

## Media Roundup Issue 55 (20/01/18 – 25/01/18)

### 1. Summary of the 2018 National Defense Strategy of the USA

**19/01/2018**

**United States Department of Defense**

*The United States Department of Defense released the first National Defense Strategy (NDS) of the Trump administration last week. A summary of the NDS singled out the PRC and Russia as 'revisionist powers' that constitute the 'central challenge to US prosperity and security'. US strategic competition with the PRC is a central theme throughout the document.*

The Department of Defense's enduring mission is to provide combat-credible military forces needed to deter war and protect the security of our nation. Should deterrence fail, the Joint Force is prepared to win. Reinforcing America's traditional tools of diplomacy, the Department provides military options to ensure the President and our diplomats negotiate from a position of strength.

...

China is a strategic competitor using predatory economics to intimidate its neighbors while militarizing features in the South China Sea. Russia has violated the borders of nearby nations and pursues veto power over the economic, diplomatic, and security decisions of its neighbors. As well, North Korea's outlaw actions and reckless rhetoric continue despite United Nation's censure and sanctions.

Read more: <https://www.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>

### 2. Shinzo Abe's ambitious Indo-Pacific agenda

**20/01/2018**

**Michael Stutchbury & Angus Grigg  
The Australian**

Tokyo Japanese Prime Minister Shinzo Abe has outlined an ambitious agenda for a reconvened regional security grouping that includes Australia, envisaging it will provide aid, infrastructure and maritime security across South East Asia and the Pacific Islands.

In an exclusive interview with AFR Weekend at his official residence in Tokyo, Mr Abe has positioned the Quadrilateral Security Dialogue to challenge China's growing dominance across the region.

The grouping, which includes Japan, India, the US and Australia was reformed late last year just as China's Belt and Road Initiative began to extend Beijing's influence deep into the Pacific and South East Asia.

Mr Abe said the group needed to "raise our voices" to ensure freedom of navigation, co-operation and the rule of law prevailed across the region.

*Read more (Paywall): <http://www.afr.com/brand/business-summit/shinzo-abes-ambitious-indopacific-agenda-20180119-h0l6g6?btis>*

### 3. The staggering scale of China's Belt and Road initiative

**20/01/2018**

**Lazaro Gamio & Erica Pandey**

**Axios**

China is embarking on the largest infrastructure project in history, spanning four continents and attempting to link the old Silk Road to Europe — and back to China.

Why it matters: China is increasingly asserting its economic power, and seeking to bolster its global influence. It is undertaking this project at a time when the U.S. can't pass a domestic infrastructure project, and is taking a step back from the world.

*Read more: <https://www.axios.com/staggering-scale-china-infrastructure-142f3b1d-82b5-47b8-8ca9-57beb306f7df.html?source=sidebar>*

### 4. King of the road

**20/01/2018**

**Peter Frankopan**

**The Australian**

If asked to name one of the world's fastest-growing ports, few people would come up with Khorgos. Set in the heart of Asia, on the border of Kazakhstan and China, Khorgos could not be in a less promising location for a harbour — given it is one of the furthest places on Earth from the sea.

Khorgos is a different kind of port, though, built for a different age. It is “dry”, handling goods shipped not by sea but by land. Work began four years ago to build a hub that switches containers being carried by train from the narrow gauge of Chinese railways to standard gauge, which allows them to be transported across what used to be the Soviet Union to other parts of Asia and deep into Europe.

The first shipment of goods from Yiwu in eastern China reached a freight depot in Barking, East London, early in 2017, having travelled through Kazakhstan, Russia, Belarus, Poland, Germany, Belgium and France before passing through the Channel Tunnel into the UK.

*Read more (Paywall):* <http://www.theaustralian.com.au/life/weekend-australian-magazine/chinas-new-silk-road-is-it-a-oneway-street/news-story/501af0f1f70c66d2896b3f5b3bfb1545>

## 5. Sydney Airport strengthens China links as passenger numbers soar

**20/01/2018**

**Samantha Bailey  
The Australian**

A lift in the number of Chinese travellers passing through Sydney Airport last year has prompted two Chinese airlines to increase the frequency of their flights to Sydney.

The number of Chinese nationals travelling through Sydney Airport leapt 17.3 per cent in 2017, after jumping 17.6 per cent the prior year.

Tianjin Airlines, operating out of Tianjin near Beijing, will begin servicing its Tianjin-Zhengzhou-Sydney route all year round from January 30. Meanwhile, Hainan Airlines, which operates out of Hainan in China's south will run its Haikou-Sydney route twice weekly year round from the end of January.

