

ASIAN INTELLIGENCE

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POLITICAL & ECONOMIC RISK CONSULTANCY LTD.

REGIONAL OVERVIEW

Asian perceptions of China

An opinion poll conducted by [Pew Research Center](#) between February and June of this year found that the majority of respondents in 19 countries around the world have an unfavorable opinion of China. Moreover, views have become more critical in recent years. Despite broadly negative opinions about China, majorities in over half of the countries surveyed think relations between their country and the Mainland are currently in good shape. However, of countries with the majority opinion that the current state of their relations with the Mainland is bad, Japan, South Korea, and Australia are top on the list, more negative even than the US.

Respondents in most countries felt that China's global influence has been increasing. Only a

few countries (most notably Israel) did not think China's involvement in their domestic politics or its policies on human rights were a direct problem for their country. However, their biggest concerns were reserved for China's potential as a military threat and as an economic competitor.

Where the divide between the four countries in Asia included in the survey (Japan, South Korea, Singapore, and Malaysia) and the other 15 countries (mainly in North America, Europe, and Australia) was most pronounced was in whether they thought it was more important to push China to promote human rights or to strengthen their country's economic relations with the Mainland. The more developed Western nations and Japan prioritized the promotion of human rights over economic relations, while the Asia countries, except Japan, thought it was more important to strengthen economic relations with China, even if it meant not addressing human rights issues. We strongly suspect that if Latin American

Status of Bilateral Relations with China

Country	Question: In general, how would you describe relations today between China and your country?					Total
	(percentage of respondents)					
	Very good	Somewhat good	Somewhat bad	Very bad	Don't Know/Refused	
United States	0	28	58	12	1	100
Canada	3	40	41	13	3	100
Belgium	4	63	18	4	10	100
France	3	58	29	3	8	100
Germany	3	51	35	6	5	100
Greece	14	73	6	1	6	100
Hungary	13	69	7	1	9	100
Italy	7	66	18	4	5	100
Netherlands	3	62	29	3	4	100
Poland	4	58	14	3	22	100
Spain	10	63	14	4	9	100
Sweden	2	46	44	6	2	100
United Kingdom	4	51	37	5	4	100
Israel	12	62	15	4	7	100
Australia	0	15	59	24	1	100
Japan	0	17	59	22	2	100
Malaysia	25	59	11	4	1	100
Singapore	26	64	7	2	1	100
South Korea	1	25	56	18	1	100

Source: Pew Research Center, Spring 2022 Global Attitudes Survey.

Views on How Humans Rights in China vs. Economic Relations Should Be Prioritized

	Question: Which statement comes closer to your view, even if neither is exactly right?			
	(percentage of respondents)			
Country	<i>Try to promote human rights in China, even if it harms economic relations with China</i>	<i>Prioritize strengthening economic relations with China, even if it means not addressing human rights</i>	<i>Don't Know/Refused</i>	<i>Total</i>
United States	68	28	3	100
Canada	76	19	5	100
Belgium	70	25	5	100
France	65	30	6	100
Germany	78	20	3	100
Greece	73	24	4	100
Hungary	37	44	19	100
Italy	72	23	5	100
Netherlands	78	20	1	100
Poland	56	24	20	100
Spain	75	20	5	100
Sweden	87	12	2	100
United Kingdom	83	14	3	100
Israel	29	57	14	100
Australia	76	22	2	100
Japan	56	34	10	100
Malaysia	44	55	1	100
Singapore	38	60	3	100
South Korea	36	62	2	100

Source: Pew Research Center, Spring 2022 Global Attitudes Survey

and African countries were included in the survey, most of their respondents would have sided with the Asian perspective that economic relations should have been the top priority, not human rights.

There were enough similar patterns in the four Asian countries covered in the survey to make an educated guess on how residents in other Asian countries covered by *Asian Intelligence* would have responded to the same questions. We try to do this in the county entries that follow, while the section on China takes a reverse look at how average Chinese might look at how these issues might be affecting China's relations with these countries.

In almost all cases, we suspect that China's perspective of its impact would have been much more benign than the perspective of Asians looking

at China. However, one issue on which the Chinese view would have been closely aligned with the majority opinion of most Asian countries is that it is more essential to strengthen economic relations than to focus on human rights issues.

Unfortunately, where there is a will, there is not always a way. China and the neighboring countries of Asia would like to stress economics to build solid and stable relations. This was an especially attractive proposition when China was growing more rapidly than any other large country. It was leaping up this list of trading powers, becoming a significant source of investment capital, development lending and foreign aid, and driving tourism growth. China wanted to use this dynamism to build its influence, and other Asian countries wanted to ride on China's coattails to promote

economic development without being pressured into adopting different kinds of reforms like labor and human rights standards being pushed by powers like the US and the EU.

However, the COVID pandemic has changed the picture radically. Other countries' trade with China has slowed, and, in some cases like India, it has recently been growing more rapidly with the US than with the Mainland. The outflow of tourists from China has dried up entirely, and this group looks like it will be one of the last to recover due to China's continuing restrictions on outbound travel by its citizens.

China's Belt and Road Initiative has slowed considerably. On-going road, railway, dam, and power projects previously heralded as China's new Marshal Plan for the developing world, are now increasingly being seen by recipient countries as having drawbacks. They might have benefitted a few well-placed local entrepreneurs but have not helped local populations as much as they were advertised to do. Instead, they have resulted in compensation disputes, force relocations, and protests against an influx of unskilled Chinese workers. China is revising its entire B&R program. It now seems to be trying to push different types of programs involving health services and digital infrastructure rather than road, rail, and power projects. However, its health services (such as the quality of its anti-COVID vaccines) are widely seen as inferior to what the West offers. Furthermore, its digital infrastructure is suspected of being a Trojan Horse for China, which is why many Chinese companies involved are being banned from participating in similar projects in the West.

