

Former RAF pilots 'recruited' to train PLA

Mark Landler

London | China has recruited as many as 30 retired British military pilots, including some who flew sophisticated fighter jets, to train pilots in the People's Liberation Army, according to Britain's Defence Ministry. A senior official said the ministry worried that the practice could threaten British national security.

Britain said it was working with allies to try to stop the practice, which the official said dated to before the coronavirus pandemic but had gained momentum in recent months. The recruited British pilots, the senior official said, included former members of the Royal Air Force and other branches of the armed forces.

None of the retired pilots is suspected of violating the Official Secrets Act, the British law that covers espionage, sabotage and other crimes. But the offi-

cial said that Britain was determined to tighten the controls on retired service members to guard against training activities that could contravene espionage laws.

"We are taking decisive steps to stop Chinese recruitment schemes attempting to head-hunt serving and former UK armed forces pilots to train People's Liberation Army personnel in the People's Republic of China," said a spokesperson for the Defence Ministry, who, under department rules, spoke on the condition that he not be named.

Britain, however, does not have obvious legal tools to stop retired pilots from accepting training contracts from the Chinese army. The contracts are lucrative – about \$US270,000 (\$428,000) a year – and are particularly attractive to pilots who retired from active duty several years ago, the official said.

China, the official said, has contrac-



A Chinese J-16 fighter pilot at a training base in eastern China. PHOTO: AP

ted the recruiting to a third party, a private test flying academy in South Africa.

The British official declined to say which allies had been involved in investigating the practice, but he suggested that their pilots had also been targets for recruitment.

None of the pilots recruited by the Chinese operated the F-35, the most

advanced and expensive fighter jet in the British fleet. But several have flown older-generation warplanes such as the Typhoon, Harrier, Jaguar and Tornado, according to the official. Although the pilots train their Chinese counterparts on Chinese planes, he said, the Chinese were eager to learn about British and Western tactics and procedures.

Relations between Britain and China have deteriorated sharply in recent years, with the government in London denouncing Beijing's crackdown on pro-democracy activists in Hong Kong, a former British colony. In July 2020, the government of prime minister Boris Johnson banned the purchase of equipment from Huawei, the Chinese telecommunications giant, for its high-speed broadband network on national security grounds.

Under Mr Johnson, China was designated as a "systemic competitor,"

reflecting his government's desire to balance criticism of Beijing's human rights abuses with a continuation of trade relations. But the current Prime Minister, Liz Truss, has further hardened Britain's stance. She is expected to designate China as a "threat" in an updated version of a defence and foreign policy review.

After a lull in recruitment during the months of pandemic-related travel bans, the official said, China's efforts to lure pilots have since ramped up.

"All serving and former personnel are already subject to the Official Secrets Act," the defence spokesperson said, "and we are reviewing the use of confidentiality contracts and nondisclosure agreements across Defence, while the new national security bill will create additional tools to tackle contemporary security challenges – including this one."

THE NEW YORK TIMES

Distrust of Beijing helps drive Vietnamese miracle

Analysis

Emma Connors



Hanoi | In the narrow streets of Hanoi's old quarter, a shopkeeper crouches with a small bucket of cement and begins fixing the broken pavement outside her shop.

With the tourists back, she doesn't want them tripping on the way in, and says it's not worth waiting for an official response when she can do it herself. This can-do attitude among Vietnamese workers goes some way to explaining a growth rate that makes the country stand out in a world of low growth and high inflation.

Renowned investor and writer Ruchir Sharma recently named Vietnam as one of seven economies bucking the global trend, identifying years of policy groundwork for its success.

"By investing heavily in the infrastructure required of a manufacturing export power, and opening its doors, Vietnam is growing at nearly 7 per cent – the fastest pace in the world," Sharma, chairman of Rockefeller International, wrote in the *Financial Times*.

As labour costs increased in China, Vietnam positioned itself as an alternative manufacturing hub. Then, when the US-China trade war took off during Trump's presidency, it became an obvious destination for those looking for a "China plus one" strategy.

While no Trump in tone or temperament, US President Joe Biden has retained many of his predecessor's "America First" policies, using the pandemic fallout to step up a shift in critical manufacturing back onshore, or turning more to allies in supply chains.

Vietnam is one of several countries benefiting, and this is even drawing some Australian companies to the country, says KPMG Hanoi senior partner Ha Do.

"Vietnamese are not laid back. We are success-driven," she says.

This powers the government's bold goal to make Vietnam a high income country by 2045, requiring the economy to grow between 6.5 per cent and 7.5 per cent every year.

After managing to avoid a recession during the COVID-19 years, Vietnam is back on track, posting 13.7 per cent real GDP growth in the third quarter.

