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Albanese Sides With China in Trade Priorities as U.S. Tariff Deadline Nears

July 15, 2025

– Categories: Economics, General News



Australian Prime Minister Anthony Albanese is once again drawing international attention, this time for prioritizing economic ties with China while showing little urgency over escalating trade tensions with the United States. During a summit in Beijing with Chinese President Xi Jinping, Mr. Albanese emphasized Australia's trade relationship with China, just weeks before higher U.S. tariffs on Australian goods are set to take effect.

At a post-summit press conference, Mr. Albanese acknowledged Australia's economic reliance on China, stating, "China is our major trading partner, the destination for more than

one in four of our export dollars.” He also noted that trade with the United States accounts for less than 5 percent of Australian exports. While the numbers may be accurate, the message has raised concerns in Washington, especially as Australia takes part in one of its largest joint military exercises, alongside the United States and a coalition of more than a dozen allied nations.

The prime minister’s warm posture toward Beijing contrasts sharply with his distant stance toward former U.S. President Donald Trump, who remains a dominant figure in American politics. Mr. Albanese has yet to meet with Mr. Trump, even as the former president pushes for a tariff increase to 30 percent beginning August 1, unless more favorable trade terms are secured. These proposed tariffs, which affect multiple U.S. allies, including Australia, have reignited debate in Canberra over whether the current trade terms are truly equitable.

Australian officials have voiced frustration over the situation. Australia has run trade deficits with the United States since the 1990s, only recently shifting to a minor surplus in 2025. Meanwhile, other major Asian economies, including China, Japan, South Korea, and Taiwan, continue to maintain surpluses with the United States. Mr. Albanese recently framed the issue around fairness, saying, “We continue to put our case forward that shouldn’t be 10 percent. It should be zero. That is what a reciprocal tariff will be. We have a U.S. free trade agreement.”

The Free Trade Agreement, signed in 2004, was designed to deepen economic ties between the two democracies. However, many in Australia’s business sector argue that the benefits have been uneven. With a tariff hike looming, there is growing uncertainty over how the Albanese government plans to protect Australian industries that depend on access to the U.S. market.

According to the Sydney-based Lowy Institute, a conservative-leaning think tank, the lack of a strong personal relationship between Mr. Albanese and Mr. Trump is not just symbolic. “There isn’t a strong personal rapport,” the institute noted, warning that this disconnect could have ripple effects on defense and economic cooperation between the two countries.

Critics argue that Mr. Albanese’s approach favors short-term trade volume over long-term strategic alignment. As the Indo-Pacific region grapples with rising instability, from Chinese naval activities to North Korea’s weapons testing, Australia’s growing alignment with China may undermine trust among Western allies. With the tariff deadline approaching, the

Albanese administration faces a pivotal decision: strengthen ties with democratic partners or risk deeper economic and geopolitical entanglement with Beijing.