



Briefing on Australia's TPR: Evidence from the Global Trade Alert

Friends of Multilateralism Group
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Founder, St. Gallen Endowment

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Recap from the Chair's conclusions at Australia's last TPR



- The last TPR of Australia took place in March 2020.

- The Chair's concluding remarks included the following observations:
 1. Economic growth, trade openness, and active WTO membership and participation in global trade issues were highlighted.
 2. High bound import tariffs, particularly on textiles and clothing items, together with a number of unbound tariff lines were stressed.
 3. Concerns about GST on digital products, Wine Equalization Tax, and the Luxury Car Tax were noted.
 4. Australia was urged to ensure WTO consistency of its sanitary and phytosanitary regulations.
 5. Concerns expressed over Australia's use of anti-dumping measures, especially on steel.

Australia's current trade policy regime

- Lots of “water” remains in the Australian MFN tariff regime.
- Almost three-quarters of Australia's imports are from RTA partners.
 - But large shares of Australia's imports have duties bound at zero at the WTO.
- For every Australian trade distortion in force, there are 1.6 trade reforms in effect.
- Tariff increases and subsidies to import-competing firms constitute the lionshare of Australia's measures that favour local firms.
- Tariff cuts constitute significant shares of Australian measures that favour foreign firms.

Coverage of Australian commercial policy stance in the Global Trade Alert database



Metric	Last TPR (13.03.2020)	Now (24.01.2025)
Total number of policy interventions by Australia that harm the commercial interests of trading partners	367	963
Total number of commercial policy reforms by Australia	196	1510
Total number of policy interventions by trading partners that harm the commercial interests of Australia	6026	9566
Total number of foreign commercial policy reforms likely to benefit Australia	863	1285

Note: In January 2025, the GTA database contained 2473 (=1510+963) reports on measures taken by Australia that are currently in force. Only 18 (around 0.7%) such reports are based on non-official sources.

Setting the scene | Trade Policy

Australia's trade policy



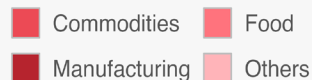
Trade policy metric	Value	Observations
Share of exports to RTA partners	87.1%	Australia has RTAs that in principle give it preferential market access to 30+ economies.
Share of imports from RTA partners	74.9%	
Trade Weighted Average Applied MFN Tariff Rate	2.5%	
Trade Weighted Average Bound MFN Tariff Rate	9.4%	
Average Weighted Tariff Water (NAMA)	6.9%	Difference between bound and applied duties in NAMA
Share of duty-free products (Agricultural products)	76.3%	High duty-free share, even for agricultural products.
Share of duty-free products (Non-agricultural products)	48.3%	
Binding Coverage (All)	97.2%	Almost complete binding coverage.

64,9% of Australia's harmful measures are concentrated in 20 sectors

Most frequently affected sectors

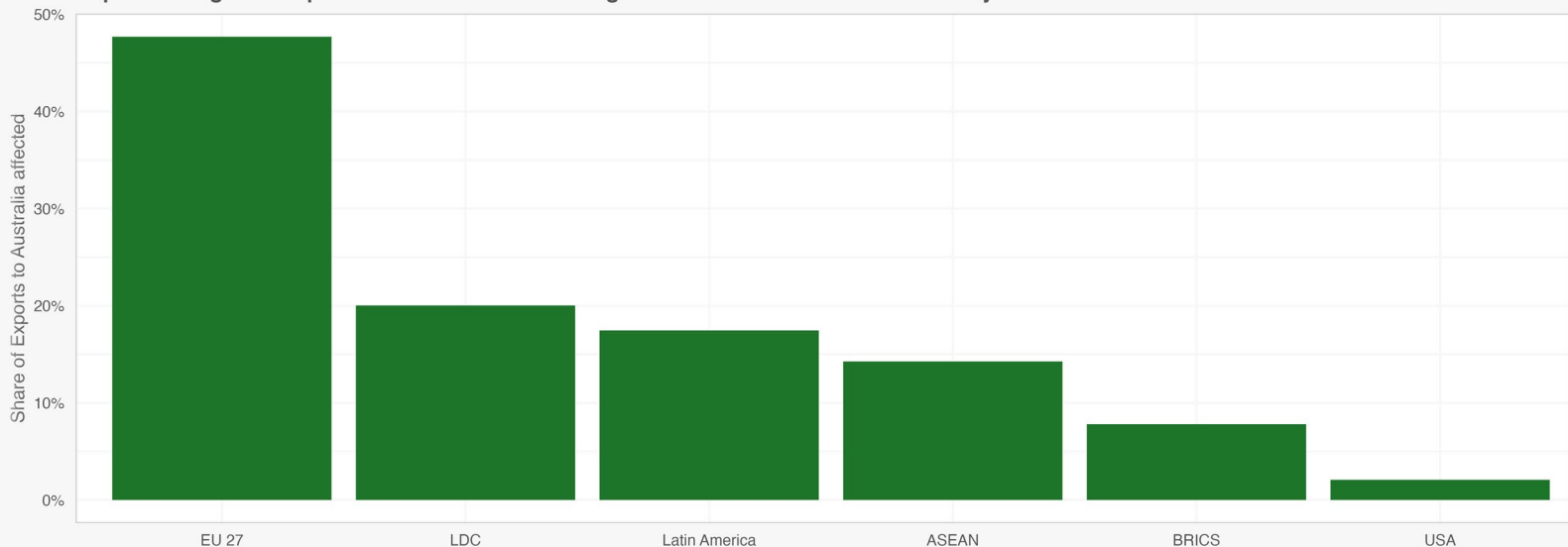
Top 20 CPC 2-digit Sectors

Others (CPC 0) 35.10%	Basic chemicals (CPC 34) 6.90%	Salt, precious stones & fertilizers (CPC 16) 2.30%	Textile articles other than apparel (CPC 27) 2.10%	Bakery, grain mill & starch products (CPC 23) 1.90%	Crude petroleum & natural gas (CPC 12) 1.80%
	Metal ores (CPC 14) 2.50%	Glass products, ceramics, cement & stones (CPC 37) 2.20%	Coal & peat (CPC 11) 2.00%		
	Electricity, steam & gas (CPC 17) 4.00%		Pharmaceuticals & toiletries, man-made fibres & paint (CPC 35) 2.30%	Furniture, musical & sports instruments, toys, jewellery (CPC 38) 2.10%	Transport equipment (CPC 49) 2.20%
	Rubber & plastics products (CPC 36) 4.50%	General-purpose machinery (CPC 43) 4.50%		Fabricated metal products, except machinery & equipment (CPC 42) 4.20%	
	Electrical machinery & apparatus (CPC 46) 5.20%	Basic metals (CPC 41) 5.00%		Special-purpose machinery (CPC 44) 4.90%	



EU 27 and LDC saw greatest exposure to Australia's trade reforms—USA the least.

