



Media Roundup Issue 66 (07/04/18 – 13/04/18)

1. Australian officials, business leaders facing Beijing visa snub

07/04/2018

Andrew Burrell

The Australian

China has refused to issue visas to some Australian government officials and business leaders who had planned to attend the Boao Forum on the Chinese - island of Hainan next week, in an apparent snub by Beijing following a period of heightened tensions.

It is understood that no Coalition ministers or senior officials will attend the regional economic forum.

This is in contrast to previous years when either the prime minister or a number of senior ministers have travelled to Boao for the talks.

Read more (Paywall): <https://www.theaustralian.com.au/national-affairs/foreign-affairs/australian-officials-business-leaders-facing-beijing-visa-snub/news-story/2d8d9fbf85648389810a126d84a35898>

2. How will the US-China trade tussle end in a globalised world?

07/04/2018

Mohamed El-Erian

The Guardian

As economists scramble to find answers, game theory rather than history may be the best guide

The trade confrontation between the United States and China is heating up. After firing an opening salvo of steep tariffs on steel and aluminium, the US administration has released a plan for a 25% tariff on 1,333 Chinese imports – worth about \$50bn (£35bn) last year – to punish China for what it views as decades of intellectual property theft. China has fired back with a plan to slap 25% levies on a range of US goods, also worth about \$50bn. In response to what

he labels “unfair retaliation,” President Donald Trump is now said to be considering yet [another set of tariffs](#), covering another \$100bn worth of imports from China. Economists and market analysts are scrambling to figure out what will come next.

One might be tempted to rely on historical experience. But, given today's economic, political and social conditions, history is likely to be a poor guide. More useful insights come from game theory, which can help us to determine whether this exchange of tariffs will ultimately amount to strategic posturing that leads to a more “cooperative game” (freer and fairer trade), or develop into a wider “non-cooperative game” (an outright trade war). The answer will have significant consequences for the economic and policy outlook, and markets prospects.

Read more: <https://www.theguardian.com/business/2018/apr/06/how-will-the-us-china-trade-tussle-end-in-a-globalised-world>

3. China as a responsible stakeholder: 5G, your toaster and the CCP

07/04/2018

Michael Shoebridge

The Strategist

The Australian government's [exclusion of huge Chinese telecom company Huawei](#) from the National Broadband Network in 2012 turns out to have been a little thing hiding a bigger thing. The bigger thing is the implementation of a 5G network across Australia and whether or how Huawei participates.

5G isn't just a tag line for the next-generation, faster, more reliable mobile network that'll connect your smartphone or tablet while you are away from home or the office and give you the bandwidth to watch Netflix on the move.

5G technology is the new high-speed, low-latency backbone technology that will enable the '[internet of things](#)'. It will allow companies to run power plants through internet-connected sensors and control systems. It will enable healthcare data to be shared electronically across multiple portable and fixed devices between patients, doctors, specialists and hospitals. It will enable your fridge to tell Woolworths when you need milk and salsa delivered, and enable you to tell your TV and toaster when to turn on and off.

Read more: <https://www.aspistrategist.org.au/china-responsible-stakeholder-5g-toaster-ccp-part-2/>

4. Business flies the flag for Australia in China as politicians stay home

08/04/2018

Michael Smith

Australian Financial Review

Andrew Forrest is a familiar face at the annual gathering of world political and business heavyweights descending on China's tropical Hainan Island every March.

This year is no different. The Fortescue Metals founder, who is said to be one of the few Australians with access to China's president Xi Jinping, will lead a delegation of business leaders to China this week for the annual Boao Forum, Asia's version of Davos.

He will be joined by Australia Post chief Christine Holgate; AMP boss Craig Meller; Orica's Alberto Calderon; Woodside chief Peter Coleman; Fortescue chief Elizabeth Gaines; Reserve Bank of Australia board member Mark Barnaba and others.

