

Australia-PRC trade and investment developments: A timeline

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Note: This factsheet is a live document which will be updated as and when notable developments in trade and investment occur.

2020 marked a series of notable trade developments between the People's Republic of China (PRC) and Australia that affected numerous sectors, resulting in a near-daily flurry of media reports highlighting new developments in the deterioration of the bilateral trade relationship and amplification of discussion around PRC economic coercion. Investment from the PRC was also subject to greater scrutiny by Australia, resulting in some high-profile rejections.

As we enter 2021, there appears to be little prospect that Australia's relations with its largest trading partner will improve in the near future. This factsheet has recorded developments in trade and investment in 2020 and will continue to chronicle notable developments as 2021 unfolds.

2020

January

January 1

Tariff rates into the PRC on milk powder, goat meat, oranges, shelled almonds, and skincare are reduced under the sixth round of tariff cuts under the China-Australia Free Trade Agreement (ChAFTA).¹

February

February 13

Australia's Anti-Dumping Commission initiates an inquiry into the continuation of anti-dumping and countervailing measures on PRC aluminium extrusions. Measures along these lines have been in place since October 2010. The Commission is expected to make a final recommendation on the matter in September 2020, with a decision from the Minister for Industry, Science and

Technology expected within 30 days of receiving the recommendation.^{2,3}

February 17

Australia's Anti-Dumping Commission initiates an anti-dumping investigation into aluminium micro-extrusions from the PRC. The Commission is expected to make a final recommendation on the matter in March 2021.⁴

March

March 31

Australia's Anti-Dumping Commission initiates anti-dumping and anti-subsidisation investigations into precision pipes and tube steel from the PRC, South Korea, Taiwan and Vietnam. The Commission is

¹ Simon Birmingham, 'More tariff cuts under Australia's free trade deals', January 1 2020 <<https://www.trademinister.gov.au/minister/simon-birmingham/media-release/more-tariff-cuts-under-australias-free-trade-deals>>.

² Australian Department of Industry, Science, Energy and Resources, 'Continuation – Dumping and Subsidisation, Aluminium extrusions from China', February 13 2020 <<https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-archive-cases/543>>.

³ Note: In an effort to keep this factsheet concise with respect to Australian Anti-Dumping Commission inquiries reviews and investigations, the timeline will focus on the date the inquiry review or investigation was commenced by the Commission and the date a final decision on the Commission's recommendation was made by the Minister for Industry, Science and Technology.

⁴ Australian Department of Industry, Science, Energy and Resources, 'Investigation – Dumping, Aluminium micro-extrusions from China', February 17 2020 <<https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-current-cases/542>>.

expected to make a final recommendation on the matter no later than April 2021.⁵

April

April 16

Australia's Anti-Dumping Commission initiates a review of anti-dumping measures applying to A4 copy paper from the PRC, Brazil, Indonesia and Thailand. The Commission is expected to make a final recommendation on the matter no later than March 17 2021. Measures along these lines have been in place since April 2017.⁶

April 27

Ambassador to the PRC in Australia Cheng Jingye tells *The Australian Financial Review* that ordinary Chinese citizens may have second thoughts about coming to Australia to study, travel or purchase Australian wine and beef:⁷

[T]he Chinese public is frustrated, dismayed and disappointed with what you are doing now. In the long term, for example, I think if the mood is going from bad to worse, people would think why we should go to such a country while it's not so friendly to China. The tourists may have second thoughts. Maybe the parents of the students would also think whether this place, which they find is not so friendly, even hostile, is the best place to send their kids to. So it's up to the public, the people to decide. And also, maybe the ordinary people will think why they should drink Australian wine or eat Australian beef.

April 28

Asked about PRC Ambassador Cheng's April 27 comments, Australian Trade Minister Simon Birmingham says Australia wouldn't change its policy because of 'economic coercion or threats of economic coercion'.⁸

May

May 10

The Australian government expresses concern about 'reports that unjustified duties may be levied on Australian barley imports into [the PRC]'.⁹ PRC authorities had commenced an anti-dumping and countervail investigation into Australian barley exports in 2018.¹⁰

May 11

Four Australian beef abattoirs have reportedly been suspended by the PRC, which according to Australian Trade Minister Birmingham, 'appear to be based on highly technical issues'.¹¹

May 12

A PRC Foreign Ministry spokesperson confirms the May 11 reports, stating that four Australian beef exporters have been 'suspended effective immediately' by the PRC's General Administration of Customs (GACC) for 'repeated violations of inspection and quarantine requirements'.¹²

May 12

Australian Minister for Industry, Science and Technology Karen Andrews accepts the recommendation from Australia's Anti-Dumping Commission, made on April 17 2020, to continue to impose anti-dumping measures applying to silicon metals from the PRC. The inquiry had commenced in September 2019. Measures along these lines have been in place since June 2015.¹³

May 18

The PRC's Ministry of Commerce (MOFCOM) makes the determination that dumping and subsidisation had occurred with Australian barley exports to the PRC. The PRC's MOFCOM imposes an 80.5 percent tariff on Australian barley exports, comprising a 73.6 percent anti-dumping duty and a 6.9 percent countervailing duty, effective May 19 2020.¹⁴

5 Australian Department of Industry, Science, Energy and Resources, 'Investigation - Dumping and Subsidisation, Precision pipe and tube steel from China, Korea, Taiwan and Vietnam', March 31 2020 <<https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-current-cases/550>>.

6 Australian Department of Industry, Science, Energy and Resources, 'Review - Dumping and Subsidisation, A4 copy paper from Brazil, China, Indonesia, Thailand', April 16 2020 <<https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-current-cases/551>>.

7 Embassy of the People's Republic of China in the Commonwealth of Australia, 'Transcript of Chinese Ambassador CHENG Jingye's interview with Australian Financial Review political correspondent Andrew Tillett', April 27 2020 <http://au.china-embassy.org/eng/sghdxwfb_1/t1773741.htm>.

8 Simon Birmingham, 'Interview on ABC Radio Canberra AM with Sabra Lane', transcript, April 28 2020 <<https://www.trademinister.gov.au/minister/simon-birmingham/transcript/interview-abc-radio-canberra-am-sabra-lane-2>>.

9 Simon Birmingham, 'Reports of potential tariffs on Australian barley imports into China', May 10 2020 <<https://www.trademinister.gov.au/minister/simon-birmingham/media-release/reports-potential-tariffs-australian-barley-imports-china>>.

10 Michael Smith, 'China launches anti-dumping probe into Australian barley imports', *The Australian Financial Review*, November 19 2018 <<https://www.afr.com/world/asia/china-launches-antidumping-probe-into-australian-barley-imports-20181119-h181zp>>.

11 Ainslie Chandler, 'China suspends meat imports from four Australian abattoirs', *Bloomberg*, May 11 2020 <<https://www.bloomberg.com/news/articles/2020-05-11/china-tariff-threat-adds-to-australia-s-grain-industry-woes>>.

12 Ministry of Foreign Affairs of the People's Republic of China, 'Foreign Ministry Spokesperson Zhao Lijian's Regular Press Conference', May 12 2020 <https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1778378.shtml>.

13 Department of Industry, Science, Energy and Resources, 'Continuation - Dumping and Subsidisation, Silicon metal from China', May 18 2020 <<https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-archive-cases/524>>.

14 Ministry of Commerce of the People's Republic of China, '商务部公布对原产于澳大利亚的进口大麦反倾销调查和反补贴调查的最终裁定(The Ministry of Commerce announces the final ruling on the anti-dumping and countervailing investigations against imported barley originating in Australia)', May 18 2020 <<http://www.mofcom.gov.cn/article/ae/ai/202005/20200502965864.shtml>>.

May 27

Australia's Anti-Dumping Commission initiates an anti-dumping investigation into painted steel strapping from the PRC and Vietnam and an anti-subsidy investigation into painted steel strapping from the PRC. The Commission is expected to make a final recommendation on the matter no later than March 23 2021.¹⁵

June

June 5

The PRC's Ministry of Culture and Tourism issues a notice advising against travel to Australia, citing 'an alarming increase recently in acts of racial discrimination and violence against Chinese and Asians in Australia, due to the impact of the COVID-19 pandemic'.¹⁶ Australian borders continue to be closed to non-citizens and permanent residents due to COVID-19.

June 10

The PRC's Ministry of Education (MOE) issues an alert to students planning to travel to Australia:¹⁷

After a spate of racially motivated incidents targeting Asians in Australia, the MOE has urged Chinese students planning to study overseas to evaluate the risks involved and exercise caution if choosing to go to or return to Australian schools.

Australian borders continue to be closed to non-citizens and permanent residents due to COVID-19.

