

INTERNATIONAL RELATIONS

China seeks support for Ukraine peace plan

Chinese state media reported on joint China-Brazil diplomatic proposals for a six-point plan to settle the Russia-Ukraine conflict.¹ Brazilian President Luiz Inacio Lula da Silva announced the plan, originally published in August, during his speech at the United Nations General Assembly.² Additional reports indicate that Ukraine has sought to challenge this peace proposal, believing it favours Russia's interests.³

China's Foreign Minister Wang Yi emphasised the importance of cooperation with Global South countries, proposing a platform called 'Friends of Peace' aimed at fostering dialogue and finding resolutions to the Ukraine conflict. This initiative has been met with positive international responses from Global South countries, reflecting broader support for China's diplomatic efforts on the global stage.⁴

The peace plan has faced significant criticism, particularly from Ukrainian President Volodymyr Zelensky. Zelensky questioned the "true interests" behind the plan, stating that the only acceptable resolution would involve a complete withdrawal of Russian forces from Ukraine. He expressed his disapproval of any alternatives that do not align with this principle, labelling the China-Brazil initiative as "destructive", as it necessitated territorial concessions from Ukraine, which he equated to defeat.^{5 6}

The joint peace framework outlined by Brazil and China includes measures such as refraining from hostilities, increasing humanitarian assistance, and convening an international peace conference for comprehensive discussions on all peace proposals.^{7 8 9} However, it notably lacks references to Ukraine's territorial integrity or the withdrawal of Russian troops, components that Zelensky stressed as essential for a legitimate resolution.¹⁰

Additionally, the initiative has not received support from Ukraine's staunch allies, with reports indicating that many Western countries view the approach with scepticism. Instead, the plan has garnered interest from those in the Global South, with Celso Amorim – Chief Advisor to the President of Brazil – and China's Wang Yi promoting their vision for peace on the international stage without formal backing from the US or the EU.^{11 12} Ukraine's Foreign Ministry also reiterated that any peace discussions must directly involve Ukraine and respect its sovereignty and territorial integrity as established by the UN Charter; notably, China has framed the plan in terms of the values of the UN.^{13 14}

Adarga Analysis: China's engagement at the UN reflects its desire to both act as a mediator in the Russia-Ukraine conflict and to shape the UN into a vehicle for advancing its conception of 'South-South cooperation'. This entails mobilising China's engagement with the Global South in the service of an increasingly multipolar international order broadly oriented in opposition to US hegemony and in favour of an emphasis on national sovereignty.

At the UN, China and Brazil convened a group of 'friends for peace' from Global South countries, including Egypt, Indonesia, Mexico, South Africa, Turkey, and Zambia, with the aim of finding a path to peace and upholding sovereignty in line with the principles of the UN Charter, according to a Chinese Foreign Ministry readout.¹⁵ Both the framing and attendance are significant. The framing focuses on the role of the Global South as a collective of concerned countries seeking peace within the world's broadest multilateral institution, in stark contrast and implicit opposition to US and European approaches to ending the conflict. Moreover, it roots this effort, and emphasis on national sovereignty, directly in the principles governing the UN – this is a demonstration of a vision of the UN more closely aligned with China's own approach to international affairs, including the concept of distinct, sovereign civilisations underlying the Global Civilisation Initiative.

As for the attendees, Brazil's joint authorship of the peace plan (discussed in previous issues of *Briefly*) reflects its own desire for a growing international role and development of this via BRICS; the peace talks plan will be formally presented at the group's summit in Russia later this month.¹⁶ Among the other named countries represented in the 'friends for peace', South Africa and Egypt are also BRICS members, and the latter's defence ties with China are deepening, as covered in previous *Briefly* issues. Zambia is a close economic partner of China. Turkey is a NATO member but one which, like other US defence partners in the wider Middle East, is increasingly hedging between the US and China, and maintains ties with Russia. The attendance of others such as Mexico and Indonesia indicates that China's approach in the UN has traction. When asked by a TASS (Russian state media) journalist at a press conference about the 'friends for peace' and the Ukrainian document, China's Foreign Ministry spokesperson Li Jian remarked that the China-Brazil plan had received "positive responses" from over 110 countries and reiterated the importance of the Global South as a driver of peace.

That these questions came from TASS is noteworthy; Russia is increasingly seeking to garner support in the Global South and is an important partner of many of the countries involved. Its relationship with China is of course of particular significance, and it is unlikely to be in China's interests to promote any peace plan detrimental to Russia. Indeed, China has benefited from the conflict in a range of ways, including deepening Russian economic dependence and weakening of the US-led international order. There are indications that the war has enabled China to push for other gains in its relationship with Russia, including securing commercial navigation rights to the Tumen River along the Russia-North Korea border, thereby granting China access to the Sea of Japan.¹⁷

ECONOMICS

China's investment in renewable energy surges

On 30 September, academic commentary published on *The Conversation* described China's apparent lead in the 'clean energy race'. As well as dominating several renewables manufacturing markets – China produces 90% of solar panels, 70% of lithium batteries, and 65% of wind turbines – China has reportedly spent 10 times more on clean energy than either the US or Europe in the past five years.¹⁸ In terms of competitive advantage, the report highlighted China's access to materials, but also its advanced manufacturing base that is better positioned to scale production in order to meet rising demand.

