

China's Economic Interests in the Pacific

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Origins of the Belt and Road Initiative (BRI)

Drivers and pushback in the Pacific

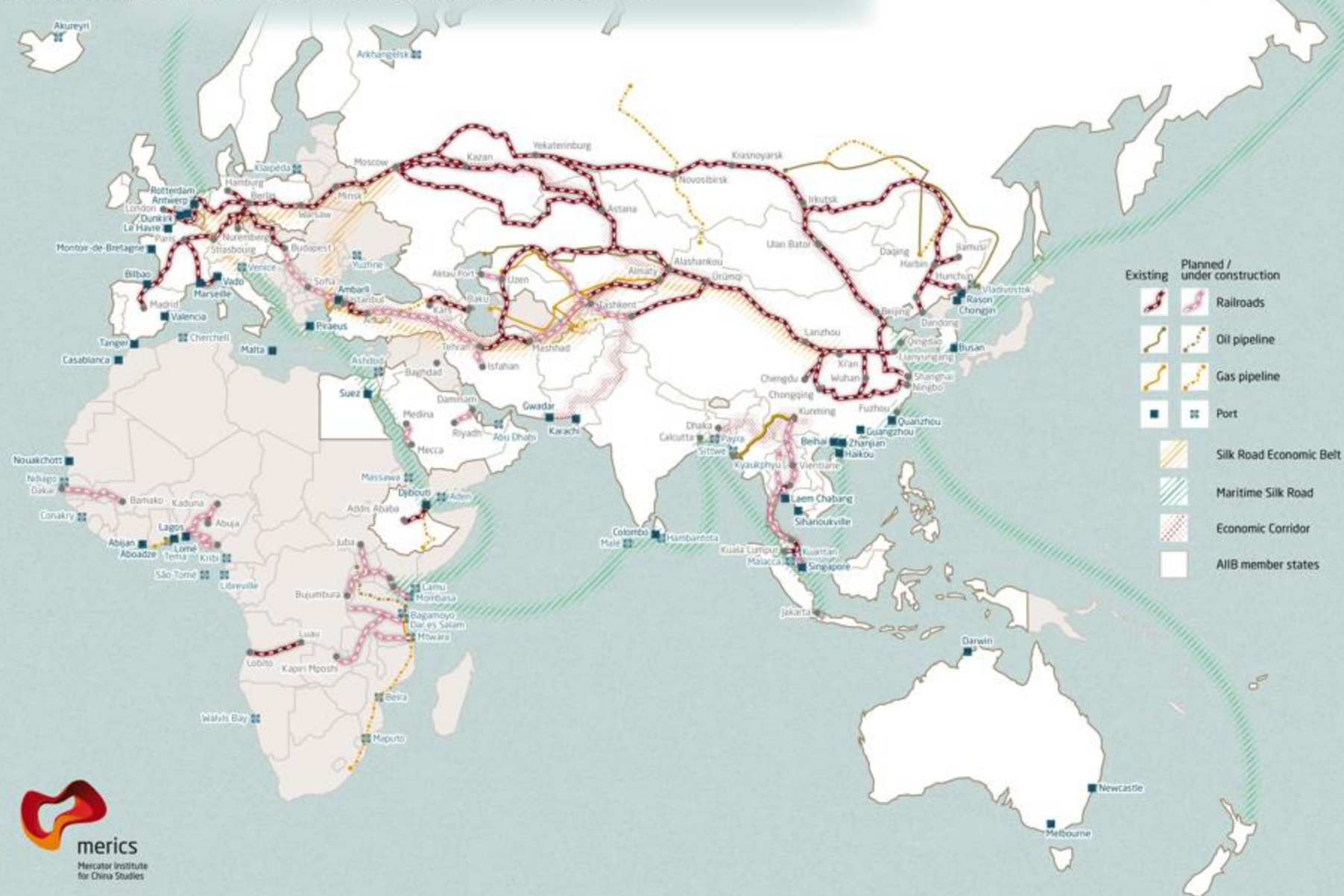
Chinese enterprises in the Pacific

State-corporate relationships
/ geoeconomics



The Belt and Road Initiative creates a global infrastructure network

China uses, acquires and builds railroads, ports and pipelines



“一带一路”国际合作高峰论坛 BELT AND ROAD FORUM FOR INTERNATIONAL COOPERATION

2017年5月14-15日 中国·北京

14-15 MAY 2017 BEIJING, CHINA



‘In pursuing the Belt and Road Initiative, we should focus on the fundamental issue of development, release the growth potential of various countries and achieve economic integration and interconnected development and deliver benefits to all.’

