

## **6<sup>th</sup> Australia-China Foreign and Strategic Dialogue**

**Address:** State Councilor

s 47E(d)

s 33(a)(iii)

## **6th Australia-China Foreign and Strategic Dialogue**

### **Note**

- Chinese and Australian media present for opening, to depart after opening remarks.
- 50<sup>th</sup> anniversary of diplomatic ties.
- **Previous meetings:** 8 November phone call, 22 September UNGA New York, 8 July G20FMM Bali.
- **Future engagements:** nil.

### **China**

s 33(a)(iii)

### **Australia**

- Mr Fletcher, Ambassador
- s 47F
- s 47F
- Ms Adams, DFAT Secretary
- Ms Lawson, DFAT FAS EAD

s 47F

### **Back seats:**

s 22(1)(a)(ii)

**DINNER WITH STATE COUNCILOR**  
**WANG YI**

**Address:** State Councilor

s 47E(d)

s 33(a)(iii)

## DINNER WITH STATE COUNCILOR WANG YI

### **Note**

- 50<sup>th</sup> anniversary of diplomatic ties.
- **Previous meetings:** 8 November phone call, 22 September UNGA New York, 8 July G20 FMM Bali.
- **Future engagements:** nil.
- s 33(a)(iii)

### **China**

s 33(a)(iii)

### **Australia**

- Mr Fletcher, Ambassador
- s 47F
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- Ms Adams, DFAT Secretary
- s 47F

### *Back seats:*

- Ms Lawson, DFAT FAS EAD

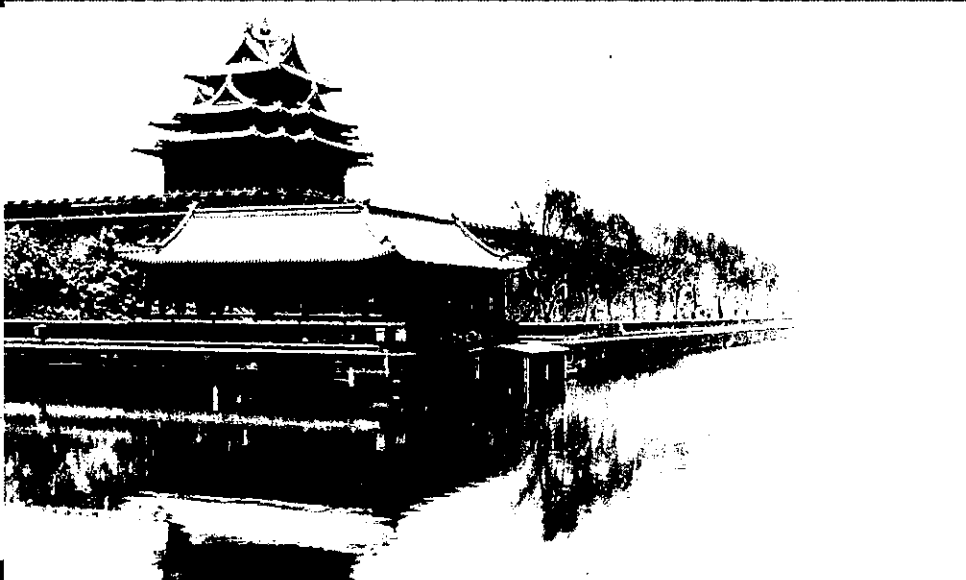
s 22(1)(a)(ii)



Australian Government

Department of Foreign Affairs and Trade

# VISIT TO CHINA



SENATOR THE HON PENNY WONG, MINISTER FOR FOREIGN AFFAIRS

Beijing, 20-21 December 2022

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s 22(1)(a)(ii)

s 47E(d)

Tuesday 20 December 2022

Wednesday 21 December 2022

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s 22(1)(a)(ii)

<b>1500-1700</b>	<b>Sixth Foreign and Strategic Dialogue, with State Councilor <u>Wang Yi</u>, Minister of Foreign Affairs</b> <i>Venue: Diaoyutai State Guesthouse</i>	<b>1800-2000</b>
<b>1700-1715</b>	<b>Ceremony to unveil <i>shourifeng</i> – a commemorative envelope and stamp</b> <i>Venue: Diaoyutai State Guesthouse</i>	<b>2000-2015</b>

s 22(1)(a)(ii)

