



Delhi Policy Group

Advancing India's Rise as a Leading Power



China Monitor

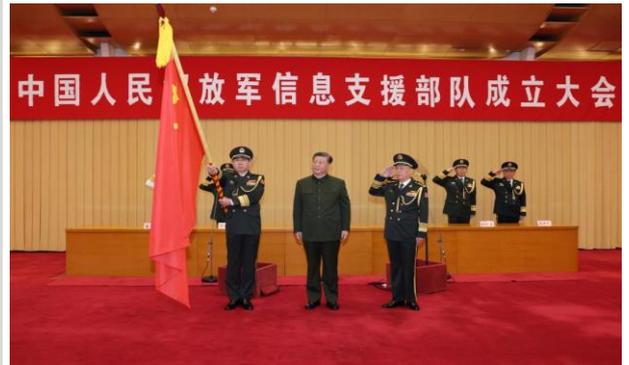
APRIL 2024

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Volume VII, Issue 4



Delhi Policy Group

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China Monitor Volume VII, Issue 4 April 2024

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China Monitor

The DPG China Monitor features developments related to China during the month and is compiled by our research team comprising Brig. Arun Sahgal (Retd.), Senior Fellow and Sanket Joshi, Research Associate, from open-source reports and publications.

Cover Photograph:

Chinese Foreign Minister Wang Yi met US Secretary of State Antony Blinken in Beijing on April 26, 2024.

Source: [Official X Handle/Secretary Antony Blinken](#)

Australia, Japan, the Philippines, and the United States held joint naval drills in the disputed South China Sea on April 07, 2024.

Source: [Official Website/US Navy](#)

President Xi Jinping presents a flag to the PLA Information Support Force at its establishment ceremony in Beijing on April 19, 2024. Source: [Xinhua/Li Gang](#)

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China Monitor
Volume VII, Issue 4
April 2024

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Abstract

In an interview with the US magazine Newsweek on the eve of India's national elections, Prime Minister Narendra Modi commented on India-China relations. He highlighted that for India, relations with China are "important and significant", and suggested that the prolonged situation at the border must be addressed urgently to resolve the "abnormalities" in bilateral relations. Reacting to PM Modi's remarks, China maintained that stable ties were in both sides' common interest, adding that the boundary question should be placed appropriately, as it does not represent the entirety of China-India relations.

To strengthen its claims over India's state of Arunachal Pradesh, China released the fourth list of 30 standardised geographical names in "Zangnan" (Arunachal Pradesh), which Beijing claims as part of "South Tibet". India rejected China's "senseless attempts" to rename places, asserting that "invented names" will not alter the fact that Arunachal Pradesh will always be an integral and inalienable part of India.

To strengthen India's operational posture in eastern Ladakh, a new Army division (72 Division) is planned to be raised in 2024 under the headquarters of Northern Command. This formation will be part of the 17 Mountain Strike Corps, as part of plans to strengthen the overall offensive capability in the region. With this force accretion, India will be deploying two strike corps in the region i.e. 1 and 17 Corps respectively. Meanwhile, satellite images indicate that China is constructing a road in Pakistan Occupied Kashmir (Shaksgam Valley), close to the Siachen Glacier.

The US imposed sanctions on three Chinese and one Belarus company over the alleged supply of parts for Pakistan's ballistic missile programme. Washington alleged that these are intended to be used in launch-support equipment by Pakistan's National Development Complex (NDC), responsible for developing missile technology for the country's strategic weapons programme.

China-US relations remained turbulent during the month, notwithstanding attempts at mending fences. Several high-level engagements took place between the two countries, including a phone call between President Biden and President Xi on April 2, and a meeting between Secretary of State Antony Blinken and Foreign Minister Wang Yi in Beijing on April 26. Blinken and Wang reviewed progress on key issues discussed at the San Francisco Summit in November 2023, including counternarcotics cooperation, military-to-military

communication, AI-related risks, climate change, and people-to-people exchanges.

Blinken also called on President Xi, who acknowledged that US-China relations have begun to stabilise but warned that negative factors have also grown. Xi maintained that the Taiwan question is the first red line while asserting that bilateral relations should be based on mutual respect, peaceful coexistence, and win-win cooperation. A People's Daily editorial reiterated that China-US relations would embrace a brighter future if Washington developed a correct understanding of China's development prospects and strategic objectives.

On April 17, 2024, President Biden called for the tripling of tariffs on Chinese-made steel and aluminium imports. Moreover, the US Trade Representative's Office (USTR) announced a Section 301 investigation into China's maritime, logistics, and shipbuilding sectors, alleging that Beijing used "unfair, non-market policies and practices" to dominate these sectors. Noting these developments, analysts warned that the US's protectionist measures targeting Chinese steel and aluminium imports, along with other measures, could result in another damaging round of trade war.

US Treasury Secretary Janet Yellen visited China from April 3-9, 2024. In her meetings with Premier Li Qiang and Vice Premier He Lifeng, Yellen voiced concern about China's industrial "overcapacity", particularly its excessive exports of new energy vehicles (NEVs) and solar modules. Following Yellen's remarks, Premier Li Qiang urged Washington not to politicise trade issues and to view China's industrial capacity from a market economy perspective.