Then there is the issue of China's financial sector limitations. With the dollar rising, the yuan is not viewed by other Asian countries as a haven currency. There are too many controls on China's capital flows to qualify it as an emerging international financial center. Indeed, the only city in China that currently has such a status is Hong Kong, and it gained that status as a British Colony before the 1997 handover. Many are hopeful that Hong Kong will continue to thrive as an international

financial center because of its special relationship with China. Still, there are questions if this city can retain its hub status due to its COVID policies and the changes China is making to the "one-country, two-system" model that are making the city a less attractive place for professionals to live.

Moreover, recent signs are that Mainland Chinese and international investors in China are growing impatient with the country's slow growth and continuing structural problems like debt. Current indications are that China's GDP did not increase by 2% annually in the second quarter, making it very unlikely to reach the full-year growth target of 5.5%. With the US dollar rising and interest rate spreads widening in favor of the US dollar over the yuan, foreign investors cut their holdings of Chinese bonds by another US\$16 billion in May and US\$2.5 billion in June, while China's foreign exchange reserves fell a whopping US\$56.5 billion in June alone, indicating substantial private capital outflows.

Before the pandemic, much of this Chinese capital outflow might have gone to developing countries in Southeast Asia. However, this is not the case now since the same forces are also causing capital to flow out of these emerging markets too. This does not necessarily mean that the US is regaining international influence and that Asian perceptions of the US have improved markedly, but it does indicate that China's economic leverage over the region has lessened, at least in the short term. This reduction in economic interlinkages could prompt many Asians to stop focusing so hard on China as an answer to their economic needs. This still would not change their views toward how human rights should be prioritized (not very much), but it might cause Asians outside of the Mainland to think more about the different threats China might pose and to downgrade their expectations of what they could gain through stronger economic ties. In contrast, average Mainland Chinese might be slower to modify their thinking toward other Asian countries, especially if their government keeps stressing how successful the current foreign policy is and how much all sides benefit.

CHINA

Comments

While the rest of this issue of *Asian Intelligence* looks at how people in other Asian countries perceive China, it is also important to consider how the Chinese perceive these other Asian countries and the status of the Mainland's relations with these countries. How much are the two perceptions aligned, and how much do they differ? No official surveys we know of measure such views in China. Still, it is reasonable to assume that, given the state's control over the media, most Chinese see their country through the official prism that shows China as "a builder of world peace, a contributor to global development, a protector of the international order and a provider." This is a quote from China's defense minister, General Wei Fenghe, during a June 2022 address in Singapore, in which he referred to a statement by Chinese President Xi Jinping.

While China claims it is prepared to defend itself against all military threats, it regularly denies it poses a military threat to any Asian country. The only society covered by this newsletter against which Mainland Chinese might say they are prepared to use military force is Taiwan. They do not view the island as a country but as an integral part of China. Similarly, they would argue that China is raising its military profile in coastal waters around China because these areas are also part of China, and it needs to defend its territory. It does not recognize the claims of other countries like the Philippines and Vietnam, so it does not see its activities as the flexing of military muscles against other countries. China sees its action as defensive rather than offensive.

China uses a similar argument when explaining the military footholds it is gaining in other countries, stretching from the Pacific through the Indian Ocean. Except for Djibouti, where China opened a military base in 2017, the PLA has relied on state-owned Chinese companies to build and operate port facilities. However, those terminals are built to PLA specifications, and Chinese Navy ships regularly call on them for resupplies, servicing, and diplomacy. China does not see such facilities as an expansion of military power but as strategic points along important maritime trading routes to protect China's growing global interests, in line with a 2019 defense white paper tasking the PLA to protect cargo ships and evacuate Chinese citizens abroad in cases of emergencies.

If the Chinese public were surveyed, a large majority of the respondents would probably have said that Chinese military power is not a problem for any Asian countries, except possibly Taiwan and Japan. In contrast, most respondents in every country in the Pew survey considered China's military power a problem. Moreover, while the Chinese might not see the port facilities they have built in other countries as posing a military threat to any of the Asian countries covered by this newsletter, people in Thailand, Vietnam, Malaysia, and India do because China has chosen to locate these facilities not in these countries (where they would probably not be welcomed) but in neighboring countries like Pakistan, Myanmar, and Cambodia.

There is probably a similar divergence of opinion regarding perceptions of China's being a political problem for other countries. Chinese residents generally think other countries like the US and some EU members are trying to interfere with China's politics, human rights, and economics. They do not see China as trying to interfere with politics in other Asian countries (again, Hong Kong and Taiwan are possible exceptions since the Chinese would consider these areas part of China and, therefore, candidates for such interference).

However, perceptions in China would probably be closely aligned with the majority of countries covered by *Asian Intelligence* on one crucial point. In general, populations in Asia tend to be far less concerned with criticizing or changing human rights conditions in other countries than are people from such liberal democracies as the US, Canada, Australia, the Netherlands, the UK, and Sweden. In the latest Pew survey, the country with the smallest percentage of respondents saying it was important to promote human rights in China even if it harms economic relations with China was Israel – with 29%. The highest was Sweden, with 87%. In contrast, all Asian

countries surveyed thought it was much more important to prioritize strengthening economic relations with China, even if it means not addressing human rights issues. South Korea was the Asian country where this view was strongest (62% of total respondents). In the case of China, we would be surprised if the percentage of respondents saying economic relations should be a top priority would be anything less than 90%.

HONG KONG

Comments

It is probably a good thing that Hong Kong was not included in the Pew survey on perceptions of China. The results would have been an average of two very different groups of people. The largest would be those in Hong Kong who either accept or welcome the reality of China's power to reshape Hong Kong's system in ways that Beijing feels most comfortable with, while a smaller group would consist of residents who dislike the direction in which China is taking Hong Kong and its impact on personal freedoms and other lifestyle variables. To average these two scores together, even though the majority view carries more weight, produces a misleading result. They really need to be viewed distinctly.

Most Hong Kong residents have a favorable opinion of China and its increasing global influence. They believe Hong Kong must have good relations with China. The majority of this majority would probably rate the current state of SAR-China relations as somewhat good. Although the most controversial legal changes and increases in Mainland control over Hong Kong have occurred during the term of President Xi Jinping, few in Hong Kong distinguish Mr. Xi from the Chinese Communist Party. They see China's government charting the course for China in world affairs. Mr. Xi might have the biggest say, but he is still part of a collective leadership that would be consistent in its approach to world policies – and to Hong Kong -- even if there were a change at the top.