June 30

Australia's Anti-Dumping Commission initiates anti-dumping and anti-subsidy investigations into aluminium zinc coated steel of a width less than 600 millimetres from the PRC and Vietnam. The Commission is expected to make a final recommendation on the matter no later than April 21 2021.¹⁸

July

July 10

Australia's Anti-Dumping Commission initiates an inquiry into the continuation of anti-dumping

measures applying to steel reinforcing bars from the PRC. The Commission is expected to make a final recommendation on the matter no later than March 2 2021. Measures along these lines have been in place since April 2016.¹⁹

July 13

Australia's Anti-Dumping Commission initiates an anti-dumping investigation into certain copper tubes from the PRC and South Korea, and an anti-subsidy investigation into certain copper tubes from the PRC. The Commission is expected to make a final recommendation on the matter no later than May 14 2021.²⁰

July 27

Australia's Anti-Dumping Commission initiates an inquiry into the continuation of anti-dumping measures applying to hot-rolled rods in coils of steel from the PRC. The Commission is expected to make a final recommendation on the matter no later than March 12 2021. Measures along these lines have been in place since April 2016.²¹

August

August 18

The PRC's MOFCOM confirms it has begun an anti-dumping investigation into Australian wine imports allegedly following a complaint from the China Alcoholic Drinks Association stating that since 2015, the quantity of Australian wine imports has increased substantially, yet their price per kilolitre has decreased 13.36 percent, causing damage to the domestic industry.²²

August 25

Dairy product manufacturer China Mengniu Dairy Co. announce the withdrawal of their proposed bid to acquire Australia-based, Japanese-owned Lion Dairy & Drinks, the second largest milk processor in Australia,²³ after Australian Treasurer Josh Frydenberg 'made it initially clear to them that [he] didn't consider it to be in the national interest and...

15 Australian Department of Industry, Science, Energy and Resources, 'Investigation – Dumping and Subsidisation, Painted steel strapping from China, Vietnam', May 27 2020 <<https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-current-cases/553>>.

16 Ministry of Culture and Tourism, '赴澳大利亚旅游安全提醒 (Safety reminder for travelling to Australia)', June 5 2020 <https://www.mct.gov.cn/zxbs/cxts/202006/t20200605_854150.htm>.

17 Ministry of Education the People's Republic of China, 'MOE issues first warning statement in 2020 for students preparing to study abroad', June 10 2020 <http://en.moe.gov.cn/news/press-releases/202006/t20200619_467021.html>.

18 Australian Department of Industry, Science, Energy and Resources, 'Investigation – Dumping and Subsidisation, Aluminium zinc coated steel (<600mm) from China, Vietnam', June 30 2020 <<https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-current-cases/559>>.

19 Australian Department of Industry, Science, Energy and Resources, 'Continuation – Dumping, Steel reinforcing bar from China', July 10 2020 <<https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-current-cases/560>>.

20 Department of Industry, Science, Energy and Resources, 'Investigation – Dumping and Subsidisation, Copper tube from China, Korea', July 13 2020 <<https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-current-cases/557>>.

21 Department of Industry, Science, Energy and Resources, 'Continuation – Dumping, Rod in coil from China', July 27 2020 <<https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-current-cases/562>>.

22 Ministry of Commerce of the People's Republic of China, '商务部公告2020年第34号 关于对原产于澳大利亚的进口相关葡萄酒进行反倾销立案调查的公告 (Announcement of the Ministry of Commerce No. 34 of 2020 on the anti-dumping investigation of imported wine originating in Australia)', August 18 2020 <<http://trb.mofcom.gov.cn/article/cs/202008/20200802993244.shtml>>.

23 China Mengniu Dairy Company Limited, 'Termination of the proposed acquisition of Lion-Dairy & Drinks PTY LTD', August 25 2020 <http://www.mengniu.com/attachment/2020082508240166999410317_en.pdf>.

had some concerns about it'.²⁴ The bid had gained initial approval from the Australian Competition and Consumer Commission and the Foreign Investment Review Board earlier in the year.

August 27

The PRC's GACC officially notifies Australia of its decision to suspend the export of beef from a fifth Australian abattoir, Queensland meat processor John Dee Warwick, to the PRC alleging a detection of the banned chemical chloramphenicol in its products.²⁵

August 31

The PRC's MOFCOM confirms it has initiated an anti-subsidy investigation of Australian wine imports.²⁶

September

September 1

The PRC's GACC revokes the registration qualification of Australian grain cooperative CBH Grain, Australia's largest grain exporter, for barley exports due to alleged multiple detections of quarantine pests.²⁷

October

October 9

State-owned utilities and steel mills in the PRC reportedly receive verbal notice from PRC authorities to stop importing Australian thermal and coking coal.²⁸

October 12

Australian Minister for Industry, Science and Technology Karen Andrews accepts the Anti-Dumping Commission's recommendation, made on September 14 2020, to continue anti-dumping measures applying to aluminium extrusions from the PRC.²⁹

October 12

Power stations and steel mills in the PRC are reportedly verbally told by authorities to stop using

Australian coal, and ports verbally instructed to stop offloading Australian coal.³⁰

October 14

Following October 12 reports regarding Australian coal, BHP's chairperson states that the company had 'recently received deferment requests from some of our Chinese customers'.³¹

October 16

Industry body executives report that the PRC's National Development Reform Commission (NDRC) have been verbally discouraging spinning mills from using Australian cotton.³²

October 28

Australia criticises the PRC's anti-dumping duties on its barley exports, effected on May 19 2020, in a statement at a meeting of the World Trade Organization's (WTO) Committee on Anti-Dumping Practices, according to *South China Morning Post* sources.³³

October 31

The PRC's GACC suspends timber imports from Queensland after allegedly 'detect[ing] many cases of live pests in timber imported from Australia'.³⁴

October 31

Barley exports from Emerald Grain are suspended by the GACC after the alleged 'detection of quarantine contaminants in several consignments'. Emerald Grain is the second Australian grain company to have its barley exports suspended by the PRC.³⁵

November

November 1

The Australian media reports that the PRC's GACC are delaying imports of Australian live lobster.³⁶

24 Treasurer of the Commonwealth of Australia, 'Interview with Kieran Gilbert, Sunday Agenda, Sky News', August 30 2020 <<https://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/transcripts/interview-kieran-gilbert-sunday-agenda-sky-news-0>>.

25 General Administration of Customs China, '产品检出禁用药物 海关总署暂停澳大利亚1家牛肉企业对华出口(Prohibited drugs detected, General Administration of Customs suspends exports of an Australian beef company to China)', August 27 2020 <<http://www.customs.gov.cn/customs/xwfb34/302425/3260606/index.html>>.

26 Ministry of Commerce People's Republic of China, 'MOFCOM initiates a countervailing investigation on certain imported wines originating from Australia', September 2 2020 <<http://english.mofcom.gov.cn/article/newsrelease/significantnews/202009/20200902998229.shtml>>.

27 General Administration of Customs China, '大麦检出检疫性有害生物海关总署暂停澳大利亚1家企业对华出口 (Quarantine pests detected in barley, General Administration of customs suspends exports of an Australian company to China)', September 2 2020 <<http://www.customs.gov.cn/customs/xwfb34/302425/3266263/index.html>>.

28 Jenna Ma and Jessie Li, 'Chinese state-owned end-users given verbal notice to stop importing Australian coal: sources', *S&P Global Platts*, October 9 2020 <<https://www.spglobal.com/platts/en/market-insights/latest-news/coal/100920-chinese-state-owned-end-users-given-verbal-notice-to-stop-importing-australian-coal-sources>>.

29 Australian Department of Industry, Science, Energy and Resources, 'Anti-dumping notice no. 2020/103', October 12 2020 <https://www.industry.gov.au/sites/default/files/adc/public-record/543_-_062_-_notice_adn_-_adn_2020-103_-_findings_in_realtion_to_continuation_inquiry.pdf>.

30 James Thornhill and David Stringer, 'Australia seeks confirmation of reported China coal import ban', *Aljazeera*, October 13 2020 <<https://www.aljazeera.com/economy/2020/10/13/australia-seeks-confirmation-of-reported-china-coal-import-ban>>.

31 Sue Lannin, 'BHP confirms Chinese customers have cancelled orders for Australian coal', *ABC News*, October 14 2020 <<https://www.abc.net.au/news/2020-10-14/bhp-deferment-confirms-chinas-reduced-demand-for-australian-coal/12768004>>.

32 Saheli Roy Choudhury, 'Australia says it's ready to talk to China about their trade dispute', *CNBC*, October 16 2020 <<https://www.cnbc.com/2020/10/16/australia-is-ready-for-dialogue-with-china-to-resolve-trade-issues-minister.html>>.

33 Finbarr Bermingham, 'China-Australia relations: Canberra lashes out at China's barley duties at WTO', *South China Morning Post*, October 30 2020 <<https://www.scmp.com/economy/global-economy/article/3107730/china-australia-relations-canberra-lashes-out-chinas-barley>>.

34 Consulate-General of the People's Republic of China in Sydney, 'Chinese FM Spokesperson: The Chinese Customs Takes Inspection and Quarantine Measures on Imported Australian Products in Accordance with Laws and Regulations', November 11 2020 <<http://sydney.chineseconsulate.org/eng/xwdt/11828876.htm>>.