<b>1800-1930</b>	<b>Sixth Foreign and Strategic Dialogue, Dinner hosted by State Councilor <u>Wang Yi</u></b> <i>Venue: Diaoyutai State Guesthouse</i>	<b>2100-2230</b>
<b>1945-2030</b>	Depart Diaoyutai State Guesthouse for Beijing Capital International Airport	<b>2245-2330</b>
<b>2100</b>	Depart Beijing on Special Purpose Aircraft <i>Farewelled by Ambassador Fletcher</i>	<b>0000</b>

## Thursday 22 December 2022

Local Time		Canberra Time
<b>0700</b>	Arrive Darwin	<b>0830</b>
<b>0800</b>	Depart Darwin	<b>0930</b>
<b>1245</b>	Arrive Adelaide <i>End of program</i>	<b>1315</b>

## MEDIA MESSAGES

Please also refer to separate media briefing pack.

Pleased to have met State Councilor and Foreign Minister Wang Yi in Beijing for the Sixth Foreign and Strategic Dialogue on the fiftieth anniversary of diplomatic relations.

This was our fourth discussion and third face-to-face meeting, and the first since Prime Minister Albanese and President Xi met in Bali.

Australia and China have many shared interests, but also big differences to manage. Regular dialogue like this allows us to set out clearly our own positions, avoid miscommunication, and take the relationship forward.

Our approach is calm and consistent.

We will cooperate where we can, disagree where we must and engage in our national interest.

These regular opportunities for dialogue demonstrate the importance both sides place on stabilising the bilateral relationship.

Welcomed the opportunity to exchange views on important bilateral topics, including our trade and consular interests, human rights issues of concern as well as broader international issues such as Russia's illegal invasion of Ukraine, strategic competition and security.

China is our largest trading partner and we want to see trade blockages affecting Australian exports removed so that mutually beneficial trade can continue unimpeded.

We remain open to working with China, including to address shared challenges like climate change.

Regular dialogues and engagement through our Comprehensive Strategic Partnership are essential for us to avoid miscommunication and take forward the relationship.

Australia will continue to work with all our partners to build a region that is peaceful, prosperous and respectful of sovereignty.

# DELEGATION LIST

## Australia

### Principal

- **Senator the Hon Penny Wong**  
*Minister for Foreign Affairs*

### Delegation

- **HE Mr Graham Fletcher**  
*Ambassador of Australia to the People's Republic of China*
- s 47F  
*Chief of Staff to the Minister for Foreign Affairs*

s 47F

- **Ms Jan Adams AO PSM**  
*Secretary of the Department of Foreign Affairs and Trade (DFAT)*
- **Ms Elly Lawson**  
*First Assistant Secretary, East Asia Division, DFAT*

s 22(1)(a)(ii)

## China

### Principal

- **State Councilor Wang Yi**  
*Minister of Foreign Affairs*

s 33(a)(iii)

# SIXTH FOREIGN AND STRATEGIC DIALOGUE

## AGENDA

1. Opening remarks (China to lead)
2. Bilateral relations (Australia to lead)
3. International and regional issues and strategic competition (China to lead)  
s 33(a)(iii)

### Foreign and Strategic Dialogue

The Foreign and Strategic Dialogue was established in 2013 as part of the Strategic Partnership announced by then-Prime Minister Gillard and President Xi Jinping during Ms Gillard's April 2013 visit to China. It was conceived as an annual opportunity to discuss bilateral, regional and global issues of mutual concern, and take practical steps to strengthen the relationship. The inaugural dialogue was held in December 2013. The most recent dialogue – the fifth was held in Beijing in November 2018.

