

Media Roundup Issue 12 (18/03/17 – 24/03/17)

1. Australian beef producers set to win from Li Keqiang's visit

19/03/17

Angus Grigg

Australian Financial Review

Beef processors are hopeful of a major breakthrough on access to the booming China market during this week's visit to Australia by China's Premier Li Keqiang.

The four-day visit, beginning on Wednesday, will focus on ironing out technical issues with the China Australia Free Trade Agreement which came into force in December 2015.

One of the major issues for Australia is so called "behind the border" barriers to agricultural produce, which has restricted access for chilled beef into China.

Read More:

<http://www.afr.com/business/agriculture/australian-beef-producers-set-to-win-from-li-keqiangs-visit-20170319-gv1bsd>

2. Australia–China ties need to make globalisation work

19/03/17

He Fan

Australian Financial Review

On the surface, all seems well in the Australia–China relationship. China is growing rapidly and Australia continues to benefit heavily from China's rise. China is already Australia's largest trade partner. Australia is the second most popular location for China's overseas direct investment. And as China's economy continues to expand and hundreds of millions of its middle class consumers are eager to spend, more opportunities are opening for bilateral trade and investment.

The governments of both countries appear to be working hard to build an extensive and strong relationship. The Australia–China Free Trade Agreement has been in force since December 2015. More than 86 per cent of Australian goods exports to China now enter duty free. This should rise to 94 per cent by

2019 and 96 per cent by 2029. Australia will also reduce or remove its tariffs on Chinese imports. More Chinese tourists, students and workers will come to Australia and travel the other way.

But a spanner has been thrown into the works. With Donald Trump as the new US President, the United States is acting as if it wants to challenge the international political and economic order it helped to build.

Read More (Paywall):

<http://www.afr.com/opinion/australiachina-ties-need-to-make-globalisation-work-20170318-gv19ih>

3. China's Li Keqiang in town to talk trade, but leadership uncertainty hovers

19/03/17

**Angus Grigg & Lisa Murray
Australian Financial Review**

In the world of diplomacy they are known as the 'walking to the door' points, and it's often in these last few steps where the real issues are discussed.

And so it was when a senior Chinese diplomat met with an Australian businessman earlier this month. The real issue worrying Beijing, but not discussed during the formal part of that meeting, was the longevity of Malcolm Turnbull's prime ministership and whether he would survive through until the visit of Chinese Premier Li Keqiang, who is due to arrive in Australia on Wednesday.

The question was not merely asked for the sake of leadership gossip, but because Chinese diplomats have been burnt before.

Read More:

<http://www.afr.com/news/policy/foreign-affairs/chinas-li-keqiang-in-town-to-talk-trade-but-leadership-uncertainty-hovers-20170319-gv1chz>

4. China mines the only threat to steely iron prices

19/03/17

Peter Ker

Australian Financial Review

Australia's most lucrative export commodity, iron ore, continues to fetch surprisingly strong prices, with big miners believing that only a ramp-up of mines within China can drive it lower.

Iron ore was fetching \$US92.61 per tonne over the weekend, having risen almost 2 per cent on Friday and almost 7 per cent over the past week.

The bulk commodity has averaged \$US85.87 per tonne since January 1, defying expectations that the ramp-up of production at Vale's S11D mine in Brazil would drive iron ore prices lower in 2017.

Read More:

<http://www.afr.com/business/mining/china-mines-the-only-threat-to-steely-iron-prices-20170319-gv1i71>

5. China Premier Li's visit to reaffirm Beijing-Canberra ties

20/03/17

Glenda Korporaal

The Australian

Chinese Premier Li Keqiang will visit Australia this week at a time when Australia's economic ties with China have never been more critical — and both sides are looking at how to work with a Trump-led US.

Increasing income from Chinese tourism to Australia, foreign students, rising commodity prices as a result of Chinese demand and Chinese investment in Australia have combined to help pump up the Australian economy at a time when mining and other business investments have slumped.