35 Liz Wells, 'China suspends Australian barley exports from Emerald Grain', *Grain Central*, November 3 2020 <<https://www.graincentral.com/news/china-suspends-australian-barley-exports-from-emerald-grain/>>.

36 Nick Bonyhady, Eryk Bagshaw and Benjamin Preiss, 'Australia lobster exports feared latest victim of China tensions', *The Sydney Morning Herald*, November 1 2020 <<https://www.smh.com.au/politics/federal/australian-lobster-exports-feared-latest-victim-of-china-tensions-20201101-p56ak0.html>>.

November 2

Australian Trade Minister Birmingham in a press conference confirms that '[the PRC's GACC] have actually now imposed an inspection of all quantities, from 50 to 100 percent I should say, of rock lobster that's going into China...[T]hey're saying that that is because they want to understand whether there's trace elements of minerals and metals in it'.³⁷

November 2

The *South China Morning Post* reports that bans on Australian copper ore and concentrates, as well as sugar, are expected to be introduced, according to trade sources in the PRC.³⁸

November 3

The *South China Morning Post* reports that the PRC is also expected to ban Australian wheat, according to industry sources.³⁹

November 11

The PRC's GACC suspends imports of timber from the state of Victoria, alleging the discovery of pests.⁴⁰

November 28

The PRC's MOFCOM published a preliminary ruling that certain wines imported from Australia were dumped, causing damage to the PRC's wine industry. It imposes a cash deposit at rates between 107.1 percent and 212.1 percent.⁴¹

November 29

The Australian government is reported to be considering taking the PRC to the WTO over its decision to place tariffs on Australian barley.⁴²

December

December 7

The PRC's GACC suspends applications and registration for beef exports from a sixth Australian

abattoir, Queensland beef processing plant Meramist.⁴³

December 10

The PRC's GACC suspends imports of timber from Tasmania and South Australia, alleging the identification of non-indigenous insects.⁴⁴

December 12

The PRC's MOFCOM announces a preliminary ruling that subsidies existed on imported wines from Australia and decides to impose a countervailing duty deposit of 6.3 percent to 6.4 percent.⁴⁵

December 14

Australia's Anti-Dumping Commission initiates an inquiry into the continuation of anti-dumping measures applying to ferrous grinding balls from the PRC. The Commission is expected to make a final recommendation on the matter no later than May 18 2021. Measures along these lines have been in place since September 2016.⁴⁶

December 16

The Australian government takes action in the WTO over the PRC's imposition of anti-dumping and countervailing duties on Australian barley exports.⁴⁷

December 16

Media reports indicate that Beijing's main planning agency has given PRC power plants approval to import coal without restrictions, with the exception of Australian coal.⁴⁸

December 24

The PRC's GACC halts timber imports from New South Wales and Western Australia, alleging the discovery of live forest pests.⁴⁹

37 Minister for Agriculture, Drought and Emergency Management, 'Minister Littleproud interview with ABC TV Breakfast', November 2 2020 <<https://minister.homeaffairs.gov.au/davidlittleproud/Pages/interview-abc-tv-breakfast-20201102.aspx>>.

38 Su-Lin Tan, 'China-Australia relations: import ban on Australian copper, sugar expected after blocks on lobster, timber, barley', *South China Morning Post*, November 2 2020 <<https://www.scmp.com/economy/china-economy/article/3108056/china-australia-relations-import-ban-australian-copper-sugar>>.

39 Su-Lin Tan and William Zheng, 'China-Australia relations: ban on US\$400 million Australian wheat imports looms', *South China Morning Post*, November 3 2020 <<https://www.scmp.com/economy/china-economy/article/3108176/china-australia-relations-ban-us400-million-australian-wheat>>.

40 Consulate-General of the People's Republic of China in Sydney, 'Chinese FM Spokesperson's Remarks on Suspension of Timber Imports from Victoria of Australia by Chinese Authority', November 13 2020 <<http://sydney.chineseconsulate.org/eng/xwdt/11832056.htm>>.

41 Ministry of Commerce People's Republic of China, 'MOFCOM Publishes Preliminary Ruling of Anti-Dumping Investigation on certain imported wines originating from Australia', November 28 2020 <<http://english.mofcom.gov.cn/article/newsrelease/significantnews/202012/20201203019743.shtml>>.

42 Finn Barr Birmingham and Su-Lin Tan, 'China-Australia relations: WTO action 'the next step' for Canberra over Beijing's barley duties', *South China Morning Post*, November 29 2020 <<https://www.scmp.com/economy/global-economy/article/3111822/china-australia-relations-wto-action-next-step-canberra-over>>.

43 General Administration of Customs China - Food Import/Export Safety Bureau, '符合评估审查要求的国家或地区输华肉类产品名', December 7 2020 <<http://jckspj.customs.gov.cn/spj/zwgk75/2706880/jckrljgzyxx33/2812399/index.html>>.

44 General Administration of Customs China, '海关总署动植物检疫司关于暂停进口澳大利亚塔斯马尼亚州和南澳大利亚州原木的通知 (Notice of the Animal and Plant Quarantine Department of the General Administration of Customs on the suspension of the import of logs from Tasmania and South Australia in Australia)', December 7 2020 <<http://gkml.customs.gov.cn/tabid/1165/Infold/46009/Default.aspx>>.

45 Ministry of Commerce People's Republic of China, 'MOFCOM announced the preliminary ruling on the countervailing probe into wine imports originating from Australia', December 12 2020 <<http://english.mofcom.gov.cn/article/newsrelease/significantnews/202012/20201203023000.shtml>>.

46 Department of Industry, Science, Energy and Resources, 'Continuation - Dumping and Subsidisation, Grinding balls from China', December 14 2020 <<https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-current-cases/569>>.

47 Simon Birmingham, 'WTO action to defend interests of Australia's barley producers', December 16 2020 <<https://www.trademinister.gov.au/minister/simon-birmingham/media-release/wto-action-defend-interests-australias-barley-producers>>.

48 Rod McGuirk, 'Australian PM says China coal ban would breach WTO rules', *Associated Press*, December 15 2020 <<https://apnews.com/article/global-trade-australia-free-trade-coronavirus-pandemic-china-1be2a256501e0003bec24c96eb1e3e60>>.

49 Orange Wang and Su-Lin Tan, 'China-Australia relations: timber trade felled as imports axed from two more Australian states', *South China Morning Post*, December 24 2020 <<https://www.scmp.com/economy/china-economy/article/3115282/china-australia-relations-timber-trade-felled-imports-axed>>.

2021

January

January 9

The PRC lifts import quota on Australian wool in compliance with the terms of ChAFTA.⁵⁰

January 11

PRC state-owned China State Construction Engineering Corporation withdraws its bid to buy an 88 percent stake in the Australian construction firm Probuild.⁵¹

January 12

Probuild's parent company, South African infrastructure company Wilson Bayly Holmes-Ovcon (WBHO), states that they had been 'advised by the potential acquirer of Probuild that it has withdrawn its proposed investment application in Probuild lodged with the Australian Foreign Investment Review Board following advice that its application would be rejected by the Federal Government on the grounds of national security.'^{52 53}

January 12

According to a report in *The Australian Financial Review*, the Australian government has 'secretly rejected several other Chinese takeovers in the past six months, beyond traditional critical infrastructure sectors, including in the construction and technology industries'.⁵⁴

January 14

The Australian Financial Review reports that the Australian government had recently told a consortium which included a PRC state-owned entity that had partnered with Australian entities to construct an Energy Australia gas plant in New South Wales 'it did not intend to approve the deal'.⁵⁵

January 14

Following the January 12 and 14 reports in *The Australian Financial Review*, Australian Treasurer Frydenberg states, 'Over the last six months around 20 per cent of approved foreign investment applications have at least one Chinese party. So that means more than 250 Chinese-related foreign investment applications have been approved. Less than a handful haven't proceeded'.⁵⁶

January 28

The China Academic Degrees and Graduate Education Development Centre (CDGDC), housed within the PRC's Ministry of Education, publishes a notice of intent to carry out reviews of Australia-PRC joint degree programs.⁵⁷ The signalled reviews are premised on claims by the CDGDC that since 2016 Australian universities had been delivering 'insufficient investment in high quality education resources' and 'low level repetitive teaching' in their joint programs with PRC institutions.. No other country engaged in joint programs with the PRC is flagged as the subject of impending review. The Times Higher Education points out that the PRC appears to 'have singled out Australian universities... while overlooking similar problems involving other countries institutions'.⁵⁸

February

February 2

Australia's Anti-Dumping Commission initiates an inquiry into the continuation of anti-dumping measures applying to clear float glass exported to Australia from the PRC, Indonesia and Thailand. The Commission is expected to make a final recommendation on the matter no later than July 7 2021. Measures along these lines have been in place since October 17 2011.⁵⁹

February 5

The PRC's MOE issues an alert, its first of 2021, to students planning to travel to Australia⁶⁰:

50 Linda Kelly, 'China lifts import quota on Australian wool', *Nasdaq*, January 8 2021 <China lifts import quhttps://www.nasdaq.com/articles/china-lifts-import-quota-on-australian-wool-abc-2021-01-08> on Australian wool -ABC | Nasdaq>.

