

The expansion of China

Western policy towards China in recent years has been to welcome her economic progress, to assist her with technology and markets for exports, and to include her more in world bodies and world discussions. China was admitted to the World Trade Organisation on favourable terms as a developing country. She has a seat on the Security Council of the UN as a major power.

More recently President Trump has asked questions about China's approach to trade, investment and technology. He has argued that China has taken advantage of western good will and friendship to cheat on the acquisition of intellectual property. He objects to the asymmetric tariff regime China has been allowed, and has felt their currency has been too cheap to assist their exports. He has become increasingly suspicious of the Made in China 2025 policy which seeks to maximise self sufficiency and to gain access to more crucial technology. He is concerned about China's Belt and Road initiative, designed to increase Chinese political influence across Asia, Africa and the Middle East through strategic investments and partnerships.

China has mainly used calm and reassuring words to avoid these disputes becoming too heated. China has positioned herself as an upholder of world institutions and world rules, confirming that she is happy with the current trade deal she enjoys from the WTO. At the same time China has become much more aggressive throughout the South China Sea area. She has created artificial islands, extended islands and rocks, built runways for military aircraft on them and installed missile facilities. The USA and her allies are seeking to keep open the international shipping lanes whilst being challenged every time they seek to traverse the seas well off China's coast.

The UK is supporting her US ally in seeking open navigation of the South China Sea beyond Chinese mainland coastal territorial waters and shares some of the US concerns. The UK is also keen to develop its trading and wider economic relationship with China. China respects UK services and seeks know how and investment from the UK in those areas, whilst enjoying good access to our goods market. The issue is how should the UK proceed from here?

Is Mr Trump right to confront China over trade matters? What is the solution to the verbal battle of the South China Seas, as US and allied naval vessels are challenged every time they seek to travel in what we regard as international waters?