



Delhi Policy Group

Advancing India's Rise as a Leading Power



DPG China Monitor

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DPG 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, Dr. Angana Guha Roy and Sanket Joshi, Research Associates, from open-source reports and publications.

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Abstract

In the wake of continuing tensions along the LAC, from Eastern Ladakh to North Sikkim, and Arunachal Pradesh, India's External Affairs Minister Dr. S. Jaishankar stressed that "mutual respect, mutual sensitivity, and mutual interests" were determining factors for improving India-China relations.

India and China held the 9th round of Military Commanders' level talks on January 24 with no tangible outcome, but agreed to the early convening of the 10th Round.

Meanwhile, the Chinese state media continued its orchestrated campaign, accusing India of adopting a policy of assertiveness and rebuking Indian strategic experts for their "anti-China" views. China's influence building diplomacy in India's neighbourhood continued unabated.

The US-China relationship hit a low point during the last month of the Trump administration. China slapped sanctions on 28 former Trump administration officials, including former Secretary of State Mike Pompeo. Chinese state media called for a reset in the US-China relations under the Biden administration. The US Tibet Policy and Support Act, Taiwan and Hong Kong remained at the center of bilateral discord. The Biden administration's formal invitation to Taiwan's de-facto envoy to the US Presidential inauguration elicited a belligerent response from the Chinese media.

Immediately after the "in principle" completion of a EU-China Comprehensive Agreement on Investments (CAI), the EU called for the "immediate release" of Hong Kong activists detained under China's new security law. The month also saw Russia and China re-asserting the importance of their bilateral ties, with Russia also declaring that it will do its best to reduce tensions between its two close friends, India and China.

As Beijing stepped up its Covid-19 vaccine diplomacy, concerns were raised about the efficacy of Chinese vaccines. China blamed the West for making Covid-19 vaccines an "invisible geopolitical issue."

Chinese state media termed references to "wolf warrior diplomacy" a "false proposition", maintaining that these actions support its national interests. Delivering a virtual address to the World Economic Forum, Davos, President Xi turning a blind eye to China's aggressive foreign policy posture, blatantly claiming that "China firmly pursues an independent foreign policy of peace, strives to bridge differences through dialogue, resolves disputes through negotiation, and actively develops friendly and cooperative relations with other countries on the basis of mutual respect, equality, and mutual benefit."

Amidst reports of BRI debt trap entanglements and the gradual scaling down of BRI investment and projects, China released a white paper on "China's International Development Cooperation in the New Era."

Chinese media defended China's record on human rights, while targeting the US over the Capitol Hill protests.

In his New Year's address to the nation, President Xi Jinping expounded on China's major achievements in 2020. Eulogizing China's epic battle against the coronavirus, Xi highlighted that "among the major economies in the world, China has taken the lead in achieving positive economic growth this year". Xi re-iterated the original mission of the Chinese Communist Party (CPC) of the "great rejuvenation of the Chinese nation". In another significant address, President Xi stressed his belief that "[time and momentum are on China's side](#)", despite challenges such as the Covid-19 pandemic, supply chain disruptions, deteriorating relations with the West and a slowing economy.

On the economic front, Nomura and China International Capital Corporation estimate that China's economy will grow at 9 percent in 2021, while the World Bank and the China Academy of Social Sciences (CASS) projected a slightly lower growth of 7.8 percent. The IMF and OECD expect China's GDP growth to be 8.2 and 8 percent respectively. CASS stressed that "weak consumption, unemployment, and the on-going economic struggle of small and medium-sized enterprises are likely to be major obstacles to China's growth".

On China-India bilateral trade, Nikkei's China website highlighted a 20 percent drop in India's imports from China as a turning point in trade relations between the two neighbours. The Chinese state media rejected such notions and stressed that "resilience of China-India economic and trade partnership should not be completely dismissed".

On China-US economic and trade relations, Chinese analysts were upbeat that the Biden administration is set to reconnect with China. Chinese analysts spoke about Beijing actively considering joining the 'Comprehensive and Progressive Agreement for Trans-Pacific Partnership' (CPTPP) as part of the further opening of the economy, while acknowledging that there were likely to be issues with the exacting standards of the CPTPP.

