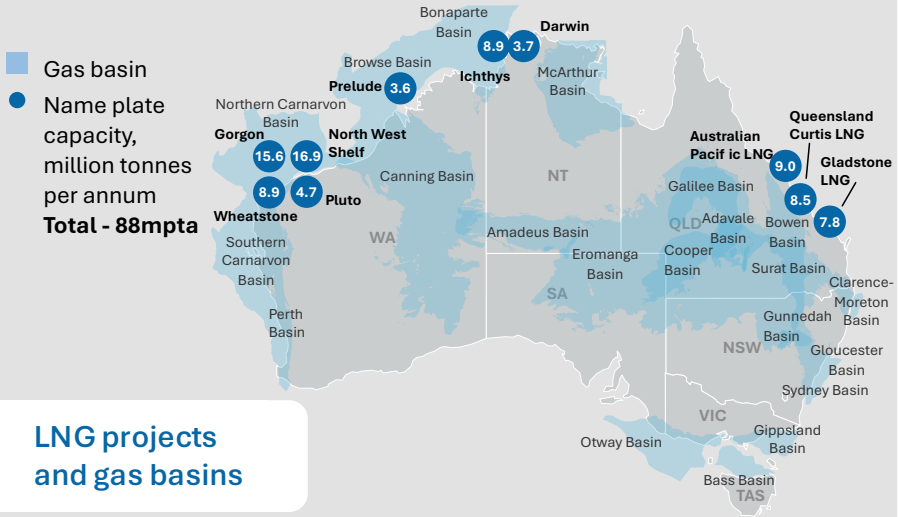
exported in 2023–24

80%

of Australian LNG sold to Japan, China and Korea

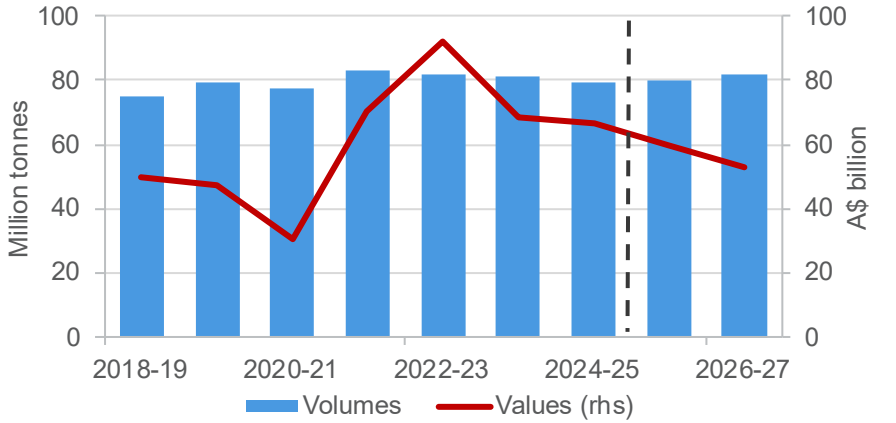
Around three-quarters

sold on long-term contracts



LNG projects and gas basins

Australian LNG exports

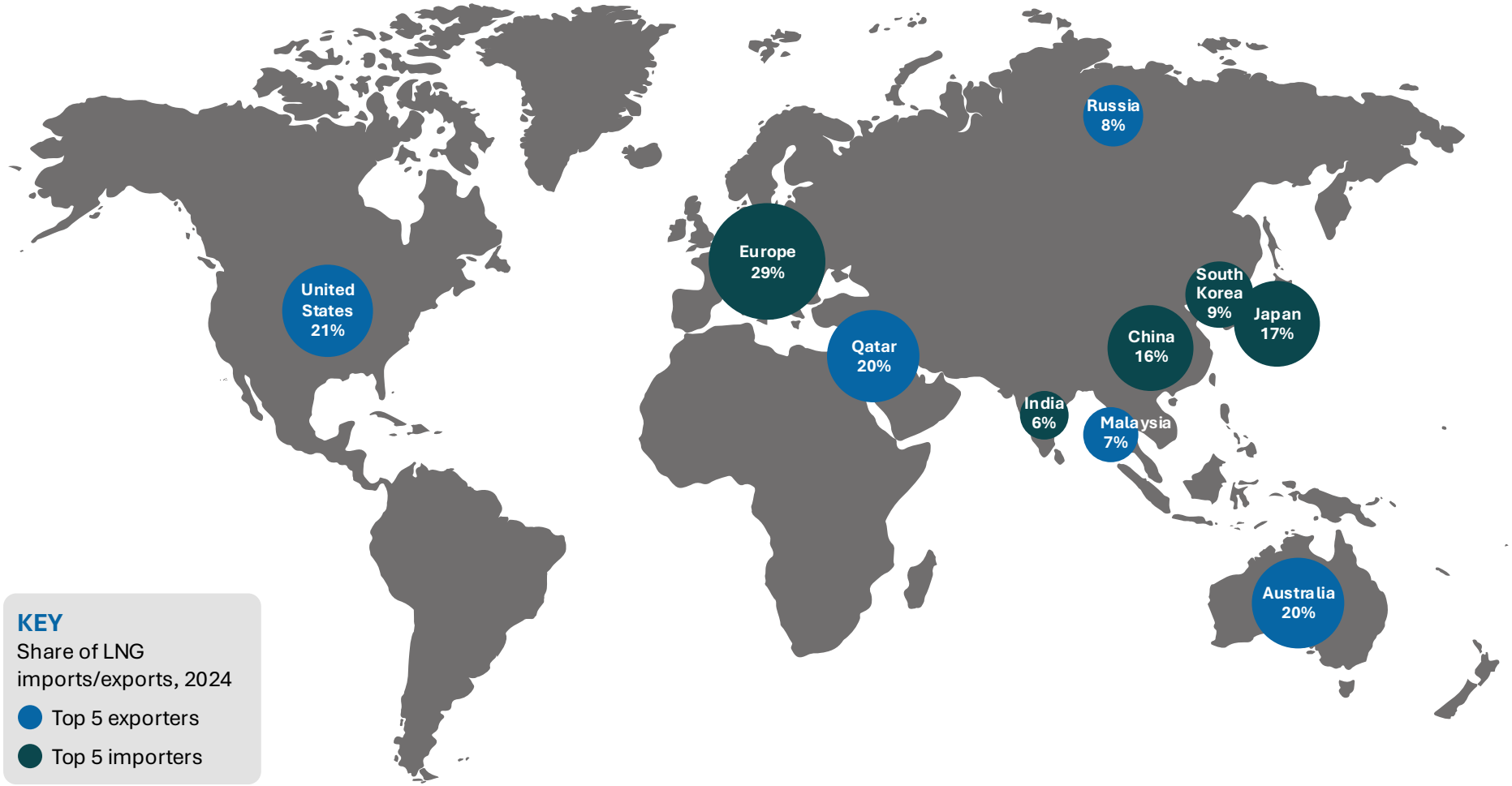


Outlook

- Earnings set to ease as LNG prices drop
- Greenfield investment remains relatively modest
- Large growth in supply is expected from the US & Qatar
- Quarterly exploration expenditure has eased

Source: ABS; DISR; OCE

LNG trade map



Source: World Gas Model, DISR, ABS International Trade

6.1 Summary

- Australia's LNG export earnings are forecast to decline from $67 billion in 2024–25 to $53 billion by 2026–27. The earnings forecast for the next 2 years has been revised down from the March 2025 *Resources and Energy Quarterly* due to falling oil prices and rising trade barriers. However, recent events add to the upside risk for oil prices.
- New supply from the US and Qatar is forecast to reduce LNG prices from US$15/MMBtu (in early 2025) to around US$10/MMBtu by 2027. However, rising tensions in the Middle East could result in gas price spikes, particularly if shipping through the Strait of Hormuz is affected.
- Falls in LNG export earnings are largely price-driven in the short-term, but gradual depletion at some deposits could weigh on volumes over the longer term.

6.2 World trade

Investment in supply is rising as LNG moves into a new growth cycle

Global gas markets are moving into a new growth phase following the disruptions linked to Russia's invasion of Ukraine. Supply chains between the US and Europe have expanded rapidly following the exclusion of Russian pipeline gas from Europe. Russian gas production has declined, but some displaced Russian gas has found new markets in Asia.

Gas markets have largely adjusted to the new circumstances and LNG trade is picking up again, with the new growth phase expected to last until the mid-2030s. LNG demand growth is expected to be concentrated in Asia over the coming decade, with US and Qatar supply growing to meet it. LNG demand is projected to peak and plateau from the late 2030s as the global transition towards low emissions energy progresses.

This timeframe creates an incentive to rapidly progress LNG supply projects. Gas projects have moved forward rapidly in the US (in particular) and Qatar, with the US set to account for around 85% of new LNG supply in 2025. Supply from the US and Qatar is expected to keep growing over the subsequent two years, leading to a downward pressure on prices, which are expected to end the outlook period at around US$10/MMBtu.

Global LNG supply rose modestly in the March quarter 2025, as the Plaquemines, Corpus Christi Stage 3 and LNG Canada projects began producing. Global LNG exports are predicted to increase by around 5% in 2025, exceeding LNG import demand growth of around 2.5%.

On the demand side, a cold Northern Hemisphere winter drove up European LNG use in the March quarter 2025, leading to storage pressures and prices close to US$15/MMBtu. Prices subsequently eased to around US$12/MMBtu as European demand softened, but recent geopolitical conflicts have begun to push prices up again.

Forecasts are subject to an unusually high range of risks. Trade tensions between the US and China could affect global GDP, creating downsides for LNG demand and prices. However, recent conflict in the Middle East could push oil and LNG prices up by disrupting supply shipments from Qatar. An unusually large volume of new supply projects in the US and Qatar will also need to stay on schedule to keep LNG markets well supplied. A range of factors from weather to geopolitical issues could potentially affect this project pipeline.

On balance, it is expected that LNG prices will trend marginally down, but with risks weighted slightly to the upside. New supply (Figure 6.1) should help to keep markets stable, but prices will likely hold above US$8/MMBtu, since falls below this level would threaten the viability of many US supply projects.

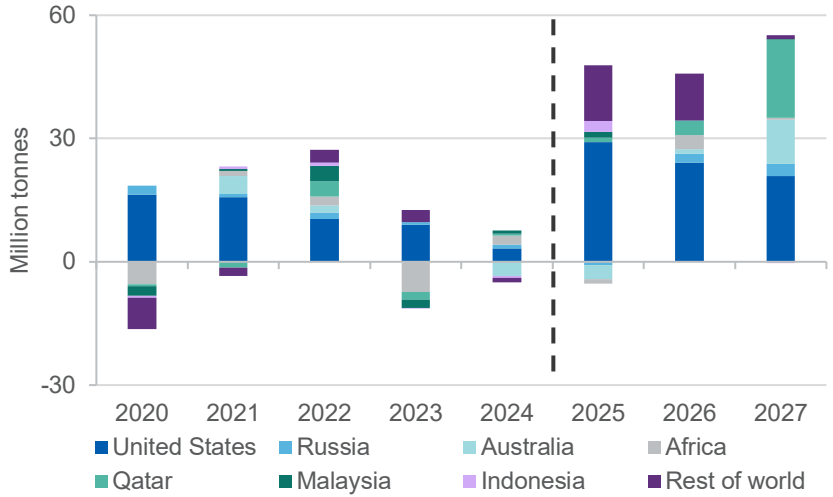
6.3 World imports

European LNG imports are set to ease as seasonal pressures pass

European LNG imports rose in the Northern Hemisphere winter as higher household energy use coincided with lower domestic gas production (Figure 6.2). European gas production fell by almost 5% in 2024, and provisional data points to further easing in H1 2025. Europe still has a few domestic gas prospects (including Romania's Neptun Deep offshore field, which is due to commence in 2027), but many wells are edging towards depletion.

Falling European gas production means a rising share of European gas demand will need to be met from imports. LNG imports rose across a broad array of European countries in early 2025, and most imported countries are not significantly targeted by US tariffs. European LNG demand should remain relatively sturdy in the current trade environment.

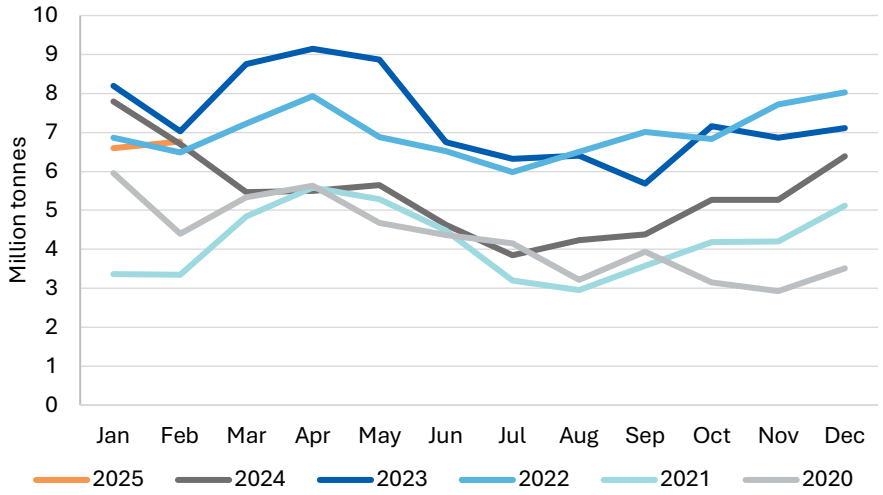
Figure 6.1: Global LNG supply growth forecasts



Notes: 2020, 2021, 2022, 2023 and 2024 figures based on historical data.

Source: Department of Industry, Science and Resources (2025); NexantECA (2025)

Figure 6.2: Europe's monthly LNG imports



Source: McCloskey (2025)

Pipeline gas flows between Russia and Europe have now ceased except for Turkstream, which continues to service long-term contracts in Hungary, Serbia, Bosnia-Herzegovina, Slovakia, Greece, and North Macedonia. The EU has also announced a target to wind down Russian seaborne LNG imports by the end of 2027. The wind down will reduce gas trade between Russia and Europe to a small fraction of its former level, with growing US seaborne flows set to act as a substitute.

Total European LNG imports are expected to peak around the end of the outlook period. Expanded renewable deployments should reduce day-to-day use of LNG over time, though it will also entrench use of LNG as a firming fuel in power grids.

China's LNG imports are expected to start growing again in 2026

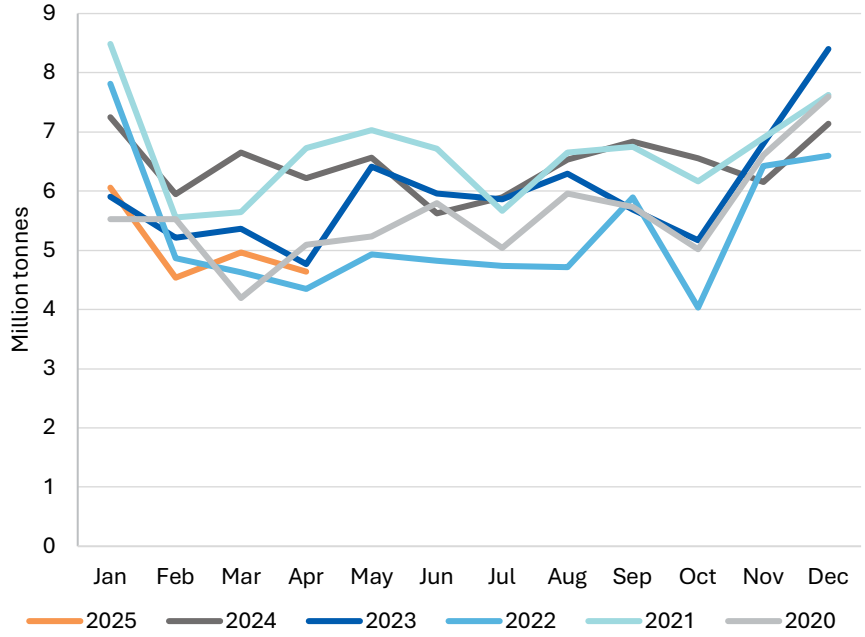
China's gas imports fell in the March quarter 2025 before a tentative recovery in April (Figure 6.3). LNG demand in China has been softened by mild weather and lower household energy use.

Trade tensions between the US and China have affected industrial demand, with concerns rising over a potential reduction in goods exports to the US. LNG trade between the US and China has been effectively halted since February, with recent arrivals of US LNG being 'on-sold' to other countries to avoid tariff penalties.

China's coal-to-gas switching has picked up, with both electrical and vehicle fleets shifting their energy use patterns. This is acting as an offset to lower population and slower urbanisation in China. While the scale of this switching has accelerated in recent years, it remains subject to significant policy influence and oversight, as well as to commercial decisions. The availability of energy alternatives makes China's LNG uptake more discretionary than many other Asian countries.

Trade tensions are expected to persist through the outlook period. China also continues to invest widely in domestic gas production. With domestic production growing and trade tensions persisting, it is likely that Chinese LNG imports will hold in 2025 before growing modestly in 2026 and 2027.

Figure 6.3: China's monthly LNG imports



Source: McCloskey (2025)

Japan's LNG imports are set to ease from the second half of 2025

Japanese LNG demand was relatively strong in early 2025, lifted by volatile weather and slow progress in restarting nuclear power plants. LNG demand growth remains largely driven by households, with industrial demand softening in 2025. However, data centres and potential semiconductor manufacturing could support industrial growth in the future.

The pace of nuclear reactor reconnections persists as a primary long-term influence on Japanese LNG imports. The reconnection of the Onagawa 2 and Shimane 2 nuclear plants in 2024 is likely to reduce LNG imports modestly in 2025 overall. Japan has also invested significantly in renewable energy, though the need for firming of this capacity will lock LNG into Japan's power generation model for the foreseeable future.

South Korean LNG imports are approaching a peak

Cold weather kept South Korean energy use elevated in late 2024 and early 2025, with the bulk of this growth linked to household demand. The Shin Hanul 2 nuclear plant commenced production in April 2024, but LNG use nonetheless held up due to high household energy consumption.

Gas use should decline in 2025 as the weather improves and nuclear and renewable power meet a greater share of demand. Overall, South Korean imports are likely near their peak, with small growth in 2026 expected to be followed by a flat 2027.

India's LNG imports have softened due to price growth in late 2024

Gas consumption in India edged down in early 2025 (from a year earlier) due to a decline in power sector demand. India is a very price-sensitive LNG buyer, and the lift in LNG prices to near US$15/MMBtu over recent months appears to have deterred some users.

LNG generally accounts for less than 3% of India's electricity generation, but LNG imports increased by around one-quarter (off a small base) between 2023 and 2024. The recent reduction in LNG prices in April and May could spark renewed uptake after H1 2025.

Easing prices and limited domestic output will likely push LNG imports up through the outlook period. However, the Indian Government continues to announce policies intended to expand domestic production. These policies may check India's rising import needs over the longer term. Military conflict could also add to general risks on the demand side, but has not noticeably affected LNG imports at the time of writing.

Emerging Asia is becoming a more important source of LNG demand

LNG uptake continues at a robust pace across other parts of Asia, with a surge in mid-2024 resulting in record imports to ASEAN countries over the year. LNG imports are expected to grow by around 2% in 2025, representing a slowdown from the 3% growth recorded in 2024. Asian LNG imports have faced additional uncertainty in recent months due to trade tensions, with some countries potentially facing huge US tariffs. If tensions can be resolved it is likely that longer-term growth trends in region will firm up.

6.4 World exports

Growth in US production is resuming as three new projects ramp up

Several US projects have commenced operation in recent months: the Plaquemines LNG project, which came online in 2024, is ramping up with regular cargo loadings now underway. The project includes 9 pairs of liquefaction trains (each pair adding around 1.25 Mtpa of capacity), with a planned second phase set to add a further 9 pairs.

Cheniere's Corpus Christi Liquefaction Stage 3 commenced production on 30th December 2024, with the initial train now fully operational. The project will ultimately encompass seven trains with a total capacity of around 10 Mtpa. Two trains are expected to commence in H2 2025, with another 4 coming online in 2026.

The LNG Canada Project is close to starting, with Train 1 set to launch in mid-2025. A fourth project — Golden Pass — has faced delays but is now on track to begin in 2026. Alaska Gasline Development Corporation's Alaska LNG project remains a prospect, with Thailand's Ministry of Energy seeking discussions on progressing the project in order to expand Thailand's broader LNG trade linkages with the US. Woodside has formally announced that will develop its Louisiana LNG project, which is set to add around 24 Mtpa of global capacity from 2029.

The US is expected to account for about 85% of global output growth in 2025, and about 50% of global growth in LNG export capacity over the next 5 years. The primary risk remains rising trade tensions, with many tariffs currently paused but still in prospect.

Qatari exports were flat in 2024, but long-term investment is strong

Qatar has a range of projects under development which are expected to lift its output from around 77 Mtpa in 2024 to 142 Mtpa by 2030. Most of this growth is expected in 2026 and 2027.

The most significant project is Qatar Energy's 32 Mtpa North-Field East expansion, which is expected to commence first production by late 2025 or early 2026. The project is very low cost in global terms, and large parts of its output remain uncontracted.

Russia faces a long-term decline in gas production and exports

Russian LNG projects have faced a combination of difficulties since the country's invasion of Ukraine. Access to capital has been choked off by financial sanctions and historically high official interest rates (peaking at 21%) which have reduced access to finance and business lending. Equipment sanctions have stalled or slowed several key LNG projects, including Arctic-2, where liquefaction and shipping have halted due to a lack of access to turbines and ice-breaking vessels. In January 2025, the US targeted two Russian liquefaction terminals (Portovaya and Vysotsk) with additional sanctions. These plants previously exported 3 bcm in 2024 but may now cease exporting altogether.

No LNG-related projects are expected to commence or progress much through the outlook period, leaving Russian LNG exports with a negative outlook for the foreseeable future.

Some smaller LNG projects are ramping up in Africa

Several projects are ramping up elsewhere. The Congo FLNG (Phase One), which has a capacity around 0.6 Mtpa, started shipping in the September quarter 2024. Phase two, which will add 2.4 Mtpa of capacity, is set to commence in the December quarter 2025. Senegal-Mauritania's Greater Tortue Ahmeyim project (with planned capacity of 2.3 Mtpa) was also set to ramp up from the March quarter 2025.

6.5 Prices

Short-term price volatility persists despite a wave of new supply

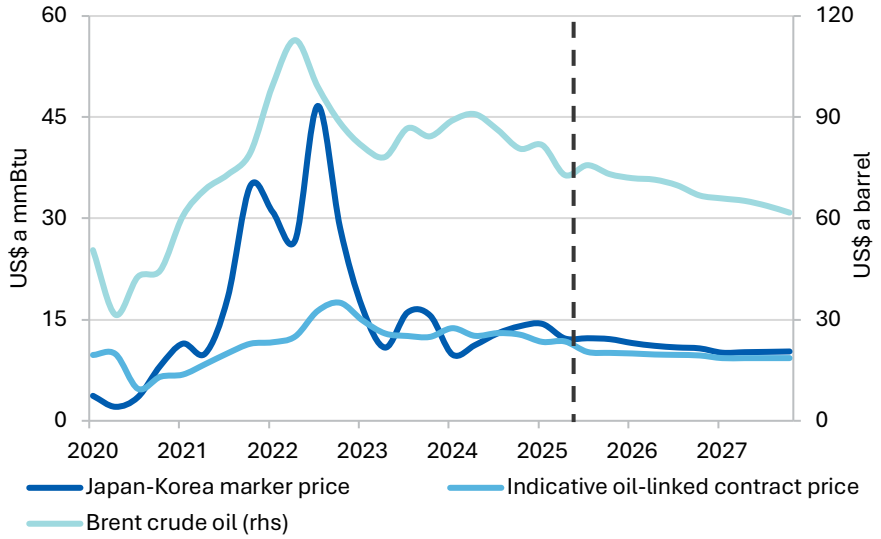
LNG prices were elevated and volatile in early 2025 as geopolitical tensions persisted in Ukraine, the Middle East and around India and Pakistan. However, new supply from the US and slowing European and Chinese demand has subsequently allowed prices to ease. Prices fell from around US$15/MMBtu in early 2025 to just over US$12/MMBtu in early June, before rising again (Figure 6.4). A further ramping in US (and Qatari) supply should bring LNG prices down further over the outlook period. However, price risks remain significant in both directions, with upside risks slightly greater.

These risks primarily relate to the scale of projects now underway. Prices could be pushed above forecast if new US and Qatari projects face delays or difficulties. Such difficulties include weather, disruptions related to military conflicts, or a worsening in global trade tensions.

Geopolitical conflicts also add to supply risks. Around 25% of seaborne oil and 20% of LNG currently transits through the Strait of Hormuz. LNG shipments from Qatar and the UAE have no alternative shipping routes and thus would be cut off entirely if the Strait was closed. The presence of the US Fifth Fleet at Bahrain (and considerable economic and diplomatic pressure from key Iranian trading partners such as China) would complicate any attempt to close off the Strait. However, closure remains possible, with a resulting upside risk for LNG prices.

Current trade tensions between the US and China create potential headwinds for global economic growth, potentially adding a downside risk for LNG demand and prices. Climate change-related weather events also pose risks to LNG price stability, with the scale of climate risks likely to grow over time.

Figure 6.4: LNG spot and contract prices



Source: Bloomberg (2025); Department of Industry, Science and Resources (2025)

6.6 Australia

Australia's LNG exports are expected to hold up in the short-term

Australia's LNG export volumes are expected to largely hold steady through the outlook period, with long-term contracts providing a buffer against trade tensions and wider instability. Most of these contracts run until the 2030–2032 period, though some East Coast contracts are expected to run until 2035.

New US supply is not expected to reach Asian markets in large quantities during the outlook period. The supply is expected to be drawn to Europe in the first instance, reaching Asia only from the late 2020s and only through inefficient shipping routes such as via the Panama Canal.

Domestic factors thus remain the primary constraint on Australian LNG exports. Australia continues to lack significant greenfield investment, but sustainment projects are progressing.

Santos has announced that its large Barossa Gas Project passed 95% completion in April 2025. The project's gas export pipeline is in place, and four wells are now complete or under development. The project has received final approvals from NOPSEMA and is expected to start producing before the end of 2025.

The National Native Title Tribunal approved Santos' Narrabri Gas Project in May. Further environmental and NSW government approvals are pending, but the project remains in prospect and could support more gas production from NSW in the 2030s.

Federal government approval has been granted to extend Woodside's North West Shelf gas development. The approval extends operation of the North West Shelf gas processing plant from 2030 to 2070.

Australian gas exports are expected to hold around 80 Mt through the outlook period. Australian LNG export earnings are expected to fall from $66 billion in 2024–25 to $53 billion by 2026–27 (Figure 6.5) with the decline largely driven by prices.

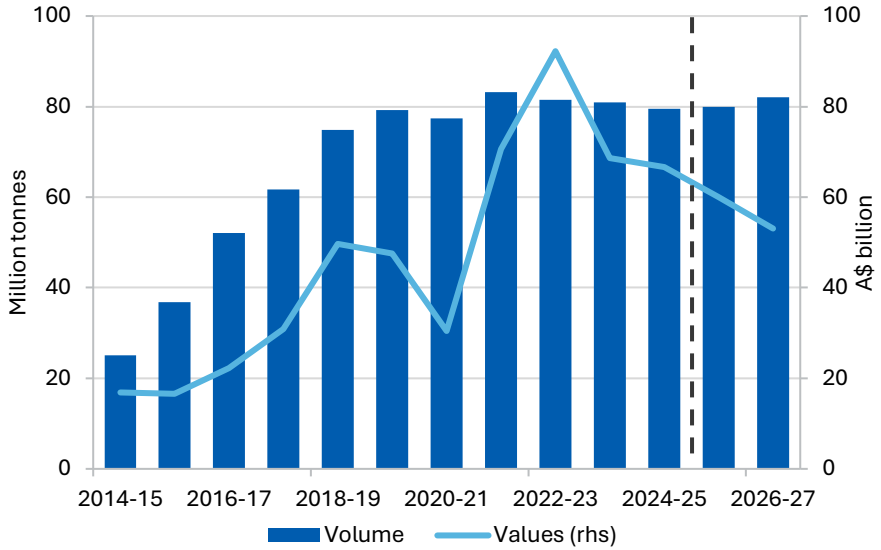
Exploration fell in March, reversing a large rise in December

Onshore petroleum exploration fell from A$281 million in the December quarter to A$207 million in the March quarter 2025. Offshore exploration fell from A$178 million to A$87 million in the March quarter. This reverses a large rise in both categories in the December quarter. LNG prices rose solidly in H2 2024 but have subsequently eased back, potentially resulting in a slowdown in the pace of gas exploration. Gas exploration remains modest relative to its levels of 10 years ago (Figure 6.6).

Revisions to the outlook

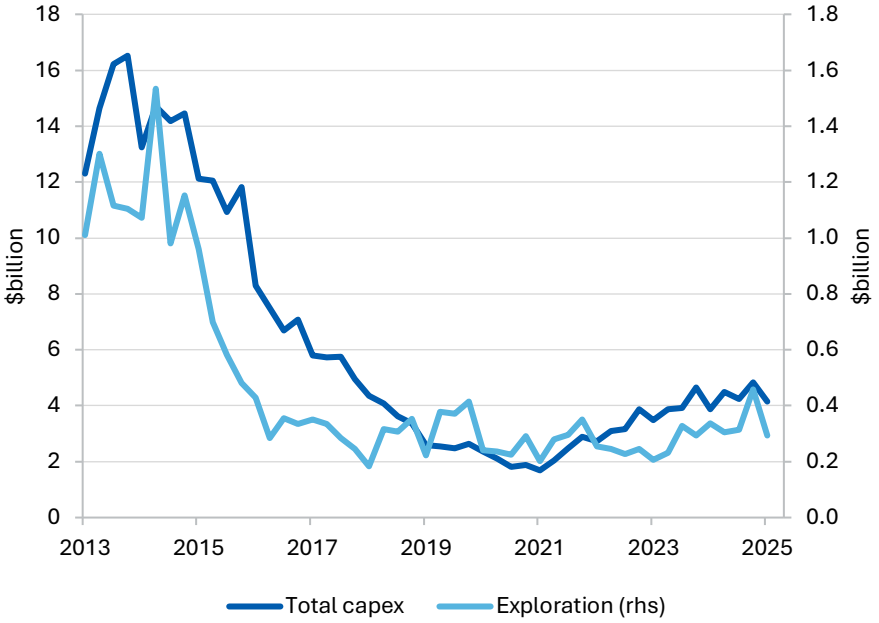
Earnings for 2024–25 have been revised down from A$72 billion in the March 2025 REQ to A$67 billion in the June release. Earnings forecasts for 2025–26 and 2026–27 have been revised down by around A$8 billion and A$11 billion respectively. The revisions reflect the significant trade tensions of recent months and a decline in forecast oil prices linked to changes in Saudi Arabian production policy.

Figure 6.5: Australia's LNG exports by value and volume



Source: ABS (2025) International Trade in Goods and Services, 5368.0; Department of Industry, Science and Resources (2025)

Figure 6.6: LNG investment in Australia



Source: ABS (2025) Capital Expenditure Survey, 5625.0

Table 6.1: Gas outlook

						Annual Percentage Change		
World	**Unit**	**2024**	**2025[g]**	**2026[g]**	**2027[g]**	**2025[g]**	**2026[g]**	**2027[g]**
JCCC oil price[a]								
– nominal	US$/bbl	84.0	73.1	66.9	61.5	-13.1	-8.4	-8.1
– real[i]	US$/bbl	86.5	73.1	65.3	58.8	-15.6	-10.6	-10.0
Asian LNG spot price								
– nominal	US$/MMBtu	12.0	13.0	11.1	10.2	8.0	-14.6	-7.9
– real[h,i]	US$/MMBtu	12.4	13.0	10.8	9.7	4.9	-16.7	-9.8
LNG trade	Mt[e]	400.1	437.9	484.3	539.4	9.4	10.6	11.4
Gas production	bcm	4,211	4,330	4,418	4,519	2.8	2.0	2.3
Gas consumption	bcm	4,213	4,279	4,362	4,446	1.6	1.9	1.9
Australia	**Unit**	**2023–24**	**2024–25**	**2025–26[g]**	**2026–27[g]**	**2024–25[g]**	**2025–26[g]**	**2026–27[g]**
Production[b]	bcm	161.4	157.7	156.2	159.1	– 2.3	– 0.9	1.8
– Eastern market	bcm	58.5	54.9	52.4	51.9	– 6.2	– 4.6	– 0.9
– Western market	bcm	85.6	87.3	85.0	85.6	2.0	– 2.6	0.6
– Northern market[d]	bcm	17.3	15.5	18.8	21.6	– 10.6	21.6	15.0
LNG export volume	Mt[e]	80.9	79.5	80.0	82.0	– 1.8	0.6	2.5
– nominal value	A$m	68,588	66,622	60,002	53,055	-2.9	-9.9	-11.6
– real value[f]	A$m	70,256	66,622	58,310	50,150	-5.2	-12.5	-14.0
LNG export unit value[h]								
– nominal value	A$/GJ	16.1	15.9	14.2	12.2	– 1.1	– 10.5	– 13.8
– real value[f]	A$/GJ	16.4	15.9	13.8	11.6	– 3.5	– 13.0	– 16.1
– nominal value	US$/MMBtu	11.1	10.9	10.0	9.0	– 2.4	– 8.1	– 10.0
– real value[i]	US$/MMBtu	11.4	10.9	9.7	8.5	– 4.7	– 10.7	– 12.5

Notes: **a** JCCC stands for Japan Customs-Cleared Crude; **b** Production includes both sales gas and gas used in the production process (i.e., plant use) and ethane; **c** Gas production from Bayu-Undan located in the jurisdiction of Timor-Leste is not included in Australian production; **d** Browse Basin production associated with the Ichthys project is classified as Northern market; **e** 1 Mt of LNG is equivalent to approximately 1.36 bcm of gas; **f** In current year Australian dollars; g Forecast; **h** 1 MMBtu is equivalent to 1.055 GJ; **i** In current year US dollars.

