


— Exclusive

The Aussie trade hit list that Trump may use to cut a deal on tariffs

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US officials say Australian restrictions on American meat, fruit, pharmaceuticals and streaming platforms such as Disney+ and Netflix hinder free trade, arming Donald Trump with a ready-made hit list for negotiations with Anthony Albanese over tariffs.

Australian officials in agriculture and other departments are scrambling to compile longstanding American complaints, and the justifications for the restrictions, to prepare for the US president's demands of the prime minister, according to sources not authorised to speak publicly.



Prime Minister Anthony Albanese and US President Donald Trump. **Alex Ellinghausen, Bloomberg**

Trump has begun his second administration with almost daily announcements of new tariffs and other disruptive threats, confounding political leaders and markets and raising concerns about a trade war.

But he told Albanese last week he would consider exempting Australia from 25 per cent tariffs [<https://www.afr.com/link/follow-20180101-p51b3t>] on steel and aluminium, kick-starting a flurry of negotiations ahead of a proposed March 12 start date.

In an annual trade barriers report published last year under the Biden administration, which echoes concerns expressed in the first Trump term, the office of the US Trade Representative complained about Australia's strict biosecurity rules blocking the sale of US beef, pork, poultry, apples and pears.

Pharmaceutical and streaming gripes

The National Trade Estimate Report on Foreign Trade Barriers also expressed annoyance at Australia's pharmaceutical benefits scheme and the process by which US drug makers are notified of generic competitors advertising new products.

US trade officials also opposed moves to force streaming platforms such as Netflix, Disney+ and HBO to produce Australian made television and movies, a plan the Albanese government shelved in November.

Trade officials and experts in Washington and Australia say the USTR's long-running gripes are likely to play into negotiations over tariff exemptions.

Former Australian trade official Pru Gordon, who was involved in implementing the Australia-United States Free Trade Agreement 20 years ago, said anything Trump deemed to be an unfair trade barrier risked triggering a reciprocal tariff from the US.

"These issues will be part of their calculation determining what tariff to put on Australia – if any," she said of the USTR list.

"Plus the rules requiring social media platforms to pay for media content."

The Albanese government has delayed a plan to impose financial penalties on digital platforms such as Meta that fail to strike deals with local news publishers to pay for posting their news content, due to concerns about retaliation from Trump, Nine's *The Age* and *The Sydney Morning Herald* reported on Monday.

Last week Trump took aim at similar foreign taxes on US technology giants.

"Though America has no such thing, and only America should be allowed to tax American firms, trading partners hand American companies a bill for something called a digital service tax," he said in a White House statement.

Trump signed an executive order threatening reciprocal tariffs on countries that restrict US exports via duties and other trade measures.

While Australia has not imposed tariffs on US goods since a free trade agreement came into force in 2005, the president ordered officials to examine retaliating

against tariffs, regulations, subsidies [<https://www.afr.com/world/north-america/trump-readies-reciprocal-tariffs-on-us-trading-partners-20250214-p5lclh>] and value-added taxes, which could include the 10 per cent goods and services tax.

Officials and experts who have studied the executive order interpret it as paving the way for the US to calculate the cost on US business of a foreign trading partner's restrictions, and potentially apply an equivalent broad tariff on goods bought from that country.

Washington-based Centre for Strategic and International Studies senior adviser Charles Edel said the prime minister's cordial phone call with Trump last week and Australia's large trade deficit – about \$40 billion – with the US suggested a strong case for a tariff exemption on economic and strategic grounds.

“Nevertheless, from the US government's perspective, there are several unresolved irritants in the bilateral trade relationship which might be raised in the context of tariff negotiations,” Edel said.

“Among other things, this includes Australian biosecurity regulations on a number of agricultural products.”

Meat and fruit restrictions on US farmers

Australia closed its market to US beef in 2003 to protect cattle from mad cow disease.

“The United States continues to press the Australian government to align its import requirements for US fresh beef and beef product exports with World Organisation for Animal Health guidelines for countries with a negligible risk,” the USTR noted in March last year.

“The United States has provided Australia with scientific evidence demonstrating the safety of US pork products; however, the issue remains unresolved.

“Australia prohibits the importation of apples and pears from the United States based on concerns regarding several pests. The United States continues to work with Australia to secure market access.”

The US last year also raised concerns about the failure of the NSW government to compensate the US shareholders of NuCoal, which had its licence for the Doyle Creek coal mine cancelled.

The project was cancelled by Liberal premier Barry O'Farrell in 2014 after the Independent Commission Against Corruption found Labor state mining minister Ian Macdonald acted corruptly in 2008 in granting the licence to a company then chaired by former union official John Maitland.

Josh Meltzer, a senior fellow at the Brookings Institution and former diplomat at the Australian embassy in Washington, said it was possible the issues in the USTR report would be raised by Trump.

"I think other issues will reduce Trump's focus on Australia, including the fact that we have a deficit with the US and we spend money on defence," he said.

"You also need to just factor in resource constraints. USTR is small and will be hit by further cost-cutting, so they will need to prioritise which countries to focus on, and I think Australia has to fall way down that list."

Matthew Goodman, a former international economic adviser to president Barack Obama, said the free trade agreement and trade deficit would push Australia down Trump's priority list.

"But as seen from the steel and aluminium tariffs, Australia is at risk of getting caught up in Trump's impulse to swing at anything that isn't nailed to the floor," he said.

"So those perennial gripes could be a target eventually."

The president's trade order also targets foreign value-added taxes, raising concerns Australia may be hit because of the 10 per cent GST imposed on imports.

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