

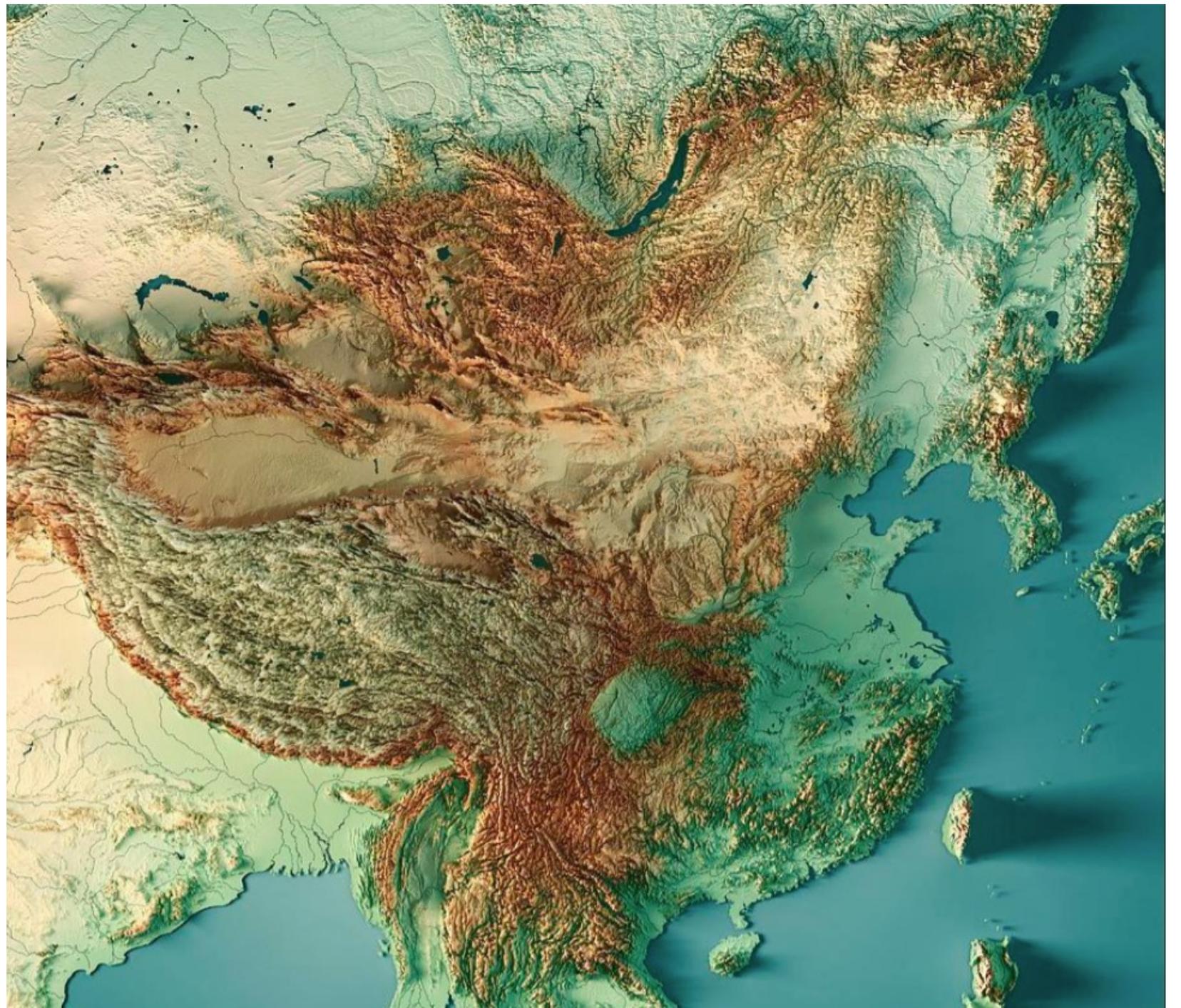
The China Challenge  
AIOFP Conference  
Gold Coast  
Aug 20, 2025  
Andrew Phelan  
@ajphelo

中国

Zhōng

guó

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John Lee, former senior national security adviser

“As awkward as it is, there is no escaping that race and ethnicity has become a legitimate political and national security issue and we need to be frank and upfront about the cause. It is occurring primarily because the Communist Party has chosen to politicize and even weaponize race as a tool of foreign policy and subversion”

# Newspoll: Voters more afraid of Donald Trump tariffs than Xi Jinping military threat

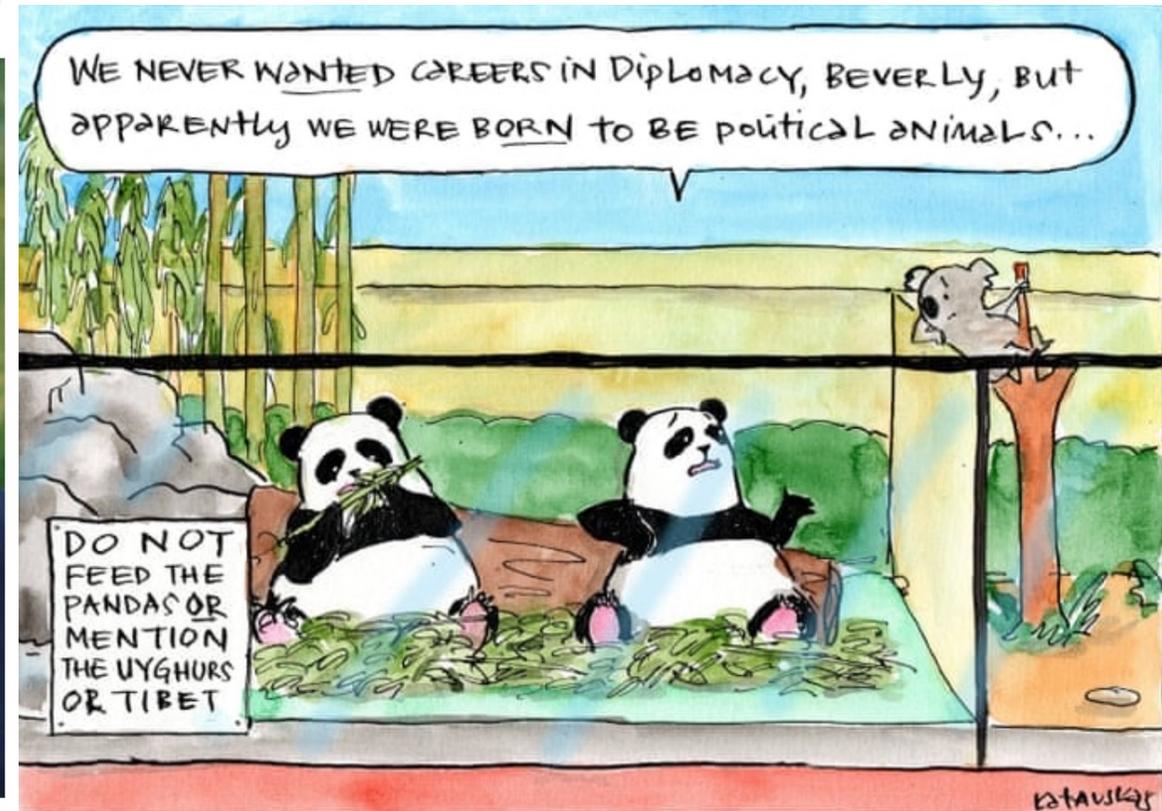
[Australians are more concerned about Donald Trump's tariffs](#) than the rising Chinese military threat, according to the latest Newspoll, which shows Anthony Albanese's performance levels have returned to positive territory for the first time in two years.