A smaller percentage (mainly those unreservedly in the pro-Beijing camp) would describe the current relationship as very good, and following Mr. Xi's recent visit to Hong Kong, they will be the ones rushing to "study the words of Xi Jinping". In contrast, democratic activists and others who are extremely unhappy with how China has increased its intervention in and control over Hong Kong would either describe the current relationship as very bad or, fearing punishment for expressing such a critical view, would refuse to answer this question. In the recent Pew survey, it was common for between 1% and 5% of the respondents in any given country to either say they do not know or refuse to describe their country's relationship with China. It would not be surprising if closer to 10%-20% of the respondents in Hong Kong would want to steer clear of this question entirely.

The perspective of democratic activists and other disgruntled individuals in Hong Kong would not just be negative but "very negative" of the threat or problem that China poses to Hong Kong's human rights and domestic politics. In contrast, the majority view of those who accept the situation as a given would probably be more positive on both these problems, describing them as not too serious or not a problem at all.

It is very likely that the democratic activists and other marginalized individuals (many of whom are looking for ways to emigrate from Hong Kong) would not be particularly negative when assessing China's military power. It is not something to which they relate. The local police and security forces are in charge of asserting China's control over Hong Kong and enforcing new laws; the PLA keeps a low profile. Most respondents, including the political activists, would accept that China is responsible for Hong Kong's external defense, and there are few concerns that an outside power will attack Hong Kong.

It is possible that there might not be any difference in views even in Hong Kong's divided society on the issue of economic competition with China. Local concerns in both groups are that other cities in China like Shanghai, Shenzhen, and Guangzhou are trying to compete more against Hong Kong. However, there is also a

broad realization that Hong Kong's economic future is integrally tied to China's continuing economic success. The concern is not that Hong Kong faces a competitive threat from China but that China's leaders will be unable to return to and sustain the rapid rates of growth that transformed China into the second-largest economy in the world. It is this sense of economic opportunism that could win over the hearts and minds of those political activists and other disgruntled people, much as China's economic surge in the 1990s was able to win over the support of many of those young people in China who demonstrated in Tiananmen Square in 1989 or were sympathetic toward those demonstrators.

In the most recent Pew survey, 38% of Singaporeans and 36% of South Koreans thought it more important to promote human rights in China, even if it harms economic relations with China. This possibly reflects what the response would be in Hong Kong today as well. The main difference is that those in Hong Kong risk facing punishment for expressing this view, whereas those in Singapore and South Korea are in no personal danger. On the other hand, the conviction of those in Hong Kong who believe it is more important to prioritize strengthening economic relations with China, even if it means not addressing human rights issues, would currently be at least as high as the 60%-plus responses in Korea and Singapore. These were the highest responses of any of the 19 countries covered by the Pew survey. If Hong Kong is to pull together and reduce the polarization that currently exists, the percentage of respondents prioritizing economic relations would have to move even higher, probably to at least 80%. The trend might be in that direction, but getting that much of a consensus will not be easy or come quickly.

INDIA

Comments

The perception of Indians toward China would probably be very similar to those expressed by the Japanese. The overall opinion of China is unfavorable – probably on the order of the 87% of Japanese who expressed such a sentiment. Most Indians (similar to Japan's 83%) would also classify their country's current relations with China as being bad. Both governments have tried at times to act friendly toward one another and willing to stress cooperation, but hostile incidents and acrimonious debates have always punctuated such outward displays of cordiality. The bottom line is that the level of distrust is large and mutual.

Earlier surveys showed that Chinese President Xi Jinping enjoys little recognition or confidence from the Indian public. Fully 64% have no opinion about him. Just 15% express confidence. Nothing has happened during the term of Xi Jinping to give Indians any more confidence that he will do the right things regarding world affairs. China, under Mr. Xi, has continued to support Pakistan and has been just as aggressive as previous Mainland governments in defending territory also claimed by India along their shared Himalayan border. He has been even more aggressive than previous Chinese governments in expanding the presence of China's Navy in the Indian Ocean, gaining access for its military in ports in neighboring countries like Pakistan and Cambodia, and building China's influence in other neighbors of India like Sri Lanka and Myanmar.

For these reasons alone, Indians would be just as negative as the Japanese in their perception of China as a threatening military power. In Japan, 88% of the respondents said China's military power was a problem. Unlike Japan, India has fought a recent border war with China, and current tensions along the border remain high. In addition to being a significant military threat, roughly six in ten (61%, according to other private surveys) Indians with some college education are very worried about the competitive challenge posed by China. India does not have the sophisticated industries that underpin Japan's economy or South Korea's. India's manufacturing is more basic and directly competes with China both inside India and in foreign markets. Consequently, a higher percentage of Indians than either Japanese or Koreans would consider economic competition from China problematic, and they would be right. Chinese manufactured products are flooding India

so much that the Mainland accounts for 16% of India's total imports. In contrast, India has had a tough time cracking the China market. The Mainland absorbs only 7% of India's total exports, and the balance of trade is heavily in favor of China.

In general, Indians are confident in their political system and culture. According to earlier Pew surveys that include India, fully 96% of Indian adults say they are very proud to be Indian. Most Indians (72%) agree with the statement that "Indian people are not perfect, but Indian culture is superior to others." While Indians would agree that China has expanded its influence on the world stage, about two-thirds of Indians (68%) say their country also plays a more important role in the world today compared with ten years ago. There is no generation gap in this perception of India's eminence. Young, middle-aged, and older Indians all see their nation as more important today.

What is less clear is how Indians would view China's human rights policies and the implications of these policies on India. Some issues, such as China's policies toward Tibet, directly impact India, and the large Tibetan community that has fled to India over the years would undoubtedly feel very strongly that China's human rights policies are a serious problem. However, other Indians probably do not feel nearly as strongly on the issue.

