

# The Australia-PRC trade and investment relationship: 2022 timeline

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While a change of government in Australia halfway through the year marked the beginning of a political thaw between Canberra and Beijing, the series of formal and informal trade bans put in place by the People's Republic of China (PRC) against Australian exports over 2020-2021 remained firmly in place in 2022.

This factsheet records key developments in, and statements of note about, the trade and investment relationship between Australia and the PRC in 2022. It lays out:

- significant occurrences in relation to bilateral trade;
- successful and unsuccessful foreign investment bids and partnerships;
- progress in cases brought by Australia against the PRC in the World Trade Organization and vice versa;
- actions undertaken by Australia's Anti-Dumping Commission;
- pertinent statements and comments by members of the Australian government and opposition and by PRC officials; and
- observations by Australian peak bodies in sectors impacted by Beijing's trade disruptions, among other points.

## January 2022

January 13

The PRC submits its first request for the establishment of a World Trade Organization (WTO) panel to examine Australia's decision to 'impose anti-dumping duties on imports of wind towers, stainless steel sinks and certain railway wheels from China as well as countervailing measures on imports of stainless steel sinks', contending that Australia had not properly taken into account 'the costs of production associated with... the products'.<sup>1</sup>

<sup>1</sup> World Trade Organization, 'Australia- Anti-dumping and countervailing duty measures on certain products from China: Request for the establishment of a panel by China', January 14 2022 <<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/DS/603-2.pdf&Open=True>>.

This follows the failure of consultations, held between the two parties on August 11 2021, to resolve the dispute. The PRC had first requested consultations on June 24 2021.

January 15

In a media release, the Minister for Trade, Tourism and Investment Dan Tehan addressed the PRC's request for the establishment of a WTO panel to hear its claims on Australia's anti-dumping and countervailing measures on stainless steel sinks, railway wheels and wind towers. He says, 'We are confident our measures are consistent with Australia's WTO obligations and will robustly defend them', and notes, 'We

remain ready to resolve this matter through further discussions with China.<sup>2</sup>

January 21

Prime Minister Scott Morrison addresses a virtual hearing of the World Economic Forum. While he does not name the PRC directly, he criticises the ‘economic coercion’ taking place in the region, stating that Australia has ‘sought to hold firm to its values’, although this has not been ‘without costs’. He adds that Australia is working towards building a ‘web of alignment’ among ‘those who believe in a world order that favours freedom and the rule of law’.<sup>3</sup>

January 25

Australia blocks the PRC’s request for the establishment of a WTO panel to examine Australia’s anti-dumping duties on imports of wind towers, stainless steel sinks and certain railway wheels, as well as countervailing measures on imports of stainless steel sinks from the PRC. The PRC makes a second request for consideration by the WTO.<sup>4</sup>

January 25

During a National Press Club Q&A, Opposition Leader Anthony Albanese is asked how the Australian Labor Party might approach relations with the PRC should they win office. He responds that they would ‘have an Australian policy that would be exactly the same on the Uyghurs, on Hong Kong, on Taiwan, on the South China Sea, on human rights, but still have an economic relationship that the Howard government had’.<sup>5</sup>

January 26

A new PRC Ambassador to Australia, Xiao Qian, arrives in Canberra. In written remarks provided to the

media, he notes that the Australia-PRC relationship is ‘at a critical juncture, facing many difficulties and challenges as well as enormous opportunities and potentials’ and pledges to ‘[work] with the Australian government and friends in all sectors to... jointly push the China-Australia relations[hip] back to the right track.’<sup>6</sup>

January 27

Reflecting on Lithuania and Slovenia’s decisions to upgrade ties with Taiwan in the face of threats of trade retaliation by the PRC, Minister for Trade, Tourism and Investment Dan Tehan tells *The Australian Financial Review*, ‘What we are seeing more and more is clear evidence that economic coercion doesn’t work. That does work to Australia’s favour because obviously we have taken a very strong stand when it comes to the current disputes we have with China because of our strong belief in the global trading rules.’

He says further that ‘countries are saying, either as a bloc or individually, is they are prepared to stand up to economic coercion and it’s not in the interest of global trade.’<sup>7</sup>

January 28

The PRC’s General Administration of Customs issues a notice that from January 29 it would be suspending imports from South Australian meat processing facility, Teys Naracoorte.<sup>8</sup>

The facility is the tenth abattoir to have its exports to the PRC disrupted since May 2020.

January 29

The Australian government announces its intention to request to join consultations initiated by the European Union against the PRC regarding discriminatory trade practices against Lithuania.<sup>9</sup>

2 Dan Tehan, ‘China’s WTO challenge to Australia’s trade remedies on certain products’, media release, January 15 2022 <<https://www.trademinister.gov.au/minister/dan-tehan/media-release/chinas-wto-challenge-australias-trade-remedies-certain-products>>.

3 Scott Morrison, speech, Davos Agenda 2022, World Economic Forum, January 21 2022 <<https://www.weforum.org/events/the-davos-agenda-2022/sessions/special-address-by-scott-morrison-prime-minister-of-australia>>.

4 WTO Secretariat’s Information and External Relations Division, ‘Members review Chinese request for panel on Australian duties, rulings on Indian sugar duties’, World Trade Organization, January 25 2022 <[https://www.wto.org/english/news\\_e/news22\\_e/dsb\\_25jan22\\_e.htm](https://www.wto.org/english/news_e/news22_e/dsb_25jan22_e.htm)>.

5 Elena Collinson, *Australia-China monthly wrap-up: December 2021 and January 2022*, Australia-China Relations Institute, University of Technology Sydney, February 8 2022 <<https://www.uts.edu.au/acri/research-and-opinion/briefs-and-working-papers/australia-china-monthly-wrap-december-2021-and-january-2022>>; Lanai Scarr, ‘Labor leader Anthony Albanese pledges to fix Australia’s business relationship with China’, *The West Australian*, January 26 2022 <<https://thewest.com.au/politics/anthony-albanese/labor-leader-anthony-albanese-pledges-to-fix-australias-business-relationship-with-china-c-5441635>>.

6 Embassy of the People’s Republic of China in the Commonwealth of Australia, ‘Ambassador Xiao Qian Arrives in the Commonwealth of Australia’, media release, January 26 2022 <[http://au.china-embassy.gov.cn/eng/sghdxwfb\\_1/202201/t20220126\\_10634056.htm](http://au.china-embassy.gov.cn/eng/sghdxwfb_1/202201/t20220126_10634056.htm)>.

7 Andrew Tillett, ‘China’s economic coercion ‘not working’: Tehan’, *The Australian Financial Review*, January 27 2022 <<https://www.afr.com/politics/federal/china-s-economic-coercion-not-working-tehan-20220125-p59r45>>.

8 General Administration of Customs of the People’s Republic of China, 符合评估审查要求的国家或地区输华肉类产品名单 (List of meat products exported to China from countries or regions that meet the assessment and review requirements), February 11 2022 <<http://jckspj.customs.gov.cn/spj/zwgk75/2706880/jckrljgzyxx33/2812399/index.html>>; Warwick Long and Kelli Lazzarro, ‘China bans meat from tenth Australian abattoir in response to media reports, says analyst’, *ABC News*, January 31 2022 <<https://www.abc.net.au/news/2022-01-31/china-export-ban-for-australian-abattoir/100792412>>.

9 Dan Tehan, ‘Initiation of WTO proceedings by the European Union against China’, media statement, January 29 2022 <<https://www.trademinister.gov.au/minister/dan-tehan/media-release/initiation-wto-proceedings-european-union-against-china>>.

Minister for Trade, Tourism and Investment Dan Tehan tells a press conference 'Australia feels that it has a very strong interest in this dispute'.<sup>10</sup>

Since Taiwan opened a representative office in Vilnius in November 2021,<sup>11</sup> Lithuania had been on the receiving end of retaliatory trade measures by the PRC.

January 31

On recently arrived PRC Ambassador to Australia Xiao Qian's January 26 remarks, Minister for Trade, Tourism and Investment Dan Tehan says, '[W]e do welcome the words, but what we would welcome even further is then those words backed up by action. I would love in the first instance a response to the letter that I sent over 12 months ago expressing the willingness of the Australian government to ministerial dialogue'.<sup>12</sup>

## February 2022

February 1

Following the PRC on January 28 announcing its suspension of imports from a tenth Australian meat processing facility, Teys Naracoorte, the Australian Meat Industry Council calls for 'a better relationship' with the PRC, saying, 'Because we don't have a dialogue with China at the moment that we had in 2019, when these issues occur we don't know about it until it goes onto their general administrations' customs website.<sup>13</sup>

February 10

The Australian Parliament's Joint Standing Committee on Foreign Affairs, Defence and Trade tables its report on 'Expanding the membership of the Comprehensive and Progressive Trans-Pacific Partnership [CPTPP]'.<sup>14</sup> The inquiry into the matter had been commissioned by then- Minister for Trade,

Tourism and Investment Simon Birmingham on October 20 2020.<sup>15</sup>

On the PRC's application to join the CPTPP, submitted on September 16 2021,<sup>16</sup> the committee recommends the government 'work with other CPTPP members to encourage China to re-establish full trading relations, including ending its coercive measures and reengaging in ministerial dialogue' and to 'demonstrate an ability and willingness to commit to the CPTPP's high standards' before supporting accession.

