

# CHINA IN TOUCH



An ACBC Northern Territory Newsletter

November 8 2017, Issue 215 NT secretariat (08) 89270061

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## NT President's observations

The CPMCC meeting has ended, but what are the key outcomes for Australia and the NT? In the week following the conference I was in Kunming, Guilin and Hangzhou. I had the opportunity to talk with a wide range of senior officials and friends. We should not underestimate the level of support enjoyed by President Xi, particularly around the anti-corruptions campaign.

- **Foreign Direct Investment** – good or bad news for Australia?
- FDI into BRI partners and projects is easier. Money goes where there is least resistance. It's a negative for Australia given our current stance on One Belt One Road. Its important for the NT to shows its commitment to these policy directions.
- **Belt and Road Initiative (BRI)** – clearly remains the focus for China "going out"
- This was very much confirmed so its essential that the NT gets a better understanding of what BRI is and is not.
- **Services – China is going there, is that good or bad for us?**
- We think Chinese service standards are low or lacking. This is not correct. Improving service standards gives a competitive advantage to Chinese business in China. We will have to compete against this. Not sure we appreciate the level of competition. This makes it more challenging for NT businesses doing business in China.

One Belt One Road will fundamentally alter the economic landscape of Asia and Eastern Europe/Eurasia. This is a trade bloc policy with inbuilt political tolerance for diversity. Trade is not tied to politics, but trade is seen as smoothing political relationships.

NT prosperity depends on involvement in this new landscape, and the regulatory structures which are defining it. TPP has no influence in the most dynamic and growing of markets.

China will tighten border security, and enforce it where necessary. It's a right we do not deny ourselves, or the US, but it seems to be denied to China. The South China Sea arises in significant part from the repudiation of the Potsdam agreement and its replacement with the San Francisco accord which was designed to bring Japan onside as an anti-Communist bulwark.

Australia's participation in programs designed to thwart or contain China put Australia on the wrong side of history. We need to manage our involvement. This is of particular relevance to the NT with US troop deployments. It's a delicate line.

Much has been made of the inclusion of Xi economic philosophy in the Party document, but for the wrong reasons. The formalization of economic strategy confirms Premier Li's position, confirms the transformation of the economic foundations and confirms continued stable economic growth and its consistent poverty alleviation. The inclusion is a significant victory over the economic conservatives. The dream that capitalism in China would lead inevitably to a democratic Government has always been flawed. The world's largest democracies are not replicants of US capitalism.

Australia and the NT will be most effective through cooperative engagement, rather than continued criticism. We cannot change Chinas domestic policies any more than we can change US domestic policies. However, with better engagement, we can ameliorate policy impacts. This is an important, and to some extent, new role of ACBC.

Daryl Guppy,  
President, NT Branch ,  
Newsletter editor



Australia China Business Council  
澳大利亚中国工商业委员会  
Northern Territory

## ACBC Dinner Banquette 06<sup>th</sup> December 2017

\$35.00 per Person

### ENTRÉE

Garlic Chicken Wings  
金牌蒜香鸡翅

Korean Cold Noodles (Soup)  
韩式冷面

### MAIN COURSE

Stir-Fried Tiger Prawn in Light Tangy Sauce  
炸烹老虎虾

Shang-dong Style Braised Chicken  
山东红靠鸡

Spicy Sichuan Pepper and Chilli Poached Fish  
四川水煮鱼

Pan-fried Pork Neck with Honey and Sesame Glaze  
香煎猪颈肉

Stir-Fried Potato, Eggplant and Green Capsicum  
东北地三鲜

Fujian Fried Rice with Gravy  
福建炒饭

### DESSERT

Crispy Threaded Banana Balls  
金丝香蕉球

**Dear members and friends**

**The ACBC NT warmly invites you to join us for an opportunity to broaden your China Business Network and share your ideas while enjoying a 9 course Chinese Banquet.**

**This event will also be a chance to meet the new committee in a social environment while also taking the time to review & celebrate the end of another busy and successful year.**