Read more (Paywall): <http://www.afr.com/news/politics/world/business-flies-the-flag-for-australia-in-china-as-politicians-stay-home-20180408-h0yh19>

5. Chinese Communist Party influence: Why the critics are wrong

09/04/2018

Clive Hamilton

Asia & The Pacific Policy Society

How committed is Australia to its foundational liberal values? Some of the responses to the emerging debate on CCP influence in the country provide plenty of reason for concern, Clive Hamilton writes.

My book, *Silent Invasion: The Influence of China in Australia*, has been met with an impassioned reception – more passionate than I expected from some Australian

academics. In a [long review](#) that appeared in the *Australian Book Review* on the very day of the book's publication, University of Sydney academic David Brophy denounced it as a "McCarthyist manifesto" and a "paranoid tome" that adds to "our all-too-rich library of Asian invasion fantasies".

A PR company promoted Brophy's review around the Canberra press gallery, offering the academic for interviews. Brophy then [played a key role in drafting and promoting an open letter](#) claiming that the current debate over Chinese Communist Party (CCP) influence is racist and repeating the incorrect and offensive claim that commentators like me propose "punitive measures to restrict the rights of those identified as 'pro-Beijing'". Nevertheless, the letter was signed by some 50 self-described scholars of China and the Chinese diaspora.

Read more: <https://www.policyforum.net/chinese-communist-party-influence-critics-wrong/>

6. The woman China wants you to ignore

09/04/2018

Peter Hartcher

The Sydney Morning Herald

You can understand her frustration. More and more of Rebiya Kadeer's family have been rounded up into Chinese Communist Party re-education camps. She was once one of the richest women in China, a successful retail entrepreneur, a member of China's National People's Congress, Beijing's model member of its Uighur minority. Today she lives in exile in America accused of sedition for championing Uighur rights. Thirty-seven of her clan members, including 11 children under the age of 10, are locked up. How many of her family are free?

"None," the slight, 71-year old grandmother answers matter-of-factly.

She's at liberty because, as the face of the world's Uighur ethnic minority, the US has granted her residency as protection from Chinese government repression.

Read more: <https://www.smh.com.au/world/asia/the-woman-china-wants-you-to-ignore-20180406-p4z84k.html>

7. China eyes Vanuatu military base in plan with global ramifications

09/04/2018

David Wroe

The Sydney Morning Herald

China has approached Vanuatu about building a permanent military presence in the South Pacific in a globally significant move that could see the rising superpower sail warships on Australia's doorstep.

Fairfax Media can reveal there have been preliminary discussions between the Chinese and Vanuatu governments about a military build-up in the island nation.

While no formal proposals have been put to Vanuatu's government, senior security officials believe Beijing's plans could culminate in a full military base. The prospect of a Chinese military outpost so close to Australia has been discussed at the highest levels in Canberra and Washington.

Read more: <https://www.smh.com.au/politics/federal/china-eyes-vanuatu-military-base-in-plan-with-global-ramifications-20180409-p4z8j9.html>

8. Senior Australian UN official says China-US tech war is unavoidable

10/04/2018

Michael Smith

Australian Financial Review

A senior Australian diplomat at the United Nations says [clashes between the United States and China over intellectual property are unavoidable](#) as the former stares down its first serious challenger in decades in the global technology race.

Dr Francis Gurry, who heads the powerful United Nations agency that rules on international patents and trademark applications, said [US-China trade tensions](#) were not surprising because Washington felt threatened by China's ambitions as a major global technology player under its 2025 plan.

Read more (Paywall): <http://www.afr.com/news/world/senior-australian-un-official-says-chinaus-tech-war-is-unavoidable-20180409-h0yk1a>

9. Canberra flounders as Beijing keeps calling the shots

10/04/2018

Geoff Raby (Associate of China Matters)

Australian Financial Review

If anyone had been in doubt, the past few weeks have demonstrated once again how fundamentally Australia's geopolitical and strategic environment has changed and the extent to which this has been shaped by China. It has also highlighted Australia's strategic confusion over how to respond.