On Taiwan's application to join the trade agreement, submitted on September 22 2021,<sup>17</sup> the committee recommends the government 'encourage and facilitate the accession of Taiwan to the CPTPP' as well as consider in parallel the negotiation of an Australia-Taiwan free trade agreement.

February 11

Following the fourth Quad Foreign Ministers' meeting in Melbourne, the four nations (Australia, India, Japan and the US) issue a joint statement expressing for the first time the group's opposition to economic coercion.<sup>18</sup>

We reaffirm our commitment to upholding and strengthening the rules-based multilateral trading system, with the World Trade Organization at its core. We oppose coercive economic policies and practices that run counter to this system and will work collectively to foster global economic resilience against such actions.

February 11

US Secretary of State Antony Blinken in an interview with the *Sydney Morning Herald* says that Australia had 'set an incredibly powerful example' for the world in its dealings with Beijing. He praises 'the good and very effective work Australia...and Australian

10 Dan Tehan, press conference, January 29 2022 <<https://www.trademinister.gov.au/minister/dan-tehan/transcript/press-conference-2>>.

11 Agence France-Presse and Reuters, 'Taiwan opens representative office in Lithuania', *Deutsche Welle*, November 18 2021 <<https://www.dw.com/en/taiwan-opens-representative-office-in-lithuania/a-59853874>>.

12 Dan Tehan, interview, *Sky News*, January 31 2022 <<https://www.trademinister.gov.au/minister/dan-tehan/transcript/interview-kieran-gilbert-afternoon-agenda>>.

13 Megan Hughes and Laura Mayers, 'Meat industry calls for dialogue with China as trade war continues for second year', *ABC News*, February 1 2022 <<https://www.abc.net.au/news/rural/2022-02-01/meat-industry-calls-for-end-to-trade-war-with-china/100795230>>.

14 Joint Standing Committee on Foreign Affairs, Defence and Trade, *Expanding the membership of the Comprehensive and Progressive Trans-Pacific Partnership*, Parliament of Australia, February 2022 <[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Joint/Foreign\\_Affairs\\_Defence\\_and\\_Trade/CPTPPMembership/Report](https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/CPTPPMembership/Report)>.

15 Joint Standing Committee on Foreign Affairs, Defence and Trade, 'Inquiry into expanding membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership', Parliament of Australia, accessed August 10 2023 <[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Joint/Foreign\\_Affairs\\_Defence\\_and\\_Trade/CPTPPMembership](https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/CPTPPMembership)>.

16 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 submits application to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)), September 16 2021 <<http://www.mofcom.gov.cn/article/news/202109/20210903199707.shtml>>.

17 Ben Blanchard, '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/>>.

18 Marise Payne, Subrahmanyam Jaishankar, Hayashi Yoshimasa and Antony Blinken, 'Quad Cooperation in the Indo-Pacific', joint statement, February 11 2022 <<https://www.foreignminister.gov.au/minister/marise-payne/media-release/quad-cooperation-indo-pacific>>.

companies have done in terms of diversifying markets and supply chains'. The news outlet also reports that '[a]sked whether there was a more effective way that countries could deal with Beijing's trade coercion, Mr Blinken had no direct solution to offer.'<sup>19</sup>

*February 28*

The PRC submits a second request for the establishment of a WTO dispute panel to examine Australia's anti-dumping and countervailing measures on stainless steel sinks, railway wheels and wind towers from the PRC. The WTO agrees to the establishment of a panel.<sup>20</sup> The PRC's first request, made on January 25 2022, had been blocked.

### **March 2022**

*March 1*

Minister for Trade, Tourism and Investment Dan Tehan states that 'Australia will robustly defend' the PRC's challenge to its anti-dumping and countervailing measures on stainless steel sinks, railway wheels and wind towers at the WTO.<sup>21</sup>

*March 8*

Australia delivers its opening statement at the First Substantive Meeting of the Parties before the WTO's panel on the PRC's anti-dumping and countervailing duties measures on barley from Australia.

The statement underlines that there are 'serious doubts about whether MOFCOM [the PRC's Ministry of Commerce] conducted an objective, unbiased examination' of Australian barley exports.

It says that 'an objective and unbiased investigating authority could not have found the existence of dumping or subsidisation, let alone a margin of this magnitude. Only an investigation departing from the requirements in the Anti-Dumping and SCM

Agreements, and indeed commercial reality, could have come to such an unlikely conclusion.'<sup>22</sup>

*March 8*

The WTO releases details of a March 4 decision to appoint panellists to adjudicate Australia's challenge to the PRC's anti-dumping measures on Australian wine.<sup>23</sup> This decision was preceded by Australia seeking consultations with the PRC on June 22 2021, and its request to establish a panel on September 16 last year.<sup>24</sup>

*March 16*

Prime Minister Scott Morrison and Minister for Energy, Industry and Emissions Reduction Angus Taylor announce a \$243 million funding package for critical minerals manufacturing.

Minister Taylor states, 'Australia is lucky to have some of the largest reserves of the critical minerals and metals which drive the modern global economy. But China currently dominates around 70 to 80 percent of global critical minerals production and continues to consolidate its hold over these supply chains. This initiative is designed to address that dominance.'<sup>25</sup>

*March 16*

Prime Minister Scott Morrison tells the Western Australian Chamber of Commerce:

Australia has to be resilient in a different world, and no business, I think, seeks to put all of its eggs in one basket. A conscious strategy and risk diversification is a sound one and there have been significant opportunities in the Chinese market in the past. But the China we're dealing with today is very different to the one that John Howard dealt with, and many of my predecessors did. It has taken on a very different tone.

He adds that 'the ongoing engagement between private industry and business with markets like China

<sup>19</sup> Peter Hartcher, 'Australia leads world on standing up to China, Blinken says', *Sydney Morning Herald*, February 10 2022 <<https://www.smh.com.au/national/australia-leads-world-on-standing-up-to-china-blinken-says-20220210-p59vhd.html>>.

<sup>20</sup> World Trade Organization, 'WTO dispute panel to review Chinese complaint regarding Australian duties', February 28 2022 <[https://www.wto.org/english/news\\_e/news22\\_e/dsb\\_28feb22\\_e.htm](https://www.wto.org/english/news_e/news22_e/dsb_28feb22_e.htm)>.

<sup>21</sup> Dan Tehan, 'Establishment of WTO panel in China's challenge to Australia's trade remedies on certain products', media release, March 1 2022 <<https://www.trademinister.gov.au/minister/dan-tehan/media-release/establishment-wto-panel-chinas-challenge-australias-trade-remedies-certain-products>>.

<sup>22</sup> Australian Government Department of Foreign Affairs and Trade, 'Before the World Trade Organization – Panel proceedings: China – Anti-dumping and countervailing duties measures on barley from Australia, Australia's opening statement at the first substantive meeting of the panel and the parties', March 8 2022 <<https://www.dfat.gov.au/sites/default/files/ds598-australias-opening-statement-first-substantive-meeting.pdf>>.

<sup>23</sup> World Trade Organization, 'China - Anti-Dumping and Countervailing Duty Measures on Wine from Australia - Constitution of the Panel established at the request of Australia - Note by the Secretariat', March 8 2022 <[https://docs.wto.org/dol2fe/Pages/FE\\_Search/FE\\_S\\_S005.aspx](https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S005.aspx)>.

<sup>24</sup> World Trade Organization, 'DS602: China – Anti-dumping and countervailing duty measures on wine from Australia', accessed July 5 2023 <[https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds602\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds602_e.htm)>.

<sup>25</sup> Scott Morrison and Angus Taylor, 'Supercharging critical minerals manufacturing', joint media release, March 16 2022 <<https://pmtranscripts.pmc.gov.au/release/transcript-43859>>.

is very important and I would continue to encourage that'. However, he notes that the situation is 'very, very different' at the political and diplomatic level, 'because Australia has faced very real coercion, threats and foreign influence here in this country, which we have called out... I've talked about the arc of autocracy. We've been clear-eyed about threats Australia and the broader world faces and we've been one of the prime movers in waking the rest of the world up to that.'<sup>26</sup>

*March 28*

The Regulation Impact Statement relating to the Australia-India Comprehensive Economic Cooperation and Trade Agreement, authored by the Department of Foreign Affairs and Trade, identifies the need for trade diversification as the impetus for the agreement, given 'a large proportion of Australia's exports were concentrated towards high demand and high profit markets, the largest of which was China.'<sup>27</sup>

*March 30*

Minister for Industry, Energy and Emissions Reduction Angus Taylor accepts the recommendation from Australia's Anti-Dumping Commission, made on March 4 2022, to continue to impose anti-dumping measures in the form of a dumping duty notice applying to A4 copy paper from Brazil, the PRC, Indonesia and Thailand; and a countervailing duty notice applying to A4 copy paper from the PRC.

