

## Media Roundup Issue 53 (06/01/18 – 12/01/18)

### 1. Why Australia's cure for Chinese influence is worse than the disease

**07/01/2018**

**Wang Xiangwei**

**South China Morning Post**

On a recent overnight flight from Beijing to Sydney, most of the passengers were mainland Chinese tourists looking forward to a respite of summer sunshine and fun, with some talking excitedly about the upcoming spectacular New Year's Eve fireworks in Sydney, or hot-air ballooning over the Hunter Valley vineyards.

They seemed oblivious to a viral story trending on the mainland's social media about Australia becoming the "most unfriendly" country to China during 2017, according to an online straw poll conducted by the *Global Times*, China's most hawkish tabloid, sponsored by the *People's Daily*.

But during my recent brief holidays in Australia, the unscientific poll results invariably came up in my interactions with Chinese Australians, and added spice to the dinner table conversation about how some of them had lived a surreal year of anxiety and angst.

Read more: <http://www.scmp.com/week-asia/opinion/article/2127077/why-australias-cure-chinese-influence-worse-disease>

### 2. Australia's hard choice between China and US

**08/01/2018**

**Lachlan Colquhoun**

**Asia Times**

Australia has always believed that it doesn't have to choose between its economic relationship with China and its defense alliance with the United States. But 2018 is already shaping up to be the year of the hard choice.

It would be convenient for Australia if it was able to maintain its balancing act, but a confluence of global factors has stripped away the fiction that it can

separate the economic benefits it gets from China and its post-World War II position as one of America's closest strategic allies.

There is a lot at stake, including potentially Australia's ongoing prosperity.

China is clearly not happy with Australia's adherence to the US alliance and if it follows through on veiled threats to boycott Australian exports and limit investment, Canberra's loyalty to Washington could come at the expense of significant economic pain.

Read more: <http://www.atimes.com/article/australias-hard-choice-china-us/>

### 3. Australians part of Beijing-backing body

**09/01/2018**

**Primrose Riordan**

**The Australian**

An outspoken Australian-Chinese barrister has been promoting controversial Chinese government policies in Hong Kong through a foundation involving prominent Australians.

Lawrence Ma, who has called Australia a "dual-party dictatorship", recently dropped the word "Australia" from his China-Australia Legal Exchange Foundation after confusion over who the group was representing.

Respected Australian lawyers are listed as consultants with the organisation, including professor David Weisbrot, who is a former chairman of the Australian Law Reform Commission and the Australian Press Council.

Read more (Paywall): <http://www.theaustralian.com.au/national-affairs/foreign-affairs/australians-part-of-beijingbacking-body/news-story/4b2ea89f77dc59986acbdeb26075a816>

### 4. Iron ore, lithium exports surge despite China shutdowns

**09/01/2018**

**Peter Ker**

**Australian Financial Review**

Winter shutdowns in China do not appear to be harming Australian commodity exports, with shipping data from Port Hedland revealing record amounts of iron ore and lithium were exported in December.

A record volume of 46.19 million tonnes of iron ore was shipped from Port Hedland in December, in a result that was 12 per cent higher than November and easily eclipsed the previous record of 44.07 million tonnes set in May.

The bullish export statistics come despite scores of steel mills and other industrials in China being shut down or operating below full capacity since early November as part of China's attempts to curb air pollution during the nation's winter months.

*Read more (Paywall): <http://www.afr.com/business/mining/iron-ore/iron-ore-lithium-exports-surge-despite-china-shutdowns-20180109-h0fo1q>*

## 5. Chinese property buyers turn to Bangkok over Sydney

**09/01/2018**

**Jonathan Shapiro**

**Australian Financial Review**

Chinese property investors are choosing Bangkok over Sydney and London as they hunt the global capitals for bargain real estate.

"Chinese buyers of property abroad tend to be very price and currency aware so their focus on specific markets will fade or pick up depending on those factors," UBS head of global real estate Kim Wright said.