General Secretary Xi Jinping, 2017

Domestic origins: Go West, Go Global

(*Xibu da kaifa; zou chuqu* 西部大开发 / 走出去战略)



Domestic drivers: Excess capacity in materials and labor



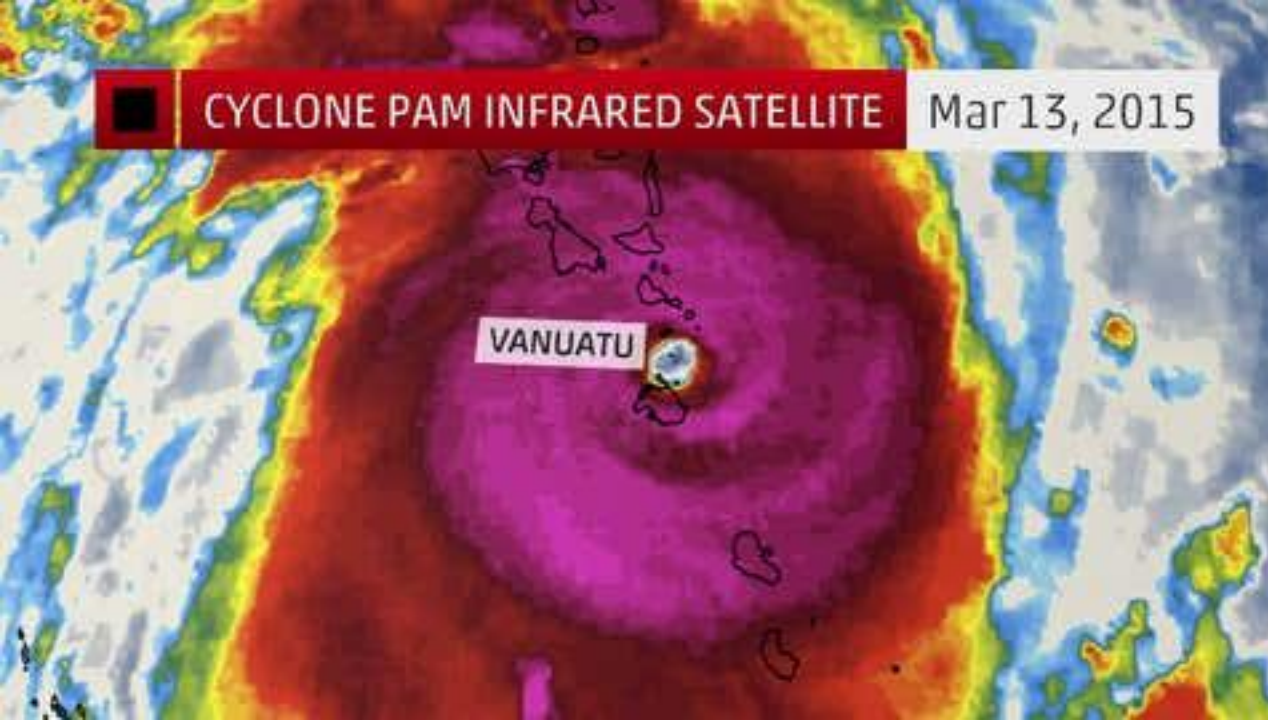
Winning friends: scholarships and training



Pacific Pushback

We don't want to be tied into debt. Particularly to one country. We can we can all go crazy with our infrastructure needs and those needs are quite clear... our governance structures need to be strengthened and there are certain capacities that we need to have in order to deal with this kind of powerful partner, knowing full well that the China of today is not the China of three years ago or even two years ago, definitely not 20 years ago when when most of the Pacific were recognizing them... The recent actions in terms of persecution [of] certain religions in China those issues concern me in terms of someone who upholds those principles of democracy and respect for human rights...

