



Delhi Policy Group

Advancing India's Rise as a Leading Power

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China Monitor

This monthly publication features key external and internal developments related to China during the month and is compiled by our research team comprising Ambassador Biren Nanda, Senior Fellow and Mr. Sanket Joshi, Research Associate, from open-source reports and publications. Your comments and feedback may be addressed to the author at biren.nanda@dpg.org.in. To subscribe, please [click here](#).

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1. Prime Minister Narendra Modi and President Xi Jinping held a meeting on the margins of the BRICS Summit in New Delhi on September 12, 2026. Source: [X/@narendramodi](#)
2. President Trump and President Xi held a meeting in Washington, D.C., on September 24, 2026. Source: [The White House](#)
3. Chinese Vice President Han Zheng addressed the 81st session of the UN General Assembly in New York on September 26, 2026. Source: [The United Nations](#)

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Abstract

India hosted the 18th BRICS Summit in New Delhi on September 12-13, 2026. On the sidelines of this summit, Prime Minister Narendra Modi and President Xi Jinping held a meeting on September 12, 2026. The two leaders welcomed the steady progress in India-China bilateral relations since their meeting in Tianjin (August 2025) and reiterated that the two nations should take a strategic and long-term perspective of their ties.

On September 12, 2026, Prime Minister Modi and President Xi addressed the 18th BRICS Summit. PM Modi emphasised the importance of multilateralism and inclusive global governance, while urging BRICS to pursue initiatives to “make the Global South move from being a rule-taker to a rule-shaper”.

President Xi, in his remarks, hailed the rise of BRICS over the past two decades, describing the group as the most influential global cooperation platform for emerging markets and developing countries. He reiterated China’s concerns about surging unilateralism and power politics, which is destabilising the international order. To address the deficits in peace, development, security, and governance, Xi shed light on China’s Global Development Initiative (GDI), Global Security Initiative (GSI), Global Civilisational Initiative (GCI), and Global Governance Initiative (GGI).

President Xi paid a state visit to the U.S. from September 23-25, 2026. During his meeting with President Trump, the two leaders reiterated their intent to build a “constructive relationship of strategic stability” based on respect, fairness, and reciprocity. The two sides agreed to extend their trade truce that was set to expire on November 10, 2026, for another two months, until January 10, 2027. They also agreed to establish and take forward the Board of Trade and other mechanisms while providing a more favourable tariff treatment for USD 30 billion of non-sensitive goods in each direction.

Reacting to the Trump-Xi Summit, Chinese state media reiterated that “the U.S. and China should view each other as partners, not rivals”. Adding that, President Xi’s visit to Washington will steer the giant ship of China-U.S. relations forward in a steady manner. However, analysts cautioned that even as the leaders of China and the U.S. demonstrated warmth, they could not conceal tensions sizzling

beneath.

On September 1, 2026, the G20, following its second Finance Ministers and Central Bank Governors' meeting in Asheville, expressed concerns about "excessive and persistent global trade imbalances" and called for countries to take steps to eliminate non-market policies and practices. China rejected the trade imbalance claims by the G20, stressing that to address global imbalances, all countries must promote their own structural reforms. In the face of concerns regarding China's overreliance on exports, the PBOC Governor reiterated that China remains committed to expanding domestic demand and that Beijing does not weaponise the Yuan to boost exports.

On September 15, 2026, Troy Meink, U.S. Secretary of the Department of Air Force, acknowledged that the U.S. has deployed "on-orbit space control weapons" capable of defending the joint force against hostile adversary action. Reacting sharply, China's Ministry of National Defence warned that Washington's push to weaponise outer space would only intensify the space arms race, undermining humanity's shared home. Chinese analysts argued that deploying weapons in space was considered a taboo; however, the U.S. has broken that taboo, and humanity is at a breaking point in history.

President of the European Commission, Ursula von der Leyen, delivered her State of the Union address in Brussels on September 16, 2026. She reiterated concerns about Europe's massive trade deficit with China and urged Beijing to rebalance trade. Chinese state media warned Brussels that if it intends to wage a trade war, it would constitute a "regrettable strategic miscalculation" on the part of the EU.

On September 18, 2026, President Trump announced that the U.S. had reached an agreement with Denmark and Greenland that gives Washington "permanent control over the security" of Greenland that lies between the Arctic and Atlantic oceans. In light of this, Chinese analysts cautioned that this new security agreement would make western Arctic states (Denmark, Norway, Sweden, Finland, Iceland, Canada) wary of working with China, drawing Beijing closer to Russia, a key nation in the resource-rich Arctic region.

China-Philippines and China-Japan tensions continued. China's Ministry of National Defence claimed that, on September 18, 2026, a vessel from the Philippines deliberately rammed into a Chinese Coast Guard ship in waters near Xianbin Jiao (Sabina Shoal) in the South China Sea (SCS). On the other hand, the

Philippines and Japan expressed serious concern over China's "dangerous actions" in the SCS. Reacting sharply, Chinese analysts asserted that Japan's support for the Philippines exposed Tokyo's strategic intent of containing China, its ambition to break free from its pacifist constitution, and its role as a "Proxy" serving the U.S.-Japan alliance.