On April 16, 2024, President Xi received German Chancellor Olaf Scholz in Beijing. Xi laid emphasis on supporting free trade, economic globalisation, and multipolarity while staying vigilant against protectionism. Meanwhile, the EU launched an anti-subsidy investigation into Chinese solar panel manufacturers and also intends to investigate Beijing's subsidies for wind turbines.

Amidst continuing tensions in the South China Sea, the first US-Japan-Philippines trilateral summit was held in Washington on April 11, 2024. The US, Japan, Australia, and the Philippines held their first joint naval exercise in the SCS on April 07, 2024. At the same time, the PLA held naval and air drills in disputed areas of the SCS asserting that China is "strengthening military training and war preparedness" to "safeguard national sovereignty and maintain peace and stability". A Global Times editorial warned Japan and the Philippines that relying on the US to contain China would be "illusionary and dangerous", and would destabilise the Asia-Pacific region.

The PLA undertook a major reform on April 19, 2024, creating an Information Support Force by restructuring the Strategic Support Force set up in 2015. Beijing stressed that the Information Support Force will coordinate the development and application of a network information system to enhance the PLA's ability to fight and win modern warfare.

In the first quarter of 2024, China's economy grew 5.3 percent on a year-on-year basis, despite challenges such as the property market downturn and subdued domestic demand.

Foreign and Security Policy

I. China-India Relations

In an interview with the US magazine Newsweek, on the eve of India's national elections, Prime Minister Narendra Modi spoke among other things on India-China relations.¹ In his remarks, PM Modi highlighted that the relationship with China is both important and significant, that requires to be urgently addressed.² He stressed that prolonged tensions on the borders and the abnormality in bilateral interactions need to be put behind to move forward. Reiterating that stable and peaceful relations are important not just for the two countries but the entire region and the world.³ He hoped that through positive and constructive bilateral engagement, both, at the diplomatic and military levels, would be able to restore and sustain peace and tranquillity on the borders.⁴

China's Foreign Ministry spokesperson Mao Ning reacting to the Indian PM's remarks, said "sound and stable ties were in the common interests of both sides and are conducive to peace and development of the region and beyond, adding that the boundary question does not represent the entirety of China-India relations, and it should be placed appropriately in bilateral relations and managed properly".⁵

In a development that could have serious security implications for India, satellite images accessed by India Today, show China is reportedly building a road in a part of illegally occupied Kashmir close to the Siachen Glacier.⁶ The proposed road in Shaksgam Valley (part of Pakistan-occupied-Kashmir (PoK) ceded to China in 1963), branches out from an extension of Highway G219 in China's Xinjiang region and disappears into mountains at a place (coordinate: 36.114783°, 76.671051°) approximately 50 km north of India's northernmost point, Indira Col in Siachen Glacier.⁷ Satellite images captured by the European Space Agency (accessed by India Today) reveal that the basic trail of the road was laid between June and August last year.⁸

¹ "PM Modi's interview to Newsweek", Official Website Narendra Modi, April 10, 2024

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ "Foreign Ministry Spokesperson Mao Ning's Regular Press Conference", Permanent Mission of the PRC to the UN, April 11, 2024

⁶ Satellite images show China building road in occupied Kashmir near Siachen, India Today, April 26, 2024

⁷ Ibid.

⁸ Ibid.

India's concerns are exacerbated by earlier reports of increasing Sino-Pak military cooperation in the region. In 2021, Pakistan's Gilgit-Baltistan province announced plans for a new road connecting Muzaffarabad to Mustagh Pass which sits on the Pakistan border with Shaksgam Valley. When completed it would be linked to Yarkand in Xinjiang – indicating the road might pass through the Shaksgam Valley to connect with China's national highway G219.⁹

To strengthen the operational posture in eastern Ladakh, a new army division (72 Division) is planned to be raised this year under the headquarters of Northern Command.¹⁰ This formation will be part of the 17 Mountain Strike Corps. New raising is part of the overall plans to strengthen offensive posture in the region, by deploying two strike corps i.e. 1 Corps and 17 Corps. Earlier 1 Corps, traditionally meant for the plains sector against Pakistan was reoriented towards China.¹¹ Similarly, 17 Mountain Strike Corps traditionally meant for Eastern theatre has been deployed in the Ladakh sector after proper re-organisation.¹²

Stepping up its assertions to re-emphasise claims over Arunachal Pradesh, the Chinese Ministry of Civil Affairs released the fourth list of 30 standardised geographical names in Zangnan, the Chinese name for Arunachal Pradesh which Beijing claims as part of South Tibet. The official website of the ministry posted 30 additional names for the region. Changes in the names are being affected to protect the Chinese territorial claims and sovereignty rights.¹³ India rejected China's "senseless attempts" to rename places, asserting that "invented names" will not alter the fact that Arunachal Pradesh will always be an integral and inalienable part of India.¹⁴

II. China-South Asia Relations

The US has imposed sanctions on three Chinese and one Belarus company, over alleged supply of parts for Pakistan's ballistic missile programme.¹⁵ The sanctioned firms are Belarus, Minsk Wheel Tractor Plant, Chinese, Xi'an Longde

⁹ Ibid.

