

Media Roundup Issue 20 (13/05/17 – 19/05/17)

1. Translation needed but AFL grabs a toe-hold in China

14/05/2017

Angus Grigg

Australian Financial Review

The full time pep-talk was typical of those heard across AFL grounds in Australia each weekend, expect this one was in Shanghai and it required translation.

"How good is winning," yelled a fired-up Dan Sulzberger, coach of the Guangzhou Scorpions on Saturday.

For a few seconds his group of Chinese Australian rules players remained expressionless while the rallying cry was translated, and only then did the team start yelling, throwing high fives and slapping each other on the back.

Read More (Paywall):

<http://www.afr.com/business/sport/translation-needed-but-afl-grabs-a-toehold-in-china-20170514-gw4fp6>

2. Will Australia follow the Belt and Road?

14/05/2017

James Laurenceson

East Asia Forum

Australia's reluctance to participate in China's Belt and Road Initiative (BRI) harks back to its slow entry into the Asian Infrastructure Investment Bank (AIIB). But this time it may be Australian state governments that push the federal government over the line, rather than decisions made by other countries.

The economic case for supporting the AIIB was always overwhelming. But under pressure from the United States, then prime minister Tony Abbott initially rejected China's invitation. In explaining his stance, the former prime minister echoed US claims that the AIIB wasn't truly a multilateral institution and that its governance standards would be lacking.

Critics responded that if these really were the concerns, then the logical approach was to join and actively participate to ensure that expectations around governance were met, thereby guaranteeing the bank be more multilateral.

Read More:

<http://www.eastasiaforum.org/2017/05/14/will-australia-follow-the-belt-and-road/>

3. One Belt One Road: Australia 'sees merit' in China's new Silk Road initiative

14/05/2017

ABC News

Australia is receptive to exploring commercial opportunities China's new Silk Road presents to the country's businesses, but any decisions would remain incumbent on national interest, Trade Minister Steven Ciobo says.

The One Belt One Road initiative is Chinese President Xi Jinping's signature foreign and economic policy espousing billions of dollars of infrastructure investment linking Asia, Europe, Africa and beyond.

The ambitious plan is to build a vast network of new trade routes across the globe, multiple high-speed rail networks to penetrate Europe, massive ports across Asia and Africa and a series of free-trade zones.

Read More: <http://www.abc.net.au/news/2017-05-14/ciobo-sees-merit-in-chinas-new-silk-road-initiative/8525440>

4. China-US trade deal to affect Australian markets

15/05/2017

**Rowan Callick
The Australian**

A new trade deal between the US and China signed over the weekend will rapidly intensify the competition for key Australian exports into our biggest market.

This comprises the surprisingly rapid conclusion of the agreement — forged during the summit of Presidents Donald Trump and Xi Jinping in Florida last month — to agree within 100 days on concrete measures to resolve trade issues between the countries, including the \$470 billion imbalance in China's favour.

The headline concessions by China all affect major Australian products.

Read More (Paywall): <http://www.theaustralian.com.au/business/economics/chinaus-trade-deal-to-affect-australian-markets/news-story/a94bd7c9e185f930e9cfa7fc94cc24c2>

5. Foreign investors struggle to understand Treasurer's reasoning

15/05/2017

**Simon Segal
The Australian**

Presenting the 2015-16 annual report of the Foreign Investment Review Board with the budget papers last week, former FIRB chairman Brian Wilson highlighted how government reforms in December 2015 were “the largest change to the framework in around 40 years”.

Not mentioned by him or the annual report was the ensuing disquiet among the market and practitioners that has given FIRB a far more prominent position when determining deal risks.

Approval of three high-profile Chinese bids over the past few weeks by Treasurer Scott Morrison — not least dramatically delivering the go-ahead for Cheung Kong Infrastructure's \$7.37bn acquisition of Duet only a few hours before Duet's shareholders met to approve the deal — could prove to be a return of confidence in Australia's foreign investment review process undertaken by FIRB. This followed approvals for the less contentious sales of Alinta Energy, which owns only marginal critical infrastructure, to Hong Kong jeweller Chow Tai Fook Enterprises and Rio Tinto's Coal & Allied to Yancoal.

