

## Media Roundup Issue 71(12/05/18– 18/05/18)

### 1. Australia extends olive branch to Xi Jinping

**18/05/18**

**Primrose Riordan  
The Australian**

The Turnbull government has -extended an olive branch to President Xi Jinping in an attempt to repair the China-Australia bilateral relationship, with Trade Minister Steve Ciobo urging both sides to “bring our boats together and help each other to find a way to the other shore of the ocean”.

In a milestone speech in Shanghai last night, Mr Ciobo, the first Australian minister to visit the communist nation this year amid a diplomatic freeze, described China as a “true global giant”. He said its relationship with Australia had developed into “something more”.

Speaking to business leaders at the AustCham Westpac Australia-China Awards, Mr Ciobo referenced Mr Xi as he lavished praise on China. Shanghai Municipal Commission of Commerce deputy director Xiao Yang and Australian ambassador to China Jan Adams were also in attendance.

Read more (Paywall): <https://www.theaustralian.com.au/national-affairs/foreign-affairs/australia-extends-olive-branch-to-xi-jinping/news-story/4f91a4cb83c3fd40e1cb40a33dcaf973?login=1>

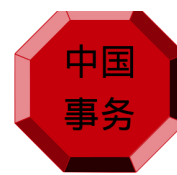
### 2. The New World Order: Donald Trump goes it alone

**12/05/18**

**Gideon Rachman  
Financial Times**

*A shift in the way the US handles international cooperation from a rules-based to a power-based system and its response to unfavourable international rulings could affect global attitudes towards the maintenance of order, including Australia's.*

Can America run the world without allies? That, in essence, is the question raised by US president Donald Trump’s decision to pull out of a painstakingly constructed international agreement to restrain Iran’s nuclear ambitions.



The unilateral exercise of US power is an idea that has long attracted John Bolton, the White House's newly appointed national security adviser. Speaking in 2000, Mr Bolton suggested: "If I were redoing the [UN] Security Council today, I'd have one permanent member because that's the real reflection of the distribution of power in the world."

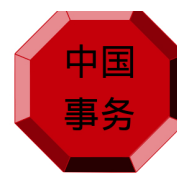
Now Mr Bolton is working for a US president who shares his dismissive attitude to international co-operation. In pulling the US out of the Iran nuclear deal, Mr Trump has rejected personal entreaties from the leaders of France, Germany and the UK.

The Iran decision is just the latest and most serious example of the Trump administration's aggressive unilateralism. Last June, Mr Trump withdrew the US from another big international agreement — the Paris accord on climate change. Next week, the US will take the symbolic step of relocating its embassy in Israel to Jerusalem — a move that has been rejected by all its major allies. Mr Trump is also launching an assault on the global trading system — by threatening to impose swingeing tariffs, not just on China, but also on key allies such as Japan, Canada and the EU.

These policies are not just "America First". Increasingly, they look like "America Alone". The Trump administration's stance on Iran is rejected by all the other signatories to the Iran deal (France, Germany, the UK, China, Russia, the EU) — although it does have the support of Israel and Saudi Arabia. Similarly, Mr Trump's approach to trade and climate change has not attracted any significant allied support. ...

... Above all, these alliances give the US legitimacy when it seeks to exercise power. It is not feasible for America to respond to every challenge through the use of military might or economic sanctions. In normal times, the US relies on the "rules-based international order" — a network of laws and institutions that it and its allies have largely shaped over many decades. In seeking to respond to Russia's annexation of Crimea, or China's claims in the South China Sea, the US has appealed to international law and sought to rally the support of other nations at the UN and elsewhere.

But for a rules-based order to work, the US has to be able to demonstrate that it is willing, on occasion, to be constrained by the rules — by accepting unwelcome judgments at the World Trade Organization, for example, or provisions in the Iran nuclear agreement that are not ideal.



It is those constraints on American power that Mr Trump and advisers like Mr Bolton no longer seem ready to accept. So rather than relying on a system built around rules, the Trump administration is seeking to move to a power-based order — in which the US lays down the law and others are compelled to follow. That may work for a while, but it is also an invitation to rivals to test America's will through unilateral actions in Europe, Asia and the Middle East. And that is a recipe for a much more dangerous world.

*Read more (Paywall):* <https://www.ft.com/content/4db98f9e-54fa-11e8-b24e-cad6aa67e23e>

### 3. US secret report: China 'debt trap' on Australia's doorstep

**13/05/18**

**John Kehoe**

**Australian Financial Review**

Chinese loans worth hundreds of billions of dollars are saddling Australia's smaller regional neighbours with unsustainable debts and giving Beijing crucial economic leverage to gain strategic and military power, warns a new independent report written for the US State Department.

