



SPOTLIGHT

Assessing effects of China's soft power influence in the Solomon Islands

Gain a geospatial perspective on real-world problems.

Learn how Maxar satellite imagery and advanced analytics can be applied to solve the world's most complex challenges.

MAXAR

MAXAR TOOLS ILLUMINATE SOFT POWER INFLUENCE

Throughout the past decade, the People's Republic of China (PRC) has steadily expanded its presence in the Oceania region. The PRC has increased economic aid in Oceania, has expanded its diplomatic and commercial profile there, and is currently one of the region's primary trading partners and its third-largest aid donor after Australia and New Zealand, according to the Lowy Institute. The PRC's Belt and Road Initiative (BRI) is a strategic investment and development network for critical infrastructure, including transportation, communication, trade and energy in host countries.

The loyalty of the Solomon Islands to the rising superpower may seem inconsequential, but significant development funding from the PRC to the island nation in 2019 contributed to the pivot from the nation's historical recognition of Taiwan, according to Reuters. This further shifted the allegiance of nations in Oceania toward the PRC. The soft power influence of the PRC in the Solomon Islands can be seen through substantial financial agreements, infrastructure development and cultural exchange. Impacts of PRC presence are also evident in the overextraction of natural resources, shown by nongovernmental organization Global Witness, and the attempt to lease one of the smaller Solomon Islands, as reported by the Guardian.



Maxar's Vivid imagery basemap provides a crisp, clear mapping foundation for superb visibility. Visible here are the primary landmasses of the Solomon Islands.

SUMMARY OF UNIQUE TOOLS & APPLICATIONS

High-resolution electro-optical imagery from Maxar includes native 30 cm class resolution and derived 15 cm high-definition imagery, delivering clear, rich images that empower better decision-making through improved situational awareness. Maxar's 125+ petabyte imagery archive offers historical context and reveals change over time at global scale. For this Spotlight, imagery was used to evaluate the expansion of logging roads and the development at the Gold Ridge mine.

Vivid is Maxar's suite of high-resolution, high-accuracy imagery basemap products, available off the shelf. From metro to global scale, Vivid offers solutions to meet a range of customer needs and budgets. Providing a high-quality, visually consistent view of Earth, Maxar's Vivid products are ideal imagery basemaps for contextual layers, visualizations and extracting features at scale. Vivid was used in this Spotlight to highlight the Solomon Islands in Oceania below and serves as the base imagery for the "Regional Alliances" map on page 3 and "PRC Infrastructure" map on page 4.

Comprehensive analytic reports are in-depth, unclassified reports that contextualize diverse environments and recommend solutions to the world's most challenging issues. Each product delivers unique insight by harnessing the collective power of both proprietary and open-source information, including high-resolution satellite imagery, crowdsourcing, human landscape data collection and enrichment, geospatial statistical modeling, on-the-ground polling and academic research.

GROWING CHINESE INVESTMENT IN OCEANIA COINCIDES WITH SHIFTING LOYALTIES

International recognition of Taiwan is waning, suggesting diminished support for the independent state living in the shadow of the PRC. In 2019, Solomon Islands Prime Minister Manasseh Sogavare said his country would recognize the “One China” principle and would stand on the “right side of history” by switching its diplomatic relationship from Taiwan to the PRC, according to the South China Morning Post. Business Insider reports that, as of 2021, only 15 countries recognize the government of Taiwan as independent from the PRC, and four of them are in Oceania: Palau, Nauru, Marshall Islands and Tuvalu. The Solomon Islands is the sixth country to shift recognition from Taiwan to the PRC since 2016.

In September 2019, the Solomon Islands officially cut diplomatic ties with Taiwan and signed five memorandums of understanding with Chinese companies, reports China Daily. The rapid change in recognition from Taiwan to the PRC is referred to locally as “the switch” and has prompted political unrest in the Solomon Islands. According to the Guardian, Taiwan is viewed by many Solomon Islanders as a loyal friend that supported the country during the civil conflict in 1998. Many Solomon Islanders disapprove of the PRC’s blatant oppression of its religious minorities and fear that the Solomon Islands is not powerful enough to negotiate with the economic powerhouse. In the weeks after the switch, four cabinet members who did not support recognition of the PRC were dismissed, and another resigned, according to Australia’s ABC News. The deputy leader of the opposition, Peter Kenilorea Jr., stated to the Guardian that the diplomatic shift was the result of financial incentives offered by the PRC.

