

FINANCIAL REVIEW

News

Aerial ping-pong diplomacy to mend China ties

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Sport | Australian business in China gets a boost through AFL.

Former US president Richard Nixon used ping-pong diplomacy to thaw frosty US-Sino relations in the 1970s. Can "footy diplomacy" be Prime Minister Malcolm Turnbull's key to repairing Australia's ties with Beijing?

The organisers of an AFL game in China think so.

What initially sounded like a crazy idea has become the only major event in China this year showcasing Australian business, food, wine and, of course, sport.

About 5000 Australian fans are travelling to Shanghai for the May 19 match between Port Adelaide and the Gold Coast Suns. The organisers say another 3000 business people and about 4000 local Chinese will also attend the event, which has sold out after seating capacity was increased this year. There are also hopes senior Australian politicians struggling to get their visas approved until the AFL stepped in may even show their faces.

Like the exchange of table tennis (ping pong) players that helped repair Mr Nixon's ties with China decades earlier, Port Adelaide says sports diplomacy can play a role in mending Sino-Australia relations, even though most Chinese people have never heard of Australian rules football.

"There will be a time when governments will utilise this game to demonstrate the depth of our relationship at a political level," Port Adelaide chief executive Keith Thomas told The Australian Financial Review.. "Because we had such high-level recognition and support last year, that will happen again once the political environment settles down again.

"If our game can play a role in helping demonstrate the strength of our bilateral relationship, that would be a great outcome."

The inaugural match was last year but, instead of being a one-off, Port Adelaide has big plans for China in the future. Since April 2016, 37 Chinese businesses have become partners of Port Adelaide, generating more than \$15 million in revenue for the club.

A series of events being dubbed "G'day China" promoting Australian business has been organised in Shanghai to coincide with the match, filling a void left from Austrade's annual Australia Week in China, which has been put on hold due. "There have been some difficulties in the bilateral relationship this year so we have been focused on this being a business-driven event," Mr Thomas said.

A big Australian presence in China is more significant this year given the relationship has been in the deep freeze since late last year when Beijing got upset with Mr Turnbull's foreign interference laws and the anti-China rhetoric coming out of Canberra. The Financial Review revealed last month that China was regularly refusing visas to ministers. This resulted in the Australia Week in China Expo, usually held in Shanghai in April, being put on hold.

Mr Turnbull has been a big supporter of the event, which he announced in April 2016 while visiting China. Last year, he watched Port Adelaide play in Australia alongside Chinese Premier Li Keqiang. Port Adelaide

had invited Mr Turnbull to China for the event, but at the time he had to keep his diary free on the assumption state leaders would be invited to the royal wedding on the same weekend. As it turns out, world leaders have not been invited.

But the Chinese business community, led by property tycoon Gui Guojie, has been the unlikely supporter for AFL in China. Port Adelaide originally approached Chinese companies to sign up as sponsors as a way to connect to the Australian market through sport, but Mr Gui suggested playing a match in Shanghai. The left-field suggestion gained traction. Mr Gui runs Shanghai CRED (China Real Estate Development) and is Gina Rinehart's partner in the Kidman cattle property deal.

Mr Thomas said the club had further plans to tap into the China market and build networks for Australian businesses wanting to get into China. It was also exploring an opportunity to build a sports science export business.

"What started off as a special project in the club has become a part of our core operations," Mr Thomas said, who had six full-time staff working on the project and is employing 100 people on the ground on the day.

Most people in China, which does not have a big sporting culture, have never heard of AFL. But the game was given a boost last month when the league secured broadcast deals with three free-to-air television channels in China. Mr Thomas said 5 million people watched the match last year. That is expected to rise to 9 million this year.

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