President Xi Jinping was at the height of his powers and unchallenged in the exercise of his authority in the recently concluded National People's Congress. Completing his appointments of trusted advisers and supporters to senior offices, which began at last year's 19th Party Congress, he appointed Wang Qishan as Vice-President. Over the past six years, Wang has led Xi's anti-corruption campaign, which has routed most political rivals.

In another unconventional move, Xi also appointed his chief economic adviser, Liu He, to the position of Vice-Premier. Together with Li Gang, appointed to head the People's Bank of China, the top echelons of economic policy advice are now occupied by English-speaking economists educated in the US. In the 1970s and '80s, diplomats in Beijing would rue the fact that China's economic policy elite were educated in the Soviet Union. A joke is now doing the rounds in Beijing: when the elite were educated in the Soviet Union, Beijing's relations with Moscow were terrible and now it's the same with the US when the elite have been educated there.

Read more (Paywall): <http://www.afr.com/opinion/columnists/canberra-flounders-as-beijing-keeps-calling-the-shots-20180410-h0ykaw#ixzz5CK1VMa7m>

10. The many questions about China's Vanuatu ambition

10/04/2018

Rory Medcalf

The Interpreter

What to make of the [extraordinary story](#) in Australia's Fairfax newspapers on Tuesday about reported discussions between China and Vanuatu that could allow the People's Liberation Army to establish a presence in the South Pacific nation?

If true, there would be significant cause for concern from an Australian national security perspective.

However, let's first establish some facts. Foreign Minister Julie Bishop has been [quoted](#) as saying she has no information that China was planning to build a military base in Vanuatu and that she was confident Australia would remain Vanuatu's strategic partner of choice. So the initial response should be not to sound an alarm but to ask questions, lots of them.

Read more: <https://www.lowyinstitute.org/the-interpretor/many-questions-about-china-s-vanuatu-ambition>

11. Australia must step up if China starts military build up in Vanuatu

10/04/2018

Sally Whyte

The Sydney Morning Herald

Australia will have to step up and rethink its strategic and diplomatic efforts in a bid to counter China, experts say.

Fairfax Media [reported on Tuesday](#) that China had approached Vanuatu about building its military presence in the country, with the ultimate ambition being a full military base. China has just one overseas military base already, in Djibouti in Africa.

Vanuatu has already received development funding from China, including a new wharf on the north island of Espiritu Santo and a commitment to fund a new prime ministerial residence.

"The lights will burn bright in Russell tonight as a result of this," senior analyst at the Australian Strategic Policy Institute Malcolm Davis said.

Read more: <https://www.smh.com.au/national/australia-must-step-up-if-china-starts-military-build-up-in-vanuatu-20180410-p4z8ub.html>

12. The great wharf from China, raising eyebrows across the Pacific

11/04/2018

David Wroe
The Sydney Morning Herald

A Beijing-funded wharf in Vanuatu that is struggling to make money is big enough to allow powerful warships to dock alongside it, heightening fears the port could be converted into a Chinese naval installation.

Fairfax Media inspected the \$114 million Luganville wharf on Wednesday and was told US coastguard officials and Marines recently visited the sprawling facility and took a keen interest in its specifications.

Some defence experts have warned the wharf, which is now the largest in the South Pacific and strategically located in the same harbour in which the US based tens of thousands of troops during World War II, has been built with the option of converting it in the future to a naval base.

Read more: <https://www.smh.com.au/politics/federal/the-great-wharf-from-china-raising-eyebrows-across-the-pacific-20180411-p4z8yu.html>

13. Is China changing the 'rules' in the Pacific Islands?

11/04/2018
Joanne Wallis
The Strategist

The report this week that China is in talks to [build a military base in Vanuatu](#) has generated consternation in Australia, with Malcolm Turnbull expressing his '[great concern](#)' about the potential militarisation of the Pacific Islands.

Foreign Minister Julie Bishop has since stated that she has no knowledge of such talks, Vanuatu's Foreign Minister Ralph Regenvanu has both denied and criticised the report, and the Chinese government has described the report as '[ridiculous](#)'.