The PRC offered an aid package valued at \$500 million, which dwarfs the package offered by Taiwan, valued at \$8.5 million, according to Reuters and Taiwan News. Reuters reports the PRC offered this development fund in 2019 as payment for cutting diplomatic relations with Taiwan. Individually, several parliament members reported to the Guardian that they had been contacted by PRC government officials and offered bribes between \$246,000 and \$615,000 in exchange for voting to support recognition of the PRC; later reporting by the Guardian revealed similar bribery offers from Taiwanese representatives. Daniel Suidani, the Premier of the island of Malaita, has maintained a strong anti-PRC stance and reported an attempted bribe of \$123,000 to temper his negative stance toward the PRC. Pro-PRC politician John Moffat Fugui was chosen by Sogavare to lead the political taskforce to consider the diplomatic switch in recognition; following the switch, Fugui was appointed as the Solomon Islands Ambassador to the PRC.



Four of the 14 countries in Oceania recognize Taiwan. The Cook Islands and Niue, both administered by New Zealand, each separately accepted BRI terms.

CHINESE INFRASTRUCTURE DEVELOPMENT AND INVESTMENT IN THE SOLOMON ISLANDS

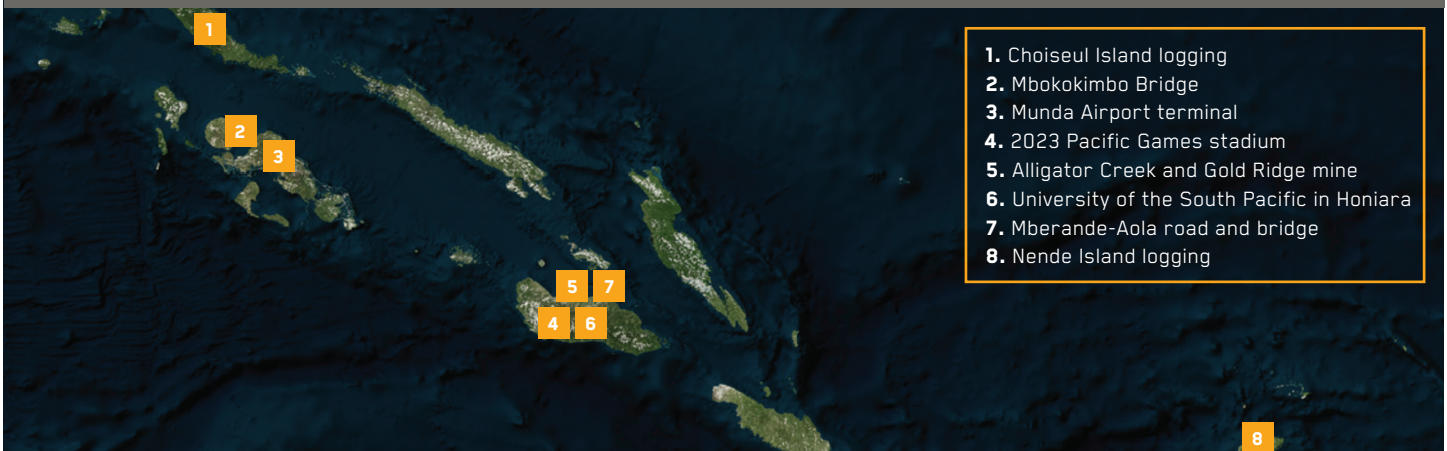
Shortly after the diplomatic switch, the PRC's increasing soft power influence in the Solomon Islands became apparent. The PRC developed a student-exchange program in which 120 Solomon Islands students would travel to the PRC on a scholarship program, according to the Solomon Star; more than 90 students who were studying in Taiwan were relocated to the PRC under the program. The Island Times reports that the China Harbour Engineering Company was awarded a multimillion-dollar contract for the construction of the fourth full University of the South Pacific in Honiara, the capital of Solomon Islands. According to the Island Times, in March 2021, Chinese workers were flown to the Solomon Islands to begin construction on the university.