Indians might have even more trouble relating to the problems of Uyghurs in China. To be sure, Muslims in India might sympathize with this minority group, but it is doubtful that Hindu Indians would share these feelings. Moreover, India has often received criticisms from human rights activists for its treatment of the country's Muslim population and policies toward Kashmir. This could account for the government's reluctance to take strong positions in human rights debates in the UN and other forums. If the general population reflects the government's view, it is more likely that the percentage of Indians who consider China's policies on human rights to be a problem would be modest. A large majority of Indians would prioritize strengthening economic relations with China over the need to promote human rights. This does not mean that Indians are not concerned with human rights. Earlier surveys showed a plurality of Indians (46%) support making the improvement of human rights around the world one of India's most important foreign policy goals. However, the consensus (more than 70% of Indians surveyed) was that many other foreign policy goals should be more important.

INDONESIA

Comments

Indonesians do not feel particularly close to China. They share in their government's concern that they must be on guard against China's attempts to expand its influence in the region at their expense. They recognize that China's global influence is growing, along with its economy, and Indonesians would like to benefit from China's growth as much as possible, but not if it means allowing China to exploit Indonesia for its natural resources, winning contracts and making direct investments in Indonesia that create more jobs for Mainland Chinese than for Indonesians, encroaching on Indonesian fishing waters, or interfering with Indonesian politics in ways that destabilize delicate social conditions in Indonesia.

This does not mean that Indonesians would prefer to limit contact with China. There are sensitive periods in Indonesia, such as during election campaigns, when certain political groups can plant rumors about how China has sent troops to Indonesia or how Mainland laborers working in Indonesia are exploiting the country at the expense of average Indonesians. As in the case of Malaysia, Indonesians recognize China has the potential to be a direct problem for Indonesia in various ways, including politically, socially, and economically.

However, Indonesians are generally confident in their ability to defend against these risks to prevent them from happening. They can expand their economic links with China in ways that are to Indonesia's benefit.

This makes Indonesia a tough place in which to do business. It is often easier to sign deals than to implement them. Many of China's most prominent projects have stalled because local interests decide during implementation that they should be reaping a bigger economic benefit than they are getting. The magnitude of that benefit is often a moving target in Indonesia, and it invariably moves in the direction where the Indonesian side should get the bigger benefit. So far, China has been remarkably patient at playing this game.

To China's credit, its leaders have made Indonesia feel like it is important to China. Beijing has generally offered more financing and investment on easier terms than Japan, the US, and other countries. It has been much more aggressive in bidding for major infrastructure projects – many of which US companies have shown little or no interest in. China regularly rolls out the red carpet for Indonesian officials visiting the Mainland. China's top leaders have also taken more time to visit Indonesia and establish personal relationships. They make Indonesians feel like they matter to China, which is something many other countries fail to do.

Except for issues relating to the treatment of Muslims in other parts of the world, neither the Indonesian government nor average Indonesians have expressed much interest in how human rights are practiced in other countries. One of Beijing's more remarkable achievements has been its success in portraying itself as an ally of moderate Muslims against extremism. It has invited Indonesian clerics several times to Xinjiang to give them a firsthand look into conditions there. In return, prominent religious figures in Indonesia have called on Indonesians not to criticize China over the Uyghur issue. This will continue as long as the Indonesian government sees benefits in its links with China.

It is no coincidence that China's faith diplomacy began in 2016 during the active implementation of its Belt and Road Initiative (BRI). China has, through the BRI, become Indonesia's second-largest foreign investor. The Mainland also buys nearly 20% of Indonesia's total exports and provides one-quarter of its imports.

There are perceptions in Indonesia that the US, particularly its soft power, is in decline, while China's global influence is growing. Indonesia's response rate would likely be similar to Malaysia's in the Pew survey regarding such questions as the trend of China's global influence (69% of Malaysians say it is growing), the status of Indonesia-China relations (84% of Malaysian respondents say their country's relations with China are good), and the level of their confidence in President Xi Jinping's ability to do the right things regarding world affairs (62% of Malaysian respondents expressed confidence). Indonesians might have felt even more strongly than Malaysians about the need to prioritize economic relations with China even if it means not addressing human rights issues (55% of Malaysians said this was the case). Conversely, a smaller percentage of Indonesians than the 44% of Malaysians would probably have considered it more important to promote human rights in China, even if it harms Indonesia's economic relations with the Mainland.

JAPAN

Comments

Japan's view of China was the most negative of any of the 19 countries covered by the Spring 2022 Pew survey. Of the respondents, 47% had a very unfavorable opinion of China, and another 40% held a somewhat unfavorable view of the country. More than four-fifths of the respondents considered Japan's relations with China to be bad.

Japan's views of China were closely aligned with those of South Korea. Still, there was one very significant difference regarding what should have the top position in their countries' priorities. Nearly two-thirds of South Koreans favor strengthening their economic relationship with China, even if it means not addressing human rights issues. In contrast, 56% of the Japanese respondents say human rights should be

prioritized over economic relations. This is especially interesting since Japan's trade with China is almost as large as South Korea's in percentage terms, with more than 20% of Japan's exports going to China and 26% of its imports coming from there. From China's perspective, Japan is a slightly larger market than South Korea, absorbing 4.9% of the Mainland's total exports, while Japan is a smaller source of imports, at 7.0%. Both Japan and South Korea are major direct investors in China. They are also significant competitors of Chinese companies in global markets.

However, the military dimension, combined with the perception held by 83% of the Japanese respondents that China's human rights policies are a problem for Japan, has motivated the Japanese to take a stronger stance against China's human rights policies than Koreans would advocate. This motivation was further fortified by the lack of trust in President Xi Jinping: 89% of the Japanese respondents expressed little or no confidence in Mr. Xi's doing the right thing regarding world affairs.