President Xi chaired a meeting of the CPC Political Bureau on September 21, 2026, in which it was announced that the 20th CPC Central Committee will hold its fifth plenary session from October 26-29, 2026, in Beijing.

Foreign and Security Policy

I. China-India Relations

India hosted the 18th BRICS Summit in New Delhi on September 12-13, 2026. On the sidelines of this summit, India's Prime Minister Narendra Modi and Chinese President Xi Jinping held a meeting on September 12, 2026. The two leaders welcomed the steady progress in India-China bilateral relations since their meeting in Tianjin (August 2025) and reiterated that the two nations should take a strategic and long-term perspective of their ties.¹ Prime Minister Modi stated that "differences should not become disputes" and that the India-China relationship must be guided by mutual respect, mutual sensitivity, and mutual interest.² Major issues discussed in the meeting included peace and tranquillity as an essential basis for the continued development of bilateral relations, observing existing agreements and understandings on border-related issues, and commitment to a fair, reasonable, and mutually acceptable solution of the boundary question. They also discussed the need to address each other's concerns, including "structural trade imbalance and supply chain issues", and the facilitation of meaningful and predictable market access.³

President Xi, on his part, stressed that amidst the changing and turbulent international landscape, China and India, as key members of the Global South, should shoulder important responsibilities.⁴ Xi put forth four suggestions on promoting the steady development of China-India relations, including developing a "rational strategic perception" of each other as partners rather than rivals, promoting win-win cooperation, removing irritants with the wisdom of mutual respect and understanding, and promoting open and inclusive multilateral coordination.⁵ To address global challenges, he urged Beijing and New Delhi to strengthen coordination at multilateral platforms such as the United Nations, Shanghai Cooperation Organisation (SCO), G20, and BRICS.⁶

¹ "Prime Minister's bilateral meeting with Chinese President Xi Jinping (September 12, 2026)" – Ministry of External Affairs, Government of India, September 12, 2026.

² Ibid.

³ Ibid.

⁴ "President Xi Jinping Meets with Prime Minister Narendra Modi of India" – Ministry of Foreign Affairs of the People's Republic of China, September 12, 2026.

⁵ Ibid.

⁶ Ibid.

The Chinese Foreign Ministry's readout of this meeting claimed that PM Modi had assured Beijing that "India's policy and position on issues relating to Tibet and Taiwan remain unchanged, and that it will not allow any force to engage in anti-China activities on its territory".⁷ While India's readout did not mention its policy on Tibet and Taiwan, a spokesperson for the Ministry of External Affairs, Mr. Randhir Jaiswal, stated that PM Modi had emphasised the need for "mutual sensitivity" to each other's core concerns.

A Xinhua commentary on the Modi-Xi meeting stated that the third meeting between the two leaders in three years marks a fresh start in bilateral relations, encouraging the two nations to maintain a long-term strategic vision for the development of ties.⁸ It called upon Beijing and New Delhi to pursue progress in relations based on the "Five Principles of Peaceful Co-existence" (Panchsheel Agreement, 1954), with a strategic realisation that "modernisation" is the biggest common denominator between the two countries.⁹ However, analysts cautioned that even as "India-China relations show signs of improvement, mutual trust remains elusive". Adding that the two countries are seeking mechanisms to manage their differences and avoid escalation, especially in border-related issues.¹⁰

On September 12, 2026, Prime Minister Modi and President Xi addressed the 18th BRICS Summit. In his remarks, PM Modi emphasised the importance of multilateralism and inclusive global governance, while urging BRICS to pursue initiatives to "make the Global South move from being a rule-taker to a rule-shaper".¹¹ He reiterated that global governance must reflect today's realities, with greater representation in institutions such as the UN Security Council. Major issues discussed by him included bringing the Global South to the front row of international decision-making by turning the "pyramid of privilege" into a "platform of partnership" and proposed establishing a Seafarers Emergency Support Network.¹²

⁷ Ibid.

⁸ "Commentary: Strategic, long-term vision needed for China-India ties" – People's Daily Online, September 15, 2026.

⁹ Ibid.

¹⁰ "India-China thaw: Engagement returns, but strategic trust stays elusive" – The Economic Times, September 13, 2026.

¹¹ "Prime Minister chaired the BRICS session on "Inclusive Global Governance and Strengthening Multilateralism" (September 12, 2026)" – Press Information Bureau, Government of India, September 13, 2026.

¹² Ibid.