Read More (Paywall): <http://www.theaustralian.com.au/business/opinion/foreign-investors-struggle-to-understand-treasurers-reasoning/news-story/18bf011d8b055aab98dcbd5bf97bcb4f>

6. 'Complacent' Australians missing out: Robb

15/05/2017

Lisa Martin

The Australian

Former trade minister Andrew Robb has lamented more Australians care about an AFL match in Shanghai than the major Chinese infrastructure summit in Beijing, meaning the country could be missing out on opportunities.

Mr Robb is in Beijing for the Chinese government's One Belt One Road forum, which detailed plans for a building bonanza across Asia, Eurasia, Africa, the Middle East and Europe.

His successor Steve Ciobo also attended the summit but is more cautious about China's infrastructure scheme, which aims to boost trade, economic growth and cut transit time for goods.

Read More (Paywall):

<http://www.theaustralian.com.au/news/latest-news/complacent-australians-missing-out-robb/news-story/84ed9cb1afb8739ba81746db889eb518>

7. Beijing hopes 'panda invasion' will attract Australian tourists to China

15/05/2017
Sue Lannin
ABC News

A panda invasion of sorts has begun across the country to encourage Australians to visit China.

Ten panda-themed campervans are travelling 30,000 kilometres around the country for the next two months.

The Panda Explorer journey has been organised by China's National Tourist Office.

Read More: <http://www.abc.net.au/news/2017-05-15/china-tourism-panda-explorer-hoped-to-attract-australian-tourism/8525570>

8. Australia signs China trade statement despite protest

16/05/2017
Lisa Murray
Australian Financial Review

Australia opted not to join a European protest over the wording of a trade statement issued at China's "One Belt, One Road" summit in Beijing, with Trade Minister Steve Ciobo confirming he signed the controversial document.

Opposition to the statement emerged following the close of the summit on Monday, casting a shadow over China's efforts to sell its ambitious infrastructure plan to the world.

European officials reportedly refused to sign the statement because it didn't include clauses on transparency and tendering standards. It was one of the documents the Chinese were hoping to present at the end of the two-day summit, along with a joint communiqué signed by the 30 leaders in attendance.

Read More (Paywall): <http://www.afr.com/news/policy/foreign-investment/australia-signs-china-trade-statement-despite-protest-20170516-gw63o3>

9. Xi Jinping's One Belt, One Road triumph and Australia's Sino confusion

17/05/2017

Geoff Raby

Australian Financial Review

Whatever the rest of the world may think, President Xi Jinping's One Belt, One Road jamboree over the past few days is an unmitigated triumph for him domestically, especially before the all-important Nineteenth Party Congress, when major leadership changes will occur. With a succession of world leaders beating a path to China's door, Xi has further entrenched himself as China's paramount leader.

For days, China's state-controlled media has relentlessly featured foreign dignitaries being welcomed by Xi against a backdrop of the PLA's finest in full ceremonial dress, goose-stepping and saluting in all directions. While the theatre and pageantry are obvious and predictable, China is presenting a new narrative to the world: that it has the will, resources and ideas to provide global leadership and it intends to reshape the international order.

Read More (Paywall): <http://www.afr.com/opinion/columnists/xis-one-belt-one-road-triumph-and-australias-sino-confusion-20170517-gw6qef>

10. American beef will compete with Australian exports as the Chinese market opens up

17/05/2017

Sarina Locke

ABC News

Australian beef will compete with American exports as the Chinese market opens up to the US, for the first time in 13 years.

The deal is expected to be finalised in mid July.

Rabobank said Australia had an advantage because it had already been providing beef free of hormone growth promotants (HGP) and with full traceability of the life of the cattle.

At the moment, American hormone free, organic beef sells for a premium on the domestic market.

“The Chinese consumer has to pay at least that premium to attract it away from that current market,” said Rabobank’s senior protein analyst Angus Gidley-Baird.

