

What to Expect from Relations Between China and Australia?

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Relations between China and Australia worsened significantly in 2020, reaching the lowest level in its history. Between spying scandals, fake news and trade tariffs, ties between both countries have diminished, impeding various possibilities for international cooperation. However, the recent agreement that built the largest commercial zone in the world in the Asia-Pacific region opens a new horizon for Beijing and Canberra, which prompts to think about measures to overcome this deep diplomatic crisis.

This year has been extremely difficult for the ties between China and Australia. The most recent escalation of tensions centered on a publication made by a spokesman for the Ministry of Foreign Affairs of China on November 30, where the conduct of Australian soldiers in Afghanistan was criticized with the following [text](#): “Shocked by murder of Afghan civilians and prisoners by Australian soldiers. We strongly condemn such acts and call for holding them accountable”. The behavior of the representative of Chinese diplomacy caused outrage in Australia and was considered a serious national offense.

A few days before the virtual incident, on November 27, China had imposed severe trade restrictions against wines produced in Australia. Australian **Trade Minister Simon Birmingham** called the action “unfair” and said it was part of China’s “deliberate strategy” to pressure Canberra to serve its interests. Regardless of the Chinese intentions, the decision should cause great damage to Canberra, which exports more than 900 million dollars in wine to the Asian country – its main market in this sector.

However, it was not only China that imposed sanctions. Australia has also taken several measures considered hostile by Beijing, such as, for example, blocking ten investment projects, in addition to canceling visas for Chinese students and journalists. As we can see, boycotts are reaching all sectors, not being limited to the economic field.

Since 2012, ties between Beijing and Canberra have been deteriorating. There was an undeniable discomfort in Canberra with the inauguration of **Xi Jinping**, which meant China’s greater insertion in international politics. The growing Chinese role has bothered Canberra mainly due to the fact that both countries are fighting for the same space of influence in the Asia-Pacific.

Currently, the technological market is the main critical point in relations between China and Australia. Canberra joined the trade war waged by Trump against China in the dispute for control of 5G technology. In 2018, Australia banned Chinese companies Huawei and ZTE from their national 5G network, which Beijing interpreted as an anti-diplomatic act.

Recently, Australia has also replicated the American discourse about the “origin of the coronavirus”, endorsing the rhetoric that Beijing would have been negligent in controlling the virus in its earliest days, thus being “responsible” for the effects of the pandemic.

All of these factors have profoundly shaken cooperation projects between Chinese and Australians, but despite the friction, Australia and China maintain close trade relations and divide the geopolitical space of Southeast Asia. As a strong mining country, Australia supplies China with coal and ore on a short sea route. Canberra is also a major food exporter for the Chinese, being, due to the short distance, a point of great strategic importance for the food security of the Asian country.

There is a link of interdependence between Chinese and Australians. Australia depends on Chinese money and China on Australian resources. With a population of about 1.4 billion people, Beijing is increasingly investing in imports to ensure food security for its people and Australia is a strategic partnership in this regard. But Canberra is not the only option available to the Chinese, who have strong relations with South American and African countries in the food production sector. Although the distance makes such relations more expensive, Beijing has enough financial resources to face this problem if relations with Australia become unsustainable. The same cannot be said for Australia. Among developed countries, Australia is the most dependent on China. Still, Canberra is facing its first recession in three decades, being even more economically vulnerable and dependent on Chinese investments.

Given this, how to overcome the crisis in a beneficial way for both sides? Certainly, it is Australia that should give more. As a country economically dependent on China, Australia should not practice some acts that have marked its policy of hostilities against Beijing, such as, for example, the participation in QUAD and FVEY. QUAD is a security quadrangle formed by the US, Japan, Australia, and India, consisting of a “NATO for China” project. FVEY (Five Eyes) is an intelligence cooperation program, where the US, Australia, Canada, New Zealand, and the United Kingdom carry out joint espionage operations and share information collected. Recently, a scandal involving Australian FVEY spies on Chinese soil was revealed.

If Australia wants to preserve its economic partnership, it will have to restrain its participation in military cooperation projects with countries that are enemies of Beijing. Likewise, a review of the Australian decision on 5G would be interesting, considering that few countries, even among American allies, have chosen such a way of sanctions against China. Beijing, on the other hand, could mitigate its strong criticism against Australian soldiers and perhaps should ban the barriers to Australian wine. Both countries are currently part of the RCEP, the largest economic bloc in the world, having all the necessary resources to create new strategic partnerships and a future of solid cooperation. In order for this bloc to be strengthened and to reach its full potential, it is necessary that diplomatic tensions between its member countries be eased and that each member prioritize its economic needs over its political choices. Therefore, it is essential for Australia to decide between its economy and its alliance with the West.

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