

## Media Roundup Issue 5 (28/01/17 – 03/02/17)

### 1. With the TPP effectively dead, this could be China's chance to swoop in

**29/01/17**

**Gavin Fernando  
News.com.au**

The withdrawal of the US from the Trans-Pacific Partnership came as a huge blow to Australian producers.

With the stroke of his pen and a smile, US President Donald Trump lived up to his promise of killing the TPP between America, Australia, New Zealand and nine other Pacific nations.

Prime Minister Malcolm Turnbull says he's not giving up, this week insisting he remains committed to the pact to boost jobs and economic growth.

Former Labor prime minister Kevin Rudd endorsed the pact, saying it's a good idea to keep it alive, and making an additional suggestion.

"Throw it to the Chinese as an invitation," he told an Asia Society forum in New York. "It's World Trade Organisation-plus."

As it becomes increasingly unlikely that the US will rejoin the TPP, China is emerging as a rising superpower, keen to become a key player in the world economy.

If its grand global plan comes to fruition, it could dominate the world stage.

Read more: <http://www.news.com.au/finance/economy/world-economy/with-the-tpp-effectively-dead-this-could-be-chinas-chance-to-swoop-in/news-story/14ef6cffc9daf972e07bdde7c92a8790>

### 2. The size of the Chinese trade prize is bigger than Australians realise

**30/01/17**

**Andrew Robb  
Australian Financial Review**

As we watch and wait to see whether the newly ensconced United States President will go through with his threat to pull the trigger on what will be an almighty and irreparable trade war with China, something incredible is quietly unfolding between China and Australia and every Australian stands to benefit.

When I was trade minister, the macroeconomic consequences for Australia were the driving concerns when negotiating any trade deal with another country and more importantly, how can we help our companies compete on a world stage when often our costs and volume were too much and too little respectively.

And then there is the politics ... never far behind.

The Chinese Free Trade Agreement was a tough one to wrestle. Australians, as a mob, really don't understand China and, during the last federal election and the NSW election, their fears were heightened by the unions whose hysterical and racist "reds under the beds" campaign sought to undermine the deal. The Chinese are coming ... lock up your farms and hide your utility assets!

*Read More:* <http://www.afr.com/opinion/columnists/the-size-of-the-chinese-trade-prize-is-bigger-than-australians-realise-20170129-qu0sru>

### 3. China not US to lead Aust economy: Deloitte

**30/01/17**

**AAP**

**SBS**

China is likely to remain the key driver of Australia's fortunes rather than a US led by President Donald Trump.

Deloitte Access Economics' Chris Richardson doesn't believe the Trump-factor will have a dramatic effect for the global economy.

"The headlines generated by president Trump may be far bigger than the policy changes he can get through Congress, we don't see the US as a game changer,' Mr Richardson says in his latest business outlook released on Monday.

He also expects that by the end of year, the Australian economy will pass the Netherlands to record the world's longest ever spell without a recession.

Mr Richardson said the world was again paying "big bucks" for Australia's exports, particularly coal and he believed China would be an ongoing good news story for the economy through 2017.

*Read More:* <http://www.sbs.com.au/news/article/2017/01/30/china-not-us-lead-aust-economydeloitte>

#### 4. China's dodgy \$1 billion in property

**30/01/17**

**Paul Maley**

**The Australian**

Australian financial intelligence officials last year investigated more than \$3.3 billion of suspect transfers by Chinese investors — including \$1bn invested in property — raising concerns that Australia's foreign ownership laws are being sidestepped by people desperate to get their money out of China.

A total \$3.36bn of suspicious financial transactions were reported in 2015-16 to Austrac, the funds-tracking agency, by banks, money remitters and other financial institutions, all related to funds flowing to and from China.

The figures lay bare the scale of Chinese investment in the Australian property market as well as the concerns of officials in Beijing and Australia about investors rorting foreign ownership regulations.

The next top 10 sources of suspicious financial activity after China did not total \$3bn.

With housing affordability set to be one of the hottest political issues this year, the extent of the transfers is likely to increase pressure on politicians and regulators to launch a crackdown.

*Read More (Paywall): <http://www.theaustralian.com.au/news/nation/chinas-dodgy-1-billion-in-property/news-story/ff9abde7689e2c863f3a25140747c2b0>*

#### 5. Donald Trump's obsession with China will make life difficult for Malcolm Turnbull

**30/01/17**

**Aaron Patrick**

**Australian Financial Review**

This could be the most irrational year in international politics since George W. Bush decided to avenge the 9/11 terrorist attacks by invading Iraq, which had nothing do with bringing down the World Trade Centre.

US President Donald Trump looks like he wants to cosy up to the Russians, who have relentlessly undermined Western influence around the world and interfered in the US election using cyber-terrorism.

Mr Trump is shaping up for a confrontation with China, which is the America's biggest creditor and provides it with countless cheap goods, from clothing to computers.

If he carries through on his campaign rhetoric - and appoints a quasi-Russian ally as Secretary of State suggests he may - the global balance-of-power status quo is about to shift tectonically.

Events could have a bigger impact on Australia than even the invasion of Iraq, which provided dramatic television footage but had little geostrategic impact in the Asia-Pacific.

Read more: <http://www.afr.com/news/politics/world/donald-trumps-obsession-with-china-will-make-life-difficult-for-malcolm-turnbull-20161216-gtcu2j>

## 6. Xi Jinping cast as the saviour of globalisation

**30/01/17**

**Hannah Wurf**

**The Interpreter**

President Trump signed several alarming executive orders in his first week of office, including withdrawing from the Trans-Pacific Partnership. Putting the argument over the merits of the trade agreement aside, this decision has been interpreted as a slap in the face for the doctrine of free trade and a renouncement of US economic leadership.