But Donald Trump's election as US President has led to an increasingly tense world trade picture at a time when Australia might be in danger of taking for granted its decades long, strong ties with Beijing.

Foreign Minister Julie Bishop's recent comments in Singapore, which appeared to be telling China that it should embrace "liberal democratic institutions", surprised the Chinese, who are wondering what to make of their import ahead of the Li visit.

Read More (Paywall):

<http://www.theaustralian.com.au/business/china-premier-lis-visit-to-reaffirm-beijingcamberra-ties/news-story/7f0b1110b6494f2702e01b0712f23fa1>

6. Prime Minister Turnbull's need to engage with Premier Li

20/03/17

East Asia Forum

Chinese Premier Li Keqiang's visit to Australia this week comes at a time of unique change in the international economic policy environment. The visit underscores the joint interests that Australia and China have developed through their bilateral relationship over the past four decades and through cooperation in regional and global affairs.

The Comprehensive Strategic Partnership between the two countries should serve as an active agent for navigating this change.

Both Australia and China have an overriding strategic interest in the rules-based international economic order through their commitments to the WTO system, support for the IMF and the multilateral financial institutions, their active participation in APEC and East Asian forums to support open trade and investment, and the development of a market-based international economy.

This system has made it possible for the two countries to develop a huge economic partnership. Australia supplies one-quarter of China's key externally procured industrial raw materials. The international policy regime has made it practical for them to achieve these gains, absorbing large change through the efficiency of global markets.

Read More:

<http://www.eastasiaforum.org/2017/03/20/prime-minister-turnbulls-need-to-engage-with-premier-li/>

7. China snubbed on road and port push

20/03/17

Primrose Riordan

The Australian

The Turnbull government is set to rebuff the Chinese President's calls to align Australia's \$5 billion Northern Australia Infrastructure Facility with a massive Chinese investment program in ports and roads that is being rolled out around the world.

Senior government sources say that while China was keen to officially link the facility with the Chinese infrastructure program known as the One Belt, One Road initiative, "we won't be formalising any linkage".

The news comes ahead of Chinese Premier Li Keqiang's visit to Sydney and Canberra from Wednesday.

Read More (Paywall):

<http://www.theaustralian.com.au/national-affairs/foreign-affairs/china-snubbed-on-road-and-port-push/news-story/1534e4f7de0ab0031818854d24ae0a91>

8. China backs down on tough new e-commerce laws in boost for Aussie exporters

20/03/17

Angus Grigg

Australian Financial Review

China has delayed indefinitely tough new cross border e-commerce laws that had threatened to disrupt the flow of Australian vitamins, milk powder and cosmetics into booming markets on the mainland.

The surprising backdown by Beijing comes ahead of Chinese Premier Li Keqiang arriving in Australia on Wednesday for talks on upgrading the free trade agreement and how to eliminate other non-tariff barriers.

The indefinite delay is a big win for vitamin makers Blackmores and Swisse, which were facing complex new licensing and labelling requirements in China. The backdown should also benefit infant formula makers a2 Milk Company and

Bellamy's Australia, which have been hurt by uncertainty on how the new regulations would be implemented.

"We welcome the updated regulations from the Ministry of Commerce in China, as it signals a strengthening of the commitment to the cross-border e-commerce channel from the Chinese regulators," Peter Nathan, chief executive of a2 Milk, said.

Read More:

<http://www.afr.com/business/retail/fmcg/china-backs-down-on-tough-new-ecommerce-laws-in-boost-for-aussie-exporters-20170320-gv28fe>

9. Li Keqiang arrives to a drifting relationship with China

20/03/17

Geoff Raby

Australian Financial Review

When Li Keqiang last visited Australia he was Vice-Premier, Kevin Rudd was Prime Minister, and the year was 2009. Li's short visit was to halt the relationship's downward spiral.