The use of Chinese labor in joint infrastructure projects has prompted frustration among Solomon Islanders, according to the Solomon Star. Inside The Games reported the PRC pledged \$246 million for the 2023 Pacific Games, which will be hosted in the Solomon Islands. This amount includes the creation of a new national stadium projected to cost \$53 million, the construction of which commenced in December 2020. The Solomon Islands Public Accounts Committee emphasized the importance of using local labor for the stadium, according to Inside The Games. However, The Solomon Star reports Chinese workers are being used instead of local labor, despite high unemployment rates in the Solomon Islands.

A variety of development projects are underway in the Solomon Islands with funding from the PRC's BRI. One historical site located at Alligator Creek on Guadalcanal was sold to Chinese-owned JQY Ltd. just after the switch to develop the area for a fishery project; JQY promptly erected a fence at the Alligator Creek site, preventing access by locals, reports Reuters. The China Civil Engineering Construction Corporation (CCECC) constructed the Mbokokimbo Bridge and the Mberande-Aola road and bridges; CCECC also received the contract to construct the Munda Airport terminal, according to Pacific Tenders.

Some residents expressed initial reluctance regarding the partnership between CCECC and Munda leadership. However, the Solomon Star reports the residents' desire for the project's completion diminished opposition to a PRC partnership in the project. These projects show the influence BRI funds can have on leaders seeking local development. Still, doubt remains among civilians concerned about undue influence by the PRC and their access to trickle-down benefits from such deals, according to the Guardian.

PRC INVESTMENTS AND INFRASTRUCTURE IN THE SOLOMON ISLANDS



1. Choiseul Island logging
2. Mbokokimbo Bridge
3. Munda Airport terminal
4. 2023 Pacific Games stadium
5. Alligator Creek and Gold Ridge mine
6. University of the South Pacific in Honiara
7. Mberande-Aola road and bridge
8. Nende Island logging

GOLD RIDGE MINE EXPANSION AND INFRASTRUCTURE OWNERSHIP

In 2019, the Solomon Islands signed an \$825 million lease to restart production at the Gold Ridge mine on Guadalcanal, according to Taiwan News. The project was described in a speech by the PRC’s ambassador to neighboring Papua New Guinea, Xue Bing, as an “early harvest” of the new diplomatic tie between PRC and the Solomon Islands. China State Railway Group (China Railway) was contracted for the construction at the mine site, including updating transport infrastructure, reports Australia’s ABC News. Gold Ridge Mining Ltd. chairman Walton Naezon noted to ABC News that China Railway would be repairing the bridge, road and mining infrastructure. The timing of the negotiations prompted questions from locals who felt the Chinese firm might have had advantages in negotiating for project rights after the switch, but Naezon denied this, reports ABC Radio Australia. According to the Australian National University, during the mine’s peak operation period, 30% of the Solomon Islands’

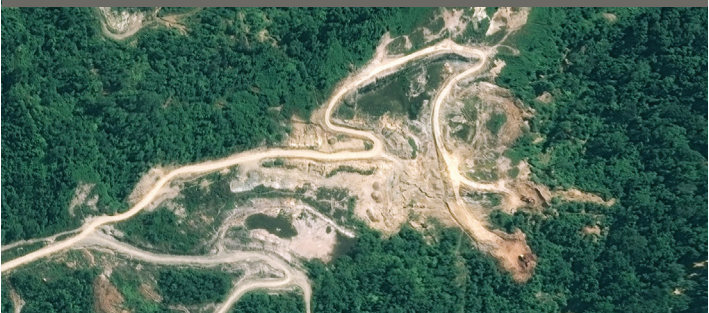
GDP was derived from gold mined at the Gold Ridge site. Gold Ridge was projected to reopen for production in mid-2021, according to Mining, but no updates were available as of July 2021.

The Solomon Islands will pay nothing for project-related infrastructure at the revamped Gold Ridge mine—but the country will not own it, either. The state-owned China Railway will retain ownership of project-related infrastructure at Gold Ridge, according to ABC News. Kenilorea noted that the terms of the arrangement were opaque, and independent Australian mining analyst Peter Strachan called the level of investment “way over the top” for a site with modest reserves, reports ABC Australia. Control of infrastructure in a country with less than 0.05% of the population of the PRC calls into question the soft power aims of the PRC in the Solomon Islands.