51 John Kehoe, Michael Bleby, Hannah Wootton, Nick Lenaghan and Andrew Tillet, 'Treasurer blacklists China investments', *The Australian Financial Review*, January 12 2021 <https://www.afr.com/politics/federal/treasurer-imposes-informal-ban-on-china-investments-20210112-p56thm>.

52 Rachel Pupazzoni, 'Chinese company withdraws bid for Australian builder after government flags security risk', *ABC News*, January 12 2021 <https://www.abc.net.au/news/2021-01-12/chinese-company-withdraws-bid-for-australian-builder-probuild/13050908>.

53 *Reuters*, 'South Africa's WBHO says buyer drops bid for Australian construction firm', January 12 2020 <South Africa's WBHO says buyer drops bid for Australian construction firm | Reuters>.

54 John Kehoe, Michael Bleby, Hannah Wootton, Nick Lenaghan, Andrew Tillet, 'Treasurer blacklists China investments', *The Australian Financial Review*, January 12 2021 <https://www.afr.com/politics/federal/treasurer-imposes-informal-ban-on-china-investments-20210112-p56thm>.

55 John Kehoe, 'Blacklisting of China deals grows', *The Australian Financial Review*, January 14 2021 <https://www.afr.com/politics/federal/blacklisting-of-china-deals-grows-20210113-p56tpg>.

56 John Kehoe, 'Conditional approval of Probuild buyout rejected due to security risks', *The Australian Financial Review*, January 15 2021 <https://www.afr.com/politics/federal/conditional-approval-of-probuild-buyout-rejected-due-to-security-risks-20210114-p56u58>.

57 Ministry of Education, '关于拟开展中澳合作办学专项评估工作的通知 (Notice on the plan to carry out the special evaluation work for China-Australia cooperative education)', January 28 2021 <http://jsj.moe.gov.cn/n2/7001/12107/1552.shtml>.

58 John Ross and Jing Liu, 'Australian universities 'singled out' over 'Frankenstein' courses', *Times Higher Education*, February 23 2021 <https://www.timeshighereducation.com/news/australian-universities-singled-out-over-frankenstein-courses>.

59 Australian Department of Industry, Science, Energy and Resources, 'Continuation - Dumping, Clear flat glass from China, Indonesia and Thailand', February 2 2021 <https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-current-cases/575>.

60 Ministry of Education, '教育部发布2021年第1号留学预警 (The Ministry of Education issued a study abroad warning No.1 of 2021)', February 5 2021 <http://www.moe.gov.cn/jyb_xwfb/gzdt_gzdt/s5987/202102/t20210205_512666.html>.

Recently, there have been a series of vicious incidents in Australia in which students have been attacked, which poses a serious threat to the personal safety of students studying in Australia. At present, the global novel coronavirus epidemic situation is still very serious, and international travel still poses a risk. The Ministry of Education reminds students studying abroad to conduct proper safety risks assessments, and be cautious in choosing to go to or return to Australia for their studies.

The PRC's MOE had issued a similar alert regarding studying in Australia on June 10 2020.

Australian borders continue to be closed to non-citizens and permanent residents due to COVID-19.

February 18

The Australian reports that tensions between Canberra and Beijing had forced Woodside Energy, Australia's largest natural gas producer, to postpone talks to sell LNG to the PRC⁶¹. Woodside's chief executive said that potential buyers in the PRC have 'been very clear that they won't prioritise those LNG contracts until relations between the Australian and Chinese governments improve. The deals we are talking about – long term LNG deals – will be held up. That's certainly what we're hearing back from the Chinese buyers.'

This follows reports in November 2020 that PRC buyers had pulled out of a process to purchase a stake in Woodside's \$16 billion Scarborough gas field project in Western Australia due to concerns about 'a number of issues, including FIRB approval'.⁶²

February 22

Latest data released by the PRC's Bureau of Import and Export Food Safety for the month of January 2021 lists list products that did not pass inspection and have been refused entry into the PRC.⁶³ These products include:

- 220 kilograms of Auvo gluten dietary fibre instant wheat noodles from Woolworths Ltd at the port of Ningbo, alleging the beyond range use of strengthening agent.
- 82 kilograms of DHA Algae oil from Homart Pharmaceuticals Pty Ltd at the port of Ningbo, alleging bad labelling.

- 3,375 litres of wine from Treasury Wine Estates at the port of Shenzhen, alleging bad labelling.
- 19,854 litres of wine from Bader's Brook at the port of Chongqing, alleging bad labelling.

February 25

Australia's largest live fish exporter and largest coral trout buyer, Australian Reef Fish Traders, fails to have its export licence renewed in the PRC. Australia's live coral trout export trade to the PRC had faced disruption in November 2020 when the PRC's GACC introduced a new testing regime purporting to test seafood for heavy metals.⁶⁴ Despite this, Australian Reef Fish Traders had sent a record monthly consignment of 42 tonnes of live fish to the PRC in December. As such, the company said 'it could not explain the decision to end a 20-year trading relationship'.⁶⁵

February 25

The Australian Financial Review reports that education agents in the PRC are being encouraged by local authorities not to recommend or advertise Australian institutions to prospective students.⁶⁶

February 27

Building on the February 25 piece in *The Australian Financial Review* regarding education agents in the PRC being encouraged by authorities not to send students to Australia, *The Sydney Morning Herald* reports that '[t]he universities first began receiving these reports at the beginning of this week, at which point the advice not to recommend or advertise Australian universities appeared to be circulating only to agents in smaller regional cities. By Thursday, university sources confirmed some reports had expanded to include Beijing and Shanghai'. Group of Eight chief executive Vicki Thomson says of the situation, 'There is definitely something afoot... But we've had no official notification from anybody'.⁶⁷

61 Perry Williams, 'China spat fells Woodside LNG plan', *The Australian*, February 18 2021 <<https://www.theaustralian.com.au/business/mining-energy/china-spat-fells-woodside-lng-plan/news-story/a42856203f46463764f08b2bf091b235>>.

62 Angela Macdonald-Smith, 'China fallout hits Woodside Scarborough gas sale', *Australian Financial Review*, November 11 2020 <<https://www.afr.com/companies/energy/china-fallout-hits-woodside-scarborough-gas-sale-20201111-p56dmy>>.

63 Import and Export Food Safety Bureau, '2021年1月进出口食品安全(Information on non-entry food and cosmetics nationwide as of January 2021)', February 22 2021 <<http://jckspj.customs.gov.cn/spj/zwgk75/2706876/wzrjdspxx57/3552822/index.html>>.

64 Melanie Groves and Angel Parsons, 'Queensland coral trout exports latest victim of trade war with China', *ABC News*, November 19 2020 <<https://www.abc.net.au/news/2020-11-19/coral-trout-latest-victim-of-trade-war-with-china/12895532>>.

65 Charlie McKillop, 'China pulls the plug on Australia's biggest live reef fish exporter', *ABC News*, February 25 2021 <<https://www.abc.net.au/news/rural/2021-02-25/coral-trout-rout-as-china-pulls-plug-on-export-licence/13190640>>.

66 Julie Hare, 'Chinese students told not to study in Australia', *The Australian Financial Review*, February 25 2021 <<https://www.afr.com/policy/health-and-education/chinese-students-told-not-to-study-in-australia-20210225-p5751>>.

67 Lisa Visentin and Eryk Bagshaw, 'Universities brace for Chinese student hit after COVID', *The Sydney Morning Herald*, February 27 2021 <<https://www.smh.com.au/politics/federal/universities-brace-for-chinese-student-hit-after-covid-20210226-p5764m.html>>.

March

March 9

Australian Minister for Industry, Science and Technology Karen Andrews accepts the Anti-Dumping Commission's recommendations, made on February 8 to continue to impose anti-dumping measures applying to hollow structural sections exported to Australia from the PRC, Korea, Malaysia and Taiwan. The inquiry had commenced on September 25 2019. Measures along these lines have been in place since July 3 2012. Rates on hollow structural sections from the PRC range from 3.6 – 45.6 percent.⁶⁸

March 17

Australia's Anti-Dumping Commission terminates an anti-dumping investigation into aluminium micro-extrusions exported to Australia from two PRC companies, Guangdong Jiangsheng Aluminium Co Ltd and Guangdong Zhongya Aluminium Co Ltd.⁶⁹ Initiated in February 17 2020, the investigation concludes that there had been no dumping by either company.

March 24

The ABC reports that 28 Australian businesses exporting hay to the PRC are awaiting renewals of their permits, which expired at the end of February.⁷⁰ The general manager of Australia's largest hay exporter, Gilmac, states that although applications were made to the PRC's GACC about six months ago, '[t]o date, the registrations have not been renewed.' He noted that three companies are still exporting to the PRC, with their licences not set to expire until 2023.