¹⁰ "Eye on eastern Ladakh, new Army division likely to be raised this year", The Indian Express, April 15, 2024

¹¹ Ibid.

¹² Ibid.

¹³ "China releases 30 more names for places in Arunachal Pradesh", The Indian Express, April 1, 2024

¹⁴ "Official Spokesperson's response to media queries on renaming places in Arunachal Pradesh by China", Ministry of External Affairs Government of India, April 02, 2024

¹⁵ "US sanctions on Chinese firms for Pakistan missile inputs", The Times of India, April 21, 2024

Technology Development, Tianjin Creative Source International Trade, and Granpact Companies.¹⁶ Islamabad has shrugged off these accusations of links to its missile programme as without any concrete evidence.¹⁷ The US State Department, on the other hand, has detailed that the alleged parts are to be used in the launch-support equipment by Pakistan's National Development Complex (NDC), responsible for developing Missile Technology for Pakistan's strategic programme.¹⁸

Satellite imagery shows a dry dock being constructed at the 'Pekua' submarine base in Cox's Bazar by China.¹⁹ Pekua submarine base was inaugurated by Bangladesh Prime Minister Sheikh Hasina in December 2023. Concern is that over time it could become a home base for Chinese submarines in the Bay of Bengal, where some of India's strategically important naval bases, including a nuclear submarine base is located. According to Western analysts, "this enhanced defence cooperation endeavour by China helps Beijing solidify its presence and influence in the region".²⁰

As per Senior Colonel Wu Qian, spokesperson of the Chinese Ministry of National Defence, the PLA and Bangladesh Army will hold a joint Army exercise code-named "Golden Friendship 2024" in May.²¹ The scenario of the exercise will be based on UN peacekeeping counter-terrorism, including hijacking and camp elimination. This will be the first time, China and Bangladesh will be conducting joint training.²²

China is emerging as an important strategic and development partner of Bangladesh. As per the Chinese Ambassador to Bangladesh, Yao Wen, China is keen to increase its investments in the country, having invested in important critical projects including Padma Bridge, the ICT Hi-Tech Park, industry, and education sectors.²³

Nepal and China have made progress in moving forward with the implementation of the Beijing-backed Belt and Road Initiative projects. An

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ "Why Bangladesh's China-Funded Pekua Submarine Base Will Prove To Be A Migraine For India", ABP News, April 21, 2024

²⁰ Ibid.

²¹ "China, Bangladesh to host joint exercise Golden Friendship-2024: Defence Spokesperson", Chinese Ministry of National Defence, April 25, 2024

²² Ibid.

²³ "Yao Wen: China interested in investing more in Bangladesh", Dhaka Tribune, April 22, 2024

understanding to move forward was reached during, Deputy Prime and Foreign Minister Narayan Kaji Shrestha's eight-day official visit to China from March 25 to April 1, 2024.²⁴ The two sides held discussions for giving a final shape to the Belt and Road Initiative (BRI) Implementation Plan.²⁵ This is a significant development, particularly as Nepal and China signed the BRI framework agreement seven years ago, on May 12, 2017, and the Chinese side forwarded the plan's text only at the end of 2019.²⁶ Nepal had earlier expressed serious reservations about the text, arguing that it is not interested in commercial loans from China, and set several other conditions to accept support under the BRI framework. As a consequence, negotiations over the BRI projects and implementation plan were halted.²⁷

Pro-China, Maldives ruling People's National Congress (PNC) won a decisive majority in parliamentary elections, winning over 60 seats in what is seen as an endorsement of its pro-China tilt and a shift away from the previous government's India First policy.²⁸ Reacting to the development, a Chinese Foreign Ministry spokesperson, said, Beijing fully respects the choice made by the Maldivian people and aims to further deepen China's strategic partnership with the archipelago nation.²⁹ He added, "China stands ready to work with the Maldives to carry forward traditional friendship, expand exchanges and cooperation in various fields, deepen China-Maldives comprehensive strategic cooperative partnership and speed up the building of a China-Maldives community with a shared future to deliver greater benefits to our two peoples".³⁰ A Global Times commentary highlighting Indian anxiety and strategic worry suggested that results do not indicate Maldives' tilt towards China, but demonstrate people's support for Maldives' independent foreign policy.³¹ It also called out Western media's attempts to turn Maldives' internal elections into a theatre for India-China geopolitical competition, while criticising India's unnecessary scepticism when South Asian countries

²⁴ "BRI implementation plan discussed with China: Nepal Dy PM Shrestha", Business Standard, April 01, 2024

²⁵ Ibid.

²⁶ Ibid.

²⁷ Ibid.