The Japanese government under Prime Minister Fumio Kishida seems to be adopting policies that align with the priorities of the Japanese public when confronting China. At a meeting in June, the defense ministers of Japan and Australia vowed to step up their ties to support democratic values in the Indo-Pacific region and agreed to work more closely with Southeast Asia and the Pacific island nations where China is seeking to expand its influence. Reaffirming Japan's commitment to a mutual vision of "a free and open" international order of the seas, Prime Minister Kishida also committed Japan to provide US\$2 billion in development aid, patrol boats, maritime law enforcement capabilities, and other help to at least 20 Southeast Asian and Pacific island nations to help them better defend themselves. This is closely aligned with similar statements Japan made in conjunction with the US toward the Indo-Pacific to counter China's growing presence.

Japanese do not see China's threat as being confined to its growing influence in other parts of Asia, where Japan is also interested. They also see it as a direct threat to Japan. Four-fifths of the respondents felt China interfered in domestic politics in Japan; 88% considered China a direct military threat; and 93% considered it a competitive economic problem for Japan.

MALAYSIA

Comments

Malaysia might have deeply rooted racial problems that divide the local Malay community from the local ethnic Chinese community, but those biases seem to be confined within Malaysia's borders. Judging from the recent Pew survey, they do not spill over into strong negative prejudices against Mainland China and Mainland Chinese. Perceptions in Malaysia, which presumably reflected the mix of local ethnic groups, were some of the most favorable of any country surveyed. Only Singaporeans were more favorably disposed toward China, and the scores were very close, with 67% having a favorable opinion of China, compared with 60% of Malaysians.

Singapore and Malaysia also seem to be comfortable with China's current leadership. There is little to distinguish their opinions of the policies of President Xi Jinping from those of their overall dispositions toward China. 62% of Malaysians expressed confidence in Mr. Xi's doing the right thing regarding world affairs, compared with 69% of Singaporeans.

Perceptions of Malaysia's relations with China also were in line with those of Singapore, even though Malaysia does have outstanding territorial disputes with the Mainland in the South China Sea, while Singapore does not. Of the total respondents, 84% of Malaysians described their country's relations with China as good, compared with 90% of Singaporeans.

China's economic importance to Malaysia and Singapore is similar. The US dollar value of China's trade with Singapore is larger than Malaysia's, but Singapore's global trade is also bigger. In terms of the share of each country's exports to China, Malaysia's is slightly larger than Singapore's (16% vs. 14%), while in terms of each country's imports from China, Malaysia is much more dependent on China (21% vs. 14%). China is also a significant funder and builder of physical infrastructure projects in Malaysia, whereas it is not in Singapore.

Still, Malaysia views China more as an economic threat than does Singapore. In Pew's latest survey, 63% of Malaysians considered economic competition from China a problem, compared with only 55% for Singapore. Perhaps because of the disputes over territory in the South China Sea, Malaysians were more concerned than Singaporeans about China's potential to be a military problem (62% vs. 56%).

Malaysians and Singaporeans felt equally confident in their political systems' ability to resist China's interference. The percentage of respondents who rated this a problem was 59% in Malaysia and 58% in Singapore. This is a majority of respondents and might seem quite high, but it is far less than what respondents from South Korea (91%) and Japan (80%) felt, as well as countries like Australia (89%), Canada (73%), the US (84%), the UK (65%), and Sweden (68%).

These differences could reflect the more profound differences in the political systems of these other countries compared with China and the weight people in these systems place on human rights considerations. More Malaysian than Singapore respondents felt it was important to promote human rights in China, even if it harms their economic relations with the Mainland (44% vs. 38%). Still, most respondents in both countries (55% in Malaysia and 60% in Singapore) considered strengthening economic relations with China a more important priority, even if it means not addressing human rights issues. The only other Asian country where respondents' opinion was in line with this tilt was South Korea, while outside of Asia, a similar economic-first perspective was shared only by Israel and, to a lesser extent, Hungary.

Another opinion in Malaysia and Singapore that was consistent with this lower level of concern for human rights issues was the limited extent that respondents from either country felt China's policies on human rights were a threat to their own country. This view was also shared by only Israel and Hungary, not South Korea, where 84% of respondents considered China's human rights policies a problem for South Korea.

PHILIPPINES

Comments

It is essential to distinguish the views of recently retired President Rodrigo Duterte toward Mainland China from those held by average Filipinos. Mr. Duterte's government spent six years trying to pivot away from the US toward China. Mr. Duterte portrayed China as a close friend and a partner helping the Philippine economy develop by investing in badly needed physical infrastructure and growing as a market for Philippine exports. He downplayed China's expansion in waters also claimed by the Philippines, rationalizing that the military imbalance between the two countries was so one-sided that it was unrealistic and counterproductive to allow the territorial disputes to drive the countries' overall relationship.

Few Filipinos are as favorably disposed toward China as President Duterte. The new government, headed by President Ferdinand Marcos, will likely take a stronger stance in asserting Philippine claims in the South China Sea. His new foreign minister wasted no time lodging a fresh diplomatic protest against China's maritime activities within Manila's 200-mile exclusive economic zone, accusing China of conducting illegal fishing and using its Coast Guard to shadow Philippine boats, interfering with the Philippines' legitimate activities in the region.

This view is probably much closer to how average Filipinos feel policy toward China should be conducted. They would like to export more to China, host more Chinese tourists, and get more foreign project aid and direct investment from the Mainland in industries that create local jobs. They also see China as a military threat to the Philippines. However, they do not believe the Philippines' inferior military position should stop the country from using its military and diplomatic power to resist China's encroachment on Philippine territory.

In Malaysia, 62% of the respondents saw China's military power as a problem. A similar percentage of Filipinos probably hold the same view. They are also more critical of Mainland investments in online gaming facilities than Mr. Duterte was, noting that these investments create few local jobs and have limited economic benefit for the Philippines. They are also disappointed with the limited progress that Mr. Duterte made in improving the physical infrastructure in the country. China did not come close to fulfilling even a small part of the Philippines' infrastructure dreams, and the Duterte government greatly exaggerated the impact of those projects in which it did participate.