March 26

The PRC's MOFCOM concludes its anti-dumping⁷¹ and anti-subsidy investigations⁷² into wine imports from Australia, which had commenced on August 18 2020 and August 31 2020, respectively. Having imposed interim tariffs towards the end of 2020, the MOFCOM decision locks in five-year anti-dumping duties ranging from 116.2 to 218.4 percent (an

increase from the preliminary imposition of duties between 107.1 to 212.1 percent on November 28 2020) and anti-subsidy duties ranging from 6.3 to 6.4 percent (consistent with the preliminary imposition of duties on December 12 2020). The duties, applied to containers of two litres or less, will come into effect March 28 2021.

March 29

According to PRC Customs data released today, in the month of February 2021, 2.6 tonnes of wine from South Australian wine supplier Lindsdale Pty Ltd and 8.6 tonnes of wine from Paspaley Group's Bunnamagoo Estate in New South Wales were rejected at ports in Shenzhen, by alleged reasons of excessive use of additives and bad labelling, respectively.⁷³

April

April 20

Australia's largest hay exporter Gilmac tells the ABC that it will be buying about 60 percent less hay from Australian farmers this year due. PRC Customs have yet to renew 25 of 28 expired Australian hay export licenses which expired in February (see March 24 2021 entry). According to Gilmac's chief executive, the industry was buying less hay because of the loss of the PRC market.⁷⁴

Australian hay exports to the PRC are worth \$160 million a year and account for approximately 30 percent of total exports.

April 20

Latest data released by the PRC's Bureau of Import and Export Food Safety for the month of March 2021 lists list products that did not pass inspection and have been refused entry into the PRC.⁷⁵ These products include:

- 1,010,600 kilograms of oats from CBH Grain at the port of Shantou, alleging the carrying of pests.
- 7,434 litres of Shiraz from Lindsdale Australia at the port of Shenzhen, alleging bad labelling.

68 Australian Department of Industry, Science, Energy and Resources, 'Review – Dumping and Subsidisation, Hollow structural sections from China, Korea, Malaysia, Taiwan and Thailand', March 9 2021 <<https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-current-cases/529>>.

69 Australian Department of Industry, Science, Energy and Resources, 'Investigation – Dumping, Aluminium extrusions from China' March 17 2021 <<https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-current-cases/542>>.

70 Belinda Varischetti and Joanna Prendergast, 'Australian hay growers brace for China hit as export permits lapse amid trade tensions', ABC News, March 24 2021 <<https://www.abc.net.au/news/2021-03-24/hay-china-permits-lapse/100023200>>.

71 Ministry of Commerce People's Republic of China, 'Ministry of Commerce announcement no. 6 of 2021 announcement on the final decision of the anti-dumping investigation into import-related wines originating in Australia', March 26 2021 <<http://www.mofcom.gov.cn/article/zwgk/zcfb/202103/20210303047613.shtml>>.

72 Ministry of Commerce People's Republic of China, 'Ministry of Commerce announcement no. 7 of 2021 announcement on the final decision of the countervailing investigation into import-related wines originating in Australia', March 26 2021 <<http://www.mofcom.gov.cn/article/zwgk/zcfb/202103/20210303047618.shtml>>.

73 Import and Export Product Safety Bureau of the General Administration of Customs of the People's Republic of China, '未准入境的食品信息 (food information that is not allowed to enter the country)', February 2021 <<http://jckspj.customs.gov.cn/spj/zwgk75/2706876/wzrjdspxx57/3598681/index.html>>.

74 Lucas Forbes, 'Exporters drop Aussie hay demand due to China trade woes', ABC News, April 20 2021 <<https://www.abc.net.au/news/2021-04-20/china-export-problem-hits-hay-demand/100081272>>.

75 Import and Export Food Safety Bureau, '2021年3月全国未准入境食品化妆品信息 (Information on non-entry food and cosmetics nationwide as of March 2021)', April 20 2021 <<http://jckspj.customs.gov.cn/spj/zwgk75/2706876/wzrjdspxx57/3629158/index.html>>.

April 21

Australian Minister for Foreign Affairs, Marise Payne announces⁷⁶ the Australian government's decision to cancel two agreements between the Victorian state government and the PRC on the Belt and Road Initiative (BRI) under Australia's Foreign Arrangements Scheme, which had commenced on December 10 2020.⁷⁷ These were:

- A memorandum of understanding on BRI cooperation, signed on October 8 2018: 'Memorandum of Understanding between the Government of Victoria and the National Development and Reform Commission of the People's Republic of China on Cooperation within the Framework of the Silk Road Economic Belt and the 21st Century Maritime Silk Road Initiative'. and;
- A framework agreement on BRI promotion, signed on October 23 2019: 'Framework Agreement between the Government of Victoria and the National Development and Reform Commission of the People's Republic of China on Jointly Promoting the Framework of the Silk Road Economic Belt and the 21st Century Maritime Silk Road'.

May

May 6

The PRC's NDRC indefinitely suspends the China-Australia Strategic Economic Dialogue, a high-level forum for bilateral exchange on economic issues, stating:⁷⁸

Recently, some Australian Commonwealth Government officials launched a series of measures to disrupt the normal exchanges and cooperation between China and Australia out of Cold War mindset and ideological discrimination. Based on the current attitude of the Australian Commonwealth Government toward China-Australia cooperation, the National Development and Reform Commission of the People's Republic of China decides to indefinitely suspend all activities under the framework of the China-Australia Strategic Economic Dialogue.

76 Marise Payne, 'Decisions under Australia's Foreign Arrangements Scheme', media release, April 21 2021 <<https://www.foreignminister.gov.au/minister/marise-payne/media-release/decisions-under-australias-foreign-arrangements-scheme>>.

77 Australian Department of Foreign Affairs and Trade, Foreign Arrangements Scheme, <<https://www.foreignarrangements.gov.au/>>.

78 National Development and Reform Commission (国家发展改革委), 'Proclamation of the National Development and Reform Commission of the People's Republic of China on the indefinite suspension of all activities under China-Australia Strategic Economic Dialogue (国家发展改革委关于无限期暂停中澳战略经济对话机制下一切活动的声明)', May 6 2021 <https://www.ndrc.gov.cn/xwdt/xwfb/202105/t20210506_1279171.html>.

The inaugural Strategic Economic Dialogue was held in Beijing in June 2014,⁷⁹ between the Australian Minister for Trade and Investment and the Treasurer, and the Chairman of the NDRC. Australia and the PRC have held three rounds of talks since the Dialogue's inception, with the last Dialogue being held in September 2017.⁸⁰

May 8

The head of Frutico, Western Australia's largest table grape grower, tells the ABC that the company's product, which usually clears PRC customs in a day or two, was being held for weeks at PRC ports for weeks: 'Our importers are basically saying that there is definitely a concerted effort from [PRC] customs and other people to target these shipments, but no real reasons officially. They are slowing it down, apparently looking for COVID, looking or all sorts of things – just delay tactics to push it out'.⁸¹ Australian table grape exports to the PRC are worth \$300 million a year, with the PRC market receiving 44 percent of Australian table grape exports.

May 10

At least two second-tier liquefied natural gas (LNG) importers in the PRC reportedly receive verbal notices from authorities to avoid purchasing additional LNG from Australia for delivery over the next year.⁸² Similar directives have not as yet been issued to first-tier state-owned LNG importers which carry out 90 percent of purchases.

Australian LNG exports to the PRC were worth \$13 billion last year, representing more than 40 percent of the PRC's total LNG imports.⁸³

May 28

Australian Trade Minister Dan Tehan and Agriculture Minister David Littleproud, announce the Australian government's intention to ask the WTO to establish a dispute settlement panel to resolve concerns about anti-dumping and countervailing duties imposed on Australian barley by the PRC, after having formally taken the case to the WTO on December 16 2020.⁸⁴

79 Australian Department of Foreign Affairs and Trade, 'Background paper: The Australia-China trade and investment relationship', <<https://www.dfat.gov.au/trade/agreements/in-force/chafta/negotiations/Pages/background-paper-the-australia-china-trade-and-investment-relationship>>.

80 Scott Morrison and Steven Ciobo, 'Strategic economic dialogue with China', joint media release, September 15 2017 <<https://ministers.treasury.gov.au/ministers/scott-morrison-2015/media-releases/strategic-economic-dialogue-china>>.

81 Lucinda Jose, 'Fears for \$300m table grape trade as exports held up in China amid rumours of unofficial ban', ABC News, May 8 2021 <<https://www.abc.net.au/news/rural/2021-05-07/wa-table-grapes-help-up-at-chinese-ports/100124360>>.

82 Stephen Stapczynski, 'China targets some Australian LNG as trade dispute widens', Bloomberg, May 10 2021 <<https://www.bloomberg.com/news/articles/2021-05-10/china-targets-some-australian-ling-cargoes-as-trade-spat-widens>>.

83 Stephen Stapczynski, 'China targets some Australian LNG as trade dispute widens', Bloomberg, May 10 2021 <<https://www.bloomberg.com/news/articles/2021-05-10/china-targets-some-australian-ling-cargoes-as-trade-spat-widens>>.