Source: ABS (2025) International Trade in Goods and Services, 5368.0; Department of Industry, Science and Resources (2025); Company reports; Nexant (2025) World Gas Model

Oil

Australia's oil sector

$10.5 billion

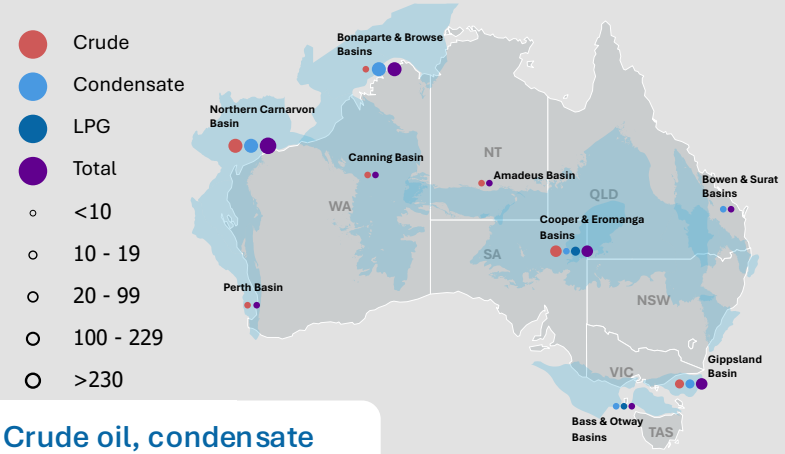
of crude and condensate exported in 2024–25

41% by value

of crude and condensate exported to Singapore and South Korea

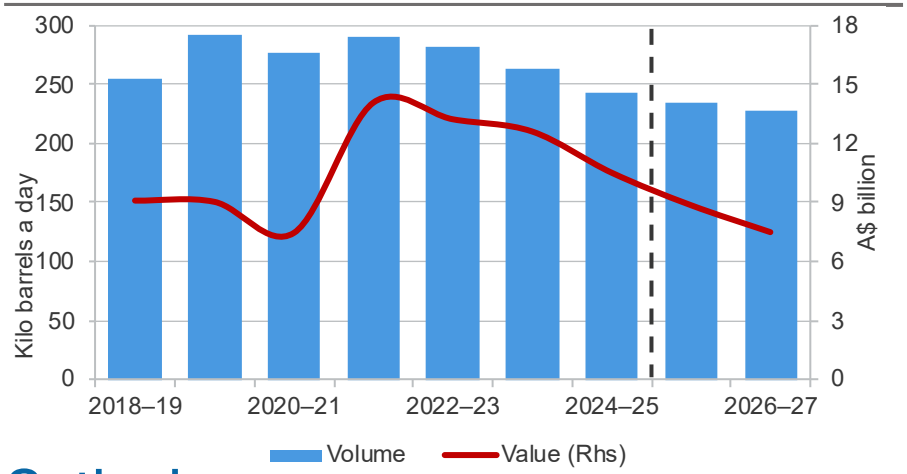
Around two-thirds

crude and condensate produced at Carnarvon Bason offshore WA



Crude oil, condensate and LPG production, PJ

Australian oil exports



Outlook

Oil prices will weaken with greater supply from the Americas and OPEC+

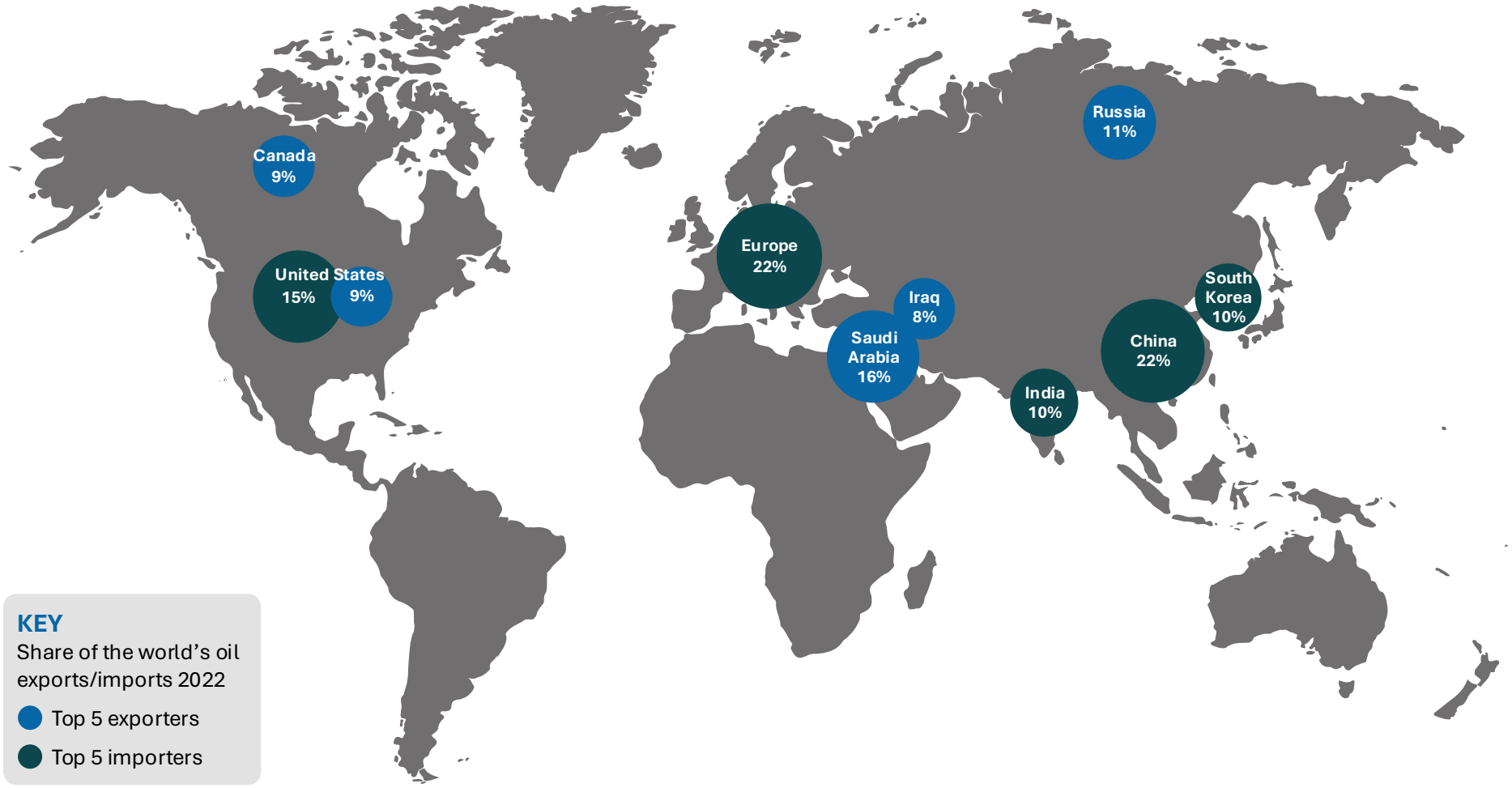
Earnings to fall from 2024–25

Australian Production volumes to ease as offshore fields deplete

Exploration expenditure is above the 2023 average

Source: GA, DISR, OCE DCCEEW

Oil trade map



Source: IEA

7.1 Summary

- Oil prices fell sharply in the first five months of 2025 due to impending supply increases from OPEC+ and a weaker demand outlook. However, the outbreak of Iran-Israel hostilities in mid-June 2025 has impacted prices.
- Global oil supply is projected to reach 107 mb/d by 2027, driven by OPEC+ barrels returning to the market and some additional output from the Americas.
- Australian exports are projected to fall from $12.9 billion in 2023–24 to $7.5 billion in 2026–27, as oilfields deplete and oil prices fall.

7.2 World Consumption

Weak global demand growth expected, driven by falls in OECD demand

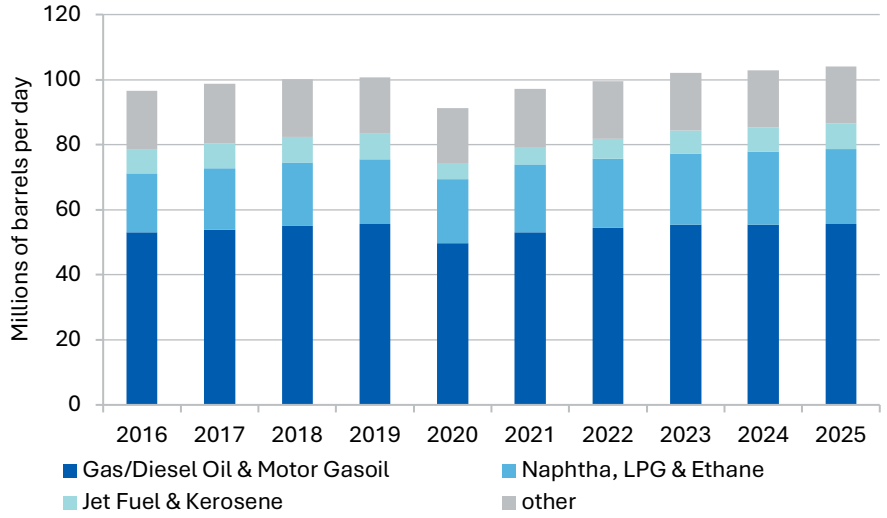
Globally, the transport sector leads oil consumption, followed by industrial applications (see Figure 7.1). Petrol and diesel are primarily used for road transport, and account for most global oil consumption. Jet fuel and kerosene – primarily used for air travel – make up a smaller proportion of usage. LPG ethane and naphtha are primarily used in industrial applications, including making polymers.

Consumption is projected to rise from 104 mb/d (millions of barrels per day) in 2025 to 106 mb/d in 2027, with steady increases expected each year. Almost all increases will be driven by ex-OECD nations, with OECD demand falling as transport fuels continue to lose market share to low emission alternatives. The IEA is forecasting a fall in global petrol demand in 2026. However, petrochemicals remain an area of growth, on rising global demand for lightweight composite materials.

OECD demand to fall on displacement of transport fuels by EVs

Oil demand is falling in the OECD as the use of oil products for road transport eases. Increased adoption of electric vehicles (EVs) and efficiency gains in internal combustion engines (ICE) vehicles have contributed to falling use of diesel and petrol (Figure 7.2). The proportion of EVs in the EU is expected to rise to 8.3% in 2027 from 4.4% in 2024.

Figure 7.1: Global oil consumption by refined petroleum product



Source: International Energy Agency (2025)

Figure 7.2: Global vehicle stocks

Source: Department of Industry Science and Resources (2025), International Energy Agency (2025), Wood Mackenzie (2025)

Falling Chinese fuel demand offset by growth in petrochemical production

In China, a combination of switching from road transport fuel to alternatives (such as EVs and gas-powered heavy vehicles) is reducing road transport fuel consumption. The rate of switching away from transport fuels is expected to accelerate through the outlook period, and the forecast is for 21% of the Chinese vehicle fleet to be EVs by 2027. However, falling transport fuel demand is likely to be offset by increases in petrochemical feedstock demand to produce plastics.

Growth in Emerging nations' GDP to drive transport fuel and LPG demand

Oil demand growth is expected to remain strong in ex-OECD nations. With the IEA forecasting growth of 0.9 mb/d in 2025, GDP growth remains a key driver of oil demand in these economies. As they grow and their citizens become wealthier, vehicle and travel purchases rise and oil usage lifts in tandem. Industrialisation also raises oil usage, since oil products are needed for industrial processes and for transporting industrial goods.

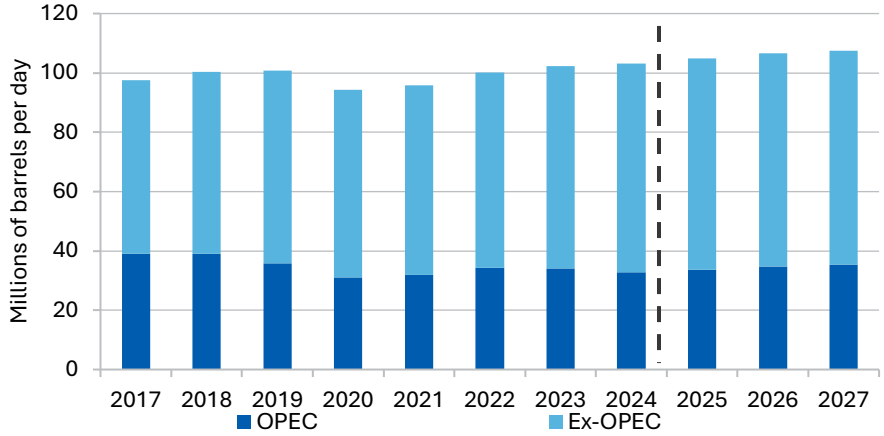
According to the April 2025 IMF World Economic Outlook, developing economies are expected to grow at an average rate of 4.2% between 2025 and 2027. India specifically is expected to experience strong GDP growth – at about 6.3% – translating to additional demand for oil. Additionally, India is expanding its refining capability by almost 20%. Indian refineries are currently running at or close to 100% capacity, and expansion of this capacity could see imports of crude rise commensurately.

Oil demand in ex-OECD countries is generally more sensitive to moves in oil prices than in OECD countries. The recent fall in oil prices below the average of previous years is expected to result in an uptick in consumption across ex-OECD economies.

7.3 World Production

Global production is expected to grow from 103 mb/d in 2024 to 107 mb/d in 2027 (Figure 7.3), primarily led by a mix of supply growth from the Americas and an increase in production from OPEC+ (Organization of Petroleum Exporting Countries plus other petroleum producing countries).

Figure 7.3: World oil production, OPEC and non-OPEC



Source: IEA (2025), Wood Mackenzie (2025), Department of Industry Science and Resources (2025)

OPEC+ brings supply back to the market faster than originally planned

At the start of 2025, there were 5.9 mb/d of output cuts by OPEC+ in place. The first set of cuts (3.7 mb/d) were initially due to expire at the end of 2024. At the June 2024 OPEC+ meeting, the 3.7 mb/d of cuts were extended until the end of 2025. The second set of cuts (of 2.2 mb/d) were voluntary and were initially scheduled to expire in October 2024. These cuts began unwinding in April 2025.

It was expected that the unwinding voluntary cuts would be gradual at around 140 kb/d. However, the bloc has recently decided to return barrels to the market more quickly, with an official unwinding rate of over 400 kb/d in May, June and July 2025. Whilst the rate of unwinding is faster, it is possible that the impact will be somewhat muted, since part of the agreement stipulates that countries which are overproducing – such as Kazakhstan and Iraq – will reduce output to make up for their previous overproduction. The result is that while barrels are officially returning to the market, total oil production may not rise as quickly as announced.

Overall OPEC+ production may be further tempered by falling supply from Venezuela. In February 2025, the US announced an intention to withdraw licences that allowed Chevron to operate in Venezuela despite sanctions. The licences enabled Chevron to conduct operations as part of joint

production with PDVSA – Venezuela's state-owned oil company – which allow the country to export some of its oil. Following the issuing of the licence there was an uplift in export volumes from 0.6 mb/d to 1 mb/d. At the time of writing, the licence has expired, and the US has indicated that it will not be renewed for purposes other than winding down operations. The removal of this licence may impact Venezuela's export volumes.

Returning OPEC+ barrels may reduce incoming supply from the Americas

Globally, the Americas remain the primary location of additions to new supply, with growth expected from the US, Canada, Guyana, and Brazil. According to the IEA, Ex-OPEC production from the Americas is expected to increase from 34.7 mb/d in 2024 to 36.6 mb/d in 2027.

Increases in ex-OPEC+ supply in the Americas may be tempered by falling production from existing projects. Moreover, OPEC+ barrels returning to the market may suppress prices, causing the curtailment of output from projects currently in operation. US light tight oil is especially susceptible as it is relatively high cost and flexible in its production. Sustained low prices will likely result in a falling rig count and reduced production.

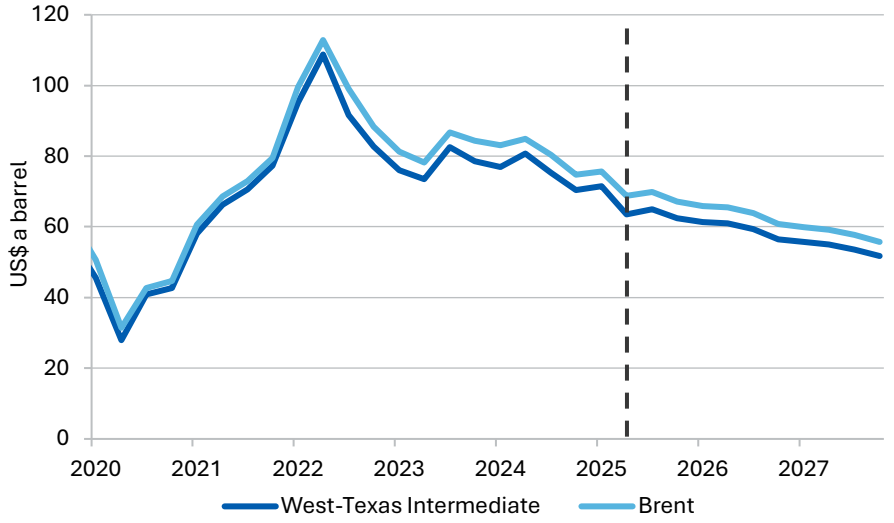
7.4 Prices

Increasing OPEC+ supply and weak demand pushing down prices

Oil prices fell sharply in the first five months of 2025 following news of the return of OPEC+ barrels to the market and a weaker-than-expected demand picture. From US$74 per barrel at the end of 2024, prices fell to US$60–65 per barrel. In mid-June, the Brent oil price briefly rose to US$70–80 per barrel following Israel's strikes on Iran.

Brent crude prices are expected to fall from an average of US$81 per barrel in 2024 to US$58 per barrel in 2027 (Figure 7.3). Falling prices will be the result of a surplus of oil supply from OPEC and ex-OPEC sources, as outputs cuts are reversed and new supply comes online from the Americas. Oil demand is expected to fall short of supply, but price falls may be somewhat tempered by the refilling of inventories and strategic reserves. According to the IEA, total observed inventories in March 2025 sat at close to the bottom of the range seen between 2020 and 2024.

Figure 7.4: Benchmark oil prices



Source: Bloomberg (2025), Department of Industry Science and Resources (2025)

Geopolitical influences continue to have a heavy influence on prices

Geopolitical uncertainty has continued to cause price swings as news of potential escalations and rumours of resolution add to existing market uncertainties. One area of particular focus has been Iran. Israel launched strikes on Iran in mid-June, and the oil price responded by rising from US$68 per barrel to US$77–80 briefly, before falling below US$70 at time of writing. Iran produces 3–4% of global oil supply, so any disruptions to Iranian output will weigh significantly on prices. The loss of Iranian supply could be sufficient and push the market out of the expected surplus and back into deficit, resulting in sustained higher prices. Equally, de-escalation of any conflict should allow prices to fall back.

If any conflict with Iran does re-escalate there is risk to the shipping via the Strait of Hormuz – which is boarded on one side by Iran. The Strait is 39 kilometres wide at its narrowest and it connects the Persian Gulf – which exports around 20% of the world's oil – to the Indian Ocean and the rest of the world. The loss of supply from the Gulf would likely result in a sharp increase oil prices.

7.5 Australia

Australian export values to fall as prices and volumes fall

Australian crude and condensate exports are projected to fall from $10.6 billion in 2024–25 to $7.2 billion in 2026–27. The fall reflects declining prices and lower volumes of crude and condensate production (Figure 7.5), notably in the Northern Carnarvon Basin, which is approaching end of life. The Northern Carnarvon Basin includes several substantial projects such as the North-West Shelf and the Greater Enfield projects.

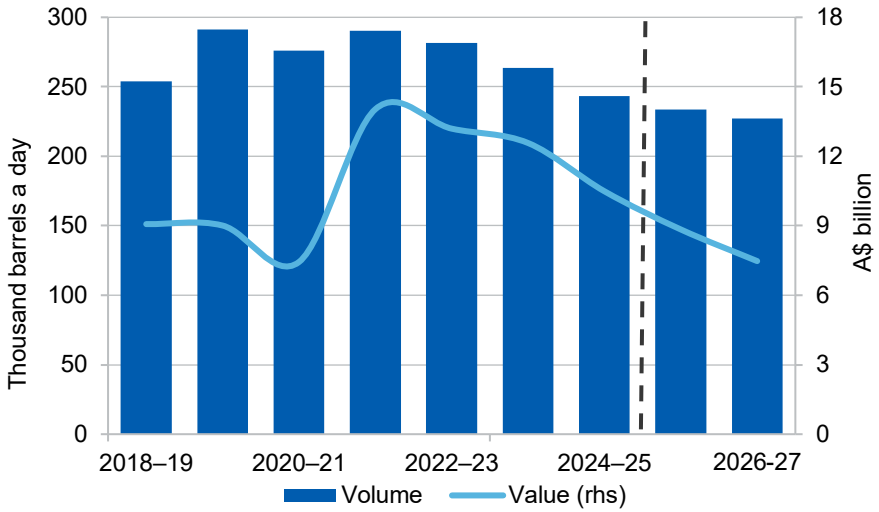
Exploration

Australia's petroleum exploration expenditure in the March quarter 2025 was $293 million falling from $458 million in the December quarter (Figure 7.6). The falls in exploration were seen across both onshore and offshore.

Revisions to forecasts

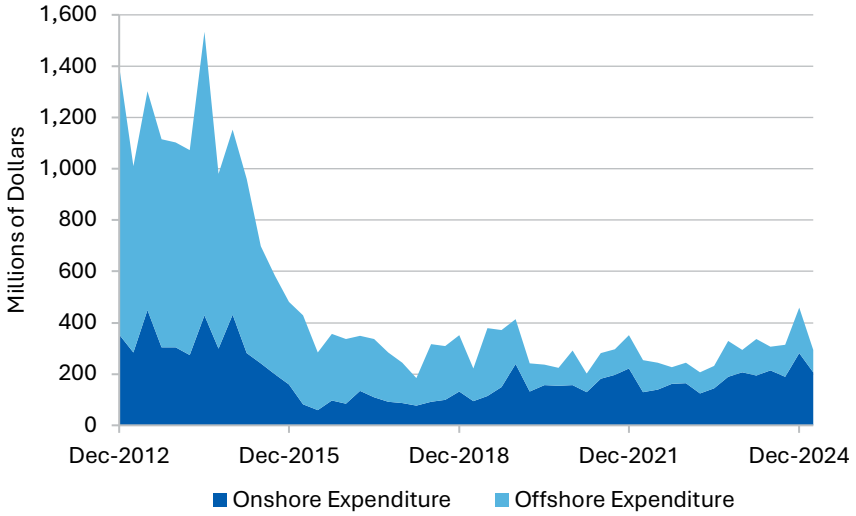
Since the March 2025 *Resources and Energy Quarterly*, the forecasts for Australia's crude and condensate export earnings have been revised up by $0.5 billion (to $8.8 billion) in 2025–26 due to upward revisions to volumes. Earnings in 2026–27 have been revised down by $0.5 billion (to $7.4 billion) due to a downward revision to price forecasts.

Figure 7.5: Australia's crude and condensate exports



Source Department of Climate Change, Energy, Environment and Water (2025), ABS (2025), Department of Industry Science and Resources (2025)

Figure 7.6: Australian exploration expenditure



Source: Australian Bureau of Statistics (2025)

Table 7.1: Oil Outlook

						Percentage changes		
World	**Unit**	**2024**	**2025[f]**	**2026[f]**	**2027[f]**	**2025[f]**	**2026[f]**	**2027[f]**
Production	mb/d	103	105	107	107	1.8	1.5	0.9
Consumption	mb/d	103	104	105	106	1.1	0.8	0.5
WTI crude oil price								
– nominal	US$/bbl	76	65	60	54	-14.0	-8.8	-9.3
– real[b]	US$/bbl	78	65	58	52	-16.5	-11.0	-11.2
Brent crude oil price								
– nominal	US$/bbl	81	70	64	58	-13.5	-8.4	-9.2
– real[b]	US$/bbl	83	70	62	56	-16.0	-10.6	-11.0
Australia	**Unit**	**2023–24**	**2024–25[s]**	**2025–26[f]**	**2026–27[f]**	**2024–25[s]**	**2025–26[f]**	**2026–27[f]**
Crude oil and condensate								
Production	kb/d	275	262	247	243	-4.7	-5.9	-1.7
Export volume	kb/d	264	243	234	227	-7.7	-4.0	-2.8
– nominal value	A$m	12,573	10,488	8,840	7,474	-16.6	-15.7	-15.5
– real value[h]	A$m	12,878	10,488	8,591	7,065	-18.6	-18.1	-17.8
Imports[a]	kb/d	169	172	197	197	2.1	14.7	0.0
LPG Production[c]	kb/d	95	92	103	105	-2.4	11.9	1.8
Refined products								
Refinery production	kb/d	256	244	244	244	-4.5	0.0	0.0
Exports[d]	kb/d	7	11	10	9	57.3	-9.0	-6.9
Imports	kb/d	894	900	910	915	0.7	1.1	0.6
Consumption[e]	kb/d	1,061	1,069	1,070	1,076	0.7	0.2	0.5

Notes: **d** Primary products sold as LPG; **e** Excludes LPG; **f** Forecast; **g** Domestic sales of marketable products, including imports; **h** In 2024-25 financial year Australian dollars; **r** Compound annual growth rate (per cent), for the period from 2023 to 2029 or for the equivalent financial years.

Source: ABS (2024) International Trade in Goods and Services, Australia, Cat. No. 5368.0; International Energy Agency (2025); US Energy Information Administration (2025); Department of Industry, Science and Resources (2025); Department of Climate Change, Energy and Environment (2025)

Uranium

Australia's uranium sector

World No.1

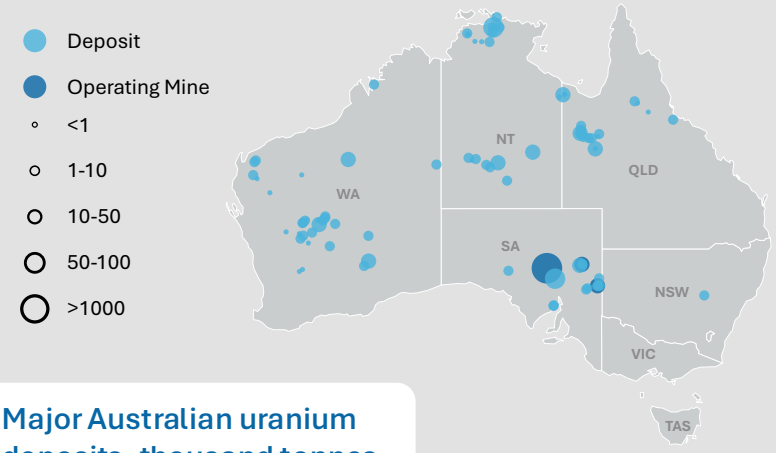
for uranium resources

4th largest

producer of uranium in the world

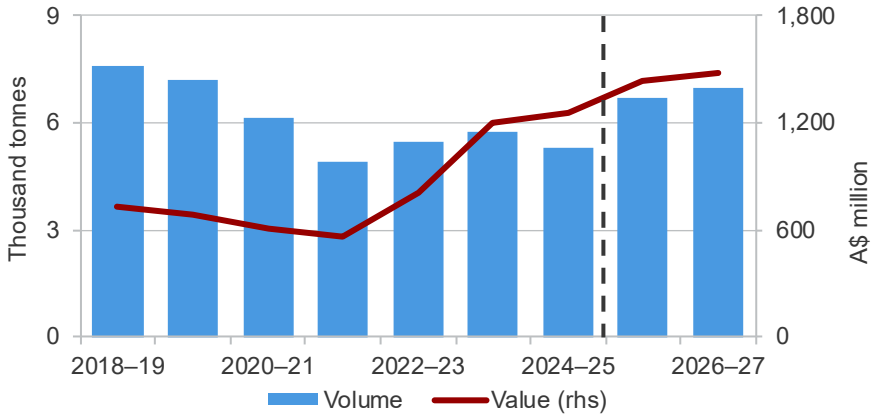
$1,257 million

value of exports 2024–25



Major Australian uranium deposits, thousand tonnes

Australian uranium exports



Outlook

- Uranium prices have moderated, and growth is expected
- Higher prices and volumes expected from growing demand
- The newly reopened Honeymoon mine is ramping up production
- Exploration spending is rising solidly from low points in 2020

Source: GA, DISR, OCE

8.1 Summary

- Uranium prices are expected to rise from US$71 a pound in 2025 to US$87 a pound in 2027.
- Rising demand for nuclear power, driven by the push to net zero, is projected to increase uranium consumption from 95 kilotonnes (kt) in 2024 to 99 kt in 2030.
- Australia's export values are projected to increase from $1.2 billion to $1.5 billion by 2026–27 as the Honeymoon mine reaches full production.

8.2 World consumption

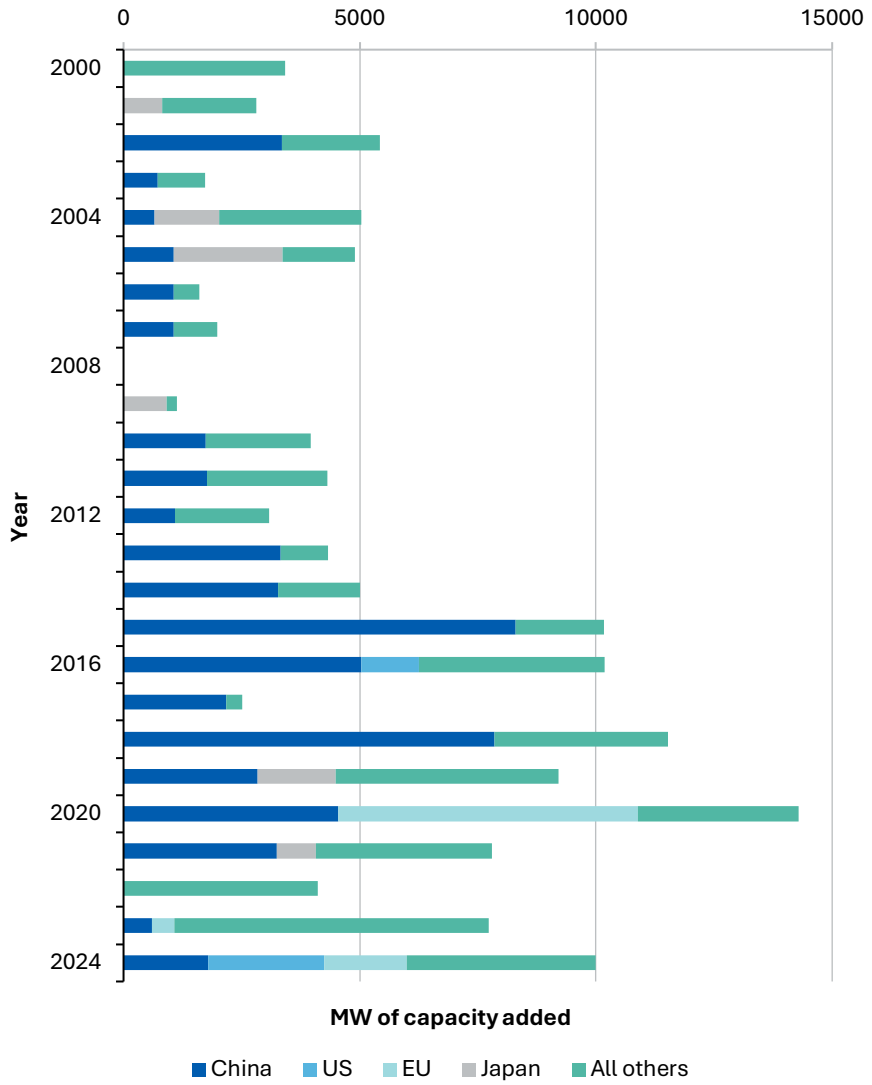
Global uranium demand continues to grow, led by China and India

Uranium is primarily used to generate electricity in nuclear reactors, construction rates have risen over the last decade to meet rising low carbon energy demand (Figure 8.1). Global demand for uranium is expected to decline slightly in 2025, to 92 kt from 95 kt in 2024, before rising to 99 kt in 2027, as several countries expand their nuclear generation capacity (Figure 8.2). The slight dip in consumption is a result of fewer reactors coming online in 2025.

Of the reactors currently under construction around the world, over half are based in either India or China. The construction of reactors in India is notable as some are of Indian design, including Rajasthan-7 which was connected to the grid in March 2025. There are relatively few nations that have the capability to build their own reactors, and India's expansion into this space over the last decade improves the potential rate of rollout globally.

In addition to the growth in China and India, in May 2025 the US Administration signed executive orders to lift nuclear energy output 4-fold by 2050. The orders include the goal of having 10 large reactors under construction by 2030. These ambitious targets may result in increased purchases of uranium in preparation for running those reactors, putting additional upward pressure on the spot market price of uranium.

Figure 8.1: Nuclear energy generation capacity added, yearly



Source: International Atomic energy Agency (2025), World Nuclear Association (2025), Department of Industry, Science and Resources (2025).

Shuttered reactors restart to meet rising low carbon electricity demand

In addition to the reactors being constructed, there are several reactors that have been restarted or will be restarted to meet rising low carbon electricity demand. In the US, the Three-Mile Island unit 1 is currently undergoing preparation for restart to meet rising data centre demand and is contracted by Microsoft to provide electricity for 20 years. Belgium has reached an agreement to see two reactors – Thiange 3 and Doel 4 – restarted. The reactors are expected to run for an additional 10 years.

8.3 World production

Production is rising in anticipation of increased demand

Rising prices have incentivised companies to bring mines out of care and maintenance to meet rising uranium needs. Uranium production is forecast to increase from 69.3kt in 2024 to 87.2 kt in 2027. The Langer Heinrich mine in Namibia began production in 2007 and produced until low prices forced the mine to be put in care and maintenance in 2018. In 2022, Paladin Energy made the decision to bring the mine out of care and maintenance and resume production, with first production commencing in March 2025, the mine is expected to ramp up to 2.5kt a year over the next few years.

Political instability in Niger continues to limit output from SOMAÏR

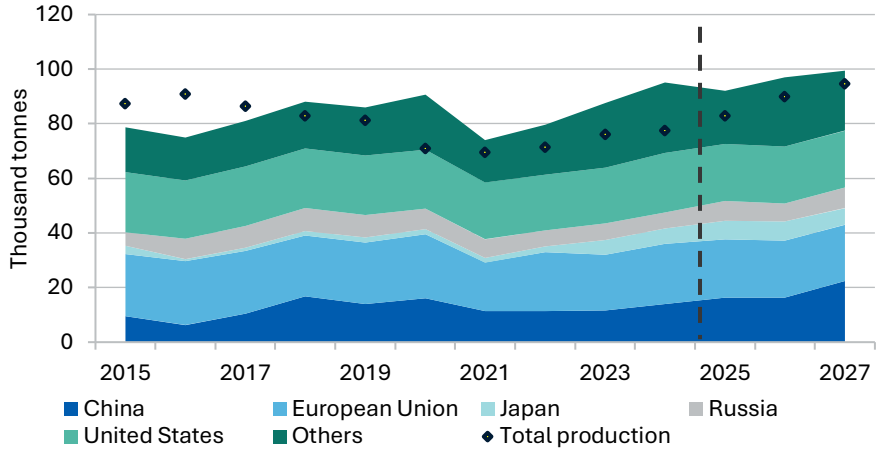
In Niger, following the military coup in 2023, uranium extraction has faced some challenges. In December 2024, the Nigerien authorities took control of operations at SOMAÏR – which has a capacity of 5.2kt – mine from Orano the owner of a 63.4% stake in the mine. The change in control of the mine has left 1.4 kt of uranium stranded at the mine and made the shipping of future production uncertain. UxC forecasts no production from the mine in 2025, before a gradual return to full production over several years.