On the security front, Beijing revised its 'National Defence Law' by expanding the powers of the Central Military Commission (CMC), which weakened the political oversight of the State Council in formulating China's military policy. The People's Liberation Army (PLA) completed 3D mapping of China's western border, which will significantly enhance situational awareness and accuracy of weapons systems. In another significant development, China passed a bill

[empowering the coastguard](#) to use “all necessary means” to deter threats posed by foreign vessels in China’s territorial waters.

Advancements in the China’s underwater drone technology are said to be closing the gap with the US and will reportedly help China to charter safe submarine exit routes from SCS to the Indian Ocean.

Chinese commentators described the ban on former President Donald Trump by Twitter and Facebook as a cautionary tale of “social media platforms wielding too much power”. After the Alibaba episode, the tightening of anti-trust regulations against big-tech remains the China State Administration for Market Regulation’s (SAMR) top agenda for this year. Beijing has also updated its internet services regulations to include a wide swathe of services, fake news and fraud.

In terms of space technology, China announced major plans for 11 space launches, including four manned and four cargo spacecraft over the next two years. Beijing aims to build its first space station by 2022.

Foreign and Security Policy

I. China-India Relations

India After a gap of two and half months India and China held the [9th round of talks](#) on January 24 in another attempt at defusing the on-going standoff in Ladakh.¹ Whereas both sides agreed to push for "early disengagement of frontline troops", once again there was no tangible outcome. A day after the 9th round of talks, Indian army [issued a statement](#) of a clash between Indian and Chinese troops on January 20, at Naku La (North Sikkim), terming it as a "minor face off", that was resolved at local commanders level as per established protocols".² In yet another provocation, China was observed constructing a border village in Arunachal Pradesh's [Subansiri district](#).³

There were reports of Chinese pullback of troops in the Ladakh region. These were later clarified as not from the front line but depth areas, possibly by troops inducted for winter exercises. Tensions continued to persist in Eastern Ladakh and there was no change in the ground situation.⁴ In a development of significance, Ministry of Defence in its year-end review of 2020, for the first time confirmed People Liberation Army's (PLA) iniquitous use of "[unorthodox weapons](#)" (at Galwan and other places) to escalate tension in Ladakh.⁵

Amidst the persisting dispute, External Affairs Minister, Dr. S. Jaishankar in his remarks at a seminar stressed "[mutual respect, mutual sensitivity. and mutual interests](#)" as determining factors in repairing India-China relations.⁶ Dr. S.Jaishankar outlined [8 point framework](#) as a way forward to repair the bilateral relationship.⁷ He stated "They (events in Ladakh) not only signalled disregard for commitments on minimising troops but also showed willingness to breach peace...Issue before us is what [Chinese posture signals](#), how it evolves, what implications it may have for future of ties."⁸ Responding to Dr. S. Jaishankar's

¹ "Breakthrough In Talks? India, China To Push For Early Disengagement," [NDTV](#), January 25, 2021

² "Indian, PLA soldiers clashed in North Sikkim on January 20: Army," [The Times of India](#), January 26, 2021

³ "Arunachal BJP Burns Effigy Of Xi Jinping Over Chinese Village," [NDTV](#), January 24, 2021

⁴ "Military confrontation in eastern Ladakh continues, though India & China reduce some troops in 'depth areas'," [The Times of India](#), January 12, 2021

⁵ "China suffered 'significant casualties' in Galwan Valley clash, used 'unorthodox weapons' to escalate situation: Defense Ministry," [ANI](#), January 5, 2021

⁶ "Jaishankar suggests way forward for China ties after year of 'exceptional stress'," [The Hindu](#), January 28, 2021

⁷ "Jaishankar outlines 8-point framework for repairing India-China ties," [The Times of India](#), January 29, 2021

⁸ "India-China relationship at crossroads; choices made will have repercussions for world: Jaishankar," [The Indian Express](#), January 28, 2021

comments, [Chinese foreign ministry](#) stated that "border issues should not be linked to the Sino-India relations."⁹



External Affairs Minister Dr. S. Jaishankar addresses the 13th all India Conference of China Studies, January 28, 2021. Source: Institute of Chinese Studies Delhi

Continuing with its disinformation campaign, the Chinese media following India's decision to procure 83 Indian made (Light Combat Aircraft) LCA Tejas fighter jets strongly criticised its quality and performance.¹⁰ In another accusation, it criticised India for following a policy of assertiveness while seeking a peaceful resolution of the border issue. It maintained that as a result "China-India relations will remain strained during 2021". Continuing with its anti-India tirade, it accused India as a party to great power contestation, while asserting "India's moves have harmed the Indo-Pacific region overall and in particular the post-pandemic recovery".

