

Media Roundup Issue 6 (04/02/17 – 10/02/17)

1. Toowoomba to Shanghai: Australian farmers head to China to turn promise into profit

04/02/17
Pip Courtney
ABC News

The opportunities for Australian farmers in China have been talked up for so long it is probably fair many have started asking "are we there yet?"

The first step towards turning promise into profits was when the China-Australia Free Trade Agreement (ChAFTA) was signed in December 2015.

The Federal Government says it is now up to Australian farmers to make the most of the deal, which will see the gradual elimination of a host of import tariffs ranging from 12 to 25 per cent by 2024.

With this in mind, a delegation of 240 farmers and food manufacturers from the Toowoomba region in Queensland made history late last year when they flew to China to learn how to do business with Australia's biggest trading partner.

Read more: <http://www.abc.net.au/news/2017-02-04/toowoomba-farmers-take-off-to-china-to-learn-business-practices/8191468>

2. Australia now needs a new US-China strategy

06/02/17
Editorial
Australian Financial Review

The contrast was hardly noticed but is very real nevertheless. Within the hour of the Washington Post revealing details of Donald Trump's angry telephone call with Malcolm Turnbull, Australia posted a record high monthly trade surplus thanks to perky Chinese demand for our iron ore and coal. On one hand, the erratic new leader of Australia's main strategic ally and practical guarantor of our security is berating our Prime Minister and threatening our biggest customer, China, for exploiting American workers. On the other hand, Australia's large trade surplus with China is directly supporting the livelihood of Aussie workers.

Over the past decade, Australian foreign policy has become understandably obsessed with not being forced to choose between Chinese economic prosperity and American national security. The Trump presidency has brought the tensions into harsher relief, meaning the chances of Australia having to make difficult strategic trade-offs has increased uncomfortably. During his election campaign, Mr Trump

made clear he thought that China had artificially lowered its currency exchange rate to take jobs from American workers, especially those in the mid-West who secured his surprise election victory. Based on Mr Trump's moves since becoming President, there is every reason to expect an announcement targeting China over the coming weeks and months.

Read more (Paywall): <http://www.afr.com/opinion/editorials/australia-now-needs-a-new-uschina-strategy-20170205-qu5x5j>

3. Chinese businessman Jack Ma reveals what China really wants from Australia

06/02/17

**Olivia Lambert
News.com.au**

China's second richest man, Jack Ma, who is the founder of online retail giant Alibaba, said at the opening of the first Australian and New Zealand branch of his company in Melbourne that Australia had something "unique" that China was willing to spend big bucks on.

"Australia is a gold mine. The next gold mine," Mr Ma said in Melbourne on Saturday.

"The clean water, the soil and the air, this is what you have, the most unique asset."

With China's pollution problem, there's no question as to why China would want to suck up some of Australia's environment.

China's "airpocalypse" has seen the country's pollution hit toxic levels and a blanket of smog the size of Victoria covered Beijing at the end of last year.

People are seeing this as an opportunity in Australia to export our air to China.

Read More: <http://www.news.com.au/finance/business/retail/chinese-businessman-jack-ma-reveals-what-china-really-wants-from-australia/news-story/5315610d74b4b0a150d6087a92632f0a>

4. Australia needs to focus more on China in a Donald Trump world

06/02/17

**Linda Jakobson
Australian Financial Review**

Every morning we seem to awake to news about a new executive order from President Donald Trump and the ensuing confusion. Many in Canberra view this as

the moment for the Australian government to more resolutely than ever try to exert its influence in Washington. Australia and the United States are such long-standing and close allies, the reasoning goes, that the Trump administration will surely take into consideration what is – and what is not – in Australia's interests.

Since Trump's election and even more so since his inauguration, public statements by Australian ministers, opposition leaders and public servants overwhelmingly follow two lines of thought. There have been those that are entrenched in the status quo, impressing upon the US that its leadership is very much desired and needed. Or, language has been based on a new paradigm, stressing the need for Australia to have a more independent foreign policy and strengthen regional cooperation with Japan, India and Southeast Asian nations. But both of these approaches are missing a crucial element.

Read More: <http://www.afr.com/opinion/columnists/australia-needs-to-focus-more-on-china-in-a-donald-trump-world-20170205-gu5ql8>

5. Alibaba's new Australian office will bring more China-focused jobs

06/02/17

Glenda Korporaal

The Australian

Alibaba founder Jack Ma had some words for Australian business when he visited Melbourne for the opening of his company's Australian office on the weekend.

Stop worrying about whether there might be global trade wars and just get on doing business.