²⁸ China eyes deeper ties with Maldives after Muizzu party's poll win, The Times of India, April 23, 2024

²⁹ Ibid.

³⁰ Ibid.

³¹ "India should realize that the Maldives is not 'taking sides,' it's choosing independence", Global Times, April 23, 2024

cooperate with other powers, especially China, calling it a sign of “cold war mentality”.³²

III. China-United States Relations

Several high-level engagements took place in April 2024 between the US and China, including a phone call between President Biden and President Xi on April 2, and a meeting between Secretary of State Antony Blinken and Foreign Minister Wang Yi in Beijing on April 26.³³ They reviewed progress on key issues discussed at the San Francisco Summit in November 2023, including counternarcotics cooperation, military-to-military communication, AI-related risks, climate change, and people-to-people exchanges.³⁴ President Biden emphasised the importance of maintaining peace and stability across the Taiwan Strait and the rule of law and freedom of navigation in the South China Sea.³⁵ He expressed concern over Beijing's unfair trade and technology practices, as well as support for Russia's defence industry and its impact on European and transatlantic security.³⁶

President Xi, on his part, acknowledged, following the San Francisco meeting, US-China relations have begun to stabilise but warned that negative factors have also grown.³⁷ Xi maintained that the Taiwan question is the first red line while asserting that bilateral relations should be based on mutual respect, peaceful coexistence, and win-win cooperation.³⁸ A People's Daily editorial noted that China-US relations would embrace a brighter future if Washington developed a correct understanding of China's development prospects and strategic objectives.³⁹

Notwithstanding attempts at mending bilateral relations, on April 17, 2024, President Biden called for the tripling of tariffs on Chinese-made Steel and Aluminium imports from 7.5 percent to around 22.5 percent.⁴⁰ Moreover, the US Trade Representative's Office (USTR) announced a Section 301 investigation into China's maritime, logistics, and shipbuilding sectors alleging

³² Ibid.

³³ “Readout of President Joe Biden's Call with President Xi Jinping of the People's Republic of China”, The White House, April 02, 2024

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

³⁷ “Xi, Biden hold phone talks”, People's Daily, April 3, 2024

³⁸ Ibid.

³⁹ “China-U.S. relationship can embrace brighter future”, Zhong Sheng – People's Daily editorial, April 02, 2024

⁴⁰ “All losers after Biden plays China card in attempt to win votes”, South China Morning Post, April 18, 2024

that Beijing used “unfair, non-market policies and practices” to dominate these sectors.⁴¹ In light of these developments, an editorial in the *South China Morning Post* warned “the US's protectionist measures targeting Chinese steel and aluminium imports, in conjunction with other measures, may result in another damaging round of trade war”.⁴²

Amidst these tensions, US Treasury Secretary Janet Yellen visited China from April 3-9, 2024. In her meetings with Premier Li Qiang and Vice Premier He Lifeng, Secretary Yellen voiced concern about China's industrial “overcapacity”, particularly its excessive exports of new energy vehicles (NEVs) and solar modules.⁴³ Following Yellen's remarks, Premier Li Qiang urged Washington not to politicise trade issues and view China's industrial capacity from a market economy perspective.⁴⁴ He informed that Chinese companies are competitive because of their innovative products and strong supply-chain networks, not because of government subsidies.⁴⁵ Adding that, China's new energy industry will make an important contribution to the global green and low-carbon transformation.⁴⁶ A Xinhua commentary warned that the US's overcapacity claim about China's green products is unfavourable to globalisation and free trade.⁴⁷ Chinese new energy industry's rapid development has been attributed to the country's large market, abundant human resources, investment in research and development, and enhanced quality of entrepreneurship.⁴⁸

In the meantime, China filed a complaint at the World Trade Organisation (WTO) over US subsidies for electric vehicles under the “Inflation Reduction Act (IRA)”.⁴⁹ A *Global Times* editorial described China's lawsuit as a “just act” and urged the US to correct its discriminatory industrial policies and maintain a fair and just international trade order in the electric vehicles market.⁵⁰

On April 05, 2024, the US and the European Union expressed concern about China's “non-market policies and practices” with a particular emphasis on

⁴¹ Ibid.

⁴² Ibid.

⁴³ “Janet Yellen in China: ‘difficult conversations’ and an overcapacity spat put hopes for common ground in question”, *South China Morning Post*, April 8, 2024

⁴⁴ “US should not politicise trade issues, China's Li Qiang tells Janet Yellen in response to ‘overcapacity’ concerns”, *South China Morning Post*, April 7, 2024

⁴⁵ Ibid.

⁴⁶ Ibid.

⁴⁷ “Xinhua Commentary: “Overcapacity” claim unfavorable to globalization, free trade”, *Xinhua*, April 14, 2024

⁴⁸ Ibid.

⁴⁹ “This is a just act to maintain the development of electric vehicles: *Global Times* editorial”, *Global Times*, March 28, 2024

⁵⁰ Ibid.