This was off a low base – the country was in lockdown during the same



A coffee shop in Hanoi. Vietnam is back on track, posting 13.7 per cent real GDP growth in the third quarter. PHOTO: BLOOMBERG

period last year – but prompted Fitch to upgrade its 2022 forecast from 6.8 per cent to 7.8 per cent.

The IMF expects Vietnam to grow by 7 per cent.

Female workforce participation and gender equality markers – such as the ratio of women in senior management – rank among the highest in the world, according to Ha.

Hanoi's three-decade embrace of free trade and foreign direct investment, despite being a nominally communist country, is another factor.

Hanoi is now keen to diversify from manufacturing, conscious that higher wages are key to evolving from an emerging to a developed economy.

Foreign direct investment flows suggest its working.

Last year, total new adjusted capital and share purchases by foreign investors reached \$US31 billion, up 9.2 per cent on the previous year. As the partner in charge of advising many multinationals, Ha Do sees where the investment dollars go.

"Japanese, Korean and Taiwanese companies have all piled into manufacturing," she says.

"Our growing middle class has spurred interest in consumer and retail, an ambitious decarbonisation agenda is lifting the power and energy sector, real estate remains attractive, and education is also popular.

Vietnamese parents never regret spending money on education."

The recent investment by Macquarie's Corio in offshore wind and the National Australia Bank's tech development centre show some Australian companies are catching on.

They join the likes of BlueScope, which established a steel metallic coating and painting facility in Ba Ria, in Vung Tau province in 2005, and RMT, which opened a campus in Ho Chi Minh City more than 20 years ago.

Vietnamese are not laid back. We are success-driven.

Ha Do, KPMG Hanoi

Still, Australian investment is rare, Ha Do says. "We would like more Western countries to come in, from Europe, the United States and Australia."

So would Canberra. Australia and Vietnam have complementary economies, almost five decades of bilateral ties, and a growing shared interest in keeping China at bay.

On the sidelines of last year's UN climate change conference in Glasgow, the two countries signed an Enhanced Economic Engagement Strategy with

the shared goal of doubling investment and becoming top 10 trading partners.

In addition to supporting the big end of town, the Australian government is investing \$1 million to help smaller companies do business in Vietnam.

The Australian Chamber of Commerce in Vietnam is using the funds to hire sector specialists for an industry hub. "Business is all about relationships here," says AusCham CEO Simon Fraser in Ho Chi Minh City. "The industry hub will give us contacts Australian industry groups need so SMEs can make those relationships."

With no sign of a thaw in Australia's frosty relationship with China, and Britain, Europe and the US all heading into recession, it's a good time to tap into the energy of Vietnam, according to MO Batteries, a Singapore start-up focused on electric motorbike fleet charging solutions across South East Asia, with founders and backers including Australian Tom Streitberg. "We've developed our app in Vietnam with a local team [and] it has worked really well," he says. "There is clearly a shift from the pre-pandemic model of taking low-skilled manufacturing jobs from China to moving up the value technology scale." "There is a tremendous dynamism there. The feeling on the street is of potential unleashed and huge opportunities for growth."

Plans to seize Taiwan moving ahead: Blinken

Iain Marlow

Washington | China has decided to seize Taiwan on a "much faster timeline" than previously thought, US Secretary of State Antony Blinken said shortly after China's leader reiterated his intent to take the island by force if necessary.

"There has been a change in the approach from Beijing toward Taiwan in recent years," Mr Blinken said on Monday (Tuesday AEDT) at an event at Stanford University in California.

The remarks from America's top diplomat come as China holds its twice-a-decade Communist party congress, and shortly after President Xi Jinping used a widely watched speech on Sunday to say the "wheels of history are rolling on towards China's reunification" with Taiwan. While peaceful means were preferable, Mr Xi added, "we reserve the option of taking all measures necessary".

Mr Blinken said China had made a "fundamental decision that the status quo was no longer acceptable, and that Beijing was determined to pursue reunification on a much faster timeline". He did not elaborate.

Although Biden administration officials have regularly accused China of eroding the balance of power in the Taiwan Strait, comments about Beijing's intentions with regard to an invasion are less common.

Observers are highly sensitive to any remarks that might provide insights into how senior officials in Beijing or Washington view the potential for war over Taiwan – particularly given President Joe Biden's repeated pledges that the US would help defend the island.

Tensions in the region have remained heightened since House Speaker Nancy Pelosi visited the island in August, prompting China to hold military exercises and fire missiles into the waters around Taiwan.

In his remarks on Monday, which came in a conversation with former secretary of state Condoleezza Rice, Mr Blinken said China was "more repressive at home" and "more aggressive abroad". It was willing to do what it took to win over Taiwan.

"If peaceful means didn't work, then it would employ coercive means," he said. "And possibly, if coercive means don't work, then maybe forceful means to achieve its objectives. And that is what is profoundly disrupting the status quo and creating tremendous tensions."

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