By GEOFF CHAMBERS



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Australians are more concerned by Donald Trump's tariffs than China's military, the latest Newspoll finds, with Anthony Albanese enjoying a boost in popularity. Picture: AFP, NewsWire/Philip Gostelow

# Does China have a Grand Strategy?

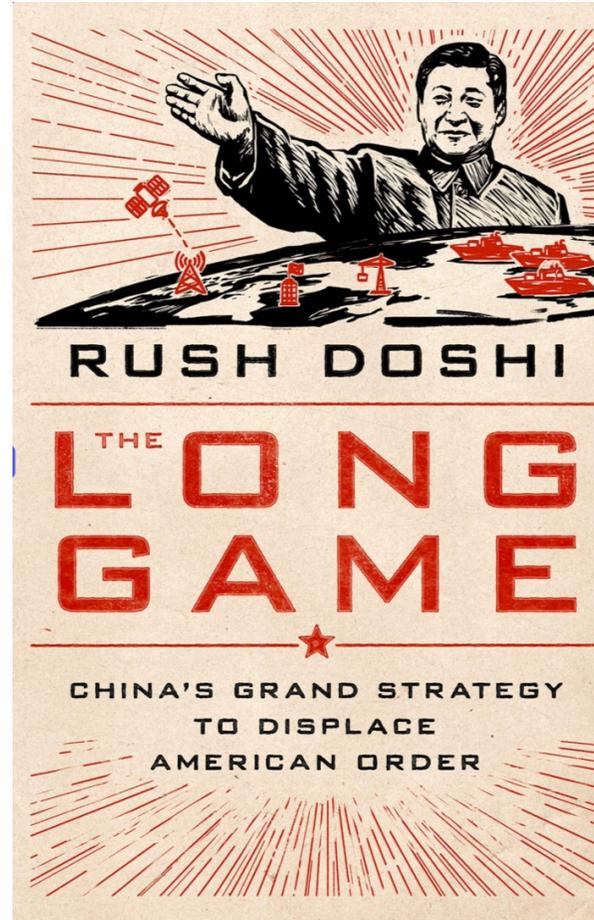
The end of hide and bide

3 shocks:

- The backlash reaction to Tiananmen
- The collapse of the Soviet Union
- The Gulf War: Shock and Awe

2008 a turning point

2011 my 'wake up year'



#1 NATIONAL BESTSELLER

"[Pillsbury] is correct to assert that China constitutes, by far, the biggest national challenge to America's position in the world today." —THE WALL STREET JOURNAL

## The Hundred-Year Marathon

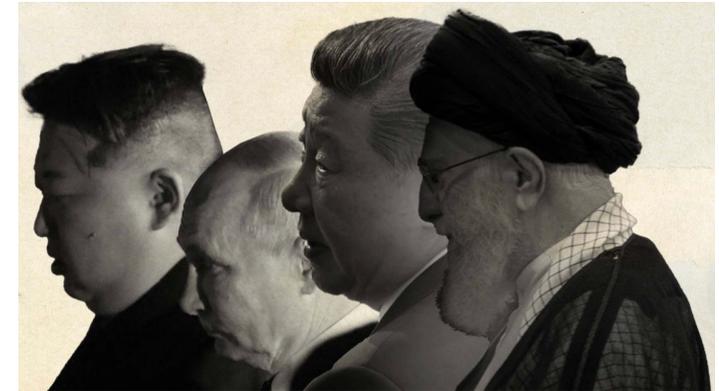
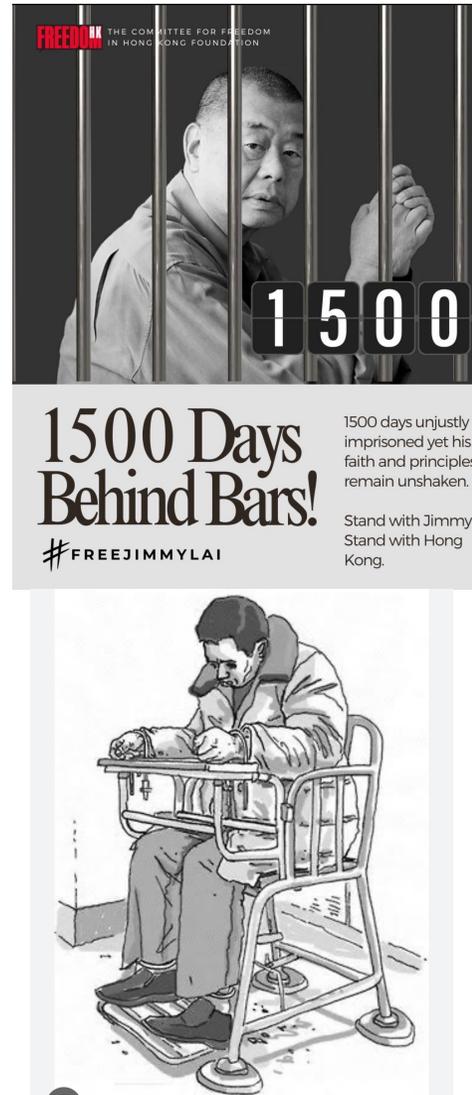
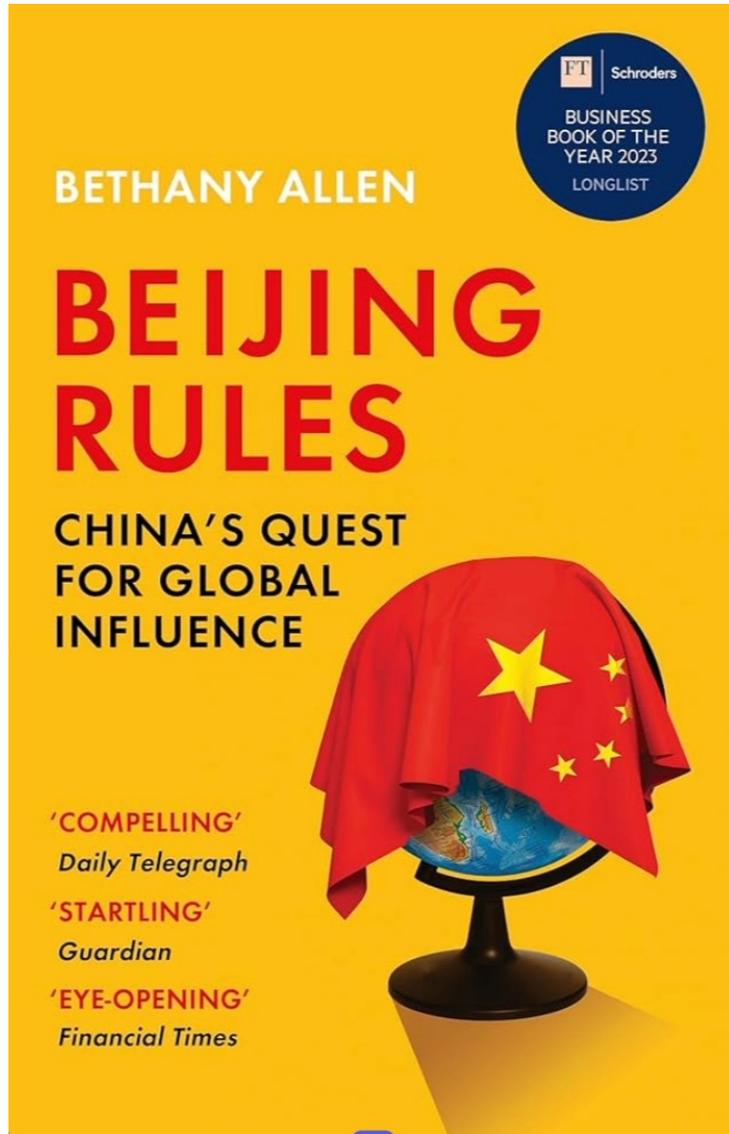
CHINA'S SECRET  
STRATEGY TO REPLACE  
AMERICA AS THE  
GLOBAL SUPERPOWER