"Trade is good," the diminutive Ma told a luncheon of about 400 people in Melbourne's Grand Hyatt in an address which was part Richard Branson, part Steve Jobs.

Read More (Paywall): <http://www.theaustralian.com.au/business/opinion/alibabas-new-australian-office-will-bring-more-chinafocused-jobs/news-story/cafcfefb41a2b879c07cc678d511a4ff>

6. It's realistically time to prepare for a US-China trade war

06/02/17

**James Laurenceson
Australian Financial Review**

It's time for Australia to get ready for a trade war between the United States and China.

Our security alliance partner looks set to pick a fight with our biggest customer. And all this on the back of the US abandonment of the Trans-Pacific Partnership, a rules-setting trade deal in which Australia was heavily invested.

After Trump's unlikely presidential victory a comforting consensus emerged that said once in office his policies would gravitate towards the pragmatic centre. This shift would be in contrast to the shrill rhetoric of his campaign, during which he threatened a 45 per cent tariff on Chinese imports.

It is reasonable to ask then: What is he cooking up on China?

Read more (Paywall): <http://www.afr.com/opinion/columnists/its-realistically-time-to-prepare-for-a-uschina-trade-war-20170206-gu6898>

7. Donald Trump and China: The key uncertainties for Australia's beef industry in 2017

06/02/17

**Sarina Locke
ABC News**

As a live cattle shipment sails to China, Australia is navigating global uncertainties with issues such as Brexit, President Trump threatening partner Mexico with tariffs, and bigger US beef production.

The new Kidman cattle station co-owners Shanghai CRED have exported 1,200 angus cattle from the Victorian port of Portland, to go to slaughter in eastern China.

Despite expectations the price of cattle is too high to make a profit, it is an indication of China's interest in live cattle.

It is the first ship load of cattle, organised by Elders North Australian Cattle Company (NACC) which trialled two air shipments of slaughter cattle in 2015 and 2016.

"Considering the record highs that exists in our current domestic cattle market, this shipment really signifies the demand that exists in China for high quality Australian beef." said Mark Allison, chief executive of Elders.

Read More: <http://www.abc.net.au/news/2017-02-06/live-cattle-ship-to-china-as-beef-trade-navigates-uncertainty/8243440>

8. News Analysis: Australian agriculture needs foreign investment, free trade to survive

06/02/17

**Will Koulouris
Xinhua News**

SYDNEY, Feb. 6 (Xinhua) -- For as long as there has been agriculture in Australia, after the European settlement in 1788, foreign investment has remained crucial to ensuring the viability of the industry.

The need for foreign investment has also brought with it those, who either politically or via personal principle, are vehemently opposed to what they view as non-Australians coming to take ownership of their lands, and as such legislative measures have been established to oversee overseas investors.

Whether it was the foreign exchange control mechanism, or the Foreign Investment Review Board (FIRB) established in 1976, these instruments have been used as a political tool, former Australian Federal Trade Minister Andrew Robb told Xinhua, saying foreign investment regulation has always been affected by xenophobic elements.

Read more: http://news.xinhuanet.com/english/2017-02/06/c_136035257.htm

9. Australia's relationship with China 'could not be stronger', Bishop says

07/02/17

**AAP
SBS News**

Australia and China's foreign ministers have pledged to further strengthen the link between the two countries at a meeting in Canberra on Tuesday.

Julie Bishop met with China's foreign minister Wang Yi to discuss trade and strategic economic links between Australia and China against the backdrop of what both politicians described as "uncertain times".

"At a time of economic transition and uncertainty around the world, Australia reassures China that we are a reliable partner and that we will continue to place a

strong trade and economic relationship as one of our highest priorities," Ms Bishop told reporters during a press conference after the meeting.

Read More: <http://www.sbs.com.au/news/article/2017/02/07/australias-relationship-china-could-not-be-stronger-bishop-says>

10. South China Sea: 'There cannot be' conflict between US and China, Foreign Minister warns

08/02/17
Naomi Woodley
ABC

China's Foreign Minister has warned that both sides would lose in a conflict between his country and the United States over the South China Sea.

In a press conference in Canberra with his Australian counterpart Julie Bishop, Wang Yi said China would continue to focus on diplomatic efforts to resolve territorial disputes in the region.

He was asked about the likelihood of a war, given the aggressive rhetoric directed towards China by US President Donald Trump and some of his key advisers.

Read More: <http://www.abc.net.au/news/2017-02-08/us-china-conflict-on-south-china-sea-not-good-warns-foreign-mini/8249812>

11. U.S. And China Will Both Lose In A South China Sea Conflict, And Australia's Staying Out Of it

08/02/17
Eoin Blackwell
Huffington Post

Australia's foreign minister says her country will not take sides in the South China Sea dispute between the U.S. and China, as China's foreign minister warns both sides 'will lose' in a conflict.