Overall, Filipinos' opinion of China is favorable. As in Malaysia, where 60% of the respondents had a favorable view of China, Filipinos are pragmatic and able to compartmentalize territorial disputes. Instead, they would like to emphasize the potential for greater economic cooperation. They are optimistic that the environment is suitable for this to happen since most Filipinos (probably comparable to the 84% of Malaysians) consider current Philippines-China relations good, despite the territorial dispute. They believe China to be an expanding global power, and they have a relatively high degree of confidence in President Xi Jinping's ability to do the right thing regarding world affairs.

Filipinos have long been sensitive to human rights in the Philippines, but this concern has not generally extended to other countries. Little is made of China's human rights policies either in China or its extension to places like Hong Kong. Only a minority of Filipinos would probably say it is more important to promote human rights in China, even if it harms the Philippines' economic relations with the Mainland. They would probably side with the 55% of Malaysians or 60% of Singaporeans who said in the Pew survey that they would prioritize strengthening economic relations with China, even if it means not addressing human rights issues.

This economic tilt might have been more substantial before the pandemic. During the Duterte years, the total share of Philippine exports going to China did increase to 15% from about 11% when he came to office. China's role as a source of imports to the Philippines also increased during the initial years of Mr. Duterte's term, rising to a high of 22.2% in 2019. However, its role as a supplier has declined since the pandemic (mainly due to the surge in oil, which the Philippines imports from other countries). This year China is providing only about 19% of the Philippines' total imports.

Filipinos have long been concerned about outside interference in domestic politics. It is therefore likely that the Philippines would match or exceed the 59% response rate in Malaysia of people who believe Chinese interference in local politics is a problem. The rate might exceed that of Malaysia because Filipinos are well aware of how the US and China are vying for influence in the Philippines. While this competition is something the Philippines can try to capitalize on, it also raises the risks of outside attempts to interfere in local politics.

SINGAPORE

Comments

Singaporeans are more comfortable with China than are most societies in Asia. It could be that most of Singapore's population is ethnic Chinese, giving them a cultural and, in many cases, a common linguistic bond. Or it could be that Singaporeans are comfortable with their sovereignty and do not feel threatened by Beijing the

way most Taiwanese feel. After all, Beijing is not claiming that Singapore is part of China, nor is it locked in conflicting territorial claims with Singapore the way it is with many other Southeast Asian countries.

Years of trading with and investing in China have given many Singaporeans first-hand experience working in China and with Mainland Chinese. Singaporeans are much more confident in the benefits of their system than what China offers. Still, they are comfortable in their country's relationship with China – more so than any other country covered by the Pew survey. Fully 90% of all respondents from Singapore described the island's relations with the Mainland as being good.

The latest Pew survey was confined to how people from different countries perceived China in terms of the trend of its influence and as an external threat. Like other countries, Singaporeans believe China's global influence has been increasing. Two-thirds of the respondents from the City-State said so. However, unlike most other countries, Singapore was one of the few places (Malaysia was the other) where the majority of respondents (67%) had a favorable opinion of China.

Singaporeans are not particularly concerned with China's human rights record or policies. They do not feel that those policies directly threaten Singapore, and only 38% of the respondents felt that Singapore should try to promote human rights in China, even if it harms economic relations with China. This compares with the 60% of the respondents from Singapore who said the island should prioritize strengthening economic ties with China, even if it means not addressing human rights issues. China currently accounts for 14% of Singapore's exports and imports, and direct investment flow has been growing rapidly in both directions. Now that the pandemic is turning into an endemic in both countries, economic interactions are gaining momentum again. Consequently, rather than viewing China as a threat, most Singaporeans consider it an opportunity for growth. They are also much more bullish than people in other countries that China's president, Xi Jinping, will do the right thing regarding world affairs; 66% expressed confidence in Mr. Xi's policies.

However, Singaporeans are not blind to potential problems for Singapore posed by the Mainland. Of the total respondents, 58% said China could potentially be problematic for domestic politics in Singapore, 55% said it could be a source of economic competition, and 56% thought it could pose a military challenge for Singapore.

From Singapore's perspective, the most significant threats involving China were not covered in the latest Pew survey. What concerns Singapore the most is that relations between the US and China will deteriorate so much that the global economy suffers. Furthermore, they worry that Beijing and Washington will pressure Singapore to take sides in the conflict. Singapore wants to maximize the business opportunities with the world's two largest economies. It is comfortable bridging the two systems, as different as they are. Such a role could be one of Singapore's competitive advantages. But the island depends on an open, rules-based economic system in which globalization dominates while protectionism is kept in check. Disagreements between the US and China have not yet deteriorated to the point where a new Cold War between the US and China is inevitable, but the possibility is being discussed more now than it has been in years past, and this worries Singapore.

SOUTH KOREA

Comments

Average Koreans are very suspicious of China and hold unfavorable views about the threats the Mainland poses to the South. Of the countries covered in the latest Pew survey, Japan was the only Asian country with similarly negative views toward China. Of the 19 countries covered by the study, only the US, Sweden, Australia, and Japan held more negative views.

The main reason Koreans are as critical as they are of China is that they believe the Mainland poses a direct threat to South Korea in various ways. The overwhelming majority of Korean respondents to the survey viewed China as a competitive economic threat (88%, including 37% who viewed it as a serious competitive threat and 51% who labeled it a somewhat serious problem). Respondents felt even more strongly about China's non-economic threats to the South. For example, 46% of the respondents considered China a very serious military threat to the South, and another 39% thought it was a somewhat serious threat. Moreover, 54% of the South Koreans who responded to the Pew survey considered China's involvement in South Korean politics a serious problem, and another 37% felt it was a somewhat serious problem.

Koreans are uneasy with the trend of what they see as China's increasing global influence. Part of the reason is that South Koreans share discomfort with the people of Australia, the US, and many European countries with China's human rights policies. Perhaps because of their proximity to the Mainland, South Koreans are even more fearful than respondents from most other countries that China's policies on human rights could adversely impact the South directly. Of the total respondents from Korea, 42% rated this a very serious problem, and another 42% said it was a somewhat serious problem.