"legacy chips".⁵¹ US CHIPS and Science Act of 2022 defines legacy chips as those produced with 28-nanometer (nm) technology or larger; while "cutting edge" chips can be assumed to be produced at or below 5 nm.⁵² China produces approximately 60 percent of legacy semiconductor chips used in automobiles, household appliances, and medical devices, and the US has launched a survey to identify market distortions in this sector.⁵³ As a result of a growing dominance in legacy chips, China's semiconductor chip production has reportedly increased by 40 percent in the first quarter of 2024.⁵⁴

Amidst widening technology competition, Taiwan Semiconductor Manufacturing Company (TSMC) has reached an agreement with the US to manufacture the most advanced semiconductor chips in Arizona.⁵⁵ Owing to such investments, the US remains on track to produce about 20 percent of the world's cutting-edge semiconductor chips by 2030.⁵⁶

Among other developments, China expressed disappointment with the US decision to veto a Palestinian request to become a full member of the United Nations, stating that history and the international community would remember the US' regressive actions.⁵⁷

IV. China-European Union Relations

On April 16, 2024, President Xi met with German Chancellor Olaf Scholz in Beijing. Xi emphasised supporting free trade, economic globalisation, and multipolarity while staying vigilant against protectionism as China and Germany marked the 10th anniversary of the establishment of an all-round strategic partnership.⁵⁸ While the EU is investigating Chinese electric vehicles for anti-subsidy concerns, Chancellor Scholz reiterated the importance of "open and fair competition" between European and Chinese manufacturers.⁵⁹

⁵¹ "US, EU eye Chinese legacy chips in renewed semiconductor accord", The Economic Times, April 7, 2024

⁵² "The Strategic Importance of Legacy Chips", Center for Strategic and International Studies (CSIS), March 03, 2023

⁵³ "US, EU eye Chinese legacy chips in renewed semiconductor accord", The Economic Times, April 7, 2024

⁵⁴ "China's semiconductor output jumps 40% in first quarter amid growing dominance in legacy chips", South China Morning Post, April 16, 2024

⁵⁵ "US-China tech war: TSMC strikes US\$11.6 billion deal to make 'most advanced semiconductor chips' in Arizona", South China Morning Post, April 08, 2024

⁵⁶ Ibid.

⁵⁷ "Update: History and people will remember this regressive action by US: Chinese FM on US veto of Palestine's full membership to UN", Global Times, April 19, 2024

⁵⁸ "Xi meets German chancellor, calls for achieving mutual success", Xinhua, April 16, 2024

⁵⁹ "In China, Germany's Olaf Scholz calls for 'open and fair' competition as differences weigh on trade", South China Morning Post, April 15, 2024

The EU has also launched an anti-subsidy investigation into Chinese solar panel manufacturers⁶⁰ and intends to investigate Beijing's subsidies for wind turbines.⁶¹ According to the Chinese Ministry of Commerce, such measures have severely impacted the confidence of the country's enterprises to invest and trade in Europe as well as interfered with mutually beneficial industrial cooperation.⁶²

Chinese Premier Li Qiang met with the French Minister for Europe and Foreign Affairs Stephane Sejourne in Beijing on April 01, 2024. Premier Li stressed that the Chinese and French economies are highly complementary and the two countries should deepen cooperation in sectors such as green energy, high technology, digital economy, and advanced manufacturing.⁶³ Minister Sejourne emphasised that his country adheres to an independent foreign policy, and opposes bloc confrontation, decoupling, and severing of supply chains.⁶⁴ He called upon China to send "clear messages" to Russia over its war in Ukraine.⁶⁵

On April 23, 2024, amidst the EU's concerns about forced labour in China's Xinjiang region, the European Parliament approved rules to ban imports and exports of goods using forced labour.⁶⁶ Despite human rights concerns, reportedly the EU, led by countries such as Poland, Belgium, and the Netherlands has seen 200 percent surge in imports from the Xinjiang region.⁶⁷

V. China-Russia Relations

President Xi met Russian Foreign Minister Sergey Lavrov in Beijing on April 09, 2024. The two leaders reaffirmed the need to reform the West-led global governance system.⁶⁸ President Xi reiterated that China places a high priority on developing its relations with Russia including multilateral strategic coordination in 'BRICS' and the 'Shanghai Cooperation Organisation' (SCO).⁶⁹

⁶⁰ "Chinese firms targeted as EU launches probes into solar subsidies", South China Morning Post, April 03, 2024

⁶¹ "China protests Europe's new wind-turbine probe and report alleging distortions in the economy", South China Morning Post, April 11, 2024

⁶² Ibid.

⁶³ "Chinese premier meets French FM in Beijing", People's Daily, April 02, 2024

⁶⁴ Ibid.

⁶⁵ "France expects 'clear messages' from China to Russia over Ukraine war", France 24, April 1, 2024

⁶⁶ "EU Parliament approves ban of products made with forced labour", Reuters, April 23, 2024

⁶⁷ "EU sees 200% surge in imports from China's Xinjiang region despite human rights concerns", South China Morning Post, March 21, 2024

⁶⁸ "Xi meets Russian foreign minister", Xinhua, April 9, 2024

⁶⁹ Ibid.