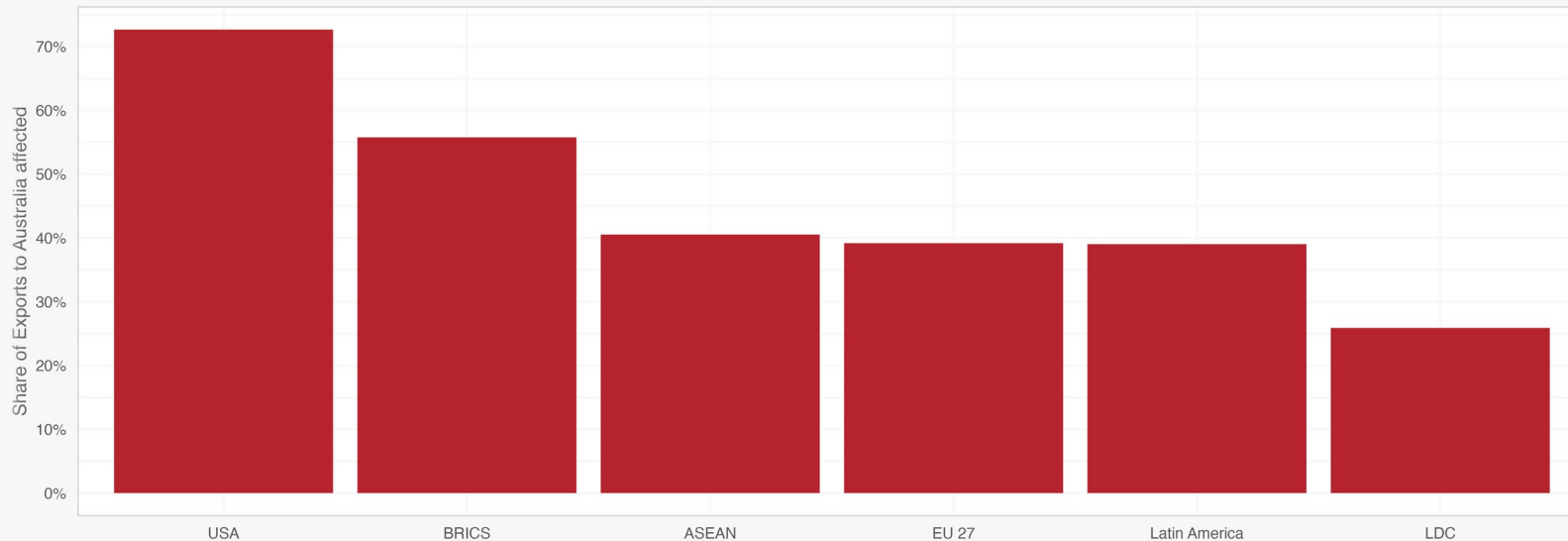
Exposure of goods exports to Australia Liberalising interventions active on 24. January 2025



Global Trade Alert (2025)

Market access at risk from current Australia's measures high, but less so for LDCs

Exposure of goods exports to Australia Harmful interventions active on 24. January 2025



Global Trade Alert (2025)



Australia's Trade Policy Evolution since its last TPR

Professor Simon J. Evenett, IMD Business School

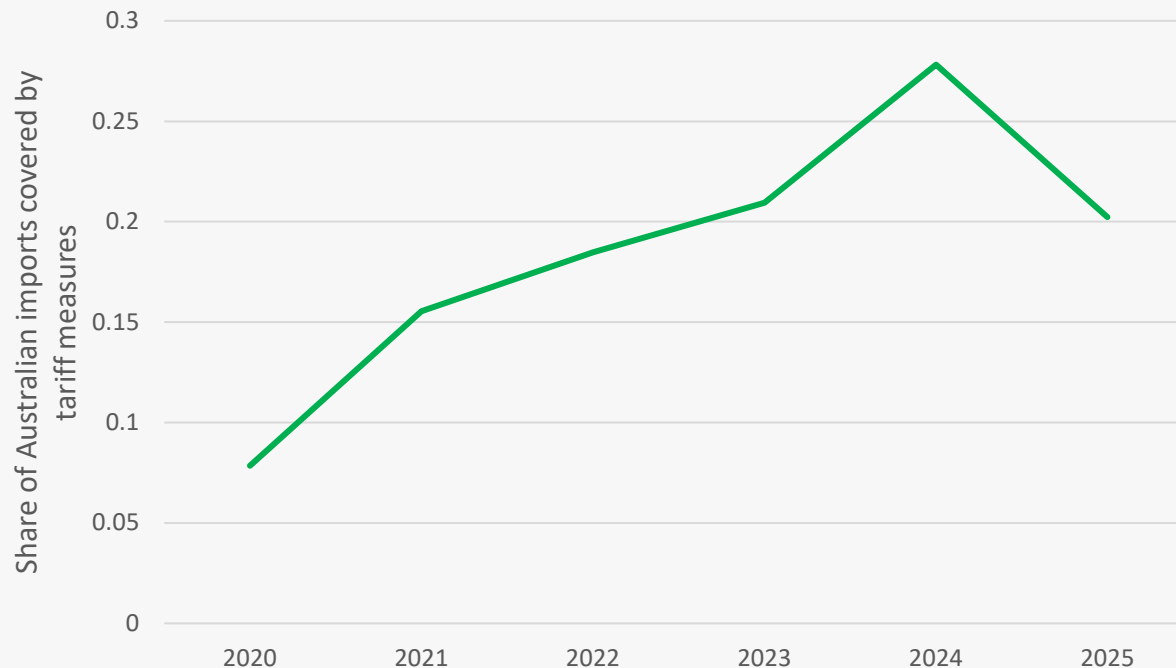
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Summary of key policy trends