However, it is China's potential to be a competitive threat to South Korea on economic matters that worries Koreans the most. While 36% of the South Korean respondents to the latest survey indicated that Korea should promote human rights in China, even if it harms economic relations with China, 62% said it was more important to prioritize strengthening economic relations with China, even if it means not addressing human rights issues.

Another approach, not analyzed in the Pew survey but made clear in recent interviews with major Korean companies, is to reduce the economic risks posed by China by moving production away from the Mainland to other locations like Vietnam and Indonesia. Most Korean companies with investments in China are keeping them there if they focus on developing China's market. However, if the factories are part of global supply chains in which the ultimate market is the US, Korea's most prominent firms are relocating or diversifying production to other locations, including returning to Korea, to avoid tariffs stemming from a trade war between the US and China and to avoid supply-chain disruptions for essential components such as computer chips.

The emphasis on economics over human rights reflects the reality that the Mainland is South Korea's largest trading partner, a significant site for direct investments by Korean companies, and the direct competitor of Korea in most markets around the region and the world. From Korea's perspective, Mainland China accounts for one-quarter of its exports and imports. From China's perspective, South Korea is less economically important. Korea is a market for only about 4.7% of its total exports, while the South accounts for 7.8% of the Mainland's total imports. Considering that both countries put the trade balance in Korea's favor, the South seems to be holding its own against the Chinese competition, but this does not stop the South Koreans from worrying.

As Pew noted in its survey, South Korea was heavily affected by Chinese economic retribution following the country's 2017 decision to install an American missile interceptor (THAAD). Negative views of China went up substantially in 2017 alongside this turmoil; they increased again in 2020 in the wake of COVID-19. The survey also indicates that South Koreans hold President Xi Jinping responsible for much of the deterioration in relations between the two countries that has taken place. In 2014, one year after Mr. Xi came to power, only 5% of the Pew survey respondents said that they had no confidence in Mr. Xi, while 32% said they had little confidence in him. In this year's survey, 45% of the Korean respondents said they had no confidence in Mr. Xi, while 42% said they had little confidence in him. South Korea is also the only country surveyed where young people have more unfavorable views of China than older people.

TAIWAN

Comments

Of the economies covered by *Asian Intelligence* but not included in the Pew survey, Taiwan would probably stand out as the one place with even more negative views than South Korea and Japan of China's threats. Reunification with the Mainland is a central plank of Beijing's foreign policy. China's leaders say they are prepared to be patient. They would prefer to achieve reunification through peaceful negotiations, but they have not ruled out the use of military force, especially if Taiwan tries to move in the direction of independence. They have also been increasingly aggressive in displaying this force through incursions into Taiwan's air space, and over the years, they have been stepping up their isolation of Taiwan on the world stage.

This makes the Mainland a genuine, immediate threat to Taiwan – much more so than to any other place covered by *Asian Intelligence*. Moreover, the actions taken by Beijing to assert its control over Hong Kong since it regained sovereignty over the island from Britain in 1997 have fortified the fears of the Taiwanese that a takeover by China would be bad for Taiwanese. The island's economy might continue to grow, but lifestyles would have to change in ways that would force Taiwanese to forego personal freedoms they have come to accept as their right.

Consequently, unlike people in most other Asian countries, Taiwanese feel much more threatened by China's potential to interfere in politics and human rights on the island than by its potential to threaten the economy. By voting the KMT out of office in the combined presidential and legislative elections held in January 2016, the majority of Taiwanese clearly showed they do not prioritize strengthening economic relations with China (which is something the KMT wanted to do) if it means giving Beijing leverage it might use to threaten the island's political autonomy.

Since then, developments in Hong Kong have convinced most Taiwanese that their human rights would be compromised if China regained sovereignty and tried to force a "one-country, two-system" model on the island. Therefore, as a matter of self-interest, if they were asked if they should try to promote human rights in China, even if it harms Taiwan's economic relations with the Mainland, it is quite possible that Taiwan's response would be even more strongly supportive of that statement than were respondents from countries like the US and Canada, let alone Japan and South Korea.

It would not be surprising if Taiwan's opinions of China matched the negative views held by Japanese (87% of whom had an unfavorable opinion). They would probably be more negative than the people of every other country covered in the Pew survey in describing the state of Taiwan's current relations with China. They would undoubtedly agree with respondents of other countries that China's influence in the world is growing stronger. Still, from the perspective of the Taiwanese, this would be seen as a negative rather than a positive development since it means the Mainland is a growing threat to the island economically, socially (human rights), politically, diplomatically, and militarily.

Taiwan is already so closely integrated with the Mainland economically that it could be challenging to quickly reduce the island's exposure. Excluding trade with Hong Kong, 30% of Taiwan's exports go to the Mainland, and more than one-fifth of its imports come from there. Moreover, according to official Taiwan figures, approved investment in the Mainland from 1991 to mid-2021 reached US\$193.51 billion. Finding alternative markets and investment sites fast enough to facilitate a shift away from China could be difficult under normal circumstances. In Taiwan's case, such a shift is further impeded by Beijing's efforts to isolate Taiwan on the world stage. For example, Beijing has blocked Taiwan from joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and has also successfully opposed any bilateral trade-liberalization deals between Taiwan and other nations.

This could change in the near future if Taipei can convince the US to sign a two-way trade pact. Taipei and Washington are holding talks on such a possibility. Although Beijing would oppose a deal, Washington has an even stronger incentive than before to come to a special trading arrangement with Taiwan to secure vital components like semiconductor chips. If Washington feels confident that Beijing would not interpret such a trade deal as a move toward independence by Taiwan, other countries like Japan and even some European nations might search for ways to engage more economically with Taiwan.

THAILAND

Comments

If Thailand were included in the Pew survey, responses would probably have been similar to those of Malaysia, perhaps even a little more positive. The main reasons why Thai perceptions might have been slightly better than those of Malaysians are because Thailand does not have any territorial disputes with China and the domestic population is less divided on issues of race. The Thai government does not consider China a significant military threat to Thailand, and this view is unlikely to change if there were a change in the Thai government. One of Beijing's better accomplishments over the years has been its ability to maintain good relations from one government to the next in Thailand, irrespective of how the political transition takes place.