President Xi, in his remarks, hailed the BRICS' rise over the past two decades, describing the group as the most influential global cooperation platform for emerging markets and developing countries. He reiterated China's concerns about surging unilateralism and power politics, which is destabilising the international order.¹³ To address the deficits in peace, development, security, and governance, Xi shed light on China's Global Development Initiative (GDI), Global Security Initiative (GSI), Global Civilisational Initiative (GCI), and Global Governance Initiative (GGI).¹⁴ Major issues discussed by the Chinese President included advancing innovation-driven development, upholding peace and stability (especially in West Asia), facilitating mutual learning among civilisations, and improving global governance.¹⁵

Reacting to the BRICS Summit, China's state media described the group as "vibrant" owing to its commitment to openness and inclusiveness along with a pursuit of fairness and justice. Adding that "the world is eager to hear China's vision" and learn from its path of modernisation.¹⁶ It was also noted that, over the past two decades, BRICS has withstood external attempts to divide and disrupt it, and it has grown into a real force standing at the forefront of the Global South.¹⁷ An editorial by the South China Morning Post stressed that, from Bishkek to Cairo to New Delhi, President Xi conveyed a strategic message that China remains committed to playing a greater role in promoting South-South cooperation, in the face of mounting geopolitical uncertainties.¹⁸

Meanwhile, India's Minister of Commerce and Industry, Piyush Goyal, also held a meeting with China's Commerce Minister, Wang Wentao, on September 12, 2026. Reports indicated that the two sides are working to address concerns over the structural imbalance in trade and supply chain challenges.¹⁹ Moreover, India's Minister of Petroleum and Natural Gas, Hardeep Singh Puri held a meeting with the Chairman of China National Petroleum Corporation (CNPC), Mr. Dai Houliang. Amidst the continuing U.S.-Iran conflict in West Asia, which has

¹³ "Full text of Chinese President Xi Jinping's speech at Session I of the 18th BRICS Summit" – [China Government](#), September 13, 2026.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ "BRICS at 20: The world is eager to hear China's vision: Global Times editorial" – [Global Times](#), September 12, 2026.

¹⁷ Ibid.

¹⁸ "From Bishkek to New Delhi, Xi advocates Global South cooperation" – [People's Daily Online](#), September 11, 2026.

¹⁹ "Piyush Goyal meets Chinese commerce minister; discusses trade ties" – [The Economic Times](#), September 14, 2026.

impacted global energy markets, Beijing and New Delhi explored cooperation opportunities in the oil and gas sector, new energy, and green development.²⁰ The Chinese side emphasised the importance of working together to enhance China and India's voice in international energy governance and contribute to the stability and sustainable development of global energy markets.²¹

India's exports to China rose 39 percent year-on-year to USD 9.61 billion in April-August 2026 (Financial Year 2026-27).²² However, it has done little to address the swelling trade deficit with China, which stands at USD 56 billion between April and August 2026.²³ According to Chinese analysts, India's growing exports are closely linked to China's manufacturing sector, and this provides Indian exporters with new opportunities. It was noted that India should not view China's manufacturing sector as a competitor; rather, New Delhi should view it as a partner.²⁴ Adding that, Beijing's pursuit of building an advanced manufacturing system with AI would give new momentum to China's modernisation, creating new export opportunities for foreign companies.²⁵

Following the India-China special representatives (SR) talks in August 2026, the two sides held their first Corps Commander-level meeting in Arunachal Pradesh (Wacha-Damai border meeting point) on September 6, 2026.²⁶ Although India-China relations show signs of improvement, analysts cautioned that despite uncertainty in U.S.-India relations, Washington may stand by India in the event of any future border crisis with China, but also urged India to be prepared to defend the territory on its own.²⁷

Among other major issues, U.S. President Donald J. Trump signed into law a sanctions bill that gives Washington powers to impose up to 100 percent tariff on

²⁰ "India, China discuss deepening energy cooperation as Chinese oil executive meets Hardeep Puri" – The Economic Times, September 14, 2026.

²¹ Ibid.

²² "China emerges as India's surprise growth market, but trade deficit swells" – Business Standard, September 21, 2026.

²³ Ibid.

²⁴ "Why does China's industrial demand matter for India's export growth?" – Global Times, September 21, 2026.

²⁵ Ibid.

²⁶ "India-China Corps Commanders meet in Arunachal for first time" – The Economic Times, August 8, 2026.

²⁷ "Will 'transactional' America assist India in a future border crisis with China?" – South China Morning Post, September 16, 2026.

countries buying Russian oil and gas, putting India and China in the crosshairs.²⁸ Reacting to this, China asserted that it opposes the U.S.' long-arm jurisdiction, which lacks basis in international law and is not authorised by the UN Security Council.²⁹

II. China-South Asia Relations

Continuing the deepening trend of the China-Pakistan strategic partnership, in a promotional video, the Pakistani Air Force unveiled its newly acquired Chinese-made HQ-17AE air defence (Shorad) system. Chinese analysts claimed that this system could help Pakistan in addressing gaps in its short-range air defence.³⁰ However, it is to be noted that the Indian Air Force had successfully struck multiple terror-linked targets in Pakistan in May 2025, evading Chinese-made Pakistani long-range air-defence systems such as the HQ-9.

