

## Media Roundup Issue 4 (21/01/17 – 27/01/17)

### 1. China hints at Aussie gain amid Trump pain

19/01/17

**Christian Edwards**

**Asia-Pacific Banking and Finance**

Australia may yet avoid becoming collateral damage in a US / China trade war after Chinese President Xi Jinping used a landmark address to the World Economic Forum to pledge improved market access for foreign investors.

With its two major trading partners at odds, Australia's fear is that if the US moves to service its \$US250 billion trade deficit with China by imposing punitive tariffs on a Chinese government ... which would likely be forced by public opinion to respond in kind by itself targeting US companies and investment.

"Any damage that Trump does to the Chinese economy will hurt the global economy," Hannah Bretherton, project coordinator and researcher for Australian thinktank China Matters, told *AB+F*. "And that won't be good for Australia."

Read more: <http://www.australianbankingfinance.com/asian-markets/china-hints-at-aussie-gain-amid-trump-pain/>

### 2. China tightens Great Firewall by declaring unauthorised VPN services illegal

23/01/17

**Josh Ye**

**South China Morning Post**

Beijing has launched a 14-month nationwide campaign against unauthorised internet connections, including virtual private network (VPN) services, which allow users to bypass the country's infamous "Great Firewall".

A notice released by the Ministry of Industry and Information Technology on Sunday said that all special cable and VPN services on the mainland needed to obtain prior government approval – a move making most VPN service providers illegal.

The "clean-up" of the nation's internet connections would start immediately and run until March 31, 2018, the notice said.

"China's internet connection service market ... has signs of disordered development that require urgent regulation and governance," the ministry said.

The crackdown on unregulated internet connections aimed to "strengthen cyberspace information security management".

Read More: <http://www.scmp.com/news/china/policies-politics/article/2064587/chinas-move-clean-vpns-and-strengthen-great-firewall>

### 3. Non-tariff measures limit free trade benefits of free trade pact with China

**23/01/17**

**Gary Dawson and Tony Mahar  
The Australian**

Australian farmers and food processors lined up to support the China-Australia free trade agreement in recognition of its perceived benefits. For farmers, these were higher farm gate returns; manufacturers saw the potential of growth for value-added food.

Since December 2015, when the agreement came into effect, there has undoubtedly been a boost in trade, enabling more of Australia's high-quality food to meet the growing demand among Chinese consumers. Seafood and horticulture have been big winners. Demand is also growing across other food categories, from baby formula and vitamins to snacks and breakfast cereals.

But non-tariff measures made worse by slow bureaucratic processes are imposing costs and delays, leaving farmers and the food sector feeling the agreement is not delivering to its potential.

Preferential access through lower tariffs has opened the valve, but more than a year on the trade pipes remain clogged by this mass of technical barriers that need to be scoured out for the full benefits of the trade agreement to both Australia and China to flow.

*Read More (Paywall): <http://www.theaustralian.com.au/opinion/nontariff-measures-limit-benefits-of-freetrade-pact-with-china/news-story/658448a924065a5acb3f2c44b2a2d3cd>*

### 4. Alibaba's billionaire founder Jack Ma is returning to Australia, 32 years after he learnt 'Aussie English' here

**23/01/17**

**Tony Yoo  
Business Insider Australia**

China's second wealthiest man, Jack Ma, is coming to Australia — a country that had a significant influence on his life – to open Alibaba's local headquarters in Melbourne.

Ma — worth \$US28.2 billion, according to Forbes — built his fortune from Alibaba, which provides an e-commerce platform for foreign companies to sell and buy with Chinese firms. The internet giant is ramping up its presence in Australia and New Zealand, opening its regional headquarters in Melbourne on February 4.

Business Insider understands Ma will be the guest of honour when the Melbourne office is launched. Alibaba has been contacted for comment.

*Read More: <http://www.businessinsider.com.au/alibabas-billionaire-founder-jack-ma-is-returning-to-australia-32-years-after-he-learnt-aussie-english-here-2017-1>*

## 5. Trump White House vows to stop China taking South China Sea islands

**23/01/17**

**David Brunnstrom and Matt Spetalnick**

**Reuters**

The new U.S. administration of President Donald Trump vowed on Monday that the United States would prevent China from taking over territory in international waters in the South China Sea, something Chinese state media has warned would require Washington to "wage war."