**Date: 6 December 2017**

**Venue: Rendezvous Cafe at NT House, 22 Mitchell Street (Next to the Deck Bar)**

**Time: 6:00PM for 6:30pm start**

**Tickets: Members \$25 Non-Members \$40**

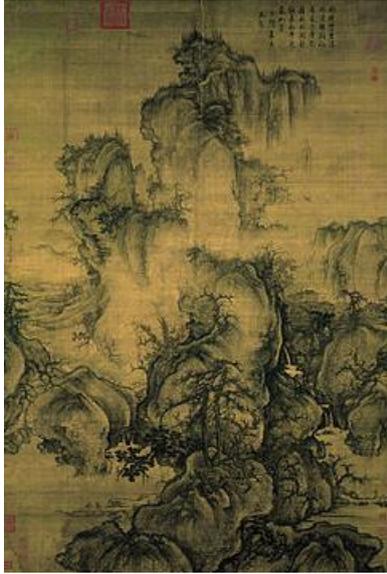
**Drinks are extra and BYO Alcohol**

**To register for the event, please complete the attached registration form and email to ACBC Northern Territory Secretariat:**

**[abcnt@acbc.com.au](mailto:abcnt@acbc.com.au)**

## CHINA TERRAIN AND STRATEGY

The steep sides limestone karst cliffs of Guizhou and Yunnan are evocative of a Song dynasty ink painting, with temples floating in the clouds above plunging waterfalls and gnarled trees. This is **Early Spring Morning** by Song Dynasty artist, Guo Xi, bought back to life. It also provides a direct link with Warring states period (476-221 BC) just prior to the Qin Dynasty. Here the historical records talk of mountains as barriers and the **36 Strategies** features many mountain warfare and pass references .



Guizhou shows how the physical environment formed this conceptual thinking. These are steep mountains stretching for kilometer after kilometer. Its easy to see how in the Western and Eastern Han dynasty period that control of the passes was not only essential but also delivered absolute control. These passes could not be bypassed.

I have previously found it difficult to understand how the inhabitants of one valley could speak a different dialect from their neighbors in the next valley - so different that they were mutually incomprehensible. Travel more than just a few kilometers between Kunming and Guilin and it becomes easy to understand the complete isolation. This is not the tyranny of distance. It is the tyranny of terrain.

The geography of this steeply sided and literally impassable country explains why it was the refuge of the communist party. Its the perfect safe location for the wartime Zunyi conference that endorsed Mao's resistance strategy and confirmed the Long March. It also explains Mao's cold war policy of shifting factory production and military resources to these areas. These mountains are the ultimate in obstacles to thwart attack from both air and ground.

Guizhou is an object lesson on the impact of terrain on strategy, philosophy and everyday thinking. The **36 Strategies** owes more to these impacts than the history of the Warring States would suggest. This landscape contributes to Sun Tzu **Art of War** tactics and thinking. This is not drawn from a Duntroon sandbox of rolling plains and well defined high points. This is mountain warfare at its extreme.

The Guizhou environment is also an example of everyday engineering marvels. Forget the race for the highest building. These are engineering challenges which defy Australian imagination and add a different dimension to our understanding of infrastructure challenges.

Consider the bridge work. The mountain ridges are sometimes as close as an easy rifle shot and at other times separated by more than a kilometer. These valleys are bridged, not by spans near the valley base, but by ethereal ribbons of multilane freeway on pylons 30 to 50 stories high. This is not just one or two bridges. These high wire bridges are as common as the clusters of traditional medicine mushrooms for which Guizhou is famous.

These freeways, and high speed railway spans whip through mountain tunnel after tunnel. These quiet engineering feats deliver tunnels stretching endlessly in darkness. At 265 kph it often takes four or more minutes to pass through many of these mountain marvels. This is not some shoddy construction job. These are built to last in earthquake prone country.

Outside the tunnels and bridges are steeply pitched and massively high embankments built to ensure gentle grades for train and truck. Many years ago I built roads in remote areas of the Northern Territory so I have some appreciation of the construction challenges. Reworking the long embankment on the Carpentaria highway on the Heartbreak jump-up was a major task. In this Guizhou construction lexicon it would be just a temporary loading ramp.

Guizhou is considered a poor remote backwater and yet it has transport infrastructure that outshines Australia. This remote province is connected by high speed rail to Europe, to Singapore via Thailand, and soon to India.