At present, she said, demand for property in Australia had cooled among Chinese buyers. That, she said, was similar to a loss of interest in London property in late 2015 when buyers felt the market had peaked, while tax changes and tighter capital controls further put them off.

*Read more (Paywall): <http://www.afr.com/business/banking-and-finance/financial-services/chinese-property-buyers-turn-to-bangkok-over-sydney-20180109-h0frgk>*

## 6. HNA Group failed to fully disclose control of Virgin Australia stake

**10/01/2018**

**Patrick Hatch**

**Sydney Morning Herald**

The acquisitive Chinese conglomerate HNA Group, which is under scrutiny globally over its opaque ownership structure, lodged five incomplete notices

with the ASX that failed to properly disclose how its major stake in Virgin Australia was controlled.

HNA has told the ASX that five substantial holder notices lodged between June 2016 and October 2017 relating to its 19 per cent stake in Virgin Australia failed to list entities that held a "relevant interest" in the airline.

Under Australian corporations law, investors that control more than 5 per cent of an ASX-listed company must notify the company and the ASX when they increase or decrease their holding.

Read more: <http://www.smh.com.au/business/aviation/hna-20180108-p4yyc0.html>

## 7. Coalition attack on China over Pacific aid

**10/01/2018**

**Primrose Riordan**

**The Australian**

Malcolm Turnbull's International Development Minister has launched an extraordinary attack on China, accusing it of lending funds to Pacific nations on unfavourable terms and constructing "useless buildings" and "roads to nowhere" in the region.

Senator Concetta Fierravanti-Wells said there was no doubt China had been "duchessing" politicians in the Pacific, but Beijing's activities were being met with growing resentment among some island communities.

China transferred at least \$US1.8 billion (\$2.3bn) in aid to South Pacific nations from 2006 to 2016, including through concessional loans, according to a Lowy Institute project mapping Chinese development assistance to the region.

Senator Fierravanti-Wells told The Australian that China's influence was "clearly growing" and the country's development assistance across the South Pacific was resulting in "white elephants".

Read more (Paywall): <http://www.theaustralian.com.au/national-affairs/foreign-affairs/coalition-attack-on-china-over-pacific-aid/news-story/29eb518cae5b114272a664aa56a67166>

## 8. Minister's Attack on China over Pacific is 'clumsy' says Penny Wong

**10/01/2018**

**Primrose Riordan**

**The Australian**

Federal Labor has accused the government of "clumsiness" in managing their relations with China after International Development Minister Concetta Fierravanti-Wells attacked the nation's aid to Pacific nations.

In an interview with The Australian Senator Fierravanti-Wells said China was lending funds to Pacific nations on unfavourable terms and constructing "useless buildings" and "roads to nowhere" in the region.

The Senator said China's influence was "clearly growing" and their infrastructure-led development program in the Pacific was not as effective as it could be in comparison to Australia's aid.

*Read more (Paywall): <http://www.theaustralian.com.au/national-affairs/attack-china-on-over-pacific-clumsy-says-penny-wong/news-story/ebce7b7642f5823e2db788d6a385e79b>*

## 9. Australia should learn to respect S. Pacific neighbors instead of attacking China on aid issues

**10/01/2018**

**Xu Haijing**

**Xinhua News Agency**

In a recent online survey of Chinese netizens by Chinese news portal Huanqiu.com, Australia won the title of "Least friendly country to China in 2017." The unfriendliness persists in the new year. This time, China's assistance to South Pacific island nations is under attack.

In an article published by The Australian newspaper on Wednesday, Australian Minister for International Development and the Pacific Concetta Fierravanti-Wells accused China of providing loans to Pacific nations on unfavorable terms and constructing "useless buildings" and "roads to nowhere" in the region.

The article, like many of its kind that appeared in Australian media last year, is rich in allegations and speculations and short on hard evidence.

The minister's complaints about the use of the buildings and the directions of the roads failed to serve as a valid argument. Instead, they demonstrated her lack of knowledge about the local situation. As a reader commented on this article online, the Australian government's "default policy" for all issues is to blame China.