The US report identifies 16 states vulnerable to China's so-called "debtbook diplomacy" and economic coercion, including Vanuatu, the Philippines, Cambodia, Laos, Thailand, Malaysia, Sri Lanka, Tonga and Micronesia.

The paper, obtained by The Australian Financial Review, says Papua New Guinea has "historically been in Australia's orbit" but there is alarm that PNG has been "rapidly taking on Chinese loans it can't afford to pay and offers a strategic location in addition to significant LNG and resource deposits".

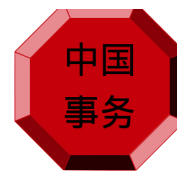
*Read more (Paywall):* <http://www.afr.com/business/telecommunications/chinese-telco-zte-bribed-its-way-to-greatness-now-focuses-on-australia-20180513-h0zztm>

### 4. Corrupt Chinese company on Telstra shortlist

**13/05/18**

**Nick McKenzie and Angus Grigg**

**Sydney Morning Herald**



A Chinese company shortlisted to build Telstra's next superfast mobile network and critical West Australian technology infrastructure has bribed foreign officials and faced US criminal penalties for sanctions busting.

China's ZTE has become the world's third largest supplier of telecommunications equipment but documents obtained by Fairfax Media reveal the company engaged in systemic foreign bribery, hosting an internal department devoted to making corrupt payments to government officials.

Documents show ZTE paid out more than 20 per cent of one contract's value in bribes to government officials in west Africa – payments that were meticulously recorded in internal accounts. According to the documents, ZTE paid bribes of \$US12.8 million (\$17 million) to secure one contract.

Read more: <https://www.smh.com.au/business/companies/corrupt-chinese-company-on-telstra-shortlist-20180512-p4zexr.html>

## 5. Satellite images prove we can no longer ignore China's military advances

**13/05/18**

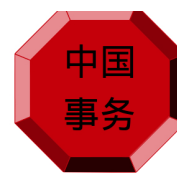
**Gavin Fernando**  
**News.com.au**

Confronting new satellite images prove China is secretly defying Australia's warning against military build-ups in the South China Sea. It's the slow creep-up the world can no longer afford to ignore.

A confronting new report has confirmed Beijing has based illegal military weapons on its artificial islands in the South China Sea.

Satellite images monitored by the global Asia Maritime Transparency Initiative think tank shows a number of military developments, including a Shaanxi Y-8 military transport aircraft and two Xian Y-7 aircraft, as well as reports of anti-ship cruise missiles and surface-to-air missiles. Some of the missiles are believed to have a range of over 200km.

The report is at odds with Chinese President Xi Jinping's 2015 promise not to militarise the islands.



Read more: <http://www.news.com.au/technology/innovation/military/satellite-images-prove-we-can-no-longer-ignore-chinas-military-advances/news-story/02bfa2b38b6842d0f8bbcc1217f4b13e>

## 6. Hillary Clinton warns of Chinese influence on Australian politics

**14/05/18**

**Leigh Sales**

**ABC News**

Former US secretary of state Hillary Clinton has warned Australia to be wary of Chinese interference in domestic political decision making.

"I think Australians need to be for Australians, Americans need to be for Americans, and whether it's Russia in a secret way interfering with our election and producing more than 3,500 ads to try to confuse our electorate, to try to damage me, or the Chinese looking to try to influence policy, we should say no," she told 7.30.

Read more: <http://www.abc.net.au/news/2018-05-14/hillary-clinton-warns-of-chinese-influence-in-australia-politics/9754928>

## 7. China relations can only be unfrozen with Julie Bishop's sacking

**14/05/18**

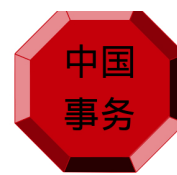
**Geoff Raby (China Matters Associate)**

**Australian Financial Review**

Once again Australian foreign policy seems to be missing in action. As events unfold at remarkable speed in our area of most strategic interest – north-east Asia – Australia finds itself unable to engage with the key participant at the centre of those events: namely China.

Since Australia decided to adopt a policy of strategic mistrust towards China, any semblance of influence has waned to the point where [relations are now in the freezer](#).