84 Dan Tehan, 'WTO panel to be established in barley dispute', joint media release, May 28 2021 <<https://www.trademinister.gov.au/minister/dan-tehan/media-release/wto-panel-be-established-barley-dispute>>.

The next step in the WTO process is the appointment of individuals to the panel to adjudicate the dispute. The dispute settlement panel will then review the factual and legal aspects of the case and submit a report to the WTO's Dispute Settlement Body (DSB). If the panel concludes the claims are 'well founded and there have been breaches by a Member of WTO obligations, it makes a recommendation for implementation by the respondent.'⁸⁵

The WTO dispute settlement process can last anywhere from two to four years.

June

June 7

One of Western Australia's largest citrus producers, AGRIFresh, is reported to be experiencing delays in the processing of its fruit at PRC ports. AGRIFresh's director said, 'This season, I think, with a lot of international pressures especially with the relationship between China and Australia – has put a lot of pressure on the domestic market. We're not seeing a lot of containers exported to China this year compared to previous years.'⁸⁶

June 8

Trade Minister Dan Tehan says in an interview, 'Citrus growers have raised with me some concerns that they've had with regard to landing product in China' and that Australian officials 'continue to explore with Chinese officials what's going on and what we need to do to address those issues'. He notes that as yet there is 'nothing official' in terms of a PRC ban on Australian citrus.'⁸⁷

June 19

Trade Minister Dan Tehan and Agriculture Minister David Littleproud, announce that the Australian government will take action in the WTO over the PRC's imposition of anti-dumping duties on Australian wine but also remain 'open to engaging directly with China to resolve this issue.'⁸⁸

This follows the PRC's MOFCOM decision on March 26 2021 to lock in anti-dumping and anti-subsidy duties on Australian wine over five years.

June 24

The PRC's MOFCOM announces that it has 'filed a lawsuit against Australia for anti-dumping and countervailing measures against imports of railway wheels, wind towers and stainless-steel sink products from China under the WTO dispute settlement mechanism.'⁸⁹

Australian measures applying to wind towers and stainless-steel sinks have been in place since 2014 and 2015 respectively, and measures applying to railway wheels since 2019.

Australia's anti-dumping measures on wind towers apply to imports from the PRC and South Korea. Tariff margins range from 15 – 15.6 percent and 17.2 – 18.8 percent, respectively.⁹⁰ Anti-dumping and anti-subsidisation tariff margins on imports of stainless-steel sinks from the PRC range from 3.3 – 49.5 percent.⁹¹ Australia's anti-dumping measures on railway wheels apply to the PRC and France. Tariff margins are 17.4 percent and 37.2 percent, respectively.⁹²

Trade Minister Dan Tehan responded to the PRC's announcement saying, 'China has the right to take this action but Australia will be vigorously defending our system.'⁹³

June 30

It is reported Australia's Foreign Investment Review Board approved the acquisition of an additional stake in Sydney office tower Grosvenor Place by China Investment Corporation, a PRC sovereign wealth fund, for \$925 million, bringing its ownership of the building to 75 percent.⁹⁴ The deal, struck in November last year, was 'the biggest single commercial deal [in 2020]'.⁹⁵

85 World Trade Organization, 'WTO Bodies involved in the dispute settlement process' <https://www.wto.org/english/tratop_e/dispu_e/dispu_settlement_cbt_e/c3s3p1_e.htm>

86 Joanna Prendergast, 'Slow processing in Chinese ports sees oversupply of citrus in Australian markets', *ABC News*, June 7 2021 <<https://www.abc.net.au/news/2021-06-07/slow-citrus-exports-to-china-lead-to-domestic-oversupply/100192086>>

87 Dan Tehan, 'Interview on ABC SA Country Hour', Media transcript, June 8 2021 <<https://www.trademinister.gov.au/minister/dan-tehan/transcript/interview-abc-sa-country-hour>>

88 Dan Tehan, 'WTO action to defend Australia's wine makers', Joint media release, June 19 2021 <<https://www.trademinister.gov.au/minister/dan-tehan/media-release/wto-action-defend-australias-wine-makers>>

89 Ministry of Commerce Peoples Republic of China, '中国在世贸组织起诉澳大利亚相关倾销和反补贴措施 (China is suing Australia at the WTO for anti-dumping and countervailing measure)', June 24 2021 <<http://www.mofcom.gov.cn/article/news/202106/20210603161215.shtml>>

90 Australian Department of Industry, Science, Energy and Resources, 'Investigation – Wind towers from China, Korea', April 16 2014 <<https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-archive-cases/epr-221>>

91 Australian Department of Industry, Science, Energy and Resources, 'Investigation – Deep drawn stainless steel sinks from China', March 26 2015 <<https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-archive-cases/epr-238>>

92 Department of Industry, Science, Energy and Resources, 'Investigation – Dumping and Subsidisation, railway wheels from China, France', July 15 2019 <<https://www.industry.gov.au/regulations-and-standards/anti-dumping-and-countervailing-system/anti-dumping-commission-archive-cases/466>>

93 Daniel Hurst, 'Australia vows to 'vigorously defend' itself against China WTO complaint', *The Guardian*, June 24 2021 <<https://www.theguardian.com/australia-news/2021/jun/24/australia-vows-to-vigorously-defend-itself-against-china-wto-complain>>

94 Cheryl Archibal, 'Canberra gives go-ahead for China Investment Corporation to buy bigger stake in Sydney's iconic Grosvenor Place tower', *South China Morning Post*, July 7 2021 <<https://www.scmp.com/property/international/article/3139978/canberra-gives-go-ahead-china-investment-corporation-buy>>

95 Ingrid Fuayr-Wagner, 'Chinese investor CIC swoops on \$925m Dexus asset', *Australian Financial Review*, November 18 2020 <<https://www.afr.com/property/commercial/chinese-investor-cic-swoops-on-925m-dexus-asset-20201118-p56fks>>

July

July 7

Australian Treasurer Josh Frydenberg tells a press conference that he had ‘increasingly seen foreign investment applications [from the PRC] that are being pursued not necessarily for commercial objectives but strategic objectives’ and as such has rejected applications ‘that in the past may have been approved.’⁹⁶

July 7

That the economic relationship with Australia is being wielded by Beijing as a tool to communicate political dissatisfaction is explicitly acknowledged by a PRC Foreign Ministry spokesperson:⁹⁷

We will not allow any country to reap benefits from doing business with China while groundlessly accusing and smearing China and undermining China's core interests based on ideology.

Beijing has previously tended to leave political motivations fuelling decisions on trade vis-à-vis Australia unexpressed, relying on technical justifications. Labelling Australia ‘a cat's paw’ for the US, the spokesperson states that ‘it is the people that pay for misguided government policies.’

July 16

A KPMG/University of Sydney report released today shows that PRC investment in Australia fell to a 14-year low in 2020, decreasing by 26.8 percent when compared to 2019 levels. The number of completed deals had more than halved, from 42 in 2019 down to 20.⁹⁸

July 16

Latest data released by the PRC's Bureau of Import and Export Food Safety for the month of June 2021 lists products that did not pass inspection and have been refused entry into the PRC.⁹⁹ Significant rejections include:¹⁰⁰

- 141,356 kg of meat (beef and lamb) were barred from entering the PRC due to reasons alleging bad labelling and failure to meet inspection requirements. Affected companies include JBS Australia, Stanbroke Beef, Fletcher International, G&K O'Connor and Thomas Foods International.

July 28

Former prime minister Tony Abbott tells a British think tank that in his view it would be unlikely that ChAFTA, which entered into force in 2015 under his prime ministership, would be signed today: ‘I can't imagine that China and Australia would contemplate concluding a trade deal today...because it is hard to trust a country that uses spurious pretexts to block our exports to punish policy positions it doesn't like’.¹⁰¹

August

August 25

The Australian reports that since 2019 the PRC Ministry of Education has not approved any Australian university to set up a joint course with a PRC university counterpart, while partnerships proceed with the US, the UK, Canada, France Germany and New Zealand. As the paper notes, joint courses ‘are very popular and used by universities in many countries to build their student market in China’.¹⁰² A representative of a group which helps Australian universities establish joint courses in the PRC said, ‘We had no choice but to ally with institutional partners in North America and Europe. By contrast [with Australia], our US programs do not have any problem in gaining approval.’¹⁰³

September

September 3

The WTO Director-General appoints a three-person panel to address Australia and the PRC's dispute over barley subsidies, Australia having taken action in the WTO over the PRC's imposition of anti-dumping and countervailing duties on Australian barley exports on December 16 2020. With the two countries unable to agree on the panel makeup, the Australian government had submitted a request to the Director-

96 Treasury, ‘Doorstop interview, Parliament House, Canberra’, July 7 2021 <<https://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/transcripts/doorstop-interview-parliament-house-canberra-46>>.

97 Embassy of the People's Republic of China in the Commonwealth of Australia, ‘Chinese Foreign Ministry Spokesperson's Remarks’, July 7 2021 <http://au.china-embassy.org/eng/sgdxwfb_1/t1890159.htm>.