In his remarks, Foreign Minister Sergey Lavrov stressed that President Vladimir Putin's re-election ensures the continuation of Russia-China relations and that Moscow will deepen bilateral and multilateral coordination with China and the Global South to establish a fair and just international order.⁷⁰ President Putin is likely to visit China in May 2024 to further deepen the “no limits” strategic partnership between the two countries.⁷¹

Meanwhile, China abstained and Russia vetoed a UN Security Council resolution sponsored by the US and Japan calling on all member-states not to develop or deploy nuclear arms or other weapons of mass destruction in space.⁷² Reportedly, China and Russia are opposed to the placement of any weapons in space, not just weapons of mass destruction, pointing out that the US and its allies have already announced plans to place weapons in space.⁷³

Internal Developments

Key Addresses by Chinese Leaders and Developments

Amidst continued cross-strait tensions, President Xi met with Taiwan's former President Ma Ying-jeou (Kuomintang – KMT leader) in Beijing on April 10, 2024.⁷⁴ Xi, in his remarks, noted that both sides of the Taiwan Strait have been part of the Chinese nation for the past 5,000 years and that external interference cannot stop the historical trend of national reunification.⁷⁵ On his part, Ma emphasised the importance of adhering to the 1992 consensus, which embodies the one-China principle and opposes Taiwan's independence as a political foundation for peaceful cross-strait relations.⁷⁶

President Xi visited the Chongqing Municipality in southwestern China, where he urged authorities to promote high-quality development and make Chongqing a strategic hub for western China's development.⁷⁷ He inspected the Army Medical University in Chongqing emphasising the need to build

⁷⁰ Ibid.

⁷¹ “Russia's Putin says he plans to visit China in May”, [Nikkei Asia](#), April 26, 2024

⁷² “Russia vetos UN resolution to prevent nuclear arms race in space”, [The Guardian](#), April 25, 2024

⁷³ Ibid.

⁷⁴ “Xi Jinping meets Ma Ying-jeou in Beijing”, [Xinhua](#), April 11, 2024

⁷⁵ Ibid.

⁷⁶ Ibid.

⁷⁷ “Xi calls on Chongqing to write its chapter in Chinese modernization”, [Xinhua](#), April 24, 2024

future-oriented world-class military medical universities serving the battlefield and troops.⁷⁸

Trade and Economy

In the first quarter of 2024, China's economy grew 5.3 percent year-on-year despite challenges such as the property market downturn and subdued domestic demand.⁷⁹ In March 2024, China's purchasing managers' index (PMI) for manufacturing stood at 50.8 percent, the first such expansion since September 2023.⁸⁰ The country's foreign trade reportedly exceeded CNY 10 trillion (about USD 1.43 trillion) with growth reaching its highest level in six quarters.⁸¹ In light of this, Beijing informed that the Chinese economy is off to a good start and on track to meet its 5 percent growth target for 2024.⁸² A rebound in the country's industrial and service sectors, as well as a high priority placed on the development of new quality productive forces, particularly in high-technology manufacturing, has contributed to its "better-than-expected" growth.⁸³

Even as the first quarter growth exceeded expectations, the International Monetary Fund (IMF) maintained its growth forecast for 2024 at 4.6 percent - below the Chinese government's target - citing persistent concerns over the property market slump.⁸⁴ Further, Fitch Ratings downgraded the country's sovereign credit rating outlook from stable to negative.⁸⁵ Chinese Ministry of Finance characterised this as "regrettable" and stressed that the long-term positive momentum of the Chinese economy remains unchanged, and the government has the ability and determination to maintain sound sovereign credit.⁸⁶

Amidst a prolonged slump in China's capital market and the outflow of foreign investment, the State Council issued new guidelines aimed at addressing

⁷⁸ "Xi stresses building world-class military medical universities", Xinhua, April 25, 2024

⁷⁹ "Chinese economy sustains recovery momentum, makes notable progress in Q1", Xinhua, April 16, 2024

⁸⁰ "PMI numbers convey the warmth of China's economy: Global Times editorial", Global Times, April 01, 2024

⁸¹ "China's Q1 foreign trade surge signals economic upturn", People's Daily, April 13, 2024

⁸² "Chinese economy sustains recovery momentum, makes notable progress in Q1", Xinhua, April 16, 2024

⁸³ Ibid.