Read more: [http://www.xinhuanet.com/english/2018-01/10/c\\_136885759.htm](http://www.xinhuanet.com/english/2018-01/10/c_136885759.htm)

## 10. Time to worry about a Chinese-led global order?

**10/01/2018**

**Chengxin Pan**

**The Interpreter**

The world seems to never run out of reasons to fear China, be they racial or ideological differences ('Yellow Peril' and 'Red Menace'), Chinese nationalism or Beijing's growing sharp power.

The latest reason is the apparent arrival of a China-led world order, symbolised by everything ranging from the rollout of China's Belt and Road Initiative to its warning of consumer-led boycott of Australian goods. One commentator tweeted that 'to those who counselled (and continue to counsel) accommodation with a rising China, [the boycott warning] is what a new Chinese-led order will feel like.'

Read more: <https://www.lowyinstitute.org/the-interpreter/time-worry-about-chinese-led-global-order>

## 11. China becomes chief buyer of Australian barley

**10/01/2018**

**Peter Hemphill**

**The Weekly Times**

China has become Australia's dominant customer of barley in just four years, as a global shift in trade dynamics for the grain has emerged.

According to data compiled by the Australian Export Grains Innovation Centre, China accounted for about 20-25 per cent of Australia's barley exports a decade ago, but has taken as much as three quarters of total exports in more recent years.

From 2006 to 2009, Saudi Arabia was Australia's dominant buyer of barley, but is now lucky to account for 10 per cent of purchases, despite steadily increasing its imports during the past 10 years.

Read more: <http://www.weeklytimesnow.com.au/agribusiness/cropping/china-becomes-chief-buyer-of-australian-barley/news-story/b10a501995c722171109517d51d8c46b>

## 12. China files diplomatic protest over aid attack

**11/01/2018**

**Primrose Riordan  
The Australian**

China yesterday lodged a formal diplomatic protest after Malcolm Turnbull's International Development Minister accused it of lending funds to Pacific nations on unfavourable terms and constructing "useless buildings" and "roads to nowhere", the latest flashpoint in increasingly contentious relations.

Friction between the countries increased last month when Australia singled out China as a focus of concern when it proposed laws on foreign interference, drawing a furious response from Beijing. But tensions rose further yesterday after Coalition senator Concetta Fierravanti-Wells launched an extraordinary attack on China, declaring Beijing was "duchessing" politicians in the Pacific and its development assistance was resulting in "white elephants".

"You've got the Pacific full of these useless buildings which nobody maintains, which are basically white elephants," she told *The Australian*.

Read more (Paywall): <http://www.theaustralian.com.au/national-affairs/foreign-affairs/some-projects-less-useful-png-grappling-with-chinese-aid-influx/news-story/2411abe258a938ae5119e846928b4796>

## 13. Li Xiyong: coal to stay top of energy heap in China

**11/01/2018**

**Rowan Callick  
The Australian**

Li Xiyong is so confident of the future of Australia's coal industry that he is investing \$2 billion in it.

He is also so assured of the industry in China that he told *The Australian* the size of the coal market there would not fall in 30 years.

China is the largest producer and consumer of coal in the world, and this year is relying on coal for 60 per cent of its energy.

This proportion will fall as other energy sources, including renewables, grow. But overall energy demand will also keep increasing.

Read more: <http://www.theaustralian.com.au/business/mining-energy/li-xiyong-coal-to-stay-top-of-energy-heap-in-china/news-story/5dbf6f6774160e2384cf279989c66d53>

#### 14. Australia “arrogant overlord” in the Pacific, Xinhua says

**11/01/2018**

**Primrose Riordan & Rachel Baxendale**

**The Australian**

China’s official newswire Xinhua has accused Australia of “behaving like an arrogant overlord” in the Pacific after International Development Minister Concetta Fierravanti-Wells attacked the communist nation’s aid to the region.

