

Big-spending China Inc waits patiently in East Timor, on Australia's doorstep

By [James Massola](#) September 2, 2019 – 12.00am

Dili: Millions of dollars of Chinese heavy machinery and at least 20 Chinese workers are sitting idle on East Timor's south coast, waiting to resume work on multimillion-dollar infrastructure projects.

On a trip to Suai, a town of about 9000 people on East Timor's remote south coast, *The Sydney Morning Herald* and *The Age* visited two of the five camps that at their peak housed up to 500 Chinese workers and 1000 locals during construction of the first stage of a sprawling four-lane expressway that will eventually stretch 156 kilometres from Suai to Beaco.



Centre Alliance senator Rex Patrick is seen near Chinese heavy machinery for Covec-CRFG (joint venture between China Overseas Engineering Group Co. and China Railway First Group Co.) parked at a workers' camp near the town of Zumalae, East Timor. AAP IMAGE/LUKAS COCH

The \$500 million expressway is part of the \$15 billion Tasi Mane project and will link up a series of projects along the south coast that Timor's government is championing.

China's involvement in the project is [another example](#) of the super-power's rising influence in south-east Asia and the Pacific.

The Tasi Mane project also includes a largely-unused upgraded airport near Suai that receives just three or four flights per week but which is bigger and more modern than the Dili airport.

There are plans for an onshore LNG processing facility at Beaco, a supply depot and a refinery - all of which are yet to be built - and which will link into the as-yet undeveloped \$50 billion Greater Sunrise offshore oil and gas field.



The near-empty waiting hall at Kay Rala Xanana Gusmao International Airport in Suai, East Timor. AAP IMAGE/LUKAS COCH

The dusty, careworn camps are mostly empty now because stage one of the expressway, a 34 kilometre stretch that connects the towns of Suai to Fatucaí, was completed in November 2018.

Already, the expressway is nearly unusable in parts because of a landslide blocking two lanes heading in one direction and, further down the road, a section of highway headed in the other direction has collapsed and is passable only by motorcycles.

Motorcycles are banned from the expressway but few people own cars in this part of East Timor. We saw one car and two trucks along the length of the road. A dozen motorcycles and a herd of goats were the only other users of the road.

Funding for stages two to four of the expressway has not come through yet from Dili, which is struggling to raise the money to finance all of Tasi Mane. Senior politicians in Dili [have said](#) they would welcome Chinese investment in these other projects, but also suggested they would welcome Australian funding.



A severely damaged section of the Suai-Fatucai expressway built by Covec-CRFG (joint venture between China Overseas Engineering Group Co. and China Railway First Group Co.) AAP
IMAGE/LUKAS COCH

At the Covec 4 camp, in Zumalae, dozens of Sany and Volvo heavy machinery trucks, including a dozen dump trucks, six diggers, two graders, two bulldozers and two water trucks as well as dozens of shipping containers were idle.

Covec, which is short for the Chinese Overseas Engineering Company, is a subsidiary of the China Railway Group, a Fortune 500 company. It is the construction company that built stage one of the expressway.

A Chinese woman at Covec 4, who did not give her name confirmed only that 10 people were living on site now. A man who appeared to be the boss of the campsite prowled nearby, a cross look on his face as he gestured for us to leave the site.

But at the headquarters camp, Wang Qiang, 37, a structural engineer working on the Suai-Beaco highway project, who went to university "near Beijing" and has been in country for about three months spoke to *The Sydney Morning Herald* and *The Age* in halting English.



A Chinese engineer for Covec-CRFG is seen at a workers' camp headquarters in the town of Suai Loro, East Timor. AAP

Wang, who has also worked on projects in Oman, Mongolia and Tanzania, says 10 people live in headquarters camp, a dusty place with a swimming pool that has fallen into disrepair and where Timorese and Chinese flags fly in the central square.

"Maybe next week or after a few weeks, some guys will come," he says, adding "we are [the] foreign contractor for [the] highway project."

"There are four stages. This is the first. The second, third and fourth haven't begun. We are waiting for government department to send funds," he says, adding that another company could get the go-ahead to build the project.

Asked about the collapsed section of highway, Wang blames the Indonesian designers. "We are just for construction. We do highway construction, design is for another country.

"Some people are working here for several years. Our company is a global contractor. We have lots of countries [where there are jobs].

He is at pains to stress that locals are employed on the project too.

"It was more than 1000 locals. We almost always use the locals as drivers, as workers, labourers. [But] if you want skilled workers, skilled labour, maybe we cannot find [among the locals]."



Chinese workers for Covec-CRFG at a workers camp near the town of Zumalae, East Timor.
AAP/LUKAS COCH

At the inauguration ceremony for stage one of the expressway, Chinese Ambassador to East Timor Xiao Jianguo described the project as the largest infrastructure project in East Timor's history and stressed that the winning Chinese bid was "in accordance with international bidding practice and were fair, open and transparent".



Goats make themselves at home on the peaceful Suai-Fatucai section of the expressway.
AAP/LUKAS COCH

Xiao also described the expressway as part of China's sprawling, [trillion-dollar Belt and Road initiative](#), which involves 70 countries in a network of infrastructure projects around much of the globe that some analysts believe are being used to grow China's soft power.

South Australian Senator Rex Patrick, who travelled with *The Sydney Morning Herald* and *The Age* to Suai as a guest of Northern Oil Gas and Australia for an unrelated story about the company, said the "contrast between Chinese and Australian investment in Timor-Leste is stark, and particularly in the south".

"Australia's involvement in the Tasi Maine project is non-existent. Meanwhile the Chinese are at least three years ahead of the game, already having erected power lines to connect an Indonesian-built power station, and a 32 kilometre dual-carriageway freeway," he said.



A Chinese and a Timorese flag fly at a workers' camp near the town of Zumalae, East Timor.

AAP/LUKAS COCH

"China, working through construction companies that are effectively state controlled [a reference to China Railway Group's links to a state-owned enterprise], has made a strategic commitment, designed to foster long term influence in Timor-Leste."

"Australia is not just behind in the game, they are playing an entirely different game."

Edio Guterres, an Australian-educated East Timorese political analyst, who once worked for the opposition Fretilin party, said the Australian government - which spends about \$100 million per year on aid to Timor - should rethink how it spends money in Timor.

"Canberra should be thinking about spending its money on different projects," he said.

"Australia has an interest in Timor Leste not going bankrupt. Probably the least Australia would want is to have another failed state on its doorstep," he said.

"I don't know if there is any discussion in Canberra, but, in nominal terms Australia spends more money on Timor than the Chinese. The only thing is that all this money is not spent on tangible infrastructure projects as such. Australian aid assistance is not spent on a ministry of finance or defence [both of which were gifted by China], they are spent on rural roads and rural schools."

On his visit to East Timor on Friday, Prime Minister [Scott Morrison announced](#) Australia would fund the country's first fibre optic link to the world and fund an upgrade to a naval base in the north.

But in his meeting with Xanana Gusmao, the hero of Timorese independence and the most influential politician in the country, who is a leading proponent of Tasi Mane, Mr Gusmao pressed Mr Morrison on the projects.

According to a read-out from the Australian prime minister's office, "a big focus was on Gusmao's greater sunrise vision; both agreed it was all about jobs".



James Massola

James Massola is south-east Asia correspondent based in Jakarta. He was previously chief political correspondent, based in Canberra. He has been a Walkley and Quills finalist on three occasions, won a Kennedy Award for outstanding foreign correspondent and is the author of *The Great Cave Rescue*.