*March 31*

Treasurer Josh Frydenberg tells *Bloomberg* that the Australian government is 'investing more in trade diversification', stating that 'even though Australia has been on the receiving end of economic coercion from China, we have been able to diversify our suppliers to and our exports to other countries.'<sup>28</sup>

**April 2022**

*April 13*

<sup>26</sup> Chamber of Commerce and Industry WA, Q&A with Scott Morrison, March 16 2022 <<https://pmtranscripts.pmc.gov.au/release/transcript-43862>>.

<sup>27</sup> Office of Impact Analysis, 'Australia-India Economic Cooperation and Trade Agreement – Regulation impact statement – Final pass assessment', Australian Government Department of Prime Minister and Cabinet, March 28 2022 <<https://oia.pmc.gov.au/sites/default/files/posts/2022/04/Publish%20Version%20-%20Australia-India%20Economic%20Cooperation%20and%20Trade%20Agreement%20RIS.pdf>>.

<sup>28</sup> Ben Westcott, 'Australia looks to reduce dependence on China due to 'coercion'', *Bloomberg*, March 21 2022 <<https://www.bloomberg.com/news/articles/2022-03-31/australia-treasurer-plans-trade-outreach-to-slip-china-coercion#xj4y7vzkg>>.

Australia's Anti-Dumping Commission initiates an inquiry into the continuation of anti-dumping measures, in the form of a dumping duty notice, applying to 2,4-dichlorophenoxyacetic acid from the PRC. The Commission is expected to make a final recommendation on the matter no later than September 15 2022. Measures along these lines have been in place since March 2003.<sup>29</sup>

*April 28*

Australia and the PRC inform the WTO that they have agreed to procedures for arbitration over the PRC's challenge to anti-dumping and countervailing measures imposed by Australia on imports of wind towers, stainless steel sinks and railway wheels, established on February 28 2022.<sup>30</sup>

The nations voluntarily submitted to the Multi-Party Interim Appeal Arbitration Arrangement, a stop-gap measure implemented in the absence of an operational WTO Appellate Body.<sup>31</sup> The appeal body has not been functional since 2019, when the US, under the Trump administration, blocked appointments of judges. Appointments have not resumed under the Biden administration.

The arrangement is a temporary workaround available only to those who join it. It was set up in 2020 by a small number of WTO members including Australia, the PRC, the EU and Mexico.<sup>32</sup>

*April 29*

Australia files its first written submission to the WTO's panel proceedings on the PRC's anti-dumping and countervailing duties measures on wine from Australia, setting out its claims.

The submission states that the PRC's decision to impose these duties was 'an absurd decision that

<sup>29</sup> Anti-Dumping Commission, '604 - 2,4-Dichlorophenoxyacetic acid (2,4-D) from China: Continuation – Dumping', Australian Government Department of Industry, Science and Resources, accessed August 17 2023 <<https://www.industry.gov.au/anti-dumping-commission/archive-cases-and-electronic-public-record-ep/604>>.

<sup>30</sup> World Trade Organization, 'DS603: Australia – Anti-dumping and countervailing duty measures on certain products from China', accessed July 5 2023 <[https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds603\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds603_e.htm)>; World Trade Organization, 'Australia - Anti-dumping and countervailing duty measures on certain products from China - Agreed procedures for arbitration under article 25 of the DSU', September 20 2022 <[https://docs.wto.org/dol2fe/Pages/FE\\_Search/FE\\_S\\_S005.aspx](https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S005.aspx)>.

<sup>31</sup> European Commission Directorate-General for Trade, 'The WTO multi-party interim appeal arrangement gets operational', August 3 2020 <[https://policy.trade.ec.europa.eu/news/wto-multi-party-interim-appeal-arrangement-gets-operational-2020-08-03\\_en](https://policy.trade.ec.europa.eu/news/wto-multi-party-interim-appeal-arrangement-gets-operational-2020-08-03_en)>.

<sup>32</sup> Daniel Hurst, 'Australia and China team up to protest WTO blockages caused by US vetoes on appeal body', *The Guardian*, December 25 2022 <<https://www.theguardian.com/australia-news/2022/dec/25/australia-and-china-team-up-to-protest-wto-blockages-caused-by-us-vetoes-on-appeal-body>>.

was reached on the basis of findings that lacked any logical relationship to the facts on the record, following a deeply flawed investigation that did not comply with China's obligations under the Anti-Dumping Agreement or the GATT [General Agreement on Tariffs and Trade] 1994.<sup>33</sup>

## May 2022

May 9

Australia files its third party written submission to the WTO's panel proceedings on Japan's challenge to the PRC's anti-dumping measures applying to Japanese stainless steel.

The submission states that 'Japan's claims in this dispute raise important questions regarding the proper legal interpretation and application of the Anti-Dumping Agreement. Australia reiterates the potential trade-distorting impacts of anti-dumping measures and the consequent responsibility of investigating authorities to conduct anti-dumping investigations and impose measures consistently with the Anti-Dumping Agreement.'<sup>34</sup>

The panel was established in September 2021.

May 10

Australia files its second written submission to the WTO panel on the PRC's anti-dumping and countervailing duties measures on barley from Australia, presenting rebuttal arguments to the PRC's contentions.

The submission states that 'China's approach is to distract the Panel from the evidence on the record that demonstrates the fundamental errors underlying the measures at issue. In so doing, China fails entirely to engage with key arguments and evidence.'<sup>35</sup>

May 13

During a pre-federal election foreign affairs debate between Minister for Foreign Affairs Marise Payne

and Shadow Minister for Foreign Affairs Penny Wong, Senator Wong states that the Labor Party has shelved the John Howard-era formulation that 'Australia doesn't need to choose between the US and China', saying '[T]he way in which economic powers [are] utilised for strategic purposes means that duality... is no longer the case. She says, 'We have already chosen.'<sup>36</sup>

May 21

The Australian Labor Party under the leadership of Anthony Albanese wins the Australian federal election.

May 23

The US launches the Indo-Pacific Framework for Prosperity (IPEF),<sup>37</sup> whose stated aims include 'expand[ing] US economic leadership' in the region.<sup>38</sup> The trade initiative at this stage involves 'collective discussions toward future negotiations', and comprises 13 countries, including Australia.<sup>39</sup>

May 24

Asked during a press conference, '[G]iven that one in four jobs in [Western Australia] depends on China, do you owe it to West Australians to fix that relationship?', Prime Minister Anthony Albanese replied, 'It's not Australia that's changed, China has. It is China that has placed sanctions on Australia. There is no justification for doing that. And that's why they should be removed.'<sup>40</sup>

May 25

Treasurer Jim Chalmers tells a press conference that 'China has become more aggressive and more assertive, and our responsibility as the incoming government is to manage that complex relationship in a considered and sober fashion. If there is to be an improvement in relations it makes sense to us for the first part of that, the first step, to be the removal of

33 Australian Government Department of Foreign Affairs and Trade, 'Before the World Trade Organization – Panel proceedings: China – Anti-dumping and countervailing duty measures on wine from Australia, Australia's first written submission', April 29 2022 <<https://www.dfat.gov.au/sites/default/files/ds602-australias-first-written-submission-bci-redacted.pdf>>.

34 Australian Government Department of Foreign Affairs and Trade, 'Before the World Trade Organization – Panel proceedings: China – Anti-dumping measures on stainless steel products from Japan, Third party written submission of Australia', May 9 2022 <<https://www.dfat.gov.au/sites/default/files/australia-third-party-written-submission-ds601.pdf>>.

35 Australian Government Department of Foreign Affairs and Trade, 'Before the World Trade Organization – Panel proceedings: China – Anti-dumping and countervailing duty measures on wine barley Australia, Australia's second written submission', May 10 2022 <<https://www.dfat.gov.au/sites/default/files/ds598-australias-second-written-submission.pdf>>.

36 ABC News, 'Marise Payne and Penny Wong debate foreign affairs at the National Press Club', *YouTube*, May 13 2022 <<https://www.youtube.com/watch?v=K5aLZI-wCaA>>.

37 The White House, 'Statement on Indo-Pacific Economic Framework for Prosperity', May 23 2022 <<https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/23/statement-on-indo-pacific-economic-framework-for-prosperity/>>.

38 The White House, 'Fact sheet: In Asia, President Biden and a dozen Indo-Pacific partners launch the Indo-Pacific Economic Framework for Prosperity', May 23 2022 <<https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/23/fact-sheet-in-asia-president-biden-and-a-dozen-indo-pacific-partners-launch-the-indo-pacific-economic-framework-for-prosperity/>>.

39 Australian Government Department of Foreign Affairs and Trade, 'Launch of the Indo-Pacific Economic Framework for Prosperity (IPEF) – Joint Statement', May 23 2022 <<https://www.dfat.gov.au/news/media-release/launch-indo-pacific-economic-framework-prosperity-ipef-joint-statement>>.

