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## Australia Urged to Recognise Palestine Despite Trump's Trade Threat

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Australia's potential recognition of Palestinian statehood, backed by France, the United Kingdom, and Canada, faces opposition from former US President Donald Trump, who warns of trade consequences, creating a diplomatic and economic dilemma.

Australia is under pressure to recognize Palestinian statehood, aligning with France, the United Kingdom (UK), and Canada, but former US President Donald Trump's trade warnings have raised the stakes. On July 31, 2025, Trump posted on Truth Social that Canada's decision to recognize Palestine would make trade agreements "very costly," a signal

Australian officials interpret as a direct caution to Canberra. The Australian Department of Foreign Affairs and Trade (DFAT) estimates a potential 15% tariff hike on exports to the US, up from 10%, starting August 1, 2025, according to The Australian.

Foreign Minister Penny Wong has described recognition as a matter of timing, citing discussions with French President Emmanuel Macron, UK Prime Minister Keir Starmer, and Canadian Prime Minister Mark Carney. Prime Minister Anthony Albanese, after a call with Starmer on July 30, 2025, stressed Australia's independent foreign policy but avoided firm commitments. Critics argue the Labor government's indecision risks alienating both international allies and domestic voters, with The Daily Telegraph noting public frustration over Albanese's "fence-sitting."

Israel opposes recognition, with its foreign ministry arguing it could embolden Hamas and destabilize Gaza ceasefire talks. Trump echoed this, stating that such moves hinder peace efforts. Australia's trade relationship with the US, valued at \$75 billion annually, faces uncertainty as Trump's proposed tariffs loom. The Australian Financial Review reported that DFAT officials are concerned about economic fallout, particularly for agriculture and manufacturing sectors.

Opposition Leader Peter Dutton has called for prioritizing national interests, warning that following France and the UK could strain US ties. Jewish community leader Alex Ryvchin, from the Executive Council of Australian Jewry, argued that recognition without a negotiated settlement risks prolonging conflict and delaying hostage releases. As France and the UK prepare to push for Palestinian statehood at the United Nations General Assembly in September 2025, Australia must navigate its role on the global stage while safeguarding economic stability. The government's hesitation reflects the challenge of balancing diplomatic ideals with the reality of US trade leverage.