The comments at a briefing from White House spokesman Sean Spicer signaled a sharp departure from years of cautious U.S. handling of China's assertive pursuit of territory claims in Asia, just days after Trump took office on Friday.

"The U.S. is going to make sure that we protect our interests there," Spicer said when asked if Trump agreed with comments by his secretary of state nominee, Rex Tillerson, on Jan. 11 that China should not be allowed access to islands it has built in the contested South China Sea.

"It's a question of if those islands are in fact in international waters and not part of China proper, then yeah, we're going to make sure that we defend international territories from being taken over by one country," he said.

Read more: <http://www.reuters.com/article/us-usa-china-southchinasea-idUSKBN1572M4>

## 6. Donald Trump turns his back on the world

**23/01/17**

**Peter Hartcher**

**Sydney Morning Herald**

Donald Trump's America does not exist in a vacuum. Other nations are calculating and positioning to take advantage.

Much has been said about Russia. But the rising great power competing with the US for leadership in the Asia-Pacific and for authority worldwide is China.

Strikingly, Beijing has decided that Trump represents a great opportunity to win power and influence at America's expense.

Already this year, China's President Xi Jinping has made two prominent speeches aimed at the wider world. He is setting up a contrast with Trump that is deliberate and stark.

Trump marked the new year with a juvenile tweet: "Happy New Year to all, including my many enemies and those who have fought me and lost so badly they just don't know what to do. Love!"

Xi gave a televised New Year address to the nation, translated into 65 languages. Instead of a 27-word taunt, his 1200-word speech was a positive appeal for united action.

*Read More:* <http://www.smh.com.au/comment/donald-trump-turns-his-back-on-the-world-20170123-gtx1v1.html>

## 7. Australia Is Facing A Few Potential Risks From A U.S.-China Trade War

**23/01/17**

**Eoin Blackwell**

**Huffington Post**

The era of President Donald Trump will herald an uncertain period in U.S.-China relations that could have serious implications for Australia's economic and security future.

Fears of a trade war or even outright conflict between the U.S. and China have played out in the public eye since late last year, when Trump openly questioned the One China Policy and took aim at China's trade policies, both during the campaign and recently on Twitter.

Trump's pick for secretary of state, Rex Tillerson, suggested early this month that China should be blocked from its militarily built up islands in the South China sea, a position Chinese state media met with threats of a "large-scale war, and warnings to "prepare for a military clash".

But it wasn't just China's Global Times that had hot words for the incoming administration, with former Australian prime minister Paul Keating lambasting Tillerson and accusing him of threatening to involve Australia in a war with China.

While armed conflict in the region is still a hypothetical, it's one that presents significant problems for Australia.

*Read More:* <http://www.huffingtonpost.com.au/2017/01/22/australia-is-facing-a-few-potential-risks-from-a-u-s-china-trad/>

## 8. If America Refuses to Lead

23/01/17

**Richard Fontaine and Mira Rapp-Hooper**  
**Wall Street Journals**

Just a few months ago, the notion of China as the savior of international order would have struck most as fanciful, even absurd. Yet President Xi Jinping's debut at Davos last week amounted to an attempt to seize at least a portion of that mantle.

Decrying protectionism and defending globalization, Mr. Xi made the case for a more prominent Chinese role in global economic leadership. By most accounts, his remarks were well-received by the elite audience, many of whom are struggling with populist opposition to key features of the global order.

International politics abhors a vacuum, and it is into the breach left by the U.S. that Mr. Xi is directing his efforts. Encouraged by the perception of Obama-era retrenchment, the death of the Trans-Pacific Partnership and uncertainty about the scope and nature of Trump administration engagement, China stands to benefit from any American retreat from the world.

*Read More (Paywall): <http://www.wsj.com/articles/if-america-refuses-to-lead-1485194280>*

## 9. Trump and Shorten are wrong: TPP is a very good deal

24/01/17

**Zoe Mckenzie**  
**Australian Financial Review**

In the excitement of a Trump inauguration, it seems everyone is trying on the protectionist pant-suit for size.