These denials raise questions about who was the source of the report and why the claim was made now. Certainly, there's a degree of frustration among Pacific Islands watchers in Canberra regarding the Australian government's approach to the region.

Regardless of whether the report was accurate, it's undeniable that China has significantly [increased its aid](#) to, and engagement with, the Pacific Islands. Alongside the growing presence of powers such as Russia, India and Japan, as well as traditional powers Australia, New Zealand, France and the United States, the geopolitics of the region are [crowded and complex](#).

Read more: <https://www.aspistrategist.org.au/china-changing-rules-pacific-islands/>

14. The global dimension of China's influence operations

11/04/2018

Bates Gill & Benjamin Schreer

The Strategist

The current debate in Australia about China's influence operations is critically important to protect our interests and way of life. However, we need to avoid an overwhelmingly Australia-centric focus in seeking to understand the global nature of China's 'sharp power'. This will enable a better grasp of the true scale of the problem and provide new opportunities to work with like-minded countries in Asia and elsewhere in crafting an effective response.

To begin with, sharp power shouldn't be conflated with 'soft power with Chinese characteristics'. Instead, it's a vital instrument to fulfil President Xi Jinping's ambition for China to become a global power by [piercing, penetrating or perforating](#) the political and information environments in target countries.

Thus it's about projecting China's authoritarian influence abroad to shape a more favourable environment for achieving its objectives, including fostering division within and among US allies and partners. And under Xi's leadership, sharp power activities have become ever-better resourced and more active. For instance, the [United Front Work Department](#) has gained significantly in political stature, mandate and staff, gaining some 40,000 new cadres in the past few years. The Propaganda Department has directed an enormous expansion of China's official worldwide media presence.

Read more: <https://www.aspistrategist.org.au/global-dimension-chinas-influence-operations/>

15. The Boao confidence

11/04/2018
Richard McGregor
The Interpreter

President Xi Jinping's speech to the Boao Forum for Asia, held on the tropical island of Hainan on 10 April, displayed a new skill China has been given free rein to refine before global audiences in the Donald Trump era.

With Mr Trump tweeting all manner of ribald attacks on domestic and foreign foes from the White House, Xi has been left to take the high road on his own, alone among major powers, in defence of global trade and economic openness.

China's cheek is something to behold, given that they are building a new international order alongside the one they pledged to leave undisturbed, and the fact that Beijing is pursuing an aggressive import-substitution plan even as it promises to open its market wider to foreign goods.

Read more: <https://www.lowyinstitute.org/the-interpreter/boao-confidence>

16. Julie Bishop and the liberal ideal

11/04/2018
Nick Bisley (Member of China Matters Advisory Council)
The Interpreter

Australian leaders have tended to make most of their key foreign policy speeches abroad, a point I gently made in [The Interpreter](#) earlier this year. Foreign Minister Julie Bishop responded to this criticism in the most direct way possible, by making her first major address after the Foreign Policy White Paper's publication [at my own La Trobe University](#).

The speech and discussion that followed highlighted key themes of the White Paper: an optimism about the future; a recognition of the risks entailed by the way economic prosperity is changing the region's status quo; and, of course, an active embrace of the Indo-Pacific construct as the country's principal strategic point of reference.

Read more: <https://www.lowyinstitute.org/the-interpreter/julie-bishop-and-liberal-ideal>

17. Australia secures Solomon Islands project to counter China's rising influence

11/04/2018

Lisa Murray

Australian Financial Review

The Australian government sent a high-level delegation to the Solomon Islands this week to confirm its commitment to build an undersea internet cable between the two countries, as Canberra looks to counter the rising influence of China in the Pacific.

Deputy Secretary of Foreign Affairs and Trade Penny Williams met with Solomon Islands Prime Minister Rick Houenipwela on Tuesday and pledged to provide the majority of funding for the project, which was originally going to be installed by Chinese telecommunications firm Huawei.

