Will there be a Chinese Military Base in Vanuatu?

The Republic of Vanuatu is an island nation, a part of the New Hebrides archipelago in the Pacific Ocean, located some 1,750 km from Australia’s East coast. Before gaining its independence in July 1980, New Hebrides (the name of the nation before it became Vanuatu) was a colony of both Britain and France. Even after Vanuatu declared its independence, it remained in the sphere of influence of both Great Britain and France, which together with Australia and New Zealand used to provide the young nation most of the financial aid for its development. In 2005, the United Kingdom announced that it no longer had any interests in the Pacific Ocean and stopped its aid to Vanuatu.

In the 2010s, China’s influence in Vanuatu, as well as in other nations of Oceania, grew substantially. As financial aid from the West decreased, the PRC started routinely investing more and more money (in the form of development aid, which does not need to be repaid, and loans) in Vanuatu’s economy. The United States has also attempted to reinforce its influence on Vanuatu’s economy, by investing in the country via the Millennium Challenge Corporation (MCC, a U.S. foreign aid agency). New Zealand provided even more financial aid than the USA. But neither country has been able to match the generosity of China.

In the first half of 2018, the total aid provided to Vanuatu by the PRC equaled $243 million, which is twice the amount given by the United States. During this period, the country’s national debt was $440 million, and Vanuatu owed half of this amount to China. In the meantime, PRC’s investments in Vanuatu’s economy have continued to
China is financing and essentially implementing large infrastructure projects in Vanuatu. For example, it has installed a state telecommunication network for $37 million there. The PRC even intends to build the new residence for the President of Vanuatu.

The current situation is a cause for concern for Australia. As mentioned earlier, Vanuatu is fairly close to its coast and, therefore, within its ‘security zone’. As a former British colony, Vanuatu has long-term economic and cultural ties with Australia, and the latter ought to be Vanuatu’s main partner. However, it appears as if at some point in time, the Australian government lost control over the situation, as it seemingly opted to spare some money (by not investing it in Vanuatu) during the years when China was not yet viewed as a super power by many people. One way or the other, the total amount of financial aid provided to Vanuatu by Australia in the first half of 2018 was $0.5 million. And, at present, the growing influence and presence of China in this island nation has become a key problem for Australia’s government.

In April 2018, Australian media outlets reported that the PRC wished to build its own military base in Vanuatu and was holding negotiations with Vanuatu’s government to this effect. However, they did not cite where this information had come from. And still, the report was taken seriously even in the top echelons and resulted in a fiery response from Australian, New Zealand and American politicians. Malcolm Turnbull, the Prime Minister of Australia, stated that his nation was very concerned about the possibility of any new military bases (he was not referring to the already existing U.S. ones) being established on any of the islands of the South Pacific region.

A little bit later, more details came to light, which once again were not supported by any factual information. Australian journalists published the following theory. Apparently, when Vanuatu was unable to repay the money borrowed from the PRC, the former Celestial Empire proposed to partially take over the running of a port in Luganville (the second largest city in Vanuatu with highly developed port facilities) in lieu of payment. This meant that at first China might obtain permission for its naval ships to enter, stay and undergo repairs for free in Vanuatu, and afterwards the construction of its military base could begin.

According to reports by Australian media outlets, it was in Luganville that China might want to station its naval forces.

We would like to remind our readers that Vanuatu is a participant in China’s global transportation initiative, One Belt, One Road (OBOR). And this is why the PRC has invested more than $100 million into the repairs and expansion of the port in Luganville. It has been reported that owing to this ‘upgrade’, enormous ships can now dock in Luganville and make use of its facilities. This was yet another cause for concern for Australians, and local newspapers began to paint vivid pictures of the future: China’s ‘super powerful combat ships’ right on the Australian border.

Once these articles had been published, China’s and Vanuatu’s leadership rushed to refute these claims. Ralph Regenvanu, Vanuatu’s Minister of Foreign Affairs, stated that the government had never engaged in any discussions about establishing a Chinese military base in the nation, and that Vanuatu was not a member of any alliances and did not wish to militarize. PRC’s Ministry of Foreign Affairs issued a harsher statement referring to Australian newspapers with a modern term ‘fake news’.

However, admittedly, the idea of a Chinese military base in Vanuatu is not inconceivable. In summer 2017, PRC opened its first foreign military base in the African nation of Djibouti. This illustrates that, by and large, China is not opposed to exerting a more forceful influence on global affairs, even if only to protect its own business interests. Djibouti is located on the West coast of the Gulf of Aden and the Bab el-Mandeb Strait, which leads to the Indian Ocean and the Suez Canal. This is a strategically important part of the maritime route from Asia to Europe, which is crucial for China’s foreign trade.

China could certainly do with a military base in Vanuatu in the current climate, i.e. the worsening confrontation between the PRC and neighboring nations because of disputed islands in the South China and East China Seas, as well as its ‘trade war’ with the United States and the Sino-American rivalry for influence in the Pacific Ocean. The presence of Chinese naval forces in the region would noticeably shift the balance of power in PRC’s favor.

In May 2019, Prime Minister of Vanuatu Charlot Salwai arrived in Beijing. There he met with Chinese leader Xi Jinping and Li Keqiang, the Premier of the State Council of the People’s Republic of China. The Chinese side stated that the two nations respected each other, and that they were building a relationship based on the principles of equality, and were willing to develop their strategic partnership in every possible way. China intends to continue supporting Vanuatu by, among other means, integrating its development strategy with the PRC’s OBOR initiative.
turn, Charlot Salwai thanked China on behalf of his nation, and said that Vanuatu held PRC’s role in international politics in high regard. During the meeting, Xi Jinping highlighted that China viewed all the nations, irrespective of their size and influence, as members of the international community with exactly the same rights. He also said that the PRC was prepared to foster cooperation with all of the island nations in the South Pacific region by various means, i.e. by investing in their economies. At the same time, the Chinese leader pointedly emphasized that the PRC had no intention of pursuing its own interests or creating ‘zones of influence’ in the region.

It is possible that, in April 2018, there had been an information leak, which served as a deterrent to China’s and Vanuatu’s negotiators who were, as a result, forced to stop their discussions about PRC’s new foreign military base. But perhaps they will return to this issue, after all China knows how to be patient and its relations with Vanuatu continue to improve.

Sofia Pale, Ph.D. of Historical Sciences, research associate with the Center for South-East Asia, Australia and Oceania at the Institute of Oriental Studies of the Russian Academy of Sciences, exclusively for the online magazine “New Eastern Outlook”.