Michael Pillsbury

WITH A NEW AFTERWORD

# The CCP Party State runs a very different O.S.



# Where influence becomes interference

## Taking the low road

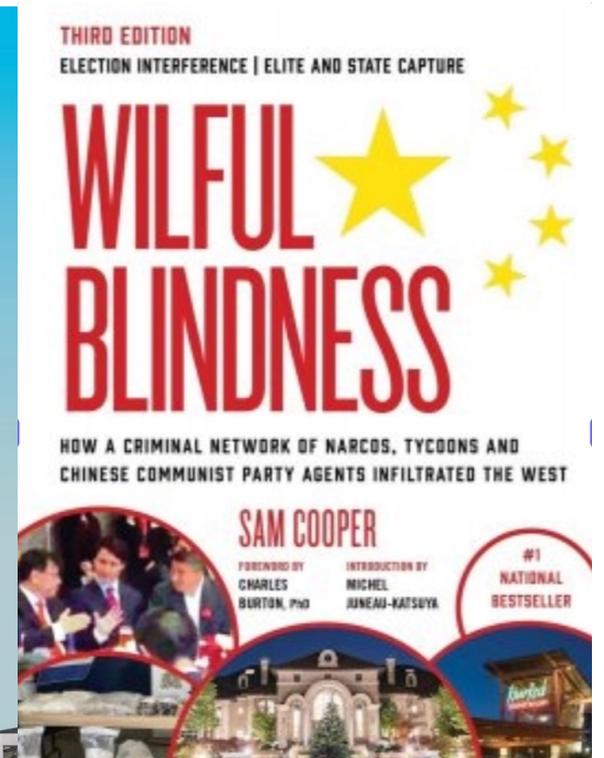
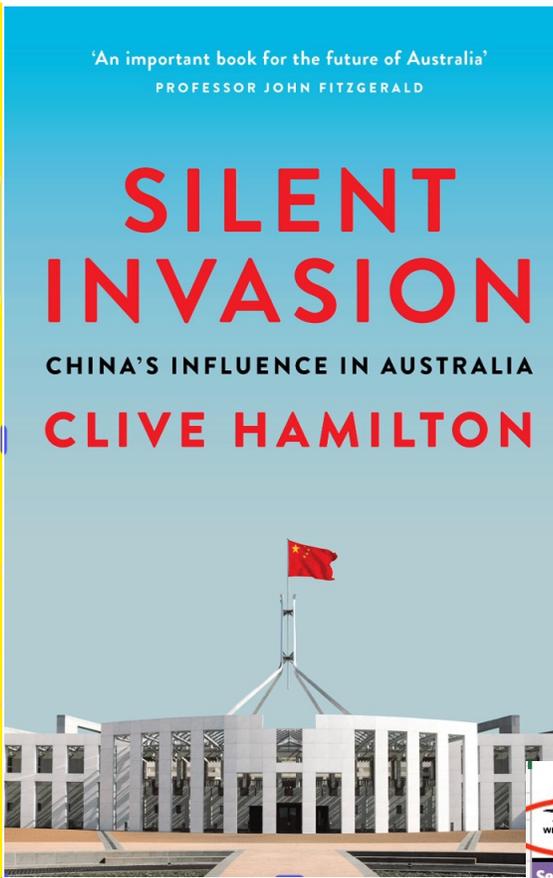
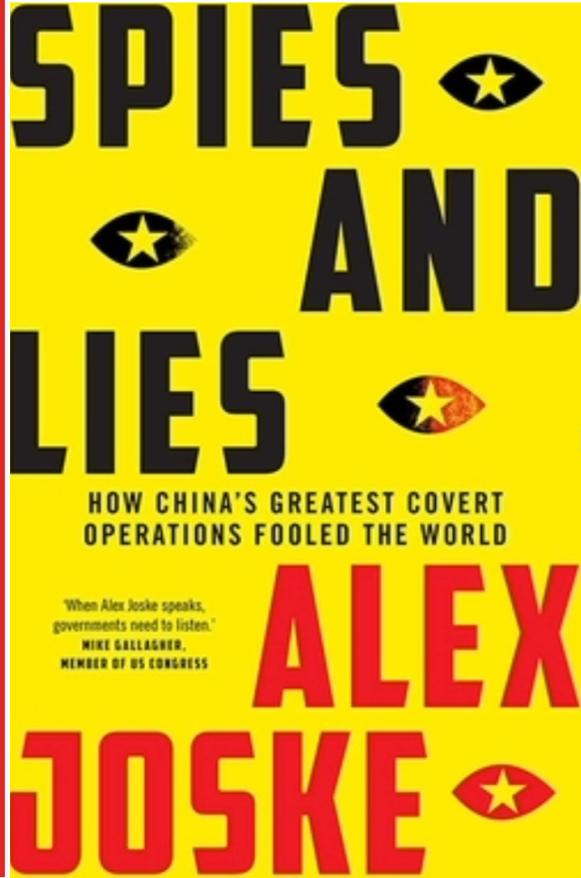
China's influence in Australian states and territories



