

Business Briefing: Trouble in the South China Sea

Written by Jenni Henderson, Assistant Editor, Business and Economy, The Conversation

China is on the defensive after an [international court ruled](#) it had no claim to historic rights to resources within its so called “nine-dash line” in the South China Sea.

This decision is the latest in a long running dispute between the nations that border the South China Sea over ownership of the islands in the sea and maritime jurisdictions.

Professor Clive Schofield, from the University of Wollongong, explains that the reason for the dispute is not only sovereignty but also economic, as the area provides much of the fish consumed in South East Asia. Although he is doubtful of the claims of the estimates of oil and gas in the South China Sea (due to lack of exploration).

The area is also of great importance economically to Australia, due to the amount of resources and other trade shipped through the area. Positioned between China and the United States, Australia is in a tricky situation, as this latest ruling won't resolve the ongoing tension in the area.

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