In her first comments on the matter, Foreign Minister Julie Bishop did not disagree with her colleague’s remarks, and said Australia does not support development projects which place “onerous debt burdens” on developing nations.

China yesterday lodged a formal diplomatic protest after Senator Fierravanti-Wells accused the country of lending funds to Pacific nations on unfavourable terms and constructing “useless buildings” and “roads to nowhere”.

Now, in a commentary piece published online, an Australian correspondent for Xinhua accused Canberra of arrogance.

Read more (Paywall): <http://www.theaustralian.com.au/national-affairs/australia-arrogant-overlord-in-the-pacific-xinhua-says/news-story/a49d5a54027e7cc5e812617cb87d1e84>



## 15. The bad – and good – of China's aid in the Pacific

**11/01/2018**

**Jonathan Pryke**  
**The Interpreter**

The Pacific region is making headlines across Australia after Pacific and International Development Minister Concetta Fierravanti-Wells harshly criticised Chinese aid in the region. 'Useless' is how Fierravanti-Wells has described Chinese aid projects, leading countries to take on debt they can't afford. While her concerns are legitimate, her blunt delivery hasn't been constructive and has led to some considerable political and diplomatic fallout.

So what's the real story? Is Chinese aid in the Pacific useless?

The answer is not so simple. China's aid program is so opaque it is very difficult to understand exactly what it is doing. China does not conform to the sophisticated reporting and accountability mechanisms that traditional Western donors have developed over decades of aid delivery. According to some estimates, China announced more than US\$350 billion in aid between 2000 and 2014 under a shroud of secrecy, leading to considerable anxiety about where, why and how Chinese aid is given.

Read more: <https://www.lowyinstitute.org/the-interpreter/bad-and-good-china-aid-pacific>

## 16. China rejects Murray Goulburn milk, formula

**11/01/2018**

**Michael Smith**  
**Australian Financial Review**

Beleaguered dairy processor Murray Goulburn is blaming administrative errors for the rejection of shipments of its milk and infant formula in China last year, dismissing suggestions it was being punished for bypassing Chinese bidders in favour of a \$1.3 billion takeover offer by Canadian giant Saputo.

Murray Goulburn confirmed the incidents, which saw as much as 32 tonnes of milk in one shipment, turned back, due to "process failures" but said they took place before the deal with Saputo was announced in October.

Dairy analysts and media in China have suggested the decision to choose Saputo over Chinese firms looking at buying the dairy co-operative could have repercussions for Murray Goulburn's sales of milk and milk powder in China. However, sources said there was no link to the co-operative's change of ownership and problems with shipments between June and September last year.

Read more (Paywall): <http://www.afr.com/business/agriculture/china-rejects-murray-goulburn-milk-formula-20180111-h0gose>

## 17. Julie Bishop raps minister for China spray

**12/01/2018**

**Primrose Riordan & Rowan Callick  
The Australian**

Julie Bishop has slapped down her International Development Minister, refusing to endorse Concetta Fierravanti-Wells's criticisms of China amid concern within the government over the tensions they have created with Beijing.

The Foreign Minister's move comes after China lodged a formal diplomatic protest, the country's official newswire labelled Canberra an "arrogant overlord" in the Pacific and experts warned that Australian diplomats would be now in damage control, trying to mend relations.

The rebuke was in response to an interview with *The Australian* in which Senator Fierravanti-Wells accused China of lending funds to Pacific nations on unfavourable terms, constructing "useless buildings" and "duchessing" local politicians.

Read more (Paywall): <http://www.theaustralian.com.au/national-affairs/foreign-affairs/julie-bishop-raps-minister-for-china-spray/news-story/e7145b66ff269ccf051b6820c0343523>

## 18. Chinese aid doesn't always help, Pacific nations find

**12/01/2018**

**Anthony Klan & Primrose Riordan  
The Australian**

South Pacific island nations have shared in billions of dollars in Chinese aid and discounted loans over the past decade, but donations have often been marred

by problems including poorly built and long-delayed projects and have even included the gift of an allegedly dangerous 55-seater aircraft.