Bangladesh's Commerce Minister, Khandakar Abdul Muktadir, at a BRI Summit in Hong Kong, shed light on the Comprehensive Strategic Cooperative Partnership between Bangladesh and China. He informed that Beijing and Dhaka are implementing two major agreements, including the modernisation of Mongla Port and the establishment of a Chinese economic and industrial zone in Chattogram.³¹

III. China-United States Relations

Chinese President Xi Jinping paid a state visit to the U.S. from September 23-25, 2026. During a meeting between President Trump and President Xi, the two leaders reiterated their intent to build a "constructive relationship of strategic stability" based on respect, fairness, and reciprocity.³² President Xi, in his remarks, urged Beijing and Washington to turn this vision into action, prioritise cooperation, manage competition and differences, and chart the right path for the two countries to get along.³³ Xi urged the U.S. to handle the Taiwan question with

²⁸ "US President Trump signs Russia sanctions bill, clears way for 100% tariffs on India, China" – The Economic Times, September 19, 2026.

²⁹ "China opposes illegal unilateral sanctions and long-arm jurisdiction, Chinese FM says in response to US' Russia sanctions bill" – Global Times, September 17, 2026.

³⁰ "Pakistan Air Force unveils HQ-17AE air defense system; Chinese equipment helps address gap in short-range accompanying air defense: expert", Global Times, September 7, 2026

³¹ "China is now a strategic cooperative partner", The Daily Star, September 10, 2026

³² "President Xi Jinping Holds Talks with U.S. President Donald J. Trump" – Ministry of Foreign Affairs of the People's Republic of China, September 25, 2026.

³³ Ibid.

caution and oppose “Taiwan independence” separatist forces.³⁴ Major issues discussed by the Chinese President included strengthening cooperation on AI, keeping economic and trade ties stable, exchange of views on the situation in West Asia (Middle East), the Ukraine crisis, and the Korean Peninsula, and the need to support China and the U.S.’ Presidencies of APEC and G20, respectively.³⁵

President Trump described President Xi’s state visit to the U.S. as one of “friendship, strength, and success, as both countries accomplished much together”.³⁶ On September 25, 2026, the two sides issued a fact sheet elaborating on key deliverables and understandings reached during the meeting. They agreed to establish and take forward the Board of Trade and other mechanisms while providing a more favourable tariff treatment for USD 30 billion of non-sensitive goods in each direction.³⁷ The U.S. and China agreed to extend their trade truce that was set to expire on November 10, 2026, for another two months until January 10, 2027.³⁸ Other major outcomes included counter-narcotics cooperation, the establishment of U.S.-China AI dialogue mechanism, consensus that Iran should honour its commitment not to develop nuclear weapons, and agreement to conclude an MoU on military crisis communication at the earliest.³⁹ Reports indicated that the issue of U.S. export controls on advanced semiconductor chips took a back seat in the meeting.

Reacting to the Trump-Xi Summit, Chinese state media reiterated that “the U.S. and China should view each other as partners, not rivals”. Adding that, President Xi’s visit to Washington will steer the giant ship of China-U.S. relations forward in a steady manner.⁴⁰ However, Chinese analysts cautioned that even as the leaders of China and the U.S. demonstrated warmth, they could not conceal tensions sizzling beneath. The Washington Summit was “heavy on pageantry but light on substance”. There may be some period of relative stability in U.S.-China relations, but Beijing and Washington are likely to continue building tools to compete with each other.⁴¹

³⁴ Ibid.

³⁵ Ibid.

³⁶ “Donald J. Trump” – Truth Social, September 25, 2026.

³⁷ “China and the United States Reach Eight Deliverables and Understandings” – Ministry of Foreign Affairs of the People’s Republic of China, September 26, 2026.

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ “China and the US should be partners, not rivals: Global Times editorial” – Global Times, September 25, 2026.

⁴¹ “The porcupine dilemma: why US-China diplomacy is about distance, not deals” – South China Morning Post, September 26, 2026.

In line with this, U.S. Ambassador to China, David Perdue, cautioned that China has weaponised the export regime process for rare earth elements and magnets to such an extent that any diversification attempt away from China is a criminal offense. He expressed confidence that the U.S. will establish self-reliance in rare earth elements, magnets, pharmaceuticals, and commercial shipbuilding.⁴² On the issue of Taiwan, Amb. Perdue rejected the premise that President Trump is not doing enough for Taiwan, stressing that he has already sold 50 percent more arms to Taiwan than any other U.S. President since 1979.⁴³