ASPI  
AUSTRALIAN STRATEGIC POLICY INSTITUTE

Edited by John Fitzgerald

KONRAD ADENAUER STIFTUNG

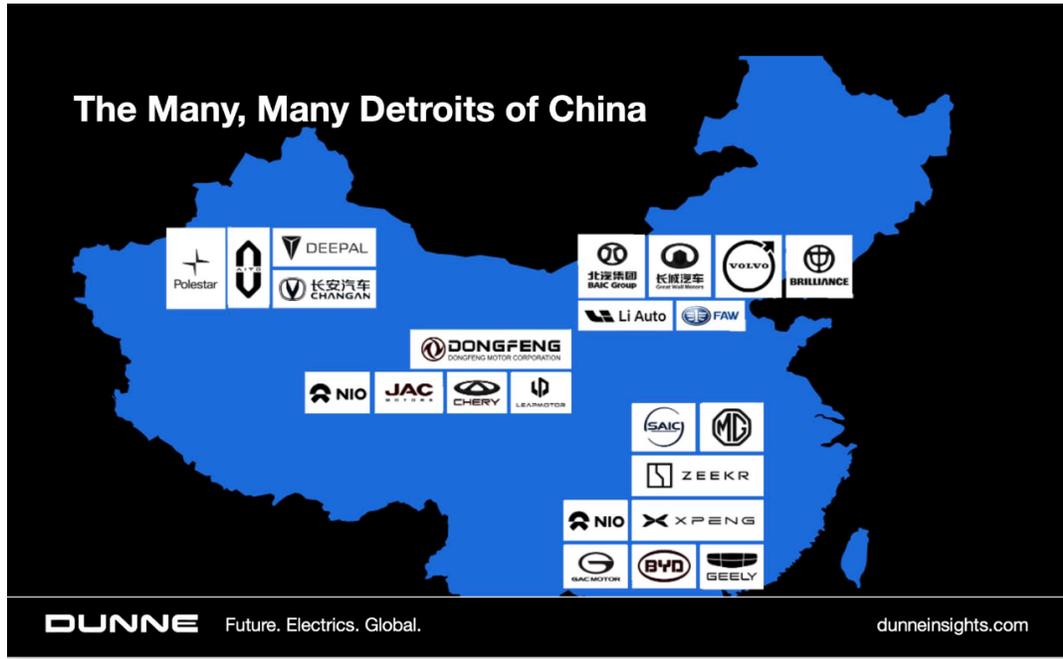
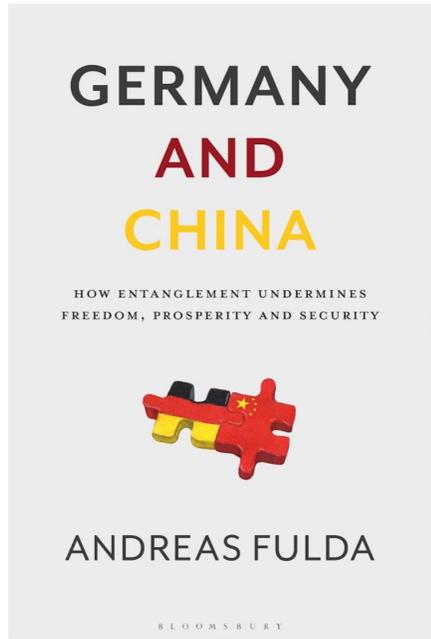


Select:	Calendar Year
Select:	2023

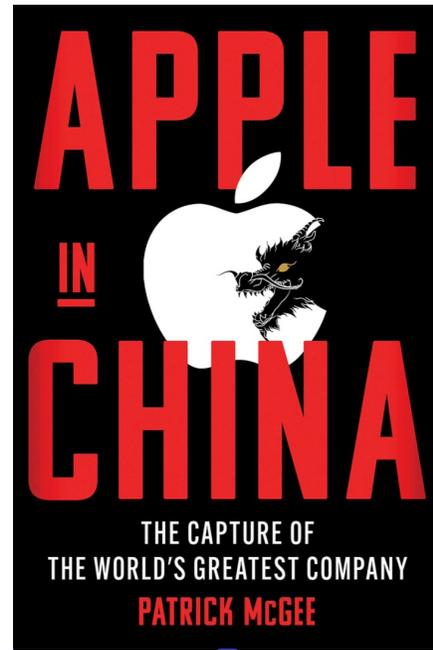
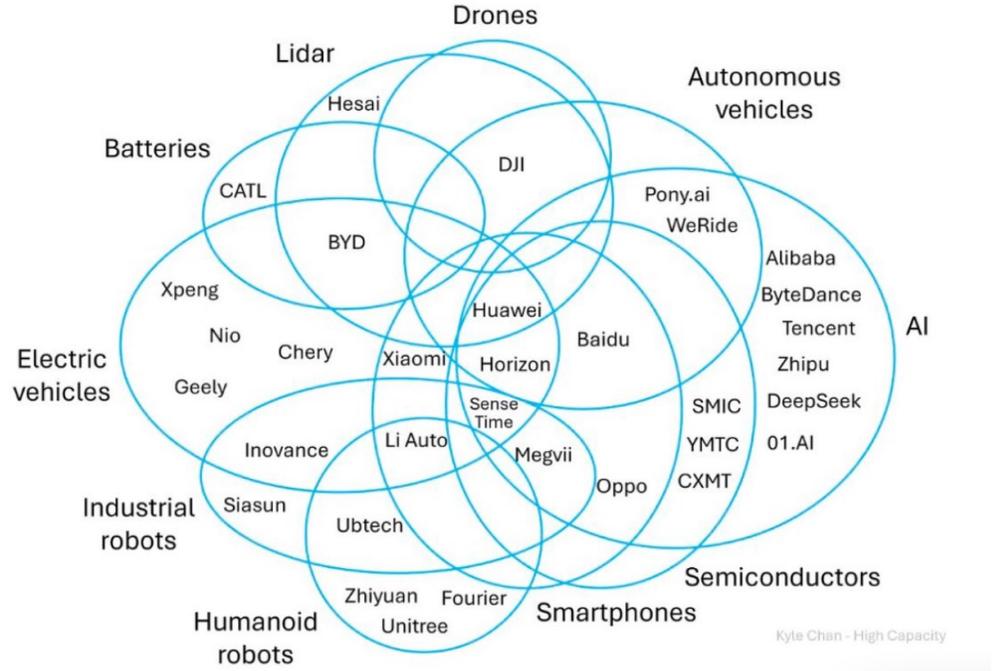
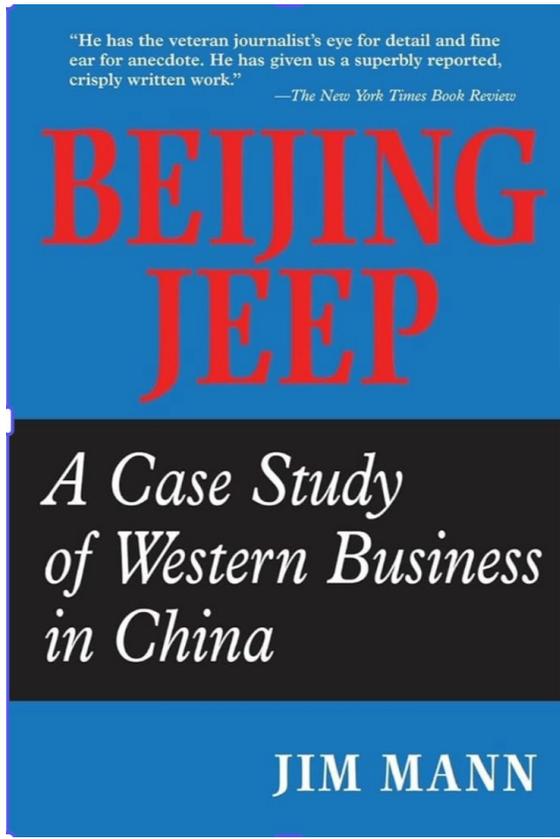
Exports 2023			
Destination	Rank	Value (\$)	% Of Total
China	1	695,288,422	39.7%
Malaysia	2	150,260,510	8.6%
United States	3	122,750,217	7.0%
Mexico	4	113,175,697	6.5%
Spain	5	98,447,180	5.6%
United Kingdom	6	95,542,572	5.5%
Belgium	7	91,623,483	5.2%
Taiwan, Province Of China	8	84,136,650	4.8%