Many Thais have Chinese ancestors, and society is much more integrated than in Malaysia. The Thai government does not have affirmative action policies based on race the way Malaysia does. There is no real need, even though many Thai Chinese are some of the most prominent businessmen in the country. Many also have strong personal connections with China.

Most Thais – probably close to the 67% share of Singaporeans – have a favorable opinion of China. At least as large a percentage would probably rate Thailand's relations with China as being good. They see China as increasing its influence on the world stage and probably have a great deal of confidence in the leadership capabilities of President Xi Jinping, including his ability to do the right thing in world affairs. Some Thais worry that China is trying to exert excessive influence on Thai politics – again similar to the 58%-59% of Malaysians and Singaporeans who expressed such a concern, but, as already noted, they do not consider China to be a direct threat militarily.

Furthermore, Thais are not very worried about economic competition from China. Instead, they want a lot more economic engagement in the form of tourists from the Mainland, direct investment, support for major infrastructure projects, and exports. China is already Thailand's largest supplier of imports, accounting for almost one-quarter of the Kingdom's total imports. Its role as a market for Thai exports is also significant, but, at about 13% of total Thai exports, there is a lot more room for growth, and the trade balance is lopsidedly in China's favor.

Thais are much more interested in developing closer economic ties with China than in improving China's human rights policies. They do not feel that those policies directly threaten Thailand. It is very likely that a smaller percentage of Thais, even compared with Malaysia and Singapore, would have responded that it is more important to promote human rights in China, even if it harms economic relations with the Mainland. The opposite view would almost certainly have dominated, with the vast majority of Thai respondents – possibly much more than the 55% in Malaysia and 60% in Singapore – saying Thailand should prioritize strengthening economic relations with China, even if it means not addressing human rights issues.

The views of the Thai public and the country's government are seldom completely aligned on China. When soldier-cum-politician Prime Minister Prayut Chan-ocha toppled an elected government and installed a

junta regime in 2014, the government moved closer to China and away from the US. There was no such swing in the general public's view toward China or the US. More recently, the Thai government has been moving closer to the US and Japan, while China has shown signs of frustration that there has not been more progress on several important joint infrastructure projects.

Thai diplomatic and military circles have also recently been expressing unease with the way China has been expanding its military links with and presence in neighboring countries like Myanmar, Laos, and Cambodia, as well as China's building of dams upstream in rivers flowing into Thailand that affect water levels in the Kingdom. These developments add to security concerns in ways that did not happen before. However, the general population's position has not changed much. Average Thais are not paying much attention to these external developments. From the perspective of most Thais, the main difference now compared with several years ago is that Thailand's tourism industry has still not recovered from the pandemic, and many working in this industry would like to see a speedier return of Mainland tourists.

VIETNAM

Comments

The Pew survey on perceptions toward China did not include Vietnam. However, the overall assessment of Vietnamese about their much larger northern neighbor would have been much closer to the highly critical views held by countries like Japan and South Korea than to the much more moderate views held by Singapore and Malaysia. For solid evidence, one need only look at the violent demonstrations in 2014, when thousands of Vietnamese protesters burnt down factories with Chinese characters in their logos or signs. This was a spontaneous response to China's movement of a drilling rig into waters also claimed by Vietnam earlier.

Between 2014 and last month, there were several other protests by the Vietnamese, including one in which the local population reacted angrily to Beijing's cutting the cables of a Vietnamese oil exploration ship and another against special economic zones some fear will favor Chinese investors. Last month, the Vietnamese government urged local fishermen to ignore China's annual spring-into-summer fishing ban, first imposed in 1999, that applies to all waters north of 12 degrees latitude. This includes most of the Gulf of Tonkin and the Paracel Islands in the South China Sea, which are occupied by China but also claimed by Vietnam.

If Vietnam were included in the Pew survey, its most negative responses would probably have been reserved for assessments of how China poses a potential problem for Vietnam in terms of being a military threat, a source of economic competition, and possible involvement in Vietnam's politics. On the other hand, they might not have been critical of China for its human rights policies or the potential of those policies to affect Vietnam directly.

Very few Vietnamese would probably have said it is more essential to promote human rights in China, even if it harms economic relations between Vietnam and China. Instead, the overwhelming majority would have said addressing economic issues with China should be prioritized, even if it means not addressing human rights issues. However, this does not necessarily mean that most Vietnamese would want to improve economic ties in ways that result in more engagement. From the perspective of most Vietnamese, they would like economic relations to change in ways that lessen China's leverage. They would like China to stay out of Vietnam's way regarding oil development and fishing in waters claimed by Vietnam. They would like to reduce their dependence on China as a source of imports, especially raw materials and components. China currently accounts for more than 30% of Vietnam's total imports, a higher percentage than any other economy covered by *Asian Intelligence* other than Hong Kong. Vietnam has already diversified its exports away from China, which today accounts for only 16%-17% of its total exports. Vietnamese probably welcome the shift of factory production

from China to Vietnam, but that is less the case if the owners of those factories are Mainland Chinese instead of from other countries like Japan and South Korea.

Vietnam's unfavorable opinion of China is not new, and the direction of change is further deterioration. Most Vietnamese would describe the current state of their country's relations with China as bad, and they have little confidence that President Xi Jinping will do the right thing regarding world affairs. It is also doubtful that this lack of confidence would change much if there were a new leadership in China.

EXCHANGE RATES

<i>Currency</i>	<i>7/08/22</i>
Chinese renminbi	6.6952
Hong Kong dollar	7.8485
Indian rupee	79.33265
Indonesia rupiah	14,977
Japanese yen	136.10
Malaysian ringgit	4.4270
Philippine peso	55.8300
Singapore dollar	1.3978
South Korean won	1,294.79
Taiwan dollar	29.76
Thai baht	35.910
Vietnamese dong	23,358

Commercial middle rate expressed in terms of US\$1.

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