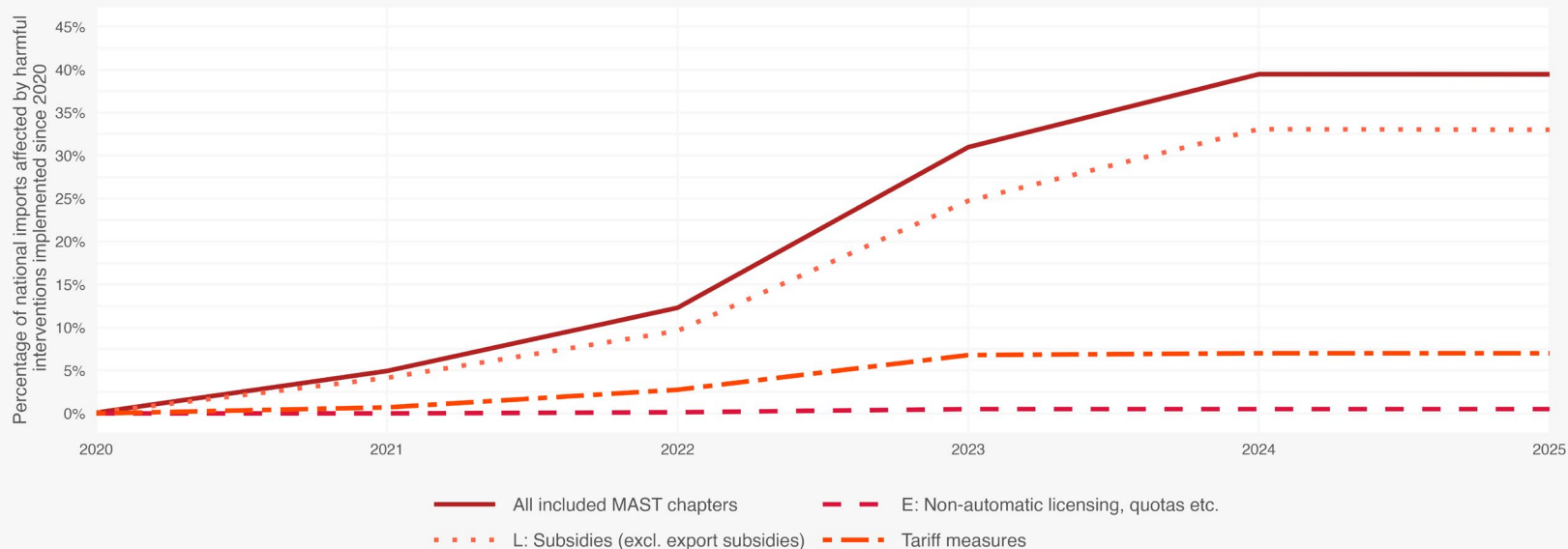
- Since last TPR Australian favouritism towards its locally based firms covers 40% of imports—double the import share covered by Australian trade reforms.
- Tariff reductions dominate market access changes since last TPR.
- Significant changes in sectoral favoritism since last TPR.
 - Electric energy still most targeted sector, but volume has declined by almost half.
- 19 trading partners have more than USD 1bn of their exports at risk from measures that Australia has taken that benefit local firms.

Goods market access improvements dominated by import tariff cuts



Goods market access at risk since last TPR: Corporate subsidies to local firms dominate

Market access risks since last TPR - Australia



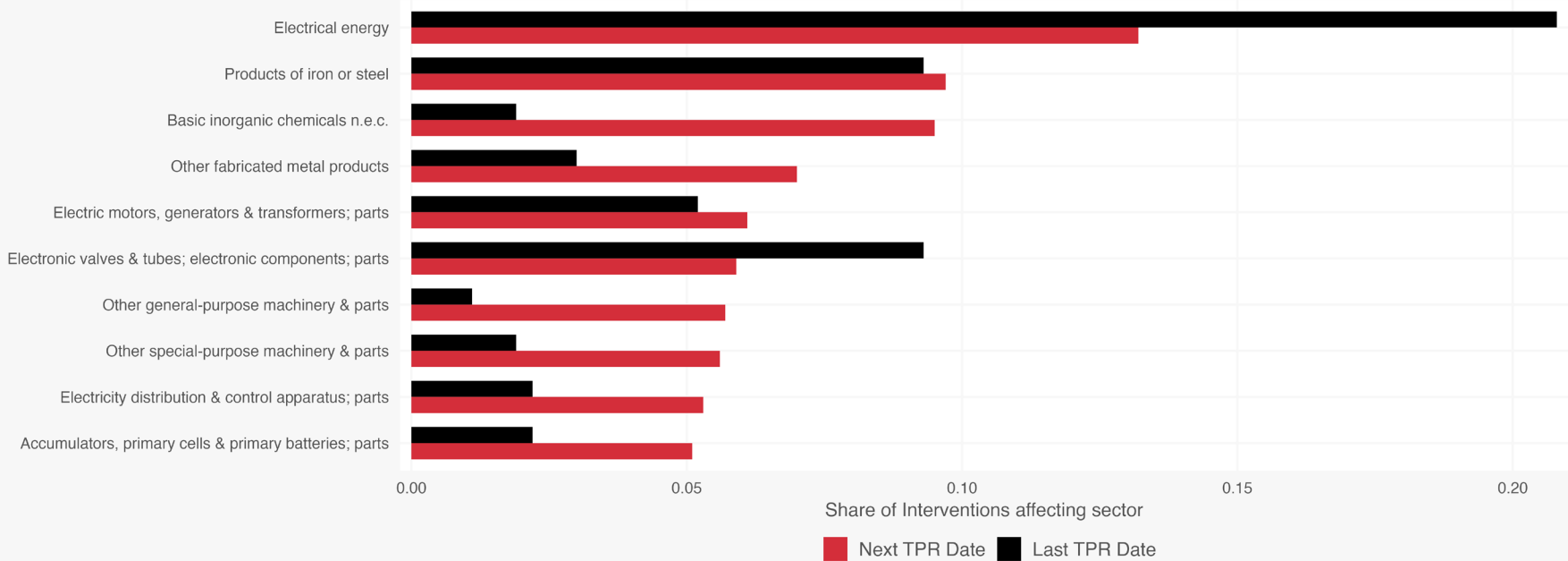
Note: The calculations for 2021 only consider measures taken between 22. October and 31. December of that year.