⁸⁴ "IMF keeps China's 2024 GDP growth estimate unchanged on troubled property sector", South China Morning Post, April 16, 2024

⁸⁵ "China says Fitch rating outlook downgrade regrettable", Xinhua, April 10, 2024

⁸⁶ Ibid.

stock-market volatility, including tightening supervision of new listings.⁸⁷ Premier Li Qiang emphasised better leveraging of the capital market and building a strong finance sector serving China's modernisation.⁸⁸ Meanwhile, at the China Import and Export Fair (Canton Fair) held in Guangzhou, Premier Li assured international participants that the country would liberalise trade and investment at a high level and inject stability into the global economy.⁸⁹

Among other developments, Beijing has promised support and minimal interference in the country's "low-altitude economy" (drones and other aerial vehicles), which is being described as one of the country's emerging strategic industries.⁹⁰ Food deliveries are already being performed with drones in Shenzhen, and pesticides too are being sprayed with drones.⁹¹

Defence and Security

The PLA undertook a major reform on April 19, 2024, creating an Information Support Force by restructuring the Strategic Support Force formed in 2015.⁹² Chinese Ministry of National Defence stressed that the Information Support Force will coordinate the development and application of the network information system to enhance the military's ability to fight and win modern warfare.⁹³ With this reform, the PLA now has a new system of services and arms under the command of the Central Military Commission (CMC) that includes the four services, the Army, Navy, Air Force, and Rocket Force, and the four arms include the Aerospace Force, Cyberspace Force, Information Support Force, and the Joint Logistic Support Force.⁹⁴ The cyberspace force would reinforce national cyber border defences, detecting and countering network intrusions and maintaining information security.⁹⁵ While the aerospace force will improve China's access and ability to use outer space.⁹⁶

⁸⁷ "China Seeks to Boost Stock Market Supervision", [The Wall Street Journal](#), April 12, 2024

⁸⁸ "Chinese premier stresses construction of capital market", [The State Council Information Office PRC](#), April 23, 2024

⁸⁹ "Chinese premier holds symposium with overseas buyers at Canton Fair", [The State Council Information Office PRC](#), April 18, 2024

⁹⁰ "China clears US\$70 billion 'low-altitude economy' for take-off with promise of minimal interference", [South China Morning Post](#), April 01, 2024

⁹¹ Ibid.

⁹² "Defense Ministry Spokesperson's Remarks on Recent Media Queries Concerning the PLA Information Support Force", [Chinese Ministry of National Defence](#), April 22, 2024

⁹³ Ibid.

⁹⁴ Ibid.

⁹⁵ Ibid.

⁹⁶ Ibid.

In line with President Xi's emphasis on developing "new quality combat power", PLA researchers underscored the importance of AI-driven naval warfare in winning future wars.⁹⁷ Further, researchers from the PLA Air Force claimed that they have developed radar technology aimed at better detecting F-22 and other stealth aircraft.⁹⁸

On April 16, 2024, US Defence Secretary Lloyd Austin and Chinese Defence Minister Dong Jun held a video conference as part of their high-level military-to-military communication.⁹⁹ Defence Minister Dong reiterated that China will not compromise on the Taiwan question and called upon Washington to respect China's territorial sovereignty and maritime rights in the South China Sea.¹⁰⁰ The Military Maritime Consultative Agreement Working Group of the two countries also met in Hawaii on April 3-4, 2024 to address the potential for accidental conflicts in the Indo-Pacific.¹⁰¹

On the other hand, while tensions persist between China and the Philippines, the US, Japan, Australia, and the Philippines held their first joint naval exercise in the South China Sea on April 7, 2024.¹⁰² At the same time, the PLA's Southern Theatre Command held naval and air drills in the disputed South China Sea asserting that China is "strengthening military training and war preparedness" to "safeguard national sovereignty and maintain peace and stability in the South China Sea".¹⁰³ As a deterrent message to China, the US and the Philippines are conducting the 39th annual Balikatan military exercise in the South China Sea from April 22 to May 8, 2024.¹⁰⁴ Adding to Chinese concerns, the US Army Pacific informed that it had deployed a new Typhon mid-range ground-based missile launcher to the Northern Luzon area of the Philippines for the Salaknib 2024 joint military exercise.¹⁰⁵ Meanwhile, marking its 75th anniversary, the PLA Navy released a video showing the launch of the JL-2

⁹⁷ "Chinese military researchers zero in on AI-driven navy, space combat to win future wars", South China Morning Post, April 10, 2024

⁹⁸ "Chinese scientists increase F-22 fighter jet's radar signature 60,000 times with new detection method: study", South China Morning Post, April 18, 2024

⁹⁹ "Chinese, US defense ministers hold talks; Taiwan question, South China Sea issue remain focus", Global Times, April 17, 2024

¹⁰⁰ Ibid.

¹⁰¹ "US-China military talks address potential for accidental conflicts in Indo-Pacific", South China Morning Post, April 6, 2024

¹⁰² "PLA vows to strengthen war preparation, safeguard sovereignty after South China Sea drills", South China Morning Post, April 9, 2024

¹⁰³ Ibid.