Meanwhile in a change from its coercive foreign policy and military posture a commentary in [state media](#) recommended both sides to put "joint efforts" enabling a fair, mutually acceptable, and reasonable solution to China- India border solution.¹¹ It maintained that despite the emerging regional geopolitical contestation, India will not completely turn to the US as non-alignment

⁹ "Border issues shouldn't be linked to Sino-India relations: Chinese FM," [Global Times](#), January 29, 2021

¹⁰ "INDIA APPROVES PURCHASE OF 83 "TEJAS" FIGHTER AIRCRAFT, BOASTS OF ITS BEING ADVANCED FOURTH GENERATION PLANE," [NIAS: India in the Chinese Media](#), January 14, 2021

¹¹ "US factor should not be magnified in China's relations with other countries", [Global Times](#), January 2, 2021

remains an important principle of India's diplomacy together with its traditional relationship with Russia.

On India's election as a non-permanent member of the United Nations Security Council (UNSC), [Chinese State media](#) observed that India's non-permanent position in the UNSC is "in pursuit of an ambitious foreign policy" that demonstrates India's rising importance in global geopolitics, whilst maintaining that this won't help in resolving the border stalemate in Ladakh.¹²

Premature declassification of US's Indo-Pacific Policy document came in for adverse comments in China, which called the vision as an American "hegemonic strategy to counterbalance China, with India as its central pillar and a "net security provider".¹³ Further, Chinese state media [rebuked](#) US Ambassador Kenneth Juster's farewell speech affirming India's role as a critical partner in Indo-Pacific and support in the standoff with China in Ladakh.¹⁴ Denouncing his remarks, Chinese commentaries called American attempt at pushing India to the forefront to confront China, may actually push it into an abyss."

The Month also witnessed a fierce attack on India's strategic experts by Chinese state media. It attacked Amb. [Sujan R. Chinoy](#) over his [Op-ed](#) that underlined "Chinese strategists often forget that the age of teaching anyone a lesson is over. Unilateralism and military aggression, especially against a large country like India determined to defend its sovereignty and territorial integrity at any cost, will simply not work", calling his opinion uninformed. Brahma Chellaney's remark calling "Tibet as China's Achilles Heel" was criticised, calling him a non-official spokesperson for the US.¹⁵

II. South Asia- China Relations

China held third [South Asia Multilateral Dialogue](#) earlier this month that excluded India, Bhutan, and Maldives.¹⁶ This is a Chinese attempt to create a China dominated South Asia multilateral forum as an alternative to SAARC, and akin to BBIN.

¹² "Will India's UN Security Council role ripple out to China border row?," [South China Morning Post](#), January 7, 2021

¹³ "A strong India would act as 'counterbalance' to China: declassified US document," [The Hindu Businessline](#), January 13, 2021

¹⁴ "Pro-US strategy may push India into the abyss," [Global Times](#), January 7, 2021

¹⁵ "Does Brahma Chellaney speak for Indian or American interests?," [Global Times](#), January 15, 2021

¹⁶ "China holds third South Asia multilateral meet in new push," [The Hindu](#), January 8, 2021

In Nepal, the split in the Communist Party of Nepal despite Chinese efforts at prevention has put Beijing on the back foot.¹⁷ Proposed elections in April/May would determine China's political role in Nepal. In an important change in its present pro-China stand, the expelled PM, KP Sharma Oli claimed that Nepal will not allow China to [militarise the border](#).¹⁸ On the other hand, protests erupted in Nepal against inadequate compensation of land acquired for the Chinese infrastructure project.¹⁹ As a consequence, China International Development Cooperation Agency (CIDCA) reportedly [pledged](#) to finance 15 pilot development projects across 13 districts in Northern Nepal.²⁰