## Media

- Australian and Chinese media will be present for opening remarks.
- At the conclusion there will be a ceremonial unveiling of a **Chinese commemorative stamp and envelope** (1700-1715) to mark the 50<sup>th</sup> anniversary
  - there will likely be an enlarged commemorative envelope (a large board)
  - an MC will make brief remarks (2 minutes) explaining the significance of the commemorative “first day cover”, and will then invite you (Minister Wong) and State Councilor Wang to make brief remarks (3-4 minutes each, incorporating consecutive translation)
  - you and State Councilor Wang will hold either end of the enlarged commemorative envelope (a photo opportunity for the media present)
  - there probably won’t be time for media to ask questions at this ceremonial event.
- Following the meeting and ceremony and before dinner (1740-1800) there will be a press opportunity for Australian journalists.
- We have drafted an Australian **media statement for release** following the meeting, along with **your opening remarks**.

s 33(a)(i), s 33(a)(iii), s 47E(d)

# 1. OPENING REMARKS

**Handling note:** *China to speak first. Media will be present for opening remarks.*

## Key messages

s 47C, s47E(d)

s 47C, s47E(d)

s 47E(d)

***Dialogue and technical cooperation***

s 33(a)(iii), s47E(d)

s 33(a)(iii), s 47C

- I would be open for us to agree to each refer to resuming bilateral architecture in our statements about the meeting.

***Human rights*** s 33(a)(iii)

- Australia is committed to advancing human rights globally
  - that is why we advocate for human rights in other countries, including in China.

s 33(a)(iii)

s 33(a)(iii), s47E(d)

s 47C, s 47E(d)

- Over the past 50 years, we have been able to work together on many common interests and embarked on a **Comprehensive Strategic Partnership** that has brought benefit to us both.
- A stable relationship is a platform we can build on

- I have asked Australian officials to work with Chinese counterparts in taking forward the resumption of collaboration in areas of shared interest, and resuming dialogue.

- When we established bilateral ties in 1972, we agreed principles to guide the relationship, based on equality, mutual respect and benefit, and a commitment to co-exist peacefully.

- We have achieved much over these first 50 years

- if we commit ourselves to these principles, we will be able to achieve much more over the next fifty.

s 47C, s 47E(d)

s 33(2)(iii), s 47E(d)

s 33(a)(iii), s 47E(d)

**If raised: foreign investment**

- Australia's foreign investment framework applies to all investors and includes provisions to ensure investment is not contrary to our national interest.
- Australia continues to welcome investment from all countries including China.
- China remains Australia's sixth-largest source of foreign direct investment stock, worth \$46.3 billion in 2021 (4.4 per cent of our total).

s 47C, s47E(d)

s 33(a)(iii), s47E(d)

Climate Change

s 33(a)(iii), s47E(d)

China is set to add at least 570 gigawatts of wind and solar power in the 14th five-year plan period (2021-25), more than doubling its installed capacity in five years. It is adding more renewables annually than Europe, the US and India combined. Optimising new renewable capacity will require significant new investment in transmission, greater battery capacity and a flexible, interconnected grid that works on a more market-oriented pricing mechanism.

Australia and China announced a Climate Change Ministerial Dialogue during the April 2008 visit to China by then Prime Minister Rudd and Minister Wong (as Climate Change Minister). The inaugural meeting was held in November 2008, and the most recent meeting in February 2017.

s 33(a)(iii), s47E(d)

Candidacies

The incumbent **Food and Agriculture Organisation** Director General, Dr Qu Dongyu from China, is seeking re-appointment for the 2023-27 term at an election in July 2023. Nominations for the FAO DG position remain open, Dr Qu Dongyu is currently

uncontested<sup>s 47C, s 47E(d)</sup>

s 33(a)(iii), s 47E(d)

### 3. INTERNATIONAL AND REGIONAL ISSUES AND STRATEGIC COMPETITION

s 33(a)(iii), s47E(d)

- Australia is a strong proponent of the system of **international rules, norms and standards** that protect sovereign interests and underpin the security and prosperity of our region
    - we make decisions and pursue bilateral relationships within this framework, in our national interest.
  - Australia and China share an interest in a peaceful, stable and secure region that allows all countries to cooperate and thrive
- s 33(a)(iii)

s33(a)(iii), s47E(d)