Amidst the widening U.S.-China trade and technology competition, on September 8, 2026, the U.S. Cyber Defence Agency accused China-based AI companies of systematically extracting proprietary functionalities and capabilities from U.S. AI models through industrial-scale distillation campaigns.⁴⁴ The U.S. Federal agencies, including the NSA, CISA, and FBI, claimed that Chinese companies such as DeepSeek, Moonshot AI, Alibaba, MiniMax, StepFun, and Z.AI have conducted industrial-scale knowledge distillation from frontier U.S. AI models such as Claude (Anthropic), GPT (OpenAI), Gemini (Google), and Grok (SpaceXAI), “likely with the Chinese government's awareness”.⁴⁵ Reacting sharply, Beijing rejected the U.S.’ groundless allegations against Chinese AI companies that it believes is aimed at politicising distillation, a normal technical and commercial issue in the AI industry. The Chinese Ministry of Commerce described the U.S.’ accusations as yet another proof of the country’s “pursuit of technological hegemony” and computing power monopoly in the field of AI.⁴⁶

Meanwhile, a number of leading business figures in the U.S. AI industry, including Dario Amodei (Anthropic), Elon Musk (SpaceX), and Sam Altman (OpenAI), have called for a pause in the development of AI to allow safety measures to catch up with it.⁴⁷ However, President Trump played down the need to check the development of AI, stressing that the U.S. cannot cede technological edge to China.

⁴² “‘No retreat’: Key Trump ally urges continued US-China engagement on rare earths”, South China Morning Post, October 3, 2026

⁴³ “U.S. Says No Plans to Sell Weapons to China After Perdue Comments”, The Wall Street Journal, September 27, 2026

⁴⁴ “China-Based Artificial Intelligence Companies Conducting Industrial-Scale Distillation Campaigns Against U.S. AI Companies” — Cybersecurity and Infrastructure Security Agency (CISA), September 8, 2026.

⁴⁵ Ibid.

⁴⁶ “China firmly opposes U.S. groundless allegations on Chinese AI firms: commerce ministry” — People’s Daily Online, September 10, 2026.

⁴⁷ “Trump downplays need to check AI development, says he is unwilling to cede edge to China” — South China Morning Post, September 14, 2026.

Researchers from Chinese AI companies also rejected the calls for slowing down the development of AI technology, asserting that such proposals are aimed at protecting the established U.S. companies while freezing latecomers out of the market. Adding that, why does the U.S. always define the game and change the rules whenever it suits them.⁴⁸

On September 1, 2026, the G20, following its second Finance Ministers and Central Bank Governors' meeting in Asheville, expressed concerns about "excessive and persistent global trade imbalances" and called for countries to take steps to eliminate non-market policies and practices.⁴⁹ Reacting to this, the People's Bank of China (PBOC) Governor, Pan Gongsheng, rejected the trade imbalance claims by the G20, stressing that to address global imbalances, all countries must promote their own structural reforms.⁵⁰ In the face of concerns regarding China's overreliance on exports, the PBOC Governor reiterated that China remains committed to expanding domestic demand and that Beijing does not weaponise the Yuan to boost exports.⁵¹

Reacting to U.S. and European concerns about China's massive trade surplus, Chinese analysts reiterated that Beijing does not intentionally pursue a trade surplus; rather, it is a result of the global division of labour and the combined effect of each country's savings and consumption patterns. They accused the U.S. and European countries of being responsible for global imbalances owing to their high consumption, low savings, and massive fiscal deficits.⁵²

On September 15, 2026, Troy Meink, U.S. Secretary of the Department of Air Force, acknowledged that the U.S. has deployed "on-orbit space control weapons" capable of defending the joint force against hostile adversary action.⁵³ Reacting sharply, China's Ministry of National Defence warned that Washington's push to weaponise outer space would only intensify the space arms race, undermining humanity's shared home. Beijing stressed that it has always advocated for the

⁴⁸ Ibid.

⁴⁹ G20 Chair's Statement | U.S. Department of the Treasury

⁵⁰ "China rejects G20 trade-imbalance claims, says no need to devalue yuan" — South China Morning Post, September 3, 2026.

⁵¹ Ibid.

⁵² "Does China's widening trade surplus 'crowd out' other countries?: Global Times editorial" — Global Times, September 23, 2026.

⁵³ "US space weapons move has 'broken taboo', could spark new arms race, Beijing forum told" — South China Morning Post, September 19, 2026.

peaceful use of outer space and has played a constructive role in space security.⁵⁴ Chinese analysts argued that deploying weapons in space was considered a taboo; however, the U.S. has broken that taboo, and humanity is at a breaking point in history.⁵⁵

Among other developments, China's General Yang Zhibin, Commander of the Eastern Theatre Command, and Admiral Samuel Paparo, the U.S.' Pacific Command Chief, held a meeting on the margins of the Indo-Pacific Chiefs of Defence Conference in Victoria, British Columbia. The two sides pledged to maintain open lines of communication in the military domain to reduce the risk of miscalculation and promote safe and professional conduct between forces.⁵⁶

