

Media Roundup Issue 30 (22/07/17 – 28/07/17)

1. Australia moves up Chinese travel bucket list

23/07/2017

Rowan Callick

The Australian

Australia has leapt up the bucket list of Chinese tourists to the fourth most desirable destination, from tenth just two years ago — following the extension of access by providing 10-year frequent-traveller visas.

The top three destinations targeted in the next three years, in the regular survey conducted by prominent Asian capital markets and investment group CLSA — now owned by China's CITIC — are Japan, Thailand and the US.

The report said that if all such Chinese travel hopes of going to Australia were fulfilled, this would mean a massive rise over the next three years from 1.2 million tourists a year to 2.9 million, though "Australia infrastructure is unlikely to be able to support such growth".

Seventy per cent of those surveyed this year named safety as the most important factor determining their holiday destination — an area where Australia scores highly. The report said: "Recent terrorist-related events in Europe have only heightened concerns about travelling to that region."

Read more (paywall):

<http://www.theaustralian.com.au/business/economics/australia-moves-up-chinese-travel-bucket-list/news-story/1caede1b161003116358e6376518474b>

2. China's state media warns of further warship deployment to Western waters

24/07/2017

Andrew Green and Bill Birtles

ABC Online

An influential Beijing-controlled news outlet has warned the recent deployment of a Chinese spy ship close to the Queensland coast is just the “beginning of China’s future operations”.

The ABC revealed on Saturday that the high-tech Auxiliary General Intelligence (AGI) vessel was sighted by the Defence Force just outside Australian territorial waters during this month’s Talisman Sabre military exercises.

Senior military officials have privately described the People’s Liberation Army (PLA) move as “provocative” and “unfriendly”, but the Defence Department has insisted the incident did not affect the war games between Australian and US forces.

Colonel Wu Qian, a PLA spokesman, speaking at a media conference about military reform in Beijing, addressed a question about the ship.

“The vessels and the aircraft of China like those of other countries have the right of free passage in the high seas,” he said.

Read more: <http://www.abc.net.au/news/2017-07-24/china-state-media-warns-more-warship-deployment-to-western-water/8738328>

3. China’s navel surveillance off Australia: Good news and bad

24/07/2017

Euan Graham

The Interpreter

The ABC’s Andrew Greene broke the story last weekend that a Chinese Navy electronic intelligence-gathering vessel had been spotted off the Queensland coast in the vicinity of the Talisman Sabre defence exercises, which it was almost certainly monitoring. Australia’s Department of Defence had earlier posted a captioned photograph of the auxiliary general intelligence (AGI) Type-815 ship, outside of Australia’s territorial waters but within its 200 nautical mile (nm) Exclusive economic Zone (EEZ) extending into the Coral Sea.

China’s People’s Liberation Army-Navy (PLA-N) has previously entered Australia’s EEZ, on one occasion approaching the 12 nm limit of the territorial sea around Christmas Island. This is the first time it has sent a dedicated platform to gather

intelligence offshore. Such activity is perfectly legal under the UN Convention on the Law of the Sea (UNCLOS), but as the first instance of its kind for Australia, the incident has unsurprisingly attracted attention and triggered debate among experts as to its strategic significance, and how Canberra should respond.

Defence also released a short factual statement, including this comment: 'The vessel's presence has not detracted from the exercise objectives. Australia respects the rights of all states to exercise freedom of navigation in international waters in accordance with international law.'

Read more: <https://www.lowyinstitute.org/the-interpreter/china-s-naval-surveillance-australia-good-news-and-bad>

4. Julie Bishop plays down presence of Chinese spy ship during Talisman Sabre military drills

25/07/2017

David Wroe

Sydney Morning Herald

Foreign Affairs Minister Julie Bishop has played down the presence of a Chinese spy ship observing Australian-United States military exercises this month, saying the ship was entitled to be in international waters.

Ms Bishop, speaking in Canberra on Tuesday morning, has also expressed concern about rising border tensions between nuclear powers China and India and called on both sides to "de-escalate" to avoid the risk of a miscalculation or accident.