8.4 Prices

Price to rise as reactor construction outpaces gains in uranium supply

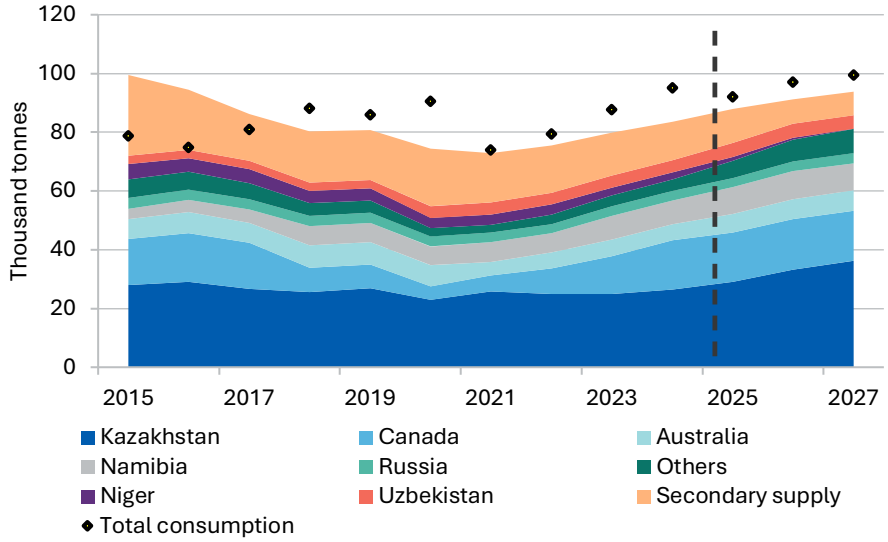
Spot prices have partly recovered in H1 2025 after declining in 2024. While spot prices have been volatile, contract prices have remained relatively steady, averaging around $80 a pound over the past year. Most uranium is

Figure 8.2: Global uranium demand



Source: Department of Industry, Science and Resources (2025), World Nuclear Association (2025), International Atomic Energy Agency (2024)

Figure 8.3: Global uranium supply



Source: International Atomic Energy Agency (2025), Ux Consulting (2025), Department of Industry, Science and Resources (2025)

purchased under long-term contracts by utilities to meet reactor needs, and the spot market is mostly used for discretionary purchases.

Spot prices are forecast to rise steadily from around US$70 a pound in the June quarter 2025 to US$87 by the end of 2027 (Figure 8.4). Contract prices are forecast to remain around the US$80 a pound mark while the spot price recovers. Both prices are then expected to rise from mid-2026.

8.5 Australia

Australian export volumes to rise as Honeymoon production ramps up

Australia currently has three operating uranium mines, with production expected to rise as Boss Energy's Honeymoon mine continues to ramp up to a nameplate capacity of 1.1kt. Increased export volumes and steadily rising prices are expected to lift Australia's uranium export earnings from $1.2 billion in 2024–25 to $1.4 billion in 2026–27.

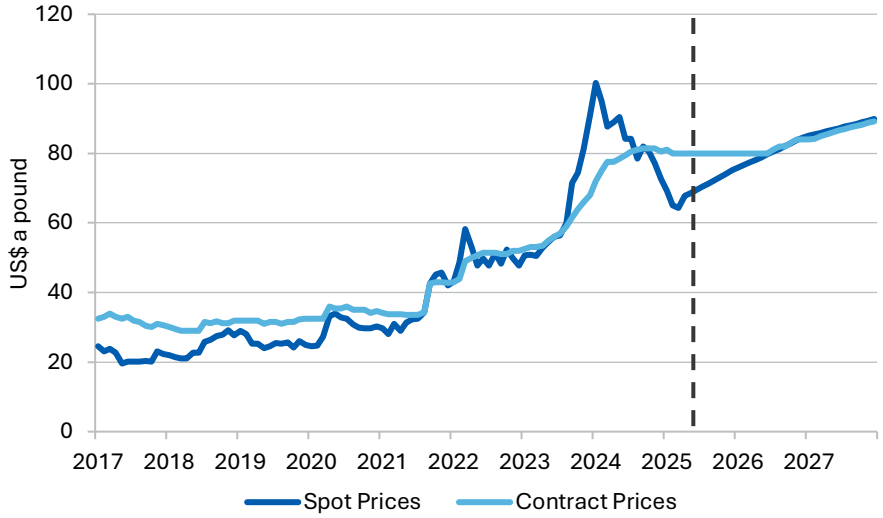
Exploration

Uranium exploration expenditure in the March quarter 2025 has fallen to $11.1 million from its recent peak of $26.7 million in the September quarter 2024. Falling exploration is likely due to prices moderating over the previous two quarters.

Revisions to the outlook

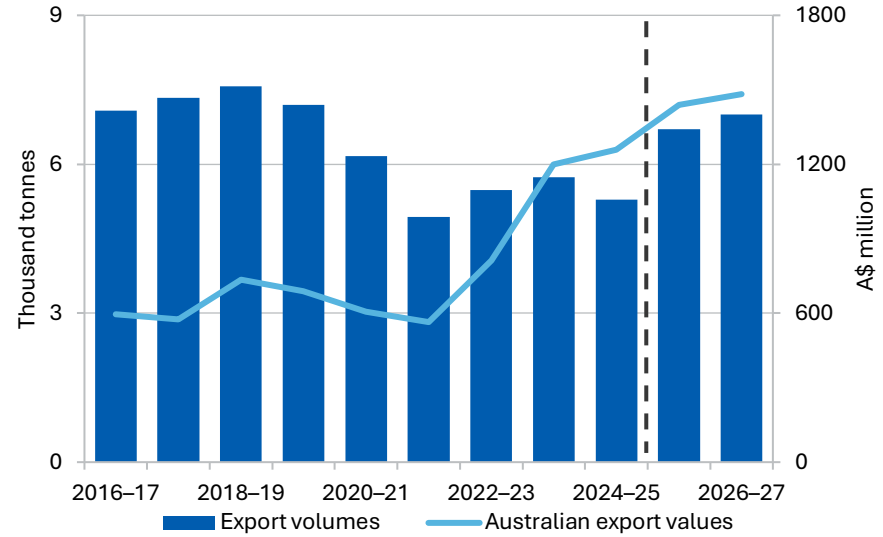
Since the March 2025 *Resources and Energy Quarterly,* export values have been revised down by $297 million to $1,483 million in 2025–26 and down by $159 million to $1,439 million in 2026–27, primarily due to a lower exchange rate.

Figure 8.4: Uranium price



Source: Cameco Corporation (2025). Department of Industry, Science and Resource (2025)

Figure 8.5: Australian export values and volumes



Source: Department of Industry, Science and Resources (2025)

Table 8.1: Uranium outlook

						Percentage Change		
World	**Units**	**2024**	**2025[f]**	**2026[f]**	**2027[f]**	**2025[f]**	**2026[f]**	**2027[f]**
Production	kt	69.3	74.9	82.4	87.2	8.0	10.0	5.8
Kazakhstan	Kt	26.4	29.2	33.3	36.2	10.6	14.1	8.8
Canada	Kt	16.8	16.7	17.0	17.0	-0.7	2.2	0.0
Namibia	kt	8.2	9.1	9.5	9.1	10.2	4.5	-3.8
Uzbekistan	Kt	4.7	4.5	4.1	3.6	-3.8	-10.0	-11.1
Russia	Kt	3.1	3.1	3.2	3.5	0.0	5.9	8.4
Niger	Kt	0.6	0.1	0.8	2.4	-82.5	620.0	197.2
Consumption	Kt	95.2	92.2	97.0	99.4	-3.2	5.3	2.5
China	Kt	14.0	16.4	16.2	22.4	17.3	-1.0	38.0
European Union 28	Kt	22.1	21.2	20.9	20.6	-3.9	-1.8	-1.4
Japan	Kt	5.5	6.9	7.2	6.1	25.8	4.1	-15.8
Russia	Kt	6.0	7.3	6.6	7.6	21.2	-9.5	15.4
United States	Kt	21.8	20.8	20.8	20.8	-4.7	0.0	0.0
Price								
– nominal	US$/lb	85.1	70.1	80.2	87.4	-17.7	14.4	9.1
– real c	US$/lb	87.7	70.1	78.2	83.6	-20.1	11.7	6.8
Australia	**Units**	**2023–24**	**2024–25[s]**	**2025–26[f]**	**2026–27[f]**	**2024–25[s]**	**2025–26[f]**	**2026–27[f]**
Production	t	5,797	5,612	6,706	7,006	-3.2	19.5	4.5
Export volume	t	5,742	5,288	6,706	7,006	-7.9	26.8	4.5
nominal value	A$m	1,200	1,258	1,439	1,483	4.8	14.3	3.1
real value[d]	A$m	1,230	1,258	1,398	1,401	2.3	11.1	0.2
Average price	A$/kg	209.1	238.0	214.5	211.6	13.8	-9.9	-1.4
Real average price	A$/kg	214.1	238.0	208.5	200.0	11.1	-12.4	-4.1

Notes: **c** In 2024 US dollars; **d** in 2024–25 Australian dollars; **s** estimate; **f** forecast; **r** Annual growth rate; **z** Projection.

Source: Department of Industry, Science and Resources (2025); Cameco Corporation (2025); Ux Consulting Uranium Market Outlook (2025)

Gold

Australia's gold sector

3rd largest

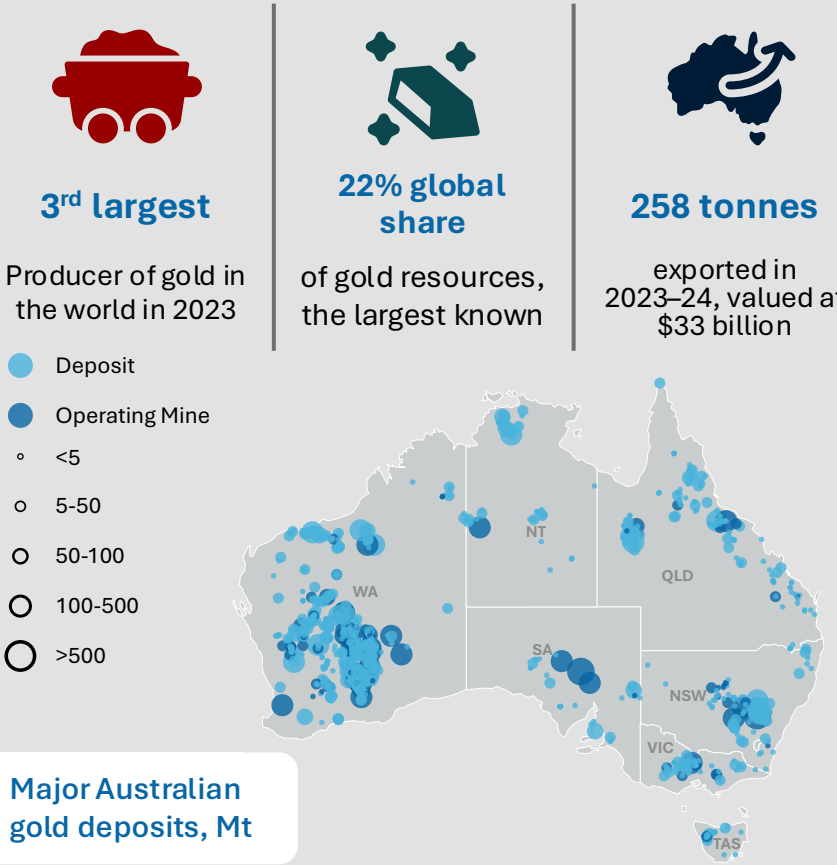
Producer of gold in the world in 2023

22% global share

of gold resources, the largest known

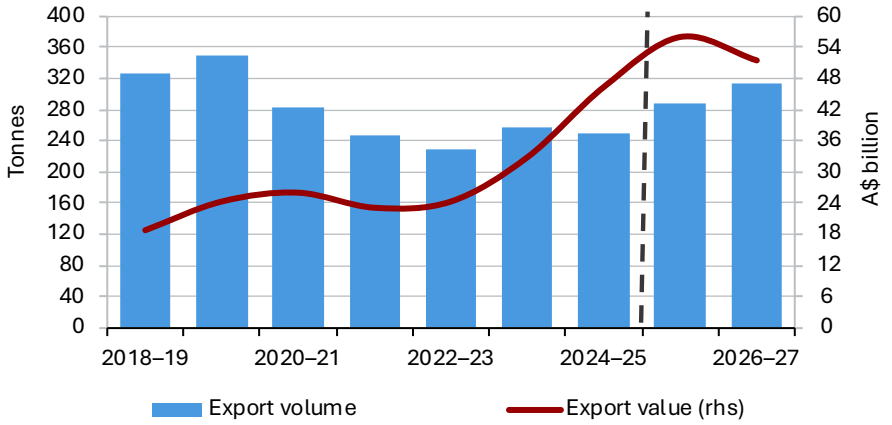
258 tonnes

exported in 2023–24, valued at $33 billion



Major Australian gold deposits, Mt

Australian gold exports



Outlook

Prices expected to remain high over the outlook with a peak later this year

Export earnings to peak in 2025–26

Production will rise over the outlook period

Exploration spending has stabilised and is expected to increase next year

Source: GA, DISR, OCE

Gold trade map

Source: UN ITC; ABS
Note: Global trade data reflects trade in HS code 7108 (Gold, including gold plated with platinum, unwrought or not further worked manufactured or in powder form). This includes ETF and investment f

9.1 Summary

- The gold price hit a new record above US$3,400 in the June quarter, driven by a rise in geopolitical and economic uncertainty. Prices are forecast to remain in a US$3,000-3,500 an ounce range in H2 2025 before falling to average about US$2,600 an ounce in 2027 as central banks meet target holdings.
- Australian gold output was steady at 72 tonnes in the March quarter 2025. Australian gold output is projected to rise over the outlook period, reaching 360 tonnes a year by 2027. Output will increase across multiple existing large-scale operations and new projects.
- From an estimated $46 billion in 2024–25, record prices and rising export volumes are forecast to push Australian gold earnings to $56 billion in 2025–26. In 2026–27, earnings should fall back to $52 billion as prices moderate.

9.2 World demand

Demand increasing on trade uncertainty and geopolitical tensions

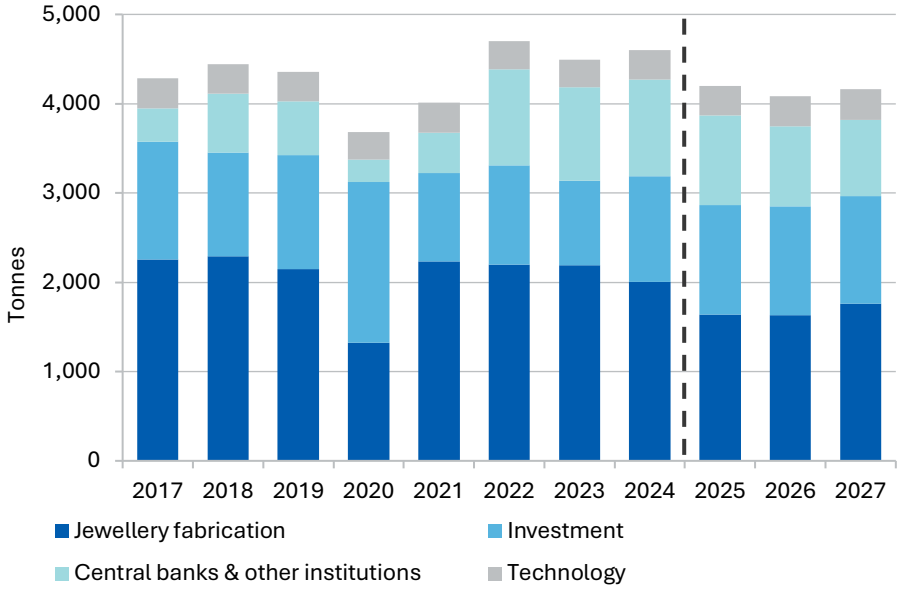
Global gold demand increased by 16% year-on-year in the March quarter 2025 to 1,310 tonnes. The rise in demand was driven by increased investment across bar and coins and exchange traded funds (ETFs), partly offset by falls in jewellery consumption. The heightened demand for gold in the last two quarters can be largely attributed to the uncertainty created in markets by broad-based trade actions imposed by the US.

Gold demand is forecast to fall from 4,606 tonnes in 2024 (the second highest demand in the last decade) to 4,199 tonnes in 2025. Before dropping again in 2026, followed by an increase in demand in 2027 as prices fall (Figure 9.1). Ongoing high prices have the effect of decreasing demand for jewellery, driving the overall reduction in global gold demand.

Growth in demand is concentrated in investment and central bank buying

Investment demand (gold-backed ETFs or bar/coin holdings) grew by 170% year on-year in the March quarter 2025. Investment demand will likely remain strong over the outlook period, as geopolitical and economic uncertainty sustain demand for safe haven assets.

Figure 9.1: World gold demand by sector



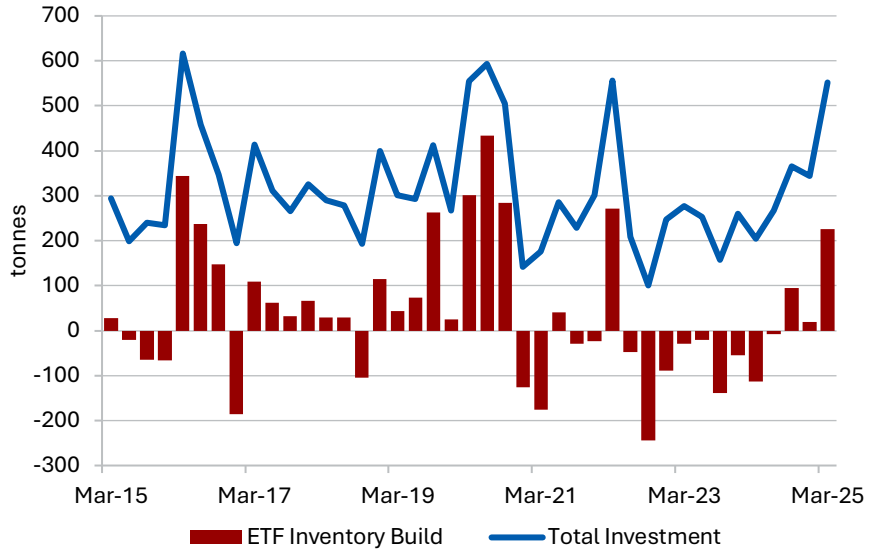
Notes: Jewellery fabrication includes jewellery consumption and the change in jewellery inventory. Investment includes ETFs, bars, and coins. Technology includes gold used in electronic, dentistry and other industrial sectors.

Sources: Department of Industry, Science and Resources (2025); Metals Focus (2025); World Gold Council (2025).

In the past six months, ETFs saw strong inflows as investors seek safe assets. March 2025 saw the highest quarterly inflows into ETFs since March 2022 and the beginning of Russia's invasion of Ukraine. Bar and coin holdings also grew at modestly in the March quarter 2025.

Investors are using gold to buffer their portfolio against large swings in equity values caused by rapidly changing US government policies and to buffer against geopolitical risks. Much of the demand for gold is from US-based physical gold backed ETFs, with 226 tonnes of inflows in the March quarter 2025. ETFs had 9 months of outflows from March quarter 2022 to September quarter 2024 (Figure 9.2). In May 2025, global physical gold backed ETFs experienced outflows for the first time in five months reflecting easing momentum in gold trading in May as trade policies settle.

Figure 9.2: Quarterly investment demand



Source: World Gold Council (2025).

Central bank demand is expected to remain strong over the outlook period. 2025 is forecast to be the fourth consecutive year where official sector purchases have been over 1,000 tonnes a year. As a comparison, the preceding 10 years (2011–2021) had an average official sector purchases of 512 tonnes a year.

Official sector demand has increased consistently since 2022 when Russia invaded Ukraine. Official sector buying accelerated in April 2025 when the proposed US Federal Budget raised concerns over the US fiscal outlook. US bond yields rose (signalling a decrease in demand) and the US dollar weakened. The uncertainty encouraged some nations to move from US Treasury bonds into gold.

Persistent high gold prices in March quarter 2025 prices saw jewellery consumption in the December quarter fall in China (down 45% year-on-year). India is seeing a modest pickup after two consecutive years of negative growth in demand (up 5% year-on-year).

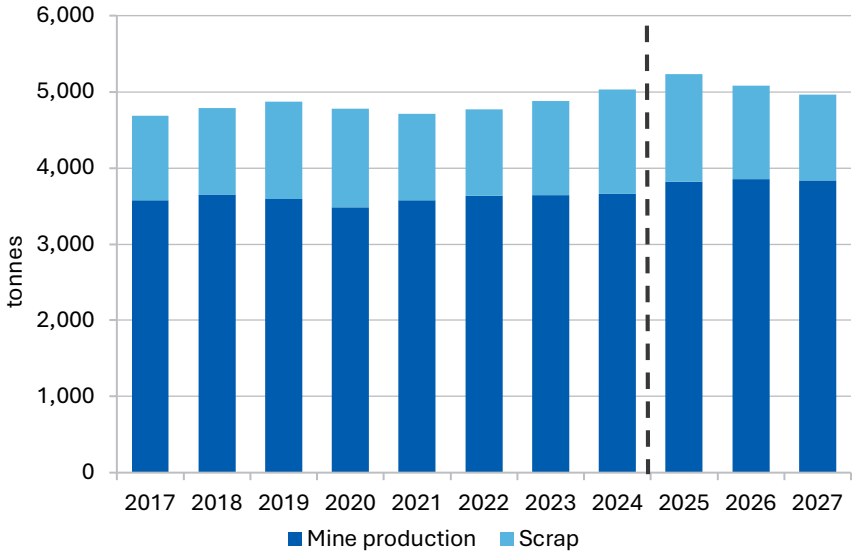
Conditions in India are favourable for increased gold demand, with India's purchasing managers index reaching a 10-month high in April 2025 and inflation declining to the lowest level since 2019. Early indicators of agricultural conditions for the first half of 2025 are positive, which will push up demand for gold given the traditionally high demand from India's rural population of gold jewellery as a form of investment. More broadly, as prices fall over the forecast period, consumer demand for jewellery should increase.

9.3 World production

World supply will stabilise after peaking in 2025

World supply is forecast to peak in 2025 at about 5,200 tonnes, as new mine supply slows and scrap production slows as prices fall. With world supply stabilising at around 5,000 tonnes per year (Figure 9.3) over the rest of the outlook period.

Figure 9.3: World gold supply



Source: Department of Industry, Science and Resources (2025); Metals Focus (2025); World Gold Council (2025).

Global mine supply grew modestly at 0.3% year-on-year in the March quarter to 856 tonnes. The increase was driven by Canadian and Mexican mines,

while gold production in Australia and the US declined due to grade decline from several large mines.

World mine supply will grow modestly (by 2%) to around 3,800 tonnes in 2026. Expected output from mines under-construction and in the feasibility study stage are forecast to offset falling output from existing mines.

Mine supply is expected to remain above 3,800 tonnes in 2027. Lower gold prices will result in a slowdown in new and existing mine production.

Scrap supply will increase then fall as prices drop

Gold scrap dropped by 1% year-on-year in the March quarter 2025. Scrap dropped as Indian consumers demanded more jewellery leading to retailers melting less stock. Chinese scrap supply was strong alongside low consumer demand for jewellery, rising 10% year-on-year.

Scrap supply is forecast to drop over the outlook period, as inventories are depleted and the gold price moderates.

9.4 Prices

Geopolitical tensions will see gold remain near record highs in H2 2025

Safe-haven demand for gold helped drive strong gold price gains early in the June quarter 2025. Daily gold price volatility has increased in 2025 due to uncertainty caused by US trade barriers and the escalation of conflicts in the Middle East. Gold reached record highs in early April following trade actions and worries over the US fiscal outlook, and again in mid-June with the beginning of Israel-Iran conflict (Figure 9.4).

Gold's value as a safe haven asset, as well as a source of liquidity, has led to strong trading volumes in 2025, with open futures contracts on global commodity markets at record levels in the first half of 2025. Over-the-counter trade volumes eased in May but remain at levels higher than the same period in 2024.

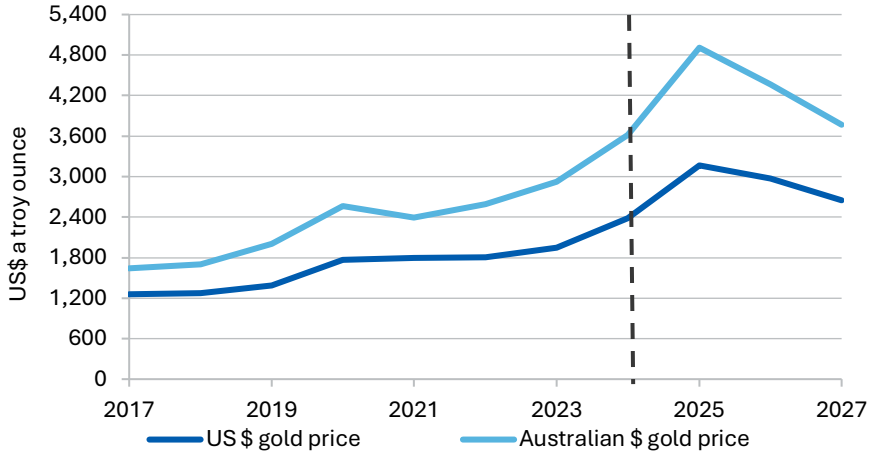
Figure 9.4: Daily cash gold price

Source: Bloomberg (2025); LBMA (2025).

Since late 2024, the gold price has been boosted by three factors: first, a sharp rise in trade barriers raised concerns over world economic growth and corporate earnings. Then worries over the US fiscal outlook saw investors take a less favourable view of US Treasury bonds, pushing them to seek alternatives such as gold and the bonds of other nations. Adding to this, in mid-June hostilities between Israel and Iran pushed prices up further. These concerns are expected remain an issue for investors in H2 2025, with the gold price forecast to average US$3,300 an ounce.

If global geopolitical tension eases we could expect gold prices to drift lower after 2025, driven by both supply and demand factors. Mine and scrap supply will respond to record prices, and demand will ease as consumer react to high prices. Investors and central banks may adopt a more cautious approach to buying gold at record prices, especially if geopolitical and economic worries ease. In 2026, the gold price is expected to fall to an average of about US$3,000 an ounce and then fall to US$2,650 in 2027 (Figure 9.5).

Figure 9.5: Year average gold price



Source: Department of Industry, Science and Resources (2025); LMBA (2025).

9.5 Australia's trade, production and exploration

Australian gold production to be supported by major project expansions

Like miners in other nations, Australian miners are responding to record prices and increasing supply where possible. Further expansions to existing mines are expected over the outlook period. New mill capacity will also be coming online which will allow total output to rise.

Australia gold production is forecast to increase year-on-year by about 6% 2025 to 319 tonnes. Production is projected to rise over the outlook period, reaching 360 tonnes a year by 2027.

Newmont's Boddington mine had significantly higher production than guidance provided in 2024 after stripping was completed. Newmont's Cadia operations production dipped in the December quarter 2024 but bounced back above guidance in the March 2025 quarter.

KCGM has had short term operational challenges, but operational efficiency is on-track to increase in the June quarter. Mill expansion will bring production capacity up significantly to 28 tonnes a year by around 2028.

De Grey Mining's Hemi gold mine is due to be operational in 2026 with production expected to be around 17 tonnes a year.

In April 2025, Evolution Mining approved a $430 million expansion at its Cowal gold operations in New South Wales, after receiving regulatory approval to operate until at least 2042. The Cowal mine produced 11 tonnes of gold in 2024 and production is expected to increase in coming years.

Gold exploration steady after receding from highs in 2022

Gold exploration spending was steady year-on-year at $284 million in the March quarter 2025, comprising 35% (+3 ppt) of Australia's exploration expenditure. Western Australia, which mines most of Australia's gold, saw a 1% year-on-year drop to the March quarter, offset by investment in NSW which grew by 3% and Northern Territory by 2%.

Exploration expenditure has not tracked record gold prices higher. There is a lag between capital raising and exploration activity, with commencement of drilling taking some time to plan and prepare. It is anticipated that exploration expenditure will increase in 2025-26, particularly if higher forecast prices are realised.

Gold earnings to rise in 2025–26 on increased supply and higher prices

Export earnings are estimated at $46 billion in 2024–25, up by 41% from 2023–24 and almost double earnings in 2022–23. Export earnings are forecast to grow by 20% to about $56 billion in 2025–26, before dropping back to (a still high) $52 billion in 2026–27 as gold prices moderate.

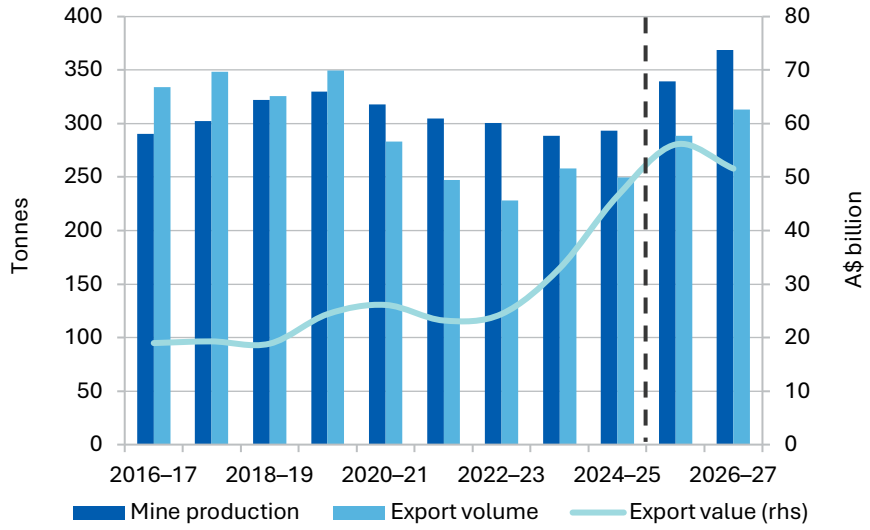
Growth in Australian exports to March 2025 (year-on-year) was led by a 137% year-on-year rise in exports to financial hubs where ETFs are located (US, UK, Switzerland, Hong Kong and Singapore), which collectively purchased $13 billion worth of Australian gold in the March quarter 2025.

Revisions to the outlook

Australia's gold export earnings in 2024–25 is now estimated at $46 billion, up more than $11 billion from the March 2025 REQ forecast. The driver of upward revisions to export values has been the extraordinary surge in US dollar gold prices.

Gold exports are now forecast at $56 billion in 2025–26, up $21 billion from the March 2025 REQ. Exports in 2026–27 are forecast at $52 billion, up $20 billion from the March 2025 REQ. The revisions reflect upward revisions to both the US dollar gold price and Australian export volumes.

Figure 9.6: Australian gold exports and mine production



Source: Department of Industry, Science and Resources (2025); Metals Focus (2025); World Gold Council (2025).

Table 9.1: Gold outlook

						Annual percentage change		
World	**Unit**	**2024**	**2025[f]**	**2026[f]**	**2027[f]**	**2025[f]**	**2026[f]**	**2027[f]**
Total demand	tonnes	4,606	4,199	4,086	4,164	-8.8	-2.7	1.9
Fabrication consumption [b]	tonnes	2,338	2,673	2,856	2,889	14.3	6.8	1.2
Mine production	tonnes	3,661	3,817	3,857	3,836	4.3	1.1	-0.5
Price [c]								
– nominal	US$/oz	2,387	3,166	2,975	2,650	32.6	-6.0	-10.9
– real [d]	US$/oz	2,458	3,166	2,903	2,533	28.8	-8.3	-12.8
Australia	**Unit**	**2023–24**	**2024–25[s]**	**2025–26[f]**	**2026–27[f]**	**2024–25[s]**	**2025–26[f]**	**2026–27[f]**
Mine production	tonnes	289	293	340	369	1.6	15.9	8.5
Exports								
– volume	tonnes	258	250	289	313	-3.4	15.7	8.5
– nominal value	A$m	32,931	46,470	56,091	51,578	41.1	20.7	-8.0
– real value [e]	A$m	33,731	46,470	54,510	48,754	37.8	17.3	-10.6
Price								
– nominal	A$/oz	3,171	4,336	4,816	4,072	36.7	11.1	-15.4
– real [e]	A$/oz	3,248	4,336	4,680	3,849	33.5	8.0	-17.8

Notes: **b** includes jewellery consumption and industrial applications; **c** London Bullion Market Association; **d** in 2024 US dollars; **e** in 2024–25 Australian dollars; **f** Forecast; **s** Estimate.

Sources: ABS (2025); Department of Industry, Science and Resources (2025); London Bullion Market Association (2025); World Gold Council (2025).

Aluminium, alumina, bauxite (AAB)

Australia's AAB sector

11%

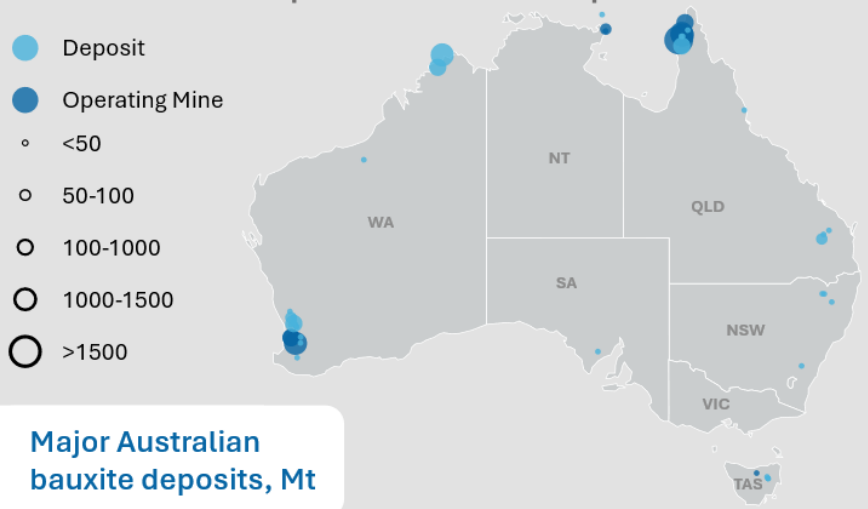
of global primary aluminium exports are Australian

$17 billion

Of primary Aluminium alumina and bauxite exported in 2023–24

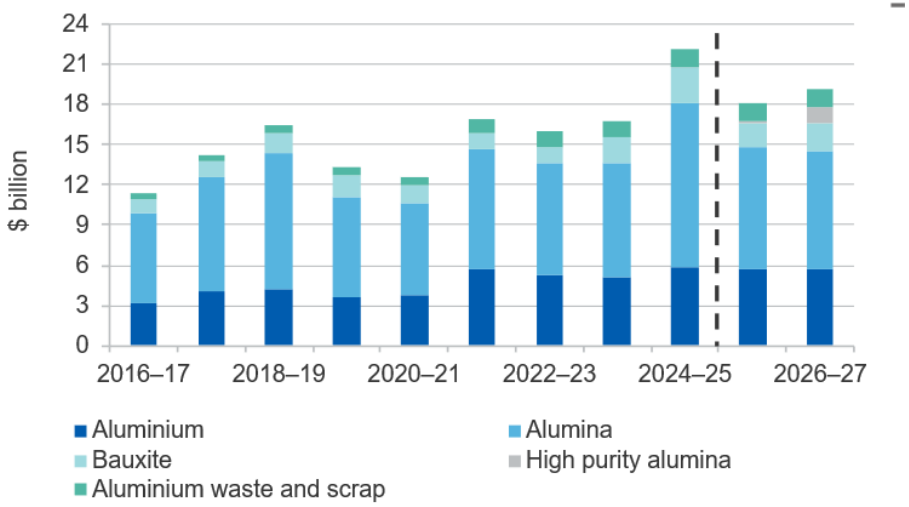
Over 98%

of Australian bauxite is exported to China



Major Australian bauxite deposits, Mt

Australian AAB exports



AAB earnings set to reach a record of $22 billion in 2024–25

Australian alumina output to reach 18 million tonnes per annum

Australian primary aluminium alone is a $5.8 billion export industry

Aluminium prices expected to remain elevated

Source: DISR, OCE

Aluminium trade map

Source: WBMS, ABS

10.1 Summary

- Aluminium, alumina and bauxite (AAB) pricing and demand volatility is expected to persist in H2 2025. Aluminium spot prices are forecast to average about US$2,475 a tonne in 2025, lower than previously forecast. Ongoing gains in Chinese bauxite production – in response to export bans in Guinea – will place downward pressure on bauxite prices.
- Australia's primary aluminium output is forecast to remain at around 1.6 Mt a year over the outlook period. Alumina production is expected to increase by 9% to 18 Mt in 2026–27. New projects are expected to lift Australian bauxite output by 3% to 104 Mt in 2026–27.
- Australia's aluminium, alumina and bauxite (AAB) export earnings are expected to fall to $19 billion a year in 2026–27, as alumina prices fall.