IV. China-European Union Relations

President of the European Commission, Ursula von der Leyen delivered her State of the Union address in Brussels on September 16, 2026. In her remarks, Von der Leyen reiterated concerns about Europe's massive trade deficit with China, which stood at EUR 197 billion in the first six months of 2026, and urged Beijing to rebalance trade.⁵⁷ According to analysts, Ursula von der Leyen's pledge that Brussels is willing to use all available tools to balance trade with China is a strategic message to Beijing that the EU wants to see tangible results from the next round of trade dialogue scheduled to be held in October 2026.⁵⁸

Reacting to this, the Chinese state media warned Brussels that if it intends to wage a trade war, it would constitute a "regrettable strategic miscalculation" on the part of the EU.⁵⁹ Amidst European concerns about slowing economic growth, political polarisation, social divide, and deterioration of relations with the U.S. and Russia, Chinese analysts urged Europe to "view China as a strategic partner that could help Brussels resolve its problems".⁶⁰ Notwithstanding the above, it is to be noted

⁵⁴ "Weaponizing outer space will only intensify space arms race, undermine humanity's shared home: Chinese defense ministry spokesperson" – Global Times, September 24, 2026.

⁵⁵ "US space weapons move has 'broken taboo', could spark new arms race, Beijing forum told" – South China Morning Post, September 19, 2026.

⁵⁶ "China, US military commanders snap 2-year break with talks in Canada" – South China Morning Post, September 4, 2026.

⁵⁷ "EU's von der Leyen vows tough China-trade stance: 'words are good, but deeds are better'" – South China Morning Post, September 16, 2026.

⁵⁸ "Von der Leyen's 'China shock' speech aimed to send Beijing a message: analysts" – South China Morning Post, September 17, 2026.

⁵⁹ "If the EU is determined to wage a trade war against China, then let it try: Global Times editorial" – Global Times, September 9, 2026.

⁶⁰ Ibid.

that analysts remain concerned about China's lack of interest in addressing structural macroeconomic imbalance, which is a major problem for the EU.⁶¹

Amidst this, the European Commission proposed new strategic public procurement rules on September 9, 2026, emphasising "European preference" in procurement. Reacting to this, China's Ministry of Commerce urged the EU to revise the discriminatory provisions in the proposed Public Procurement Act, while expressing concerns that European preference provisions could exclude or restrict third-party countries.⁶²

Chinese Foreign Minister Wang Yi and German Foreign Minister Johann Wadephul held a phone conversation on September 21, 2026. In his remarks, FM Wang Yi urged Germany to help steer the EU away from pursuing protectionist measures against China. He reiterated that "Beijing and Brussels are comprehensive strategic partners and that the two sides should not engage in any trade war".⁶³

On September 9, 2026, China and Central and Eastern European Countries (CEEC) unveiled their vision for innovation cooperation through 2030, at a conference co-hosted by China and Slovakia in Ningbo, Zhejiang Province.⁶⁴

Among other developments, China lodged a diplomatic protest with Italy and the EU for allowing a visit by Taiwan's No. 2 official, Hsiao Bi-khim, to attend an international forum. Beijing warned that it opposes any official interaction between Taiwan and other nations that maintain formal diplomatic ties with China (PRC).⁶⁵

V. China-Russia Relations

On September 18, 2026, President Trump announced that the U.S. had reached an agreement with Denmark and Greenland that gives Washington "permanent

⁶¹ "Former WTO head Pascal Lamy on the EU's China choice: get a rebalance, or go protectionist" – South China Morning Post, September 21, 2026.

⁶² "China urges EU to revise discriminatory clauses in public procurement act proposal" – People's Daily Online, September 18, 2026.

⁶³ "China seeks German help to stave off EU trade sanctions days before Xi-Trump summit" – South China Morning Post, September 22, 2026.

⁶⁴ "China, CEE countries unveil 2030 vision for innovation cooperation" – People's Daily Online, September 10, 2026.

⁶⁵ "Beijing lodges diplomatic protests over Taiwan official's visit to Italy" – South China Morning Post, September 11, 2026.

control over the security” of Greenland that lies between the Arctic and Atlantic oceans. He stressed that the U.S. would soon establish a significant military presence on Greenland, and that adversaries (China and Russia) would need to obtain Washington's approval in writing before making sensitive investments in Greenland.⁶⁶ In light of this, Chinese analysts cautioned that this new security agreement would make western Arctic states (U.S., Denmark, Norway, Sweden, Finland, Iceland, Canada) wary of working with China, drawing Beijing closer to Russia, a key nation in the resource-rich Arctic region.⁶⁷

On September 4, 2026, Russia's Deputy Prime Minister Alexander Novak and Chinese Vice Premier Ding Xuexiang co-chaired the 23rd meeting of the China-Russia Energy Cooperation Committee held in Vladivostok. The two sides pledged to advance their all-round energy cooperation and long-term development of oil and gas trade.⁶⁸ Meanwhile, reports indicated that China-Russia talks over the 'Power of Siberia 2' gas pipeline have stalled due to pricing-related issues.⁶⁹