How it started



How its going



TRANSLATED FROM THE ORIGINAL  
PEOPLE'S LIBERATION ARMY DOCUMENTS

# UN- RESTRICTED WARFARE

BY COL. QIAO LIANG AND  
COL. WANG XIANGSUI

## UNRESTRICTED WARFARE

### ASYMMETRICAL HYBRID WARFARE

#### NON-MILITARY

Economic Warfare\*  
Financial Warfare\*  
Transaction Warfare\*  
Trade Warfare\*  
Resources Warfare\*  
Regulatory Warfare\*  
Sanction Warfare  
Media Warfare  
Propaganda Warfare  
Legal Warfare\*  
Culture Warfare  
Ideological Warfare  
Religious Warfare

#### TRANS-MILITARY

Information Warfare\*  
Intelligence Warfare\*  
Cyber Warfare\*  
DarkNet Warfare\*  
Industrial Warfare\*  
Psychological Warfare  
Tactical Warfare  
Smuggling Warfare\*  
Drug Warfare\*  
Virtual Warfare\*  
Deterrence Warfare\*  
Diplomatic Warfare

#### MILITARY

Atomic Warfare  
Biological Warfare  
Chemical Warfare  
Ecological Warfare  
Space Warfare  
Electronic Warfare  
Guerrilla Warfare  
Terrorist Warfare  
Conventional Warfare  
Kinetic Warfare

**"Anything Warfare"**

\* Related to Economic, Transactional Warfare

# Wang Huning – Xi's spiritual guide

Wang Huning

America  
Against  
America

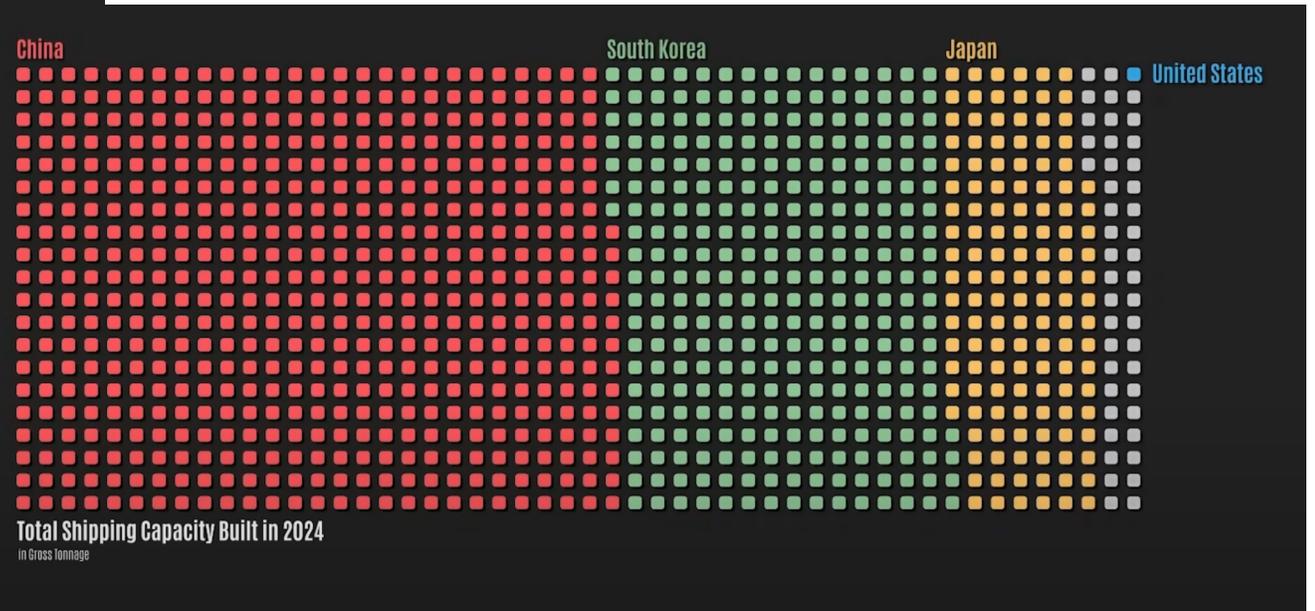
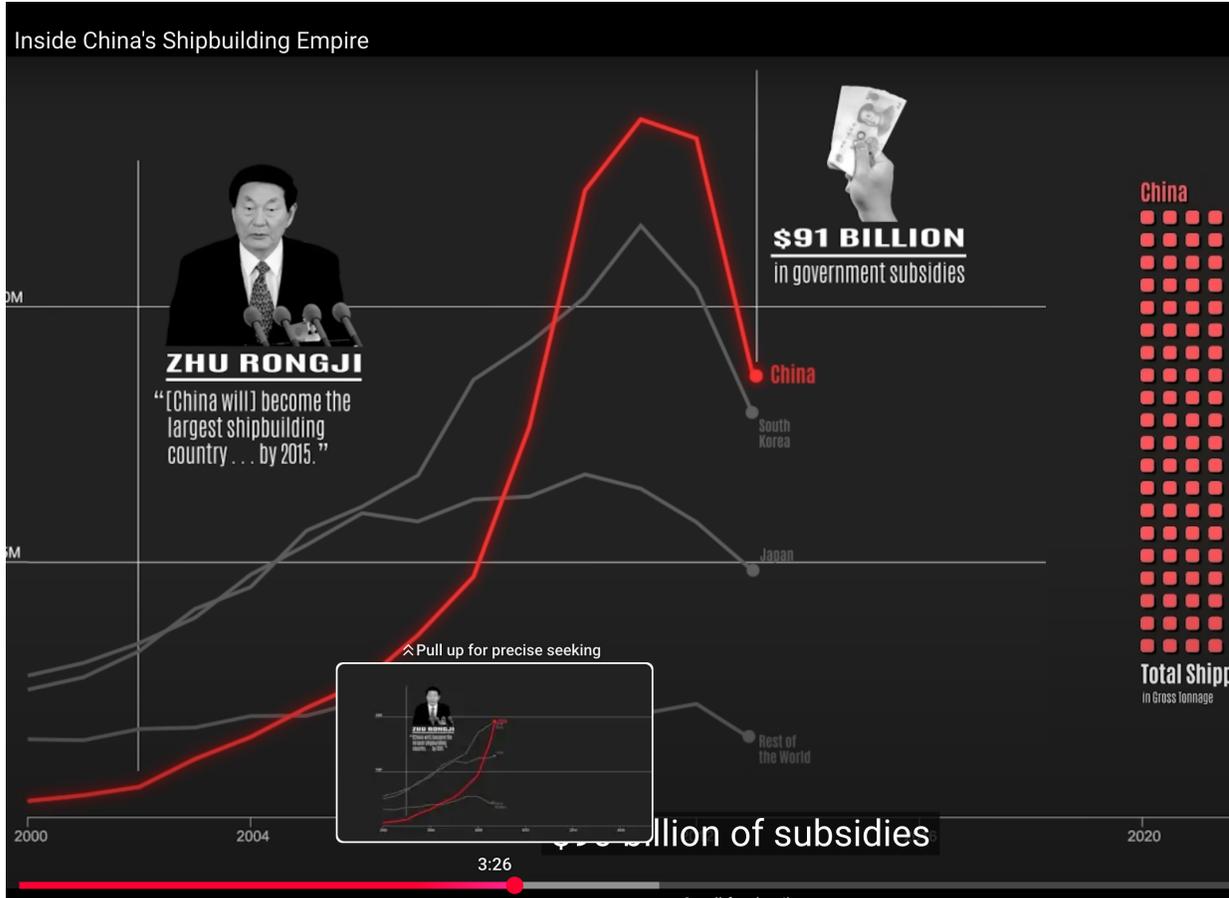
美国反对美国