It has the infrastructure we want to see develop in north Australia in much more benign landscapes but we are told the engineering challenges are immense. Perhaps we need to look further afield and see what the world has to offer. Rather than ridicule these construction skills we would do better to embrace them. These skills find ready acceptance under the Belt and Road Initiatives.

But there is one other important aspect that ought to shake our complacency. We are often comfortable with the thought that China demand for Australian mineral resources is virtually unquenchable. This is based on the idea that China continues to build endless infrastructure, often, it is alleged, leading to nowhere. We would not suggest the infrastructure build is finished, but the level of service in remote Guizhou, Yunnan, and Xinjiang suggests the end of impressive demand is in sight.

China challenges our thinking – if we let it.  
From Daryl Guppy

# ONE BELT ONE ROAD IN AUSTRALIA

## Everything you need to know

June 26,27,28, 2018, Darwin NT



### KEEP THESE DATES FREE

We are developing a great line-up of speakers from China and Australia

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## CHINA REGIONS GUIDE - Gui Zhou 贵州

Mao-tai, that fiery clear liquid that is a scale above baijiu is the most famous export from Guizhou. Kong Pao chicken also comes from this area. This is a poor province, but rich in minerals and ethnic diversity. It has many characteristics we associate with south east Asia. These notes are designed to give you more starter points so you can talk to guests from Guizhou about the distinctive features of the province. This series is designed to give some basic background information on some of the provinces and cities in China. Its not an exhaustive list but a starting point for conversation.



Map from [www.wikipedia.org](http://www.wikipedia.org)

### General background

The name Guizhou means noble prefecture but the reality is widespread poverty. This is a mountainous and ethnically diverse province. The province is almost all mountains and valleys which lead to one of the highest rainfall areas in China. This area has often been on the fringes of control. People and landscapes are similar to northern Laos.

## History

Guizhou was under Chinese control during the Han Dynasty and well known by the Chinese for thousands of years but it was not until the Ming dynasty that it came under heavy Chinese settlement and domination during which it was made a province. This prompted mass migration from Sichuan, Hunan and its surrounding provinces into Guizhou.

Countless rebellions by its native Miao people occurred throughout the Qing dynasty .

## Industry

The economically it is built on agriculture and mining. There are many small exploration of development deals. The providence holds large reserves of gold, copper, zinc, bauxite and mercury. It also has very large coal and coal bed gas reserves. It is also an important source of hydro electric power for Guangdong cities.

## Food

The cuisine of Guizhou, known as Qian Cuisine is one of China's eight famous cuisines. The cuisine in Guizhou is sour and spicy, making it unique amongst China's cuisine styles. Guizhou cuisine is similar to Szechuan cuisine and Hunan cuisine, but its unique in that its dishes emphasize the mixed taste of sour and spicy, similar to that of Shaanxi cuisine of Shaanxi province. Despite both sharing sour and spicy flavours, Guizhou cuisine does not have the salty taste of Shaanxi cuisine.

Guizhou cuisine is often specially cooked to match the flavour of locally produced Chinese liquor that are famous in China, such as Mao-tai, which is consumed with the cuisine.

If you visit Guizhou a great place to find local snacks and food are the Hequen Road near River Park, and the Shaanxi Road near the spray pond.

Fish in Sour Soup is a staple of the local Guizhou people's diet. It can be found at almost every meal. It is a dish very popular with visitors. The soup broth is the most important part of the broth and it is made with sticky rice, wild tomatoes, peppers, shallots, ginger, and other vegetables.

Crackling Fish with Zao Pepper is another famous dish . Zao Pepper is a condiment only found in Guizhou. The dish is made with fresh fried carp . Ginger, Zao Pepper, and water is added to the pan to make a sauce. The fish is crispy on the outside, and tender and moist on the inside.

Gongbao Chicken, commonly found in Chinese restaurants under the name KongPao Chicken, has a history of more than 100 years. First created by an official in the Qing Dynasty , the dish was originally created to entertain his guests and once the recipe got out, its popularity took off. The main ingredient in the dish is obviously diced chicken. The chicken is fried with peppers, sauces, salt, vinegar, ginger, and garlic. It is a spicy stir-fried dish.