- Peter Kenilorea Jr., MP for East Are'are, July 2019



“Chinese citizens evacuated in
Tonga”
China Daily
23 November 2006

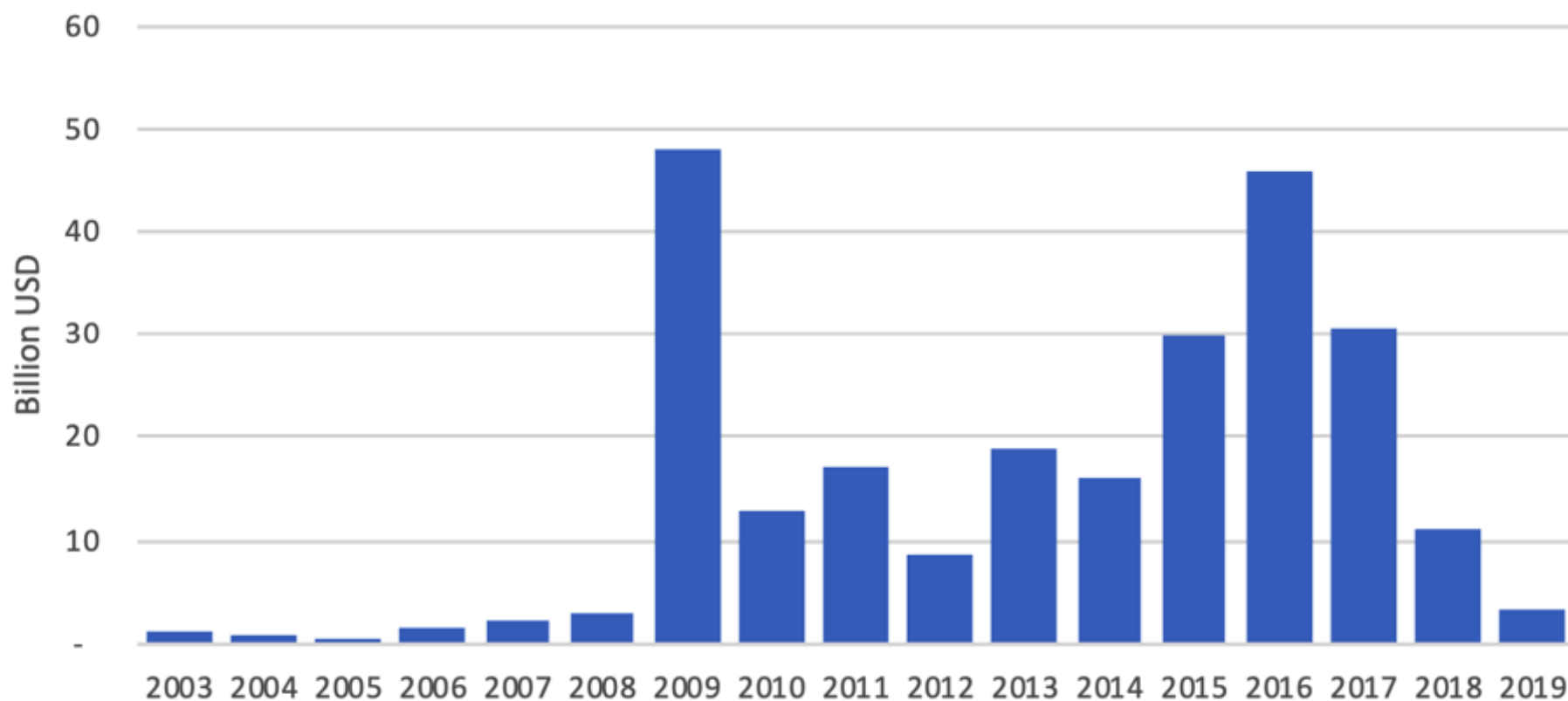
All of these projects look like well thought out technical solutions, but each of them arise from contractors knocking on politicians' doors, giving them bright ideas, and then they become the owners of those ideas. ICT in our country is all over the place as a result of the proliferation of these 'bright ideas.'