MEIGUO FANDUI MEIGUO

王沪宁



# How did we get here? PRC INC. see HuaWei, EV's etc



# PRC Inc is not waiting for Team USA, it's doubling down

WORLD | CHINA

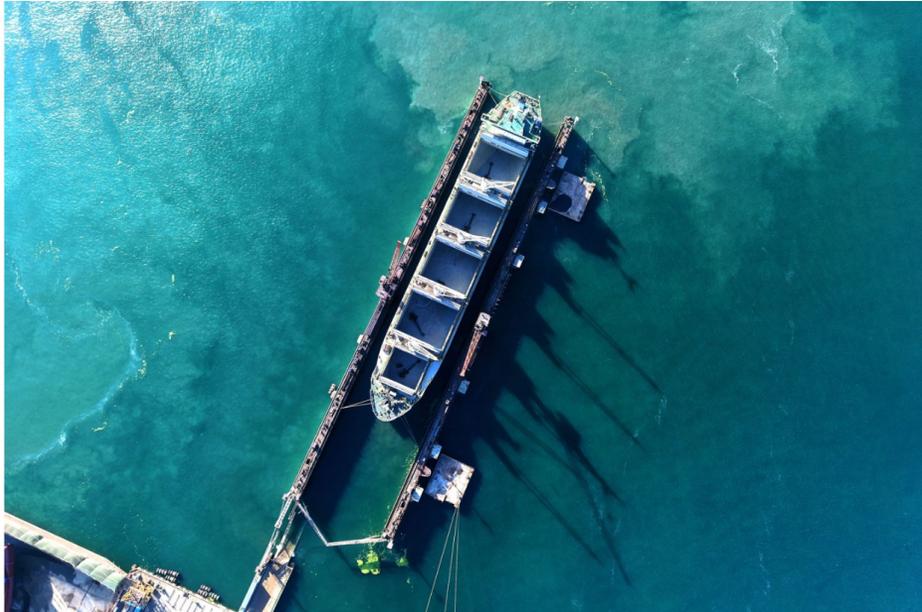
## China Creates World's No. 1 Shipbuilder, Driven by Rivalry With U.S.

In \$16 billion deal, Beijing looks to counter Trump's moves to rebuild American shipyards

By [Clarence Leong](#) [Follow](#) and [Costas Paris](#) [Follow](#)

Aug. 11, 2025 11:00 pm ET

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China has hundreds of times the shipbuilding capacity of the U.S., thanks to shipyards in cities such as

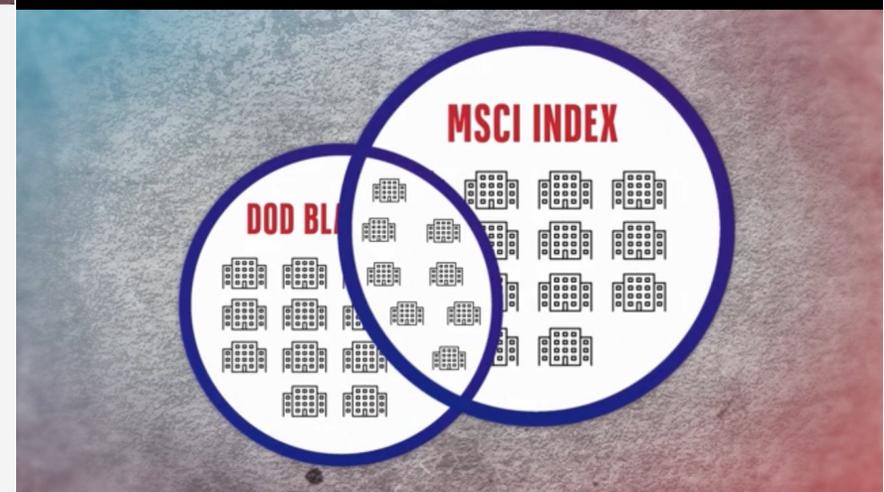
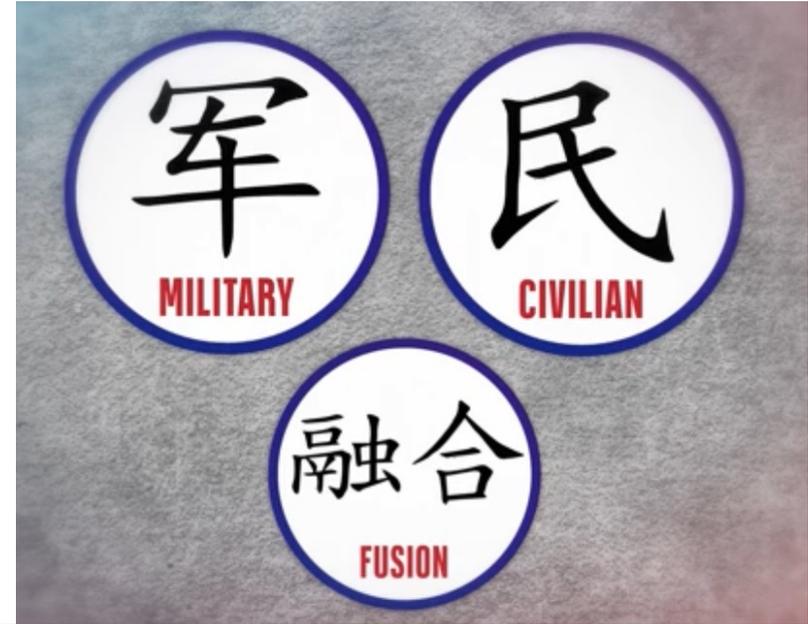