98 KPMG, The University of Sydney, ‘Demystifying Chinese Investment in Australia: July 2021’, Demystifying Chinese Investment in Australia, July 16 2021 <<https://home.kpmg/au/en/home/insights/2021/07/demystifying-chinese-investment-in-australia-july-2021.html>>.

99 Import and Export Food Safety Bureau, ‘2021年6月全国未准入境食品化妆品信息 (Information on non-entry food and cosmetics nationwide as of June 2021)’, July 16 2021 <<http://jckspj.customs.gov.cn/spj/zwgk75/2706876/wzrjdspxx57/3769066/index.html>>.

100 Note: Australia-China Relations Institute research shows that in 2019 and 2020, Australian beef exports to the PRC were rejected less by weight (tonnes) than other major beef exporting nations, including Brazil, Argentina, New Zealand and Uruguay. See Thomas Pantle, [Thomas Pantle, *The PRC's use of border blocks on food and beverage imports: Quantifying Australia's position*, Australia-China Relations Institute, April 9 2021 <<https://www.australiachinarelations.org/content/prc%E2%80%99s-use-border-blocks-food-and-beverage-imports-quantifying-australia%E2%80%99s-position>>.

101 Latika Bourke, ‘I wouldn't sign a China trade deal now: Tony Abbott’, *The Sydney Morning Herald*, July 28 2021 <<https://www.smh.com.au/world/europe/i-wouldn-t-sign-a-china-trade-deal-now-tony-abbott-20210728-p58dif.html>>.

102 Tim Dodd, ‘Beijing puts Australian universities in the deep freeze’, *The Australian*, August 25 2021 <<https://www.theaustralian.com.au/higher-education/beijing-puts-australian-universities-in-the-deep-freeze/news-story/2e0e32b89f75200c3ee98b01692e9cf5>>.

103 Ibid.

General to determine the composition of the panel on August 25 2021.¹⁰⁴

September 6

Australian Treasurer Josh Frydenberg in an address to the Australian National University's Crawford Leadership Forum encourages businesses to adopt a 'China plus' strategy' in order to 'prepare for and manage' heightened strategic competition. While acknowledging that '[m]any [Australian businesses] have worked hard to access the lucrative Chinese market', that '[t]his has brought great benefits to them and Australia overall', and noting that 'they should continue to pursue these opportunities where they can', the Treasurer warns 'there will be times when we must pay a 'premium' to protect our economy and ensure our long-term economic resilience'.¹⁰⁵

September 10

The Economic and Commercial Office of the Embassy of the PRC in Australia lobbies Canberra to join the 11 country¹⁰⁶ Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) via a submission to an Australian parliamentary inquiry into expanding CPTPP membership. The submission makes the case that '[t]he Chinese economy and the Australian economy are highly complementary with enormous potential in cooperation'.¹⁰⁷

September 16

The PRC formally applies to join the CPTPP, with a written request lodged with New Zealand, the official depository for the agreement.¹⁰⁸ Unanimous support of the pact's members will be required for admission.

September 16

Australian Trade Minister Dan Tehan announces that Canberra has requested the WTO establish a dispute settlement panel to adjudicate anti-dumping duties imposed on Australian wine by the PRC, after

having formally taken the case to the WTO on June 19 2021.¹⁰⁹

September 17

Australian Trade Minister Dan Tehan states in an interview that for the PRC to join the CPTPP, ministerial engagement between the countries would have to resume. He says further:¹¹⁰

...CPTPP Parties would want to be confident that the candidate would meet, implement and adhere to the high standards of the agreement and has a track record of compliance with its commitments in the WTO and existing trade agreements which it is party to.

CPTPP Parties would also want to be confident that an accession candidate would fully implement its commitments under the Agreement in good faith.

September 23

Taiwan formally applies to join the CPTPP.¹¹¹

September 24

Australian Trade Minister Dan Tehan says that 'Australia will work with the CPTPP membership to consider Taiwan's application on a consensus basis', and *The Australian* reports that 'a senior diplomatic source involved in the process [said] that Australia, Japan and Canada...had been in discussions exploring a path for Taiwan's entry'.¹¹²

A PRC Foreign Ministry spokesperson during a press conference states that the PRC 'firmly opposes official interactions between any country and the Taiwan region, and firmly rejects Taiwan's accession to any agreement or organisation of official nature'.¹¹³

September 27

The PRC blocks Australia's first request to establish a panel to examine the PRC's imposition of anti-dumping on imported Australian wine at a meeting of the WTO's Dispute Settlement Body (DSB). Australia had claimed the measures were inconsistent with various provisions under the WTO's Anti-Dumping Agreement and the General Agreement on Tariffs

104 World Trade Organization, 'China – anti-dumping and countervailing duty measures on barley from Australia', Note by the Secretariat, September 6 2021 <<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/DS/598-6.pdf&Open=True>>.

105 Josh Frydenberg, 'Building resilience and the return of strategic competition', speech, Australian National University Crawford Leadership Forum, September 6 2021 <<https://joshfrydenberg.com.au/latest-news/building-resilience-and-the-return-of-strategic-competition/>>.

106 Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

107 Parliament of Australia, Inquiry into expanding membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership – Submissions received by the Committee, submission no. 69 – The Embassy of the People's Republic of China, Joint Standing Committee on Foreign Affairs, Defence and Trade, September 15 2021 <https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/CPTPPMembership/Submissions>.

108 Ministry of Commerce of the People's Republic of China, '中方正式提出申请加入《全面与进步跨太平洋伙伴关系协定》(CPTPP)' (China formally applied to join the Comprehensive and Progressive Trans-Pacific Partnership Agreement (CPTPP)), September 16 2021 <<http://www.mofcom.gov.cn/article/news/202109/20210903199707.shtml>>.

109 Dan Tehan, 'Next step in WTO process to support Australia's wine industry', media release, September 16 2021 <<https://www.trademinister.gov.au/minister/dan-tehan/media-release/next-step-wto-process-support-australias-wine-industry>>.

110 Michael Smith, 'Australia places demands on China's bid to join Pacific trade bloc', *The Australian Financial Review*, September 17 2021 <<https://www.afr.com/world/asia/china-applies-to-join-pacific-trade-bloc-as-security-tensions-rise-20210917-p58sgv>>.

111 'Taiwan applies to join Pacific trade pact week after China', *Reuters*, September 23 2021 <<https://www.reuters.com/world/asia-pacific/taiwan-applies-join-pacific-trade-pact-cptpp-official-news-agency-2021-09-22/>>.

112 Will Glasgow, 'Beijing barks as Australia, Japan, Canada support Taiwan CPTPP bid', *The Australian*, September 24 2021 <<https://www.theaustralian.com.au/world/taiwan-launches-tp-trade-pitch-after-china/news-story/be691d5452ace95f392b1ed3b8ab7608>>.

113 Ministry of Foreign Affairs of the People's Republic of China, 'Foreign Ministry Spokesperson Zhao Lijian's Regular Press Conference', September 23 2021 <https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1909182.shtml>.

and Trade 1994. The PRC maintained the duties were in line with WTO rules and said they believed it was still premature to establish a panel to rule on the dispute.¹¹⁴

October

October 5

Reports emerge that the PRC has allowed some Australian coal to be unloaded at its ports to address widespread power cuts in the country stemming from a coal shortage.^{115,116} Australian coal has been subject to an unofficial import ban since October 2020, when state-owned utilities, steel mills and power stations received verbal notice from PRC authorities to stop importing Australian thermal and coking coal¹¹⁷ and ports verbally instructed to stop offloading Australian coal.¹¹⁸ An industry source estimates that one million tonnes of Australian coal 'had stayed in bonded warehouses along China's coast, uncleared by customs, since Beijing's unofficial ban was imposed'.¹¹⁹

October 18

Brisbane-based meatworks company Australian Country Choice (ACC) is alerted by the Department of Agriculture Water and Environment (DAWE) that its trade to the PRC would be suspended from October 18. It is the ninth Australian abattoir to be suspended from trading with the PRC, and the first since December last year.

According to a statement made by ACC, PRC authorities had claimed that 'frozen product received in China... failed a random sampling test for chloramphenicol on beef products inspected at the entry port of Ningbo'.¹²⁰ ACC noted that:

Random product testing that could identify this drug is also conducted at other ports of entry to the EU, Korea and Japan, among others. DAWE has advised ACC that it has not received any

recent advice of detections from import agencies in these markets.

Australian Agricultural Minister David Littleproud said that 'despite information being provided to Chinese authorities and our efforts at a government, departmental, diplomatic and counsellor level, suspensions remain in place' for the nine abattoirs.

October 20

The WTO starts its eighth periodic review of the trade policies and practices of the PRC.¹²¹ The review, to be conducted on October 20 and 22, invites the PRC's trading partners to contribute official statements about its policies.