### ***Russia/Ukraine***

- Russia's illegal invasion of Ukraine is causing global insecurity, human suffering and economic disruption
  - there can be no doubt that it is the responsibility of Russia to end this war
  - President Putin's dangerous nuclear rhetoric has had a further destabilising impact.

s 33(a)(iii), s47E(d)

China/US case on semiconductor export controls

China's Ministry of Commerce announced on 13 December 2022 that it had launched a **WTO dispute against the United States** in relation to US export control measures on semiconductors. The first step in WTO dispute settlement is a 'request for consultations', which we understand China has lodged; Australia will soon receive a copy through WTO channels. The dispute relates to new rules released by the US Department of Commerce on 7 October 2022, prohibiting US companies from exporting to China the technology, software and equipment used in producing advanced computing chips and supercomputers, and barring US persons from supporting certain China-based chip companies without a licence from the US government.

s 33(a)(iii)

Russia/Ukraine

s 33(a)(iii), s47E(d)

**Russia's invasion of Ukraine has adversely impacted the global economy**, with widespread energy, commodity and trade disruption. This is slowing global growth, alongside other major contributing factors (high inflation and tightening monetary policy and slowing economic growth in China). High and volatile food, energy and fertiliser prices will constrain global economic activity, increase inflation and negatively impact household spending and food security, adding to political pressures in some countries.

**Food insecurity is rising across the world.** This is the result of compounding factors, including conflict, climate change, COVID-19 and Russia's invasion of Ukraine. The World Food Programme (WFP) estimates that up to 345 million people across 82 countries are facing acute food insecurity, an increase of almost 200 million people since 2019. An estimated 50 million people across 45 countries are on the brink of famine. Afghanistan, Ethiopia, Somalia, South Sudan and Yemen are among the countries of highest concern.

s 33(a)(iii), s 47E(d)

# COMMEMORATIVE ENVELOPE CEREMONY

<b>Time and Place</b>  Wednesday 21 December  17:00-17:15pm, Diaoyutai State Guesthouse	<b>Key attendees</b>  <u>WANG</u> Yi, State Councilor and Minister of Foreign Affairs
<b>Minister's role, objective(s), context and sensitivities</b>  At the conclusion of the bilateral meeting with State Councilor Wang, you (Minister Wong) will participate in the ceremonial unveiling of a Chinese commemorative envelope ("first day cover" in Chinese) to mark the 50th anniversary. We expect a MC will make brief remarks explaining the significance of the envelope and invite you (Minister Wong) and State Councilor Wang to make brief remarks (3-4 minutes each, incorporating consecutive interpretation). You and State Councilor Wang will hold either end of the enlarged commemorative envelope and present it to the media.	
<b>Handling note</b>  China also produced a commemorative envelope for the 40 <sup>th</sup> anniversary of diplomatic relations. This is a ceremonial event and the media will not have an opportunity to ask questions.	

## Remarks:

I'm pleased to be here in Beijing on the occasion of the 50th anniversary of our diplomatic relations and to join you in the unveiling of this commemorative "First Day Cover".

This is a significant anniversary, marking a historic decision that our two countries took fifty years ago – a decision which paved the way for a relationship that has contributed to the growth and development of both our countries.

Of course, the past fifty years have had their challenges, but I firmly believe that the principles we agreed in 1972 – based on equality, mutual respect and benefit, and a commitment to co-exist peacefully – remain just as important today.

As Prime Minister Albanese has said, we will always have differences to manage, but we will always be better off when we talk to each other directly, and with mutual respect.

This is what we are doing here today through the bilateral discussions that State Councilor Wang and I have just had, and which I look forward to continuing shortly over dinner.

I want to take this opportunity to express my appreciation to the State Councilor and the Chinese Government for hosting me in Beijing, and to China's Ministry of Foreign Affairs for the gesture of preparing this commemorative cover to mark out anniversary.

I know that many people around the world – including in Australia – collect first day covers, and this one will hold a particular significance for the many contributors to the Australia-China relationship.

Thank you.