### Rebuilding U.S. Maritime Industry: Strategies for Transformation and Growth

Addressing the complex challenges of rebuilding the U.S. maritime industry requires a balanced mix of infrastructure investment, business and supply chain modernization, and talent development.

### How Tariffs Could Reshape Global Manufacturing Supply Chains

Current trade policies could drive a shift in supply chain strategy by prioritizing reshoring while potentially altering recent nearshoring and global sourcing trends.



# The great bifurcation

## As Dalio gets out of Bridgewater, Bridgewater gets out of China

Hedge-fund giant exits stake in Alibaba as well as ETFs tied to China

By Jules Rimmer (Follow)

Published: Aug. 15, 2025 at 5:55 a.m. ET

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China stock market Business / China Business

## World's top hedge fund Bridgewater dumps all China stocks in retreat from market

World's largest hedge fund drops US\$1.41 billion of shares in firms including Alibaba, JD.com, Baidu, Nio and Yum China in second quarter

Reading Time: 2 minutes

Why you can trust SCMP



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The Global Emerging Markets (ex China) Leaders strategy seeks to invest in 25-45 high-quality companies with exceptional cultures, strong franchises, and resilient financials outside of mainland China. It aims to achieve attractive long-term capital growth and contribute to a more sustainable future across global emerging markets.

# The American tortoise is beating the PRC hare



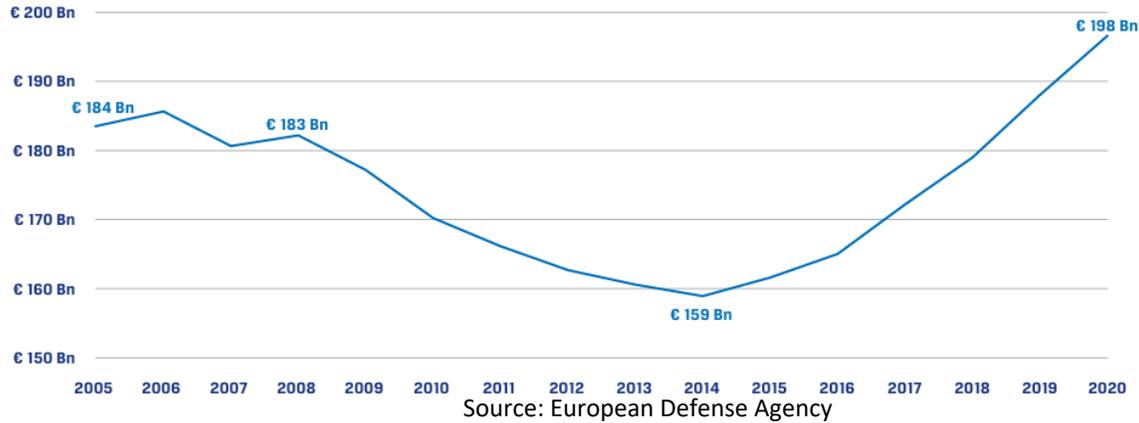
Source: CSI 300 Index vs. S&P 500 Index Bloomberg.

2004-24

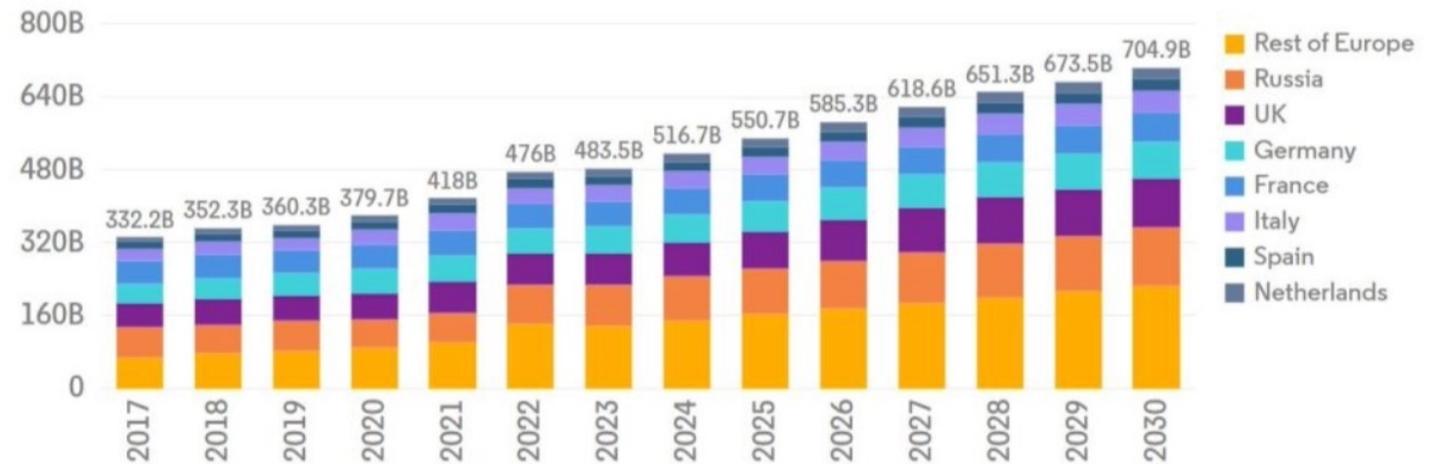
# Europe is upping its defense game

2020 saw defence expenditure by the 26 EDA MS rise for the sixth consecutive year. Taken together, MS allocated €198 billion to defence. Compared to 2019, defence expenditure increased by 5% despite the ongoing economic crisis caused by the COVID-19 pandemic (Figure 1).