10.2 World demand

Slow world growth reduced aluminium demand in Q1 2025

Slow world growth reduced global primary aluminium demand by 1.8% year-on-year to nearly 18 Mt in the March quarter 2025. Over this period, primary aluminium demand in China fell by 2.4% year-on-year to 11 Mt. Strong solar installation activities in China – an aluminium-intensive energy transition sector – partially offset the weakness from other sectors such as construction. In the March quarter 2025, China installed 60 gigawatts of solar, up 31% year-on-year.

Offsetting the fall in primary aluminium demand from China in the March quarter 2025 was a rise in demand from India (up 44% year-on-year) and the US (up 7% year-on-year). Indian and US industrial consumers accelerated primary aluminium consumption ahead of rising US tariffs.

Cost-cutting efforts by automotive makers have led to greater use of recycled aluminium and helped to push secondary aluminium demand up by 5.1% to 6.7 Mt in the March quarter 2025.

Higher global primary aluminium production boosted alumina usage by 0.2% year-on-year in the March quarter 2025 to 35 Mt. Demand in China and India rose by 0.8% and 3.1%, respectively, as their aluminium smelters required more alumina to lift primary aluminium production.

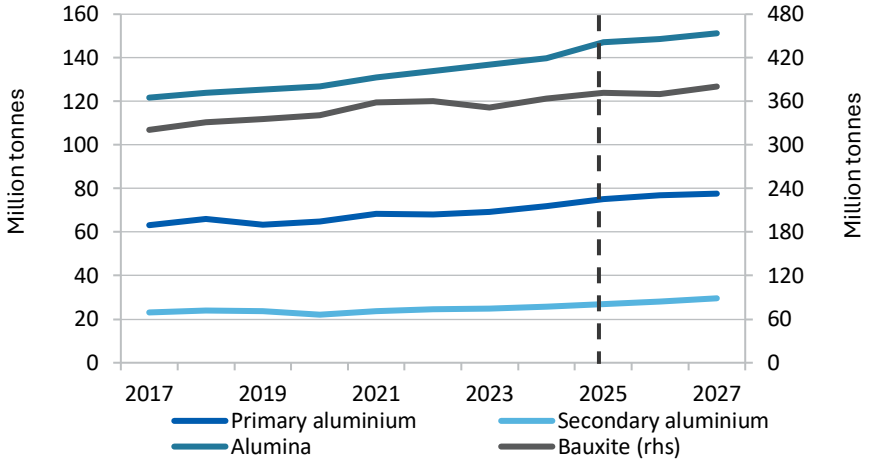
Higher alumina production in China increased global bauxite demand by 4.2% year-on-year to nearly 91 Mt in the March quarter 2025.

EV and low emission technologies drive aluminium demand

Strong demand from the EV manufacturing and other low emission technology sectors – such as solar panel components and wind turbines – is expected to boost global aluminium demand from 75 Mt in 2025 to 78 Mt in 2027 (Figure 10.1). China will contribute most of the increased aluminium demand on the back of increased infrastructure spending and investment in the energy transition.

Rising primary aluminium prices and increased demand for low-carbon aluminium are expected to boost recycled aluminium demand over the outlook period. Recycled aluminium usage is forecast to increase from 27 Mt in 2025 to 30 Mt in 2027. The International Aluminium Institute noted that recycled aluminium is 95% less energy-intensive than primary aluminium.

Figure 10.1: World aluminium, alumina and bauxite demand



Source: World Bureau of Metal Statistics (2025); Wood Mackenzie (2025); Department of Industry, Science and Resources (2025)

On 28 March 2025, the Chinese Ministry of Industry and Information Technology and nine other Chinese government departments released a *Plan for the high-quality development of the Chinese aluminium industry through 2027*. One of the Plan's objectives is to increase China's recycled aluminium output from 11 Mt in 2024 to more than 15 Mt in 2027.

An expected rise in global primary aluminium production is likely to drive higher demand for alumina over the outlook period. In line with world primary aluminium production, world alumina demand is forecast to increase from 147 Mt in 2025 to 151 Mt in 2027 (Figure 10.1).

An expected rise in Chinese, Indian and Indonesian alumina production is likely to increase global bauxite demand over the outlook period; usage should rise to 380 Mt by 2027 (Figure 10.1).

10.3 World supply

China drove global aluminium and alumina output higher in Q1 2025

An increase in Chinese supply contributed to a 2.3% year-on-year rise in global primary aluminium output in the March quarter 2025 to nearly 18 Mt. Over this period, China produced 10.8 Mt of primary aluminium (up 4.7% year-on-year), with producers responding to strong aluminium demand from the solar panel manufacturing sector. The increased demand offset weakness in demand from China's residential construction sector.

Alcoa's San Ciprian operations in Spain (1.5 Mt a year alumina and 228,000 tonnes a year primary aluminium) were severely affected by the massive power outage on 28 April 2025. The power outage poses a challenge for Alcoa in bringing back online the largest integrated aluminium operation in Spain.

Driven by the increased demand for recycled aluminium, global recycled aluminium output rose by 1.2% year-on-year in the March quarter 2025 to 8.0 Mt. The US and Italy accounted for most of this increase, with recycled aluminium output increasing by 6.8% and 4.7% year-on-year, respectively.

Lower alumina output in Australia – the world's second largest alumina producer – was offset by an increase in China, which saw global alumina output in the March quarter 2025 increase by 4.9% year-on-year.

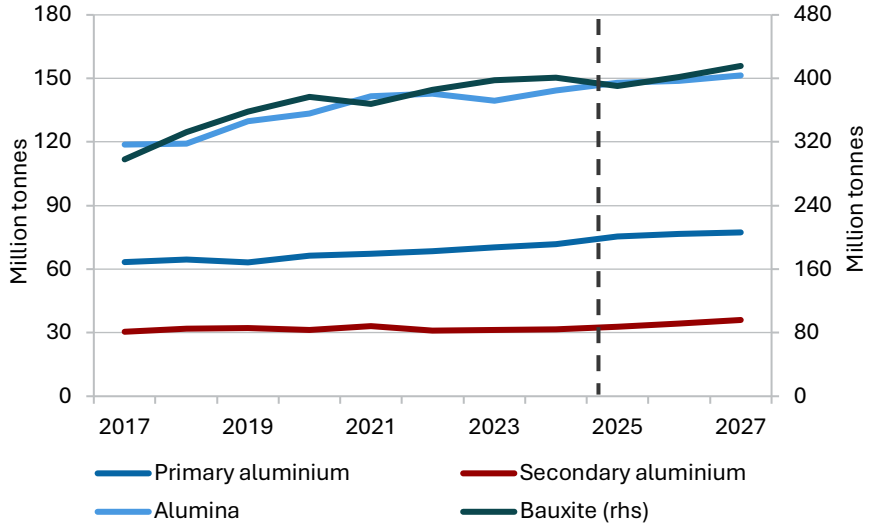
Higher bauxite output from Guinea and Australia boosted global bauxite output by 6.7% year-on-year in the March quarter 2025.

Ex-China producers set to drive higher global AAB output over the outlook period

The addition of new aluminium smelters outside China is expected to lift global primary aluminium output over the next two years. It is forecast that global primary aluminium supply will increase from 75 Mt in 2025 to 77 Mt in 2027 (Figure 10.2). Indonesia will contribute most to this rise. Primary aluminium supply in Indonesia is forecast to increase from 0.5 Mt in 2025 to over 1.0 Mt in 2027. In India, primary aluminium production is forecast to rise from 4.5 Mt in 2025 to 4.8 Mt in 2027.

In China, primary aluminium output is expected to stay under 45 Mt a year over the outlook period, close to the capacity cap of 45 Mt a year introduced by the Chinese Government in 2017.

Figure 10.2: World aluminium, alumina and bauxite supply



Source: World Bureau of Metal Statistics (2025); Wood Mackenzie (2025); Department of Industry, Science and Resources (2025)

In the US, Emirates Global Aluminium from the United Arab Emirates (UAE) will invest US$4 billion to build a 600,000 tonnes a year primary aluminium smelter in the Oklahoma (subject to a feasibility study), as part of US$200 billion worth of new commercial deals proposed between the US and the UAE. The project would be one of the only a handful of new aluminium smelters commenced in the US in the past 5 decades, and would nearly double the US' primary aluminium production once completed in 2029.

Driven by higher output from China, the US and Europe, global recycled aluminium output is forecast to increase from 33 Mt in 2025 to 36 Mt in 2027 (Figure 10.2).

New refineries and production ramp-ups are expected to drive up global alumina output from 147 Mt in 2025 to 151 Mt in 2027 (Figure 10.2).

Higher output from Guinea and Australia is expected to increase global bauxite output from 391 Mt in 2025 to 416 Mt in 2027 (Figure 10.2).

10.4 World trade

Rising trade barriers reduced exports in Q1 2025

Rising trade barriers have contributed to lower global primary aluminium exports by 34% year-on-year in the March quarter 2025 to 2.2 Mt. Over this period, Canada, the largest supplier of primary aluminium to the US, recorded a 7.5% fall in primary aluminium exports. Australia's primary aluminium exports fell by 13% year-on-year in the March quarter to 333,000 tonnes.

World secondary aluminium exports fell by 20% year-on-year in the March quarter 2025 to 778,000 tonnes, in line with the fall in global primary aluminium exports. Trade actions and retaliatory measures reduced secondary aluminium exports from Canada (3.1%) and the Netherlands (42%).

Lower alumina exports from Australia led to a 0.6% fall in global alumina exports in the March quarter 2025. Over this period, Australia – the world's largest alumina exporter – exported 3.6 Mt of alumina, down by 10% year-on-year. Brazil and Indonesia exported 2.2 Mt and 1.1 Mt of alumina in the March quarter 2025, up 8.1% and 68% year-on-year, respectively.

Higher bauxite exports from Australia increased global bauxite exports by 1.3% year-on-year in the March quarter 2025 to nearly 40 Mt.

Rising demand from China drove higher global bauxite imports in the March quarter 2025

Uncertainty over trade actions and retaliatory measures reduced global primary (13%) and secondary aluminium imports (26%) year-on-year in the March quarter 2025. Primary aluminium imports into the US increased by 15% year-on-year in the March quarter 2025 to 1.1 Mt, as traders ramped up purchases ahead of rising tariffs in April 2025.

Lower imports from China reduced global alumina imports by 22% year-on-year in the March quarter 2025 to 7.4 Mt. China was able to reduce alumina imports due to increased alumina output from China's domestic alumina refineries.

Higher imports from China led to a 22% year-on-year rise in global bauxite imports in the March quarter 2025. Over this period, China imported 47 Mt of bauxite, up 30% year-on-year.

Rising US tariffs affect global producers and consumers

The European Union (EU) is considering imposing export tariffs on aluminium scrap to protect its recycling industry against outflows from Europe to the US. EU outflows have increased after the US Administration imposed a 25% tariff on aluminium imports in March 2025 but excluded aluminium scrap from the tariff. As a result, scrap prices have risen in the EU, adversely affecting the operations and margins of secondary aluminium buyers.

In the US, a structural deficit in primary aluminium (i.e. imports account for 83% of US primary aluminium consumption) is likely to push up primary aluminium prices for US consumers.

Aluminium is a versatile material and is used in numerous goods to which US tariffs now apply. China is a major producer/consumer and exporter/importer of global primary aluminium, alumina and bauxite. While the full indirect effects of the tariff increases are not yet apparent, there is potential for global aluminium demand to slow and prices to fall in the short term, adversely affecting Australian export earnings.

Given that more than 98% of all Australian bauxite exports are purchased by China, any reduction in China's primary aluminium and alumina demand is likely to have a substantial adverse impact on Australian bauxite exports.

Australia exported 80,000 tonnes of primary aluminium to the US in 2024, with a value of $324 million, accounting for 5.8% of Australia's total primary aluminium exports.

10.5 Prices

Trade actions and retaliatory measures push prices lower

Uncertainty associated with rising trade barriers in the wake of US trade tariffs – including a 50% duty on aluminium imports into the US effective on 4 June 2025 – has pushed the primary aluminium price lower. In 2025, the London Metal Exchange (LME) primary aluminium spot price has fallen by 0.3% to US$2,529 a tonne on 20 June 2025 — compared to an average US$2,478 a tonne in H2 2024.

Uncertainty over trade barriers has led to a continuation of primary aluminium inventory drawdown in the LME warehouses. LME aluminium stocks fell from 521,200 tonnes in February 2025 to 359,900 tonnes in June 2025 (Figure 10.3).

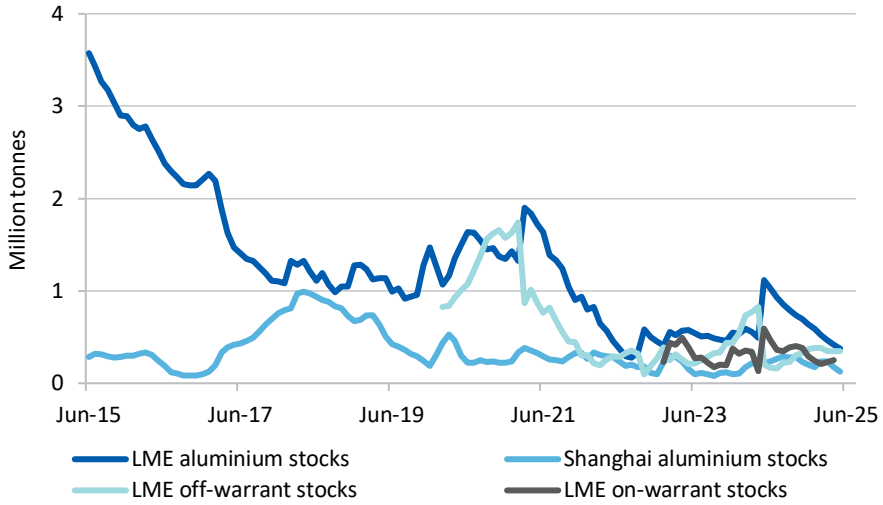
A recovery of global alumina supply, driven by a large increase in Chinese production, has pushed the FOB WA alumina price down by 45% so far in 2025. At 20 June 2025 prices were US$370 a tonne — compared to an average of US$602 a tonne in H2 2024.

Short term volatility put downward pressure on prices

Pricing and demand volatility is expected to persist for the remainder of 2025, due to trade actions and retaliatory measures. The LME aluminium spot price is forecast to average about US$2,475 a tonne in 2025, which is 4.4% lower than forecast in the March 2025 REQ. After 2025, the LME aluminium price is forecast to rise, averaging US$2,505 and US$2,560 a tonne in 2026 and 2027, respectively (Figure 10.4). Growing global demand for new, energy-efficient cars and technologies will lift aluminium usage and keep stocks relatively low.

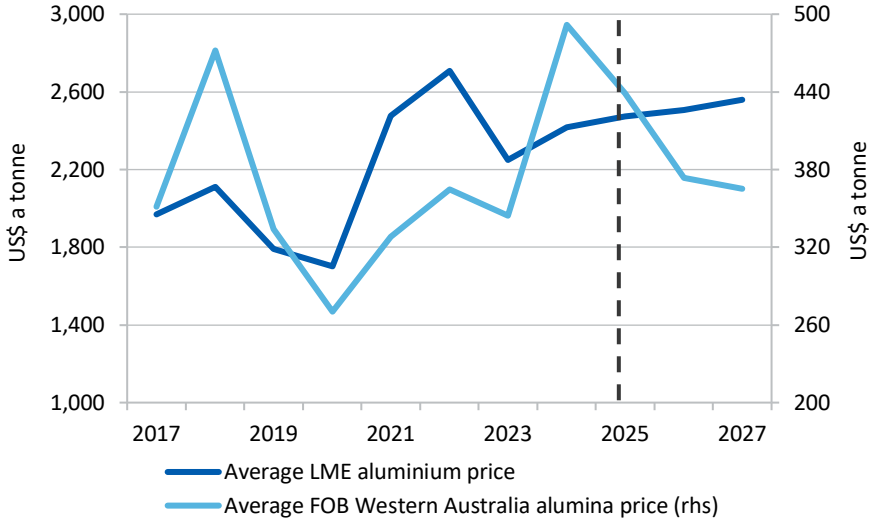
The FOB Western Australia alumina price is forecast to fall from US$492 a tonne in 2024 to US$365 a tonne in 2027 (Figure 10.4).

Figure 10.3: Exchange aluminium stocks



Source: London Metal Exchange (2025)

Figure 10.4: Primary aluminium and alumina prices



Source: Bloomberg (2025); Department of Industry, Science and Resources (2025)

An upside risk to the alumina pricing assessment is the Guinean Government's decision to revoke the mining licenses of over 40 mining companies in Guinea. As the world's largest bauxite producer and exporter, a reduction in material (bauxite) supply from Guinea would exert upward pressure on alumina prices.

10.6 Australian exports and production

Higher AAB exports boosted earnings in the March quarter 2025

Higher AAB export values pushed Australia's AAB export earnings up by 47% year-on-year in the March quarter 2025 to $6.1 billion. Over this period, Australia exported 333,000 tonnes of primary aluminium, 3.6 Mt of alumina and 8.9 Mt of bauxite. In value terms, primary aluminium export earnings were up by 9.8% year-on-year in the March quarter 2025 to $1.5 billion. Alumina export earnings rose by 63% year-on-year in the March quarter 2025 to $3.5 billion. Bauxite export earnings rose by 101% year-on-year in the March quarter 2025 to $836 million.

Falling alumina prices set to reduce Australia's AAB export earnings

The direct impacts of higher US tariffs on Australia's exports are expected to be minimal, as the US is not a major market of Australian AAB.

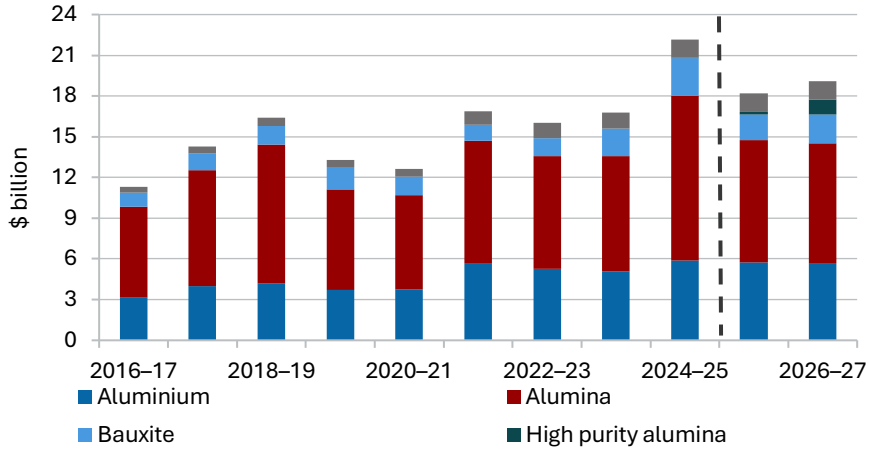
The main risks to the export earnings assessment are the indirect impacts stemming from trade actions and retaliatory measures against our major trading partners. Australian AAB is exported to China, Japan, South Korea and the Middle East where houses are built, cars are made, smart phones are assembled, and consumer goods are produced. As higher tariffs reduce demand for these products, there will be a commensurate fall in demand for Australia's AAB.

As a result, Australia's AAB exports are forecast to fall from $22 billion in 2024–25 to $19 billion in 2026–27 (Figure 10.5).

Australia's aluminium and alumina production fell in Q1 2025

A small fall in Rio Tinto's aluminium output led to a minor decrease in Australia's primary aluminium output (down 0.2% year-on-year) in the March quarter 2025.

Figure 10.5: Australian aluminium/alumina/bauxite exports



Source: ABS (2025) International Trade in Goods and Services, 5368.0; Department of Industry, Science and Resources (2025).

A production curtailment at the Kwinana alumina refinery and lower output from South32's Worsley Alumina refinery in WA reduced Australia's alumina output by 7.7% year-on-year to 4.2 Mt in the March quarter 2025.

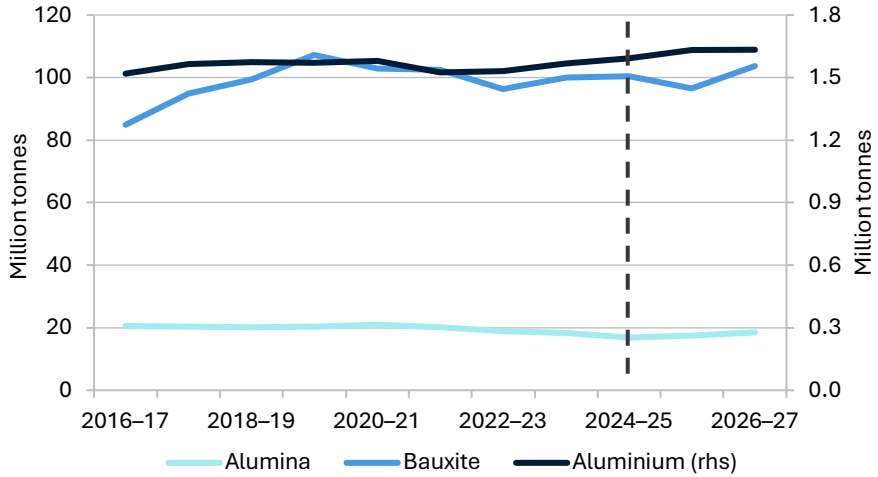
A large rise (up 9.6% year-on-year) in Rio Tinto's Weipa/Amrun bauxite in Queensland drove a minor increase in Australia's bauxite output (up 0.1% year-on-year) in the March quarter 2025. Metro Mining's 6 Mt a year Bauxite Hill bauxite mine in Queensland had an annual wet season shutdown in the March quarter 2025.

Sustained bauxite supply lifts Australia's refinery output

No expansions or major disruptions are expected at existing aluminium smelters in Australia over the outlook period. Australia's primary aluminium output is forecast to be around 1.6 Mt a year (Figure 10.6).

South32 has commenced work on the Worsley Mine Development Project which will enable South32 to access new higher grade bauxite deposits to sustain production at Worsley Alumina until 2036. Worsley's alumina output is expected to increase by 1 Mt a year in 2027 when the expansion is fully operational. As a result, Australian alumina output is forecast to rise from under 17 Mt in 2024–25 to over 18 Mt in 2026–27 (Figure 10.6).

Figure 10.6: Australian aluminium/alumina/bauxite output



Source: Department of Industry, Science and Resources (2025)

New bauxite projects and sustained output in existing mines are expected to lift Australian bauxite output from 101 Mt in 2024–25 to 104 Mt in 2026–27 (Figure 10.6).

In May 2025, Rio Tinto announced it is conducting final studies to almost double bauxite production capacity (to 43 Mt from the current 23 Mt a year) at its Weipa bauxite operations in Queensland by 2029. The final investment decision is expected in 2026.

On 27 May 2025, South32 received $4.4 million in Australian Government funding to support the development of steam electrification pathways at its Worsley Alumina Refinery in WA. The fund will allow South32 to undertake a pre-feasibility study to make low emissions alumina.

Revisions to the outlook

Australia's forecast AAB export earnings in 2025–26 and 2026–27 have been revised down from the March 2025 *Resources and Energy Quarterly (REQ)* – by $2.2 billion and $1.8 billion, respectively. The revisions reflect a downward revision to forecast prices of LME aluminium and FOB WA alumina, and an upward revision to the Australian dollar exchange rate over the outlook period.

Table 10.1: Aluminium, alumina and bauxite outlook

						Annual percentage change		
World	**Unit**	**2024**	**2025 [f]**	**2026 [f]**	**2027 [f]**	**2025 [f]**	**2026 [f]**	**2027 [f]**
Primary aluminium								
Production	kt	71,753	75,475	76,580	77,329	5.2	1.5	1.0
Consumption	kt	71,963	75,078	76,818	77,628	4.3	2.3	1.1
Prices aluminium [c]								
- nominal	US$/t	2,419	2,474	2,505	2,560	2.3	1.2	2.2
- real [d]	US$/t	2,491	2,474	2,445	2,447	-0.7	-1.2	0.1
Prices alumina spot								
- nominal	US$/t	492	439	374	365	-10.8	-14.8	-2.3
- real [d]	US$/t	506	439	365	349	-13.4	-16.9	-4.3
Australia	**Unit**	**2023–24**	**2024–25[s]**	**2025–26 [f]**	**2026–27 [f]**	**2024–25 [s]**	**2025–26 [f]**	**2026–27 [f]**
Production								
Primary aluminium	kt	1,568	1,592	1,631	1,634	1.5	2.5	0.2
Alumina	kt	18,255	16,851	17,400	18,480	-7.7	3.3	6.2
Bauxite	Mt	99.9	100.5	96.5	103.8	0.5	-3.9	7.5
Consumption								
Primary aluminium	kt	186	173	130	130	-7.2	-25.0	0.1
Exports								
Primary aluminium	kt	1,432	1,471	1,549	1,552	2.7	5.4	0.2
- nominal value	A$m	5,092	5,893	5,738	5,671	15.7	-2.6	-1.2
- real value [e]	A$m	5,216	5,893	5,577	5,360	13.0	-5.4	-3.9
Alumina	kt	15,877	14,732	15,660	16,632	-7.2	6.3	6.2
- nominal value	A$m	8,486	12,132	9,008	8,848	43.0	-25.8	-1.8
- real value [e]	A$m	8,693	12,132	8,754	8,363	39.6	-27.8	-4.5
Bauxite	kt	40,497	42,976	40,641	42,316	6.1	-5.4	4.1
- nominal value	A$m	2,039	2,779	1,889	2,122	36.3	-32.0	12.4
- real value [e]	A$m	2,089	2,779	1,835	2,006	33.0	-34.0	9.3
Total value								
- nominal value	A$m	16,799	22,163	18,176	19,080	31.9	-18.0	5.0
- real value [e]	A$m	17,222	22,163	17,587	17,957	28.7	-20.6	2.1

Notes: Total nominal and real values of Australian exports include primary aluminium, aluminium waste and scrap, alumina, high purity alumina and bauxite. **c** LME cash prices for primary aluminium; **d** In 2025 calendar year US dollars; **e** In 2024–25 financial year Australian dollars; **f** Forecast; **s** Estimate.

Sources: ABS (2025) International Trade in Goods and Services, 5368.0; Bloomberg (2025); London Metal Exchange (2025); Department of Industry, Science and Resources (2025); World Bureau of Metals Statistics (2025).

Copper

Australia's copper sector

World No. 2

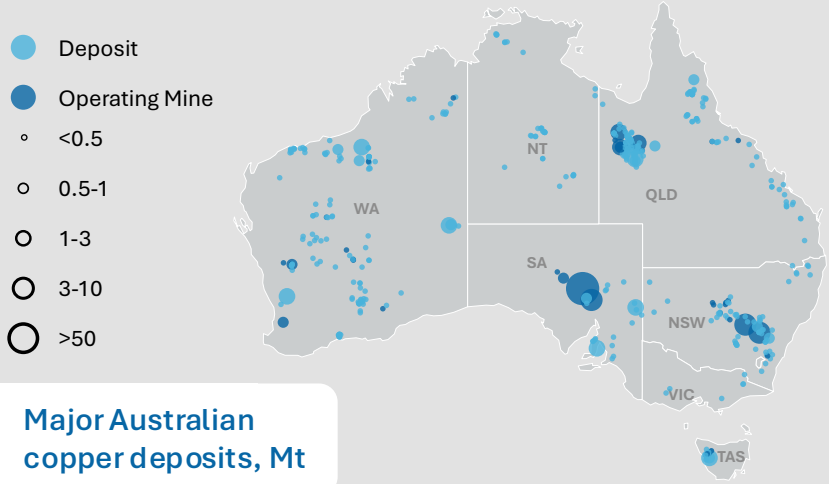
for copper resources

5th largest

refined exporter globally, 2024

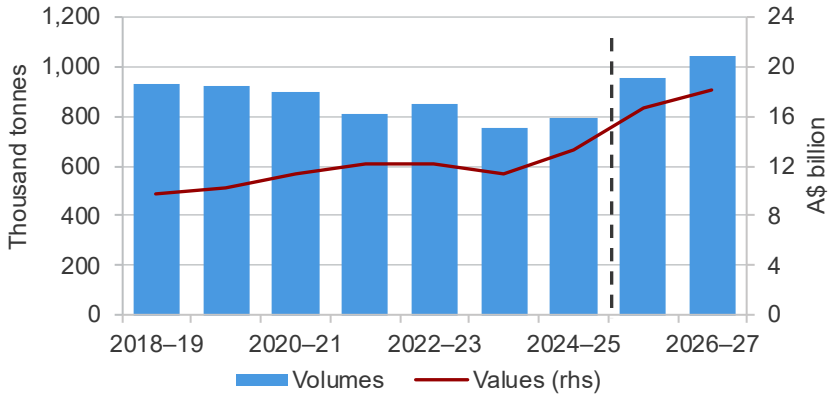
210,000 tonnes

produced a year at Australia's largest mine in 2024



Major Australian copper deposits, Mt

Australian copper exports



Outlook

- Copper supply struggling to keep up with demand over medium term
- Export earnings expected to rise from growing output and higher prices
- Production to continue rising
- Exploration expenditure expected to rise

Source: GA; DISR; OCE

Copper trade map

Source: GA; DISR; OCE

11.1 Summary

- Copper prices fell by around 15% in early April as new US trade barriers were announced. Prices have since recovered to near record highs and are forecast to increase to US$9,940 a tonne by 2027.
- Copper demand will continue to rise to be driven by construction, EVs, data centres, and broader investment in low emission technologies. Copper supply is struggling to keep pace with demand as new mines are slow to develop and trade barriers impact on copper scrap supply.
- Australia's copper export earnings are estimated at $13.2 billion in 2024–25, up from $ 11.4 billion in 2023–24. Export earnings are forecast to continue to grow to $18.2 billion in 2026–27 due to both increased supply and higher prices.

11.2 World Demand

Global copper demand to slow in 2025 because of trade actions

Global copper demand grew 2.5% in the March quarter 2025 compared to the same quarter in 2024. The main growth contributors were China (up 3%), the US (up 7.4%), and the EU (up 0.5%). However, refined copper demand for ex-China Asia fell by around 1% (Figure 11.1).

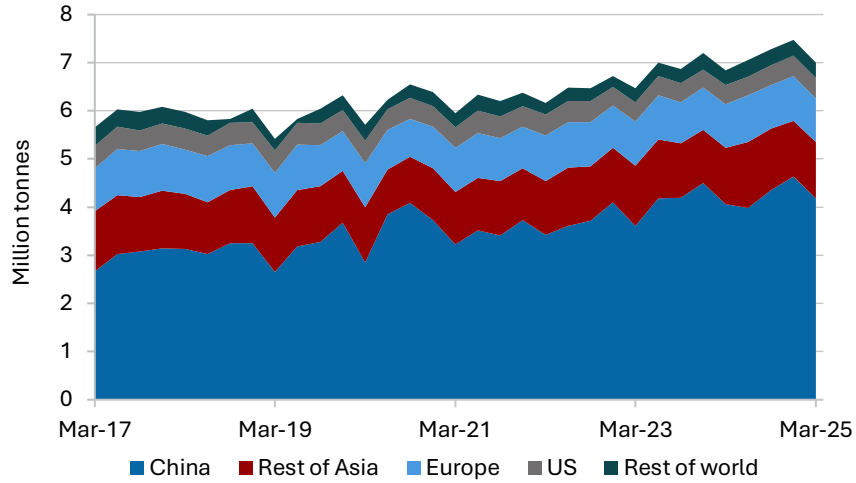
China's refined copper demand (representing 60% of global usage) was about 4.2 Mt in Q1 2025, a slight increase from the same quarter in 2024.

The main sectors driving copper demand in China are infrastructure investment, manufacturing, and electricity distribution. China needs to continue to build out the country's electrical distribution network to connect new renewable energy sources and increase reliability.

Recent Chinese economic stimulus measures, such as subsidies to purchase new electronic device such as smartphones and home appliances also support copper usage.

Global copper demand is forecast to rise modestly (by around 1.6%) in 2025, with growth affected by market uncertainty linked to tariffs and potential trade disruptions.

Figure 11.1: Global refined copper demand, quarterly



Source: World Bureau of Metal Statistics (2025), Department of Industry, Science and Resources (2025)

Over the outlook period to 2027, global copper demand is expected to rise by an average of 3% a year. Key growth drivers include expected investment in energy transition infrastructure including EVs, construction, and data centres for use in AI.

Copper imports to the US surged in anticipation of trade barriers in late February 2025. Traders rushed to import copper to avoid potential tariffs, causing futures arbitrage between Chicago Mercantile Exchange (CMEX) and London Metal Exchange (LME). The imposition of trade barriers on 2 April 2025 increased US weekly copper imports from 14kt to 40kt over the course of April and May.

According to Wood Mackenzie, US refined copper consumption is expected to grow by 7% in 2026 and 2027, consistent with growth in 2024. Growth is expected to be largely driven by investment in the construction sector and electrification such as electric vehicles charging stations. The potential reshoring manufacturing to the US seems limited due to challenges in re-establishing cost competitive supply chains.

11.3 World production

Global mine output to continue to rise mainly from Americans and Africa

Global copper mine production growth was flat in the March quarter 2025 compared to the same period last year (Figure 11.2). Mine output rose in Chile (up 2%), the Democratic Republic of Congo (DRC) (up 14.3%), and Peru (up 2.2%). But the increases were offset by falling mine output in EU (down 4%) and rest of world (down 9%).

Supply growth was driven by new mines ramping up to capacity and incremental increase in output from operating mines. Chile benefited from higher output by Codelco, while the DRC saw increased output from the Kamoa-Kakula expansion. Production growth in Peru was driven by higher output from Las Bambas, Quellaveco, and Toromocho.

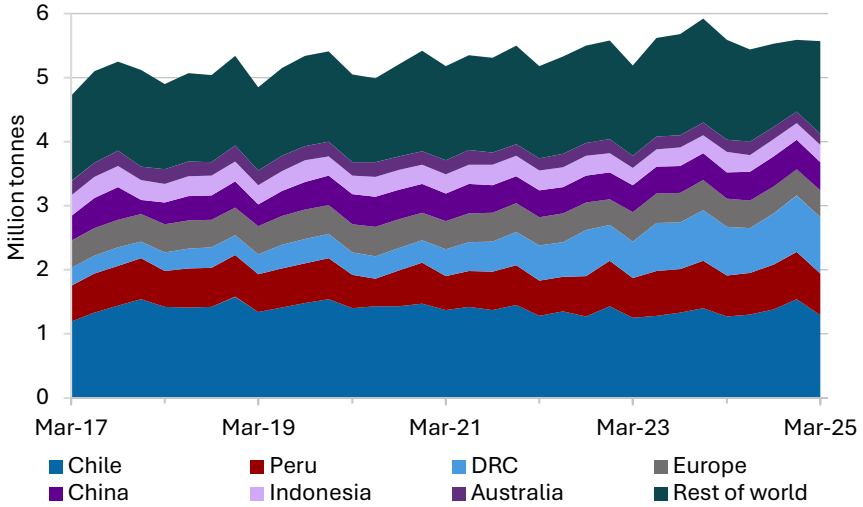
Global copper mine output is expected to grow by around 3% in 2025. The growth is expected to be mainly driven by expansions at existing mines such as Kamoa-Kakula in the DRC, Quellaveco in Peru, Quebrada Blanca in Chile, Oyu Tolgoi in Mongolia and the new Malmyz mine in Russia. Global copper mine production is then projected to grow by 2% in 2027 to reach 24.1 Mt. Chile, Peru and the DRC are expected to drive the growth.