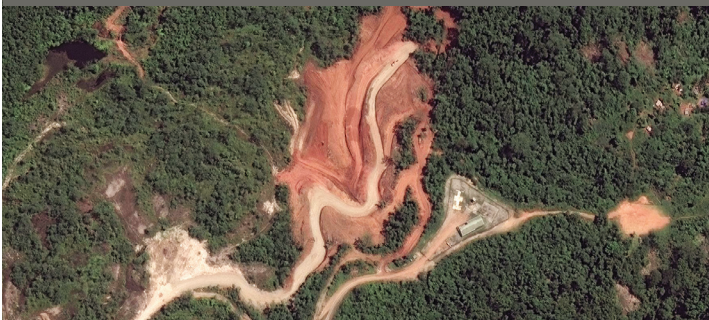
LOWER GOLD RIDGE MINE ON GUADALCANAL | SOLOMON ISLANDS | NOVEMBER 14, 2020 | WORLDVIEW-2



LOWER GOLD RIDGE MINE ON GUADALCANAL | SOLOMON ISLANDS | MAY 17, 2021 | WORLDVIEW-2



UPPER GOLD RIDGE MINE ON GUADALCANAL | SOLOMON ISLANDS | NOVEMBER 14, 2020 | WORLDVIEW-2



UPPER GOLD RIDGE MINE ON GUADALCANAL | SOLOMON ISLANDS | MAY 18, 2021 | WORLDVIEW-3



CHOISEUL ISLAND LOGGING LEADS TO DEFORESTATION CONCERNS

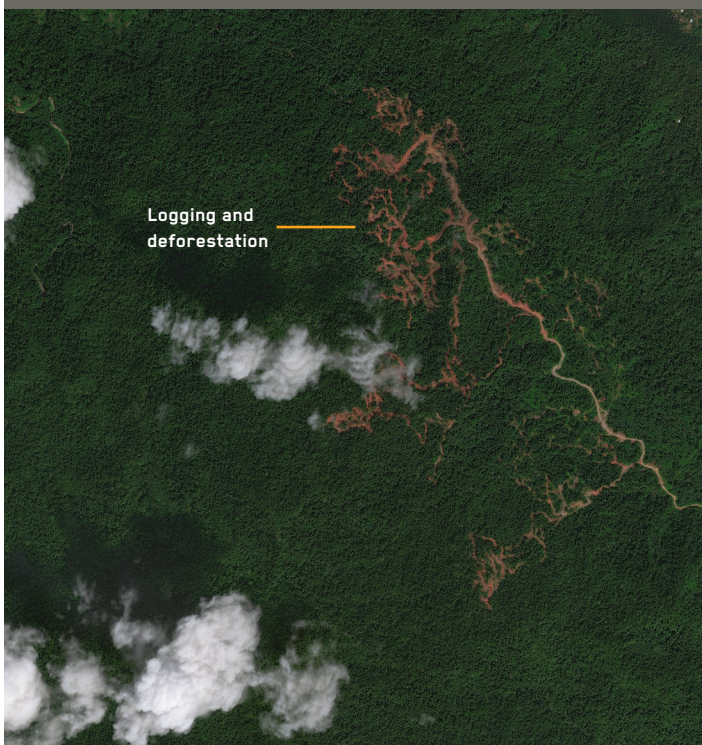
PRC-based companies have caused substantial damage to the environment in the Solomon Islands by overlogging and road creation. Reuters reported in 2020 that most timber companies operating in the Solomon Islands are Malaysian or Chinese. Logging is a key component of the Solomon Islands' economy: 10% of the country's GDP in 2019 was derived from logging, according to the Pacific Environment Portal, and more than 80% of legal timber exports from the Solomon Islands are sent to the PRC, reports Global Witness. According to Solomon Islands Minister for Finance Harry Kuma, logging exports reached 1.7 million cubic meters in September 2020.

“You cannot yoke a cat with an elephant. China is too big for us.”