“Sydney Airport now serves 17 mainland Chinese cities which represent almost 90 per cent of all travel on the China-Sydney route,” the airport's chief executive Geoff Culbert said.

*Read more (Paywall):* <http://www.theaustralian.com.au/business/companies/sydney-airport-strengthens-china-links-as-passenger-numbers-continue-to-soar/news-story/b3810aadac668f4c818546ca9586f4e6>

## 6. Julie Bishop intervenes to calm storm over Chinese aid to Pacific

**20/01/2018**

**Geoff Chambers & Primrose Riordan**  
**The Australian**

Julie Bishop has reached out to South Pacific leaders following comments made by colleague senator Concetta Fierravanti-Wells claiming that China was lending funds to smaller countries on unfavourable terms and constructing “useless buildings” and “roads to nowhere”.

Ms Bishop called Samoan Prime Minister Tuilaepa Aiono Sailele Malielegaoi to clarify Senator Fierravanti-Wells’s comments, which have inflamed tensions in the Pacific region.

Despite claims by the Samoan leader that Ms Bishop apologised to him, *The Weekend Australian* understands that no formal apology was issued.

Cook Islands and Tongan politicians this week also pushed back against Senator Fierravanti-Wells, the Minister for International Development and the Pacific, after she warned about China’s “growing” influence.

Read more (Paywall): <http://www.theaustralian.com.au/national-affairs/foreign-affairs/julie-bishop-intervenes-to-calm-storm-over-chinese-aid-to-pacific/news-story/fdd16cedb1a27ad50c210926732d4d39>

## 7. US blasts China on security and trade

**21/01/2018**

**John Kehoe & Michael Smith**  
**Australian Financial Review**

A US Navy commander tipped as the frontrunner to be appointed President Donald Trump's next ambassador to Australia has denounced China as a “disruptive force” in Asia, as the Trump administration ramped up its hawkish stance against Beijing.

Harry Harris, a well-known security hardliner on China, issued the fiery assessment at a meeting with counterparts from Australia, Japan and India late last week in New Delhi.

“China is a disruptive, transitional force in the Indo-Pacific,” Admiral Harris said, according to the *The Times of India*. “We must be willing to take tough decisions

in 2018 against unilateral ways to change the use of global commons with rule-based freedom of navigation."

*Read more (Paywall):* <http://www.afr.com/news/world/north-america/us-blasts-china-on-security-and-trade-20180119-h0lei6>

## 8. China tourism: Aussie pilots in demand as Chinese tourists fly in

**22/01/2018**

**Geoff Chambers & Emily Ritchie**  
**The Australian**

The number of flights to and from China has soared to almost 2.7 million passenger movements a year, fuelling the poaching by Chinese airlines of experienced Australian pilots.

Passenger capacity has tripled in the past decade and risen again since China struck the first agreement of its kind in December 2016 to allow unlimited flights between Australia and China.

Trade Minister Steve Ciobo said China was poised to replace New Zealand as Australia's top tourism market due to the deal.

Analysis by the Department of Foreign Affairs and Trade using Department of Immigration and Border Protection data shows the greatest rise has been in Chinese travellers to Australia.

*Read more (Paywall):* <http://www.theaustralian.com.au/business/aviation/china-tourism-aussie-pilots-in-demand-as-chinese-tourists-fly-in/news-story/27ec31692c950e5f8077a33020e1888c>

## 9. Chinese influence in Australia should not be feared, Papua New Guinea Government says

**23/01/2018**

**Eric Tlozek**  
**ABC News Online**

Australia has nothing to fear from increasing Chinese influence in the country and the wider Pacific, the Papua New Guinea Government says.

The Australian Government is becoming increasingly alarmed about Chinese investment and aid – usually in the form of concessional loans – to developing countries on its doorstep.

But Papua New Guinea's Foreign Affairs Minister, Rimbink Pato, has moved to reassure Australia that Papua New Guinea can manage its relationship with both countries.

"Papua New Guinea remains a close, reliable and trust friend of Australia, we'll work through all the issues of concern together," he said.

Read more: <http://www.abc.net.au/news/2018-01-23/png-says-australia-should-not-fear-chinese-influence/9349140>

## 10. 'Focus on China' for four-nation security group: India

**24/01/2018**

**Greg Sheridan**  
**The Australian**

India believes the revived four-way security dialogue with Australia, Japan and the US is a necessary part of managing an increasingly belligerent China, the former secretary of the Ministry of External Affairs has declared.