40 Anthony Albanese, press conference, Tokyo, Japan, May 24 2022 <<https://www.pm.gov.au/media/press-conference-0>>.

some of those sanctions and tariffs which are doing damage to our economy and to our employers and exporters.<sup>41</sup>

## June 2022

June 2

A PRC Ministry of Commerce spokesperson comments on bilateral trade with Australia, noting that 'The healthy and stable development of China-Australia relations is in the fundamental interests and shows the common aspiration of the two peoples'. They state, 'It is hoped that the new Australian government can... do more that is conducive to mutual trust and cooperation between China and Australia, so as to create favourable conditions for the healthy and stable development of bilateral economic and trade relations.'<sup>42</sup>

June 7

Prime Minister Anthony Albanese says his government will 'continue to work on trade diversification' stating it is 'important' to do so because 'at one stage the trade proportion for China was up above 45 percent.'<sup>43</sup>

June 11

Ahead of travelling to Europe for a meeting of the WTO, Minister for Trade and Tourism Don Farrell tells *The Australian* he plans on issuing a meeting invitation to PRC Commerce Minister Wang Wentao.<sup>44</sup>

June 14

The meeting requested by Minister for Trade and Tourism Don Farrell with his PRC counterpart at the WTO does not eventuate, but Minister Farrell tells *The Australian Financial Review*, 'We'll keep trying. Hopefully, there'll be an opportunity in the future.' He says, 'I do think that by requesting the meeting, it obviously showed a willingness to enter into a dialogue.'<sup>45</sup>

41 Jim Chalmers and Katy Gallagher, joint press conference, May 25 2022 <<https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/transcripts/joint-press-conference-parliament-house-canberra>>.

42 Ministry of Commerce of the People's Republic of China, 'MOFCOM regular press conference', June 2 2022 <<http://english.mofcom.gov.cn/article/newsrelease/press/202206/20220603317541.shtml>>.

43 Anthony Albanese, doorstep interview, Makassar, Indonesia, June 7 2022 <<https://www.pm.gov.au/media/doorstop-makassar-indonesia-0>>.

44 Simon Benson, 'Trade Minister Don Farrell's bid to end China row', *The Australian*, June 11 2022 <<https://www.theaustralian.com.au/nation/trade-minister-don-farrells-bid-to-end-china-row/news-story/5579539afd3e55960eb048838b4304e5>>.

45 Hans van Leeuwen, 'New trade minister keen to get the ball rolling with China', *The Australian Financial Review*, June 14 2022 <<https://www.afr.com/politics/federal/how-trade-minister-farrell-hopes-to-walk-and-chew-gum-on-china-20220614-p5atgc>>.

June 21

Minister for Trade and Tourism Don Farrell says, 'I think the change of government gives us an opportunity to reset the long-term arrangements with the Chinese. We've suffered very significantly over the last two or three years with increased tariffs on things like wine, like meat, like barley, like dairy products.' He adds, 'We want a sensible relationship with China. We want access to their markets and we want an opportunity to explain to the Chinese our concerns about some of the decisions that they've made.'

He notes that with respect to Australia's challenges to the PRC at the WTO, 'In all of these things, it's much better to sort them out by discussion rather than through disputation.'<sup>46</sup>

June 21

Industry body Wine Australia says it has made the decision to close its PRC office 'based on the current environment and market opportunity'.<sup>47</sup>

June 28

Minister for Trade and Tourism Don Farrell says in an interview that while he was unable to meet with his PRC counterpart at the WTO in Geneva, 'The invitation from my point of view is still open.' He states that his aim is to 're-establish' trade with the PRC but notes that Australia has 'put too much in the one basket in the past with our relationship with China'.<sup>48</sup>

June 30

Australia delivers its third-party oral statement to the WTO panel hearing Japan's challenge to the PRC's anti-dumping measures on Japanese stainless steel.

The statement flags Australia's 'systemic concerns about the way China's investigating authority, the Ministry of Commerce of China (which we will refer to as MOFCOM), conducts its antidumping investigations'. It notes that 'Australia has raised these concerns in the context of the two WTO disputes that Australia has brought against China

46 Don Farrell, interview, *ABC Afternoon Briefing*, June 21 2022 <<https://www.trademinister.gov.au/minister/don-farrell/transcript/abc-afternoon-briefing-greg-jennett>>.

47 Su-Lin Tan, 'Australia's leading wine authority to close office in China as exports plunge', *CNBC*, June 21 2022 <<https://www.cnbc.com/2022/06/21/australias-leading-wine-authority-to-close-office-in-china-as-exports-plunge.html>>.

48 Don Farrell, interview, *Sky News*, June 28 2022 <<https://www.trademinister.gov.au/minister/don-farrell/transcript/sky-news-kieran-gilbert>>.

regarding Australian barley (DS598) and Australian wine (DS602).<sup>49</sup>

June 30

Minister for Industry and Science Ed Husic accepts the recommendation from Australia's Anti-Dumping Commission, made on May 27 2022, to continue to impose anti-dumping measures, in the form of a dumping duty notice, applying to hollow structural sections from the PRC, Korea, Malaysia and Taiwan; and in the form of a countervailing duty notice applying to hollow structural sections exported to Australia from the PRC.<sup>50</sup>

July 2022

July 8

Minister for Foreign Affairs Penny Wong meets with her PRC State Councillor and Minister of Foreign Affairs Wang Yi on the sidelines of the G20 Foreign Ministers Meeting in Bali, Indonesia, the first in-person meeting between Australian and PRC foreign ministers since September 2019.

In her opening remarks, Senator Wong states, 'Both our countries benefited greatly from the commitments we have previously made to each other on trade – we both stand to gain from the removal of current blockages.' She adds, 'If China engages with Australia directly and constructively, we will respond in kind.'<sup>51</sup>

According to a PRC Foreign Ministry account of the meeting, State Councillor Wang says that 'China is ready to re-examine, re-calibrate, and reinvigorate bilateral ties in the spirit of mutual respect, and strive to bring bilateral relations back on the right track.'<sup>52</sup>

July 14

*Bloomberg* reports that 'Chinese bureaucrats studying the energy outlook are proposing to end a near two-year ban on Australian coal'. Citing 'people familiar with the plan', the news outlet says that 'The proposal will be submitted to senior leaders, with a recommendation Beijing should resume Australian imports... That's been prompted by fears European-led curbs on Russian energy will increase competition for coal from China's main suppliers such as Indonesia.'<sup>53</sup>

July 21

Minister for Trade and Tourism Don Farrell tells an interviewer that he has received a congratulatory letter on his appointment from his PRC Commerce Minister Wang Wentao.<sup>54</sup>

July 25

Australia files its third party executive summary to the WTO panel hearing Japan's challenge to the PRC's anti-dumping measures on Japanese stainless steel.<sup>55</sup>

July 27

Australia delivers its opening statement at the Second Substantive Meeting of the Parties before the WTO's panel on the PRC's anti-dumping and countervailing duties measures on barley from Australia.

The statement sets out 'key issues that highlight the egregious failings in MOFCOM's [the PRC's Ministry of Commerce] investigations and determinations, and China's failed attempts to justify them.'<sup>56</sup>

49 Australian Government Department of Foreign Affairs and Trade, 'Before the World Trade Organization – Panel proceedings: China – Anti-dumping measures on stainless steel products from Japan, Third party oral statement of Australia', June 30 2022 <<https://www.dfat.gov.au/trade/organisations/wto/wto-disputes/summary-of-australias-involvement-in-disputes-currently-before-the-world-trade-organization>>.

50 A Anti-Dumping Commission, '590 – Hollow structural sections from China, Korea, Malaysia and Taiwan: Continuation – Dumping and Subsidisation', Australian Government Department of Industry, Science and Resources, accessed August 17 2023 <<https://www.industry.gov.au/anti-dumping-commission/current-cases-and-electronic-public-record-epr/590>>.

51 Penny Wong, 'Meeting with China's State Councillor and Minister of Foreign Affairs, Wang Yi', media release, July 8 2022 <<https://www.foreignminister.gov.au/minister/penny-wong/media-release/meeting-chinas-state-councillor-and-minister-foreign-affairs-wang-yi>>.

52 Ministry of Foreign Affairs of the People's Republic of China, 'Wang Yi Meets with Australian Foreign Minister Penny Wong', July 9 2022 <[https://www.fmprc.gov.cn/eng/gjhdq\\_665435/2797\\_665439/3377\\_664820/3379\\_664824/202207/t20220710\\_10718115.html](https://www.fmprc.gov.cn/eng/gjhdq_665435/2797_665439/3377_664820/3379_664824/202207/t20220710_10718115.html)>.

53 Bloomberg News, 'China studies ending Australia coal ban on supply fear', *Bloomberg*, July 14 2022 <<https://www.bloomberg.com/news/articles/2022-07-14/china-considers-ending-australia-coal-ban-on-russia-supply-fears#xj4y7vzkg>>.

54 Don Farrell, interview, *ABC Radio National Breakfast*, July 21 2022 <<https://www.trademinister.gov.au/minister/don-farrell/transcript/interview-patricia-karvelas-abc-rn-breakfast>>.

