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China in the South Pacific: A View from Timor Leste

By Loro Horta

SYNOPSIS

In recent months, major media outlets have given extensive cover to China's growing presence amongst the small island nations of the South Pacific. Some of these reports are rather alarmist. The situation on the ground is not straight forward and requires a better understanding of the political, economic and security dynamics involving Australia, China, and the United States of America.

COMMENTARY

In April 2022, media reports revealed that China and the Solomon Islands had [signed a security pact](#). The Foreign Ministry in Beijing confirmed that a five-year agreement had been reached but no details were announced. Based on a version leaked earlier, there appeared to be a provision in the document allowing Chinese troops and police units to intervene in the Solomon Islands to safeguard China's investments from major civil unrest. If true, this has major implications for the region's peace and security.

Australia has for decades seen itself as the guarantor of stability in the region, having intervened to restore order in several Pacific island states and Timor Leste. If the Solomon Islands signed such a pact with China, many would conclude that Australian influence was on the decline and that of China was on the rise.

However, the situation is far more complex than media headlines have been portraying. While China's influence in the South Pacific has been visibly increasing, it would be wrong to assume that it is supplanting that of Australia. Following the media reports on the signing of the security pact between China and the Solomon Islands, several Australian and American [officials claimed](#) that China could establish a naval base in the country. Solomon Islands Prime Minister Manasseh Sogavare denied such

claims. While the facts remain to be verified, it seems rather unlikely that the Solomon Islands would allow such a base on its territory.

Australian and Chinese Aid

Australia is by far the biggest aid donor to the Solomon Islands and many among its elite hold Australian passports. Between 2020 and 2022, Australia provided AUD680 million to the Solomon Islands. While there are no reliable sources on Chinese aid to the South Pacific country, it is believed to be less than 15 per cent of what Canberra provides. For the period 2021-22, despite the economic slowdown caused by the COVID-19 pandemic, Australia gave AUD1.4 billion in aid to 11 Pacific island nations. In 2019, Chinese aid to the region [was AUD169 million](#). Since 2018, China has offered less aid to countries in the South Pacific.

The leaders of the Solomon Islands and other South Pacific nations know that it would be very hard for them to survive without Australian aid, and that a China facing serious economic problems is unlikely to compensate for Australian aid. The United States of America (US) and New Zealand are also increasing their support for the states in the region, thereby mitigating Chinese influence. Solomon Islands is among the poorest countries in the world, and it switched diplomatic recognition between China and Taiwan in the past to gain financial and political advantages.

What are China's Interests in the Pacific?

Despite all the talk of China's growing economic and political influence in the South Pacific and Timor Leste, the fact of the matter is that for now the region remains of marginal importance for China. The 11 independent Pacific island nations have a combined population of less than 8 million people spread across millions of square kilometres of ocean. These countries have no significant natural resources that are needed by China. Beijing's interest in the South Pacific is primarily to put a stop to Taiwan's influence. Taiwan had previously been successful in establishing diplomatic relations with several island states in the South Pacific.

Some analysts have argued that China's financing of [port facilities in Vanuatu](#) and other island states in the South Pacific may pave the way for future Chinese naval bases. However, the Chinese navy is currently focused on Taiwan, the South China Sea, and China's disputes with Japan. In the medium term, China will not have the capability to sustain any significant naval deployments in the South Pacific.

China's growing presence in the Pacific is also seen by some experts as intended at "punishing" Australia for its vociferous backing of the US. By intruding into Australia's "backyard," Beijing is retaliating against Australia for its support of the US, such as in the South China Sea, where Australian maritime surveillance aircraft have been harassed by Chinese air force planes.

While the security pact between China and the Solomon Islands could be seen as a diplomatic victory for Beijing, it was followed by a diplomatic setback. In May 2022, Chinese Foreign Minister Wang Yi visited seven Pacific island nations and Timor Leste. He tried to get Kiribati, Samoa, Fiji, Tonga, Vanuatu, and Papua New Guinea to sign similar agreements with China, but he was rebuffed.

In Timor Leste, President [Ramos Horta told the media](#) that there was no need for a security pact with China because Australia was Timor Leste's number one defence and security partner. He said "We don't feel threatened by anyone, we have the best possible relationship with the US, with Indonesia, with Australia and New Zealand and Singapore. Our immediate interests, our strategic interests are within our immediate regions."

Australia, in cooperation with its allies, will remain for the foreseeable future the most important partner of the Pacific island nations and Timor Leste. Ironically, whether China will supplant Australia in the Pacific depends more on Australia than on China. For decades, Australia had difficult relationships with the neighbouring island states. However, Australia is more than capable of ratifying its mistakes as demonstrated by the immense generosity it showed the Pacific island nations and Timor Leste during the COVID-19 pandemic. China's help on the other hand was rather modest.

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