The balance of risk to production forecasts is to the downside. For instance, Ivanhoe Mines cut it's 2025 guidance by 28% for the Kamoa-Kakula mine in the DRC due to a mid-May seismic event that suspended underground operations. Teck Resources has reduced guidance at its Quebrada Blanca mine in Chile due to an outage at the port facility.

Since 2023, Indonesia has been pursuing policy of banning copper concentrate exports to support domestic processing facilities. PT Freeport Indonesia's export permit expired at the end of 2024 but was extended due to a smelter fire in October 2024. According to the World Bureau of Metal Statistics (WBMS), in 2024, Indonesia exported around 618 kt of copper concentrate, accounts for 6% of global exports, could tighten the market if the ban takes effect.

In India, the Kutch copper smelter, began operations in mid-June 2025. Codelco-Chile's state miner has agreed to supply copper concentrate which will also help with tightness of the market.

Figure 11.2: Global mine production, quarterly



Source: Department of Industry, Science and Resources (2025); International Copper Study Group (2025); World Bureau of Metal Statistics (2025).

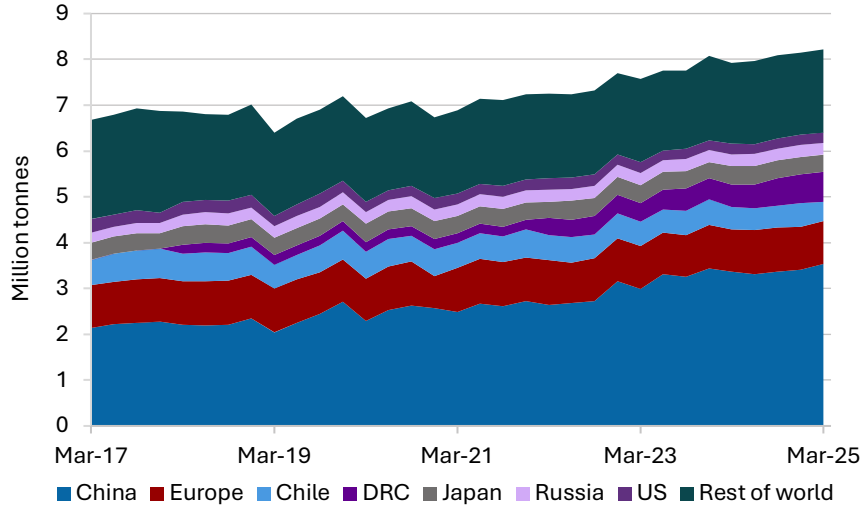
Global refined copper output to rise, led by China, the DRC & Chile

In Q1 2025, global refined production grew by 4.1% compared to the same quarter last year (Figure 11.3). The increase was driven by significant growth in China (5.2%), the DRC (30.8%), and the EU (1%). However, this growth was partially offset by a 12% decline in production in Chile.

Tight conditions in copper concentrate markets during 2024 and an expansion of copper smelters (mainly in China) reduced global treatment charges (TCs). TC rates declined from US$38 a tonne in early 2024 to negative US$43 a tonne in April 2025, meaning smelters paid miners to process their concentrates. Blister refining charges fell by 34% to US$82 a tonne in April 2025 from US$125 a tonne in July last year (Figure 11.4).

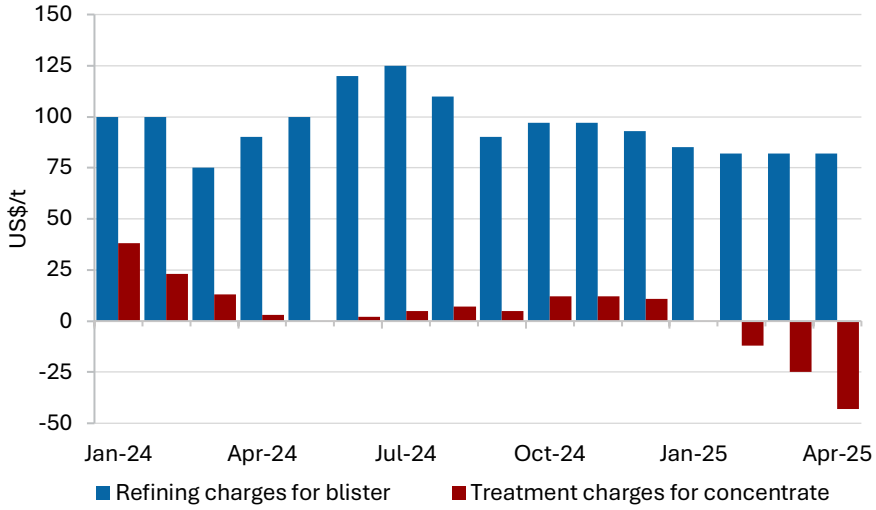
Global refined production is forecast to rise by around 4% to reach 29.6 Mt in 2025 due to improved concentrate availability, enabling greater utilisation of production capacity in major producers such as China and the DRC. Refined copper output is then projected to rise by an average of 2% a year to reach 30.8 Mt in 2027, led by China, the DRC and Chile.

Figure 11.3: Global refined copper production, quarterly



Source: Department of Industry, Science and Resources (2025); World Bureau of Metal Statistics (2025).

Figure 11.4: Treatment charges and refining fees, monthly



Source: Wood Mackenzie (2025), Department of Industry, Science and Resources (2025)

Copper scrap accounts for about 16% of total supply, with trade barriers altering product flows and threatening supply

Secondary refined copper production reached 1.2 Mt in the March quarter 2025, a rise of 2.4% compared to the same period last year (Figure 11.5). In 2024, secondary output accounted for around 16% of global refined copper production. The main countries that processed scrap materials were China, Japan, Germany, and Poland.

China processes a large portion of global copper scrap. According to the country's custom data, in the first 11 months of 2024, China imported 2 Mt of copper scrap, indicating a growth of 14% compared to the same period in 2023. According to the US geological survey, in 2024, the US shipped over 50% of its unalloyed copper scrap, 34% of segregated alloyed scrap, and 7% of unsegregated alloyed scrap to China.

However, scrap imports to China from the US fell by nearly half between January and March 2025 due to trade barriers.

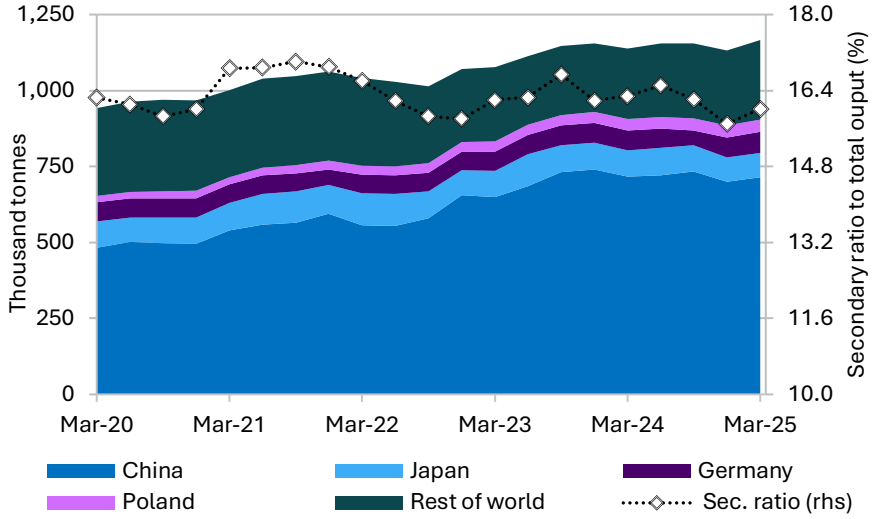
Inventories have increased and are expected to ease from mid-2026

Global inventories increased by 12% in March 2025 compared to December 2024. Since January 2025 stocks in the LME decreased by 21% as copper relocated from LME warehouses to COMEX. As a result, copper inventories in the COMEX warehouses have seen a threefold increase in March 2025 compared to the same period in 2024. Copper inventories at Shanghai Futures Exchange (SHFE) have also more than doubled since the start of 2025 (Figure 11.6).

Copper inventories in COMEX warehouses have surpassed those held on the LME for the first time since March 2022. The movement in inventories reflects a strategic response to anticipated tariffs on copper imports.

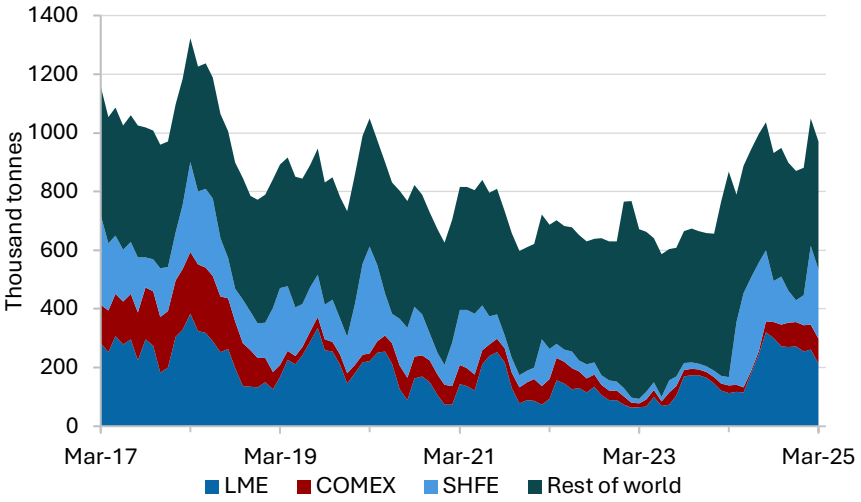
Inventories are projected to gradually rise out to mid-2026 due to slower growth in copper demand and strong supply. From mid-2026, stocks expected to level out as demand firms up.

Figure 11.5: Global secondary copper production, quarterly



Source: International Copper Study Group (2025), Department of Industry, Science and Resources (2025)

Figure 11.6: Global copper inventories, monthly



Source: Bloomberg (2025); Department of Industry, Science and Resources (2025)

11.4 Prices

Copper prices are expected to continue to rise on tight demand and supply

Copper prices saw significant volatility early in Q2 2025. From an all-time high in late March 2025 – above US$ 11,000 a tonne – the price dropped to US$8,538 a tonne in early April 2025 as the US and China imposed tariffs on each other's exports. Prices then recovered as tariff increases by the US and China were largely reversed and consumers (mainly from Asia) procured material at low prices. As of late June 2025, copper was trading at US$9,700 a tonne.

Further modest declines in the US dollar in the June quarter 2025 have also helped copper prices to recover. A weaker US dollar makes copper cheaper for buyers outside of the United States, leading to increased demand and upward pressure on prices.

The differential between COMEX and LME copper prices has widened sharply since the beginning of this year. The widening came as arbitrage traders drew copper to the US on the prospect of US tariffs on copper imports. In February, the US Administration ordered an investigation into whether US copper imports pose a threat to national security. In late March 2025, the COMEX copper price traded at a US$1,650 a tonne premium to the LME price, compared to US$548 a tonne in January. Recently this gap has narrowed slightly: as of late June 2025, the premium on COMEX copper over the LME price was around US$1,100 a tonne.

Gain in copper prices is expected to be minimal in H2 2025 as uncertainty over the global economic outlook weighs on copper demand.

Copper demand is forecast to rise gradually in 2026 and 2027, helping to push prices to almost US$10,000 a tonne in H2 2027 (Figure 11.7). Demand growth will be driven by investment in energy transition, electric vehicles, construction, data centres and advancements in technology –particularly in AI applications. Copper inventories remain relatively low, making the market susceptible to supply disruptions and/or an unexpected surge in demand.

11.5 Australia

New mines to boost Australia's mine production and export earnings

Australian copper export volumes were 793 kt in 2024–25 (Figure 11.8), approximately 5.3% up from 2023–24. The growth was mainly driven by higher concentrate exports. Export volumes are forecast to reach 1 million tonnes in 2026–27. Export earnings were A$13.2 billion in 2024–25, up 16% compared to 2023–24. Earnings are expected to grow to $16.9 billion in 2025–26 and to $18.2 billion in 2026–27, driven by higher prices and increasing output from new mines.

Mine production is forecast to continue to grow from 2025–26

Australian mine production is estimated to have declined by about 10% in 2024–25 compared to 2023–24. The decline was largely lower production at Mount Isa and Eloise in Queensland, Prominent Hill in South Australia, Tritton in New South Wales and Golden Grove in Western Australia. The Capricorn facility in Queensland and the Savannah facility in Western Australia also entered care and maintenance in mid-2024.

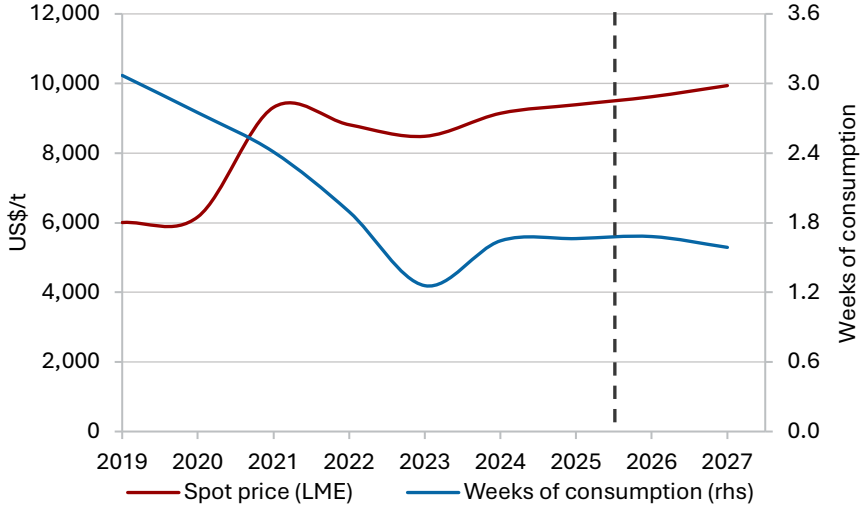
Glencore announced that it will close the Mount Isa underground copper mine at the end of July 2025, due to declining ore quality. Despite the closure, Australian mine output is expected to grow modestly at around 1.0% in 2025–26. Output is expected to rise by around 9% in 2026–27 as several small and medium-sized projects commence operation. Collectively, these projects are expected to add around 70 kt of production capacity a year.

Australian refined copper production is estimated to have fallen by about 9% in 2024–25 compared to 2023–24, mainly due to lower output at the Mount Isa smelter and refinery complex in Queensland. The facility saw an 11% output drop in the first nine months of 2024–25 compared to the same period in 2023–24. South Australia's Olympic Dam smelter and refinery experienced a two-week power outage caused by a severe storm in October 2024 that reduced output.

Refined copper production is expected to rebound by around 5% a year to reach 471 kt in 2026–27, mainly driven by higher output from Olympic Dam.

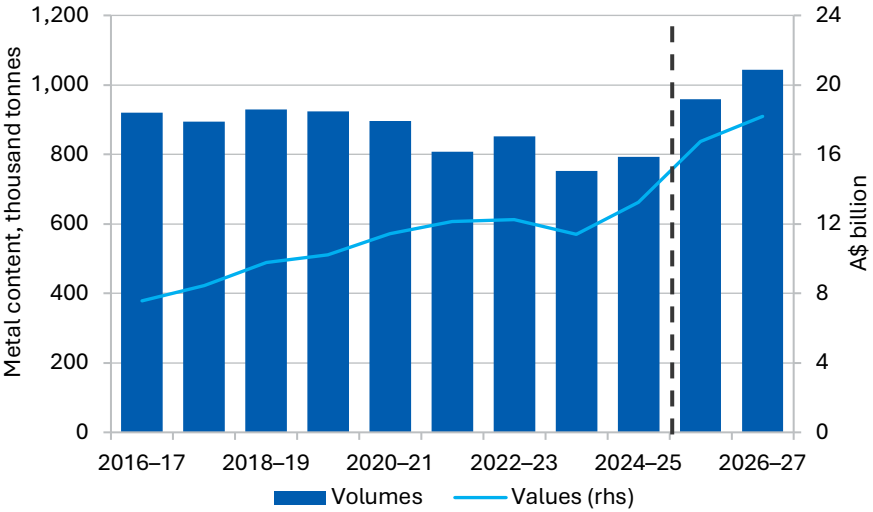
The Mount Isa copper smelter and the Townsville refinery could operate to 2027, subject to additional capital investment. The decision on whether to rebrick the smelter is likely to be made prior to the end of 2025.

Figure 11.7: Refined copper price and stocks



Source: Department of Industry, Science and Resources (2025); LME (2025); World Bureau of Metal Statistics-global stocks (2025)

Figure 11.8: Australia's copper export volumes and value



Source: ABS (2025); Department of Industry, Science and Resources (2025)

Australian copper exploration lower than a year ago

Copper exploration expenditure decreased by 10% in the March quarter 2025 compared to the same period last year (Figure 11.9). The year-on-year decline aligned with broader trends in mineral exploration (see Overview). Recent capital raising indicates copper and copper-gold exploration may account for a larger share of exploration activity in the near-term. Confidence in the long-term copper demand outlook and higher prices are expected to support more capital raising and exploration activity over the outlook period to 2027.

Revisions to the outlook

Since the March 2025 *Resources and Energy Quarterly (REQ),* forecasts for export earnings in 2025–26 have been revised down by around 5%, from $17.5 billion to $16.7 billion. The revision is mainly due to lower forecast prices and slightly reduced export volumes. The forecast for 2026–2027 is unchanged.

Figure 11.9: Australian copper exploration expenditure

Source: ABS (2025)

Table 11.1: Copper outlook

						Annual percentage change		
World	**Unit**	**2024**	**2025[f]**	**2026[f]**	**2027[f]**	**2025[f]**	**2026[f]**	**2027[f]**
Production								
– mine	kt	22,145	22,789	23,452	24,102	2.9	2.9	2.8
– refined [a]	kt	28,333	29,569	30,053	30,755	4.4	1.6	2.3
Consumption	kt	28,659	29,109	30,014	30,786	1.6	3.1	2.6
Closing stocks	kt	906	931	970	940	2.8	4.2	-3.1
– weeks of consumption		1.6	1.7	1.7	1.6	1.2	1.1	-5.5
Prices LME								
– nominal	US$/t	9,144	9,391	9,620	9,940	2.7	2.4	3.3
	USc/lb	415	426	436	451	2.7	2.4	3.3
– real[b]	US$/t	9,417	9,391	9,389	9,500	-0.3	0.0	1.2
	USc/lb	427	426	426	431	-0.3	0.0	1.2
Australia	**Unit**	**2023-24**	**2024–25[s]**	**2025–26[f]**	**2026–27[f]**	**2024–25[s]**	**2025–26[f]**	**2026–27[f]**
Mine output	kt	793	715	720	784	-9.8	0.6	8.9
Refined output	kt	451	411	436	471	-8.8	6.2	8.0
Exports								
– ores and concs [c]	kt	1,250	1,442	1,845	2,043	15.3	27.9	10.8
– refined	kt	396	391	436	471	-1.3	11.5	8.0
– total metallic content	kt	754	793	959	1,044	5.3	20.9	8.9
Export value								
– nominal	A$m	11,402	13,244	16,730	18,189	16.2	26.3	8.7
– real [d]	A$m	11,679	13,244	16,258	17,193	13.4	22.8	5.7

Notes: **a** includes secondary refined copper; **b** In 2024 calendar year US dollars; **c** Quantities refer to gross weight of all ores and concentrates; **d** In 2024–25 financial year Australian dollars; **f** Forecast; **s** Estimate.

Sources: ABS (2025); LME (2025); Department of Industry, Science and Resources (2025); World Bureau of Metal Statistics (2025).

Nickel

Australia's nickel sector

19% of global resources

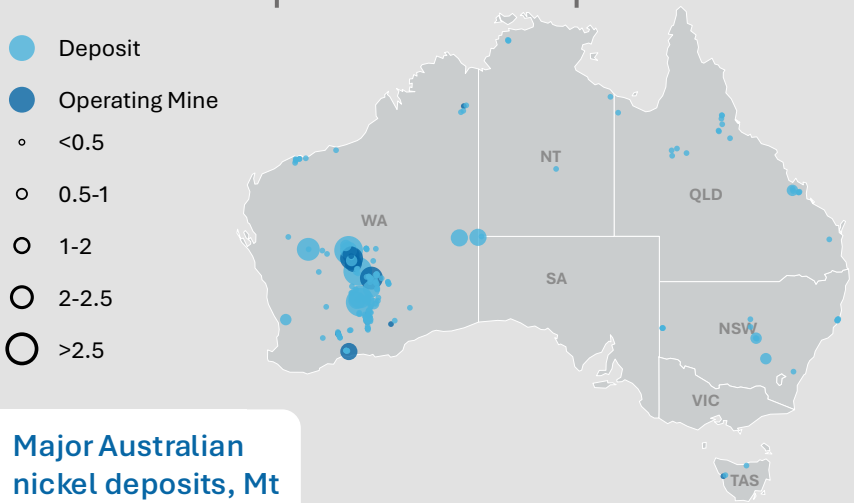
and second largest global reserves

7th largest in 2024

global producer of mined and refined nickel

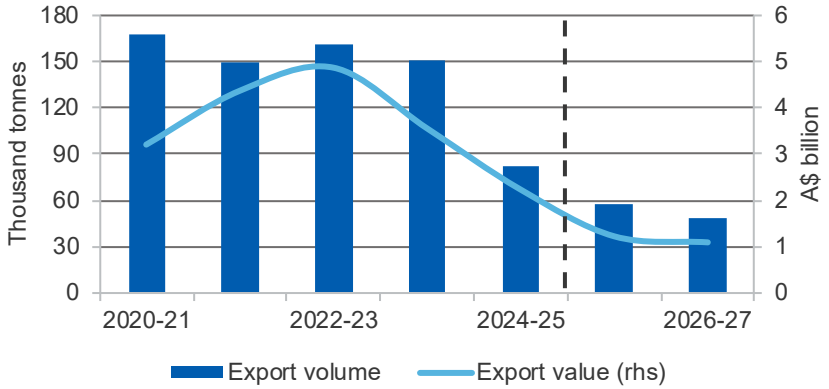
16% of global demand

in 2024 was for EV batteries



Major Australian nickel deposits, Mt

Australian nickel exports



Outlook

- Nickel prices to remain low because of global oversupply
- Export earnings to fall to 2026–27, on lower prices and volumes
- Australian output to fall, but new projects beyond outlook period possible
- Competing battery chemistries an ongoing influence on nickel demand

Source: INSG; USGS; ABS; DISR, GA

Nickel trade map

Source: INSG; USGS; ABS; DISR, GA

12.1 Summary

- Global nickel prices remained weak, averaging around US$15,000 a tonne in the June quarter 2025. Rising global trade barriers and continued growth in new low-cost supply put downward pressure on prices and added to already high exchange inventories.
- Global nickel demand is strong. Nickel demand increased by nearly 6% year-on-year in the March quarter 2025, driven by stronger electric vehicle (EV) and stainless-steel production. However, increases in Indonesia's supply, the world's biggest producer, and slowing global industrial production continues to swamp EV and stainless-steel demand growth.
- Australian nickel production continues to face challenging conditions. As most production curtailments have already been implemented, Australia's nickel exports are forecast to stabilise in the outlook period, falling to $1.3 billion in 2025–2026 and $1.1 billion in 2026–2027.

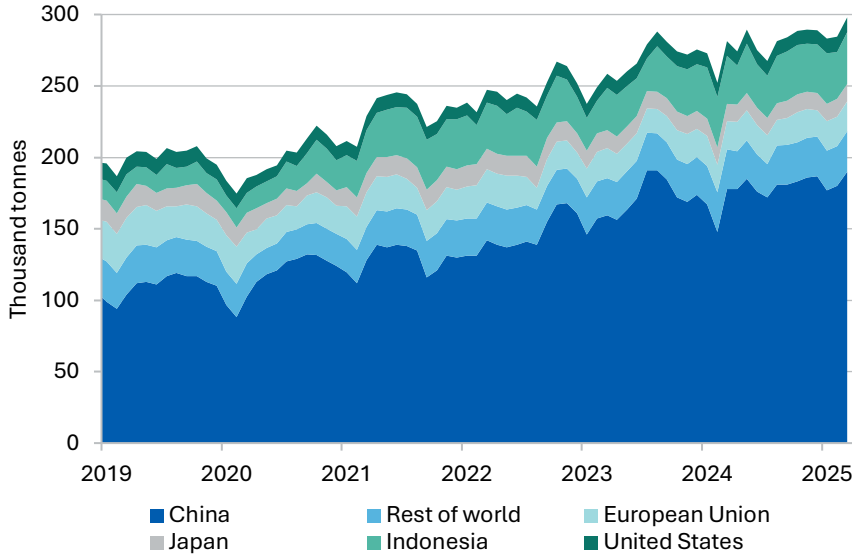
12.2 World Demand

Global nickel demand grows steadily, led by Chinese stainless-steel

Global nickel demand grew 7.3% year-on-year in the March quarter 2025, in line with pre-pandemic growth rates (Figure 12.1). Strong demand was predominately driven by China – where nickel consumption grew 11% over the period – with corresponding ex-China world demand growing 1.6%.

China's strong demand growth was underpinned by a recovery stainless-steel production, as well as continuing growth in demand for other end-uses including battery precursor production. Weaker nickel prices helped to improve input costs (and margins) for Chinese steelmakers and nickel-based battery production stainless, prompting the rise in Chinese demand. Stainless-related nickel uses in China accounted for an estimated 40-45% of the total global increase in nickel demand over the quarter. The battery sector and EV related nickel use accounted for a further 35-40% of demand growth, while ex-China stainless and specialty alloys accounted for the remaining 20-25% of demand growth over the period.

Figure 12.1: Global nickel demand



Source: International Nickel Study Group (2025); Department of Industry, Science and Resources (2025)

EV and battery-related demand surges in the March quarter 2025

The second largest contributor to global nickel demand in March quarter 2025 was the EV sector, which remains the most dynamic structural driver of long-term consumption despite smaller volumes relative to stainless steel. Nickel consumption in battery production rose strongly, driven primarily by China, where EV manufacturing volumes continue to rise rapidly. Europe also saw modest growth over the period despite the potential impact of US tariffs driving market uncertainty.

At the same time, battery precursor and cathode investment outside China – particularly Europe, North America, and Southeast Asia – accelerated in late 2024 and early 2025. While this mid-stream capacity remains concentrated in China, these developments are expected to support a broadening geographic base for Class I nickel (99.8% nickel content) demand through 2026 and beyond.

Ex-Asia growth remains modest

Outside of Asia, demand growth was modest but positive. In Europe, overall consumption growth remained muted on slower industrial production and a battery supply chain expansions. Demand from the United States rose over the same period, reflecting a modest expansion in manufacturing.

Steel and EVs will remain the primary drivers of nickel demand growth, though with a number of key risks

Global nickel demand is forecast to grow at an average annual rate of 5.4% over the outlook period. Stainless steel will remain the dominant driver, led by China, India, and Southeast Asia. Demand from the EV and battery sector is expected to remain strong, driven by a shift towards higher nickel content in nickel manganese cobalt batteries (aimed at increasing battery energy density). Other industrial uses are forecast to rise more modestly.

Following robust year-on-year growth in world nickel demand in early 2025, key global stainless-steel producers Tsingshan and Morowali announced production cuts for the June quarter 2025. In response to weaker near-term demand and tight operating margins. Around 260kt in cuts to stainless-steel production have been announced for 2025, with further cuts a potential risk to primary nickel demand over the outlook period.

The introduction of the new U.S. tariffs on Chinese batteries on April 2, and increased tariff rates on foreign steel and aluminium has added further uncertainty to the outlook for global nickel demand, with risks to consumption growth and weakening demand for Class I nickel. As of June, Chinese stainless-steel products include a 50% duty across a range of products. This has the potential to dampen Chinese stainless-steel exports, particularly for finished consumer goods which are heavily impacted by the tariffs. A fall in Chinese stainless-steel output of just 2-3% would place 40–60kt of annual nickel demand, – primarily Class II nickel – at risk. The recent output cuts from Tsingshan and Morowali underscores this risk.

Growing geopolitical fragmentation in clean energy supply chains could also lead to greater regional divergence in nickel demand trajectories over the outlook period. Growth in key emerging markets (for example India, Southeast Asia) would be expected to offset softening conditions in other regions. Uncertainty around the level and impact of potential trade barriers will remain the key risk factor through to 2027.

12.3 World production

Global production grows strongly, fuelling continued surplus

Global mine production grew 9.1% year-over year in the March quarter 2025 (Figure 12.2). The strong growth was predominately driven by Indonesia, whose mine and refined output recovered rapidly from disruptions early in 2025 related to mining permit delays. While January 2025 initially saw sharp reductions in ore extraction, production surged through February and March as new approvals were issued. The production surge coincided with rising inventories on major exchanges like the London Metal Exchange (LME) through to April (see *Prices section*).

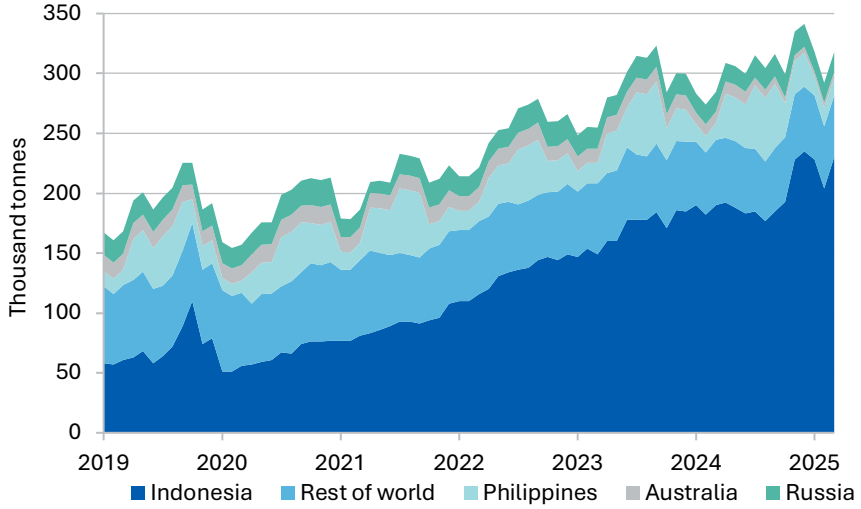
Global refined nickel increased strongly by 13% year-on-year in the March quarter 2025 (Figure 12.3), while intermediate nickel production grew by 2.3% over the same period. Indonesia accounted for 69% of all global mined production over this time, and 50% of refined nickel production. China accounted for 29% of refined production over the period.

Indonesia's transition to Class 1 nickel production is well underway

Indonesia's expansion into downstream processing has continued in 2025, with the country's primary nickel production increasing 21% year-on-year in the March quarter 2025. The rapid growth was a consequence of multiple new high pressure acid leach facilities coming online, including the Obi Island and Morowali Industrial Park operations. Resolution of the mining permit bottlenecks experienced early this year also allowed previously delayed projects to come online.

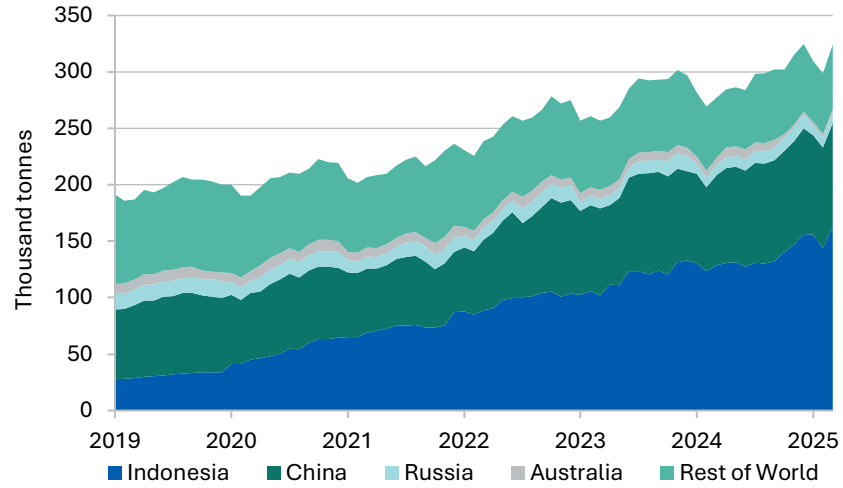
In April 2025, the Indonesian government introduced a new, progressive royalty system for nickel, replacing its previous flat rates with a sliding scale tied to benchmark prices. The policy, effective from 26 April 2025, raised royalties across all stages of nickel production. Nickel ore now incurs a 14–19% rate, nickel pig iron (NPI) 5-7%, ferronickel 4-6%, nickel matte 3.5–5.5%, and battery grade products such as nickel sulphate were incentivised with a much lower 2% rate. The tier system is intended to further support the transition of Indonesian producers to focus on battery-grade nickel supply chains.

Figure 12.2: Global mine production



Source: International Nickel Study Group (2025); Department of Industry, Science and Resources (2025)

Figure 12.3: Global refined nickel production



Source: International Nickel Study Group (2025); Department of Industry, Science and Resources (2025)

Indonesian royalty hikes a potential downside risk to projected growth in global supply

Global mine production is forecast to increase at an annual average of 4.5% over the forecast period. However, royalty changes represent a continued downside risk to global supply, particularly for Class 2 nickel. The policy change come at a time of weak global nickel prices, and are expected to contribute to rising pressures on Indonesia's higher-cost producers.

Over the outlook period, global refined nickel output is forecast to grow by 5.5%. Much of this will be Indonesia's refined production, reflecting its expanding production capacity for Class I (i.e. battery-grade) nickel. The growth is expected to meet rising domestic demand in Indonesia, and offer an emerging source of global supply amidst rising trade barriers.

12.4 Prices

Prices are under pressure from both supply and demand

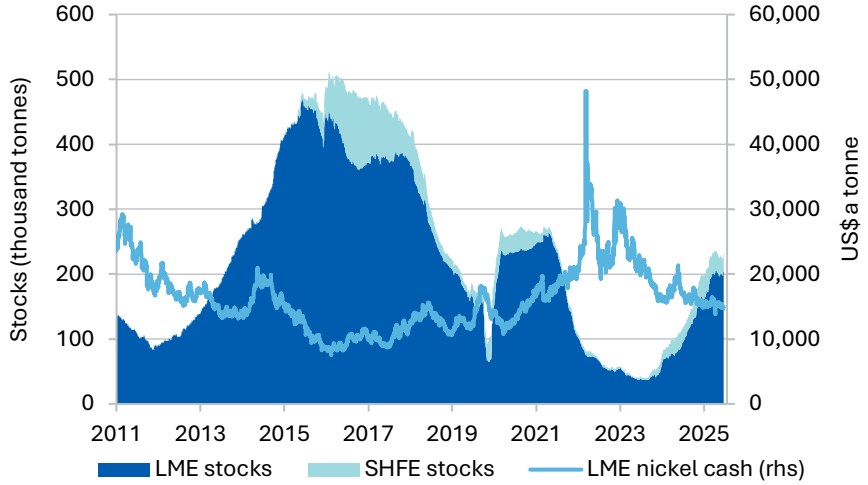
Nickel prices remained under pressure in H1 2025, averaging about US$15,100/t in June quarter 2025. Prices did briefly improve in the March quarter of 2025 – reaching a high of US$16,420/t – on expectations of tighter permit issuance from the new Indonesian administration. But higher Indonesian permit issuance in March 2025 saw a return to weaker sentiment. Prices further weakened in early April in response to proposed US tariffs, before recovering to between US$15,000-16,000/t in the June quarter 2025.