55 Australian Government Department of Foreign Affairs and Trade, 'Before the World Trade Organization – Panel proceedings: China – Anti-dumping measures on stainless steel products from Japan, Third party executive summary of Australia', July 25 2022 <<https://www.dfat.gov.au/sites/default/files/australias-executive-summary-ds601.pdf>>.

56 Australian Government Department of Foreign Affairs and Trade, 'Before the World Trade Organization – Panel proceedings: China – Anti-dumping and countervailing duties measures on barley from Australia, Australia's opening statement at the second substantive meeting of the panel and the parties', July 27 2022 <<https://www.dfat.gov.au/sites/default/files/ds598-australias-opening-statement-second-substantive-meeting.pdf>>.

## August 2022

August 8

Australia's Anti-Dumping Commission initiates a review of the anti-dumping measures applying to aluminium extrusions from the PRC. The review is 'limited to examining whether the variable factors relevant to the taking of the anti-dumping measures as they affect exporters of the goods from China have changed.' The Commission is expected to make a final recommendation on the matter no later than January 10 2023. Measures along these lines have been in place since October 2010.<sup>57</sup>

August 10

On the PRC's trade disruptions, PRC Ambassador to Australia Xiao Qian tells the National Press Club, 'Currently, there have been top level communications... even face-to-face contacts but we have not yet come to the stage to discuss about how to solve those specific issues. We're ready to compare notes with the new government and to get engaged in the process.'<sup>58</sup>

August 10

Australia's Anti-Dumping Commission initiates a review of the anti-dumping measures applying to grinding balls from the PRC. The review is 'limited to examining whether the variable factors relevant to the taking of the anti-dumping measures as they affect exporters of the goods from China have changed.' The Commission is expected to make a final recommendation on the matter no later than January 12 2023. Measures along these lines have been in place since September 2016.<sup>59</sup>

August 20

Covering a conference convened by the peak body for Australian cotton growers (Cotton Australia), the ABC reports Cotton Australia's chief executive as saying 'We definitely hope that with a new Australian government there might be a reset at the higher level in the relationship that would see a resumption in

trade with China, because for Aussie cotton it just makes sense.'<sup>60</sup>

August 22

Australia's Anti-Dumping Commission initiates an inquiry into the continuation of anti-dumping measures, in the form of a dumping duty notice and a countervailing duty notice, applying to aluminium zinc coated steel (≥600mm) from the PRC. Measures along these lines have been in place since August 2013. The Commission is expected to make a final recommendation on the matter no later than January 24 2023.<sup>61</sup>

August 22

Australia's Anti-Dumping Commission initiates an inquiry into the continuation of anti-dumping measures, in the form of a dumping duty notice for the PRC, Korea and Taiwan and a countervailing duty for the PRC, applying to zinc coated (galvanised) steel. Measures along these lines have been in place since August 2013. The Commission is expected to make a final recommendation on the matter no later than January 24 2023.<sup>62</sup>

## September 2022

September 2

Minister for Trade and Tourism Don Farrell tells a press conference that Australia has offered an 'olive branch' to the PRC, stating that 'We've made it very clear that we're happy to talk to them about some of these trade blockages.' At the same time, he says that 'there's no doubt that to some extent, we put all of our eggs in the China basket. Now we've realised that there's got to be trade diversification.'<sup>63</sup>

September 13

Assistant Minister for Foreign Affairs Tim Watts in a speech to the Australia China Business Council, while criticising the PRC's economic sanctions,

<sup>57</sup> Anti-Dumping Commission, '609 – Aluminium extrusions from China: Review', Australian Government Department of Industry, Science and Resources, accessed August 17 2023 <<https://www.industry.gov.au/anti-dumping-commission/current-cases-and-electronic-public-record-epr/609>>.

<sup>58</sup> Renju Jose, 'Australia, China not yet ready to tackle trade disputes - Chinese envoy', *Reuters*, August 10 2022 <<https://www.reuters.com/world/china/australia-china-not-yet-ready-tackle-trade-disputes-chinese-envoy-2022-08-10/>>.

<sup>59</sup> Anti-Dumping Commission, '608 – Grinding balls from China: Review – Dumping and subsidisation', Australian Government Department of Industry, Science and Resources, accessed August 17 2023 <<https://www.industry.gov.au/anti-dumping-commission/archive-cases-and-electronic-public-record-epr/608>>.

<sup>60</sup> Matt Brann, 'China the 'natural home' for Australian cotton, but how long will industry have to wait for trade to resume?', *ABC News*, August 20 2022 <<https://www.abc.net.au/news/2022-08-20/china-the-natural-home-for-australian-cotton-how-long-to-wait/101349688>>.

<sup>61</sup> Anti-Dumping Commission, '610 – Aluminium zinc coated steel (≥600mm) from China: Continuation – Dumping and subsidisation', Australian Government Department of Industry, Science and Resources, accessed August 17 2023 <<https://www.industry.gov.au/anti-dumping-commission/current-cases-and-electronic-public-record-epr/610>>.

<sup>62</sup> Anti-Dumping Commission, '611 – Zinc coated (galvanised) steel from China, Korea, Taiwan: Continuation – Dumping and subsidisation', Australian Government Department of Industry, Science and Resources, accessed August 17 2023 <<https://www.industry.gov.au/anti-dumping-commission/archive-cases-and-electronic-public-record-epr/611>>.

<sup>63</sup> Don Farrell and Anne-Marie Trevelyan, joint doorstep interview, September 2 2022 <<https://www.trademinister.gov.au/minister/don-farrell/transcript/joint-doorstop-interview-adelaide>>.

says that business relationships with the PRC were ‘complementary’ to the government’s efforts. He encourages businesses ‘to stay engaged in the China market, while accounting for risk.’<sup>64</sup>

September 14

PRC Ambassador to Australia Xiao Qian tells the Australia China Business Council that the ‘Australian business community has an important role to play’ in getting the Australia-PRC relationship ‘back on the right track’.

He makes a public case for the PRC’s accession to CPTPP, telling the Australian business community it would provide an ‘important opportunity for China and Australia to take our cooperation based on [our] bilateral free trade agreement to a higher level.’<sup>65</sup>

On the CPTPP Ambassador Xiao also tells *The Australian* that ‘[w]e’ve been asking for an early start [on the start of negotiations to join the trade agreement], but there’s no clear confirmative response from the Australian government yet.’<sup>66</sup>

In response, the Minister for Trade and Tourism Don Farrell’s office said, ‘Any economy seeking to join the CPTPP must meet, implement and adhere to the agreement’s high standards and rules, and have a demonstrated track record of compliance with trade commitments.’<sup>67</sup>

September 15

Rio Tinto (54 percent) and China Baowu Steel Group Co. Ltd (46 per cent) agree to enter into a joint venture with respect to the Western Range iron ore project in the Pilbara, Western Australia, investing \$2 billion to develop the mine.<sup>68</sup>

September 16

Japanese Ambassador to Australia Yamagami Shingo pens an opinion piece in *The Australian* advocating for Australia to block the PRC from joining the CPTPP. He states that ‘economic coercion has

become a signature modus operandi’ of the PRC, and pointed to the potential ‘risk of sabotage from within’. He writes, ‘We should learn from the history of having let economies in the WTO, only to see them infringing rules and undermining the integrity of the framework.’<sup>69</sup>

September 19

Prime Minister Anthony Albanese is asked by the BBC whether Australian government concerns about human rights violations in Xinjiang and Hong Kong made the development of an economic relationship with the PRC more difficult. He replies, ‘Australia must always stand up for our values and we’ll continue to do that, but that doesn’t mean that we can’t have an economic relationship with China.’ He describes the PRC’s trade punishment of Australia as ‘counterproductive’ and ‘a lose-lose situation.’<sup>70</sup>

September 19

Australia submits its executive summary to the WTO’s panel on the PRC’s anti-dumping and countervailing duties measures on barley from Australia.<sup>71</sup>

September 23

Minister for Foreign Affairs Penny Wong meets with her PRC counterpart State Councillor and Minister of Foreign Affairs Wang Yi on the sidelines of the United Nations General Assembly in New York, USA.

She says, ‘There are mutual business opportunities in the clean energy transition and other areas, but our trade relationship has been subject to blockages.’ She says further, ‘Trade has been the platform from which the PRC has made historic achievements in poverty alleviation. Indeed, open, rules-based trade within the international system has underpinned economic development for both our countries. We both have much to lose by the disintegration of that system.’<sup>72</sup>

64 Tim Watts, speech, ACBC Networking Day Gala Dinner, September 13 2022 <<https://ministers.dfat.gov.au/minister/tim-watts/speech/acbc-networking-day-gala-dinner>>.

65 Australia China Business Council, ‘H.E. XIAO Qian, Chinese Ambassador – Address at the ACBC Canberra Networking Day’, September 16 2022 <<https://acbc.com.au/media-release/h-e-xiao-qian-chinese-ambassador-address-at-the-acbc-canberra-networking-day/>>.

66 Ben Packham, ‘Australia rejects China’s requests to join trans-Pacific trade partnership’, *The Australian*, September 14 2022 <<https://www.theaustralian.com.au/nation/australia-rejects-chinas-requests-to-join-transpacific-trade-partnership/news-story/2cded3e9ab9f926bd3b8c915b7700a10>>.