Read more (Paywall): <http://www.afr.com/opinion/columnists/china-relations-can-only-be-unfrozen-with-julie-bishops-sacking-20180514-h100w9>



## 8. Dozens of Australian cases of Chinese student fake kidnapping scam

**14/05/18**

**Jessica Washington**  
**SBS News**

The Australian Federal Police have confirmed they're investigating at least 25 cases of Chinese international students in Australia targeted in an elaborate kidnapping scam.

But the AFP warns there could be even more Australian victims of the international scam which has also been reported in the US and Canada. "There are certainly at least 25 cases that we are aware of in Australia, however, we are confident there are more – that's 25 that we are dealing with," Commander David McLean from the AFP's Cyber Crime Operations told SBS News.

Read more: <https://www.sbs.com.au/news/dozens-of-australian-cases-of-chinese-student-fake-kidnapping-scam>

## 9. Malcolm Turnbull rules out calls for Julie Bishop to be sacked

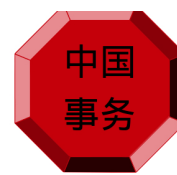
**15/05/18**

**Tom McIlroy**  
**Australian Financial Review**

Malcolm Turnbull has dismissed calls from a former Australian ambassador for Foreign Minister Julie Bishop to be sacked over poor relations with China, saying she was a formidable chief diplomat.

Former Australian ambassador to Beijing Geoff Raby used an opinion piece in *The Australian Financial Review* on Tuesday to call on Mr Turnbull to replace Ms Bishop "with someone better equipped for the demands of the job", as part of efforts to better engage with China, a country he said was at the centre of significant geopolitical events in north-east Asia.

Read more (Paywall): <http://www.afr.com/news/malcolm-turnbull-rules-out-calls-for-julie-bishop-to-be-sacked-20180515-h102l9>



## 10. New attitude and approach to China needed

**15/05/18**

**Jieh-Yung Lo**

**Australia China Business Review**

For many years the China-Australia relationship has been a largely one-dimensional one based on economies and trade. Since the establishment of formal diplomatic relations in December 1972, and China's subsequent growth, Australia has struggled to find the appropriate balance within the bilateral relationship between economies, trade, geopolitics and security.

On the one hand Australia wants to expand trade opportunities, on the other it sees China as a major national security threat. Until we can find and strike that balance, our relationship with China will never improve.

*Read more:* <https://www.acbr.com.au/new-attitude-and-approach-china-needed>

## 11. Caught in the middle: Chinese Australians feel unwanted

**15/05/18**

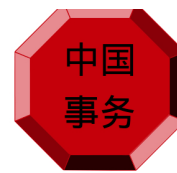
**Jocelyn Chey (China Matters Associate)**

**Pearls and Irritations**

International disputes between contending powers frequently result in persecution of local ethnic minorities. Look at how local German and Japanese communities were treated during the two World Wars, for instance, or how people of Middle Eastern background have been profiled since the rise of Al Qaeda and ISIS. As suspicions of China predominate in Canberra, and stand-offs occur, for instance in the South China Sea, the loyalties of Chinese Australians have been called into question.

This year marks the 200th anniversary of the first Chinese immigrant to settle in Australia. The Chinese community will celebrate that event, but the contributions of the growing Chinese community to the nation and to our developing relationships with Asia are under-appreciated.

*Read more:* <https://johnmenadue.com/jocelyn-chey-caught-in-the-middle-chinese-australians-feel-unwanted/>



## 12. Trade minister confident of thaw in Australia-China deep freeze

**15/05/18**

**Michael Smith**

**Australian Financial Review**

Trade Minister Steve Ciobo says he is confident an AFL game to be played in China could be the catalyst to break the diplomatic deadlock between the two nations, which big business fears will hurt exports.

Mr Ciobo will visit Shanghai on Thursday for a series of business and sporting events involving Australian companies and announce details of a business delegation travelling to China in November. He will be the first senior government minister to visit China since Beijing unofficially blocked requests for ministerial visits earlier this year.

*Read more (Paywall):* <http://www.afr.com/news/policy/foreign-affairs/trade-minister-confident-of-thaw-in-australiachina-deep-freeze-20180515-h1030w>

## 13. Chinese tourism hits new heights, but is business ready?

**15/05/18**

**Nick Henderson**

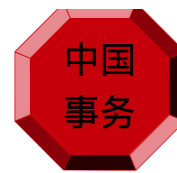
**Australia China Business Review**

Understanding the needs and wants of Chinese visitors and, most importantly, using this knowledge to create better quality tourism experiences, are essential to ensuring they get the most from their trip.