In anticipation of Trump's rapid decapitation of the TPP, Opposition Leader Bill Shorten and trade spokesperson Jason Clare last week declared the Trans-Pacific Partnership, "dead in the water" and chided the Turnbull government for persisting with the ratification of the TPP through the Australian Parliament.

In doing so Shorten perpetuated the Labor tradition of walking both sides of the street on trade.

This time, Shorten chose to side with his trade union backers, and echo the Trump tirade that trade deals are bad for workers, testing the Australian public's interest in a protectionist agenda which seems to infect both sides of US politics and parts of the UK and Europe.

But an anti-trade agenda is inherently opposed to Australia's best interest. There is no better proof point than the TPP.

*Read More: <http://www.afr.com/news/economy/trade/trump-and-shorten-are-wrong-tpp-is-a-very-good-deal-20170124-gtxhl2#ixzz4WjiPAiKY>*

## 10. China eyes opportunity as US pulls out of Trans-Pacific-Partnership

24/01/17

**Justin Sink and Toluse Olorunnipa**  
**Sydney Morning Herald**

Washington: President Donald Trump's formal withdrawal from the long-planned Trans-Pacific Partnership trade deal with Pacific Rim nations creates a political and economic vacuum that China is eager to fill, offering a boost for beleaguered US manufacturing regions while damaging American prestige in Asia.

The move is a sledgehammer blow to former President Barack Obama's attempt to recentre US foreign policy from the Mideast to Asia.

As the Trump administration retreats from the region by ending US participation in the Trans-Pacific Partnership, China's Communist leaders are ramping up their globalisation efforts and championing the virtues of free trade.

In an address last week to the World Economic Forum at Davos, Chinese president Xi Jinping likened protectionism to "locking oneself in a dark room" and signalled that China would look to negotiate regional trade deals.

China is advocating for a 16-nation pact called the Regional Comprehensive Economic Partnership that excludes the United States and lacks some of the environmental and labour protections Obama negotiated into the Trans-Pacific Partnership.

*Read More: <http://www.smh.com.au/world/china-eyes-opportunity-as-us-pulls-out-of-transpacific-partnership-20170123-gtxbi1.html>*

## 11. Australia open to China and Indonesia joining TPP after US pulls out

24/01/17

**Paul Karp**  
**The Guardian**

The Australian government will push ahead for a Trans-Pacific Partnership trade deal without the United States and is open to Indonesia, China and others seeking to join the agreement.

The Australian trade minister Steven Ciobo made the call for countries to push ahead with a so-called TPP 12 minus one agreement now that president Donald Trump has signed an order that the US will not join the deal.

On Tuesday Ciobo told ABC's AM that a TPP with the US "can't go ahead unless the US was to change its mind" but Japan, Australia and others wanted to hold onto the gains negotiated so far under the deal.

He said Australia has had talks with Canada, Mexico, Japan, New Zealand, Singapore, Malaysia, Chile and Peru to salvage the deal without US involvement.

Asked about China joining in the US's stead, Ciobo said the original architecture enabled other countries to join.

“Certainly I know Indonesia has expressed a possible interest and there would be scope for China, if we're able to reformulate it, to be a TPP 12 minus one [country] ... [and] for countries like Indonesia or China, or indeed other countries, to consider joining.”

*Read More:* <https://www.theguardian.com/australia-news/2017/jan/24/australia-open-to-china-and-indonesia-joining-tpp-after-us-pulls-out>

## 12. China-led investment bank attracts 25 new members

**24/01/17**

**James Kynge and David Pilling  
Financial Times**

About 25 African, European and South American countries are set to join the China-led Asian Infrastructure Investment Bank this year, reinforcing Beijing's...

*Read More:* <https://www.ft.com/content/671d8ac4-e18a-11e6-8405-9e5580d6e5fb>

## 13. Television interview about the influence of a Trump presidency on China

**25/01/17**

**Linda Jakobson – China Matters Founding Director  
Phoenix Satellite Television Australia and South Pacific Bureau**

China Matters Founding Director Linda Jakobson speaks on the impact a Trump Presidency may have on the Asia-Pacific region and the Australia-China relationship.

*Watch:* <http://v.ifeng.com/news/world/201701/01cceb45-c270-4475-afcd-a02d6cc8628d.shtml>