67 *Ibid.*

68 Rio Tinto, ‘Rio Tinto and Baowu agree to form joint venture to develop Western Range’, media release, September 15 2022 <<https://www.riotinto.com/en/news/releases/2022/rio-tinto-and-baowu-agree-to-form-joint-venture-to-develop-western-range>>.

69 Yamagami Shingo, ‘Trade pact should be only for those who play by rules’, *The Australian*, September 16 2022 <<https://www.theaustralian.com.au/commentary/trade-pact-should-be-only-for-those-who-play-by-rules/news-story/dc72253b90e3daea1fe636fe5bf06834>>.

70 Anthony Albanese, interview, *BBC News*, September 19 2022 <<https://www.pm.gov.au/media/television-and-radio-interview-bbc-news>>.

71 Australian Government Department of Foreign Affairs and Trade, ‘Before the World Trade Organization – Panel proceedings: China – Anti-dumping and countervailing duties measures on barley from Australia, Australia’s executive summary’, September 19 2022 <<https://www.dfat.gov.au/sites/default/files/ds598-australia-executive-summary-bci-redacted.pdf>>.

72 Penny Wong, ‘Meeting with China’s State Councillor and Minister of Foreign Affairs, Wang Yi’, ministerial statement, September 23 2022 <<https://www.foreignminister.gov.au/minister/penny-wong/media-release/meeting-chinas-state-councilor-and-minister-foreign-affairs-wang-yi-0>>.

According to a PRC Foreign Ministry account of the meeting, State Councillor Wang says that ‘The Chinese side stands ready to work with the Australian side to seriously take stock of experience, properly manage differences, and steer the sound and steady development of bilateral relations.’<sup>73</sup>

## October 2022

October 4

Commenting on how countries’ applications to the CPTPP are considered, Minister for Trade and Tourism Don Farrell echoes his September 14 comments, adding, ‘When it comes to trade, actions speak louder than words.’<sup>74</sup>

October 10

Indian Minister of External Affairs Subrahmanyam Jaishankar visits Australia for the 13th Foreign Ministers’ Framework Dialogue. During a talk in Sydney, in a reference to the Australia-PRC relationship, the External Affairs Minister says, ‘Shutting down talking, burning bridges ... I would not recommend it. At the end of the day, countries have to deal with each other and you have to find some way of keeping that going.’

October 11

Minister for Trade and Tourism Don Farrell tells the ABC that the PRC Ambassador to Australia had signalled that Beijing was ‘prepared to have... discussions [on trade issues]’. He adds, ‘My job now is to convince China to change its view. There’s been a couple of positive signs.’ He states that ‘I don’t think we ever want to get into a situation where we again are so reliant on China as a source of our exports.’<sup>75</sup>

October 11

Minister for Trade and Tourism Don Farrell tells *Nikkei Asia*, ‘I don’t believe there’s any prospect that China could join’ the CPTPP. The outlet reports:<sup>76</sup>

Farrell stressed that to be allowed accession to the CPTPP, countries ‘have to meet all their obligations’, suggesting it would be necessary to see whether China was willing to abide by fair trade rules. Since that is not occurring now, he said, he sees no chance of China joining the CPTPP.

October 18

During a visit to Australia, Singaporean Prime Minister Lee Hsien Loong tells a press conference, ‘I think it is good if China is able to join the CPTPP,’ while noting ‘I don’t think there is a consensus yet but we will continue that process.’ He says of Australia position, ‘I think Australia knows what it is doing and we understand each other’s point of view.’<sup>77</sup>

October 21

PRC Consul General in Brisbane Ruan Zongze pens an opinion piece about ‘the improvement of China-Australia relations’ for the Chinese-language edition of the *Global Times*, describing positively the resumption of high-level political exchange between Canberra and Beijing, the economic complementarity between the two countries, and the ‘strong and resilient’ people-to-people foundations of the relationship.<sup>78</sup>

October 22

Japan and Australia sign a new Critical Minerals Partnership<sup>79</sup> to ‘develop Australia’s domestic sector and make sure Japan’s advanced manufacturers have the critical minerals they need.’<sup>80</sup>

October 27

PRC Consul General in Brisbane Ruan Zongze in an opinion piece for *The Courier Mail* writes, ‘Improving China-Australia relations and enhancing mutually beneficial co-operation must be the common aspiration of both peoples.’ Focusing on climate change, he notes that to see progress, ‘[W]e need not only each country’s efforts, but also international co-operation. China and Australia are complementary

73 Embassy of the People’s Republic of China in the United Kingdom of Great Britain and Northern Ireland ‘Wang Yi meets with Foreign Minister Penny Wong of Australia’, September 24 2022 <[http://gb.china-embassy.gov.cn/eng/zgyw/202209/t20220925\\_10771215.htm](http://gb.china-embassy.gov.cn/eng/zgyw/202209/t20220925_10771215.htm)>.

74 Andrew Tillett and Emma Connors, ‘Trans-Pacific trade pact members split over China’s bid to join’, *The Australian Financial Review*, October 4 2022 <<https://www.afr.com/world/asia/trans-pacific-trade-pact-members-split-over-china-s-bid-to-join-20221003-p5bmpr>>.

75 Megan Hughes and Lucinda Jose, ‘Signs China will discuss lifting trade ban, but lobster fishers say diversification crucial’, *ABC News*, October 11 2022 <<https://www.abc.net.au/news/2022-10-11/signs-china-could-lift-lobster-trading-ban/101465538>>.

76 Shoichiro Taguchi and Tomoyoshi Oshikiri, ‘Australia sees ‘no prospect’ of China being accepted into CPTPP’, *Nikkei Asia*, October 11 2022 <<https://asia.nikkei.com/Editor-s-Picks/Interview/Australia-sees-no-prospect-of-China-being-accepted-into-CPTPP>>.

77 Anthony Albanese and Lee Hsien Loong, joint press conference, Parliament House, Canberra, October 18 2022 <<https://www.pm.gov.au/media/press-conference-parliament-house-canberra-7>>.

78 Ruan Zongze, 中澳关系正迎来重回正轨的机遇 (China-Australia relations are ushering in an opportunity to get back on track), *Global Times*, October 21 2022 <[https://mp.weixin.qq.com/s/8cltWq\\_82QzEao7h4PBq1Q](https://mp.weixin.qq.com/s/8cltWq_82QzEao7h4PBq1Q)>.

79 Anthony Albanese and Madeleine King, ‘Australia-Japan strengthen critical minerals cooperation’, joint media release, October 22 2022 <<https://www.pm.gov.au/media/australia-japan-strengthen-critical-minerals-cooperation>>.

80 Anthony Albanese, media statement, October 2022 <<https://www.pm.gov.au/media/media-statement-perth>>.

in economic and trade relations and each have their respective advantages.<sup>81</sup>

## November 2022

### November 1

Minister for Resources Madeline King tells attendees at a rare earths conference that the supply of rare earths 'is as much a national security issue as one of energy and economic security.' She raises concerns about the PRC's dominance of rare earth supply chains, noting that 'this level of supply chain concentration, regardless of where the concentration points lie, leads to significant vulnerabilities.' She states that Australia needs to be 'cognisant of the role Australia's critical minerals will play in the security of our trusted regional friends and allies.'<sup>82</sup>

In response, a PRC Foreign Ministry spokesperson said, 'No one should use the economy as a political tool or weapon, destabilise the global industrial and supply chains or punch the existing world economic system.'<sup>83</sup>

### November 7

On the Biden administration's limits on the sale of semiconductor technology to the PRC, former Australian prime minister Kevin Rudd tells an Asia Society event that '[t]he administration worked on this for six to 12 months trying to get the allies on board, which didn't work entirely well because none of them did. So they've done it unilaterally in the expectation they can leverage the allies on board from this point on.'<sup>84</sup>

### November 8

A day before the fourth China-Western Australia Strategic Dialogue, Western Australian Premier Mark McGowan notes that the PRC 'accounts for more than half of WA's total goods exports' and that 'China will continue to be a part of' the state's 'place as a world leader in the critical minerals that will underpin global decarbonisation.' He further emphasises that there

are 'hundreds of thousands of WA jobs dependent on the relationship.'<sup>85</sup>

### November 9

Western Australian Premier Mark McGowan meets with representatives of PRC state-owned entities and PRC private investors, including Tianqi and CITIC, in a closed door meeting that was 'expected to broach the sensitive subject of Australia and other Western nations accelerating efforts to develop non-Chinese supply chains for critical and battery minerals vital to electrification of the economy and in military applications.'<sup>86</sup>

### November 11

Asked during an interview what 'Australia [would] like China to do' for the relationship to 'return to normal', Prime Minister Anthony Albanese responds, '[F]irstly to lift its economic sanctions'.<sup>87</sup>

### November 14

In a speech to RMIT outlining the Australian government's 'vision for trade', Minister for Trade and Tourism Don Farrell says Australia is 'open to discussing possible off-ramps' in WTO disputes with the PRC.<sup>88</sup>

### November 15

Prime Minister Anthony Albanese meets with President Xi Jinping on the sidelines of the G20 summit in Bali, the first meeting between an Australian Prime Minister and President of the PRC in six years.<sup>89</sup>

In a press conference following the meeting, the Prime Minister says, 'One of the things that struck me was that both of us spoke about how we have highly complementary economies.' He went on to say:<sup>90</sup>

China is Australia's largest trading partner. They are worth more than Japan, US and Republic of Korea together combined. So, it's an important relationship for Australia. And Australia seeks

<sup>81</sup> Ruan Zongze, 'Co-operation key to growth', *The Courier Mail*, October 27 2022 <[https://www.fmprc.gov.cn/mfa\\_eng/wjb\\_663304/zwjg\\_665342/zwbd\\_665378/202210/t20221031\\_10794478.html](https://www.fmprc.gov.cn/mfa_eng/wjb_663304/zwjg_665342/zwbd_665378/202210/t20221031_10794478.html)>.

