

Philippines edges nearer to China energy deal



Philippines edges nearer to China energy deal China and the Philippines moved closer to a controversial deal on oil and gas development in the South China Sea yesterday in the latest sign of a deepening rapprochement between the two. As President Xi Jinping arrived in the Philippines for the first state visit by a Chinese leader in 13 years, a long discussed bilateral understanding to unlock rich offshore deposits was signed between the two countries. Relations between Beijing and Manila had frayed because of a longstanding territorial dispute in the South China sea, but since becoming president in 2016 Rodrigo Duterte has tilted the Philippines away from the US, its additional ally, and towards China.

Yesterday Mr Duterte described Mr Xi's visit as "a landmark moment", adding: "We have turned a new page and we l I are

ready to write a new chapter of openness and co-operation."But the framework oil and gas agreement was roundly condemned by Mr Duterte's political opponents.Opposition senators Antonio Trillanes IV and Francis Pangilinan urged Mr Duterte not to sign an agreement with China or any other country that "diminishes the Philippines' exclusive '[The draft deal] reverses our historic victory at The Hague and signs away Philippine sovereignty' rights". Doing so, they said, would violate the country's constitution. In 2016 an international tribunal in The Hague ruled in the Philippines' favour in its maritime dispute with China over what Manila calls the West Philippine Sea.Mr Trillanes yesterday circulated what he said was a Chinese draft of the deal, seen by the Financial Times, which proposed equal sharing of the proceeds from joint exploration and "friendly consultations" to resolve disputes. TheFT could not independently verify the document's authenticity. "It is preposterous and treacherous;" said Risa Hontiveros, another opposition senator. "It reverses our historic victory at The Hague and signs away Philippine sovereignty in the West Philippine Sea."Both Mr Xi and Mr Duterte were keen to play down the issue. "China and the Philippines have a lot of common interest in the South China Sea," Mr Xi said, adding that the two sides would "continue to manage contentious issues and promote maritime co-operation".Mr Duterte spoke of "deepening trust" and said he was "pleased with the current positive momentum of the Philippines-China relations".The area of the South China Sea off the Philippines' Palawan island is thought to contain some of the region's richest energy deposits, but the country has until now been unable to explore it because of pressure from China.