In the Samoan capital, Apia, China built a \$26.7 million courthouse with “cracked walls” and “sewage systems that flooded”. In Vanuatu, a faulty new wharf required millions of dollars of repairs. And in Fiji, an affordable housing project stalled over quality problems.

In 2014, New Zealand issued a travel warning and withdrew \$5m in tourism aid from Tonga after the Polynesian kingdom accepted and flew a China-gifted \$25m MA-60 aircraft that was not certified safe to fly by international standards.

*Read more (Paywall):* <http://www.theaustralian.com.au/national-affairs/foreign-affairs/chinese-aid-doesnt-always-help-pacific-nations-find/news-story/c10d0f58d82884c075640aeb2294a59c>

## 19. Australia concerns over China influence spark US probe

**12/01/2018**

**AAP**

**The Australian**

Australia’s concerns about Chinese meddling in national affairs has prompted the Trump administration to open an interagency probe into Chinese covert influence in the US.

A US National Security Council interagency group is examining “the grey area” of Chinese covert influence operations rather than traditional espionage, *The Washington Post* reports.

Prime Minister Malcolm Turnbull declared in December Australia will stand up to Chinese meddling and ASIO’s director-general Duncan Lewis warned in October foreign powers were “clandestinely seeking to shape the opinions of members of the Australian public, media organisations and government officials in order to advance their country’s own political objectives”.

*Read more (Paywall):* <http://www.theaustralian.com.au/news/world/us-politics/australia-concerns-over-china-influence-spark-us-probe/news-story/24c8a86697d0b37b4c5b6cb1b8312b55>

## 20. China's Pacific investments: Australia's attacks ring hollow

**12/01/2018**

**Majella Hurney**  
**The Australian**

On Wednesday, International Development Minister Concetta Fierravanti-Wells launched an attack on China, accusing it of lending funds to Pacific nations on unfavourable terms and constructing “useless buildings” and “roads to nowhere” in the region.

It is right to closely scrutinise the potential impact of China's, or any other nation's, aid investments in the Pacific, but Australia's criticisms ring hollow. In recent years, China has been ramping up overseas aid and concessional loans to developing nations. This reflects an ambitious foreign policy agenda of extending geopolitical influence — leveraging power shifts in global and regional politics.

Meanwhile, Australia's geopolitical influence is on a downward trajectory as a result of shortsighted cuts of more than \$11 billion to our overseas aid program, leaving it at the lowest levels on record measured against our gross national income. This has come at a cost to Australia's reputation, influence, and capacity to credibly shape development outcomes in our region and beyond.

*Read more (Paywall):* <http://www.theaustralian.com.au/opinion/chinas-pacific-investments-australias-attacks-ring-hollow/news-story/3c3e3d22a4169c302a1291e2e9dbe1d4>

## 21. Understanding China's approach to aid

**12/01/2018**

**Merriden Varrall**  
**The Interpreter**

International Development Minister Concetta Fierravanti-Wells' remarks about China's aid to the Pacific are part of a long tradition of concern in Australia. Yet while some Chinese aid projects are less than perfect, as my colleague Jonathan Pryke notes, Fierravanti-Wells' sweeping comments reflect a lack of understanding about China's foreign aid.

The first point to recognise is that Chinese aid is not a coherent and strategic tool of the Chinese state. In fact, while an inter-agency aid coordination mechanism exists, it largely has a symbolic role.

Chinese aid policy is drafted by the agency responsible for its management, and many agencies are involved – for example, the Ministry of Commerce, the Ministry of Health, the Ministry of Education, and provincial-level governments, among others. The State Council approves policies, but this process is not coordinated. In aid partner countries, there is usually only one or two government staff to oversee the aid program. Different agencies often have competing agendas.

*Read more: <https://www.lowyinstitute.org/the-interpreter/understanding-chinas-approach-aid>*