Global Trade Alert (2025)



Large change in sectors favoured since last TPR

Distribution of Australia's harmful measures by economic sector



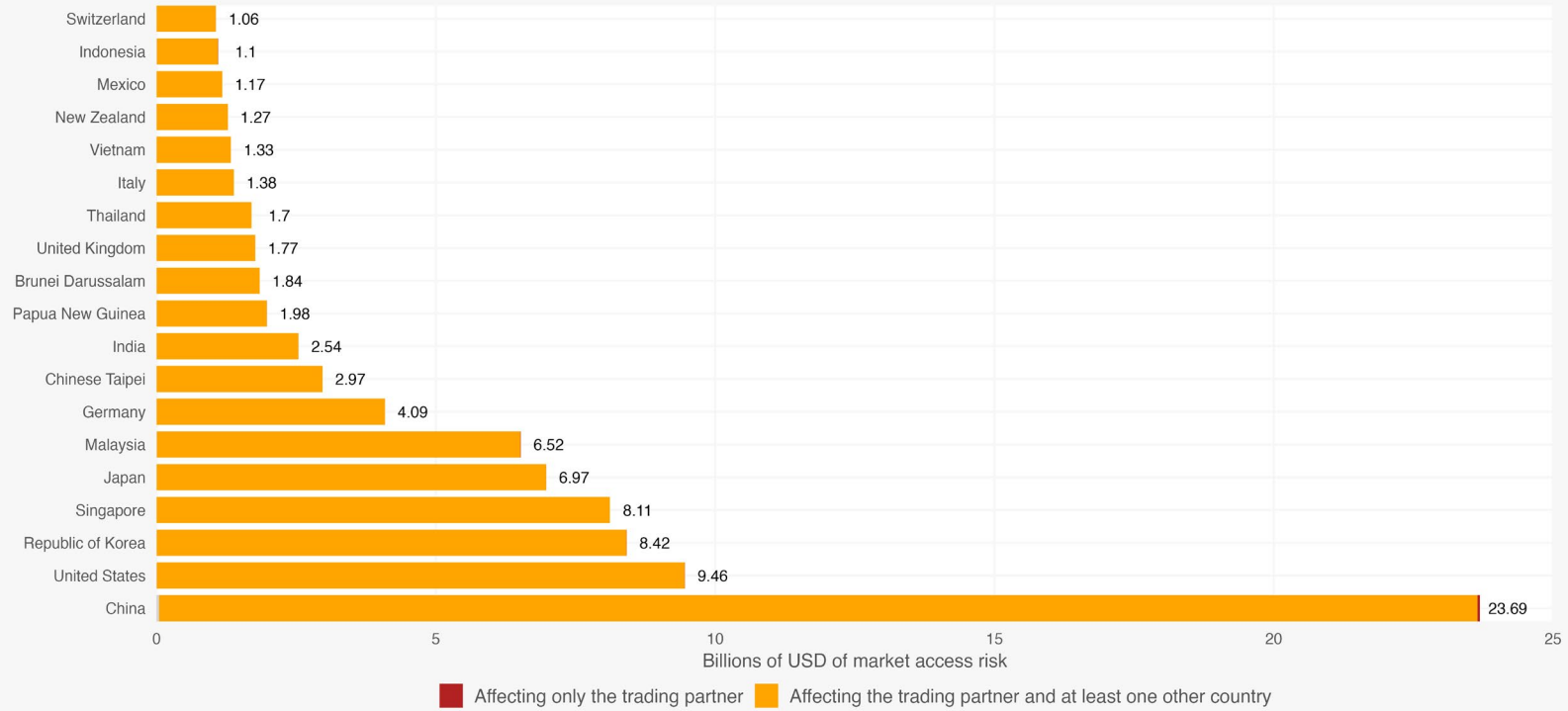
Note: Only sectors accounting for 5% or more of Australia's harmful measures in force reported here.

Global Trade Alert (2025)



19 trading partners have >\$1bn exports at risk from Australia's harmful policy changes since last TPR

Trading Partners with more than 1B of goods trade at risk - Australia



Global Trade Alert (2025)



Australia's Stake in the World Trading System

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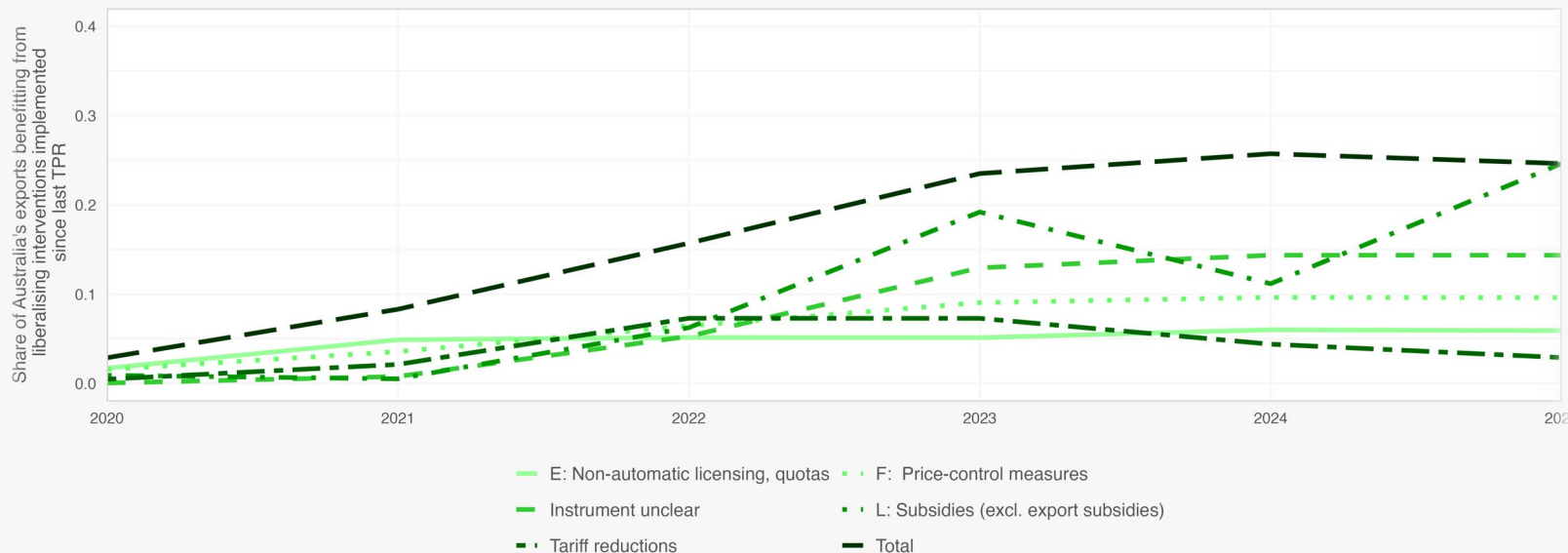
A summary of the factual observations in this section



- Less than 25% of Australian exports face better trading conditions on account of trade reforms abroad since its last TPR—largely on account of corporate subsidy reductions.
- However, around two-thirds of Australian exports to the rest of the world have faced one or more new trade distortion.
- Since the last TPR, the threats to Australia’s exports are concentrated in 12 trade partners.
- Several steps taken following a widely-reported episode of “economic coercion.”