Anil Wadhwa, secretary of the ministry until the middle of last year, revealed that New Delhi was initially sceptical of reconvening the quadrilateral security dialogue because of the Rudd government's decision 10 years ago to abandon the grouping as a direct result of Chinese pressure.

"The Quad was always seen by the Chinese as other countries ganging up on them," Mr Wadhwa told *The Australian*. "The Chinese know they're going to be discussed in a Quad. They don't like other countries getting together. They follow the same strategy in ASEAN. They prefer to deal with countries individually and no country can stand up to them alone."

Mr Wadhwa expressed concern over China's strategic behaviour, echoing sentiments expressed in Australia's foreign policy white paper.

Read more (Paywall): <https://www.theaustralian.com.au/national-affairs/foreign-affairs/focus-on-china-for-four-nation-security-group-india/news-story/dd68668622bcfa64c9da543b5efaca25>

## 11. China's massive global infrastructure spending a 'game changer' for world power, says Labor's Penny Wong

**24/01/2018**  
**David Wroe**  
**Sydney Morning Herald**

China's \$1 trillion "belt and road initiative" that builds transport infrastructure in needy countries is a "game changer" in how it is using money to build political influence across the world, says Labor's foreign affairs spokeswoman Penny Wong.

Senator Wong, in a speech to be delivered on Wednesday in Singapore, lays out in stark terms just how much the network of roads, rail and ports stretching from Europe to the Pacific is altering the world and describes it as "a radically different approach to the assertion of power".

She will tell the Lee Kuan Yew School of Public Policy in Singapore that countries such as Australia will struggle to grapple with China's rise unless they properly understand the "disruption" the massive infrastructure program is causing.

*Read more:* <http://www.smh.com.au/federal-politics/political-news/chinas-massive-global-infrastructure-spending-a-game-changer-for-world-power-says-labors-penny-wong-20180123-h0n09g.html>

## 12. Why is little Australia still trying to box in superpower China?

**24/01/2018**  
**Nicholas Stuart**  
**Sydney Morning Herald**

Is this really the best of all possible times in the best of all possible worlds?

If you choose to believe the statistics then, yes, it may be. If you listen to the politicians – the opposition, anyway – then it's not even close. The problem, of course, is distinguishing the individual from the mass and the momentary from the enduring. Finding a way to reconcile these dichotomies will be critical to our future.

Take our obsession with the sensational.

We should be used to politicians' bumptious dissembling and ridiculous posturing by now, but every now and then someone manages, through exhibitions of sheer gall and spite, to set the bar even higher than before.

Read more: <http://www.smh.com.au/comment/why-is-little-australia-still-trying-to-box-in-superpower-china-20180123-h0mvqj>

### 13. China's Wanda confirms sale of Australian property assets

**24/01/2018**

**Kirsty Needham**

**Sydney Morning Herald**

One of China's biggest property developers, Wanda, has said it has disposed of its flagship Australian property assets.

The apartment projects at Sydney's Circular Quay, which is still under construction, and the Gold Coast, had been estimated to be worth about \$1 billion each.

After months of speculation that Wanda, headed by Chinese billionaire Wang Jianlin, was seeking to sell its international hotels and property, the company made an announcement to the Hong Kong stock exchange that it had entered into a deal to sell a subsidiary that "has rights and interests in certain property projects in Australia" to an independent third party".

At the weekend, Mr Wang said the company had decided to pay off its foreign debt by selling half of its overseas assets.

Read more: <http://www.smh.com.au/business/property/chinas-wanda-confirms-sale-of-australian-property-assets-20180124-h0nkjy.html>

### 14. Rescued TPP trade deal about more than economics

**24/01/2018**

**Jacob Greber**

**Australian Financial Review**

Absent the United States, the economic gains of the renewed trans-Pacific trade deal are relatively modest.



But its resurrection represents a critical step towards building a trading system in which Washington's abandonment of the region doesn't immediately fall uncontested into China's hands.

As Prime Minister Malcolm Turnbull said in an interview with The Australian Financial Review last week - ahead of his meeting with Japanese counterpart Shinzo Abe that helped catalyse the deal - this is about getting the "train moving... then you can add a few more carriages along the way".