Prices are forecast to remain under pressure in H2 2025. The combination of increasing Indonesian supply and prolonged global trade uncertainty continues to impact near-term nickel demand. With supply imbalances expected to persist, prices are forecast to remain in the US$15,000–16,000 a tonne range. The ongoing oversupply has also resulted in continued increases in LME inventories each month so far in 2025 (Figure 12.4).

Looking ahead to 2026, rising cost pressures from increased Indonesian royalties, alongside longer-term structural issues related to ore quality, are expected to have more sustained upward price impacts. An ongoing recovery in industrial activity, particularly in Europe and emerging markets, could help to buffer demand. Improved nickel battery consumption in Europe for instance could also provide some price support. Prices are forecast to rise modestly and maintain the US$16,000–17,500 range over 2026.

These trends are expected to continue over the rest of the outlook, creating an improved global supply-demand balance. In particular, royalty costs and falling ore quality are expected to cause a moderation in Indonesia's high supply growth, and lead to a normalisation in inventories. Prices are forecast to rise to the US$17,000–18,000 a tonne range through to the end of 2027.

Figure 12.4: Nickel spot price and stock at exchanges



Source: LME (2025); Department of Industry, Science and Resources (2025)

12.5 Australia

Lower prices continue to put pressure on Australian production

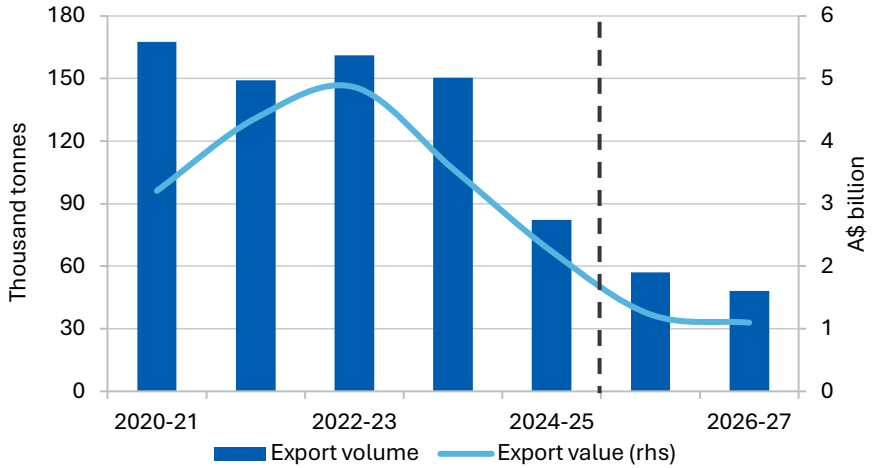
Australian mined and refined output remained steady quarter-on-quarter at 12kt and 9kt respectively. The stabilisation reflects the timing of production suspensions at Nickel West and the Forrestania mine. Glencore have indicated that Murrin Murrin is expected to continue to operate throughout the outlook period.

Australia's nickel project pipeline shows promise, but will not come into operation over the outlook period

Australia continues to maintain a strong pipeline of projects under development, targeting commercial production beyond the outlook period. Projects such as the Nickel Alliance's Ni-West nickel cobalt project and Goongarrie Hub are working towards final investment decisions.

Emerging projects focusing on mixed hydroxide precipitate (MHP) and nickel and cobalt sulphate that can feed into the battery-cathode market remain another key development. Overall, minimal new supply in the current outlook period is currently expected.

Figure 12.5: Nickel export volumes and values



Source: ABS (2025); Department of Industry, Science and Resources (2025)

Export earnings expected to fall in 2025, fluctuate over the outlook

Nickel exports are forecast to fall to around A$1.2 billion in 2025–2026 from around A$2.2 billion in 2024–2025. The closure of the Nova-Bollinger nickel mine as it reaches end of life in December 2026 is forecast to lower export revenues to A$1.1 billion in 2026–2027.

Revisions

Earnings in 2024–25 have been revised upwards from A$1.2 billion in the March 2025 *Resources and Energy Quarterly* to A$2.2 billion, due to the incorporation of ABS trade data showing ongoing destocking of inventory from facilities which have entered care and maintenance continues.

Table 12.1: Nickel outlook

						Annual percentage change		
World	**Unit**	**2024**	**2025[f]**	**2026[f]**	**2027[f]**	**2025[f]**	**2026[f]**	**2027[f]**
Production								
– mine	kt	3,783	4,120	4,340	4,500	8.9	5.3	3.7
– refined	kt	3,524	3,860	4,070	4,300	9.5	5.4	5.7
Consumption	kt	3,349	3,540	3,720	3,930	5.7	5.1	5.6
Global balance		175	350	250	170	100	-29	-32
Closing stocks	kt	1,030	1,380	1,630	1,800	38	12	8.8
– weeks of consumption		16	21	22	22			
Prices LME								
– nominal	US$/t	16,825	15,518	16,400	17,400	-7.8	5.7	6.1
	USc/lb	763	704	744	789	-7.8	5.7	6.1
– real [b]	US$/t	17,328	15,518	16,005	16,630	-10	3.1	3.9
	USc/lb	786	704	726	754	-10	3.1	3.9
Australia	**Unit**	**2023–24**	**2024–25[s]**	**2025–26[f]**	**2026–27[f]**	**2024–2025**	**2025–2026[f]**	**2026–2027[f]**
Production								
– mine [c]	kt	133	63	57	48	-52	-10	-16
– refined	kt	88	49	34	34	-44	-30	0.0
– intermediate		46	15	0	0	-67	-100	n/a
Export volume [dg]	kt	150	82	57	48	-45	-30	-16
Export value [g]								
– nominal value	A$m	3,555	2,236	1,229	1,098	-37	-45	-11
– real value [e]	A$m	3,642	2,236	1,194	1,038	-39	-47	-13

Notes: a includes secondary refined copper; **b** In 2024 calendar year US dollars; **c** Quantities refer to gross weight of all ores and concentrates; **d** In 2024–25 financial year Australian dollars; **f** Forecast; **z** Projection.

Source: ABS (2025) International Trade, 5465.0; LME (2025) spot price; World Bureau of Metal Statistics (2025); Department of Industry, Science and Resources (2025)

Zinc

Australia's zinc sector

40% refined domestically

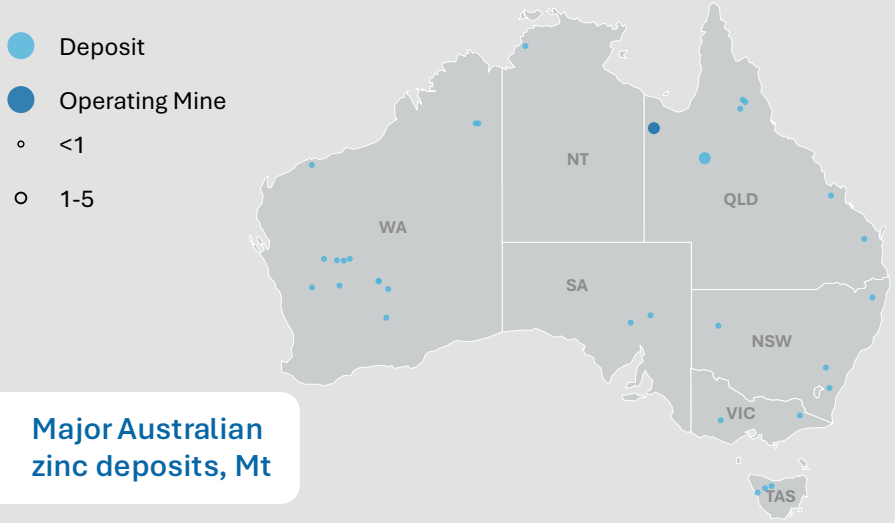
of ores and concentrate produced

28% of global

known zinc resources

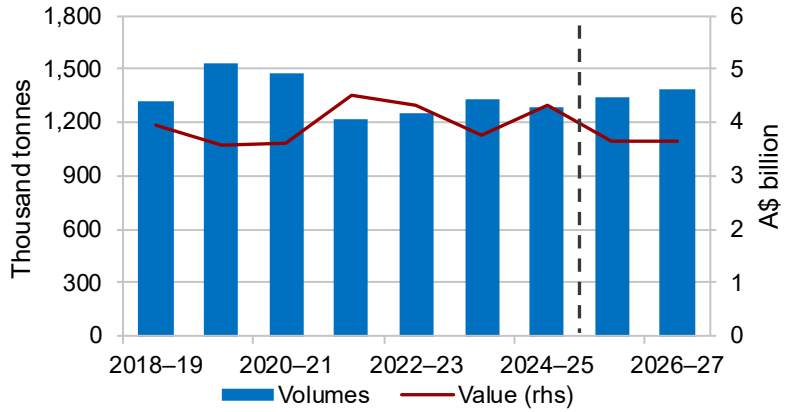
426,000 tonnes

of refined zinc produced a year in 2024



Major Australian zinc deposits, Mt

Australian zinc exports

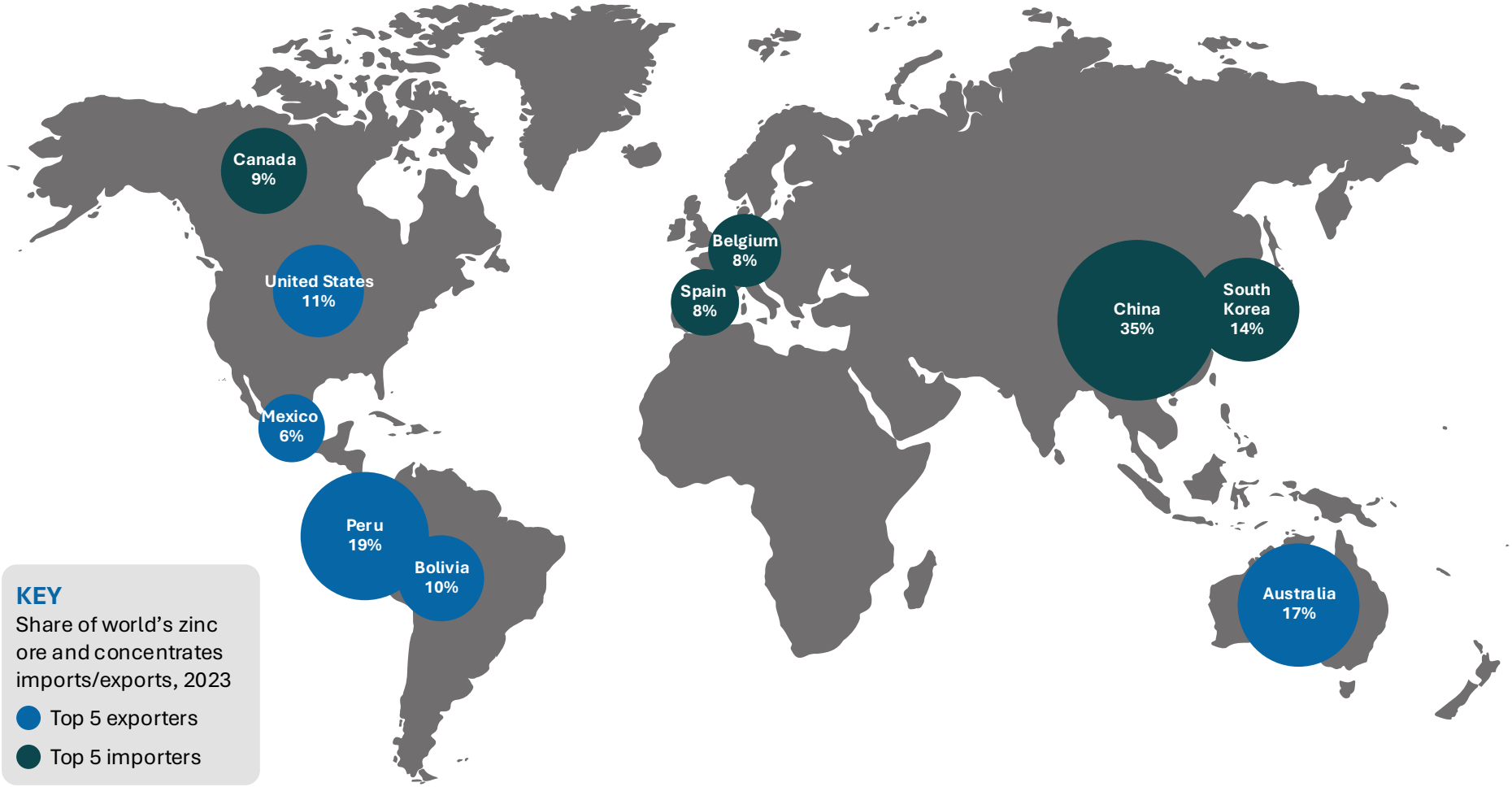


Outlook

- Zinc prices expected to remain flat
- Earnings to stabilise as prices are expected to remain steady
- Production expected to slow as output from older mine tapers
- Exploration spending increased in March quarter

Source: GA; DISR; OCE

Zinc trade map



Source: ILZSG

13.1 Summary

- Zinc prices were relatively stable during 2024. Prices are forecast to average US$2,700 a tonne in 2025 and gradually increase to US$2,750 a tonne in 2027.
- Global zinc demand is forecast to grow by around 1% in 2025, due to relatively flat steel production. Demand is forecast to grow slightly faster in 2026 and 2027 as zinc use in battery technology rises, albeit from a low base.
- Zinc exports are estimated at $4.3 billion in 2024–25. Despite increasing export volumes and USD prices, Australian zinc export earnings are estimated to fall to about $3.7 billion in 2025–26, as metallic content in our zinc exports declines and the AUD/USD rises.

13.2 World demand

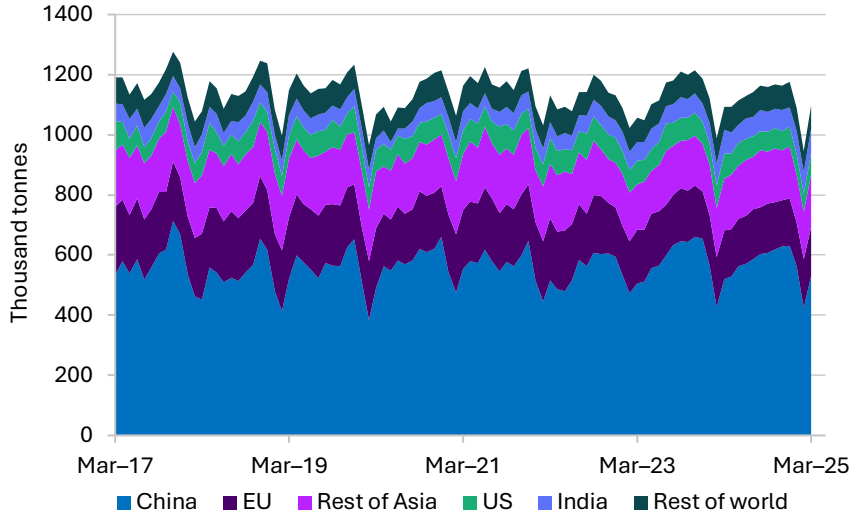
Growth in global zinc demand to slow in 2025 as the automotive and appliance sectors' demand for galvanised steel falls

Global refined zinc demand is expected to grow at a 1% during 2025, due to the impact of uncertainty in rising trade barriers and relatively weak construction activity in major economies including China, South Korea and the US. In the March quarter 2025, global zinc demand dropped by 2.1% year-on-year (Figure 13.1), primarily due to a reduction in global galvanised steel demand and weakness in global construction.

Global zinc demand is expected to increase by 1.2% a year, reaching 13.9 million tonnes by 2027. The growth is primarily driven by expected growth in the construction and automotive industries, mainly in Asia.

In Asia – which accounts for 70% of global usage – demand declined by 4.2% year-on-year in March 2025. Zinc demand in China – accounting for 46% of global refined zinc consumption – was flat in the March quarter. Most zinc in China is used in the property sector and manufacturing production. A range of Chinese Government measures to support domestic consumption have recently been implemented. These include reductions in interest rates and expansions of the consumer trade-in schemes that offer subsidies for the purchase of home appliances.

Figure 13.1: Global zinc demand



Source: International Lead Zinc Study Group (2025); Department of Industry, Science and Resources (2025).

In India, zinc demand rose by 5% in Q1 2025 compared to the same period in 2024, driven by strong growth in construction and manufacturing. Industrial production grew 3.0% year-on-year in Q1 2025, supported by strong manufacturing output and electricity demand. Key zinc-related components of India's industrial production, including the automative industry and road infrastructure, grew by an average of 6.0% in Q1 2025.

South Korean zinc demand declined by around 10% in Q1 2025 compared to the same quarter last year. Mainly this was due to South Korea's domestic vehicle market feeling the impact of weak consumer demand.

The EU, which accounts for around 15% of global zinc demand, saw a 5% decline in zinc usage in Q1 2025 compared to the same period last year. The decline was primarily driven by a slowdown in construction in Germany and Italy. In the Americas, demand fell by 12% in Q1 2025 compared to the same period last year. The US, which accounts for 6% of global demand, saw a 14% fall due to slower manufacturing activity.

13.3 World production

Mine production to grow, led by China, Mexico and DRC

In Q1 2025, global zinc mine output increased by 4% compared to the same period last year (Figure 13.2), primarily driven by higher production from Mexico, the Democratic Republic of Congo (DRC), Bolivia, the EU and Australia.

Global zinc mine output is expected to grow by 3% in 2025, driven by a combination of expansions at existing mines, ramp-ups at new mines or re-openings. Notably, the Kipushi mine in the DRC reopened in the second half of 2024, with an expected annual output of 278kt in its first 5 years. Zinc mine production is expected to grow by 3% a year to 12.9 Mt in 2027.

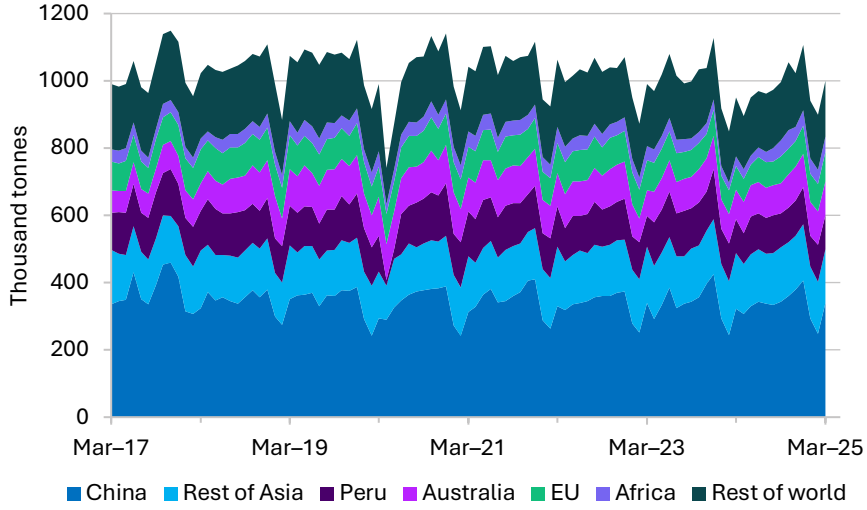
Refined zinc production to rise, due to better concentrate availability

Global refined zinc production fell by 2% in Q1 2025, largely due to reductions in China (5%), South Korea (22%), and India (3%). However, production increases in Peru (6%) and the EU (13%) partially offset these declines. Secondary refined zinc production, which constitutes about 13% of total output, also experienced a 1% decline (Figure 13.4).

In 2024, limited availability of zinc concentrates led to a sharp decline in treatment charges (TCs) resulting in reduced margins and challenging operating conditions for global zinc smelters. The concentrate shortage was the result of several mine closures in 2023. Consequently, annual contract TCs dropped almost 70%, to US$80 a tonne in Q1 2025. In the December quarter 2024, China's TCs rate for imported concentrates were negative but showed some improvement in the March quarter this year (Figure 13.3). Despite better concentrate availability, lower TCs are expected to persist through 2025.

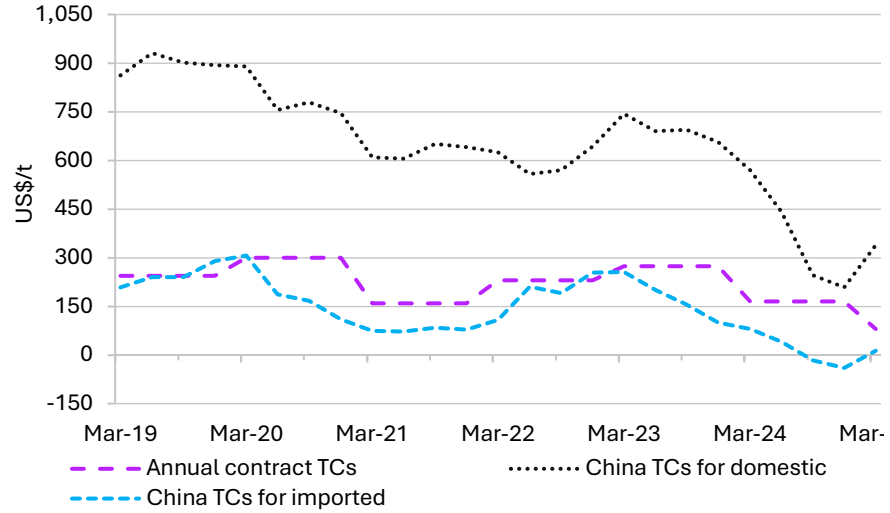
Global refined zinc output is forecast to grow by 1% in 2025, after a 3% decline in 2024. The pickup will be driven by increased mine production and better concentrate availability. Production is expected to continue rising at 1% a year until 2027.

Figure 13.2: Global zinc mine production



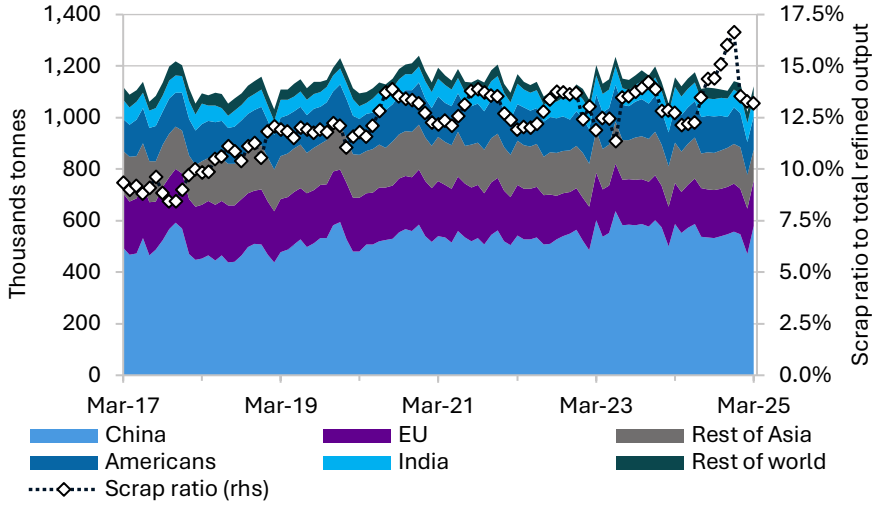
Source: Department of Industry, Science and Resources (2025); International Lead Zinc Study Group (2025)

Figure 13.3: Zinc concentrate treatment charges



Source: S&P (2025) and Department of Industry, Science and Resources (2025)

Figure 13.4: Global refined zinc production



Source: Department of Industry, Science and Resources (2025); International Lead Zinc Study Group (2025)

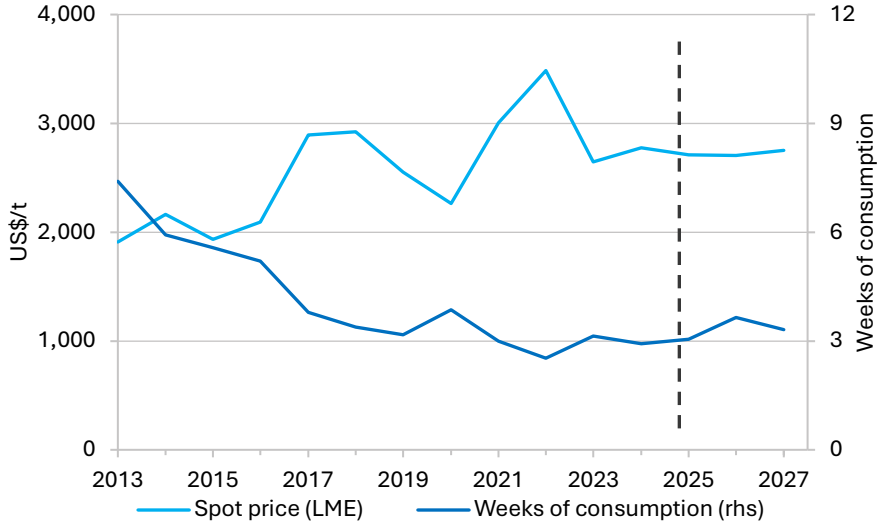
13.4 Prices

Prices are expected to moderate in 2025 mainly driven by soft demand

The LME spot zinc price fell sharply in late March and early April 2025, largely due to the US and Chinese tariff announcements in March and April. The price has since recovered slightly as the tariff increases are wound back. The zinc price is forecast to rise modestly in H2 2025, partly reversing the falls of H1 2025. Zinc prices are expected to continue to incrementally rise in 2026 and 2027 (Figure 13.5) as zinc use in battery technology increases but from a low base.

According to the International Lead and Zinc Study Group (ILZSG), total zinc stocks is fell by 8.0% in Q1 2025 compared to previous quarter. Stocks in the LME dropped by around 40% to 136 Kt in Q1 2025 from 234 kt in Q4 2024. The drop was due to China's increased imports, as SHFE's stocks more than doubled to 72 kt in Q1 2025. Inventories are expected to rise in H2 2025 due to better availability of concentrates and remain resistant in 2026 due to expected softer demand.

Figure 13.5: Zinc prices and stocks



Source: Department of Industry, Science and Resources (2025); LME (2025); International Lead Zinc Study Group (2025).

13.5 Australia

Australian mine production to remain healthy, boosting export earnings

Australia's mine output is estimated to have risen by 3% in 2024–25, mainly driven by stable production from some of major mines and the restart of the Woodlawn mine in New South Wales. Output is expected to increase by just over 1% a year to 1.2 Mt in 2026–27.

Despite increasing export volumes and prices, Australian zinc export earnings are expected to decrease slightly from an estimated $4.3 billion in 2024– 25 to $3.7 billion a year over the outlook period to 2026–27. The fall is due to the declining metallic content in our zinc exports, and the AUD/USD rises (Figure 13.7).

Australian refined zinc production impacted by Nyrstar cuts

Australian refined zinc production is estimated to decline by 2% in 2024–25 due to a 25% cut in production at the Nyrstar zinc smelter in Tasmania,

starting April 2025. The cut was announced on 12 March 2025. No date has been provided for the resumption of full capacity. Despite the production cuts at Nyrstar, higher refined zinc production at Sun Metals' Townsville refinery is expected to partially offset this decline. Following the capacity expansion in 2021 and major maintenance in late 2024, the Townsville refinery increased production by 27% in Q1 2025 compared to the same period last year.

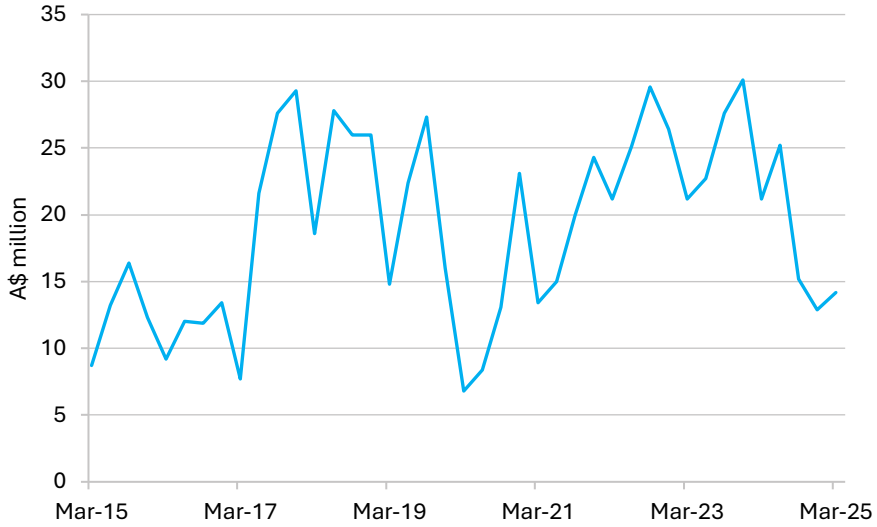
Exploration

Zinc, lead and silver exploration expenditure rose by 10% in the March quarter 2025 compared to the December quarter 2024. Total exploration spending for zinc, lead and silver was $75 million in 2024, down 27% compared to previous year (Figure 13.6). However, the decadal trend is still one of growth: exploration expenditure for zinc, lead and silver has shown average annual growth of 4%.

Revisions to the outlook

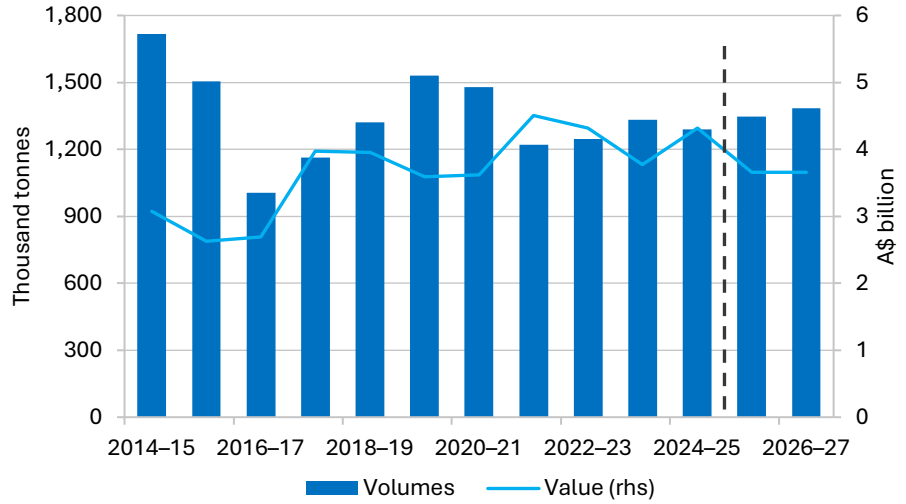
The forecasts for Australia's zinc export earnings in 2025–26 and 2026–27 are little changed from the March 2025 REQ.

Figure 13.6: Australian zinc, lead and silver exploration



Source: ABS (2025).

Figure 13.7: Australia's zinc export volumes and values



Source: ABS (2025); Department of Industry, Science and Resources (2025).

Table 13.1: Zinc outlook

						Annual percentage change		
World	**Unit**	**2024**	**2025[f]**	**2026[f]**	**2027[f]**	**2025[f]**	**2026[f]**	**2027[f]**
Production								
– mine	kt	11,919	12,302	12,714	12,984	3.2	3.3	2.1
– refined [a]	kt	13,495	13,658	13,776	13,873	1.2	0.9	0.7
Consumption	kt	13,510	13,610	13,764	13,947	0.7	1.1	1.3
Closing stocks	kt	760	800	964	891	5.2	20.6	-7.6
– weeks of consumption		2.9	3.1	3.6	3.3	4.4	19.3	-8.8
Prices LME								
– nominal	US$/t	2,778	2,713	2,705	2,751	-2.4	-0.3	1.7
	USc/lb	126	123	123	125	-2.4	-0.3	1.7
– real[b]	US$/t	2,861	2,713	2,640	2,629	-5.2	-2.7	-0.4
	USc/lb	130	123	120	119	-5.2	-2.7	-0.4
Australia	**Unit**	**2023-24**	**2024–25[s]**	**2025–26[f]**	**2026–27[f]**	**2024–25[s]**	**2025–26[f]**	**2026–27[f]**
Mine output	kt	1,124	1,160	1,150	1,191	3.2	-0.8	3.5
Refined output	kt	434	427	449	454	-1.8	5.2	1.2
Exports								
– ores and concs[c]	kt	1,907	1,881	1,985	2,055	-1.4	5.5	3.5
– refined	kt	433	400	427	432	-7.7	6.8	1.2
– total metallic content	kt	1,333	1,291	1,347	1,385	-3.2	4.3	2.8
Export value								
– nominal	A$m	3,773	4,321	3,658	3,660	14.5	-15.3	0.1
– real[d]	A$m	3,865	4,321	3,555	3,460	11.8	-17.7	-2.7

Notes: **a** Includes secondary refined zinc; **b** In 2025 US dollars; **c** Quantities refer to the gross weight of all ores and concentrates; **d** In 2024–25 Australian dollars; **f** Forecast; **s** Estimated.

Source: ABS (2025) International Trade in Goods and Services, Australia, Cat. No. 5368.0; Company reports; Department of Industry, Science and Resources (2025); International Lead Zinc Study Group (2025); Wood Mackenzie (2025); LME (2025).

Lithium

Australia's lithium sector

95% shipped to China

from Australia's spodumene exports, 2024

36% of global extraction

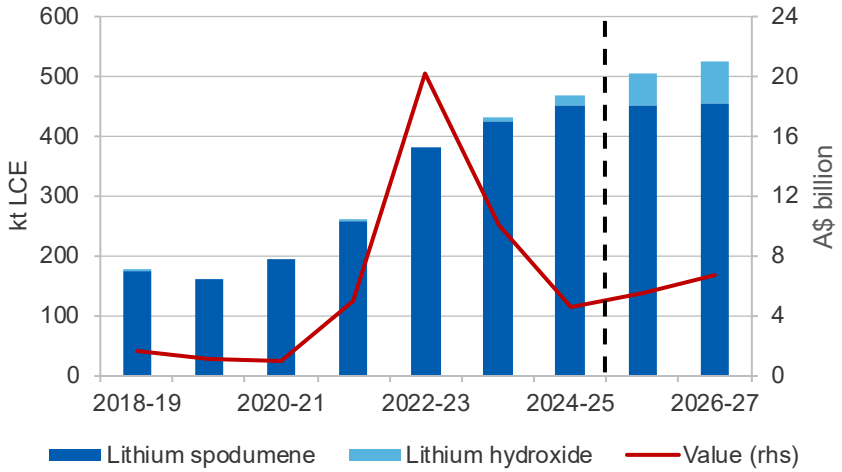
in 2024, 2nd highest reserves globally

9% produced in Australia

of total global lithium hydroxide by 2027

Major Australian lithium deposits, Mt

Australian lithium exports



Prices expected to remain subdued until 2027

2021–2024 exploration expenditure boosted by price rise in 2022–2023

Australian mine output to grow

Argentina, Australia and China to contribute to short-term global lithium oversupply

Source: GA, DISR, OCE

14.1 Summary

- Substantial growth in new global lithium supply and new advanced recovery techniques in China have created near-term oversupply. Lithium oversupply is continuing to put downward pressure on feedstocks such as spodumene concentrate, Australia's major lithium export product to China.
- Rapid global lithium demand growth is also projected over the outlook period to 2027, but it will not fully absorb the current oversupply. Strong demand is underpinned by continued growth in electric vehicle (EV) adoption and battery energy storage system (BESS) deployment.
- Australia's lithium export earnings are forecast to increase from $4.6 billion in 2024–25 to $6.6 billion in 2026–27, driven by growth in export volumes (particularly for lithium hydroxide). Australian mine output is expected to increase by more than 7% a year to 2027.