25% of Australia's exports face better conditions abroad: breakdown by class of policy instrument

Global market access improvements since last TPR - Australia

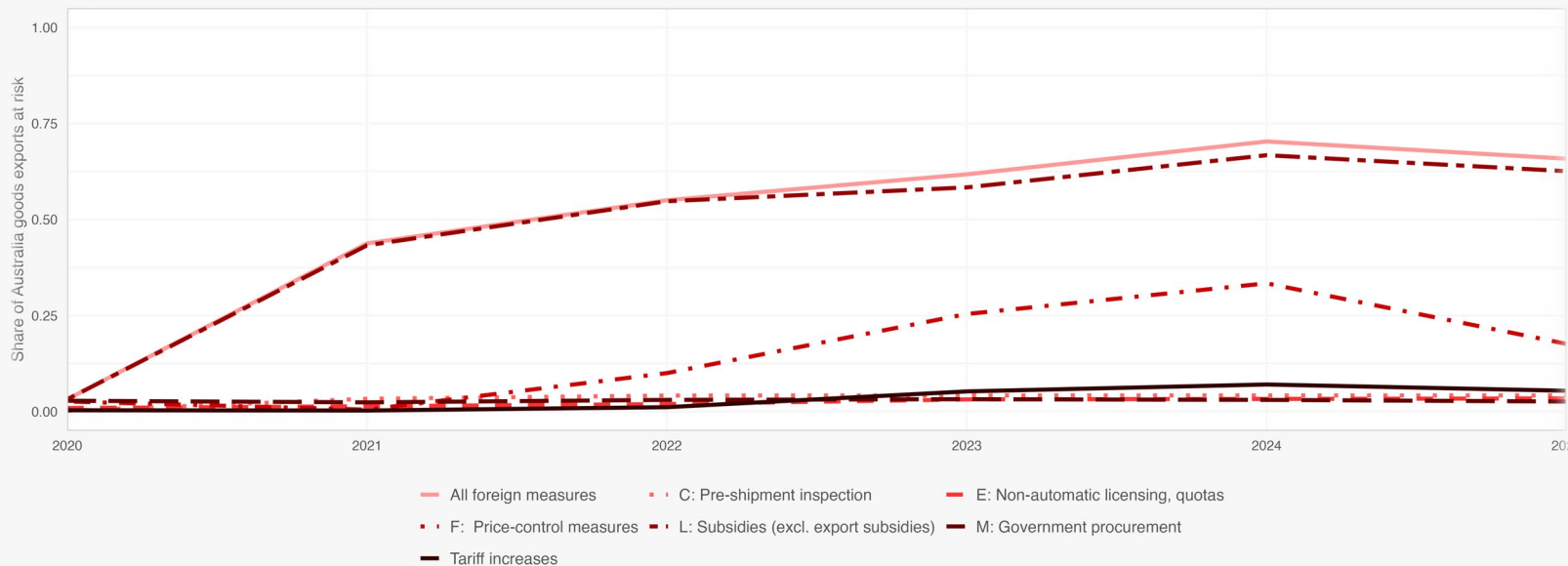


Global Trade Alert (2025)



Foreign subsidies are the most pervasive threat to Australia's goods exports

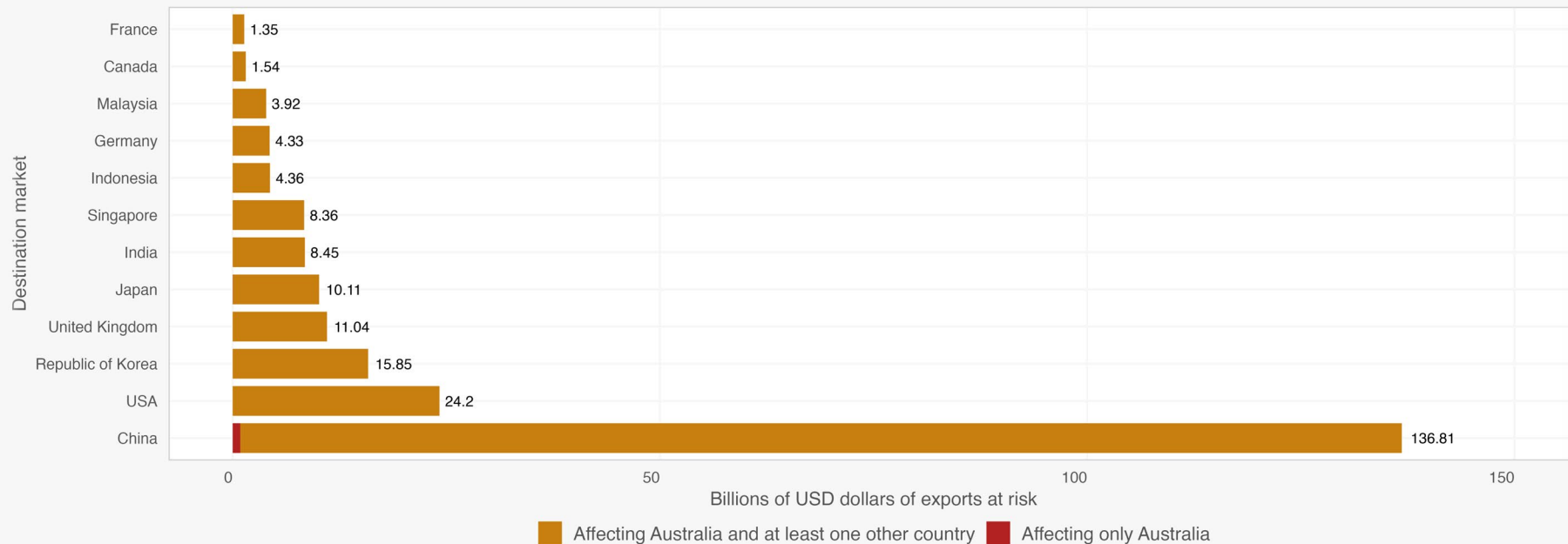
Export-related measures threaten the most exports from Australia



