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Victoria on the guest list for Xi Jinping's Belt and Road party

Shanghai | Victorian premier Daniel Andrews will attend Chinese president Xi Jinping's forum to promote its controversial Belt and Road Initiative (BRI) infrastructure program next week, as Australia's relationship with Beijing comes under fresh scrutiny ahead of the federal election.

The visit by Mr Andrews and Australian business groups to China comes as tensions resurface in Australia's relationship with China over a ban on Huawei's 5G equipment and restrictions on Australia's coal imports. China has complained about Australia's ban to the World Trade Organization (WTO).

While the election campaign means Australia cannot send a federal minister to the second forum celebrating Mr Xi's signature foreign policy initiative, about 40 heads of state, including Russian president Vladimir Putin, are expected to attend.

Victoria broke ranks with the federal government in October and signed a memorandum of understanding with China on the BRI. At the time, Mr Morrison accused Victoria of not being "helpful" through its unilateral participation in the program, which is viewed suspiciously in Canberra and Washington as a vehicle for Chinese expansion regionally and globally. But business groups supporting the program said on Monday there was huge potential for Australian services, engineering and mining companies as their expertise was needed for the billions of dollars of infrastructure projects being built under China's plan to recreate the old Silk Road trading routes.

Mr Andrews will travel to Beijing on the Belt and Road forum on April 26 before heading to the eastern Chinese province of Jiangsu for the 40th anniversary of Victoria's sister state relationship with the region.

Mr Morrison and Opposition leader Bill Shorten have both signalled they are willing to engage with China but there have been signs from Beijing over the

past week that it will put pressure on the next government over Huawei. Reuters reported a Chinese diplomat made a complaint in Geneva on Friday, claiming Australia's ban was "obviously discriminatory" against China and Huawei. As reported in the AFR, Australian coal imports to China are also under threat.

Tensions between the United States and China have also escalated. *The New York Times* reported on Monday that as many as 30 Chinese scholars have had their visas cancelled to the United States over the past year. However, big business is hopeful an election will help clear the air with China despite growing tension over security issues.

Jean Dong, chief executive of the Australia-China Belt and Road Initiative, said there was strong interest from business in how the Australian service sector could contribute to Belt and Road projects by collaborating with China in emerging markets.

This would include project financing, management and engineering. There would also be opportunities in the agriculture sector, she said.

Trade Minister Simon Birmingham has no plan to attend the BRI forum as the government is in caretaker mode ahead of the election. Australia has not signed up to the scheme.

Chinese tabloid newspaper *The Global Times* ran a story last week calling on Australia to send a high-level delegation to the forum.

Italy last month has signed an accord with China supporting Beijing's Belt and Road initiative, becoming the first G7 country to do so and opening up European ports to China's overseas push. But many countries remain concerned about the infrastructure push, which has been criticised for loading up poorer companies with debt for projects they cannot afford to pay back. Malaysia last week signed up to a cancelled \$US10.7 million rail project with China after negotiating a cost reduction.