PNG Telikom official

I'm fed up with the way things are done. Officials have been told, no food, no gifts of any kind, and could the Chinese please stop appearing wherever you like. They [Huawei] come in here, go right around and look over computers. But I scared them off – they think there's a witch in that building – I yell at them 'this is treating and bribery'!

Samoan Ministry of Finance official

Figure 1: China's Annual Energy Finance from Policy Banks 2000-2019



Source: China's Global Energy Finance, 2019. Global Development Policy Center, Boston University.

“Central government enterprises that secure mines overseas are in reality securing resources for China... High quality resources have already been taken by others, so at present, we can only go wherever there are still good resources. Which regions we invest in is not up to us to choose. As for risks, we can only rely on the support of the central government and our own efforts to avoid them. As long as it is a good resource, we will go for it.”



Shen Heting, then MCC chairman, *Caixin*, 2010



MCC 19 and ENFI 19 are better... they have a more market-based approach. MCC 22 [based in northern China] at the refinery is different; it's an old enterprise. When I visited for an inspection, everyone wanted to tell me what to do. But as soon as I pointed out problems, no one wanted to know... Sichuan [home to ENFI 19] is a populous province, where the pressures of subsistence forced people to work, otherwise there's nothing to eat. But the other areas are close to the capital. The closer you are to the emperor, the more you see him as the sky. The [management] spend all their time fighting over spoils, but when it comes to problems, they ignore issues they should manage, and stick their nose in when it's not needed... thousands of years of the feudal society, up to present-day socialism, officials haven't changed.

MCC contractor [not from Sichuan]

Strictly forbidden:
Making a racket

严禁
大声喧哗



When we joined, we were taught that we were promoting the national interest. On the international stage, our future would be promising. When we heard these words, all of us swelled with pride. But after a few years of chaotic management and relentlessly stingy working conditions, this group chose to head for the door. With the Ramu project under internal and external pressure, the leaders busied themselves counting pennies, putting on a show, and sending “good news” back to MCC headquarters and to SASAC. As for whether young graduates stay, leave or progress, they don’t care. But they’ll be sure to claim penalties if you resign early.

Former Ramu NiCo engineer

A tale of two mines...



GRAM / PanAust:
Freida River

Zijin:
Porgera





Company	Sector (scope)	Ownership (background)	Autonomy	Utility to PRC state
MCC	Mining, construction (PNG)	Central SOE (Min. of Metallurgy)	Low	Moderate
PanAust / GRAM	Mining (PNG)	Provincial SOE (PLA, PAP)	Low	Low
CCECC	Construction (Pacific-wide)	Central SOE (PLA, Rail)	Moderate	High
Huawei	ICT (Pacific-wide)	Private (PLA)	Low	High
Shenyang	Construction (PMIZ)	City SOE	High	Negative
GDFC	Construction (PNG)	Provincial SOE	High	Moderate-High



New Chinese ambassador arrives in PNG

Source: Xinhua | 2021-05-14 11:17:35 | Editor: huaxia



SYDNEY, May 14 (Xinhua) -- The new Chinese ambassador to Papua New Guinea (PNG) Zeng Fanhua has arrived in the country's capital Port Moresby.

He was greeted by officers from the PNG's Department of Foreign Affairs and International Trade at the airport on Thursday.

Zeng said he was honored to be the 15th Chinese ambassador to the PNG, adding that the bilateral ties between the two countries have maintained vitality and continued to grow since the establishment of diplomatic relations 45 years ago.

The new ambassador said he would work with the PNG friends to implement the important consensus reached by the leaders of the two countries, deepen friendly exchanges and cooperation in various fields, and facilitate the continuous development of the China-PNG comprehensive strategic partnership.

The PNG side extended warm welcome to Zeng, pledging all necessary assistance to his work. It said China is a key strategic partner for the PNG, and the PNG always attaches great importance to the relationship with China, and will continue to work with the Chinese side to promote the development of bilateral relations. Enditem



The BRI's diplomatic shift