<sup>82</sup> Madeleine King, speech, ANU-ASPI Rare Earths Conference, November 1 2022 <<https://www.minister.industry.gov.au/ministers/king/speeches/speech-anu-aspi-rare-earths-conference>>.

<sup>83</sup> Tyrone Clarke, 'China warns Australia not to 'destabilise global economy' after Canberra launches blitz on China's critical minerals monopoly', *Sky News*, November 2 2022 <<https://www.skynews.com.au/australia-news/politics/china-warns-australia-not-to-destabilise-global-economy-after-canberra-launches-blitz-on-chinas-critical-minerals-monopoly/news-story/091a0ce3ae5fdc0218c9e12e8c7e39a1>>.

<sup>84</sup> Asia Society, 'Ian Bremmer and Kevin Rudd on global geopolitical risks ahead of US midterm elections', *YouTube*, November 7 2022 <<https://www.youtube.com/watch?v=00XR43uXdil>>.

<sup>85</sup> Brad Thompson, 'Hundreds of thousands of WA jobs 'dependent' on China', *The Australian Financial Review*, November 8 2022 <<https://www.afr.com/companies/mining/hundreds-of-thousands-of-wa-jobs-dependent-on-china-20221108-p5bwf5>>.

<sup>86</sup> *Ibid.*

<sup>87</sup> Anthony Albanese, interview, *ABC AM*, November 11 2022 <<https://www.pm.gov.au/media/radio-interview-abc-am-sabra-lane-0>>.

<sup>88</sup> Don Farrell, 'Trading our way to greater prosperity and security', speech, Australian APEC Study Centre, RMIT, November 14 2022 <<https://www.trademinister.gov.au/minister/don-farrell/speech/trading-our-way-greater-prosperity-and-security>>.

<sup>89</sup> Anthony Albanese, 'Meeting with China's President Xi Jinping', media statement, November 15 2022 <<https://www.pm.gov.au/media/meeting-chinas-president-xi-jinping>>.

<sup>90</sup> Anthony Albanese, press conference, Bali, Indonesia, November 15 2022 <<https://www.pm.gov.au/media/press-conference-bali-indonesia>>.

a stable relationship with China. We have big differences to manage. But we're always going to be better off when we have dialogue...

Asked at the same press conference whether there was 'any sign of concession from President Xi on the trade embargoes', the Prime Minister replied, 'It was not anticipated that a meeting such as that, that you get immediate declarations. I believe if people thought that would happen, then that was not realistic.'

*November 18*

During a press conference at the APEC summit in Bangkok, Prime Minister Anthony Albanese says, 'Our position hasn't been altered' with respect to Australian support for Taiwan's entry into the CPTPP following his meeting with President Xi Jinping.

However, he seems to imply that Australia would not back accession, stating 'The CPTPP is a relationship between nation-states which are recognised. Taiwan is represented [at APEC]... as an economy'. He cites Australia's 'bipartisan support for the one China policy' and support of 'the status quo on Taiwan'.<sup>91</sup>

(The CPTPP's preamble notes that it welcomes 'the accession of other States or separate customs territories to this Agreement'.)<sup>92</sup>

Following the press conference, Taiwan's Ministry of Foreign Affairs issues a statement noting that 'The government of Australia has since clarified with Taiwan that its stance on Taiwan's accession to the CPTPP has not changed and that it continues to welcome the entry of all economies that meet the high standards of the CPTPP, including Taiwan'.<sup>93</sup>

*November 19*

On Australia's position on Taiwan and the CPTPP, Prime Minister Anthony Albanese tells journalists, 'Our position has not changed. We will deal with applications that are dealt with by consensus for economies applying to join the CPTPP'.<sup>94</sup>

<sup>91</sup> Anthony Albanese, press conference, Bangkok, Thailand, November 18 2022 <<https://www.pm.gov.au/media/press-conference-bangkok-thailand-0>>.

<sup>92</sup> Australian Government Department of Foreign Affairs and Trade, 'CPTPP text and associated documents', accessed August 16 2023 <<https://www.dfat.gov.au/trade/agreements/in-force/cptpp/official-documents>>.

<sup>93</sup> Ministry of Foreign Affairs of the Republic of China (Taiwan), 'MOFA response to Australian government's clarification that its position on Taiwan's accession to CPTPP has not changed', November 18 2022 <[https://en.mofa.gov.tw/News\\_Content.aspx?n=1330&s=99141](https://en.mofa.gov.tw/News_Content.aspx?n=1330&s=99141)>.

<sup>94</sup> Anthony Albanese, press conference, Thailand, November 19 2022 <<https://www.pm.gov.au/media/press-conference-thailand>>.

*November 20*

Prime Minister Anthony Albanese tells SBS that the lifting of the PRC's economic sanctions against Australia will be a gradual process:<sup>95</sup>

The way that the system works is that the bureaucracy in China will have seen the different change in relations, the fact that there is now contact between Australia and China, those messages will go down through the system. So it's not like a discussion between Australia and New Zealand where you walk out of the room with an agreement between leaders and it changes instantly. This developed over a period of time, and it will take a while to see improvement in concrete terms going forward.

*November 23*

On Australia's disputes with the PRC at the WTO, Minister for Trade and Tourism Don Farrell repeats in an interview that 'we believe there's an off-ramp here – sensible discussions between ourselves and China can resolve these issues without having to go to litigation'.<sup>96</sup>

*November 25*

Treasurer Jim Chalmers in a speech says that the supply of critical minerals 'touches every tenet of our national interest.' Noting the PRC's dominance of rare earth supply chains, he states that '[t]his kind of concentration creates supply chains that are especially vulnerable to disruption – with economic consequences that are far-reaching and deeply-felt.'

He adds that Australia will 'need to be more assertive about encouraging investment that clearly aligns with our national interest in the longer term.'

The Treasurer also says he had 'asked the Treasury to begin working with the Foreign Investment Review Board, with the Critical Minerals Office in the Department of Industry, with Geoscience Australia, DFAT and States and Territories' to 'develop more sophisticated methods of tracking investment patterns in critical minerals in the future'.<sup>97</sup>

*November 28*

Australia files its second written submission to the WTO's panel proceedings on the PRC's anti-dumping

<sup>95</sup> Anthony Albanese, interview, *SBS World News*, November 20 2022 <<https://www.pm.gov.au/media/television-interview-sbs-world-news>>.

<sup>96</sup> Don Farrell, interview, *Sky News*, November 23 2022 <<https://www.trademinister.gov.au/minister/don-farrell/transcript/sky-news-kieran-gilbert-1>>.

<sup>97</sup> Jim Chalmers, speech, Critical Minerals Summit, Sydney, November 25 2022 <<https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/speeches/address-australian-critical-minerals-summit-sydney>>.

and countervailing duties measures on wine from Australia, setting out its claims with respect to the matter. The submission states that ‘China’s responses to Australia’s claims appear designed to distract and mislead. Through extensive jurisdictional objections and similar ‘threshold’ complaints, China seeks to avoid engaging with Australia’s claims on their merits. Elements of Australia’s arguments have been ignored entirely, while detailed responses are provided to ‘straw’ arguments that Australia has simply never made.’<sup>98</sup>

November 30

Minister for Trade and Tourism Don Farrell meets with PRC Ambassador to Australia Xiao Qian.<sup>99</sup>

## December 2022

December 1

Commenting on his November 31 meeting with PRC Ambassador to Australia Xiao Qian, Minister for Trade and Tourism Don Farrell notes ‘a positive vibe with the ambassador’. He says the two had engaged in ‘a very warm and friendly discussion’ and that he had ‘made it clear’ that he was ‘prepared to meet at anytime, anywhere to resolve these outstanding issues.’

