

China lifts heavy tariffs on Australian wine

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The Chinese government has officially lifted heavy tariffs on Australian wine, which could help the struggling industry deal with low prices and oversupply worldwide according to ABC News.

China had imposed around \$20 billion in trade barriers on Australian exports in 2020 and 2021 but agreed to review the tariffs five months ago as it gradually dismantled the restrictions. China's Commerce Ministry announced an interim decision earlier this month, which all but confirmed the abolition of tariffs of up to 220 per cent on Australian wine. Now, the Ministry has declared that it is no longer necessary to impose anti-dumping and countervailing duties on Australian wine imports.

The Chinese government claimed earlier that the tariffs targeted Australia's anti-competitive behaviour, but both Labor and the Coalition have been clear that it was political retribution after the Morrison government's repeated clashes with Beijing.

Australian wine exports to China peaked at \$1.1 billion in 2019-20 but fell sharply after the tariffs were imposed. Despite the lifting of tariffs, wine exports are unlikely to return to their peak levels as China's wine consumption has dropped significantly in recent years. The lifting of tariffs was a result of Australia suspending an appeal to the World Trade Organisation, initiated by the former Coalition government, in return for China's review of the tariffs.