Amidst continuing conflict in Ukraine, Senior Advisor to Russian President Yuri Ushakov spoke about the possibility of Presidents of Russia, China, and the U.S. holding a trilateral meeting on the margins of the Asia-Pacific Economic Cooperation (APEC) Summit to be held in Shenzhen on November 18-19, 2026.⁷⁰

Internal Developments

Key Developments and Addresses by Chinese Leaders

On September 26, 2026, Chinese Vice President Han Zheng addressed the 81st session of the UN General Assembly in New York. In his remarks, VP Han spoke about China's global initiatives such as GDI, GSI, GCI, and GGI, emphasising that these initiatives provide strategic guidance for building a community with a shared future for humanity. Major issues discussed by the Chinese Vice President

⁶⁶ “Trump claims US Greenland security deal, China reportedly among adversaries being kept out” – South China Morning Post, September 19, 2026.

⁶⁷ “Why US deal on Greenland could narrow China's Arctic engagement” – South China Morning Post, September 26, 2026.

⁶⁸ China ready to advance all-round energy cooperation with Russia: vice premier” – People's Daily Online, September 5, 2026.

⁶⁹ “Power of Siberia 2 pipeline talks stall over China-Russia price dispute: sources” – South China Morning Post, September 9, 2026.

⁷⁰ “Xi, Trump and Putin may hold trilateral meeting at next APEC forum, Kremlin says” – South China Morning Post, September 2, 2026.

included safeguarding the post-World War II international order, promoting open and inclusive global cooperation, advancing mutual learning among civilisations, and staying committed to multilateralism.⁷¹

President Xi chaired a meeting of the CPC Political Bureau on September 21, 2026, in which he reiterated the importance of strengthening full and rigorous “Party self-governance”. He emphasised that the CPC must remain a vibrant Marxist party that grasps the needs of contemporary times and advances modernisation based on socialism with Chinese characteristics. At this meeting, it was announced that the 20th CPC Central Committee will hold its fifth plenary session from October 26-29, 2026, in Beijing.⁷²

On September 28, 2026, President Xi issued instructions on advancing the “Peaceful China” initiative, a comprehensive domestic security and governance framework aimed at preventing and managing risks to social order and national security. Xi reiterated the importance of pursuing development while safeguarding security and leveraging science and technology to make the country safer, society more orderly, and governance more effective.⁷³

On September 16, 2026, the Hong Kong Special Administrative Region (HKSAR) unveiled its first five-year plan for economic and social development (2026-2030). Beijing appointed HKSAR Chief Executive John Lee claimed that the Five-Year plan would build a more open, inclusive, liberal, prosperous, and safer Hong Kong.⁷⁴

The ‘Pinglu Canal’ connecting Southwest China with Southeast Asia opened on September 16, 2026. In light of this, Chinese state media stressed that beyond connectivity and trade cooperation, the Pinglu Canal demonstrates the profound sincerity with which China and ASEAN are working to build a community with a shared future.⁷⁵

⁷¹ “China to work with all countries to build a community with a shared future for humanity: VP” – Beijing Review, September 28, 2026.

⁷² “CPC leadership meeting studies major issues on Party self-governance, sets dates for Party plenum” – People’s Daily Online, September 21, 2026.

⁷³ “Update: Xi stresses advancing Peaceful China Initiative to safeguard Chinese modernization”, Xinhua, September 28, 2026

⁷⁴ “Hong Kong unveils maiden 5-year plan, charts roadmap for high-quality development” – People’s Daily Online, September 17, 2026.

⁷⁵ “A China committed to high-standard opening-up is surging forward along the Pinglu Canal: Global Times editorial” – Global Times, September 16, 2026.

On September 3, 2026, the Chinese people held commemorative activities across the country marking the 81st anniversary of the victory in the Chinese People's War of Resistance Against Japanese Aggression and the World Anti-Fascist War in 1945.⁷⁶

Trade and Economy

At a national conference on advanced manufacturing held in Beijing on September 16-17, 2026, President Xi called for accelerating efforts to strengthen advanced manufacturing as a strategic priority that would support China's modernisation.⁷⁷ He reiterated that advanced manufacturing should be the backbone and a key foundation of the real economy.⁷⁸ It is to be noted that China is already a global leader in advanced manufacturing of products such as EVs, Lithium-ion batteries, industrial robots, solar PV, shipbuilding, drones, high-speed rail equipment, and industrial machinery.