Following a meeting with her Chinese counterpart Wang Yi to discuss trade between Australia and China, Julie Bishop told reporters in Canberra that Australia's position on the South China Sea was unchanged.

Yi, on the other hand, took the chance to take an apparent dig at U.S. President Donald Trump's adviser, Steve Bannon, who has said in the past that war between the the U.S. and China was inevitable.

"For any sober-minded politician, they clearly recognise that there cannot be conflict between China and the United States because both will lose -- and both sides cannot afford that," Yi said.

Read More: <http://www.huffingtonpost.com.au/2017/02/07/u-s-and-china-will-both-lose-in-a-south-china-sea-conflict-and/>

12. Chinese, Australian FMs call for strengthening of bilateral ties

08/02/17
Rui Zhang
CCTV

CANBERRA, Feb. 7 (Xinhua) -- Foreign ministers of China and Australia called for further strengthening of bilateral ties here on Tuesday.

At the two countries' fourth round of diplomatic and strategic dialogue, Chinese Foreign Minister Wang Yi said relations between China and Australia have maintained healthy development, adding that the free trade agreement between the two sides has yielded good results.

This year marks the 45th anniversary of the establishment of diplomatic ties between China and Australia, Wang said, calling on the two sides to take this opportunity to review past experience and plan for the future.

Read More:
<http://english.cctv.com/2017/02/08/ARTISgHzaoIkJh4966Fa2ium170208.shtml>

13. No-one can afford a China-US war, says Wang

08/02/17
Laura Tingle
Australian Financial Review

Chinese Foreign Minister Wang Yi has said neither China nor the United States can "afford" a military conflict and any "sober-minded" politician knew it.

Mr Wang's comments, after lengthy talks with Foreign Minister Julie Bishop in Canberra on Tuesday, follow a period of aggressive rhetoric during which new US Secretary of State Rex Tillerson threatened to stop Chinese activities on reclaimed islands in the South China Sea.

Ms Bishop said she was reassured that both the Chinese and US governments have signalled they will work together and reiterated that Australia would maintain its current neutral stance on the issue.

Ms Bishop met with her Chinese counterpart in Canberra on Tuesday and also spoke by phone with Mr Tillerson.

Read More (Paywall): <http://www.afr.com/news/policy/foreign-affairs/noone-can-afford-a-china-us-war-says-wang-20170208-qu86y0>

14. Where Do Australia-China Ties Go in the Trump Era?

09/02/17

Grant Wyeth

The Diplomat

This week's visit to Australia by Chinese Foreign Minister Wang Yi provided a signal that the relationship between the two countries is continuing to strengthen. Wang met with both Prime Minister Malcolm Turnbull and Foreign Minister Julie Bishop to discuss issues of trade and strategic importance in what both ministers described as "uncertain times." The primary event of the visit was the Diplomatic and Strategic Dialogue held on Monday. This was the fourth such dialogue between the countries, and is now an annual fixture.

In 2016 China continued to extend its position as Australia's largest trading partner, with two-way trade between the countries reaching AUD \$150 billion (US\$114.5 billion). Since China overtook Japan as Australia's largest trading partner in 2007, Australia has, for the first time in its existence, been placed in a situation where its most important trading relationship is not with a strategic ally. This situation creates a significant amount of consternation among foreign policy analysts as to how Australia will balance its security and economic requirements.

After the now infamous phone call between Turnbull and U.S. President Donald Trump, Australia's dilemma became a little more pronounced. That Wang's visit to Australia was his first international trip following Chinese New Year suggests that Australia is of growing importance to China, and adds a little more intrigue to Australia's foreign policy calculations.

Read More (Paywall): <http://thediplomat.com/2017/02/where-do-australia-china-ties-go-in-the-trump-era/>

15. Chinese development in Indian Ocean raising concern of possible militarization among major player

09/02/17
James Bennett
ABC

Japan, India, Australia and the United States are closely monitoring China's infrastructure development on the Indian Ocean rim amid increasing concern about the potential for militarisation in the sea lanes which carry much of the world's oil.

One former American intelligence chief is warning the only way to avoid that is to make confrontation unpalatable for China.

With an eye to China's current island reclamation activity in the South China Sea, Japan, which is almost wholly dependent on imported oil, is particularly nervous.

Read more: <http://www.abc.net.au/news/2017-02-09/could-the-indian-ocean-become-south-china-sea/8257204>