14.2 World Demand

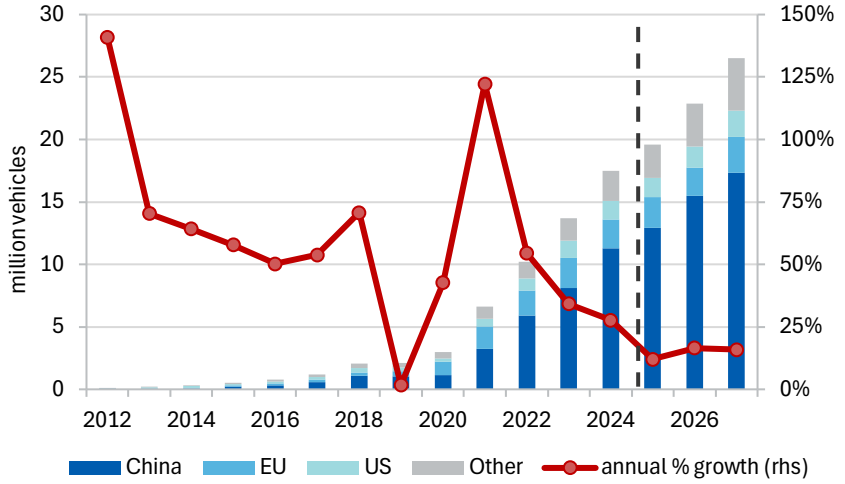
EVs and BESS to drive strong growth in global demand

Global EV sales grew 28% in 2024, bolstered by rising adoption rates in China (Figure 14.1). New EV car sales share of all new car sales (EV penetration) in China increased 10 percentage points in 2024 reaching 48%. By 2027, 2 out of every 3 cars sold in China is expected to be a battery electric or a plug-in hybrid vehicle (Figure 14.2).

By comparison, the US and EU markets experienced much lower growth in 2024. In the EU, EV car sales fell (from over 2.4 million in 2023) to less than 2.3 million in 2024. EV sales are expected to remain flat in the EU to 2026, before increasing to 2.9 million in 2027. Increasing EV adoption in the EU beyond 2027 reflects current emissions performance standards that require fleet-average emissions to fall 45% by 2030.

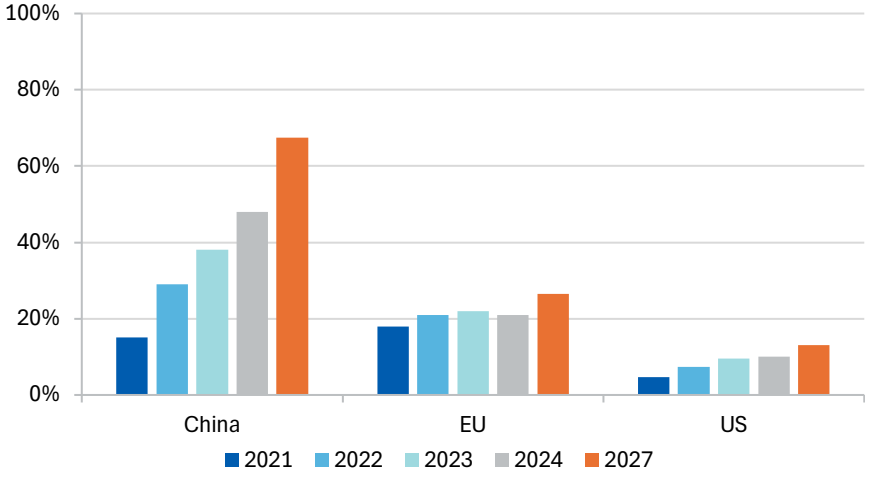
In the US, EV sales grew (from just under 1.4 million in 2023) to above 1.5 million in 2024. EV sales are expected to grow to 2.1 million in 2027, though adoption rates will remain around half that seen in the EU and much lower than in China.

Figure 14.1: Global passenger EV sales volumes and growth



Source: IEA (2025), Department of Industry, Science and Resources (2025)

Figure 14.2: Passenger EV penetration in major vehicle markets



Notes: EVs include battery and plug-in hybrid electric vehicles

Source: International Energy Agency (2025); China Passenger Car Association (2025); European Automobile Manufacturers' Association (2025); Department of Industry, Science and Resources (2025)

Global lithium demand is projected to grow by almost 15% a year to 2027, including 23% annual growth for EV batteries and more than 7% for BESS. The growth would see EV demand constitute approximately 69% of lithium use, with BESS constituting around 8%. However, this be insufficient to absorb mine and refined lithium (see World production section).

14.3 World production

The global oversupply of mined lithium could lead to further mine closures

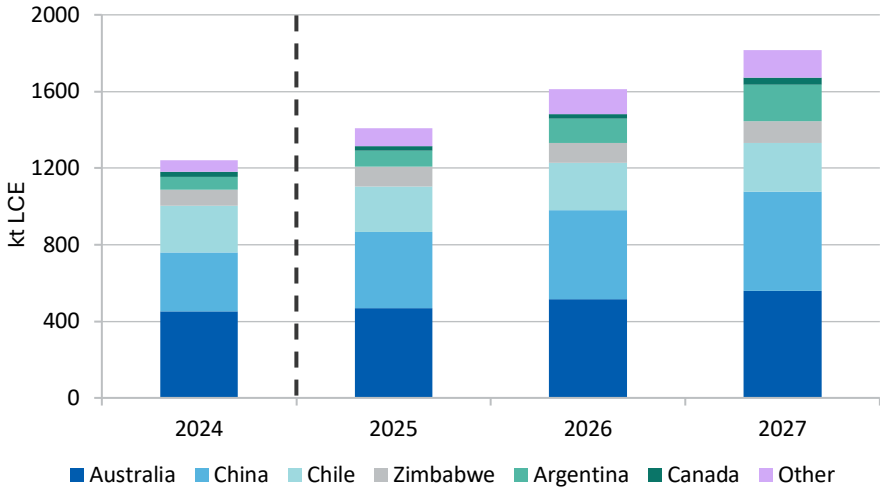
Global lithium extraction is forecast to grow by almost 14% annually over the outlook period, to reach over 1.8 Mt of lithium carbonate equivalent (LCE) by 2027 (Figure 14.3). Australia is expected to remain the leading lithium supplier to 2027. Its share of global lithium extraction is forecast to fall from 36% in 2024 to 31% by 2027, despite mine output growing 7% annually. However, some near-term production cuts are expected due to falling global lithium prices.

China and Argentina are also expected to significantly expand lithium extraction capacity over the outlook period. China's share of global extraction is forecast to increase from 25% in 2024 to almost 29% in 2027 through a combination of new brine and hard rock projects. The increase includes the reported bringing back online of higher cost lepidolite mines such as Contemporary Amperex Technology Co. Limited's (CATL's) Jianxiawo mine in February 2025. Jianxiawo's annual capacity is just over 46 kt LCE, which could be more than expanded to 93 kt LCE a year from 2027 (more than doubled).

Extraction of lithium from lepidolite is enhanced using salt roasting, which sidesteps the energy-intensive calcination process. Recent advances in this technology in China have exacerbated the near-term oversupply.

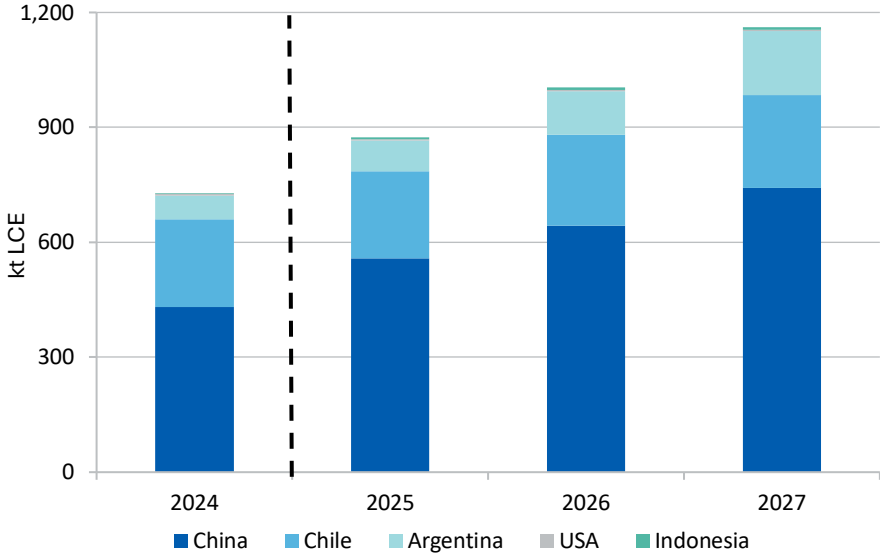
Argentina's global market share is expected to double to more than 10% of global lithium extraction by 2027, as a series of large brine operations come online. Low prices in 2024 and 2025 have led to several companies scaling back or suspending new developments. Despite these decisions, Rio Tinto announced in December 2024 that they will invest US$2.5 billion in the Rincon Lithium Project located in Argentina's segment of South America's lithium triangle. Rincon is expected to have an annual capacity of 60 kt tonnes of battery grade lithium carbonate.

Figure 14.3: Global lithium extraction



Source: Department of Industry, Science and Resources (2025), Wood Mackenzie (2025)

Figure 14.4: Global primary lithium carbonate production



Source: Department of Industry, Science and Resources (2025), Wood Mackenzie (2025)

While Chile's lithium extraction is set to rise marginally, the pace of growth is forecast to lag other lithium-producers. Chile's share of world lithium extraction is expected to fall to 14% by 2027 from almost 25% in 2024.

Zimbabwe's lithium extraction is expected to fall over the outlook period, driven by partial suspensions of the Chinese-owned Bikita mine. It was partially closed in October 2024 due to low prices and has partially closed again in May 2025 due to Zimbabwean government's concerns about labour practices at the mine. Spodumene operation is continuing while petalite extraction stopped in 2024. Petalite (a lithium mineral) production is not expected to resume within the outlook period, due to its lower grade.

Global primary lithium carbonate production is forecast to rise by almost 17% a year to 1,163 kt LCE by 2027 (Figure 14.4). China's share of global lithium carbonate production is forecast to rise (from 59% in 2024) to 64% in 2027. There is currently no substantial investment in facilities refining hard-rock lithium into lithium carbonate outside China.

Global primary lithium hydroxide production is forecast to rise by more than 19% a year to kt 782 LCE by 2027 (Figure 14.5).

14.4 Prices

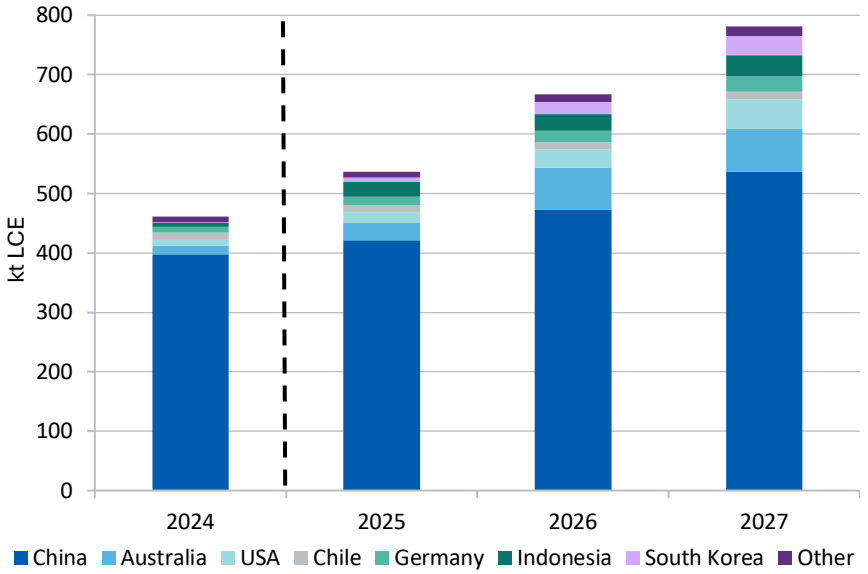
Prices to remain low in 2025 before improving to 2027

Prices have weakened since the March 2025 REQ, Spodumene concentrate prices started falling — from about US$800 a tonne — in April, reaching US$610 a tonne in early June 2025. Lithium hydroxide price fell to US$7,550 a tonne in early June 2025 from around US$9,850 at the beginning of the year. (Figure 14.6).

Prices are forecast to bottom out in 2025 before recovering slowly over the outlook period, as ongoing demand growth starts to mitigate the near-term global oversupply.

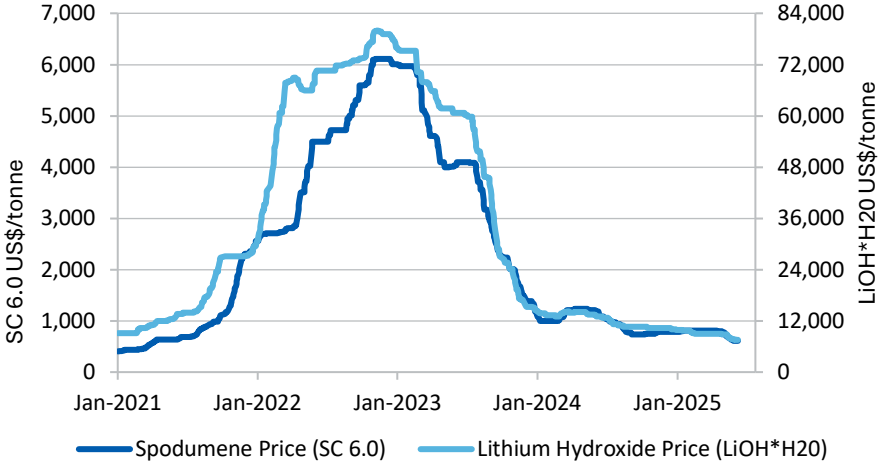
By 2027, spodumene is expected to rise to an annual average price of around US$975 a tonne, while lithium hydroxide should average US$13,000 a tonne.

Figure 14.5: Global primary lithium hydroxide production



Source: Department of Industry, Science and Resources (2025), Wood Mackenzie (2025)

Figure 14.6: Spodumene concentrate and lithium hydroxide prices



Source: Bloomberg (2025)

14.5 Australia

Australia's spodumene and lithium hydroxide production to expand in coming years, despite near term economic and technical challenges

Australian lithium mine output is estimated to have increased by 60 kt LCE (or 15% year-on-year) on a recoverable lithium basis in the 12 months to March 2025. Mt Marion and Wodgina mines increased production in the March quarter 2025. Spodumene concentrate production at the Kathleen Valley mine increased to 96 kt in the March 2025 quarter from 86 kt in the December 2024 quarter.

Total Australian mine output is forecast to rise by 7.3% a year from 451 kt LCE in 2024 to 558 kt LCE in 2027. Production ramp ups at the Kathleen Valley, Mount Holland, Pilgangoora and Wodgina mines will drive this gain.

Over the outlook period, Australia's total lithium hydroxide output is expected to rise from about 15 kt LCE in 2024 to around 72 kt LCE in 2027. All the output will come from Western Australia's refineries.

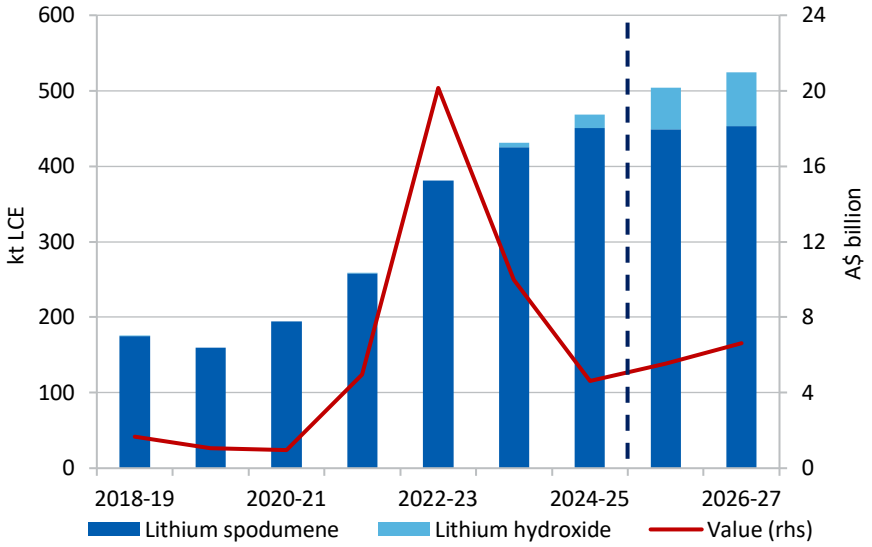
Tianqi's Kwinana refinery could reach over 90% of its 24 ktpa capacity by 2027. Production at Albermarle's Kemerton refinery is expected to reach about 80% of 25 ktpa capacity over the same period. Covalent's Kwinana refinery, scheduled to start production mid-2025, is aims to reach production of about 80% of its 50 ktpa capacity. It remains to be seen if these levels of production can be reached in the short-term considering current economic and technical conditions.

Australia's lithium export earnings are forecast to increase from $4.6 billion in 2024–25 to $6.6 billion in 2026–27 (Figure 14.7). Around two-thirds of this increase is driven by lithium hydroxide export earnings, with Australia's lithium hydroxide output significantly outpacing growth in mined production.

Export earnings expected to recover to $6.6b in 2026–27 as export volumes increase

Australian spodumene export earnings are forecast to increase from around $4.6 billion in 2024–25 to about $6.6 billion in 2026–27. Despite a moderate improvement in spodumene prices, most of the growth in earnings will come from increased export volumes. Australian lithium hydroxide export earnings are projected to grow from $0.1 billion to $1.5 billion over the same period.

Figure 14.7: Australia's lithium export volumes and values



Source: Department of Industry, Science and Resources (2025)

Revisions to the outlook

Export earnings in 2024–25 have been revised down by $0.6 billion from the March 2025 REQ, reflecting lower forecast prices for spodumene and hydroxide and a higher exchange rate assumption. Export earnings in 2026–27 have also been revised down by $0.6 billion, driven by moderate increases in production and price forecasts.

Table 14.1: Lithium outlook

						Annual percentage change		
World	**Unit**	**2024**	**2025[f]**	**2026[f]**	**2027[f]**	**2025[s]**	**2026[f]**	**2027[f]**
Production [b]	LCE[a] kt	1,293	1,490	1,715	1,944	15.3	15.2	13.3
Demand	LCE[a] kt	1,185	1,375	1,571	1,794	16.1	14.2	14.2
Spodumene price								
– nominal	US$/t	970	758	850	975	-21.9	12.2	14.7
– real [c]	US$/t	999	758	830	932	-24.1	9.5	12.3
Lithium hydroxide price								
– nominal	US$/t	12,129	9,453	11,750	13,000	-22.1	24.3	10.6
– real [c]	US$/t	12,492	9,453	11,467	12,425	-24.3	21.3	8.4
Australia	**Unit**	**2023–24**	**2024–25[s]**	**2025–2026[f]**	**2026–27[f]**	**2024–25[s]**	**2025–26[f]**	**2026–27[f]**
Production								
– Mine (spodumene)	LCE[a] kt	418	461	504	525	10.3	9.4	4.1
Export volume								
– Ore and concentrate (spodumene)	SC6[e] eq. kt	3,342	3,516	3,492	3,517	5.2	-0.7	0.7
– Ore and concentrate (spodumene)	LCE[a] kt	425	451	449	453	6.1	-0.4	0.8
– Refined (lithium hydroxide)	LCE[a] kt	6	17	55	72	204.2	215.1	31.0
– Total lithium exports	LCE[a] kt	431	468	504	525	8.7	7.6	4.1
Export value								
– Total (nominal) [d]	A$m	9,996	4,606	5,527	6,640	-53.9	20.0	20.1
– Total (real) [d h]	A$m	10,239	4,606	5,371	6,276	-55.0	16.6	16.9

Notes: **a** Lithium carbonate equivalent measured on a recoverable lithium content basis; **b** Refined lithium products include lithium hydroxide and lithium carbonate; **c** In 2024 US dollars; **d** Revenue from spodumene concentrate, lithium hydroxide and other lithium products; **e** equivalent in lithium content to spodumene concentrate with 6% lithium oxide; **h** In 2024–25 financial year Australian dollars; **f** Forecast; **s** Estimate.

Sources: ABS (2025); Bloomberg (2025); Company reports; Department of Industry, Science and Resources (2025); Wood Mackenzie (2025)

Other critical minerals

Other critical minerals in Australia

$4.8 billion

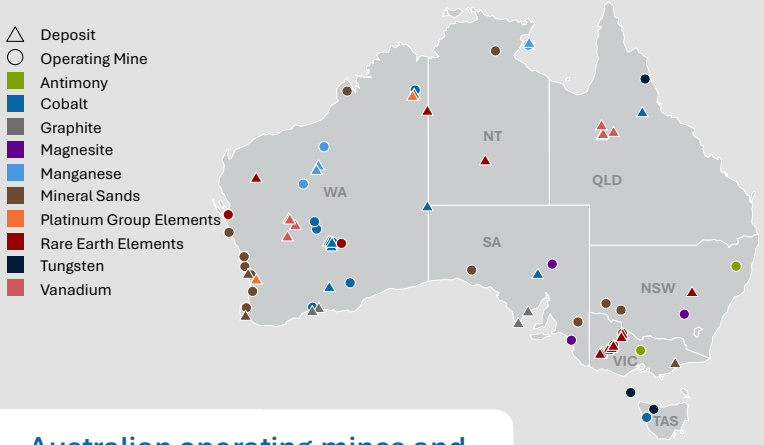
in export value by 2026-27

Significant future potential

demonstrated by reserves and future projects

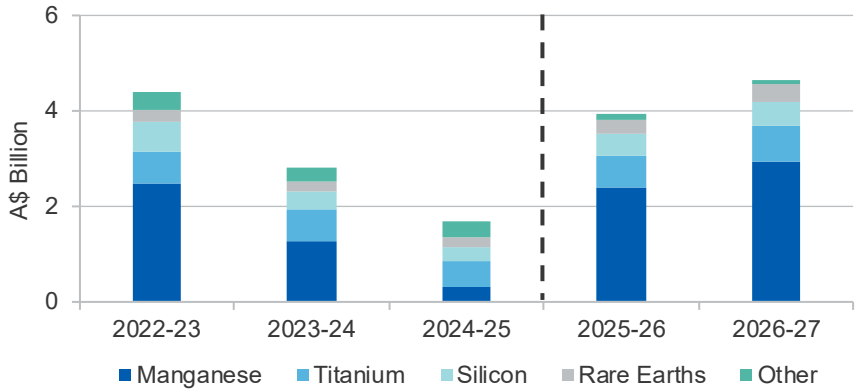
Increased global focus

on strengthening critical mineral supply chains



Australian operating mines and deposits of critical minerals

Australian other critical mineral exports



Outlook

- Prices projected to improve through 2025–27
- Increasing focus on critical mineral demand in the defence sector
- Lithium and rare earths projects leading critical mineral investment
- Reopening of Groote Eylandt manganese mine to increase exports

Source: GA; DISR; OCE

15.1 Summary

- "Other" critical minerals are defined as antimony, cobalt, graphite, magnesium, manganese, rare earth elements, silicon, titanium and mineral sands, tungsten, and vanadium.
- Australia's export earnings for other critical minerals are expected to rise to $4.8 billion in 2026–27, driven by the recommencement of manganese exports from GEMCO on Groote Eylandt.
- Despite representing a smaller share of total demand for critical minerals, rising defence spending across NATO and Indo-Pacific countries is expected to further underpin strong growth in global demand to 2027.
- Prices for other critical minerals are expected to improve over the outlook period. The basket price index for Australia's critical minerals (excluding lithium and nickel) is expected to rise almost 20% in 2025, before remaining stable through to 2027.

15.2 Global Market Dynamics

US policies will increase local critical mineral production

A suite of recent US policy announcements is expected to support an expansion of domestic critical minerals production. On 20 March 2025, the United States published an Executive Order (EO) on *Immediate Measures to Increase American Mineral Production*. The EO covers the US Geological Survey's list of critical minerals, as well as uranium, copper, potash, gold, and any other materials deemed critical on discretion.

The EO intends to reduce the US' reliance on imports of raw and refined mineral products. As part of the EO, relevant department officials were directed to identify and fast track a list of priority mining projects. 10 priority projects covered by the EO were announced in April 2025, with a further 10 announced in May (Table 15.1).

While copper — which is not on Australia's critical mineral list — dominated the list of projects, three lithium and one antimony project were also included in the priority list. Perpetua's Stibnite antimony and gold mine — which last operated in 1997 — could provide up to one-third of the US' antimony needs over a six-year period of production.

Table 15.1: List of priority mines under US executive order

Mine	Identified resources
Stibnite	*Antimony*, gold
Resolution	Copper
Warrior	Metallurgical coal
McDermitt	*Lithium*
South West Arkansas	*Lithium*
Caldwell Canyon	Phosphate
Libby	Silver, copper
Lisbon Valley	Copper
Silver Peak	*Lithium*
Michigan	Phosphate
NorthMet	Copper, *nickel*
La Jara Mesa	Uranium
Roca Honda	Uranium
Greens Creek Surface	Silver, gold, lead, zinc
Stillwater	*Platinum, palladium*
Polaris	Gold
Becky's	Bentonite
3PL Railroad Valley	*Lithium*, boron, *tungsten*, sodium
Grassy Mountain	Gold, silver
Amelia A&B	*Titanium, zirconium*
Antler	Copper
Aqqaluk Pit	Zinc
Kings Mountain	*Lithium*
Liberty Owl	*Lithium*
South Railroad	Gold, silver

Notes: Minerals on Australia's critical minerals list have been *italicised*.

Source: US Government (2025).

Several other measures were introduced in April to support the EO, including an investigation on the national security risks from imported processed critical minerals. Even with increased mineral production, it is likely the US will continue to be reliant on imports in the near-term. Mines will take time to come online, while US reserves of some critical minerals may be insufficient to fully meet their domestic demand requirements.

Increased synthetic graphite supply to pose a challenge to natural graphite

Graphite — traditionally used in lubricants and steelmaking — is becoming increasingly important because of its use in battery anodes. Graphite can be mined (natural or flake graphite) or produced by boiling and subsequently calcining green petroleum coke (synthetic graphite). Typically, natural graphite is less energy and emissions-intensive than synthetic graphite, due to the high temperatures needed for synthetic graphite production. Synthetic graphite production in China is now moving to provinces with higher share of hydroelectricity generation, leading to reduced greenhouse gas emissions and improved ESG credentials.

Increased capacity — mainly in China — is also expected to lower costs and add to demand for synthetic graphite. Capacity additions in China have increased synthetic graphite supply by about 40% since 2023. While synthetic graphite has historically been more costly to produce, increased capacity and a shift to cheaper feedstocks have brought its costs closer to those of natural graphite. An increased focus on sustainability and lower costs should see synthetic graphite maintain its current market share (around 70% of all graphite produced) over the outlook period.

China holds the dominant position in synthetic and natural graphite production, as well as in graphite refining. Natural graphite production is projected to grow 6% a year to reach 1.5 Mt by 2027, as ex-China mine production comes online. There will be strong competition for market share between synthetic and natural graphite.

Australia has several natural graphite projects in the pipeline, with Renascor's Siviour project in South Australia being the most advanced. Siviour is expected to produce about 22 kt of flake graphite in 2027, before lifting production capacity and moving downstream into purified spherical graphite (PSG) production beyond the outlook period. International Graphite Ltd's is also progressing its Collie facility, with recent front end engineering design studies showing positive results.

Rising defence spending to support demand for many critical minerals

Increased global defence spending is expected to drive sustained demand for a select group of critical minerals. Although defence accounts for less than 10% of global demand for most critical minerals, high purity materials are needed to support the high-performance required for defence uses.

Global defence spending reached US$2.7 trillion in 2024 and is expected to increase over the outlook period. NATO now has 23 of its 32 members meeting its 2% GDP target spend on defence, and have recently agreed to increase defence spending to 5% of GDP by 2035. At the same time, the EU's €800 billion Readiness 2030 Plan is set to boost investment through flexible fiscal rules and targeted funding. Japan is also advancing toward the 2% GDP goal by 2027.

Critical minerals are used in applications such as high-performance alloys (cobalt, magnesium and titanium), permanent magnets (rare earths), thermal management materials (graphite) and high-performance electronics (gallium and germanium). Fighter jets are especially mineral-intensive; an F-35A contains around 417 kg of rare earths used in radar, sensors, power systems and stealth technologies.

Global critical mineral supply chains remain strongly concentrated (Figure 15.1). Nations are looking to ensure the resilience of their defence supply chains. For example, the US is 85% import-reliant for antimony (used in ammunition and armour plating) and fully dependent on imports for gallium, which is used in radar and high-frequency electronics. The US Department of Defence has increased procurement of components containing gallium and germanium by an average of 23% annually, highlighting the importance of these minerals.

Export restrictions in China and DRC increasing critical mineral prices

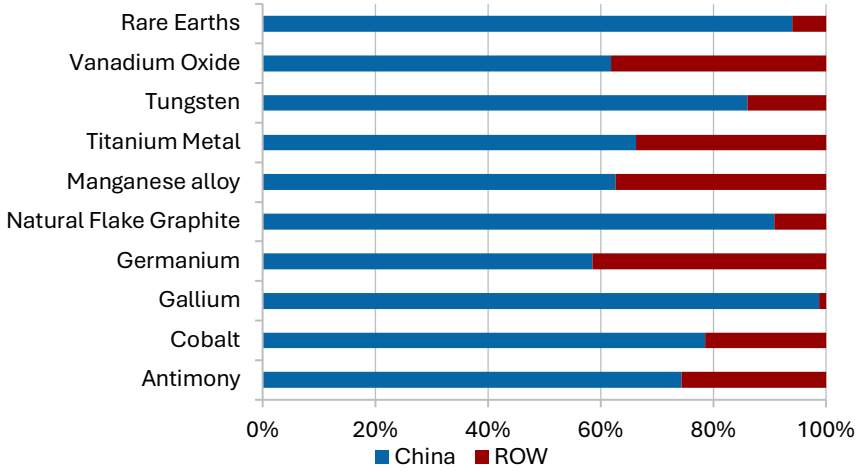
Since 2023, China's expanded export controls on select critical minerals have restricted global access to processed materials. This has led to significant increases in price for these critical minerals, given limited production outside of China (Figure 15.2):

- Antimony prices have remained elevated since April 2024, driven by reduced global feedstock supply. The December 2024 escalation to a full export ban to the US further tightened global availability, compounding existing market pressures. Antimony has seen increased demand due to Russia's invasion of Ukraine, and with few viable substitutes, supply constraints are expected to persist.
- Gallium prices rose in mid-2024 due to export restrictions and strong demand, but have since eased to levels lower than immediately before the ban.
- Germanium prices rose sharply in late 2024 and remained high into Q1 2025, with Chinese exports down 39% year-on-year. This trend is likely to persist given germanium's low substitutability.
- Tungsten prices reached a 12-year high in early 2025 after China, which supplies over 80% of global output, imposed production quotas.

The Democratic Republic of Congo (DRC) has also implemented export restrictions, imposing bans on cobalt exports in late February. The DRC, which supplied 76% of mined cobalt in 2024, previously imposed export bans in 2010, 2013 and 2021. Each of these were later reversed due to DRC's limited refining capability. The latest export ban aims to address falling cobalt prices, driven by global oversupply amid lower EV sales.

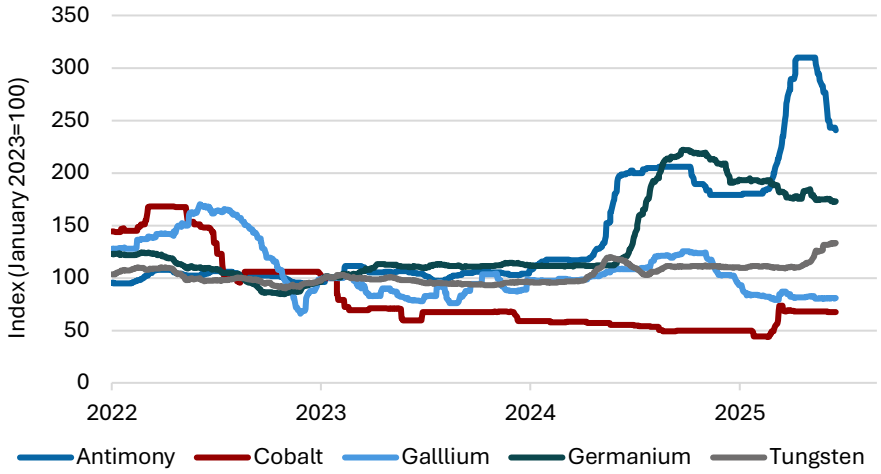
Cobalt metal and chemical prices have surged in the months following the ban, increasing by over 50%. As of late 2024, global stockpiles were estimated to cover around six months of demand — enough to absorb the four-month ban. The short-term price outlook will depend on how quickly stockpiles are depleted and whether demand continues to outpace supply.

Figure 15.1: Global Refined Production of Critical Minerals (2024)



Source: Benchmark Market Intelligence (2025); Project Blue (2025); DISR calculations (2025)

Figure 15.2: Select Critical Mineral Prices



Notes: Prices are for: China Shanghai Changjiang Antimony Grade 1 spot; LME Cobalt spot prices; China Gallium Metal 99.99%; China Germanium Metal 99.99%; China Tungsten Oxide WO3 99.95% EXW

Source: Bloomberg (2025); DISR calculations (2025)

15.3 Current/Emerging Opportunities in Australian Production

Australian exports of other critical minerals to recover, driven by recovery of manganese exports

Total export earnings in 2024–25 are forecast to fall 40% to $1.7 billion, largely driven from reduced manganese exports (Figure 15.3). Manganese exports were significantly lower in 2024 due to severe damage at Groote Eylandt port facilities after Tropical Cyclone Megan, which affected Australia's largest manganese mine (GEMCO).

Production at GEMCO manganese resumed over the March 2025 quarter, with exports recommencing in May 2025. South32 expects GEMCO to return to full production in 2025–26. Total value of other critical minerals exports is expected to grow to $4.8 billion in 2026–27 as a result.

