

# Philippines expels Chinese power grid technicians

John Roberts  
4 March 2015

The Philippine administration last week ratcheted up tensions with China over disputed territory in the South China Sea by provocatively announcing that the visas of 16 Chinese technical experts working in the National Grid Corporation of the Philippines (NGCP) would not be renewed when these expired in July.

Philippines Energy Secretary Carlos Jericho Petilla made clear that the decision would end any Chinese technical role in the country's power grid because of security concerns. The Chinese technicians are employed by the State Grid Corporation of China (SGCC), the world's largest state-owned utility company, which runs China's electricity grid and has a 40 percent stake in the NGCP. Petilla said two SGCC officials would remain on the NGCP Board.

Petilla candidly told the media that such "paranoia" over Chinese technical involvement in the national power grid did not affect Argentina, Australia or Germany where the SGCC had a similar role. The decision, he said, was tied up with the ongoing confrontation between Beijing and Manila over maritime disputes. "Of course, this is an offshoot of the West Philippine Sea [South China Sea] dispute."

Petilla made the announcement a day after Philippines Senator Miriam Defensor Santiago warned against Chinese involvement in the NGCP. While not referring directly to China, Santiago, a former presidential candidate, complained that "such a vital and strategic industry as the electric power industry is infected by a national security virus."

The decision was quickly endorsed by a spokesperson for President Benigno Aquino, Abigail Valte, who said last Saturday that the Department of Energy had arrived at the decision "after a thorough study." She would not be drawn on the South China Sea dispute, but said Manila would "try not to let it spill over into other

levels of [the] relationship" with China.

Beijing's response was muted, not wishing to exacerbate the tense situation in the South China Sea. Foreign Ministry spokesman Hong Lei expressed concern over the visa decision, saying: "[We] hope that the Philippines side can fairly and justly handle the relevant issue, earnestly uphold the legal rights of the Chinese company operating in the Philippines and create a good investment environment for foreign investors."

The decision on the visas had been planned since the middle of last year. Petilla reported that a meeting involving the Departments of Foreign Affairs, Justice and Energy, the National Security Council (NSC) and the NGCP had discussed the issue. The NSC in particular was concerned at the involvement of Chinese nationals in the national power grid.

In reality, the removal of the Chinese technicians is designed to step up pressure on Beijing over Philippine claims in the South China Sea.

As part of the US "pivot to Asia," Washington has encouraged the Philippines, Vietnam and other South East Asian countries to take a more aggressive stance in their maritime disputes with China. The "pivot" is a comprehensive diplomatic, economic and military strategy aimed at undermining Chinese influence and reasserting US dominance in the region.

Manila is currently mounting a legal challenge to China's territorial claims in the Arbitral Tribunal in The Hague on the Law of the Sea with the explicit support of Vietnam and de facto US backing and behind-the-scenes assistance. Over the past year, US officials have dropped their pretence of impartiality in the maritime disputes and openly criticised China's so-called "nine-dash line," or boundary in the South China Sea.

Since last November, Manila and Washington have escalated their criticism of China's reclamation work and its building of an airstrip on the Fiery Cross Reef in the disputed Spratly Islands. In fact, South China Sea claimants Taiwan, Malaysia, Vietnam as well as the Philippines have already built airstrips on the islands in the area.

Last Thursday, US National Intelligence Director James Clapper told a hearing of the Senate Armed Services Committee that China was being "very aggressive" in its rehabilitation work on uninhabited islands in the area and the construction of airfields.

The US State Department has sent Under Secretary of State for Arms Control and International Security Rose Gottemoeller on an 11-day tour of the Philippines, Vietnam, Australia and New Zealand. She was in Manila over the weekend and discussed regional security issues with Philippine defence and foreign affairs officials including "maritime security." She visited the Subic Naval Station and toured a Philippine frigate—one of two former US coastguard cutters provided to the Philippine navy. She was due in Hanoi yesterday for similar discussions.

Washington has been pushing for close collaboration between Hanoi and Manila to challenge China's regional role. Sections of Vietnam's Stalinist Communist Party leadership argued last year that Vietnam should break "out of China's orbit." Since then, closer ties with Manila have become more obvious.

Late last month Vietnamese Deputy Prime Minister and Foreign Minister Pham Binh Minh led a delegation to the Philippines for a meeting of the Vietnam-Philippines Joint Commission to discuss a proposed bilateral strategic partnership.

Gottemoeller's tour will undoubtedly be used to further consolidate US ties and encourage closer military collaboration between US allies and strategic partners directed against China.



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