# DINNER WITH STATE COUNCILOR WANG YI

<p><b>Time and Place</b></p> <p>Wednesday 21 December, 18:00-19:30pm, Diaoyutai State Guesthouse</p>	<p><b>Key attendees</b></p> <p><u>WANG</u> Yi, State Councilor and Minister of Foreign Affairs</p> <p>s 33(a)(iii)</p>
<p><b>Minister's role, objective(s), context and sensitivities</b></p> <p>This working dinner will follow the two-hour meeting with Wang earlier in the afternoon. s 47E(d)</p>	
<p><b>Handling notes</b></p> <p>Media will not be present. There will be consecutive interpretation.</p>	

## Talking points:

Please refer to agenda item 3.

s 33(a)(iii), s 47E(d)

### International Economic Outlook

The global economy is experiencing a **broader, and sharper than expected, slowdown**. Global GDP growth is forecast to decline from 3.2 per cent in 2022 to 2.7 per cent in 2023 (IMF WEO). This is the weakest growth since 2001 (outside of the pandemic and the GFC). Major economies like the US and Europe face stagnant growth or sharp downturns, as monetary tightening combines with weaker consumption amid rising living costs. Although it's not currently forecast, risk of a global economic recession remains.

Three main factors negatively impacting the global economy: Russia's invasion of Ukraine; rapid and synchronised monetary policy tightening, and weak growth in China. These factors are causing persistent inflation, reducing confidence and increasing uncertainty, which combined have taken the momentum out of global economic growth.

**Russia's invasion of Ukraine** has heightened geopolitical uncertainty, and triggered a rapid and disruptive reordering of global energy supply chains. High commodity prices (including oil, gas, coal, grain and fertilizer) are raising costs of production and costs-of-living. Food prices remain elevated despite downward pressure from recent Ukrainian wheat exports and strong grain harvests in North America. Although energy commodity prices have stabilised above pre-invasion levels, the interaction of the EU oil import and shipping bans and the oil price cap with broader demand factors is uncertain.

Over 2022, the return of persistent and wide-spread inflation prompted aggressive interest rate rises in major economies. To address inflation hitting the highest levels in 40 years, the US Fed has increased interest rates six times in the year to November 2022, up 375 basis points. Higher interest rates constrain consumption and investment, ultimately weighing on economic growth. Balancing inflationary pressures and the pace of interest rate increases is difficult, and risks of sharper economic contraction remain.

**Higher US interest rates** have ricocheted across the global economy increasing US Dollar borrowing and debt repayment costs, incentivising capital flight and increasing the cost of USD-denominated imports. The flow-on effects have exposed vulnerabilities for debt-stressed, low-income and emerging economies s 33(a)(iii) as well as countries reliant on USD-denominated energy imports (such as Japan and Singapore).

s 33(a)(iii), s 47C, s 47E(d)

### Economic outlook – Australia, China

s 33(a)(iii), s 47C

## CHINA SNAPSHOT

**Trade and investment statistics:** Australia's total two-way goods trade with China reached \$272 billion in 2021-22, just under a third of our trade with the world.

**Students and Scholarships:** 76,220 students studying in Australia; 45,000 students outside Australia (August 2022). This is the largest of all source countries.