Read More: <http://www.abc.net.au/news/rural/2017-05-17/us-beef-to-compete-with-australian-product-in-china/8532936>

11. Turnbull government backs Taiwan in WHO spat with China

18/05/2017

Kirsty Needham

Sydney Morning Herald

The Australian government is backing the right of Taiwan to attend a global health summit in Geneva next week, after China blocked Taiwan’s invitation.

Taiwan’s annual participation in the World Health Assembly (WHA) has been its most important symbol of international participation for the past nine years.

But a worsening diplomatic spat with China has resulted in the World Health Organisation stating that its director-general, Margaret Chan, is unable to issue an invitation to Taiwan for the first time in almost a decade.

Read More: <http://www.smh.com.au/world/turnbull-government-backs-taiwan-in-who-spat-with-china-20170517-gw73n3.html>

12. Beware of China’s One Belt binding us to its designs

18/05/2017

Paul Dibb

The Australian

The usual suspects in Australia (economists and businesspeople) are already fulsome in their praise of China’s so-called One Belt, One Road or Belt and Road Initiative economic mega-project.

Last weekend, President Xi Jinping mounted an extensive propaganda campaign before 30 heads of state at a global summit to sell this \$1 trillion economic proposition, with its emphasis on infrastructure connectivity by building ports, railways and pipelines across Asia, the Middle East and Europe.

The One Belt idea is to connect by land China's remote western provinces with Central Asia and then through the Middle East to markets in Europe.

Read More (Paywall): <http://www.theaustralian.com.au/opinion/beware-of-chinas-one-belt-binding-us-to-its-designs/news-story/e611eb6291bc6b1566e3f851380ab705>

13. Chinese investors in Australian farms urged to win a 'social licence'

18/05/2017

Darren Gray

Sydney Morning Herald

Chinese investors wanting to buy Australian farms or agribusinesses must obtain "broad community approval" if they want to operate in Australia, according to a new report to be released in Beijing on Thursday.

The report, produced by Powell Tate Australia and Weber Shandwick China, finds "there is not a strong xenophobic sentiment against Chinese investment in Australian agriculture" but that there was a "significant misunderstanding" about such investment.

"Misperceptions" included views that: Chinese investors are state owned enterprises doing the bidding of the government; they care more about profits than people; they disregard the environment; and they ignore local communities and sensitivities.

Read More: <http://www.smh.com.au/business/chinese-investors-in-australian-farms-urged-to-win-a-social-licence-20170517-gw6smc.html>

14. Chinese still have a lot to learn doing business Down Under

19/05/2017

**Rowan Callick
The Australian**

Chinese companies are on a steep learning curve in Australia, says corporate adviser Alistair Nicholas, co-author of a report on Chinese investors in agribusiness that was launched in Beijing yesterday.

Mr Nicholas, executive vice-president of Powell Tate Australia, said Chinese companies often “don’t get it” when a manager posted to Australia communicates back to head office in Beijing or Shanghai the need for strategic change.

The 68-page report, distilled from interviews with Chinese investors in Australia and China, is titled: “The licence that matters: beyond Foreign Investment Review Board approval.”

Read More (Paywall): <http://www.theaustralian.com.au/business/markets/chinese-still-have-a-lot-to-learn-doing-business-down-under/news-story/28b743204820cac08d82fb56b6263462>

15. Origin Energy sells Darling Downs gas pipeline to Jemena for \$392m

19/05/2017

**Angela Macdonald-Smith
Australian Financial Review**

Origin Energy has increased the proceeds from its asset sale program to \$1 billion after striking a deal to sell its Darling Downs gas pipeline in Queensland to Chinese-controlled Jemena for \$392 million.

The deal, which has been in the works for several months, increases proceeds from divestments beyond the \$800 million target announced in September 2015, with the large conventional oil and gas business still to be sold.



Chief executive Frank Calabria said the sale proceeds would be used to cut debt, which built up during the oil price slump as Origin invested in the \$27 billion Australia Pacific LNG project in Queensland.

Read More (Paywall): <http://www.afr.com/business/energy/gas/origin-energy-sells-darling-downs-gas-pipeline-to-jemena-for-392m-20170518-gw8ddu>