On 1 October, *The Financial Times* (FT) reported that China's outbound investment "is surging from already-record levels", partly driven by the country's booming clean energy technology sector.¹⁹ According to statistics released last week by the Ministry of Commerce and State Administration of Foreign Exchange (SAFE), outward investment from China in the first eight months of 2024 was RMB789.45 billion (USD112.2 billion) – a 12.5% increase in renminbi terms compared to the same period in 2023.²⁰

Of this total outward investment, a significant proportion is focussed on the clean energy technology space; according to research by Climate Energy Finance (CEF) quoted in the FT, Chinese companies have committed as much as USD109.2 billion across 130 clean energy transactions since the start of 2023.²¹ Tim Buckley, the director of Climate Energy Finance is quoted as saying that within these projects, China is not only exporting its clean tech manufacturing capacity surplus, but increasingly also its technology, engineering, supply chain, and financing capacities.²²

Adarga Analysis: These recent reports exemplify China's broader strategic prioritisation of clean energy technology. Although China's focus on renewable energy innovation can be traced back to the late 1990s, with initiatives like the National Basic Research Program, it was in the mid-2000s that China's commitment to clean energy crystallised, evidenced by the 2006 Medium-to-Long-term Program for Science and Technology Development.^{23 24} Under Xi Jinping this focus has accelerated through successive Five-Year Plans, and as the government has sought to promote advanced manufacturing in clean energy as a strategic shift from traditional investments in property and infrastructure.

The introduction of the Made in China 2025 initiative in 2015 and the country's recent pledge to achieve carbon neutrality by 2060 have further reinforced this commitment to clean energy technology and the country's resolve to lead in clean energy manufacturing. As noted in *The Conversation*, the alignment of the national agenda across multiple levels of government is a key enabler of accelerated clean technology development and electrification initiatives in the sector, including via a series of sensitive intervention points ("Slips").²⁵

As covered in previous editions of *Briefly*, clean technology initiatives are an established part of China's international strategy, particularly in the Global South. Following the Forum on China-Africa Cooperation ("FOCAC"), Chinese authorities announced that they would implement 30 clean energy projects to support Africa's green development.²⁶ Communiqués from bilateral meetings during the summit consistently emphasise green growth, new energy, and digitalisation cooperation and initiatives, including with partner countries such as Ghana, Kenya, South Africa, and Sudan.^{27 28 29} China is able to export technology cheaply but also through initiatives and deals export its technical standards, as well as be a favoured partner for developing countries and enable them to leapfrog or accelerate energy transition mid-way through their industrialisation process.

INTERNATIONAL RELATIONS

Investment, trade, and green initiatives take centre stage in Australian Treasurer's visit to China

Between 26 and 27 September the Australian Treasurer Jim Chalmers visited China, the first trip by an Australian Treasurer to Beijing in seven years.^{30 31} While Chalmers was in Beijing, meetings for the Australia-China Strategic Economic Dialogue were convened, reviving the once annual talks that are aimed at growing trade and investment.³²

Chalmers arrived in Beijing three days after China's central bank announced its largest economic stimulus since the Covid-19 pandemic.³³ This visit reportedly aimed to strengthen the bilateral relationship between Australia and China, which has experienced significant tension over trade and geopolitical issues in recent years.³⁴ In 2020, China introduced a series of official and unofficial trade bans on Australian commodities, including coal, that reportedly cost Australian exporters more than AUD20 billion (USD14 billion) per year.³⁵ In an opinion piece for *The Australian*, Chalmers said that the 'trade impediments' now cost Australian exporters less than AUD1 billion (USD690 million) per year.

On 26 September at the outset of meetings, Zheng Shanjie, Chair of China's National Development and Reform Commission, noted that relations had improved since Australia's centre-left Labor Party government was elected in 2020.³⁶ Speaking after his meeting with Zhang, Chalmers said they discussed various topics, including investment, trade, and initiatives related to decarbonisation such as green steel.^{37 38} Moreover, Chalmers expressed optimism regarding China's recent economic stimulus package, describing it as "a really welcome development", and indicating that both countries could benefit from enhanced trade relations during this period of economic uncertainty.³⁹

During the visit Chalmers also reiterated Australia's commitment to working alongside China to foster stronger economic ties, while acknowledging that previous trade barriers imposed by China had largely been lifted under the current Australian government.^{40 41} Discussions included measures to address concerns regarding foreign investment and critical minerals, with Chalmers emphasising the significance of a stable relationship given the economic stakes involved for both countries.⁴²

Adarga Analysis: Australia is economically dependent on China like no other close US ally, the PRC accounting for more than a quarter of its trade in goods and services.⁴³ Yet Canberra relies on the US for its security, and has been quick to support Washington in pushing back on Beijing; in July, for instance, Australia announced a new digital cable centre for Pacific countries, aimed at limiting China's influence there.⁴⁴

This inherent tension in Canberra's relations with Beijing can be difficult to manage, as former Prime Minister Scott Morrison discovered when his calls for an inquiry into the outbreak of Covid led to significant trade restrictions being placed on Australian goods such as wine and coal.⁴⁵ Although most of these tariffs have now been lifted, there are still other areas where China can (and does) cause Australia economic pain. Earlier this year Canberra was forced to step in to stop its domestic nickel producers being destroyed by a price collapse heavily linked to the flooding of the market by Indonesian nickel produced by Chinese-owned companies.⁴⁶ At the same time, the two countries have a mutual dependence when it comes to lithium; Australian spodumene exports are primarily refined in China, for which they are a crucial supply chain input.

The biggest strategic dilemma for Canberra is how to balance its relations with the US and China. This is also a potential problem for the US: worsening US-China tensions could force Australia to choose between its economic ties to China and security ties to the US. This would be a major blow for Washington but is an increasing risk as the US' desire to maintain military hegemony in the Indo-Pacific diverges from the domestic concerns of its allies, particularly if the US is no longer able to guarantee security in the face of an increasingly powerful China.

Dr Chalmers' visit to China is far more than just a discussion about tariffs and trade – it is about the strategic future of Australia.

ABOUT

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