Australia's statement 'welcomed China's growth for the better economic outcomes and standard of living it delivers to the people of China, across the Indo-Pacific and 'around the globe', recognising the PRC's 'efforts to engage actively in WTO rulemaking' in addition to other contributions to WTO initiatives.¹²²

At the same time, Australia's statement noted that 'since its last Review (2018), China has increasingly tested global trade rules and norms by engaging in practices that are inconsistent with its WTO commitments. Australia is one of numerous WTO Members that has experienced this first-hand', outlining the trade disruptive measures which have targeted Australian products. The statement said that 'there is a growing body of information that demonstrates China's actions are motivated by political considerations'. It also observed 'there is a growing gap between China's rhetoric and its actions.'

Statements by the US,¹²³ EU,¹²⁴ Japan, India and South Korea, amongst others, also expressed concern about elements of the PRC's trade policies and practices.¹²⁵

October 21

Hong Kong's new Commissioner of Customs and Excise, Louise Ho Pui-shan, characterises the smuggling of Australian lobsters to mainland China

114 World Trade Organization, 'Panels established to review steel duties in China, food import measures in Panama', News and events, September 27 2021 <https://www.wto.org/english/news_e/news21_e/dsb_27sep21_e.htm>.

115 Primrose Riordan and Neil Hume 'China unloads Australian coal despite import ban amid power shortage', *The Australian Financial Review*, October 5 2021 <<https://www.afr.com/world/asia/china-unloads-australian-coal-despite-import-ban-amid-power-shortage-20211005-p58xgk>>.

116 Chen Aizhu, 'China turns to stranded Australian coal to combat power crunch-trade', *Reuters*, October 6 2021 <<https://www.reuters.com/world/asia-pacific/china-turns-stranded-australian-coal-combat-power-crunch-trade-2021-10-05/>>.

117 Jenna Ma and Jessie Li, 'Chinese state-owned end-users given verbal notice to stop importing Australian coal: sources', *S&P Global Platts*, October 9 2020 <<https://www.spglobal.com/platts/en/market-insights/latest-news/coal/100920-chinese-state-owned-end-users-given-verbal-notice-to-stop-importing-australian-coal-sources>>.

118 James Thornhill and David Stringer, 'Australia seeks confirmation of reported China coal import ban', *Aljazeera*, October 13 2020 <<https://www.aljazeera.com/economy/2020/10/13/australia-seeks-confirmation-of-reported-china-coal-import-ban>>.

119 Reuters/ABC, 'China turns to stranded Australian coal to combat power crunch', *ABC News*, October 6 2021 <<https://www.abc.net.au/news/2021-10-06/china-turns-to-stranded-australian-coal-to-combat-power-crun/100518440>>.

120 Kath Sullivan and Amy Phillips, 'Brisbane's Australian Country Choice meatworks suspended from exports to China', *ABC News*, October 20 2021 <<https://www.abc.net.au/news/2021-10-20/acc-abattoir-banned-from-china/100553004>>.

121 World Trade Organization, 'Trade Policy Review: China', October 20 & 22 2021 <https://www.wto.org/english/tratop_e/tpr_e/tp515_e.htm>.

122 Australian Department of Foreign Affairs and Trade, 'WTO Trade Policy Review of China trade 2021 - Australia statement', October 20 2021 <<https://www.dfat.gov.au/trade/organisations/wto/trade-monitoring-and-reviews/wto-trade-policy-review-china-trade-2021-australia-statement>>.

123 Office of the United States Trade Representative, 'Statement by David Bisbee, Charge d'Affaires, a.i., on the Trade Policy Review of the People's Republic of China', October 20 2021 <<https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/october/statement-david-bisbee-charge-daffaires-ai-trade-policy-review-peoples-republic-china>>.

124 Permanent Mission of the European Union to the World Trade Organization (WTO), 'EU Statement at the 8th Trade Policy Review of China', October 20 2021 <[https://www.politico.com/news/2021/10/21/wto-china-20th-anniversary-trade-policy-516647](https://eeas.europa.eu/delegations/world-trade-organization-wto_en/105931/EU%20Statement%20at%20the%208th%20Trade%20Policy%20Review%20of%20China,%202020%20October%202021%3E,%20General%20Country%20statements%20%3Chttps://www.politico.com/news/2021/10/21/wto-china-20th-anniversary-trade-policy-516647)>.

125 Doug Palmer, 'WTO members blast China during 20th anniversary trade policy review', *Politico*, October 21 2021 <<https://www.politico.com/news/2021/10/21/wto-china-20th-anniversary-trade-policy-516647>>.

as a threat to national security, citing a recent seizure of lobster as an example. She says.¹²⁶

On the face of it, it's just a normal smuggling case, smuggling lobsters. But actually these smuggling activities would undermine the country's trade restrictions on Australia. Therefore, tackling lobster smuggling activities is an important task in safeguarding national security.

The Australian media had reported on November 1 last year that the PRC's GACC was delaying imports of Australian live lobster.¹²⁷ Then–Trade Minister Simon Birmingham confirmed on November 2 that '[the PRC's GACC] have actually now imposed an inspection of all quantities, from 50 to 100 percent I should say, of rock lobster that's going into China'.¹²⁸

Since then, trade data show that Australian lobster exporters had been able to send their produce to Hong Kong, which then made its way to the PRC mainland.¹²⁹

October 25

Australian media reports that the Australian Department of Foreign Affairs and Trade has begun work on a plan to diversify foreign investment 'to compensate for a rapid decline in foreign investment [FDI] from China', with a focus on Japan, South Korea, Singapore, Germany, Spain and France. Australian Trade Minister Dan Tehan states that FDI needed to be diversified the 'same way that we've been seeking to do so with our trade, goods and services'.¹³⁰

According to the Australian Bureau of Statistics, in 2020, the US and the UK accounted for 23.4 and 18.5 percent of FDI respectively, while the PRC accounted for two percent.¹³¹

October 26

Australia submits a second request to the WTO's Dispute Settlement Body (DSB) for the establishment of a panel to examine the PRC's imposition of anti-

dumping and countervailing duties on imported wine from Australia, which is agreed to by the DSB.¹³²

The PRC states it 'will vigorously defend its legitimate measures in the proceedings and is confident they are consistent with relevant WTO rules.'

Australia's first request was blocked by the PRC at the WTO's DSB meeting on September 27.¹³³

October 28

In a response to statements issued by WTO Member countries during the WTO's eighth periodic review of the PRC's trade policies and practices over October 20 and 22, PRC Vice-Minister for Commerce Wang Shouwen noted that the articulated concerns are better characterised as a 'wish list' for the PRC, rather than a fair assessment of existing policies. He says, 'It is unfair, unreasonable and unacceptable to make China fulfil obligations beyond the WTO under the remit of the WTO'.¹³⁴

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126 RTHK, 'National security top priority for new customs chief', *Radio Television Hong Kong*, October 21 2021 <<https://news.rthk.hk/rthk/en/component/k2/1616274-20211021.htm>>.

127 Nick Bonyhady, Eryk Bagshaw and Benjamin Preiss, 'Australia lobster exports feared latest victim of China tensions', *The Sydney Morning Herald*, November 1 2020 <<https://www.smh.com.au/politics/federal/australian-lobster-exports-feared-latest-victim-of-china-tensions-20201101-p56ak0.html>>.

128 David Littleproud, 'Interview with ABC TV Breakfast', transcript, November 2 2020 <<https://minister.homeaffairs.gov.au/davidlittleproud/Pages/interview-abc-tv-breakfast-20201102.aspx>>.

129 James Laurenceson and Thomas Pantle, 'Australia's export exposure to China: Assessing the costs of disruption', Australia-China Relations Institute, University of Technology Sydney, September 9 2021 <<https://www.austliachinarelations.org/content/australia%E2%80%99s-export-exposure-china-assessing-costs-disruption>>.

130 Anthony Galloway and Shane Wright, 'Australia's plan to boost foreign investment without focusing on China', *The Sydney Morning Herald*, October 25 2021 <<https://www.smh.com.au/politics/federal/australia-s-plan-to-boost-foreign-investment-without-focusing-on-china-20211022-p592cd.html>>.

131 Australian Bureau of Statistics, 'International Investment Position, Australia: Supplementary Statistics', May 5 2021 <<https://www.abs.gov.au/statistics/economy/international-trade/international-investment-position-australia-supplementary-statistics/latest-release>>.

132 World Trade Organization, 'Panel established to examine Chinese duties on imported Australian wine', News and events, October 26 2021 <https://www.wto.org/english/news_e/news21_e/dsb_26oct21_e.htm>.

133 World Trade Organization, 'Panels established to review steel duties in China, food import measures in Panama', News and events, September 27 2021 <https://www.wto.org/english/news_e/news21_e/dsb_27sep21_e.htm>.

134 Orange Wang, 'China takes aim at US and its allies over 'unreasonable' claims at WTO trade review', *South China Morning Post*, October 29 2021 <<https://www.scmp.com/economy/china-economy/article/3154036/china-takes-aim-us-and-its-allies-over-unreasonable-claims>>.