One interesting response has been a new narrative developing around China's President Xi Jinping as champion of the liberal economic order and promoter of globalisation and free trade.

Read More: <https://www.lowyinstitute.org/the-interpreter/xi-jinping-cast-saviour-globalisation>

## 7. Australia continues to strengthen trade ties with China

**31/01/17**

**Alexandra Economou**

**The Advertiser**

China's share of Australian education exports at school and tertiary level will grow significantly in the next decade, a report shows.

Analysis commissioned by the Australia China Business Council, and produced by the Monash Business School's Australian Centre for Financial Studies, considers the trade relationship between the two countries.

*The Long Boom: What China's Rebalancing means for Australia's Future* focuses on trade relations and the implications for Australian businesses as China transitions from manufacturing to a service-based economy.

The report predicts China's share of Australian education exports will grow in the next decade from 31 per cent to 42 per cent in the primary/secondary sector and from 26 per cent to 36 per cent in the tertiary/vocational sector.

It says as China's economy undergoes a rebalancing towards consumption and services-led growth, Australia's trade relationship with China must also rebalance.

*Read More (Paywall):* <http://www.adelaidenow.com.au/business/australia-continues-to-strengthen-trade-ties-with-china/news-story/12ea6ad4e95911c2e6ac2936d969a523>

## 8. New Hope Group backs Australian agriculture, plans to invest \$1b by 2020

**02/02/17**

**Pip Courtney  
ABC News**

Chinese investment in Australian agriculture is usually a magnet for controversy, but one Chinese company has remained immune from criticism, with plans to invest \$1 billion by the end of the decade.

In 2013 New Hope Group, China's biggest private agribusiness, paid nearly \$100 million for a controlling stake in Queensland export beef abattoir Kilcoy Pastoral Company, and in 2015 it announced a \$100 million deal with two of the country's biggest dairy farming families – the Moxeys and Perichs in New South Wales.

New Hope Group's Australian chief executive officer Nick Dowling said he suspected the company had flown under the radar because it did not buy land and assets outright, preferring to invest in local companies.

"We invest into businesses, we don't acquire businesses," he said.

*Read More:* <http://www.abc.net.au/news/2017-02-02/meet-the-chinese-billionaire-backing-australian-agriculture/8191408>

## 9. Donald Trump: beware what you unleash in China

**02/02/17**

**John Fitzgerald**

**Australian Financial Review**

As far as Beijing is concerned, Trump can breach protocols on the status of Taiwan, throw up trade walls, call out currency manipulators, and do any number of deals intended to make life difficult for Beijing, but so long as his transactional approach to world affairs undermines the rules-based international order and throws alliance partners into a spin, it's a welcome trade-off. The Chinese leadership is confident that if it comes down to a knuckles-bared fistfight over trade, territory and regional influence, China will win in a knockout.

Unless Canberra moves adroitly, Australia could be knocked out too. Moving adroitly doesn't mean siding with Beijing in any dispute with Washington, as some have suggested. Rather, it means calling out China as readily as we do the US when its behavior threatens the values and principles that underpin our security and wellbeing as a nation.

*Read More:* <http://www.afr.com/news/world/asia/donald-trump-beware-what-you-unleash-in-china-20170130-qu1doi>

## 10. Elders China CEO Craig Aldous advises producers against throwing caution to the wind on China trade

**03/02/17**

**Pip Courtney**

**ABC News**

Australian farmers have been warned not to be seduced by the hype about the opportunities in China. The one-year-old Australia-China free trade agreement has raised hopes in rural Australia for a new era of prosperity, but it can cost more and take longer than people think.

Elders China CEO Craig Aldous said he had seen many companies lose money trying to crack China.

“Despite the hype and excitement you might read in the press back in Australia, the reality of doing business on the ground here in China is it's a tough and competitive environment,” he said.

“Simplistic views of doing business here simply don't work.”

*Read More:* <http://www.abc.net.au/news/2017-02-02/elders-ceo-craig-aldous-advises-producers-on-china-trade/8191404>

## 11. China-backed bank swings behind coal-powered generators

**03/02/17**

**Dennis Shanahan  
The Australian**

The Turnbull government has had a significant win for the future of investment in modern coal-fired power stations in Asia and Australian exports by getting the \$100 billion Asian Infrastructure Investment Bank to drop its ban on financing coal-powered electricity generators.

As Malcolm Turnbull, Scott Morrison, Josh Frydenberg, Matt Canavan and Arthur Sinodinos spearhead a Coalition drive to secure reliable low-cost energy in Australia and protect coal and gas export earnings, the federal government has convinced the China-sponsored AIIB to curtail its “socially acceptable” policy of not lending money to build gas- or coal-fired power stations in Asia. The new guidelines open up the \$100bn in infrastructure loans — of which Australia has pledged almost \$5bn — to finance the latest clean coal-powered stations in developing Asian nations seeking to provide electricity to 500 million people.

Yesterday the Prime Minister and Treasurer said the Clean Energy Finance Corporation could also provide finance for coal-fired power generation if it reduced greenhouse gas emissions.

“A project that did involve coal that had the effect of reducing emissions would be or should be eligible for finance,” Mr Turnbull said. “Whether it had the appropriate private-sector backing is another matter.”

*Read More:* <http://www.theaustralian.com.au/business/mining-energy/chinabacked-bank-swings-behind-coalpowered-generators/news-story/93ebd4e4dad6f04378a98129892d0117>