Global Trade Alert (2025)

Market access threats to Australia's exports are concentrated in 12 trading partners

Goods exports at risk from local market access impediments - Australia



Note: Destination countries are included if over USD 1B of exports from Australia are affected by harmful interventions. Calculations based on trade weights for 2020

Global Trade Alert (2025)

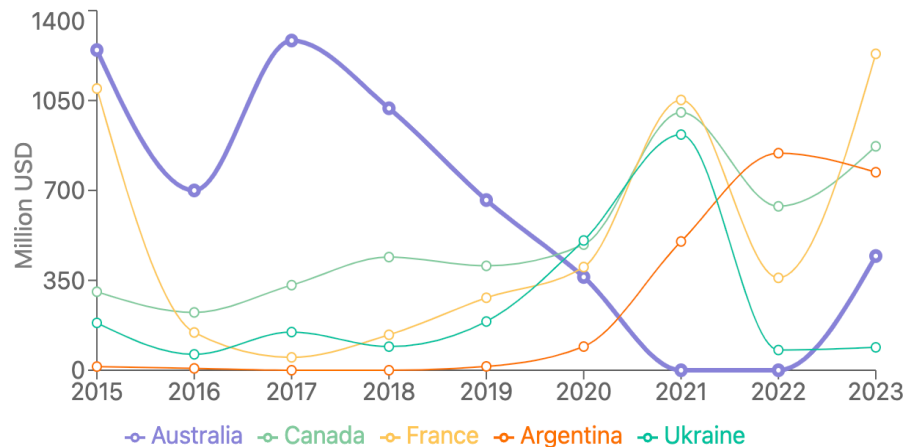
China-Australia trade dispute – a widely reported case of “economic coercion”?



- **Build up (2017-2020):** build-up of political tensions (Huawei & ZTE, foreign interference laws, human rights criticism, Chinese investment scrutiny), “Fourteen Grievances.”
- **Trigger (April 2020):** Then Prime Minister Scott Morrison calls for an independent investigation into the origins of Covid-19.
- **Escalation (2020):**
 - Anti-dumping and countervailing duties of up to 80.5% import tariff on barley, up to 212% on Australian wine.
 - Formal and informal import restrictions on Australian coal, copper, cotton, timber logs, beef, lobsters, forages.
- **Reconciliation/Resolution:**
 - In 2023, China removed tariffs on barley, timber, and coal.
 - In 2024, most import restrictions were removed, including on wine, beef, and lobsters.

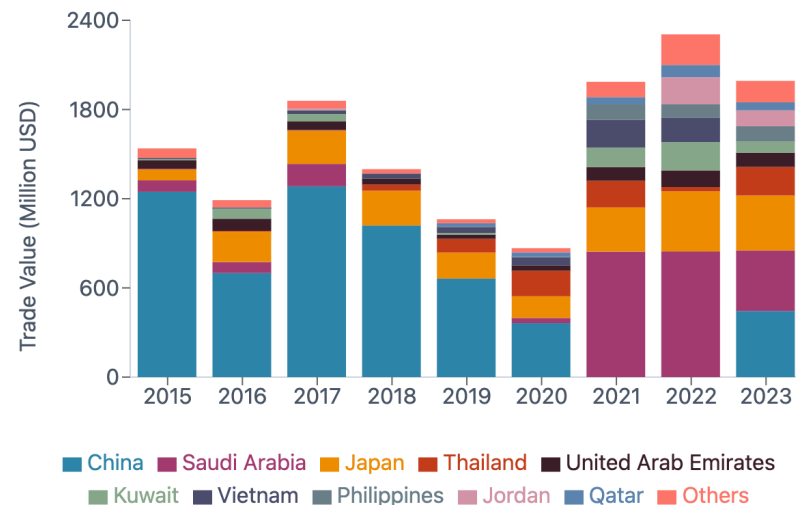
Trade flows and adjustment - barley

Annual Barley Exports to China



Source: UN Comtrade (2025)

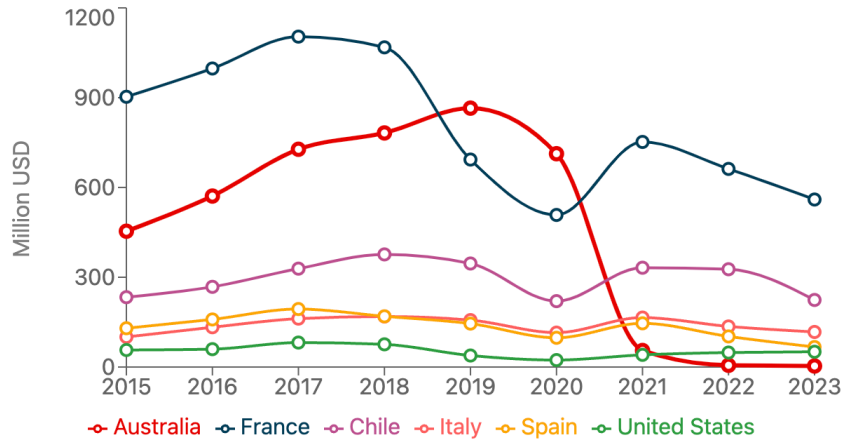
Australian Barley Exports by Destination



Source: UN Comtrade (2025)

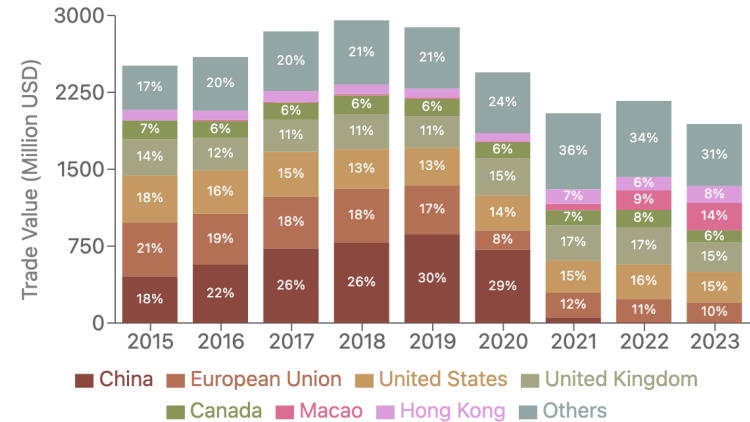
Trade flows and adjustment - wine

Annual Wine Exports to China



Source: UN Comtrade (2025)