The Trade Minister also notes that, despite the Treasurer and the Resources Minister last month voicing concerns about the PRC’s dominance of rare earth supply chains, the issue of critical minerals ‘wasn’t discussed at all’ during the meeting and that ‘no concerns [were] raised’ about the matter. He says further, ‘I don’t think we were just talking about a single country with that discussion. The Americans have introduced a piece of legislation – the Inflation Reduction Act. It’s going to significantly change the way in which we deal with the issue of critical minerals and rare earths.’<sup>100</sup>

December 2

The ABC reports that a federal government source told the outlet that ‘both Australian and Chinese officials had informally floated different proposals to try to resolve trade disputes, but had not yet

reached any agreements’. The source added that ‘both countries had identified climate change and renewable energy as an obvious potential source of future cooperation which could help rebuild contact and trust within the two systems.’<sup>101</sup>

December 8

The WTO panel hearing Australia’s challenge to the PRC’s anti-dumping and countervailing duties measures on Australian barley delays the expected release of its final report to ‘the first quarter of 2023’, citing ‘the complexity of the dispute and the large number of claims involved’.<sup>102</sup> The panel was established on May 28 2021.

December 13

A survey of Australian businesses is released by the China–Australia Chamber of Commerce. It finds that 58 percent of respondents had the PRC as ‘either the top or one of the three top priorities for global investment sanctions plans over the next three years’.<sup>103</sup>

December 19

In a joint statement marking the 50<sup>th</sup> anniversary of the establishment of diplomatic relations between Australia and the PRC, Prime Minister Anthony Albanese and Minister for Foreign Affairs Penny Wong highlight that ‘Trade between Australia and China, as well as strong people-to-people, cultural and business links have delivered significant benefits to both our countries.’<sup>104</sup>

The PRC’s Customs Department publishes a post on their Weibo service which states that ‘China has been Australia’s number one trading partner for 13 consecutive years’, encouraging PRC consumers to purchase Australian lobsters, sea cucumbers, health products, ugg boots and pearls, saying these are ‘all widely popular among Chinese consumers’.<sup>105</sup>

Trade Minister Don Farrell tells *Guardian Australia* that he has ‘made it clear that if and when they [the PRC

98 Australian Government Department of Foreign Affairs and Trade, ‘Before the World Trade Organization – Panel proceedings: China – Anti-dumping and countervailing duties measures on wine from Australia, Australia’s second written submission’, November 28 2022 <<https://www.dfat.gov.au/sites/default/files/dsS602-australia-sws-bci-redacted.pdf>>.

99 Catie McLeod, ‘Trade Minister Don Farrell reveals details of meeting with Chinese Ambassador’, *The West Australian*, December 1 2022 <<https://thewest.com.au/news/trade-minister-don-farrell-reveals-details-of-meeting-with-chinese-ambassador-c-9027245>>.

100 Don Farrell, interview, *Sky News*, December 1 2022 <<https://www.trademinister.gov.au/minister/don-farrell/transcript/sky-news-tom-connell>>.

101 Stephen Dziedzic, ‘Federal government pressures China to drop trade sanctions on Australian goods ahead of key anniversary’, *ABC News*, December 2 2022 <<https://www.abc.net.au/news/2022-12-02/tim-watts-china-trade-sanctions/101727172>>.

102 World Trade Organization, DS598, WTO Documents, accessed August 15 2023 <[https://docs.wto.org/dol2fe/Pages/FE\\_Search/FE\\_S\\_S005.aspx](https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S005.aspx)>.

103 China–Australia Chamber of Commerce, *Doing Business in China Report*, December 2022 <<https://austcham.org/38743-2/>>.

104 Penny Wong and Anthony Albanese, ‘Anniversary of diplomatic relations between Australia and the People’s Republic of China’, joint statement, December 19 2022 <<https://www.foreignminister.gov.au/minister/penny-wong/media-release/anniversary-diplomatic-relations-between-australia-and-peoples-republic-china>>.

105 See Elena Collinson, *Australia–China monthly wrap-up: December 2022*, Australia–China Relations Institute, University of Technology Sydney, January 21 2023 <<https://www.australiachinarelations.org/content/australia-china-monthly-wrap-december-2022>>.

Commerce Minister] want to meet, we're very happy to do so.<sup>106</sup>

#### December 20

Minister for Industry and Science Ed Husic accepts the recommendation from Australia's Anti-Dumping Commission, made on December 9 2022, to continue to impose anti-dumping measures, in the form of a dumping duty notice, applying 2,4-dichlorophenoxyacetic acid from the PRC.<sup>107</sup>

#### December 20

One hundred and twenty-seven nations, including Australia and the PRC, co-sponsor a proposal to the WTO calling for WTO Appellate Body selection processes to be launched, stressing the 'the urgency and importance' of filling seven vacancies on the body. The US opposes the proposal, stating that 'longstanding US concerns with WTO dispute settlement... remain unaddressed.'<sup>108</sup>

#### December 21

Minister for Foreign Affairs Penny Wong travels to Beijing to participate in the sixth Australia-China Foreign and Strategic Dialogue with her PRC counterpart. The meeting, occurring as the PRC ended its COVID-zero policy, coincides with the 50th anniversary of the establishment of diplomatic relations between the two countries.

The joint statement issued by both sides notes that the two nations agreed to 'commence or restart dialogue' in areas including trade and economic issues. The statement also specified that both sides 'agreed to restart ... the Australia-China CEO Roundtable and visits by bilateral business delegations'.<sup>109</sup>

<sup>106</sup> Daniel Hurst, 'Australia seeks direct resolution of trade dispute with China before WTO ruling', *Guardian Australia*, December 20 2022 <<https://www.theguardian.com/australia-news/2022/dec/20/australia-seeks-direct-resolution-of-trade-dispute-with-china-ahead-of-wto-ruling>>.

<sup>107</sup> Anti-Dumping Commission, '604 – 2,4-Dichlorophenoxyacetic acid (2,4-D) from China: Continuation – Dumping', Australian Government Department of Industry, Science and Resources, accessed August 17 2023 <<https://www.industry.gov.au/anti-dumping-commission/archive-cases-and-electronic-public-record-epr/604>>.

<sup>108</sup> World Trade Organization, 'Members consider EU requests for dispute panels regarding Chinese trade measures', December 20 2022 <[https://www.wto.org/english/news\\_e/news22\\_e/dsb\\_20dec22\\_e.htm](https://www.wto.org/english/news_e/news22_e/dsb_20dec22_e.htm)>; Daniel Hurst, 'Australia and China team up to protest WTO blockages caused by US vetoes on appeal body', *The Guardian*, December 25 2022 <<https://www.theguardian.com/australia-news/2022/dec/25/australia-and-china-team-up-to-protest-wto-blockages-caused-by-us-vetoes-on-appeal-body>>.

<sup>109</sup> Penny Wong, 'Australia-China Foreign and Strategic Dialogue joint outcomes statement', joint statement, December 21 2022 <<https://www.foreignminister.gov.au/minister/penny-wong/media-release/australia-china-foreign-and-strategic-dialogue-joint-outcomes-statement>>.

#### December 22

The head of the Australian Meat Industry Council, the peak body representing retailers, processors and smallgoods manufacturers, tells *The Australian* that while the meat industry continues to look for other markets, 'We are prepared for any eventuality and for any scenario which comes which would see us getting back to full capacity for the Chinese market. We want to get back to where we were in 2019'.<sup>110</sup>

#### December 28

In comments to *The Australian*, Minister for Trade and Tourism Don Farrell says Australia would consider withdrawing its wine and barley cases in the WTO 'on the basis that there's some goodwill shown on both sides'. He says:

We've made it very clear to the Chinese government that we would much prefer to sort out our differences on trade issues by discussion rather than arbitrations through the World Trade Organisation process. We believe we've got very strong cases. Obviously, if China was to drop the bans on barley and wine, well then, the circumstances change.

On the PRC's bid to join the CPTTP, the Trade Minister says that 'The difficulty that China has right at the moment, of course, is that us and other countries see that they're not complying with the expected norms in terms of free trade.' However, he notes that if the PRC ceased its trade sanctions against Australia 'it would reduce one of the significant barriers to their admission'.<sup>111</sup>

#### December 29

Opposition Leader Peter Dutton, commenting on Trade Minister Don Farrell's December 28 remarks, states, 'We shouldn't be surrendering on our values and ideals – which is what Labor's proposing at the moment'. He says, 'So, it's a good thing that they can resolve matters... but we shouldn't be doing it in a way that just throws everything across to the other side of the table'.<sup>112</sup>

<sup>110</sup> Glenda Korporaal, 'Meat industry ready to re-engage with Beijing in a move to overturn export bans', *The Australian*, December 22 2022 <<https://www.theaustralian.com.au/business/agribusiness/meat-industry-ready-to-reengage-with-beijing-in-a-move-to-overturn-export-bans/news-story/c55283c5a10a2fd0864d11ca7ff2dde6>>.

<sup>111</sup> Ben Packham, 'Offer on table for China trade deal; Government prepared to drop WTO cases', *The Australian*, December 28 2022 <<https://www.theaustralian.com.au/nation/politics/offer-on-table-for-china-trade-deal-government-prepared-to-drop-wto-cases/news-story/8cd30c3f3762c5107f97703aaefde801>>.

<sup>112</sup> Peter Dutton, interview, *4BC*, December 29 2022 <<https://www.peterdutton.com.au/leader-of-the-opposition-transcript-interview-with-peter-fegan-4bc/>>.

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