The visit to Honiara by the Australian delegation came as defence experts expressed alarm at the prospect of China establishing a military base in the region. Fairfax Media revealed this week that [Beijing has held preliminary discussions with Vanuatu about building up China's military presence](#), which could initially take the form of an agreement for naval ships to dock and resupply there before morphing over time into a base, located fewer than 2000 kilometres from Australia's east coast.

Read more (Paywall): <http://www.afr.com/news/policy/foreign-affairs/australia-secures-solomon-islands-project-to-counter-chinas-rising-influence-20180411-h0ylzl#ixzz5CW5qgjps>

18. FMG's Elizabeth Gaines calls on Australia to embrace Belt and Road

11/04/2018

Michael Smith

Australian Financial Review

Fortescue Metals chief executive Elizabeth Gaines has called on Australia to embrace China's Belt and Road infrastructure initiative, which is expected to

drive demand for iron ore in future years, and says steel production in China is expected to remain flat this year.

"That is a very important initiative for China and will drive significant investment and demand for steel," Ms Gaines said when asked about China's \$US1.3 trillion infrastructure plan on the sidelines of the Boao Forum in China.

"I think there is an opportunity for Australian companies to participate in Belt and Road. It does seem curious we are not more embracing of this important initiative."

Read more (Paywall): <http://www.afr.com/news/world/asia/fmgs-elizabeth-gaines-calls-on-australia-to-embrace-belt-and-road-20180411-h0ymza#ixzz5CWLFSojY>

19. China puts Malcolm Turnbull's government into the deep freeze

11/04/2018

Jennifer Hewett, Michael Smith & Phillip Coorey
Australian Financial Review

China's leadership has been so incensed by the [Turnbull government's rhetoric](#) about China that it is regularly refusing visas to ministers and the major Australian annual showcase of trade and business in China looks certain to be abandoned this year.

This is part of a deep chill in the official government-to-government relationship with Australia's major trading partner – most apparent since Prime Minister Malcolm Turnbull targeted foreign influence in Australian politics with legislation, accompanied by [considerable anti-China rhetoric](#), at the end of last year.

The Australia Week in China expo usually features business and political leaders visiting China for a celebration of Australian products and has been promoted as a great example of the strong ties and trading opportunities between the two countries.

Read more (Paywall): <http://www.afr.com/news/world/asia/chinas-big-chill-for-australia-20180411-h0ymwb#ixzz5CWLvNfGJ>

20. Turnbull says tension with China has risen since foreign influence row

12/04/2018

Amy Remeikis

The Guardian

However, the prime minister is 'confident any misunderstandings will be resolved'. [Malcolm Turnbull](#) has confirmed tension between Australia and China has ramped up after the foreign interference crackdown.

But a former Labor foreign affairs minister, Bob Carr, who's the director of the China-Australia relationships institute at the University of Technology Sydney, said Australia would be wrong to think its legislation was to blame, and instead pointed the finger at "flamboyant anti-China rhetoric" from political leaders.

Read more (The Australian): <https://www.theaustralian.com.au/national-affairs/foreign-affairs/turnbull-admits-to-tensions-in-china-relations/news-story/1098ed9acb2e93420b9c0e882eef8b28>

21. Australia-China relationship needs a reset

12/04/2018

Lisa Murray

Australian Financial Review

When Malcolm Turnbull became Prime Minister, Chinese media outlets gave him the nickname Tang Bao, which sounds like his surname and means sweet dumpling.

The moniker reflected a general air of optimism regarding the new Australian leader. Turnbull had emphasised the importance of the bilateral relationship in the lead-up to his decision to challenge Tony Abbott. Indeed, he had campaigned for the job on the back of his China experience and knowledge. It was noted in academic and government circles in China that Turnbull had deep personal and business connections to the country. As a businessman in the 1990s, he set up one of the first sino-Western joint mining ventures in China, and his son Alex is married to Wang Yiwen, daughter of a former Chinese government-linked academic.