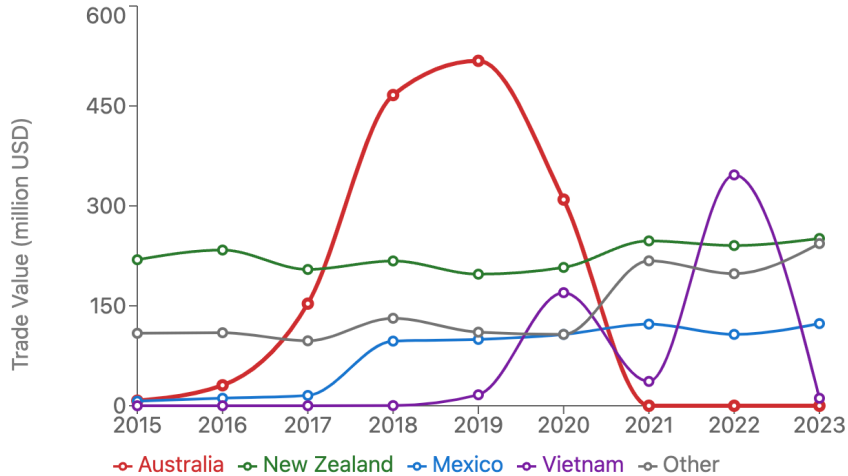
Australian Wine Exports by Destination



Source: UN Comtrade (2025)

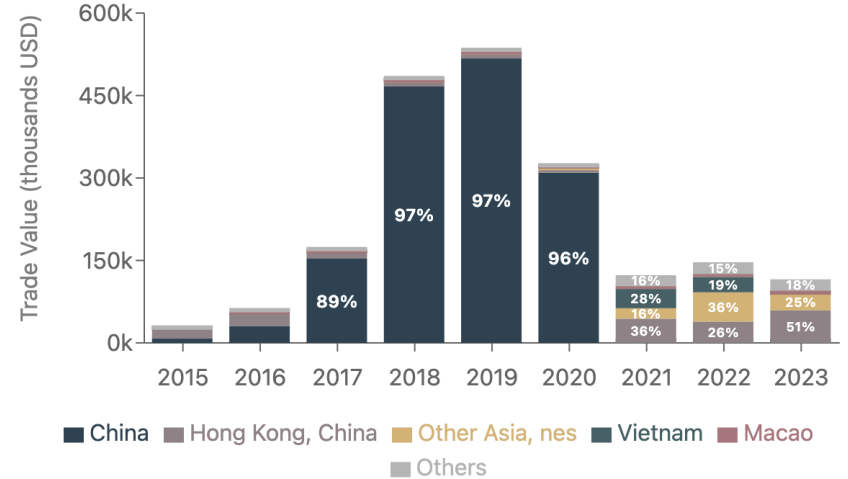
Trade flows and adjustment - lobster

Lobster Exports to China by Origin



Source: UN Comtrade (2025)

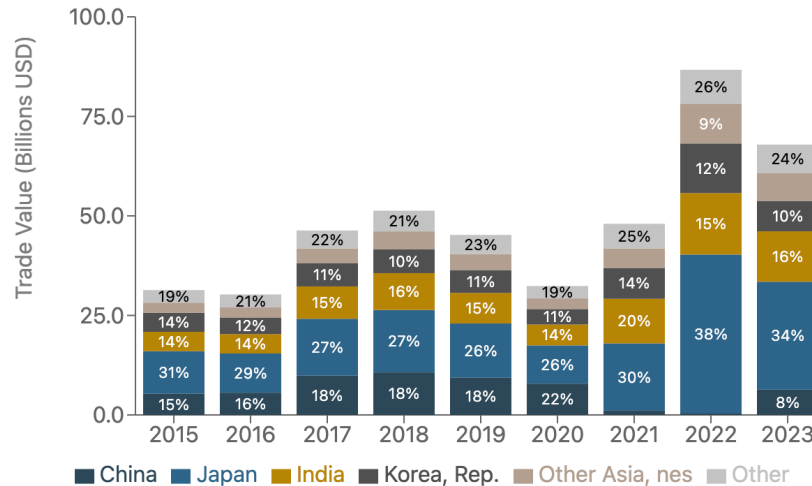
Australian Lobster Exports by Destination



Source: UN Comtrade (2025)

Trade flows and adjustment – coal

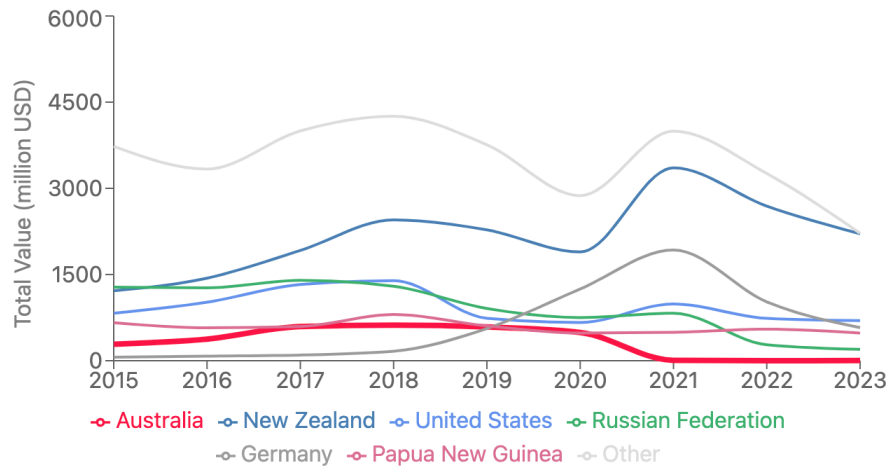
Australian Coal Exports by Destination



Source: UN Comtrade (2025)

