

Media Roundup Issue 3 (14/01/17 – 20/01/17)

1. Trade tensions between US and China could benefit Australia: RBA's

Ian Harper

17/01/17

James Glynn

The Australian

Widespread uncertainty still hangs over the economic and trade agendas of US president-elect Donald Trump, but if he stokes trade tensions with China, Australia could benefit, according to a policy-setting member of the Reserve Bank of Australia.

Economists have been fretting over the fallout for Australia of a possible trade clash between its largest export market and the US since Mr Trump won the US election, given his critical views of Chinese trade and currency policies.

But RBA board member Ian Harper says Australia could step in to fill some of the gaps that might emerge in such a scenario, and grow as the Australian dollar weakens.

Read more: <http://www.theaustralian.com.au/business/economics/trade-tensions-between-us-and-china-could-benefit-australia-rbas-ian-harper/news-story/97d13dcc6e9bbd4b4896907db01e78bb>

2. Why dodgy Chinese banks influence Australian property values

17/01/17

Robert Gottliebsen

The Australian

Few Australians buying houses and apartments in Melbourne and Sydney realise that the value of their properties partly depends on the success of China's attempt to prop up its dodgy banks.

And the values may also become linked to the looming global tangle between China and the US which will include trade, the South China Sea and Taiwan.

The Chinese citizens sending money to Australia are scared that China's banks and/or the currency will collapse so go to incredible lengths to get money out of China and into "safe havens" like Australian and Canadian real estate.

But the Chinese money exit clamps are becoming more successful and we have seen a big fall in Chinese demand for Sydney apartments. Fortunately for those wanting real estate prices to hold or rise in Sydney the Chinese have been replaced by an equally big rise in negative gearing by Australians who have been frightened off superannuation by the crazy government games.

Read more: <http://www.theaustralian.com.au/business/opinion/robert-gottliebsen/why-dodgy-chinese-banks-influence-australian-property-values/news-story/ec61f6b484f20f8cd4ccb5597d40e008>

3. Consider Australia's options if US loses Indo-Pacific clout

18/01/17

Peter Varghese
The Australian

The Trump era has begun but we will need to wait to see what it brings. Donald Trump's will be a presidency evaluated in reaction, not anticipation. Over him hangs a cloud of uncertainty.

Who sits in the Oval Office matters greatly. But however powerful that position, it rarely bends the arc of history. And with or without Trump in the White House, we will have to come to grips with deep structural changes in our strategic environment.

Perhaps the deepest of those changes is the narrowing of US strategic predominance in the Indo-Pacific region. What does Australia do when American strategic predominance is no longer the linchpin of regional security?

One option would be to hope for the best. This is not as delusional as it may sound. The US has not yet lost strategic predominance and who can say for certain that it is inevitable? After all, it still has a huge lead in the industries of the future, from aerospace to biotechnology and artificial intelligence.

Read more: <http://www.theaustralian.com.au/opinion/consider-australias-options-if-us-loses-indopacific-clout/news-story/a023bfbec6e82655533fd87e9adabacc>

4. Xi Jinping may be preaching trade, but China's opening up has slowed

18/01/17

James Laurenceson
The Conversation

When it comes to offering global economic leadership, the divergence in narrative and optics coming from the US and China could hardly be starker.

On Tuesday Chinese President Xi Jinping became the first Chinese leader to [attend](#) a meet of the World Economic Forum (WEF), where he also delivered a keynote address warning against protectionism. Accompanying him were the heavyweights of China's now huge private sector, including Wang Jianlin, China's richest person and chairman of property developer Dalian Wanda, and Jack Ma, boss of internet and e-commerce giant, Alibaba.

President-elect Trump, meanwhile, did not send a single official representative to the WEF. During his campaign, he also repeatedly promised to put "America first". One

way he plans on doing this is by withdrawing the US from the Trans-Pacific Partnership (TPP). Trump has described the TPP, a multilateral trade deal that includes Australia, as “a potential disaster”.

But this narrative doesn’t give an accurate picture of international trade and investment. China has opened up considerably, but this has slowed recently.

Read more: <http://theconversation.com/xi-jinping-may-be-preaching-trade-but-chinas-opening-up-has-slowed-71274>

5. Australia is fifth biggest selling country on Chinese platform

18/01/17

**Glenda Korporaal
The Australian**

Chemist Warehouse, Swisse, Blackmores, Devondale, Nature’s Way and Woolworths are Australia’s top selling brands on China’s major international e-commerce platform, Tmall Global.

A report released this week by the Alibaba e-commerce group, which runs Tmall Global, shows Australia was ranked the fifth highest country selling goods into China last year on the platform.

The total sales of products from Australia rank after those from Japan, the US, South Korea and Germany.

Alibaba does not reveal the total amount of sales by country on its platform but it notes that the top selling goods from Australia on its site include health and - nutritional supplements, milk powder, dietary supplements, snacks, coffee, oatmeal and instant beverages.

The news comes as the Alibaba group has moved to step up its business in Australia through the establishment of an office in Melbourne last year and a visit by Prime Minister Malcolm Turnbull to its headquarters in Hangzhou in September.

Read more: <http://www.theaustralian.com.au/business/australia-is-fifth-biggest-selling-country-on-chinese-platform/news-story/76987fb18db9c728c8237c6fa26f8bf9>

6. Red-Handed: China province admits faking economic growth figures

18/01/17

AFP

The Australian

A Chinese official has admitted his province falsified its economic data for years, state media said on Wednesday, as the country prepares to release its national growth estimates for 2016.

The announcement by the governor of the northeastern province of Liaoning partially confirms long-held suspicions among overseas investors that the world's second largest economy has been cooking the books.

China's GDP figures are a closely watched measure of economic growth in the country, which affect business and financial decisions around the globe.

Speaking at a legislative meeting on Tuesday, Liaoning's governor Chen Qiufa admitted that from 2011 to 2014, economic data from cities and counties under the province's jurisdiction had been plagued with false statistics, the official Xinhua news service said.

Read more: <http://www.theaustralian.com.au/business/economics/redhanded-china-province-admits-faking-economic-growth-figures/news-story/2cb3f11fa31d0df705c61a4b73a1003a>

7. China admits its GDP data is fake

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Angus Grigg

Australian Financial Review

It has long been suspected but never proven. Now Liaoning Province, in the rust belt of northern China, has admitted to faking its economic growth data. The fabrication occurred between 2011 and 2014, the provincial Governor Chen Qiufa told a meeting of the local legislature.

But as is often the case in China, the Communist Party did not say by how much the data had been over-stated, although it said fiscal revenue was inflated by as much as 20 per cent in some years.

More tellingly there has been no pledge to restate the numbers for that four year period in either provincial or national accounts.

The revelation will give further voice to the China bears, even though Liaoning was considered something of a renegade province which has been hit by major corruption and vote buying scandals in recent months.

Read more: <http://www.afr.com/news/world/china-admits-its-gdp-data-is-fake-20170119-gtuh42>