The Huaxi Beef Rice Noodles are named after the area of Huaxi where it originated. The dish is very unique and quite complicated to create. The dish is basically rice noodles in a broth, but it is much more than just that. It is spicy, and sour in taste. It is made from diced beef, handmade rice noodles, coriander, Chinese prickly ash, hot peppers, pickled cabbage and ginger. The pickled cabbage adds the sour taste to the dish and many locals like to add sesame oil or spicy oil to the broth before eating it.

Miao style restaurants are now commonly found in Beijing and Shanghai.

## Attractions

The Huangguoshu Falls is the largest of several very large waterfalls.. The waters flowing at a capacity of 737 cubic meters per second, come from an area of 770 square kilometers. The thunderous roars of the waterfall can be heard within a distance of 5 kilometers. During the flood season, the torrential waters cascade down some three hundred metres from the cliff tops to the Pool of Xiniu encircled on three sides by the mountains, dashing against rocks with deafening noises and throwing up turbulent waves which rise and tumble like thousands of galloping horses. It is a common theme for classic Chinese ink paintings.

The landforms with widely dispersed karst landscapes in Guizhou Province have created a picturesque scenery. Places of historic interest and scenic beauty are the Yellow Fruit Tree Waterfall, Anshun Water Cave of Dragon Palace, Gold-knit Cave, Red Maple Lake and the Lesser Seven-Arched Scenic Site.

Guizhou is one of the provinces that contains the most minority groups. The minority groups account for more than 37% of the total population and they include Yao, Miao ( , Yi, Qiang, Dong, Zhuang, Buyi, Bai, Tujia, Gelao and Shui. 55.5% of the province area is designated as autonomous regions for them.

The southeastern corner of the province is known for its unique Miao and Dong minority culture. The Miao Ethnic lives in Kaili, Leishan, Zhengyuan and Shidong. The areas of Dongs such as Rongjiang, Liping, Diping and Zhaoxing are scattered amongst the hills along the border with Guangxi.

Zhaoxing is one of the largest Dong villages in the region, many local people continue to wear traditional clothing and speak only their native Dong language.

Kaili is a city in the Qiandongnan Miao and Dong Autonomous Prefecture, a significant population of Miao and Gejia live in Kaili. Kaili is host to more than 120 Miao festivals throughout the year.

The rich population of minorities in Guizhou allow for a great many ethnic festivals throughout the lunar calendar. During the first lunar month the early festival in Kaili celebrates local culture with acts of bullfighting, horse racing, pipe playing, and comedy works.

### Capital city – Guiyang. Population 2.2 million

Guiyang has a reputation for being poor and underdeveloped. However the city has the same highways and designer store outlets and KFC as other major cities. Guiyang is undergoing significant reconstruction and development and this has depleted Guiyang's tourist appeal. It is developing appeal as an high tech industrial base that has lower costs than the coastal cities.

### Weather

July/August 21 to 29. Jan/Feb 2 to 11

### Additional Resources

<http://www.gzgov.gov.cn/enggov/default.aspx>

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## PROPOSED NT BRANCH CHINA BUSINESS BRIEFINGS 2017

The Business Briefings will start again in 2017 and be provided free of charge for members only. Visitors are welcome to attend, but a small \$20 fee is payable. (Free if you join ACBC at the briefing) . Briefings run for about 60 minutes. Business Briefing sponsorship options are also available.

For more information, or requests for specific briefing topics, please contact ACBC Secretariat on 89270061 or [acbcnt@acbc.com.au](mailto:acbcnt@acbc.com.au)

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## GOT A CHINA STORY TO TELL? READ A GOOD CHINA BOOK - SEND US YOUR NEWS OR VIEWS

You are a valued member of the Australia China Business Council and we are keen to receive news on your business activities that we can published on our national website or in our NT newsletters. Do you have an amusing, or interesting or cautionary tale. Drop us a note for the newsletter. Send us a email at [acbcnt@acbc.com.au](mailto:acbcnt@acbc.com.au)

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## NT ACBC Branch Meeting Dates – 2017 NEW MEETING TIMES

General meetings will now be 9am to 10 am.