In Pakistan, serious differences have emerged over the [Main Line 1 \(ML-1\) project](#) and Special Economic Zones under the CPEC, leading to a delay in the annual bilateral CPEC summit.²¹ China is wary of lending money for the mega BRI project to Pakistan, concerned about a possible delay in the return on investments.²² Cash strapped Pakistan had sought loans at a cheap lending rate of 1%, from China, which instead has offered a mix of commercial and concessional funding at much higher rates, unacceptable to Pakistan.²³ Furthermore, Pakistan is not in a position to give sovereign guarantees as desired by China. In an obvious disinformation campaign, Chinese state media reported "[rumours](#)" which claimed that the national blackout that led to the collapse of Pakistan's entire electricity grid on January 9 was possibly caused by an Indian cyber-attack.²⁴

In Sri Lanka after earlier securing two major infrastructure projects (Colombo Port Project and Tyre Factory at Hambantota), China secured another [contract](#) worth US \$12 million to install a hybrid renewable energy system in three islands off the coast of Jaffna.²⁵

Maldives and China held the [7th round of bilateral consultations](#) on January 26. Both sides discussed multiple avenues for promoting business and tourism.²⁶

¹⁷ "As Nepal faces political turmoil, China and India are scrambling," [South China Morning Post](#), January 10, 2021

¹⁸ "Will never allow China to put checkpoints on border: Nepal PM Oli to WION," [WION](#), January 11, 2021

¹⁹ "Nepal sees rare protest against Chinese infrastructure project," [The Economic Times](#), January 4, 2021

²⁰ "China's foreign aid agency is all set to make foray into Nepal's northern region," [The Kathmandu Post](#), January 5, 2021

²¹ "China and Pakistan fall out over Belt and Road frameworks," [Nikkei Asia](#), January 19, 2021

²² "Why China-Pakistan ties are 'unraveling' over CPEC," [The Times of India](#), January 25, 2021

²³ *ibid.*

²⁴ "NATION-WIDE BLACKOUT TESTS PAKISTAN," [NIAS: India in the Chine Media](#), January 11, 2021

²⁵ "Sri Lanka awards China \$12 million contract to build renewable energy system in Jaffna," [Tamil Guardian](#), January 25, 2021

²⁶ "Maldives is an important friend, international partner: China," [Rajje.mv](#), January 27, 2021

In an obvious influence campaign, [Chinese State media](#) remarked that "New Delhi must have been displeased to see deepening interaction between Washington and Male, as New Delhi has always seen Male as part of its sphere of influence." Expressing its deep displeasure over US-Maldives Defence and Security dialogue it declared, "Washington as a typical opportunist, who recognised the strategic significance of Maldives only when developing its Indo-Pacific Strategy. It went on to add that, while containing China it can also check India".²⁷

III. U.S. - China Relations

US- China relationship hit its lowest point during the last month of the Trump Administration. One of the important development was China slapping [sanction](#)²⁸ on 28 former Trump administration officials including former Secretary of State Mike Pompeo.²⁹ Chinese Spokesperson termed former Secretary of State's accusations of genocide and crimes against humanity in Xinjiang as false and malicious farce calling him a "liar and clown of the century".³⁰ Despite the invectives, there were commentaries that sought reset in the bilateral relationship, with a caveat that the Biden administration "should refrain from challenging China on issues like Taiwan or intervening in territorial disputes in the South China Sea".³¹ During an interview, State Councillor and Foreign Minister Wang Yi blamed "[serious misconceptions](#)" of US policymakers about China as the reason behind escalating tension in bilateral relations.³² He too expressed hope that the Biden administration will follow a "sensible approach, resume dialogue with China, restore normalcy in bilateral relations and restart cooperation".

Although Biden administration is yet to elaborate on its China policy, in an obvious continuation of its FONOPS, a US aircraft carrier group entered the South China Sea, setting a tone for maintaining a tough US security posture

²⁷ "US-Maldives defense bond may irk India," [Global Times](#), January 7, 2021

²⁸ "China announces sanctions on 28 U.S. individuals including Pompeo," [Xinhuanet](#), January 21, 2021

²⁹ "Taiwan affairs office supports sanction on US politicians; Xinjiang conference 'hammers last nail' into coffin of 'poisonous legacy' of Pompeo," [Global Times](#), January 21, 2021

³⁰ "Pompeo's lies and slander not to affect stability, prosperity in Xinjiang: FM spokesperson," [Xinhuanet](#), January 20, 2021