The Chinese AGI or "auxiliary general intelligence" Type-815 ship was spotted off Queensland during this month's Talisman Sabre exercises. It was in Australia's exclusive economic zone, which is not against international law though the ABC has quoted unnamed defence officials as describing the spying as "unfriendly" and "provocative".

Its presence has provoked debate among experts because while it is normal for countries to gather naval intelligence on each other, China is known to warn off other countries' military planes and ships in the South China Sea even if they are not in claimed Chinese territorial zones.

Read more: <http://www.smh.com.au/federal-politics/political-news/julie-bishop-plays-down-presence-of-chinese-spy-ship-during-talisman-sabre-military-drills-20170725-gxi6cg.html>

5. Six Australian companies hit with China meat export bans

26/07/2017
Sue Neales
The Australian

Six Australian meat companies have been barred from selling beef and lamb to China, raising concerns about the reliability of Australia's \$750 million meat - export trade with the Asian powerhouse.

The temporary bans are linked to meatworks in specific locations across three states, with Chinese import authorities imposing the bans because labels "did not comply" with paperwork.

But it is feared the meat export bans are tit-for-tat retaliation for Australia's decision earlier this year to ban all imports of fresh and cooked prawns from China.

The prawn ban, which also affected Vietnamese prawns, was imposed by Agriculture Minister Barnaby Joyce after an outbreak of white spot disease devastated several prawn farms in southern Queensland.

The meatworks affected by the bans ironically include the Kilcoy abattoir at Gympie, Queensland, which is owned by China's New Hope group. Also affected are two run by the world's biggest meat business, Brazil's JBS, at Scone, NSW, and Beef City near Toowoomba, Queensland; Thomas Foods Group's lamb meatworks at Murray Bridge, South Australia; the Cannon Hill abattoir owned by Australian Country Choice, and the Northern Meat Co-operative in Casino, NSW.

Read more (paywall): <http://www.theaustralian.com.au/national-affairs/six-australian-companies-hit-with-china-meat-export-bans/news-story/a47bc7af1baa81067aa46439bebe45b1>

6. 'Hundreds of millions of dollars at risk': China blocks Australian beef exports

26/07/2017

AAP

Sydney Morning Herald

Trade Minister Steven Ciobo said he had received a letter from China's quarantine agency raising concerns.

It is understood the concerns relate to labels on some boxes of exported beef that do not match the labels on the packets inside.

Some of the beef has landed in China but more is on its way.

"This is a very significant and substantial export trade with China with potentially tens of millions and possibly hundreds of millions of dollars in trade affected," Mr Ciobo said on Wednesday.

"We are taking the matter very seriously. I have been engaging today and will continue to engage with Chinese authorities and the Australian embassy to try to resolve this matter as efficiently as possible."

Mr Ciobo has spoken with nearly all of the chief executives of the impacted companies, indicating the government was "very mobilised" in attempting to resolve the matter.

Read more: <http://www.smh.com.au/national/hundreds-of-millions-of-dollars-at-risk-china-blocks-australian-beef-exports-20170726-gxjgk1.html>

7. Australia refuses to connect to undersea cable built by Chinese company

26/07/2017

David Wroe

Sydney Morning Herald

Australia's top spy has warned the Solomon Islands that a planned 4000 kilometre-long internet cable connecting the tiny Pacific nation to Sydney could

be torpedoed after it signed up controversial Chinese firm Huawei to lay the cable, Fairfax Media understands.

The future of the communications cable project is now uncertain because of Australia's fears about the involvement of Huawei, the communications giant that was banned from working on the National Broadband Network on the advice of security agency ASIO.

Nick Warner, the head of the foreign intelligence agency the Australian Secret Intelligence Service, is understood to have warned Solomons Prime Minister Manasseh Sogavare of Australia's concern during a visit to capital Honiara last month to mark the end of the Australian military and police assistance mission to the country.