Meetings are open to all members of the ACBC, not just the committee members. Most matters discussed at the meeting are passed by general agreement. All members are encouraged to contribute ideas to the discussions.

Current proposed meeting dates are:

November 15 Wednesday

December 13 Wednesday

### 2017-2018 NT ACBC Executive

Daryl Guppy - Guppytraders.com (**President / National Board Member**) [China@guppytraders.com](mailto:China@guppytraders.com)

Kelvin Keung – Homebuild NT (**Vice President**) [kelvin@homebuildnt.com.au](mailto:kelvin@homebuildnt.com.au)

Willem Westra Van Holthe – Primary Consulting International (**Vice President**)

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Myriam Giovanazzi - (**Treasurer**) [Myriam.Giovanazzi@colliers.com](mailto:Myriam.Giovanazzi@colliers.com)

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Martin Kelly – Finlaysons [Martin.Kelly@finlaysons.com.au](mailto:Martin.Kelly@finlaysons.com.au)

### Ex-Officio members

Wayne Fan – Department of Business

Cecila Brennan - Dept. of Foreign Affairs and Trade

Austrade - Martin Ferreyra

NT Tourism – Daryl Hudson

Lisa O'Donoghue – South Australia Liaison

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## ACBC NT OBJECTIVES

We aim for these services for ACBC NT members:

- To assist members to understand the nature of the business environment in China and where relevant opportunities lie.
- To raise the profile of ACBC NT members within the NT and Chinese business environment
- To share information regarding industry issues in the China market.
- To assist in generating business between member businesses.
- To facilitate co-operation with the China Council for the Promotion of International Trade in relation to business issues.
- To present the views of NT SMEs operating in China to government authorities and other business groups where appropriate.
- To share market and economic intelligence and insights on critical industry issues.
- To create and maintain a collaborative community of business owners that can draw on each other for support in their engagement with China.
- To work in a collaborative community of Chinese business, cultural and friendship organisations to expand the networking capacity of NT members.

These objectives are achieved with networking events, workshops, conferences, briefing, newsletter communication and participation in creation of NT and national Government strategies.

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## ACBC NT WELCOMES NEW AND CONTINUING MEMBERS

### Deloitte

Have your member business profile included in the newsletter. Send details to [acbcnt@acbc.com.au](mailto:acbcnt@acbc.com.au)

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## China News reports that did not make it into the local media.

### Chinese women taking charge of family businesses

Changing attitudes towards succession planning are paving the way for more women to take over family businesses or to start up their own companies, according to experts. The fact women now often enjoy equal rights when it comes to succession and receiving their share of the family wealth may be one of the reasons, the South China Morning Post reports. The 50 richest women in China own assets worth 23.1 billion yuan (\$3.48 billion) on average, or a combined 1.2 trillion yuan, up almost 50% from last year, according to a Hurun Report issued last month. The threshold to rank among China's 50 wealthiest women was 10 billion yuan this year, up nine times from a decade ago. Yang Huiyan, the 36-year-old vice-chairwoman of property developer Country Garden, with a 56% stake inherited from her father, is the wealthiest woman in the country. Six of every 10 of the world's self-made female billionaires are in China.

### China plans 1,000km Xinjiang water tunnel

Chinese engineers are testing techniques that could be used to build a 1,000km tunnel – the world's longest – to carry water from Tibet to Xinjiang, the South China Morning Post reports. The proposed tunnel, which would drop down from the world's highest plateau in multiple sections connected by waterfalls, would "turn Xinjiang into California," one geotechnical engineer said. China's longest tunnel is the eight-year-old 85km Dahuofang water project in Liaoning province, while the world's longest tunnel is the 137km main water supply pipe beneath the city of New York. However, the Chinese government started building a tunnel in the center of Yunnan province in August that will be more than 600km long, local media reported. Comprising more than 60 sections, each wide enough to accommodate two high-speed trains, it will pass through mountains several thousand meters above sea level in an area plagued by unstable geological conditions. Researchers said building the Yunnan tunnel would be a "rehearsal" of the new technology.