**Regional/multilateral memberships:** UN, IMF, WTO, AIIB, ADB, AfDB, APEC, ASEAN (dialogue partner), BRICS.

**Population:** 1,418 million (2021)

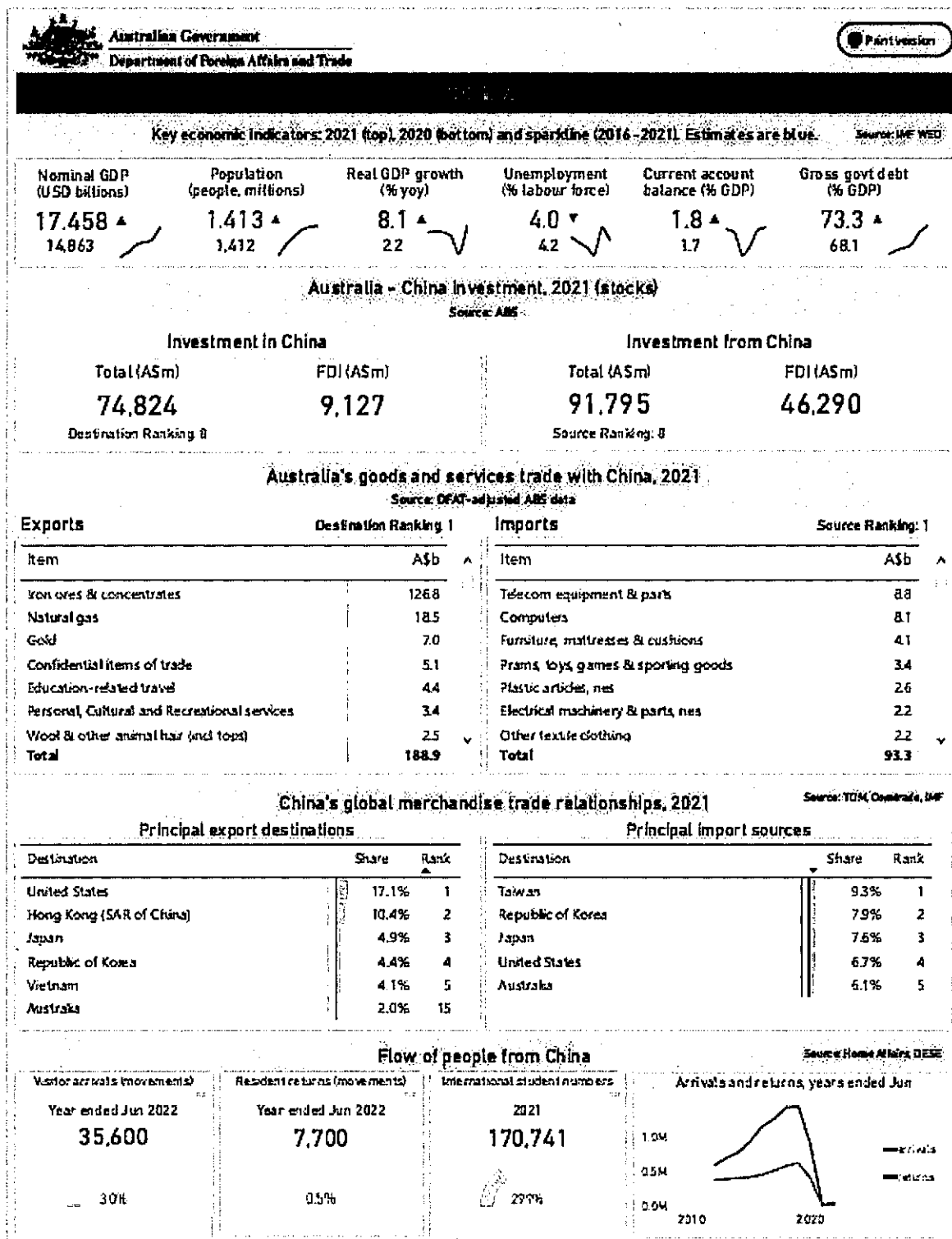
**Community in Australia:** 596,000 (2021)

**Incoming visitors:** 22,000 (June 2022)

## FACTS AND FIGURES

- China is Australia's largest two-way trading partner in goods and services, accounting for nearly one third (31 per cent) of our trade with the world.
- China is the sixth-largest foreign direct investor in Australia (\$46 billion in 2021), accounting for 5 per cent of total foreign direct investment (FDI).
- Australian FDI in China totalled \$9 billion in 2021.
- Prior to the imposition of restrictions on international travel, China was Australia's largest inbound market in terms of visitor arrivals and total visitor spend. China remained the largest source country for visitor visa applications in the first half of 2020-21.
- Chinese migration to Australia started in the middle of the 19th century and Mandarin is now the second most spoken language in Australia after English.

## CHINA FACT SHEET



s 47E(d) **6<sup>th</sup> Australia-China**  
**Foreign and Strategic Dialogue**

s 33(a)(iii), s47E(d)



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