Read more: <http://www.smh.com.au/federal-politics/political-news/australia-refuses-to-connect-to-undersea-cable-built-by-chinese-company-20170726-gxj9bf.html>

8. Australia 'very conscious' of China's behavior as spy ship navigates near Queensland

27/07/2017

**Stephen Dziedzic
ABC News Online**

Defence Minister Marise Payne said Australia was monitoring a Chinese spy ship "very carefully" as the vessel observed military exercises between Australia and the United States earlier this month.

The ABC revealed last week that the Defence Force spotted the People's Liberation Army intelligence ship in international waters near the Talisman Sabre war games in Queensland.

Senior military officials privately called the move "provocative", although the Foreign Minister Julie Bishop has been quick to play down the encounter, stressing China had the right to sail close to Australia while remaining in international waters.

Senator Payne echoed Ms Bishop's comments, but also pointedly observed Australia had been keeping a close eye on the high-tech Chinese vessel.

Read more: <http://www.abc.net.au/news/2017-07-27/australia-very-conscious-of-chinas-spy-ship-navigation:-payne/8747012>

9. China orders halt to red meat imports from several Australian meatworks

27/07/2017

**Anna Vidot and Sarina Locke
ABC News Online**

China has temporarily banned beef exports from six Australian meatworks, the Federal Government has confirmed.

Australia was made aware of the ban on Tuesday, and Trade Minister Steven Ciobo told the ABC he intended to work closely and constructively with industry and China to resolve the issue as quickly as possible.

The ABC understands the affected abattoirs are in Queensland and NSW, and include two facilities owned by Australia's largest meat processor, JBS.

Other companies affected are Kilcoy Pastoral, Australian Country Choice, the Northern Rivers Co-operative at Casino, and Thomas Food.

My Ciobo said the ban related to Chinese concern about labelling non-compliance.

There is no suggestion that health or food safety issues are involved.

Read more: <http://www.abc.net.au/news/rural/2017-07-26/china-orders-halt-some-beef-exports-australia/8745644>

10. The killer fact about the Chinese middle class

27/07/2017

Bob Carr

Australia-China Relations Institute

Behind China's recent 6.9 percent growth in GDP lies a bigger fact: between 2009 and 2030, the country will add 850 million to its middle class. I would call that a killer fact.

Nothing else on Canberra's agenda – talk about innovation, relations with India or tax cuts for business – competes with that statistic for its potential impact on Australian living standards. It is equivalent to a new continent emerging somewhere to Australia's north with 850 million more consumers asking Australia to fill its supermarkets, sell them places in our schools and universities, invest our expertise in aged and health care and let them come as tourists, investors and cashed-up migrants.

A killer fact that sweet deserves to be interrogated. To what extent can we trust it?

It was presented in a 2010 OECD working paper by Dr Homi Kharas, now co-director in the Global Economy and Development program at the Brookings Institution. His prediction was that by 2030 Europe would add only 16 million to its middle class. Small stuff, and North America's middle class was set to shrink by 16 million. In this context, 850 million more middle-class Chinese dominate world economic prospects. That means the Chinese middle class will grow from 12 percent of its population in 2009 to 73 percent in 2030.

Read more: <http://www.australiachinarelations.org/content/killer-fact-about-chinese-middle-class>

11. 'Human error' blamed for shock China beef ban

28/07/2017

Darren Gray

Sydney Morning Herald

Meat industry leaders remain hopeful of a quick resolution to a shock temporary ban on exports to China from six Australian meatworks.

The suspensions sent trade officials and industry representatives into overdrive when news of the ban, which affects five companies, emerged in Australia late on Tuesday afternoon.

In response to the bans federal Trade Minister Steven Ciobo said he was prepared to travel to China next week. Mr Ciobo also revealed that early discussions between the two nations had yielded some benefit for Australian producers and the affected meatworks.

"Chinese authorities have indicated that meat that is already in containers on the water, that was dispatched before the 24th of July, will still be accepted by China. So that's a big sigh of relief," he said.

But given the scale and value of Australia's growing beef export trade to China, news of the bans has sent ripples around the industry.

Read more: <http://www.smh.com.au/business/human-error-blamed-for-shock-china-beef-ban-20170727-gxk7fc.html>