Chinese tourists have officially leapfrogged their New Zealand counterparts to become the top source of inbound visitors to Australia. New data from the Australian Bureau of Statistics released in April showed there were 1.39 million Chinese visitors in the year ending February 2018, an increase of 13.2 per cent.

*Read more:* <https://www.acbr.com.au/chinese-tourism-hits-new-heights-business-ready>





## 14. Retailers still face challenges in cross-border e-commerce

**15/05/18**

**Australia China Business Review**

A clear majority of Australian retail players active in China view the country as a lucrative market, yet just 20 per cent of respondents to a study on cross-border shopping are happy with their online market reach, according to new research.

New analysis of cross-border e-commerce in China by Frost & Sullivan in conjunction with Azoya Consulting showed Chinese consumers spent more than \$US100 billion online on goods from outside of China in 2017. The total online shopping market in China hit \$US930 billion in 2017, and has been forecast to grow past \$US1 trillion in 2018, making it not only the world's largest online shopping market, but also its fastest growing.

Read more: <https://www.acbr.com.au/retailers-still-face-challenges-cross-border-e-commerce>

## 15. China's play for military bases in the eastern Indian Ocean

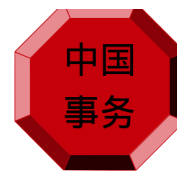
**15/05/18**

**David Brewster**

**The Interpreter**

China is moving to establish a network of naval and air bases in the Indian Ocean to support its growing strategic imperatives in the region. This likely includes plans to build bases in the eastern Indian Ocean, in waters much closer to Australia. Australia cannot afford to play onlooker to these developments.

In July 2017, China opened its first overseas military base in Djibouti, and Beijing is currently in negotiations with Pakistan to establish an additional base at or near Gwadar on the Arabian Sea. But it will not be enough for China to only have capabilities in the north-west Indian Ocean, far from Australia. China's strategic imperatives, and the Indian Ocean's distance from Chinese territory, mean that Beijing will likely see a need to develop a network of military facilities of various types across the ocean, including in its central/eastern zone.



Read more: <https://www.lowyinstitute.org/the-interpreter/china-s-play-military-bases-eastern-indian-ocean>

## 16. Seeing red: China wine hiccup deepens political strain

**17/05/18**

**Primrose Riordan**

**Sydney Morning Herald**

Relations with China have taken another backward step after one of Australia's biggest exporters, Treasury Wine Estates, was among several companies whose products were being stalled because of new customs rules targeting Australian companies and industries.

Australian diplomats in China have been mobilised to assist Treasury as the worsening relationship sparked a warning from respected business leader Graham Kraehe that Prime Minister Malcolm Turnbull would need to personally intervene to address concerns.

Read more (Paywall): <https://www.smh.com.au/business/companies/seeing-red-china-wine-hiccup-deepens-political-strain-20180517-p4zfxq.html>

## 17. Call to business – get on board China's belt and road

**17/05/18**

**Dan Wilkie**

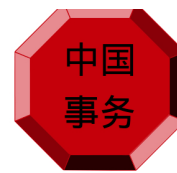
**Australia China Business Review**

Australian business has been urged to stop waiting for government and engage directly with the vast range of commercial opportunities available under the once-in-a-century infrastructure build.

For many countries, China's 'project of the century' – the mammoth Belt and Road Initiative – also represents the opportunity of a century.

Hundreds of billions of dollars are flowing into developing nations across Asia, the Middle East and Africa, as China embarks on its ambitious plan to revive its historic Silk Road trading routes.

Read more: <https://www.acbr.com.au/call-business-get-board-chinas-belt-and-road>



## 18. Julie Bishop to meet Chinese Counterpart Wang Yi

**18/05/18**

**Rachel Baxendale**

**The Australian**

Julie Bishop will meet her Chinese Counterpart Wang Yi on the sidelines of Sunday's G20 summit in Argentina, as the Australian government seeks to repair relations with Beijing. It's understood Ms Bishop will hold an informal meeting with Mr Wang at the day-and-a-half summit.

Ms Bishop's meeting with Mr Wang comes after the Turnbull government -extended an olive branch to President Xi Jinping in an attempt to -repair the China-Australia bilateral relationship, with Trade Minister Steve Ciobo urging both sides to "bring our boats together and help each other to find a way to the other shore of the ocean".

*Read more (Paywall):* <https://www.theaustralian.com.au/national-affairs/foreign-affairs/julie-bishop-to-meet-chinese-counterpart-wang-yi/news-story/8de862e9999361414067f6d018253ef5>