

Top-level Chinese delegation visits Fiji

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A four-day top level Chinese delegation by visited Fiji late last month in an effort to strengthen relations with the small Pacific island state and to counter efforts by the Obama administration to undermine Beijing's influence in the region.

The delegation was headed by Wu Bangguo, a member of the Chinese Communist Party's top body, the Politburo Standing Committee, and head of the National People's Congress. His visit to Fiji came at the end of a tour that included Iran, Burma and Sri Lanka. The US has been making diplomatic inroads into the latter two countries at China's expense.

Wu praised Fiji's "Look North Policy"—that is, its foreign policy orientation towards China—and pointedly criticised the sanctions that were imposed on Fiji following the 2006 military coup in which the current prime minister, Frank Bainimarama, seized power. Australia and New Zealand, fearing that the coup could destabilise the region, imposed various diplomatic sanctions and suspended Fiji from the regional diplomatic body the Pacific Islands Forum (PIF).

"The Chinese are opposed to the imposition of isolation by some countries over Fiji, and China will continue to talk to relevant countries to engage in constructive and equal footing engagement and on the basis of equality and solidarity of differences," Wu said, without naming Australia.

Wu also reiterated China's policy of non-interference in the internal politics of any country, declaring: "In China we always stand for democratisation of international relations and respect the diversity of the World. And all countries big or small, strong or weak, rich or poor are all equal members of the International community."

Wu's pitch to the Fijian junta, which included various economic incentives, is in response to the Obama administration's aggressive diplomatic and strategic intervention throughout the Indo-Pacific region since 2009. The US moves have included a number of high-level visits to the South-West Pacific, where Washington had previously trusted Australia and New Zealand to safeguard American interests.

In the case of Fiji, Washington was clearly concerned that the sanctions regime led by Australia and New Zealand had backfired and pushed the junta closer to Beijing. In 2010 the US unilaterally moved to open closer relations with Fiji. US Secretary of State Hillary Clinton held discussions with Fiji's foreign affairs minister, Inoke Jubuabola, to promote a "dialogue and partnership with Fiji."

In November 2010, Washington decided to re-establish its USAID office in Suva, closed 15 years ago, with an initial budget of \$US27.5 million. The American Ambassador to Fiji, Frankie Reed, holds regular meetings with junta leaders and a team of FBI agents has been training local police. In September 2011, Bainimarama was granted an open visa to enter the US.

Australia and New Zealand have now fallen into line with Washington's approach. In August, Canberra re-established diplomatic relations with Suva and lifted most of its sanctions. Neither the initial imposition of sanctions nor their recent removal has had anything to do with defending the democratic rights of Fijians.

The importance attached to the South-West Pacific by Washington was highlighted by the presence of US Secretary of State Clinton at the Pacific Islands Forum

in September. The delegation included head of US Pacific Command, Admiral Samuel Locklear, and Coast Guard Rear Admiral Charles Ray.

Clinton announced a greater US naval presence in the region, supposedly to assist the small island states to counter illegal fishing and environmental damage. In reality, Washington is determined to prevent China gaining maritime access to the region as part of a broader strategy of maintaining unchallenged dominance in the Pacific.

The trip to Fiji by Wu, who is formally regarded as no. 2 in the Chinese hierarchy, was clearly aimed at shoring up China's influence. The delegation signed various memorandums of understanding, including a framework agreement providing for continued political relations between the two countries. China will also provide a \$113 million loan for the Nabouwalu-Dreketi Road Upgrading Project, to be completed by a Chinese building firm.

Wu hailed the growing economic relationship between China and Fiji. In 2011, bilateral trade totalled \$172million, 34 percent higher than the previous year. Chinese investment in Fiji has reached almost \$100 million and Chinese companies have completed several high profile projects, including a national stadium and hotels. The Chinese Development Bank funded the Nadarivatu hydroelectric scheme, valued at \$150 million, which was commissioned in September. A Chinese firm, Aurum Exploration Fiji, opened a bauxite mine in May which is expected to export one million tonnes in its first two years of operation, valued at \$20 million.

The Fijian junta is desperate for investment as the economy has been hard hit by sanctions, the global economic crisis and a series of floods caused by tropical cyclones.

Economic growth is expected to rise slightly from 2.1 percent in 2011 to 2.3 percent this year. However, according to the Asian Development Bank, investment has drastically declined, with the ratio of private investment to gross domestic product (GDP) at just 2 percent in 2011 compared to 11.3 percent over the

period 2000-2005.

Sugar is still Fiji's largest industry, accounting for 20.9 percent of exports. The phasing out of a preferential price agreement with the European Union has led to a 36 percent decrease in the price of Fiji's sugar exports. Production is also declining.

Fiji is being drawn into the vortex of the US-China rivalry that is reaching into every corner of the Asia-Pacific region. While dependent on China for investment and trade, the Fijian junta is well aware that it cannot afford to alienate the US and risk becoming a target for regime change.



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