³¹ "Analysis: Sino-U.S. relations: Red lines, green opportunities," [Xinhuanet](#), January 26, 2021

³² "State Councilor and Foreign Minister Wang Yi Gives Interview To Xinhua News Agency and China Media Group On International Situation and China's Diplomacy in 2020," [Global Times](#), January 2, 2021

adopted by the Trump Administration.³³ China [criticized](#) US action calling it "not conducive to the peace and stability of the regional situation."³⁴

US Navy's newly released Arctic Strategy Paper titled "[A Blue Arctic](#)" referred to China posing as an Arctic nation and along with Russia posturing to protect its sovereign interests in the region.³⁵ Paper contradicted the Chinese stand, highlighting that how can China call itself an Arctic or "Near Arctic" state when it is located 900 miles away. Criticising the American contention, the Chinese spokesperson maintained China "[A near Arctic State](#)."³⁶

China also opposed [The Tibet Policy and Support Act](#) (an amended version of Tibet Policy Act of 2002) enacted by the US that allows it [to impose sanctions and visa restrictions](#) on Chinese officials, if they interfere in the reincarnation, or selection, of the next Dalai Lama, the spiritual head of Tibetan Buddhists, calling it a challenge to the Chinese sovereignty.³⁷

Over Taiwan, China vehemently [opposed](#)³⁸ former US Secretary of State Mike Pompeo's [announcement](#) to lift "self-imposed restrictions" that so far regulated the scope of the US- Taiwan relationship.³⁹ Chinese state media called the step a "criminal structural damage to cross-strait peace and the bottom-line stability of Sino-US relations."⁴⁰ Calling Taiwan a political pawn for the US, the report further criticized American, Assistant Secretary of State for Political-Military Affairs closed-door [meeting](#) with Taiwan's representative as "[much cry and little wool](#)".⁴¹ Further, Chinese defence ministry [opposed](#) the US Consolidated Appropriations Act of 2021, which supports the normalization of arms sales to Taiwan and the island's entry into international organizations.⁴² To China's dismay, Biden administration [formally invited](#) Taiwan's de-facto ambassador to attend the Presidential inauguration ceremony on January 20.⁴³ An

³³ "赵立坚：美频繁派舰机进入南海炫耀武力，不利于地区局势稳定," [Huanqiu](#), January 25, 2021

³⁴ *ibid.*

³⁵ "US Navy Mentions China as an Arctic State," [High North News](#), January 7, 2021

³⁶ "Foreign Ministry Spokesperson Hua Chunying's Regular Press Conference on January 5, 2021," [MFA, China](#), January 5, 2021

³⁷ "Reading the new US policy on Tibet: Snubs to China on Dalai Lama, rivers," [The Indian Express](#), December 31, 2021

³⁸ "Talks between US, Taiwan officials after lifting of restrictions 'much cry and little wool': experts," [Global Times](#), January 12, 2021

³⁹ "US Secretary of State Pompeo Lifts Restrictions on Exchanges With Taiwan," [The Diplomat](#), January 11, 2021

⁴⁰ "社评：蓬佩奥或让台湾当局的日子倒计时" [Huanquin](#), January 10, 2021

⁴¹ "Talks between US, Taiwan officials after lifting of restrictions 'much cry and little wool': experts," [Global Times](#), January 12, 2021

⁴² "China opposes adverse provisions in US defense act, lodges solemn representations: Defense Spokesperson," [Ministry of National defense](#), January 5, 2021

⁴³ "Taiwan-Biden ties off to strong start with inauguration invite for top diplomat," [CNA](#), January 21, 2021

incensed China in a show of force and to build pressure [dispatched](#) warplanes breaching Taiwan's Air Defence Identification Zone (ADIZ).⁴⁴ [Chinese state media](#) belligerently stated "Taiwan independence" means war – this is not only the declaration of the People's Liberation Army (PLA) but also the common attitude of all Chinese people. The DPP (Taiwan's Democratic Progressive Party) must not take any chances".⁴⁵