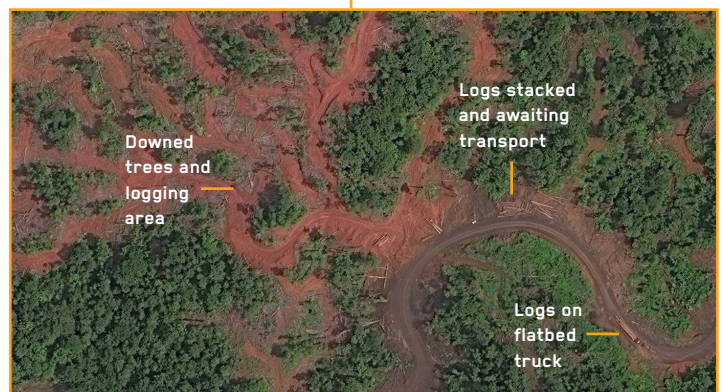
- RICHARD OLITA | SECRETARY, MALAITA FOR DEMOCRACY | DECEMBER 2019 | THE GUARDIAN

Chinese logging companies harvest timber at an unsustainable rate in the Solomon Islands. According to a report published by Global Witness in October 2018, logging companies are clearing forests in the Solomon Islands at almost 20 times a sustainable rate. The report noted that logging tracks totaled 12,614 km throughout the Solomon Islands, 669 km of which are above 400 m in elevation, where logging is restricted. Maxar imagery from October 2016 and February 2018 demonstrates the expansion of logging roads and the extent of deforestation in a short period of time. Locally, Solomon Islanders see dried ground and mud where there were formerly thick forests, and abandoned machinery litters the once-pristine landscape, according to the Guardian. Global impacts of deforestation in the Solomon Islands include the reduction of a major carbon sink, depriving the world of the air-purifying qualities of dense forests, reports Global Witness.

LOGGING ON CHOISEUL ISLAND | SOLOMON ISLANDS | OCTOBER 28, 2016 | WORLDVIEW-2



LOGGING EXPANSION ON CHOISEUL ISLAND | SOLOMON ISLANDS | FEBRUARY 27, 2018 | WORLDVIEW-2



POTENTIAL MILITARY BUILDUP ON TULAGI

A few days after announcing its recognition of the PRC, the Solomon Islands signed a 75-year renewable lease with the China Sam Enterprise Group for the entirety of Tulagi Island, a small landmass between Guadalcanal and Malaita, reports the Guardian. According to the International Business Times and The New York Times, interest in the natural deep-water access at Tulagi—the site of a key battle between Japanese and U.S. forces in World War II—prompted concern that the location might have dual-use potential. The lease, for a new oil refinery on the island, would operate out of a former Japanese military installation, concerning U.S. military observers.

In October 2019, after an outcry by residents, the Solomon Islands' central government declared the deal illegal and cancelled the agreement, reports The New York Times. Still, experts like Professor Anne-Marie Brady, PRC politics specialist at the University of Canterbury in Christchurch, New Zealand, point to the PRC's expanding military assets in the region, noting that "China ... is looking for friendly ports and friendly airfields just like other rising powers before them." The PRC's ability to initiate the Tulagi lease signifies the PRC's soft power influence over regional governments and provincial leaders in the Pacific eager for development funds.

“The Pacific is an important region in terms of maritime movements. ... Being able to utilize ports for both commercial and presumed military purposes is important to China.”

- MATTHEW CLARKE | PROFESSOR, DEAKIN UNIVERSITY, AUSTRALIA | DECEMBER 2019 | THE GUARDIAN

CONCLUSION

The PRC's soft power influence in the Solomon Islands is evident by the island nation's switch in loyalty from Taiwan to the PRC. Further examples include infrastructure ownership, the overextraction of natural resources and the attempt to lease a strategic island with deep-water access. In a February 2021 piece in The Atlantic, Professor Deborah Brautigam and Associate Professor Meg Rithmire cautioned against characterizing the PRC's aims as nefarious, stating rather that "China and other countries are becoming more sophisticated in bargaining with one another." As sophisticated as this bargaining may be, the power disparity between the PRC and the Solomon Islands remains.

TULAGI ISLAND | SOLOMON ISLANDS | APRIL 4, 2021 | WORLDVIEW-2





FOR A BETTER WORLD

Maxar is a trusted partner and innovator in Earth Intelligence and Space Infrastructure. We deliver disruptive value to government and commercial customers to help them monitor, understand and navigate our changing planet; deliver global broadband communications; and explore and advance the use of space.

Our unique approach combines decades of deep mission understanding and a proven foundation of commercial technology to deliver solutions with unrivaled speed, scale and cost-effectiveness.

Find out more at maxar.com.

Subscribe to Maxar Spotlight:
Stay informed with each volume delivered straight to your inbox.

Visit explore.maxar.com/spotlight-signup.

