

Australia allows \$1bn in trade with Russia since invasion of Ukraine

Australia has allowed almost \$1bn in two-way trade with Russia since Moscow invaded Ukraine – a figure similar to the value of Australian military and humanitarian aid sent to Kyiv.

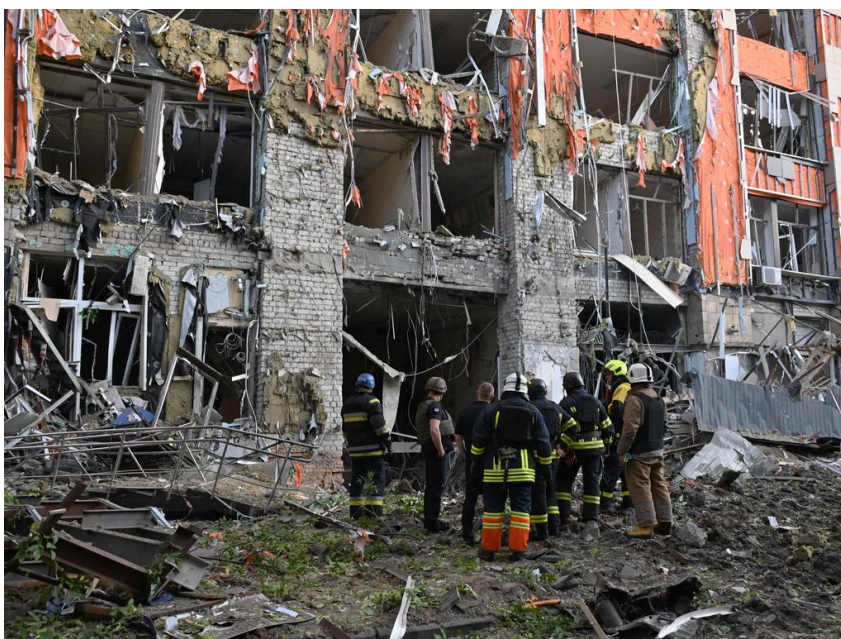
Mark Dunn, Herald Sun, May 26, 2024 - 5:00PM

Australia has allowed almost \$1bn in two-way trade with Russia since [Moscow launched its illegal invasion of Ukraine](#) – a figure similar to the value of Australian military and humanitarian aid sent to Kyiv.

Despite the value of Australia’s trade with Russia plummeting in just over two years, a range of products are permitted to continue trickling through and analysts argue Australia and other democracies must completely halt trade with Russia to stifle its economy and ability to wage war.

Trade figures show that in 2022, with Vladimir Putin launching his invasion from February 24 that year, Australia imported a record amount of fertiliser from Russia, worth \$242m, and \$349m in crude petroleum, our biggest order since 2014, as well as a wide range of other goods from alcohol to wood products, footwear and even \$106,000 worth of arms and ammunition in 2023 and \$1.9m in radioactive material in 2022-23.

“It seems absurd that even as Australia condemns Moscow for launching an unprovoked and illegal war against Ukraine, deliberately targeting civilian population centres and committing war crimes, that Australia still maintains trade with the Russian Federation,” Australian Strategic Policy Institute senior defence analyst Malcolm Davis said.



Firefighters inspect a heavily damaged office building following Russian air strike in Kharkiv.

“The Australian government should move rapidly to cease all and any trade with Russia.”

In a jarring comparison, Australia's overall support to Ukraine of just over \$1bn for its defence, including \$880 million in assistance for Ukraine's Armed Forces, is only slightly more than our two-way trade with Russia in 2022-2023, at \$984m.

Shadow foreign minister Simon Birmingham said the Albanese government must maximise trade sanctions.

"This is a government which seems incapable of being proactive on these sorts of issues and instead has to be dragged to the table with reactionary solutions that risk coming too late as we saw with customs tariffs on Russia and Belarus earlier this year when Labor extended them at the eleventh hour," Mr Birmingham said.

Data from the Department of Foreign Affairs and Trade shows Australia's imports from Russia fell dramatically from \$752m in 2022 to \$10.8m in 2023 and exports fell from \$217m to \$3.9m, but trade continues at minor levels.

Australia's trade sanctions kicked in from March-April in 2022 and were expanded in subsequent months, which DFAT said resulted in 99 per cent of trade impacted, with 1200 targeted financial sanctions on persons and entities, import and export bans on certain goods, and an additional 35 per cent tariff on goods made in Russia.



There's been \$1bn in two-way trade between Russia and Australia despite the war in Ukraine.

But Australian exporters were still permitted to ship \$169m worth of aluminium in 2022, presumably for contracts before sanctions, about \$1.9m in meat in 2023, \$95,000 in chemicals last year and about \$787,000 in medications since the

beginning of 2022.

Mr Davis said any trade with Russia helped it redirect resources to its war effort and said "all western states, including Australia, should cut trade ties with Russia and dramatically reduce diplomatic engagement with Russia to an absolute bare minimum."

"If sanctions are to work, then Russia needs to be isolated and denied the means to gain benefit from international commerce."

US trade with Russia has also fallen almost 90 per cent since the outbreak of the war but continues in exempt products and services, with its two-way trade valued about \$7.5bn in 2023.

Trade values between Russia the EU, US, UK and Japan cumulatively fell about 80 per cent but Russia's GDP rose 3.6 per cent last year, one of the highest in the world, aided by its surging military-industrial output and huge trade upticks with China and India (worth \$360bn and \$98bn in 2023 respectively).

"The challenge is that Russia is being directly supported by China and other states who are flouting international sanctions, including China certainly sending military-related technologies and resources that can sustain Russia's defence industrial capacity to continue the war," Mr Davis said.

"Any economic support to Moscow from whichever direction allows Russia to maintain and expand its military industrial capacity to sustain the war.

"Trade cannot be seen as separate from military production or economic growth. If Russia is to be denied victory in the war against Ukraine, then it must be isolated to the greatest degree possible, albeit given the support it is getting from states such as China, Iran, North Korea, and even India."