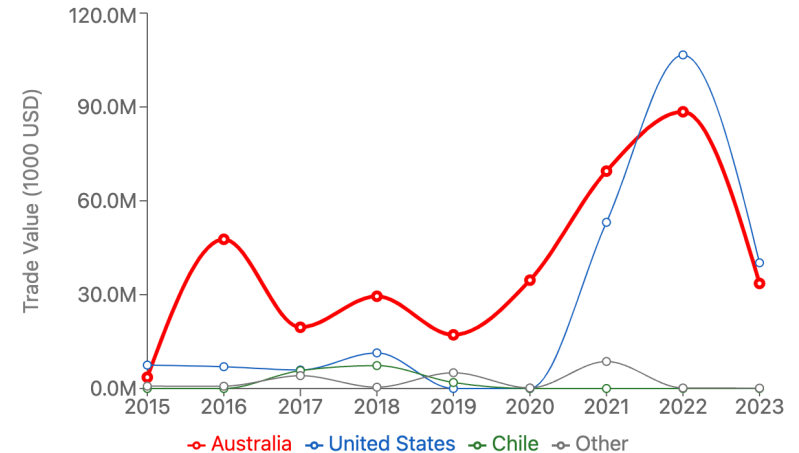
Trade flows and adjustment – timber and woodchips

Timber Exports to China by Origin



Source: UN Comtrade (2025)

Woodchip Exports to China by Origin



Source: UN Comtrade (2025)

Australian response - summary



- Exports redirection
 - More successful for some commodities (e.g. barley, coal) than others (lobsters, wine)
 - Adjustment through deflection (lobster, wine) and product transformation (timber)
- Government response—Towards a playbook for dealing with economic coercion?
 - No retaliation or significant shift in policy position
 - Trade promotion
 - State aid to the agricultural sector, including for export diversification
 - Continued FTA expansion
 - WTO dispute settlement cases in relation to duties on barley and wine



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Questions Arising From the Evidence Presented Here

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Questions raised by the evidence in this presentation



- What accounts for Australian export stagnation?
- Have the real wage falls of 2021-23 cast a pall over Australian trade policy?
- What accounts for Australia's extensive resort to corporate subsidies?
- What additional steps could Australia take to review the effectiveness of the many corporate subsidies that it has awarded in the past?
- What lessons arise from Australia's response to an episode widely referred to as economic coercion?
- In what ways are national security considerations shaping Australian trade and investment policies?



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Annex: Australia's Policy Towards the Digital Economy

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A summary of the factual observations in this section



- (Preliminary remark: Information here is sourced from the Digital Policy Alert, which tracks the legal and regulatory developments affecting the digital economy in the members of the G20 and the EU and by Switzerland. That monitoring started in 2020.)
- The value of digital services exported over the period 2009-10 to 2023-24 was \$5 billion, and accounted for only 1% of the total Other services export value during that time
- Trading partners may be concerned by certain data localization measures as well as restrictions on foreign direct investment in certain digital sectors.
- The Digital Policy Alert's Digital Digest series summarises each G20 country's digital policy in 5 minutes: **[LINK TO DPA DIGITAL DIGEST SERIES](#)**

RECENT POLICY

DATA GOVERNANCE



▪ Data governance

- Signed Privacy and Other Legislation Amendment Act 2024
 - [LINK FOR DPA POLICY CHANGE](#)
- Enforcement, recently focusing on
 - Data disclosure to Cambridge Analytica: [LINK FOR DPA POLICY CHANGE](#)
 - Facial recognition: [LINK FOR DPA POLICY CHANGE](#)
 - Data breaches
 - [LINK FOR DPA POLICY CHANGE](#)
 - [LINK FOR DPA POLICY CHANGE](#)
 - Data scraping for AI:
 - [LINK FOR DPA POLICY CHANGE](#)
 - [LINK FOR DPA POLICY CHANGE](#)

▪ Online Content and Safety

- Signed Social Media Minimum Age Act 2024: [LINK FOR DPA POLICY CHANGE](#)
- Ongoing implementation of the Online Safety Act, including through Industry Standards
 - Designated Internet Services: [LINK FOR DPA POLICY CHANGE](#)
 - Relevant Electronic Services: [LINK FOR DPA POLICY CHANGE](#)
- Remuneration for online (news) content
 - Adopted News Media and Digital Platforms Mandatory Bargaining Code: [LINK FOR DPA POLICY CHANGE](#)
 - Announced News Bargaining Incentive charge for social media platforms: [LINK FOR DPA POLICY CHANGE](#)
- Enforcement, recently focusing on
 - X (illegal content and transparency): [LINK FOR DPA POLICY CHANGE](#) ; [LINK FOR DPA POLICY CHANGE](#)
 - Apple (child safety) [LINK FOR DPA POLICY CHANGE](#)

▪ Competition

- Deliberation on a new digital competition regime
 - [LINK FOR DPA POLICY CHANGE](#)
- Enforcement action, recently focusing on
 - Google, search engine pre-installation on Android devices: [LINK FOR DPA POLICY CHANGE](#)
 - Uber, misleading warning messages: [LINK FOR DPA POLICY CHANGE](#)
 - Approval of mergers: [Google/Mandiant](#) ; [Microsoft/Activision Blizzard](#) ; [Meta/Kustomer](#)
- Inquiries by the Australian Competition and Consumer Commission
 - Digital Platform Services (2020-2025): [LINK FOR DPA POLICY CHANGE](#)
 - Digital Advertising Services: [LINK FOR DPA POLICY CHANGE](#)

RECENT POLICY

OTHER MATTERS OF INTEREST



▪ Digital Trade

- Co-Convenor of the WTO Joint Statement Initiative on E-Commerce
 - [LINK FOR DPA POLICY CHANGE](#)
- Comprehensive and Progressive Trans-Pacific Partnership (CPTPP)
 - [LINK FOR DPA POLICY CHANGE](#)
- Regional Comprehensive Economic Partnership (RCEP)
 - [LINK FOR DPA POLICY CHANGE](#)
- Upgraded ASEAN-Australia-New Zealand Free Trade Area
 - [LINK FOR DPA POLICY CHANGE](#)
- Digital economy agreement with Singapore
 - [LINK FOR DPA POLICY CHANGE](#)
- Free trade agreement including a digital trade chapter with the United Kingdom
 - [LINK FOR DPA POLICY CHANGE](#)

RECENT POLICY

OTHER MATTERS OF INTEREST



▪ Resources

- DPA Briefing on Australia (2023)
 - [LINK](#)
- DPA Dataset on Australia
 - [LINK](#)
- DPA Dashboard on Australia
 - [LINK](#)
- Clairk Documents, including Australian Laws and Trade Agreements
 - [LINK](#)