# Australia-China Trade Flourishes Following Diplomatic Improvements



**Australia-China Trade Reaches Record Levels Amid Improved Diplomatic Ties**

In 2023, Australia's trade with China reached a record A$219 billion (US$145 billion), up from A$168 billion in 2019, per Australian government data. This surge followed the lifting of Chinese tariffs and sanctions imposed in 2020 due to a dispute over the origins of Covid-19.

Chinese Premier Li Qiang's recent four-day visit marked the first by a senior Chinese leader since 2017. His itinerary included visits to Australia’s mining and winemaking regions, highlighting the importance of commodities to China's economy. This visit followed earlier high-level meetings by Australian Prime Minister Anthony Albanese and Foreign Minister Penny Wong aimed at mending ties.

Notably, the recovery in trade has been driven by rising iron ore prices and a rebound in services post-pandemic. Despite past frictions, including Australia's 5G ban on Huawei and calls for a Covid-19 inquiry, Albanese’s 2022 election has catalyzed a thaw in relations.

Trade Minister Don Farrell mentioned that A$86 million of wine was exported to China in April post-tariff removal, signaling optimism for full trade recovery. Issues remain, such as the ban on Australian lobsters and ongoing security tensions, yet cooperation in critical minerals, essential for renewable energy, continues to be a focal point.

Premier Li also visited New Zealand prior to Australia and will continue to Malaysia, reflecting a broader regional diplomatic effort.