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Are China and Australia inching toward a trade war?

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Australian Trade Minister Simon Birmingham called for an investigation into the origins of the COVID-19 pandemic, which has led to a trade row with China.^[1] The minister said on May 13, “‘You’ve got hundreds of thousands of people who’ve died, millions who’ve lost their jobs and billions who’ve had their lives disrupted, the least the world can expect is that there be an investigation and Australia’s far from a lone voice in advancing that.’”

China responded by suspending beef shipments from four major Australian suppliers and threatening to impose tariffs of up to 80% on barley imports. The two countries have drifted apart as Australia continually aligned itself with the administration of U.S. President Donald Trump. Recent actions include rejecting plans by Baogang Group Investments to buy a USD 13 million stake in a mine owned by Australian company Northern Minerals, and a letter from the U.S. Congress expressing support for Australia’s call for an independent investigation into the origins of COVID-19.

¹ Alan Boyd, “China, Australia edge toward Covid-19 trade war,” *Asia Times Financial*, May 13, 2020, <https://bit.ly/2Xg2D4j>.

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