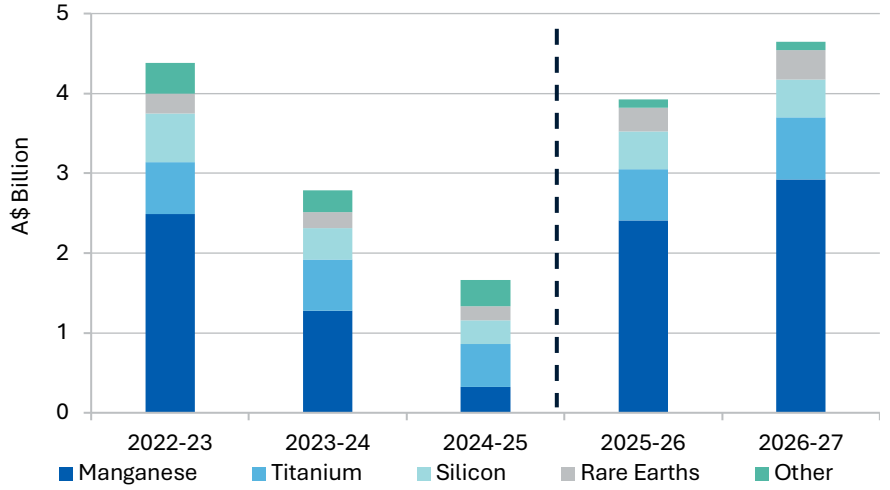
Rare earth production will also add to Australian exports over the outlook period. Lynas' Kalgoorlie processing facility (mixed rare earth carbonate) continues to ramp up production, while Iluka's Eneabba refinery (separated rare earth oxide) is expected to start production from 2027.

Prices for Australia's other critical minerals to recover over outlook period

After recent lows, Australia's critical minerals prices are expected to recover over the outlook period (Figure 15.4). The basket price index for Australia's other critical minerals exports is expected to improve through 2025, before remaining stable over the outlook period. The index is weighted by each commodities' contribution to exports, using a Fisher Price Index.

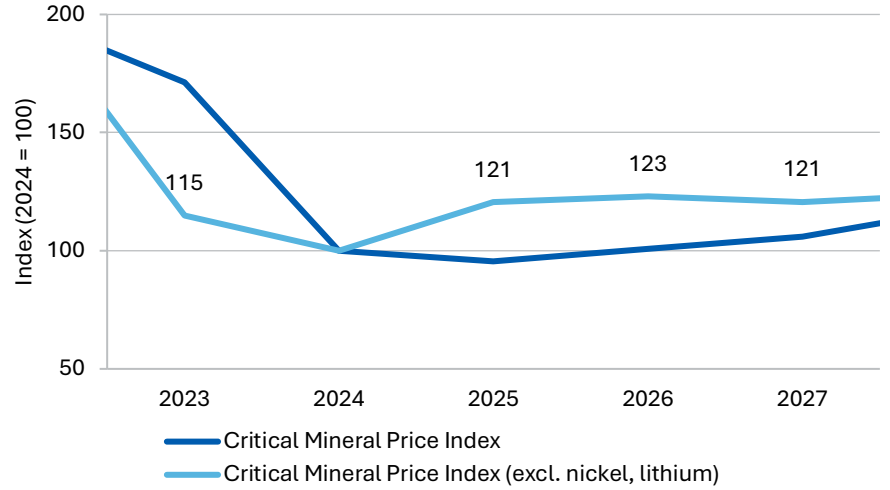
Rare earths, cobalt and high purity silica are expected to see the largest increases in prices and lift the basket price index. However, manganese prices are expected to fall, as the recommencement of shipments from Groote Eylandt is expected to moderate manganese ore prices. The fall in manganese prices has a large impact on the basket price index, given its large contribution to other critical minerals exports.

Figure 15.3: Australia's other critical mineral exports



Source: Department of Industry, Science and Resources (2025).

Figure 15.4: Australia's critical minerals basket price index



Notes: Index is weighted by contribution to export earnings using a Fisher Price Index.

Source: Benchmark Mineral Intelligence (2025); Bloomberg (2025); Department of Industry, Science and Resources (2025); Project Blue (2025).

Final investment decisions in rare earths and lithium drive investment

The total value of capital expenditure (capex) commitments at FID for Australian critical minerals projects has increased significantly in recent years (see Figure 15.5). Growth was primarily driven by lithium and rare earths, with 57% of all commitments (in value) made between 2021 and 2023 for lithium projects (10 in total), while FID for two rare earth processing facilities contributed 20% of total value committed.

Capex commitments for refining projects have also grown, coinciding with rising focus on domestic refining capabilities globally. $3.6 billion in planned capex was committed in 2022 and 2023 across three major projects: Eneabba Rare Earths Refinery, Kalgoorlie Rare Earths Processing Facility, and Kemerton Lithium Refinery (Stage 3-4). Both the Kalgoorlie processing facility (Lynas) and Eneabba refinery (Iluka) have received Commonwealth Government funding. Weak global conditions led to a sharp decline in planned capex in 2024. Construction for stage 3 of the Kemerton refinery has been paused and stage 4 cancelled.

Positive feasibility studies show Australia's near-term potential

Australia's near-term critical minerals outlook is improving, with several projects reaching key milestones in 2025. Larvotto Resources completed a Definitive Feasibility Study in May 2025 for its Hillgrove Antimony-Gold Project in New South Wales. The project is expected to produce 4.9 ktpa from Q2 2026, and has recently secured a seven-year offtake agreement. Combined with output from the Costerfield mine, Australia could account for approximately 7% of global mined antimony supply.

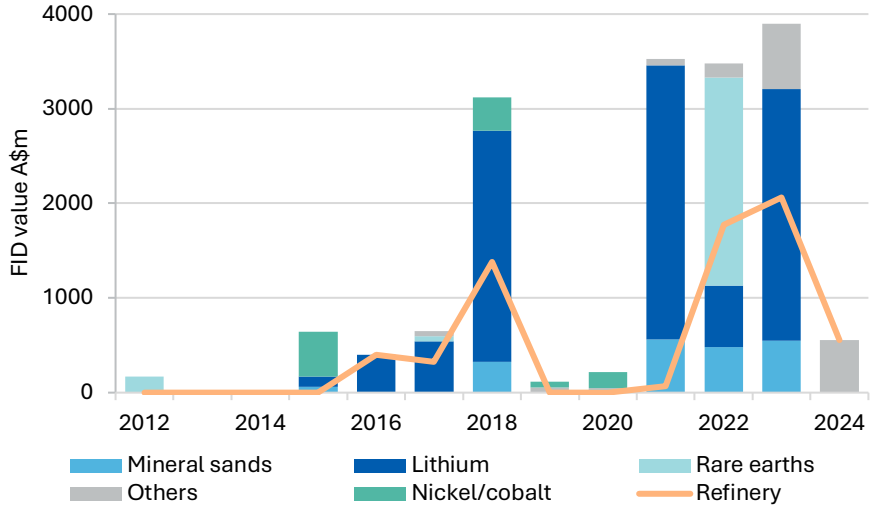
Cobalt Blue executed a binding pre-FID deed for funding for its proposed Kwinana refinery in April 2025. FID for the project is expected by the end of 2025, with the company also signing an agreement with Glencore to supply feedstock from its DRC operations. Element 25 received approval in March 2025 to expand its Butcherbird manganese project. The 1.1 Mtpa capacity expansion would provide feedstock for the company's proposed high purity manganese sulphate monohydrate (HPMSM) facility in the US. EQ Resources is advancing its Mt Carbine project in Queensland, shifting from tailings reprocessing to hard rock mining. Backed by US$124 million in offtake agreements and infrastructure upgrades in 2025, the project is expected to produce 5 kt of tungsten concentrate by end of 2025 with concentrate output levels expected to double in FY2026 and FY2027.

While outside of Australia, Lynas Rare Earths became the first producer to produce separated heavy rare earth products outside of China. The company successfully produced dysprosium oxide and terbium oxide in its Malaysia facility, which uses feedstock from the company's Australian operations (Mt Weld mine and Kalgoorlie processing facility).

Revisions

The value of Australia's other critical minerals exports has been revised down, due to improved methodology for tracking and estimating exports. Titanium and silicon exports have seen the largest downgrade in export value because of the change of methodology, while manganese exports have been downgraded to reflect reduced exports from GEMCO for the remainder of 2025–26.

Figure 15.5: Final investment decision for critical mineral projects by year and resource



Source: Department of Industry, Science and Resources (2025)

Table 15.2: Australian Production of other critical minerals

	Unit	2020-21	2021-22	2022-23	2023-24	2024-25[s]
Ore and Concentrate Products						
Antimony	t	3,539	2,896	2,147	1,562	944
Cobalt	Kt	2.5	5.8	5.2	3.9	3.5
Heavy Mineral Sands						
Heavy mineral concentrate	kt	-	-	66	116	83
Ilmenite	kt	240	864	1,351	1,045	1,532
Rutile	kt	41	108	216	235	239
Zircon sands	kt	14	211	347	323	421
Magnesium carbonate	kt	15	111	355	355	355
Manganese	kt	2,335	4,838	4,155	2,809	1,916
Nd/Pr oxides	t	1,414	3,266	3,589	3,228	5,750
Silica sands	kt	3,160	3,160	3,160	3,160	3,160
Tungsten	kmtu	0	6	18	109	124
Refined Products						
Cobalt	kt	2.1	3.0	3.5	1.2	0.7
Magnesium	kt	175	175	175	175	175
Silicon metal	kt	44	44	44	44	44

Notes: **s** estimate. kmtu stands for thousands of metric ton units, where 1 mtu equals 10kg WO_3.

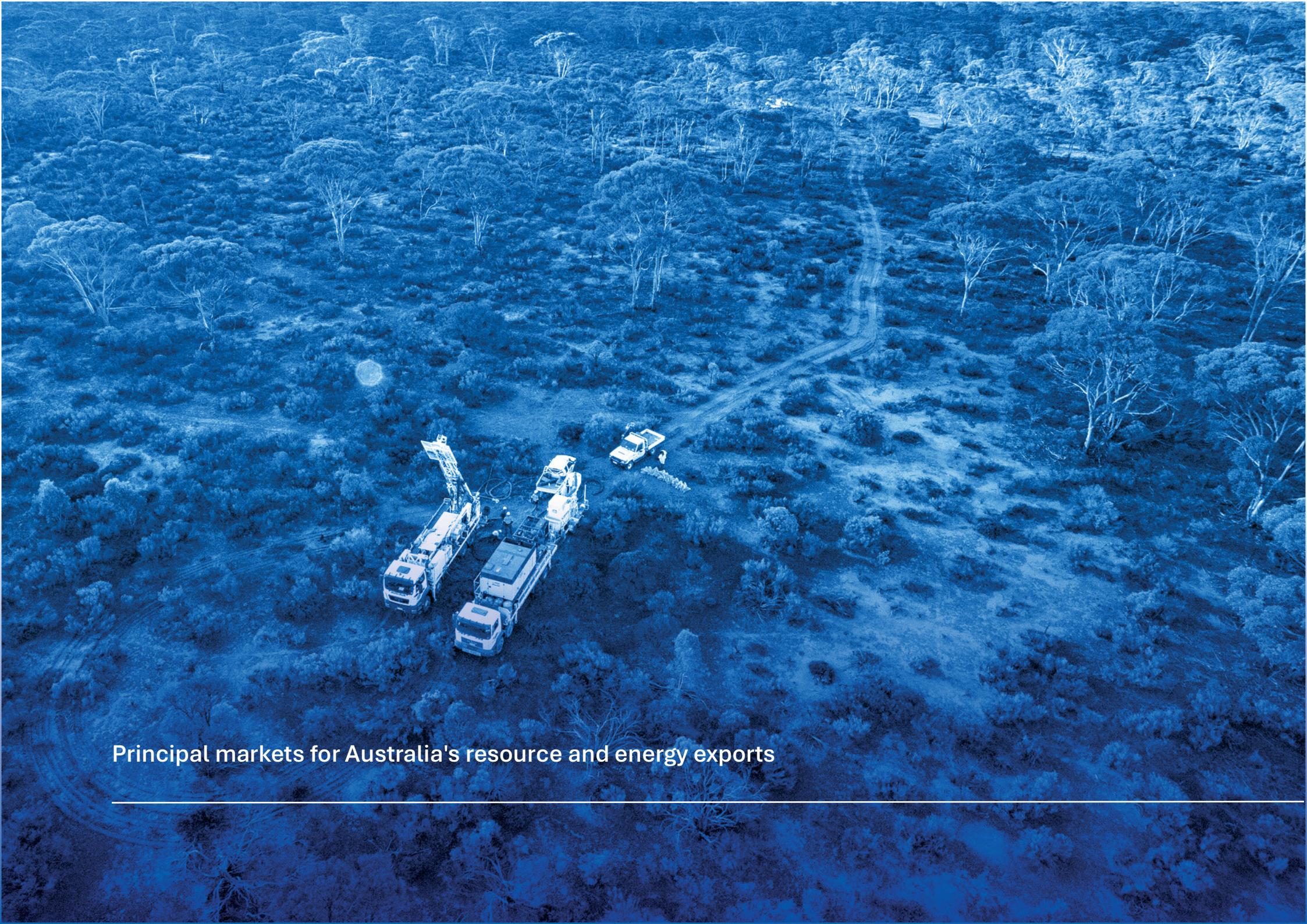
Sources: Company reports.

Table 15.3: Price and Export Outlook

					Annual Percentage Change		
Basket Price Index for Australian Critical Minerals	**2024**	**2025[f]**	**2026[f]**	**2027[f]**	**2025[f]**	**2026[f]**	**2027[f]**
All Critical Minerals (including lithium and nickel)	100.0	109.4	113.6	114.1	9.4	3.8	0.4
Other Critical Minerals (excluding lithium and nickel)	100.0	120.5	123.1	120.7	21	2.1	-2.0
Export earnings	**2023–24**	**2024–25**	**2025–26[f]**	**2026–27[f]**	**2024–25**	**2025–26[f]**	**2026–27[f]**
Antimony	70	89	54	55	27	-39	2.0
Cobalt	105	125	135	147	20	7.7	8.9
Magnesium	65	63	16	16	-3.5	-74	0.0
Manganese[a]	1,279	327	2,406	2,921	-74	636	21
Rare Earths[a]	197	179	295	369	-9.0	65	25
Silicon	396	297	473	473	-25	59	0.0
Titanium[a]	640	533	648	777	-17	22	20
Tungsten	39	49	34	34	27	-31	-1.2
Other Critical Minerals							
Total	**2,790**	**1,663**	**4,070**	**4,801**	**-40**	**144**	**18**

Notes: **a** Mirror data **f** forecast.

Sources: ABS (2025); Benchmark Minerals Intelligence (2025); Bloomberg (2025); Department of Industry, Science and Resources (2025); Project Blue (2025); UNComtrade (2025)



Principal markets for Australia's resource and energy exports

Table 16.1: Principal markets for Australia's total resource and energy exports

	Unit	2019–20	2020–21	2021–22	2022–23	2023–24	Share (2023–24)
China	$m	126,595	148,787	149,538	165,042	152,160	37%
Japan	$m	45,539	34,223	75,941	98,881	41,019	10%
Other Asia [a]	$m	28,599	31,702	44,188	49,495	54,164	13%
Korea, Rep. of	$m	21,423	23,042	43,210	45,141	25,997	6%
India	$m	9,449	11,612	26,418	21,265	21,307	5%
EU28	$m	18,633	15,546	13,711	14,086	13,794	3%
Other [b]	$m	39,252	43,582	68,645	72,290	106,550	26%
Total	**$m**	**289,489**	**308,494**	**421,651**	**466,200**	**414,991**	**–**

Notes: **a** Other Asia excludes China, Japan, South Korea and India; **b** may include 'No Country Detail' where various confidentiality restrictions may apply, see *International Merchandise Trade, Australia: Concepts, Sources and Methods 2018 Data confidentiality* for more information.

Source: ABS (2025) International Trade in Goods and Services, 5368.0; Department of Industry, Science and Resources (2025).

Table 16.2: Principal markets for Australia's iron ore exports

	Unit	2019–20	2020–21	2021–22	2022–23	2023–24
China	$m	84,786	124,820	108,307	104,777	116,280
Japan	$m	7,038	9,080	10,257	8,073	8,191
Korea, Rep. of	$m	6,222	9,033	8,293	6,932	7,724
Taiwan	$m	1,876	3,070	2,793	1,974	2,235
India	$m	27	40	38	38	39
Indonesia	$m	21	9	34	67	498
Other [a]	$m	102,861	152,975	132,489	124,131	137,850
Total	**$m**	**84,786**	**124,820**	**108,307**	**104,777**	**116,280**

Notes: **a** may include 'No Country Detail' where various confidentiality restrictions may apply, see *International Merchandise Trade, Australia: Concepts, Sources and Methods 2018 Data confidentiality* for more information.

Source: ABS (2025) International Trade in Goods and Services, 5368.0; Department of Industry, Science and Resources (2025).

Table 16.3: Principal markets for Australia's LNG exports [a]

	Unit	2019–20	2020–21	2021–22	2022–23	2023–24[c]
Japan	$m	19,928	11,649	24,800	34,508	na
China	$m	16,277	11,377	21,420	19,833	na
Korea, Rep. of	$m	5,161	3,343	11,473	18,310	na
Taiwan	$m	2,593	2,237	7,521	12,070	na
Singapore	$m	1,039	175	2,377	3,165	na
Malaysia	$m	1,456	499	559	2,121	na
Other [b]	$m	1,071	1,198	2,421	2,231	68,588
Total	**$m**	**47,525**	**30,477**	**70,571**	**92,237**	**68,588**

Note: **a** Department of Industry, Science and Resources estimates based on International Trade Centre data; **b** may include 'No Country Detail' where various confidentiality restrictions may apply, see *International Merchandise Trade, Australia: Concepts, Sources and Methods 2018 Data confidentiality* for more information; **c** LNG country data confidentialised for 2023–24 FY".

Source: ABS (2025) International Trade in Goods and Services, 5368.0; International Trade Centre (2024); Department of Industry, Science and Resources (2025).

Table 16.4: Principal markets for Australia's thermal coal exports

	Unit	2019–20	2020–21	2021–22	2022–23	2023–24
Japan	$m	8,347	7,009	23,819	37,712	15,972
China	$m	3,930	487	0	3,505	8,814
Taiwan	$m	2,386	2,060	6,636	9,456	4,840
Korea, Rep. of	$m	2,843	2,568	6,819	4,774	2,311
Vietnam	$m	1,041	711	1,688	2,205	1,800
Malaysia	$m	534	560	1,432	2,363	1,096
Other [a]	$m	1,295	2,613	5,863	5,485	2,382
Total	**$m**	**20,376**	**16,009**	**46,258**	**65,500**	**37,214**

Notes: **a** may include 'No Country Detail' where various confidentiality restrictions may apply, see *International Merchandise Trade, Australia: Concepts, Sources and Methods 2018 Data confidentiality* for more information.

Source: ABS (2025) International Trade in Goods and Services, 5368.0; Department of Industry, Science and Resources (2025).

Table 16.5: Principal markets for Australia's metallurgical coal exports

	Unit	2019–20	2020–21	2021–22	2022–23	2023–24
India	$m	7,489	7,580	20,889	17,078	15,376
Japan	$m	6,084	4,744	14,131	15,642	12,897
Korea, Rep. of	$m	3,033	2,732	9,430	8,249	6,829
Netherlands	$m	1,242	885	4,102	3,609	3,456
Taiwan	$m	1,993	1,332	3,967	3,752	3,057
China	$m	9,777	1,668	0	492	1,982
Other [a]	$m	4,626	4,246	15,070	13,101	10,577
Total	**$m**	**34,245**	**23,187**	**67,588**	**61,922**	**54,176**

Notes: **a** may include 'No Country Detail' where various confidentiality restrictions may apply, see *International Merchandise Trade, Australia: Concepts, Sources and Methods 2018 Data confidentiality* for more information.

Source: ABS (2025) International Trade in Goods and Services, 5368.0; Department of Industry, Science and Resources (2025).

Table 16.6: Principal markets for Australia's gold exports

	Unit	2019–20	2020–21	2021–22	2022–23	2023–24
Hong Kong (SAR of China)	$m	3,341	1,410	4,893	3,778	11,223
China	$m	824	2,028	8,179	8,141	5,119
United Kingdom	$m	12,707	8,934	196	1,217	3,497
Singapore	$m	1,423	2,933	1,607	3,480	3,054
India	$m	66	1,474	1,928	1,508	2,812
Korea, Rep. of	$m	192	841	1,446	428	2,022
Other [a]	$m	5,841	8,485	4,951	5,853	5,204
Total	**$m**	**24,394**	**26,105**	**23,200**	**24,406**	**32,931**

Notes: **a** may include 'No Country Detail' where various confidentiality restrictions may apply, see *International Merchandise Trade, Australia: Concepts, Sources and Methods 2018 Data confidentiality* for more information.

Source: ABS (2025) International Trade in Goods and Services, 5368.0; Department of Industry, Science and Resources (2025).

Table 16.7: Principal markets for Australia's lithium exports [a]

	Unit	2019–20	2020–21	2021–22	2022–23	2023–24
China	$m	na	na	4,725	19,788	9,473
Korea, Rep. of	$m	na	na	47	90	130
Belgium	$m	na	na	85	169	72
United States	$m	na	na	25	15	19
Other [b]	$m	na	na	90	92	115
Total	**$m**	**na**	**na**	**4,899**	**20,069**	**9,727**

Notes: **a** does not include Lithium hydroxide; **b** may include 'No Country Detail' where various confidentiality restrictions may apply, see *International Merchandise Trade, Australia: Concepts, Sources and Methods 2018 Data confidentiality* for more information.

Source: ABS (2025) International Trade in Goods and Services, 5368.0; Department of Industry, Science and Resources (2025).

Table 16.8: Principal markets for Australia's copper exports

	Unit	2019–20	2020–21	2021–22	2022–23	2023–24
China	$m	3,787	2,747	1,958	2,351	2,588
Malaysia	$m	824	850	961	1,084	1,078
Korea, Rep. of	$m	651	1,315	1,375	1,410	852
Taiwan	$m	827	358	719	511	835
India	$m	463	626	941	457	709
Other [a]	$m	3,656	5,544	6,173	6,450	5,340
Total	**$m**	**10,208**	**11,440**	**12,128**	**12,262**	**11,402**

Notes: **a** may include 'No Country Detail' where various confidentiality restrictions may apply, see *International Merchandise Trade, Australia: Concepts, Sources and Methods 2018 Data confidentiality* for more information.

Source: ABS (2025) International Trade in Goods and Services, 5368.0; Department of Industry, Science and Resources (2025).

Table 16.9: Principal markets for Australia's alumina exports [a]

	Unit	2019–20	2020–21	2021–22	2022–23	2023–24
Bahrain	$m	0	0	923	1,559	1,614
UAE	$m	0	0	747	1,075	1,238
South Africa	$m	577	na	433	660	766
Qatar	$m	0	0	424	638	611
China	$m	0	0	323	421	589
Other [b]	$m	6,854	6,948	6,127	3,955	3,668
Total	**$m**	**7,431**	**6,948**	**8,977**	**8,308**	**8,486**

Note: **a** Department of Industry, Science and Resources estimates based on International Trade Centre data; **b** may include 'No Country Detail' where various confidentiality restrictions may apply, see *International Merchandise Trade, Australia: Concepts, Sources and Methods 2018 Data confidentiality* for more information.

Source: ABS (2025) International Trade in Goods and Services, 5368.0; International Trade Centre (2025); Department of Industry, Science and Resources (2025).

Table 16.10: Principal markets for Australia's aluminium exports [a]

	Unit	2019–20	2020–21	2021–22	2022–23	2023–24
Korea, Rep. of	$m	1,138	905	1,029	1,538	1,429
Japan	$m	1,016	956	1,505	1,319	1,076
Vietnam	$m	273	370	397	318	537
Taiwan	$m	360	417	618	319	433
Thailand	$m	290	349	521	347	404
United States	$m	247	256	596	533	257
Other [b]	$m	368	510	1,044	907	956
Total	**$m**	**3,692**	**3,763**	**5,710**	**5,281**	**5,092**

Note: **a** Department of Industry, Science and Resources estimates based on International Trade Centre data; **b** may include 'No Country Detail' where various confidentiality restrictions may apply, see *International Merchandise Trade, Australia: Concepts, Sources and Methods 2018 Data confidentiality* for more information.

Source: ABS (2025) International Trade in Goods and Services, 5368.0; International Trade Centre (2025); Department of Industry, Science and Resources (2025).

Appendices

Appendix A Definitions and classifications

A.1 Exchange rates

In this report, the AUD/USD exchange rate (Australian dollar relative to the US dollars) is based on the median of economic forecasters at the time that the report is prepared. The source is the Bloomberg survey of economic forecasters.

World commodity prices are typically denominated in US dollars, and exchange rate movements can have a significant effect on the actual outcomes of commodity prices and export earnings. A change in the value of the US dollar against other floating international currencies can influence movements in world resources and energy prices. A change in the Australian dollar against the US dollar will impact on export earnings for domestic commodity exporters and producers. There is substantial uncertainty surrounding any exchange rate forecast, with changes to exchange rates influenced by changes in financial market sentiment, sometimes resulting in strong volatility.

A.2 Conversion to real dollars

Nominal values and prices are converted to real dollars using Australian and US consumer price indexes (CPI). The Australian and US CPI forecasts are based on the median of economic forecasters at the time that the report was prepared. The source is the Bloomberg survey of economic forecasters.

A.3 Time periods

The terms 'estimate', 'forecast' and 'projection' refer to different time periods in this report. Estimate refers to a time period that has passed, but for which full historical data is not yet available, while 'forecast' and 'projection' refer to different periods in the future. It is important to distinguish between different future time horizons, as factors affecting production, consumption and prices in the short-term differ from factors affecting these components in the medium to long-term. Forecasts also become increasingly imprecise over longer time horizons, due to increased risk and uncertainty. For these reasons, the Department of Industry, Science and Resources' Office of the Chief Economist (DISR OCE) uses different terminology to distinguish between short-term forecasts and medium to long-term projections, as outlined in *Table A2*.

Table A.1: OCE terminology for different time periods/horizons

Period	Years	Terminology
Historical	Time period has passed but complete data for the period is not yet available	Estimate
Short-term	1 to 2 years	Forecast
Medium-term	3 to 5 years	Projection
Long-term	Beyond 5 years	n/a

Source: Department of Industry, Science and Resources (2022)

A.4 Commodity classifications

The DISR OCE defines exports for each commodity by a selected set of 8-digit Australian Harmonised Export Commodity Classification (AHECC) codes. Where possible, the choice of AHECC codes is based on alignment with international trade data, to ensure that direct comparisons can be made. For example, groupings for various commodities are aligned with classifications used by the International Energy Agency, World Steel Association, International Nickel Study Group, International Lead and Zinc Study Group, International Copper Study Group and World Bureau of Metal Statistics. In this report, benchmark prices and Australian production and exports are forecast for 21 commodities, as shown in *Table A2*. In estimating a total for Australia's resources and energy exports, the remaining commodities, defined as 'other resources' and 'other energy', are forecast as a group.

Table A.2: Resources and energy commodities groupings and definitions

	Resources (non-energy)	Energy
Definition	Resource commodities are non-energy minerals and semi-manufactured products produced from non-energy minerals	Energy commodities are minerals and petroleum products that are typically used for power generation
Australian Harmonised Export Commodity Classification (AHECC) chapters	25 (part); 26 (part); 28 (part); 31 (part); 73 (part); 74; 75; 76; 78; 79; 80; 81	27 (part)
Commodities for which data is published, forecasts are made and analysed in detail in this report	Aluminium; alumina; bauxite; copper; gold; iron ore; crude steel; nickel; zinc, lithium	Crude oil and petroleum products; LNG; metallurgical coal; thermal coal; uranium

Notes: The AHECC chapter is the first 2 digits of the trade code. Groupings are made at the 8-digit level.

Source: Department of Industry, Science and Resources (2022)

Appendix B Glossary

Term	Description
A$	Australian dollar
ABS	Australian Bureau of Statistics
AHECC	Australian Harmonized Export Commodity Classification
AISC	All-In Sustaining Cost – an extension of existing cash cost metrics and incorporates costs related to sustaining production.
Base metals	A common metal that is not considered precious (includes aluminium, copper, lead, nickel, tin, zinc)
Bbl	Barrel
Bcm	Billion cubic metres
Benchmark	A standard specification used to price commodities.
BF and BOF	Blast furnace and basic oxygen furnace – used in an integrated steelmaking process that uses iron ore and coal.
Bulks	Non-liquid and non-gaseous commodities shipped in mass and loose (iron ore, coal, bauxite)
CAGR	Compound annual growth rate
Capex	Capital expenditure
CFR	Cost and freight – Seller clears exports and pays freight.
CIF	Cost, Insurance, and Freight
Coal Seam Gas (CSG)	Natural gas found in coal seams. Also known as Coal Bed Methane (CBM)
Coke	Made by heating coal at high temperatures without oxygen, and used to reduce iron ore to molten iron saturated with carbon, called hot metal
Conventional gas	Natural gas that can be produced from reservoirs using traditional techniques. Contrasts with unconventional gas.
COVID-19	2019 Novel Coronavirus
CPB	CPB Netherlands Bureau for Economic Policy Analysis
CPI	Consumer Price Index – measures quarterly changes in the price of a basket of goods and services which account for a high proportion of expenditure by the CPI population group (i.e. metropolitan households).
Crude steel	Steel in the first solid state after melting, suitable for further processing or for sale.
DES	Delivered Ex Ship – price of LNG including shipping and insurance.

Term	Description
DISR	Department of Industry, Science and Resources
DMO	Domestic Market Obligation – a policy to reserve energy commodities for domestic usage
DRC	Democratic Republic of the Congo
ECB	European Central Bank
Economic growth	An increase in the capacity of an economy to produce goods and services, compared from one period of time to another. It is measured in nominal or real gross domestic product (GDP).
EIA	The United States Energy Information Administration
EAF	Electric arc furnace – a furnace that melts steel scrap using the heat generated by a high power electric arc.
ETF	Exchange Traded Fund – an exchange traded fund that allows investors to invest in gold on the exchange.
EUV	Export unit value – export value/volumes exported
EV	Electric vehicle
f	Forecast – a 2-year outlook
FEED	Front end engineering design
FID	Final investment decision
FOB	Free on board – seller clears export, buyer pays freight.
GAD	Gross air dried basis – for measuring coal quality.
GAR	Gross as received basis – for measuring coal quality.
GBP	Great Britain Pounds
GDP	Gross Domestic Product – measures the value of economic activity within a country/group.
GFC	Global Financial Crisis – the period of extreme stress in global financial markets and banking systems between mid-2007 and early 2009.
GJ	Gigajoule
GST	Goods and Services Tax – a value-added tax levied on most goods and services sold for domestic consumption.
HCC	Hard coking coal – the best grade of metallurgical coal used in the steel production process. Australian hard coking coal is regarded as the industry benchmark.
IEA	International Energy Agency
IMF	International Monetary Fund – an international organisation that promotes international financial stability and monetary cooperation.

Term	Description
IMO	International Maritime Organisation
IP	Industrial Production – measures the output of the industrial sector that comprises mining, manufacturing, utilities and construction.
IPO	Initial public offering – a process of offering shares of a private corporation to the public in a new stock issuance.
ISM	US Institute for Supply Management
ISM	Institute of Supply Management
JCC	Japan Customs-cleared Crude (or Japan Crude Cocktail) – average price of crude oil imported by Japan and a common price index in long-term LNG contracts.
JFY	Japanese fiscal year
kcal/kg	Kilocalories per kilogram
kt	Thousand tonnes
ktpa	Kilotonnes per annum
LBMA	London Bullion Market Association
LCE	Lithium Carbonate Equivalent
LiOH	Lithium Hydroxide
LME	London Metal Exchange
LNG	Liquefied natural gas
LNY	Lunar New Year
LPG	Liquefied petroleum gas
LVPCI	Low volatile pulverised coal injection – a type of low volatile coal used in the PCI process
m	Million
MMbtu	Million British thermal units
Mt	Million tonnes
mtpa	Million tonnes per annum
MW	Megawatts
Nameplate capacity	The theoretical maximum annual production capacity
NAR	Net as received basis – for measuring coal quality

Term	Description
NDRC	China's National Development and Reform Commission
NEV	New energy vehicle – term used for plug-in electric vehicles eligible for public subsidies (battery electric vehicles and plug-in hybrid vehicles)
OCE	Office of the Chief Economist
OECD	Organisation for Economic Co-operation and Development
OPEC	Organisation of Petroleum Exporting Countries, a formal alliance of 14 countries to collaborate to manage the world oil market
OPEC+	Informal term for agreements between OPEC and ten other oil-producing countries (which are not members of OPEC)
Oz	Ounce
PCE	Personal Consumption Expenditure – a measure of the changes in price of consumer services and goods.
PCI	Pulverised coal injection – PCI coal is used for its heat value and injected directly into blast furnaces as a supplementary fuel, which reduces the amount of coke required.
PCI	Pulverised coal injection – a process used in blast furnace operations
PM	The afternoon price of gold set at 3:00 pm each business day at the London Bullion Market Association
PMI	Purchasing Managers Index – an indicator of economic health for manufacturing and service sectors.
PPP	Purchasing Power Parity – a way of measuring economic variables in different countries that equalise the purchasing power of different currencies
RoW	Rest of world
s	Estimate – Incomplete data or subject to revision
Shale gas	Natural gas found in shales
SDR	Special drawing right
SHFE	Shanghai Futures Exchange
SSCC	Semi-soft coking coal – a type of metallurgical coal used in the steel production process alongside hard coking coal, but results in a lower coke quality and more impurities.
Tariff	A tax on imports or exports that is used by governments to generate revenue or to protect domestic industries from competition.
Tight gas	Natural gas found in low quality reservoirs
TWI	Trade Weighted Index – a measure of the foreign exchange value of the US dollar against a basket of major foreign currencies.
U3O8	Triuranium octoxide – a compound of uranium.
UAE	United Arab Emirates

Term	Description
UK	United Kingdom
Unconventional gas	Natural gas that is more difficult to extract, including coal seam gas, shale gas and tight gas. Contrasts with conventional gas.
US	United States
US$	United States dollar
WEO	The International Energy Agency's World Energy Outlook
WTI	West Texas Intermediate crude oil price
z	Projection – a 5-year outlook

About this edition

The *Resources and Energy Quarterly* (REQ) contains forecasts for the value, volume and price of Australia's major resources and energy commodity exports. The 'medium term' (five year) outlook is published in the March quarter edition of the REQ. Each June, September and December edition of the REQ features a 'short term' (two year) outlook for Australia's major resource and energy commodity exports. A more concise version of the June and December REQ is under consideration for 2025.

Underpinning the forecasts/projections contained in the REQ is the outlook for global resource and energy commodity prices, demand and supply. The forecasts/projections for Australia's resource and energy commodity exporters are reconciled with this global context. The global environment in which Australia's producers compete can change rapidly. Each edition of the REQ factors in these changes and makes alterations to the forecasts and projections by estimating the impact on Australian producers and the value of their exports.

The REQ uses the IMF economic growth forecasts as the basis of its world growth forecasts.

In this report, commodities are grouped into two broad categories, referred to as 'resources' and 'energy'. 'Energy' commodities comprise metallurgical and thermal coal, oil, gas and uranium. 'Resource' commodities in this report are all other mineral commodities.

Unless otherwise stated, all Australian and US dollar figures in this report are in nominal terms. Inflation and exchange rate assumptions are provided in Tables 2.1 and 2.2 in the Macroeconomic outlook chapter.

Information in this edition of the REQ is current as of 23 June 2025.