Read more (Paywall): <http://www.afr.com/news/policy/foreign-affairs/australiachina-relationship-needs-a-reset-20180412-h0yo0m#ixzz5CW6f5tTA>

22. Vanuatu PM defends China deals but vows to oppose any new foreign military base

12/04/2018

David Wroe

The Sydney Morning Herald

Port Vila: Vanuatu's Prime Minister has vowed to "fiercely oppose" any push to build a foreign military base on the Pacific island nation, while also defending his government's close ties to "friend and global leader" China.

In his first major statement since Fairfax Media revealed China's ambitions to establish a permanent military presence in the South Pacific, Charlot Salwai also maintained that a [Beijing-funded and constructed](#) wharf capable of accepting warships was entirely Vanuatu's idea and aimed at helping its people.

"The government will fiercely oppose any attempt to build a military base in the country that is the happiest place in the world and which is a direct affront of its policy to promote peace and security in the region," Mr Salwai said in a statement.

Read more: <https://www.smh.com.au/politics/federal/vanuatu-pm-defends-china-deals-but-vows-to-oppose-any-new-foreign-military-base-20180412-p4z96m.html>

23. In Vanuatu, it's he says, Xi says

13/04/2018

Graeme Smith

Inside Story

Is there any basis to all this base talk? On the Australian side, everyone from the prime minister down expresses "great concern" about a Chinese military installation in Vanuatu. Vanuatu's foreign minister is "not very happy about the

standard of reporting in the Australian media.” And the government of the People’s Republic of China, when it chooses to comment, goes with “[ridiculous](#)” and, inevitably, charges of “[fake news](#).”

Yet the reports seem to be based on something. Fairfax journalist David Wroe is well respected, and judging by the fact that his sources are notably reticent and he attended a Lowy Institute security workshop just last week, it could be based on information from intelligence agencies.

Plausible deniability is built into the story. Wroe [argues](#) that a dual-use facility will be developed incrementally around the Luganville Wharf on Santo Island. He isn’t claiming that we will see it immediately transformed into a base for troops ready to protect China’s interests in Vanuatu. And those interests — beyond fishing, possible future seabed mining, and a handful of business migrants with whom the Chinese party-state has a troubled relationship — are negligible.

Read more: <http://insidestory.org.au/in-vanuatu-its-he-says-xi-says/>

24. From the bookshelf: Understanding India and China’s evolving Indian Ocean roles

13/04/2018

Anthony Bergin

The Strategist

Beijing claims the South China Sea as China’s own. But it completely rejects any notion that the Indian Ocean should be treated either as India’s ocean or as an Indian preserve. The implications of these inconsistent positions may become increasingly important in the China-India relationship, and have important consequences for other countries in the region.

Beijing wants to be a ‘[resident power](#)’ in the Indian Ocean—just like the US, the UK and France. Chinese naval ships and submarines are now making frequent forays into India’s near seas. Many on India’s maritime periphery have embraced China’s Belt and Road Initiative (BRI).

In the face of growing Chinese heft in India’s ‘front yard’, there’s an intensifying Sino-Indian geopolitical rivalry in the Indian Ocean. Delhi’s traditional influence there is now under serious challenge.

Read more: <https://www.aspistrategist.org.au/bookshelf-understanding-india-chinas-evolving-indian-ocean-roles/>

25. Anti-China talk hurts us: Fortescue Metals' Andrew Forrest

13/04/2018

Sarah-Jane Tasker & Paul Garvey
The Australian

Hainan: Billionaire Andrew Forrest has urged Australian politicians to stop their anti-Chinese rhetoric, warning it will affect future business talks between the two countries.

Mr Forrest, who met with Chinese President Xi Jinping on Wednesday, told *The Australian* that whether it was the Greens, Labor or the Liberals, appealing to the “paranoid” voter with anti-China rhetoric was incredibly costly to everyone living in Australia.

“China has choices like Australia has choices,” he said.

“They don’t have to procure from us. They don’t have to invite us up to their country, and their economy will dwarf the US economy one day.”

Read more (Paywall): <https://www.theaustralian.com.au/business/antichina-talk-hurts-us-forrest/news-story/83db5e8b41a13bbde53b80928f6bea5e>