*Read more (Paywall): <http://www.afr.com/news/economy/rescued-tpp-trade-deal-about-more-than-economics-20180124-h0np1f>*

## 15. India wants a Quad to counteract China's expanding influence

**24/01/2018**

**Abhijit Singh**

**Australian Financial Review**

There is excitement in India's strategic community after senior naval officers from India, Australia, Japan and the United States appeared together in an international conference in New Delhi last week. Ever since Indian naval chief Admiral Sunil Lanba shared a stage with Admiral Harry Harris, the US Pacific Commander, Admiral Katsutoshi Kawano, the Chief of Joint Staff of the Japanese Self Defense Force and Vice Admiral Tim Barrett, the Chief of the Royal Australian Navy at the Indian government sponsored Raisina dialogue, speculation has grown in the Indian media that New Delhi might be preparing to join a maritime quadrilateral aimed at the containment of growing Chinese power in the Indo-Pacific region.

Analysts say India's strengthening resolve in the maritime domain is clear from the Indian Navy's recent multilateral naval engagements, including the Malabar series of exercises with the US Navy and the Japanese Navy, as well as the recent induction of platforms that can project power and presence across the Indian Ocean.

*Read more (Paywall): <http://www.afr.com/opinion/india-wants-a-quad-to-counteract-chinas-expanding-influence-20180123-h0n1k9>*

## 16. India locks in the quadrilateral dialogue to counter China

**25/01/2018**

**Rory Medcalf**

**Australian Financial Review**

When four admirals walked calmly on to a stage in New Delhi last week, the echoes crossed the Indo-Pacific.

This was perhaps odd, because the naval leaders of India, Japan, Australia and America's powerful Pacific Command said little surprising or provocative in the hour that followed.

Media reports had to fixate on just one line, where US Admiral Harry Harris pointed out that China "owned" the disruption its actions had caused in the region.

*Read more (Paywall): <http://www.afr.com/opinion/columnists/india-locks-in-the-quadrilateral-dialogue-to-counter-china-20180124-h0ng2y>*

## 17. China ties a concern, but companies get on with business

**25/01/2018**

**Rowan Callick**

**The Australian**

Is Australia about to "lose China" and all the economic and other benefits that a positive relationship with China brings?

Or should the question be reversed: can Australia survive as a liberal democracy if it continues to embrace authoritarian China as fully as it has?

These stark concerns are at the centre of discussions about the relationship right now, including in corporate circles in Australia.

But in the business world in China itself — including Chinese firms involved with Australia and Australians working in China — they seem considerably less relevant to daily realities.

*Read more (Paywall): <https://www.theaustralian.com.au/opinion/columnists/rowan-callick/australias-business-relationship-with-china-remains-strong/news-story/b0e617c800e20d4818f7ddbb9a5653bb>*

## 18. Japan eyes Australian help to combat 'unstoppable' China

**25/01/2018**

**Primrose Riordan  
The Australian**

A former economic adviser to Japanese Prime Minister Shinzo Abe has questioned a key plank of Australia's new strategy to manage China's rise, saying the communist nation is "unstoppable".

The comments came amid -serious tension between Japan and China in the East China Sea after Beijing sent a frigate and submarine into disputed waters and after Mr Abe and Malcolm Turnbull agreed to enhance defence co-operation in Tokyo last week.

*Read more (Paywall):* <https://www.theaustralian.com.au/national-affairs/japan-eyes-australian-help-to-combat-unstoppable-china/news-story/98218632aad9ccf244ed8c0ea6b32e24>

## 19. Regional security: quad dialogue is our passage to India

**25/01/2018**

**Greg Sheridan  
The Australian**

They made a striking and powerful image — four admirals of four navies of four great democratic nations. Katsutoshi Kawano, Tim Barrett, Sunil Lamba and the redoubtable Harry Harris, the naval chiefs of Japan, Australia, India and the US, all sharing a platform at a security conference in New Delhi. And all united, according to reports in the Indian media, in describing China as a "disruptive power" in the way it behaved in the Pacific and Indian oceans.

These were the chiefs of navy of the Quad nations, the four democracies that have reconvened the old quadrilateral security dialogue. Let me hasten to say, loud and clear, as bold as you can possibly have it, that the Quad is no longer officially called the quadrilateral security dialogue. Each of the four nations uses slightly different terminology, mostly centred around the idea of a dialogue on regional issues.

*Read more (Paywall):* <https://www.theaustralian.com.au/opinion/columnists/greg-sheridan/regional-security-quad-dialogue-is-our-passage-to-india/news-story/3bce60b843b9735f08ecb5eedef8e6e5>