The Chinese side proposed the visit because it felt Australia needed help in managing the relationship. It was an irony that things had come to such a low ebb under a prime minister who spoke fluent Mandarin and claimed deep insights into China.

The year 2009 began with Rio Tinto stunning Beijing by rejecting Chinalco's bid to increase its stake in the company after the deal was all but done. China would never be convinced that the government was not behind this.

Read More:

<http://www.afr.com/opinion/columnists/li-keqiang-arrives-to-a-drifting-relationship-with-china-20170319-gv1sh6>

10. Beijing's pollution plight to get worse with climate change in bad news for coal

21/03/17

Peter Hannam

Sydney Morning Herald

Pressure on China's leaders to cut pollution from coal is likely to intensify – potentially hurting Australia's exports – with new research showing Beijing's air quality will get worse with climate change.

The Chinese capital's ring of mountains to the west and north naturally traps pollution, especially in winter.

But a warming world is projected to increase the frequency of the most severe pollution events by half, according to research published on Tuesday in the *Nature Climate Change* journal.

Read More:

<http://www.smh.com.au/environment/climate-change/beijings-pollution-plight-to-get-worse-with-climate-change-in-bad-news-for-coal-20170320-gv1tm4.html>

11. We want to work with you for progress and peace

22/03/17

Li Keqiang

The Australian

We live in a world with growing uncertainties and a sense of disorientation.

Given the less than desirable global economic recovery, the push-back against globalisation, rising protectionism, heightened geopolitical rivalry and local conflicts, the existing international order and system is being called into question.

Against such a backdrop, where are China and Australia headed respectively? What can China and Australia do together to cope with such a situation?

People are looking for answers to these questions. They are also topics for discussion during my upcoming visit to Australia.

Read More (paywall):

<http://www.theaustralian.com.au/opinion/we-want-to-work-with-you-for-progress-and-peace/news-story/f200ecfa4e88b93b969dc0c7b9db519b>

12. Malcolm Turnbull to Premier Li: China must continue substantial economic reform

23/03/17

**Malcolm Turnbull
Australian Financial Review**

Australia's ties with China have never been more important or dynamic than they are today. The relationship enriches both nations, improving the lives of our people.

As Australia's largest trading partner and a major investor in Australia, China contributes directly to our prosperity – supporting the jobs and growth agenda that is at the heart of my government. As the world's second-largest economy, China has an important role to play on the global and regional issues that matter most to Australia.

And we could not imagine modern Australia, the most successful multicultural society in the world, without the extraordinary contribution of Chinese Australians to our Australian family.

Our nations have a shared history and a shared destiny. Successive Australian governments have made it a priority to strengthen our ties with China and so Lucy and I are delighted to welcome China's Premier Li Keqiang, and his wife Professor Cheng Hong, to Australia this week.

Read More (Paywall):

<http://www.afr.com/opinion/columnists/malcolm-turnbull-to-premier-li-china-must-continue-substantial-economic-reform-20170322-gv3qy4>

13. Stay out of China's quarrels with US, Li Keqiang warns Australia

24/03/17

Primrose Riordan

The Australian

Premier Li Keqiang has warned Australia not to “take sides” in the increasing tensions between the China and the US, saying it could lead to a Cold War situation.

The message from China's second most senior leader comes during new strains in the Australia-China relationship and a fierce domestic debate about whether Australia should reassess its American allegiance.

Canberra's first ambassador to China Stephen FitzGerald has warned Australia would have no influence with China unless ties were strengthened with Asia's superpower.

Mr Li said yesterday China would stay out of Australia's -affairs if Canberra stayed out of Beijing's and warned against siding with the volatile Trump administration.

Read More:

<http://www.theaustralian.com.au/national-affairs/foreign-affairs/stay-out-of-chinas-quarrels-with-us-li-keqiang-warns-australia/news-story/d00e5bacedfba83c9221b17e357a989>