### China considers launching national carbon trading scheme

Expectations are growing in the run-up to global climate talks in Germany this week that China is preparing to launch a national carbon trading scheme. Xi Jinping, China's leader, said two years ago that Beijing would launch an emissions trading system in 2017 that would almost certainly become the largest of its type, eclipsing that of the EU. With time running out, government officials, industry

experts and researchers at Chinese think-tanks say Beijing could announce the scheme at the two-week Bonn climate change meeting that opens on Monday, the Financial Times reports. The expectations come as Beijing signals its readiness to fill the gap in global climate leadership following President Donald Trump's decision to withdraw the US from the Paris climate change deal. Problems have bedevilled China's preparations to build a vibrant scheme that would allow the biggest corporate polluters to buy credits from those that do not emit as much. Serious questions remain over pricing and monitoring.

For more China business news and information, visit [www.chinaeconomicreview.com](http://www.chinaeconomicreview.com)

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## AUSTRALIA CHINA FRIENDSHIP SOCIETY

The Darwin branch of the ACFS is a co-operative partner with ACBC NT. ACBC NT members are encouraged to attend ACFS events.

ACFS has completed their first News Letter, a website and facebook. The web address is: [www.acfsnt.org.au](http://www.acfsnt.org.au) The facebook address is <https://www.facebook.com/acfs.nt>

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## UPDATED CHINA RESOURCES FOR NT MEMBERS

ACBC NT has an updated list of China resources available for NT members. This includes translators, interpreters, graphic artists and design teams. Some are based in Darwin and some in China. Please contact ACBC Secretariat on 89270061 or [abcnt@abc.com.au](mailto:abcnt@abc.com.au) for details



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## FORWARD THE NEWSLETTER TO A FRIEND

**NEWSLETTER CONTRIBUTIONS ARE WELCOME.** Keep other members informed about China experiences. Please email notes or comments to [china@guppytraders.com](mailto:china@guppytraders.com). Please use email header ACBC NOTE. Information received up to the day prior to publication will be included.

*NOTE. The views of contributors are their own and do not necessarily reflect the views of the ACBC NT or the ACBC. Content is copyright and cannot be used without permission*



Australia China Business Council  
澳大利亚中国工商业委员会

Northern Territory

## MEMBERSHIP APPLICATION

Please complete this Membership Form with your details if you are applying to join the Australia China Business Council for the first time.

### BASIC DETAILS

Company Name

Company name in Chinese	
Industry sector	
Branch membership	<b>NT Branch</b>
Member Type - This is based on the annual turnover (See page 2 for details).	
Company email address	
Company web site http://	
Date of application	

**PERSONAL DETAILS**

Title	
First name	
Last name	
Job title	
Personal email address	

**CONTACT DETAILS**

Company phone	
Company fax	
Direct phone	
Direct fax	
Mobile phone	

**LOCATION DETAILS**

Street address	
City	
State	<b>Northern Territory</b>
Post code	
Postal address	
Please cross out if you do not want your contact details to be given to third parties who issue event invitations to ACBC members	I agree to be included in all associated ACBC and appropriate third party event notifications
Country	<b>Australia</b>

**PAYMENT METHOD**

Cheque	Please post to: GPO Box 2769, Darwin NT 0801
Cash Deposit	ANZ Darwin, BSB: 015901, A/C: 487 379 699
Credit Card	Card type / VISA / Mastercard
Card number	
Name on card	
Expiry date	CCV#
Amount paid (See member type)	\$

**PLEASE RETURN COMPLETED FORM TO ACBC NT GPO BOX 2769, Darwin NT 0801**

**Or Email: [acbcnt@acbc.com.au](mailto:acbcnt@acbc.com.au)**

<b>Membership</b>	<b>TOTAL</b>
<b>NT Government Departments</b>	1024.87
<b>Companies</b>	
Annual turnover:	
More than \$ 50 million *	3492.50
\$ 15 million to \$ 50 million	1831.50
\$ 5 million to \$ 15 million	1024.87
Less than \$ 5 million	532.40
<b>Individual membership</b>	532.40
<b>Associate membership ** (non-voting)</b>	169.40
<b>Student member (non-voting)</b>	88.00