

# Australian imperialism alarmed by East Timor, China “strategic partnership”

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Australian foreign policy and military strategists have sounded the alarm over a new strategic partnership agreed to by the leaders of East Timor and China.

East Timorese Prime Minister Xanana Gusmão, who returned to power four months ago, visited China from September 21 to 25. After attending the Asian Games sporting competition, Gusmão met with Chinese President Xi Jinping and the two leaders agreed to “elevate bilateral relations to a Comprehensive Strategic Partnership.”

The agreement focussed on closer trade and investment ties between the two states, but also included a section that explained, “The two nations agreed to enhance high-level military exchanges, strengthen cooperation in areas such as personnel training, equipment technology, the conduct of joint exercises and training.”

Canberra has long regarded oil and gas-rich East Timor as part of its “sphere of influence,” and has sought to block rival powers, above all Beijing, from establishing closer security ties with the country. This is in blatant disregard of basic tenets of international law, under which East Timor as a sovereign country has the right to establish relations of its choosing with other nations.

Australian media outlets nevertheless raised the spectre of Chinese military bases being established in the small South East Asian state that is adjacent to critical shipping lanes connecting the Indian and Pacific oceans. Multiple commentaries compared recent developments in East Timor with the April 2022 security pact between China and Solomon Islands, which saw an expanded Chinese police presence in the Pacific state and allowed for Chinese military deployment there.

The headline of an *Australian Financial Review*

report, “Dili’s China deal gives two fingers to Canberra,” was indicative of the hysterical coverage of the Timorese-Chinese strategic partnership.

The *Australian’s* Greg Sheridan thundered: “Australians must recognise they are embarked on a permanent geo-strategic contest with the second most powerful nation on earth for influence in this region of such consequence to us.” He added that this required “sustained attention at the highest level, lots of money, and engagement across government... It’s a cold war in a warm climate, and it’s our destiny.”

Such commentary is being developed within the wider context of the Australian-backed US preparations to wage a war of aggression against China.

American imperialism is seeking to offset its global economic decline by working with its allies in Asia to militarily encircle China, preparing the grounds for armed conflict by inflaming tensions over Taiwan and the South China Sea. Canberra is central to this, both in the militaristic AUKUS alliance and through its long standing role as Washington’s point man in the South Pacific, working to shut out rival powers.

The Timorese government has sought to downplay Australian concerns. Immediately after the signing of the strategic partnership, President José Ramos-Horta told Reuters that Gusmão and Xi had not discussed closer military cooperation, adding that Australia and other countries in the region could “always sleep at peace—Timor-Leste is not going to be a nuisance, a concern in terms of security.”

Ramos-Horta also told the *Guardian* that there were “Imagined Chinese ghosts in Australia mainstream and right-wing media. Should we wear badges proclaiming our enduring love for Australia? But even then, would the over jealous Australian media stop accusing us, poor Timor-Leste, of being ungrateful [and] pro-

China?”

On October 9, however, the Timorese president suggested that he was interested in an expanded Chinese security presence.

“We could have had more Chinese support, for instance in infrastructures to our defence forces, to our police force,” he told ABC Radio. “Sometimes when I chat with the Chinese about increasing their support to our police force, like building our whole compound, they’d say they’d be willing to do it, but they’d be concerned about the overreaction, or potential overreaction in Australia and elsewhere. So, the Chinese are actually sensitive to the sensitivities of our neighbours. So, they are more respectful of Australia’s position than Australia is of the Chinese position.”

Intersecting with escalating geo-strategic tensions in East Timor is the unresolved question of whether and how the massive oil and gas field known as Greater Sunrise will be developed.

Potentially worth tens of billions of dollars, rights to the Timor Sea’s Greater Sunrise are shared between the Timorese state-owned Timor Gap (which has a 56.56 percent stake), Australian energy giant Woodside Petroleum (33.44 percent), and Japan’s Osaka Gas (10 percent).

Woodside executives, with the backing of successive Labor and Liberal Australian governments, have for more than a decade effectively vetoed the project by insisting that extracted fossil fuels be piped to northern Australia for processing and refinement in Darwin. The Timorese government instead aims to develop a domestic refining industry by having the pipelines directed to its southern shore. Prime Minister Gusmão has heavily invested in this project, named Tasi Mane, expending significant resources in an airport, highway, and port facilities in anticipation of piped oil and gas. This infrastructure has laid dormant for years.

Dili is making no secret of its strategy of leveraging ties with China to exert pressure on the Australian government and Woodside. In September last year, Ramos-Horta visited Australia and publicly warned that Chinese companies had expressed interest in Greater Sunrise and were willing to step in if Australia refused to go along with Dili’s plan.

The Timorese president earlier this month declared that there was “a much better climate between us and Australia” on the oil and gas issue, adding: “I don’t

enter into details because this is up to Prime Minister Gusmão and Anthony Albanese, but we are going to find, very soon, early next year, a solution for the development of Greater Sunrise.”

The fate of the Timor Sea’s oil and gas reserves is an existential issue for the Timorese ruling elite. The statelet, formally independent since 2002, has relied on another energy field, Bayu-Undan, to provide approximately 90 percent of all government revenue in the last two decades. Bayu-Undan is now on the verge of running dry, and a so-called fiscal cliff looms.

The government is already drawing down revenues from the Timorese sovereign wealth Petroleum Fund. An official report on the state budget, released earlier this year, reported that estimated sustainable annual income from the sovereign wealth fund is \$US490 million—but in 2022, \$2 billion was spent, four times higher than the sustainable level, and this year another \$856 million is being expended. The budget report concluded that based on current trends, the Petroleum Fund will entirely run out in 2034, forcing budget cuts of \$1.6 billion, equivalent to more than half of current annual government expenditure.

Such a massive economic shock would not only exacerbate already terrible unemployment and poverty in East Timor, but would threaten outright state collapse.

Australian imperialism’s record in East Timor includes collaboration with Indonesian war crimes, illegal extraction of Timorese oil and gas, unlawful espionage and other dirty tricks, and multiple military interventions and campaigns to remove elected governments. The Australian ruling elite’s response to the current crisis in the impoverished country will continue to be determined by ruthless calculations as to how to best advance its economic and geo-political interests.



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