¹⁰⁴ "South China Sea: Beijing may get 'up close' as US-Philippine Balikatan drills send 'deterrent signal' on contested claims", South China Morning Post, April 18, 2024

¹⁰⁵ "U.S. deploys midrange missile system in Indo-Pacific for first time", The Japan Times, April 16, 2024

ballistic missile from a nuclear submarine demonstrating its second-strike capability.¹⁰⁶

On April 11, 2024, the first US-Japan-Philippines trilateral summit was held in Washington to deepen their strategic partnership.¹⁰⁷ In a joint statement, the three countries affirmed the importance of peace and stability across the Taiwan Strait and expressed concerns about China's dangerous and aggressive behaviour in the South and East China Seas.¹⁰⁸ Beijing described the trilateral summit as "bloc politics" and asserted that forming exclusive groups in the region would harm peace and security.¹⁰⁹ A Global Times editorial warned Japan and the Philippines that relying on the US to contain China would be "illusionary and dangerous" and would destabilise the Asia-Pacific region.¹¹⁰

In a joint statement issued on April 8, 2024, the 'AUKUS' Defence Ministers confirmed that Japan was being considered for cooperation on AUKUS Pillar II advanced capability projects in areas such as quantum computing, artificial intelligence, and hypersonics.¹¹¹ Reacting to these developments, China reiterated its concern about the risk of nuclear proliferation and urged Australia, UK, and the US to abandon Cold War mentality that could stir confrontation in the Asia-Pacific region.¹¹²

In addition, Vice Chairman of the Central Military Commission (CMC), Gen. Zhang Youxia addressed the 19th Western Pacific Naval Symposium in Qingdao.¹¹³ General Zhang called for the abandonment of Cold War thinking and the promotion of maritime governance at a new level through dialogue and consultation.¹¹⁴

Among other major developments, on April 1, 2024, President Xi held talks with Indonesia's President-elect Prabowo Subianto in Beijing to deepen all-round strategic cooperation between the two countries.¹¹⁵ It was Subianto's first

¹⁰⁶ "China shows off nuclear might ahead of top US diplomat Antony Blinken's visit", South China Morning Post, April 23, 2024

¹⁰⁷ "China lodges solemn representations to Japan, Philippines over negative moves in Washington", People's Daily, April 13, 2024

¹⁰⁸ Ibid.

¹⁰⁹ Ibid.

¹¹⁰ "Relying on US to contain China' brings illusions and dangers to Japan: Global Times editorial", Global Times, April 9, 2024

¹¹¹ "Chinese embassy urges U.S., UK, and Australia to stop forming exclusionary blocs", Xinhua, April 10, 2024

¹¹² Ibid.

¹¹³ "Western Pacific Naval Symposium opens in Qingdao, looks to bridge differences", Global Times, April 22, 2024

¹¹⁴ Ibid.

¹¹⁵ "Xi meets Prabowo; visit to deepen strategic cooperation", Global Times, April 01, 2024

foreign visit since he was elected President of Indonesia. Meanwhile, Chinese Foreign Minister Wang Yi met with his Indonesian counterpart Retno Marsudi in Jakarta warning against “bloc confrontation” in the Indo-Pacific.¹¹⁶ He advocated inclusive economic globalisation, opposed unilateralism, protectionism and decoupling, and called for a collaborative approach to maintaining industrial and supply chain stability.¹¹⁷

Technology

The US Congress approved a bill to ban TikTok unless its Chinese owner ByteDance sells the video platform in the country.¹¹⁸ TikTok informed that it would file a legal challenge against this “unconstitutional law” and reiterated that it has invested billions of dollars to protect US data and keep the platform free of outside manipulation and influence.¹¹⁹

To stimulate lending for high-technology development and large-scale equipment upgrades, two of China's top economic priorities, the People's Bank of China (PBOC) has committed to refinancing CNY 500 billion (USD 69 billion) for commercial banks.¹²⁰ A Xinhua report stated that China is planning to become a global centre of AI innovation by 2030, with the scale of its AI core industry exceeding CNY 1 trillion (approximately USD 140.9 billion) and the scale of related industries exceeding CNY 10 trillion.¹²¹

China launched the Shenzhou-18 crewed spacecraft for its Tiangong space station mission on April 25, 2024.¹²² The astronauts will conduct scientific tests, install space debris protection equipment on the space station, and carry out payload experiments.¹²³ Meanwhile, Wu Weiren, chief designer of the Chinese Lunar Exploration Programme, forecast that China could beat the US in bringing rocks from Mars to Earth in the Tianwen-3 mission, scheduled for launch in 2030.¹²⁴

¹¹⁶ “In Indonesia, China’s foreign minister warns against ‘bloc confrontation’ in Indo-Pacific”, South China Morning Post, April 18, 2024

¹¹⁷ Ibid.

¹¹⁸ “US Congress approves bill banning TikTok unless Chinese owner ByteDance sells platform”, Financial Times, April 24, 2024.

¹¹⁹ Ibid.

¹²⁰ “China pledges US\$69 billion in credit backing for tech after resurrecting dormant financial tools”, South China Morning Post, April 09, 2024

¹²¹ “China Focus: China accelerates AI development to build AI innovation center”, Xinhua, April 05, 2024

¹²² “China unveils Shenzhou-18 crew for space station mission”, Xinhua, April 24, 2024

¹²³ Ibid.

¹²⁴ “China aims to beat US in race for Mars samples with 2030 goal: space official”, South China Morning Post, April 26, 2024



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