

Australian PM visits China amid stepped-up US military demands

Oscar Grenfell**21 July 2025**

Australian Prime Minister Anthony Albanese concluded a six-day visit to China last Friday. The trip featured a meeting with President Xi Jinping and a behind closed doors banquet with the Chinese leader, as well as other high-level engagements including conferences with Premier Li Qiang and Chairman Zhao Leji of the National People's Congress.

The visit has been hailed as a success by Albanese's supporters, and even as a diplomatic masterstroke. In reality, the trip had a rather desperate character, aimed at shoring up economic and trade ties with China, upon which Australia is heavily dependent, amid the global headwinds of geopolitical upheavals and US President Trump's trade war.

Albanese told the press that there was no relationship between Australia's heavy reliance on trade with China, and its military-strategic alliance with the US. The two could be separated, he claimed, while repeatedly referencing the importance of "balance."

The circumstances of the trip underscored the completely unviable character of that perspective and the objective crisis of Australian capitalism. Amid a further escalation of the US-led plans for war with China, the clear message from the Trump administration is that the time for such balancing acts is over.

On the eve of Albanese's departure, the Trump administration leaked to the press demands that Australia, along with Japan, commit its military assets, in advance, to a US war with China over Taiwan. That attempt to blow-up Albanese's visit followed earlier US demands that Australia immediately lift its military spending from around 2 to 3.5 percent of Gross Domestic Product.

Albanese's visit also coincided with the beginning of Talisman Sabre military exercises in Australia. This year's iteration of the biennial US-Australian war games is the largest yet, involving 19 countries, including all the major imperialist powers, and advanced weaponry, such as long-range missiles. It has the character of a dress rehearsal for an aggressive US-led war against China, a fact that was openly acknowledged by the *Wall Street Journal*.

Notwithstanding its unusual length, the trip was

conspicuous for the limited character of the discussions and the lack of any concrete agreements.

Albanese reportedly expressed "concern" to Xi over China's live-fire naval exercises in the Tasman Sea between Australia and New Zealand in February. The military drills, which occurred in international waters and were thus legal, were the subject of a hysterical beat-up from US-aligned commentators in the Australian press.

Albanese also raised the plight of Yang Hengjun, a Chinese-Australian author imprisoned in China on espionage charges. Yang's murky case has also been used by the national-security establishment to accuse China of "human rights" and legal abuses.

But there were many topics that Albanese avoided. He claimed that the US demands for a commitment that Australia would participate in war with China had not come up in his discussion with Xi, and he dodged the issue when it was repeatedly raised by reporters. Taiwan also reportedly was not canvassed, under conditions where the US overturning of the status quo and its tacit promotion of Taiwanese separatism is the central flashpoint for a potential war.

Xi and the Chinese leadership also seem to have held back on their concerns over Australia's aggressive participation in the anti-China build-up. They reportedly did not raise with Albanese his government's cancellation of a lease for the Port of Darwin held by a Chinese company. The unprecedented move was based on national-security legislation.

The termination of the lease, on the grounds that the Chinese company had ties to the Beijing regime, has far broader implications. Given the scope of the Chinese government's oversight and control, virtually every Chinese corporation or businessmen could be branded as "state-connected," jeopardising any Chinese investment in Australia.

To the extent that there was a focus to the trip, it was on the trade ties. Albanese was accompanied by a substantial business delegation, including some of the country's top

iron ore magnates. “Iron ore represents by far our largest export by value, and overwhelmingly it comes here to China,” he declared.

In the 2023-24 financial year, iron ore accounted for 21 percent of Australian exports, with over 80 percent of it being shipped to China. That country is also a top market for Australia’s other major exports, including coal, other minerals and natural gas. China accounted for 32 percent of Australian exports in the year, compared with just 12 percent to Japan, in second place, and 6 percent to the US in fourth.

Australia accounts for around 60 percent of China’s iron ore imports, with Brazil making up another 20 percent. The mineral is crucial to steel production and thus impacts virtually all areas of industry.

Over the past year, however, China has signalled its intention to “derisk” its iron ore imports by diversifying their sources. Chinese firms are constructing a 12 million-tonne iron ore processing plant in Sierra Leone, while similar moves are underway or foreshadowed in other African countries including Guinea, Liberia, Cameroon and Congo-Brazzaville.

Geraldine Slattery, the president of BHP Australia, who was among the business contingent that accompanied Albanese, told the *Australian Financial Review*: “[M]arket dynamics, driven by new ore supply from West Africa, peak or falling steel output and plans by Beijing to move from coal-fired to electric arc steel furnaces and, ultimately, hydrogen, had put miners on notice.”

Albanese and the mining company officials have touted proposals for Australia to collaborate with China on the production of “green steel,” which is purportedly more environmentally friendly due to the use of decarbonisation processes.

There is clearly an anxiety about the implications of a Chinese turn away from Australia as the premier supplier of iron ore. Already, the slump in commodity prices has hit the revenues of the mining companies, with flow-on impacts for the federal budget, which is expected to be in deficit for the decade.

Notwithstanding the attempts to present “green steel” and similar initiatives as the wave of the future, Albanese came up with virtually nothing by way of concrete agreements. A review of the China Australia Free Trade Agreement is planned. The Chinese are to promote tourism to Australia, including with television advertisements. And a Policy Dialogue on Steel Decarbonisation is to take place.

Despite the modest character of the visit, it was the subject of a hostile campaign by sections of the national-security establishment and the press. The Murdoch-owned *Australian* ran a stream of commentary, accusing Albanese of being “soft” on China and of being taken in by Xi’s supposed

“charm offensive.” They lambasted the fact that Albanese, having been reelected in May, had met with the Chinese leader before being able to secure a face-to-face discussion with Trump.

These statements were made by figures with close ties to the US and Australia state establishments.

The clear message was that even limited diplomatic engagement with China is no longer permissible. But Australian capitalism confronts an objective crisis. There is no ready alternative to its heavy dependence on trade with China.

While the US impost on Australian exports under Trump’s reciprocal tariffs regime is relatively low, at 10 percent, tariffs on pharmaceutical goods and aluminium could have a vast impact. Australia, moreover, is exposed indirectly, as any slowdown in China, the central target of Trump’s economic war, threatens a major reduction in demand for Australian exports.

In its first term, Albanese’s Labor government went a substantial distance to completing Australia’s transformation into a frontline state for war with China, including with a vast expansion of US basing facilities. The integration is such that Labor’s Defence Minister Richard Marles publicly acknowledged earlier this year that Australia would be automatically involved in any US-led conflict with China.

Even more is being demanded, as demonstrated by the public insistence of the Trump administration for an explicit commitment to participate in such a war, and the drumbeat for an increase to military spending. The claims, promoted by Labor during the election, that Australia was an exception to the deepening global upheavals, and could somehow stand aside from them, continue to be exposed as a fraud.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact