

Powerful together

Andrew Leung says Trump's visit to China can boost Sino-US relations and help forge a better world order

For US President Donald Trump's upcoming China visit, weighty issues are at stake. A new leadership team under President Xi Jinping will be unveiled at the 19th Party Congress next month. The stage is set to redefine an increasingly testy US-China relationship. Finding out how to unspring the "Thucydides trap" demands more concrete action than academic debate.

Long before Xi's presidency, a Chinese state-sponsored 12-part TV documentary analysed the whys and wherefores of the *Rise of the Great Powers* during the past five centuries. Xi's "Chinese dream" of global renaissance shows his ambitious China seems increasingly confident of its "great power" stature.

In his new book, *Destined for War*, Harvard scholar Graham Allison describes how seemingly unstoppable China's rise has been, including its economic clout, infrastructure, wealth accumulation, consumer power, university graduate output, hi-tech manufacturing, research and development, quantum computing and geo-economic connectivity.

According to the Composite Index of National Capability, China is already in some respects the most powerful nation. Clearly, the world's two most powerful countries, both wanting to become "great again", need to recalibrate their relationship if a vicious spiral of conflict is to be avoided.

But what concrete results can be achieved in one visit? The following may offer some clues.

First, presidents Xi and Trump may jointly deliver on the North Korean crisis. Sanctions alone won't deter Kim Jong-un from acquiring a regime-survival nuclear insurance policy. But any military option risks a leap into an unknown abyss. It's now high time for Trump to talk face to face with Kim. The aim should be a Korean peninsula peace treaty involving South Korea, Japan, China and Russia. To anchor long-term stability, it should contain provisions to help North Korea's economic reform.

Xi may help to broker a deal behind the scenes. When a draft agreement is ready, the Trump-Kim meeting could take place in Beijing, before the signing of the final treaty.

On US-China trade, a flashpoint is the protection of intellectual property. China now accounts for 38 per cent of global patent applications, as many as the next three countries – US, Japan and South



Korea – combined. China should, therefore, be amenable to more stringent intellectual property safeguards. As China's economy balances towards services and domestic consumption, which is exploding, the country should also welcome more American goods and services.

As a quid pro quo, subject to vetting by the Committee on Foreign Investment in the US, Trump should welcome more Chinese investment, provided it generates sufficient American jobs, even at the cost of some tax incentives. The Foxconn deal to create 13,000 jobs in Wisconsin is a case in point.

Also instructive is Trump's earlier receptiveness to Jack Ma's idea of using the global trading platform of Alibaba – owner of the *South China Morning Post* – to create a million US jobs. That would help small and medium-sized American businesses penetrate the massive China market.

Thanks to China's reform imperatives, foreign investment

restrictions have recently been liberalised for a significant number of industries and services.

Examples include rail transport equipment, automotive electronics, electric vehicles, new-energy batteries, bio fuels, motorcycles, satellites, agricultural products and marine engineering. Subject to safeguards, US investments in these sectors should create many jobs back at home.

The development of a green economy, including new-energy vehicles and smart cities, has moved up China's national agenda. China has now joined the UK and France in phasing out combustion-engine cars. As the world's largest car market, China has massive potential for green-energy technology, as well as for less-polluting fossil fuels – such as shale gas – for power generation.

While China has the world's largest shale gas reserves, the bulk is buried in challenging terrain. Additionally, shale gas extraction is

highly water intensive, with potential risks of groundwater contamination. China may not be averse to importing shale gas from the US,



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where it exists in abundance. Although Trump has decided to quit the Paris climate agreement, he may wish to help reduce China's carbon footprint while opening up opportunities for American businesses.

Another mutually beneficial initiative would be a bilateral invest-

ment treaty. According to US Treasury Secretary Steven Mnuchin, this is on the cards, subject to progress on other trade issues.

America stands to benefit from a Free Trade Area of the Asia-Pacific (FTAAP), covering the 21 economies of the Asia-Pacific Economic Cooperation bloc, including the US. China promotes this initiative. If the US takes an active part in the negotiations, the elements of America's higher standards, now lost with the collapse of the Trans-Pacific Partnership, may be reinserted into the Asia-Pacific free trade area.

Perhaps the most critical theatre for US-China relations is the South China Sea. To China, these waters are arteries of maritime trade and the importation of essential resources. While the United States may have to maintain "freedom of navigation operations" to challenge China's "island-building", this need not escalate to an endgame. There is room to build trust.

For example, selected joint naval patrols and search-and-rescue exercises are feasible. Such cooperative gestures may do wonders in easing regional tensions.

The Xiamen Declaration of the recent BRICS Summit hosted by China includes specific commitments to fighting terrorism. While China may not be prepared to take on a global anti-terrorism role, it could be persuaded to help with America's global efforts to stifle the flow of terrorist funds across various channels.

Trump may also wish to look at China's massive Belt and Road Initiative for global trade growth as a lucrative opportunity for American businesses and expertise.

The Asian Infrastructure Investment Bank, which backs the belt and road strategy, already has a cooperation framework agreement with the US-led World Bank. Trump may wish to highlight US business interests in belt and road projects and press Xi to ensure greater transparency and openness to international competitive bidding.

Last but not least, both presidents may heed the wisdom of former US vice-president Joe Biden's words: "America's ability to lead the world depends not just on the example of our power, but on the power of our example."

Trump's visit to China is well placed to show how both countries can be "great again" by forging a new productive relationship, one that is set to define the world order in the 21st century.

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Will Carrie Lam open the door to Article 23?

Mike Rowse says while focusing on education, housing and the economy in her policy address, Lam also needs to tackle thorny issues, and make it clear that independence is a no-go

The annual policy address by the chief executive is always important, never more so than when it is first given by a new holder of the position. So when Carrie Lam Cheng Yuet-ngor stands up in the Legislative Council next month, it will be the first real opportunity for us to gauge her actual priorities.

There is sure to be something on education, always a subject close to the hearts of Hong Kong parents, and indeed the focus of her first major initiative. Since the HK\$5 billion reform package sailed through the Finance Committee, it would be reasonable to give herself a modest pat on the back for a job well begun.

Housing is the most pressing issue for many families. Prices have gone beyond all reasonable levels and have led to great divisions in our society between those who acquired property many years ago and are sitting on huge notional paper gains, and those who can never buy at current price levels. If middle-class citizens feel the system froze them out, their role as the stabilising force of moderation is at risk.

It should be a source of shame for us all that developers put living spaces of less than 150 square feet on the market and find queues of buyers. Apart from some palliative measures – inviting NGOs to manage shared apartments at reasonable rentals, for example – we really need a breakthrough in securing land that already exists, or can be created, and building homes at prices ordinary people can afford. Imagine the impact on sentiment if the government set a minimum of 500 sq ft for apartments and offered a few thousand per year for sale at construction cost plus a modest margin, say 20 per cent. The ripple through the market could see a restoration of common sense prices.

Hints have also been dropped that we can expect measures to boost the economy, but special tax allowances for research and development, or lower tax rates for profits below a certain threshold, for example,



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are only going to benefit companies already profiting. Far better would be to use the same public money to help start-ups launch and take flight. But there may be some projects where a relatively modest capital injection could have a substantial and long-term economic impact.

Nobody comes to office with a completely clean slate, of course, because we are all bound to some extent by what was done – and not done – by our predecessors. Lam is therefore going to have to dip her toe into some shark-infested pools that she would probably rather avoid.

First, independence. Repeating mildly what every thinking person knows – independence for Hong Kong is nonsense – will not be enough to satisfy the audience in the north. This is probably the appropriate place to remind our pan-democrats that there is an audience to the north. So, a carefully crafted statement ruling out independence, while trying not to trample all over freedom of speech, is needed.

This is going to lead Lam into the equally troubled waters of Article 23. Frankly, it is ludicrous that, 20 years after the establishment of the special administrative region, we have not yet fulfilled our constitutional duty to enact national security laws. We are a mature, sophisticated society with a good appreciation for the rule of law and we know that the issues are already covered by a mishmash of archaic legislation and common law. And we know we have it within ourselves to craft a carefully worded bill to do the job. What holds us back, of course, is the legacy of the way the mission was so badly botched when first attempted in 2003. Will Lam take the plunge and say the job must at least be started in her administration? Under the auspices of a new secretary for justice, perhaps?

Finally, there is no way of avoiding the vexed question of political reform. It is an integral part in the public mind of the other two difficult issues. So Lam will need to strike a careful balance, putting a stop to the childish prattling about independence, and declaring work on national security legislation must begin, while confirming that the door to meaningful reform at both chief executive and Legco levels is very much open. Wish her luck.

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Chief Executive Carrie Lam will have to strike a careful balance in her policy address. Photo: Sam Tsang

Chief executive's Myanmar trip was bad timing, to say the least

Alice Wu says Carrie Lam's visit to promote business while the Rohingya crisis raged in the background was gross insensitivity to what the UN has labelled textbook ethnic cleansing

As in many things in life, timing is everything in politics. Carrie Lam Cheng Yuet-ngor's official visit to Myanmar, the first ever by a Hong Kong chief executive, could not have been timed worse. This is her first mistake as chief executive.

In Myanmar to promote bilateral trade and the Belt and Road Initiative to Asean countries, Lam met State Counsellor Aung San Suu Kyi, First Vice-President Myint Swe, Commerce Minister Than Myint and Minister for Planning and Finance Kyaw Win. This was done as the world watched in horror the growing Rohingya crisis in Myanmar.

Talking about bilateral trade and the belt and road while the Rohingya humanitarian crisis escalates is a show of, at the very least, gross insensitivity; no matter how complex and long-standing the Rohingya issue, talking business at this time is deliberately ignoring the plight of people being dislocated, harmed or killed, and at risk of hunger and disease.

The international community has been speaking out against the military's violent response in Rakhine. UN High Commissioner for Human Rights Zeid Ra'ad al-Husseini has branded the actions of

Myanmar authorities "a textbook example of ethnic cleansing".

We can appreciate the tight spot Lam found herself in. After all, China has not joined the chorus of condemnation against the Myanmar government. For Hong Kong, foreign affairs and defence are matters of sovereignty, and hence fall solely under Beijing's responsibilities. That is the reality of "one country, two systems".

But that reality need not translate into Lam going to Myanmar at this time. She said during the trip that "Hong Kong attaches great importance in promoting its external affairs".

If Lam truly attached great importance to Hong Kong's, albeit limited, external affairs, she would not have been in Myanmar promoting business. What better way to affirm Hong Kong's unofficial tag as Asia's soulless money-obsessed hub than to ignore what has happened in Myanmar since late August and talk about the "stability and certainty" needed by Hong Kong businesses investing there?

Lam told the *Myanmar Times* that our investors "don't want to be put in a situation where there's always a lot of disruption to their business". That is true for investors

in general, but Lam failed to see that this humanitarian crisis, which China does in fact recognise, is the sort of disruption that should have definitely disrupted her trip.

As Foreign Minister Wang Yi said on the sidelines of a UN meeting in New York last week: "The urgent task is to ease the tense situation [quickly], avoid innocent people being harmed, prevent the humanitarian crisis from spreading, and encouraging and supporting Myanmar and Bangladesh to seek a fundamental resolution."

The urgent task, even from Beijing's point of view, isn't to talk about the belt and road. There is no reason why the trip couldn't have been postponed, or Secretary for Commerce and Economic Development Edward Yau Tang-wah sent in instead, to speak at the 14th World Chinese Entrepreneurs Convention.

Perhaps the administration should read what Yau's predecessor, Gregory So Kam-leung, said in an interview for the Oxford Business Group's 2015 Myanmar report: "Hong Kong looks forward to the formation of the [Asean] single market and production base in good time."

The business side of things will happen, "in good time". The first official visit by a Hong Kong chief executive to Myanmar, for a photo-op with Suu Kyi, should also have taken place "in good time".

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Defying the abortion 'gag'

Nerida Williams says organisations like the International Planned Parenthood Federation provide vital health care despite US funding block

A young woman lays back calmly, a nurse gently stroking her hand and asking a series of mundane questions to keep her at her ease. A doctor then starts performing a manual vacuum abortion.

This is taking place in the deep south of Nepal, which has legalised abortion. In theory, Nepali women can choose to discontinue their pregnancy safely and legally before the 12-week mark.

Even so, Meheshwar Yadav, the doctor performing the procedure, reckons most of the roughly seven women he sees daily attempt an unsafe abortion at home before arriving at the clinic, run by the Family Planning Association of Nepal.

Abortions in the clinic cost 1,200 Nepalese rupees (HK\$90), but they are free for those who are very poor or have extenuating circumstances.

Earlier this year, surrounded by a sea of other men, US President Donald Trump reinstated the "global gag rule", a Reagan-era rule which ensures that any overseas organisation performing or even counselling on abortion care will have all its US funding cut – whether the funding is spent on abortion services or not. The care lost will affect millions, the vast majority of them poor, who rely on US-funded projects for contraception, HIV prevention and other vital health services.

Within the US itself, Trump's actions have created a new

platform for the anti-choice coalition dedicated to coercion of women. US doctors who perform abortions are often bullied – online and in person – for doing their jobs.

Mesheshwar, on the border of India and Nepal, is oblivious to the vitriol. Asked if he has ever received any backlash, his answer is a simple "no".

The International Planned Parenthood Federation, of which the Family Planning Association of Nepal is a member, refused to stop providing vital health care. In Nepal, we continue to provide services and advocate for reproductive and sexual health and rights, despite the US funding cut.

The biggest hurdles for women in Nepal in accessing safe abortion care remain the lack of awareness and poverty. Fear of going to a clinic, lack of money or both mean women often take unauthorised drugs to discontinue pregnancies.

According to World Health Organisation, approximately 68,000 women die annually due to complications of unsafe abortion; between 2 and 7 million women each year sustain long-term damage or disease. Coercive laws do not prevent desperate women from seeking abortion. They instead result in death or mutilation.

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