FIGURE 1. TOTAL DEFENCE EXPENDITURE (CONSTANT 2020 PRICES)



Defense Spending, USD, Europe, 2017 - 2030



Source: Mordor Intelligence

## Opportunities

- Rheinmetall
- BAE Systems
- Leonardo
- Thales

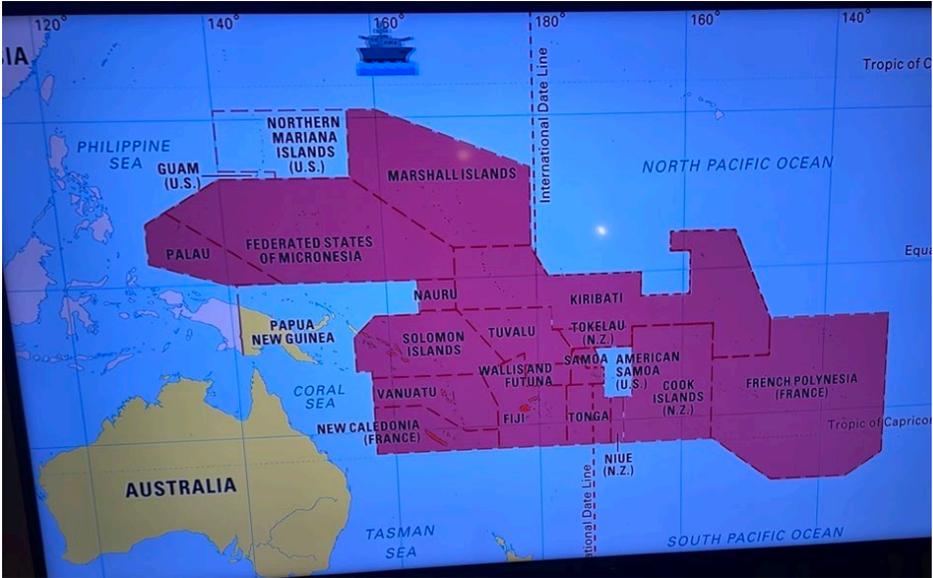
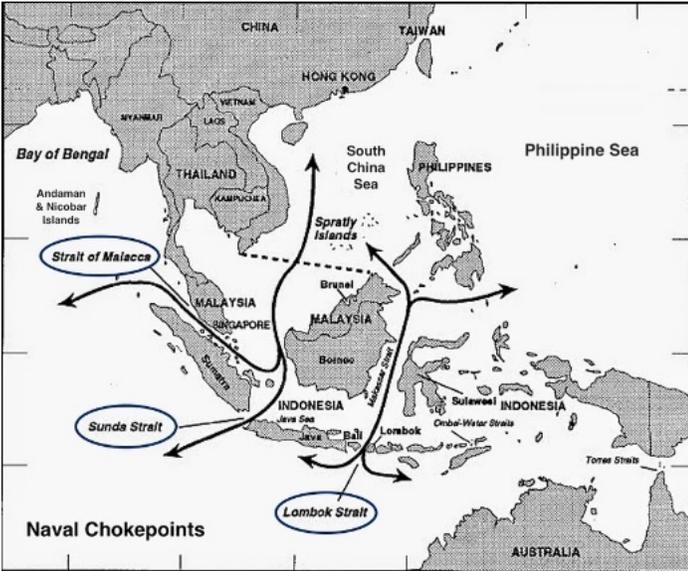


# Take aways

- Not having learned lessons from trade ban; lobsters, wine, barley, coal, barley etc
- Dangerous dependencies arising again including BESS (battery energy storage systems) / EVs / education / lithium processing / iron ore etc. China will drop whenever it suits them and to repeat the concentration risk that BESS a national security risk, i.e. access to the grid
- For critical minerals, FIRB should not just ban FDI in mines but also sales of offtake

- Mixture of protectionist instincts & MAGA aspiration to regain manufacturing greatness, combined with recognition of China's unprecedented leverage over critical supply chains, is set to drive a level of investment in domestic manufacturing and industrial capacity not seen in over 50 years
- Naysayers missing some key points – Made in the USA 2.0 is different and is underpinned by technological advances that dramatically reduce labor intensity; combined with Trump's commitment to exploiting the US' natural resources (including reducing red and green tape) and encouraging domestic processing, as well as 'Drill Baby Drill' guarantee of continued abundant affordable energy, are creating the right settings to rebuild US manufacturing and processing
- Made in the USA 2.0 involves robotics, new materials, additive manufacturing, AI design and R&D; Anduril is a perfect example of what Made in the US 2.0 looks like – and completely dispels the notion that the US cannot be a manufacturing powerhouse
- **Made in the USA 2.0 sees deals like the Pentagon and Apple ((\$500m)** investing in MP Materials, and billions of dollars of funding from the DOD and DOE being channelled into fast growing companies
- This creates enormous investment opportunities that investment advisers should be identifying for their clients – look at the performance of ASX listed rare earth stocks and producers of new manufacturing inputs such as metal powder – see Iperion X, Titomic, MPW – early investors in these companies have made a fortune – and there are many more to come
- This shift is still in its very early stages is going to run for many years to come; any savvy investor should make sure they are exposed to the re-industrialisation of the US and the creation of

# Conclusion: keep watching, keep talking about the China challenge



# FINANCIAL REVIEW



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China's relationship with Australia has "stabilised" and Victoria is at the forefront of that relationship, the Asian superpower's ambassador told Premier Jacinta Allan one day after [Australian journalist Cheng Lei was released from prison](#).

The Chinese Ambassador, Xiao Qian, met with Ms Allan on Thursday to congratulate her on becoming the state's new leader following the [shock resignation of Daniel Andrews](#).



Oct 23

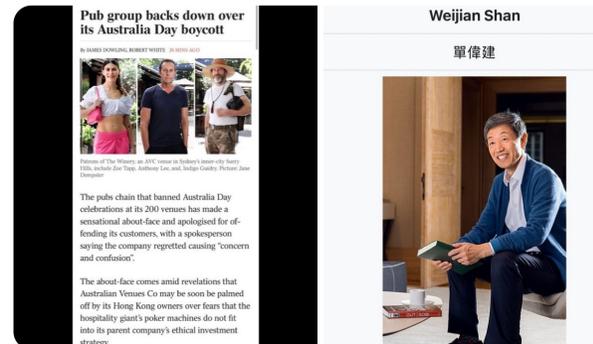
“Our relationship with China is deeper than just trade – it’s a partnership built on respect, trust and friendship, and one that benefits all Victorians in every sector,” Jacinta Allan



Drew Pavlou ✓  
@DrewPavlou

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Amazing. The Australian pub group which tried to ban Australia Day celebrations is owned by a Hong Kong investment firm which is chaired by Weijian Shan, a vocal supporter of the CCP who has defended China's "war on terror" against Uyghurs and its "territorial claims" over Taiwan



# Aussie Tax Payers giving China's aerospace program a leg up

## 澳大利亚莫纳什大学校长玛格丽特·加德纳 到中国商飞访问

时间：2019年04月02日 来源：中国商飞公司新闻中心

视力保护色：○○○ 【字号大 中 小】



2019年4月2日，中国商飞公司总经理赵越让会见了来访的澳大利亚莫纳什大学校长玛格丽特·加德纳 (Margaret Gardner) 一行。