China's economy continued to face headwinds in August 2026. A persistently weak domestic demand was cited as the cause of sluggish investment and consumption in the country.⁷⁹ However, analysts expect a rebound in China's economy in the fourth quarter of 2026, as Beijing may intervene through its moderately loose monetary policy. In August 2026, China's exports exceeded expectations and is likely to cross USD 1 trillion in trade surplus yet again by the end of the year.⁸⁰

China's State Council pledged to build China into a "financial powerhouse" as part of the country's 15th Five-Year Plan (2026-2030). Beijing views this as a strategic priority that would not only support the development of the real economy but also help safeguard the interests of the Global South and build a more equitable international financial system.⁸¹

⁷⁶ "China commemorates 81st anniversary of victory against Japanese aggression", People's Daily Online, September 4, 2026

⁷⁷ "Xi stresses sustained efforts to expand, strengthen advanced manufacturing" – People's Daily Online, September 17, 2026.

⁷⁸ Ibid.

⁷⁹ "China's economy under further pressure in August, as analysts expect rebound next quarter" – South China Morning Post, September 15, 2026.

⁸⁰ "China's export machine strengthens in August as US critiques trade imbalance" – South China Morning Post, September 8, 2026.

⁸¹ "Building a financial powerhouse is of profound significance for China, world: Global Times editorial", Global Times, September 11, 2026

Defence and Security

China-Philippines and China-Japan tensions continued. Chinese state media claimed that, on September 18, 2026, a vessel from the Philippines deliberately rammed into a Chinese Coast Guard ship in waters near Xianbin Jiao (Sabina Shoal) in the South China Sea (SCS).⁸² On the other hand, the Philippines and Japan expressed serious concern over China's "dangerous actions" in the SCS. Reacting sharply, Chinese analysts asserted that Japan's support for the Philippines' actions in the SCS exposed Tokyo's strategic intent of containing China, its ambition to break free from its pacifist constitution, and its role as a "Proxy" serving the U.S.-Japan alliance. Adding that, SCS is not a testing ground for Japan's military expansion, and regional countries would not allow Tokyo to revive its old militarist dreams.⁸³

The U.S., Japan, and Australia held a trilateral multi-domain military exercise, 'Orient Shield 26', in Hokkaido, Japan, from September 17-24, 2026. Reacting to this, China's Ministry of National Defence warned that fueling Japan's "neo-militarism" will only threaten regional security and stability.⁸⁴

China's Defence Minister Dong Jun, in his remarks at the Beijing Xiangshan Forum, called upon the international community to build a new security approach based on dialogue rather than confrontation and partnerships instead of alliances. Chinese analysts noted that, in his speech, Dong had adopted a softer line on the U.S., demonstrating China's growing confidence in the region and relatively lower tensions with the U.S.⁸⁵

The Chinese-made J-10CE fighter jets were delivered to Uzbekistan, making it the second country, after Pakistan, to purchase this military aircraft.⁸⁶ Reports indicated that Bangladesh is also seeking to buy J-10CE fighter aircraft from China.

⁸² "Japan Should Stop Sowing Discord in the South China Sea: Defence Spokesperson" – Ministry of National Defense of the People's Republic of China, September 24, 2026.

⁸³ "The Philippines stages provocations against China - what business does it have to do with Japan?: Global Times editorial" – Global Times, September 20, 2026.

⁸⁴ "Fueling Japan's neo-militarism will push region toward dangerous vortex: Chinese spokesperson" – Ministry of National Defense of the People's Republic of China, September 14, 2026

⁸⁵ "Dong Jun takes softer line on US at Xiangshan Forum as Xi prepares for Trump summit", South China Morning Post, September 16, 2026

⁸⁶ "China-Uzbekistan military trade cooperation not directed at any third party: defense spokesperson on reported J-10CE delivery" – Global Times, September 24, 2026.

China's drone swarm technology continues to make strides, and it is being valued by both defence and civilian sectors.

Among other major developments, China's revised National Defence Mobilization Law took effect on October 1, 2026.⁸⁷ Chinese state media rejected the hype that this was a "signal of war" in the region. With the updating of this law, advanced technologies such as artificial intelligence, quantum computing, robotics, cyber, biotechnology, and drones are given a broader role in China's defence mobilisation.

Technology

China's New Energy Vehicle (NEV) makers are reportedly broadening their horizons and entering a new frontier of advanced manufacturing – the robotics industry. Nearly 20 automakers, including BYD, Xpeng, and Li Auto, have entered the robotics sector as embodied AI is being industrialised in China.⁸⁸

Amidst widening U.S. restrictions on exporting advanced semiconductor chips to China, Huawei informed that the domestic demand for its Ascend AI processors had exceeded current production capacity, and that the company, therefore, is restricting sales overseas. Chinese analysts emphasised that Beijing's focus is not just on semiconductor chip self-sufficiency; rather, it is "building a comprehensive AI stack" which includes power, data centres, chips and interconnect, cloud computing, AI models, and applications.⁸⁹

⁸⁷ "China highlights advanced wartime tech in defence mobilisation law update", South China Morning Post, September 1, 2026

⁸⁸ "Chinese NEV makers charge into robotics as new growth frontier", People's Daily, September 10, 2026

⁸⁹ "China's Huawei says AI chip demand outstrips supply as it steps up Nvidia challenge", Reuters, September 17, 2026



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