China also denounced the US National Defence Authorization Act for Fiscal Year 2021 (passed on January 1) specifying the budget, expenditures, and policies of the US Department of Defence (DOD). The Act includes a Pacific Deterrence Initiative modelled on the European Deterrence Initiative.⁴⁶ Chinese state media called it "a collection of high-sounding excuses to justify large pay-outs to maintain [country's hegemony](#) in the Asia-Pacific region".⁴⁷

Reacting to reports of [delisting](#) three telecom Chinese companies from the New York Stock Exchange in compliance with US sanctions⁴⁸, a Chinese Foreign Ministry spokesperson [said](#), "the delisting will have very limited direct impact, but will harm the image of the United States and the global standing of the American capital markets."⁴⁹ In another development, the US banned [entry of tomatoes and cotton products](#) over forced labour claims.⁵⁰ China called these claims "[the biggest lie of the century and violation of international trade rules and principles of market economy](#)".⁵¹

Meanwhile, reacting to the Biden administration's decision to return to the Paris Climate Accord, Chinese Foreign Ministry spokesperson highlighted China's willingness to work with the US and the international community to meet common challenges, jointly promote the full and effective implementation of the Paris Agreement, and work together to build a win-win,

⁴⁴ "China flies warplanes close to Taiwan in early test of Biden," [CNN, January](#) 25, 2021

⁴⁵ "'Taiwan independence' means war not empty threat: Global Times editorial," [Global Times](#), January 29, 2021

⁴⁶ "How Joe Biden Can Get the First Fleet Right," [The National Interest](#), January 12, 2021

⁴⁷ "Better if will of US administration is not executed by its successor," [China Daily](#), January 6, 2021

⁴⁸ "Wall Street banks to delist derivative products linked to China Telecom, China Mobile and China Unicom in Hong Kong to comply with US sanctions," [South China Morning Post](#), January 11, 2021

⁴⁹ "Foreign Ministry Spokesperson Zhao Lijian's Regular Press Conference on January 12, 2021," [MFA, China](#), January 12, 2021

⁵⁰ "US bans cotton, tomato products from China's Xinjiang over forced labour," [Business Standard](#), January 14, 2021

⁵¹ "Foreign Ministry Spokesperson Zhao Lijian's Regular Press Conference on January 14, 2021," [MFA, China](#), January 14, 2021

fair and reasonable climate governance system, while endorsing China's commitment to stronger climate targets".⁵²

IV. European Union- China

In a [video exchange](#) after signing of Comprehensive Agreement on Investments (CAI), Xi declared that the investment agreement with the EU would "greatly boost world economic recovery in the post-pandemic era, enhance international community's confidence in economic globalization and free trade, and enable the Chinese and EU markets to make important contributions to building an open world economy."⁵³ In an obvious rejoinder to the US, People's Daily claimed that the EU-China deal would also test the "solidarity and strategic autonomy of the pan- European union".⁵⁴ Chinese media also attempted to create tensions in EU-US relations by pointing to "Washington's selfishness, and arbitrariness towards Europe and as the inevitable consequence of which Brussels' trust in Washington has significantly declined".⁵⁵ Further, factoring in US-EU relations commentaries highlighted, "Completing the negotiations with China on the investment agreement will undoubtedly increase EU's bargaining chips in their economic relations with the US".

In an embarrassing development for China, immediately post CAI agreement, the EU [called](#) for 'immediate release' of Hong Kong activists.⁵⁶ This has implications on the ratification of the "in principle" agreement which was concluded amidst mounting human rights concerns in China.

In an important development, Ericsson's chief [lobbied the Swedish](#), Foreign Trade Minister to review Swedish Post and Telecom Authority's (PTS) decision to exclude Huawei from the country's 5G networks.⁵⁷ Swedish giant Ericsson which [earns 10% of its sales](#) from China and is Huawei's biggest competitor in the cellular radio equipment market is [worried](#) about Chinese reprisals over the Swedish ban.⁵⁸ China responded to the proposed ban by declaring, it will "take

⁵² Ibid.

⁵³ "Xi Jinping Holds a Video Meeting with German, French and EU leaders at which Chinese and EU Leaders Jointly Announce the Completion of the Negotiations for China-EU Comprehensive Agreement on Investment as Scheduled," [MFA, China](#), December 30, 2021

⁵⁴ "Challenges ahead as EU, UK open new chapter in relations," [People's Daily](#), January 4, 2021

⁵⁵ "TRANSATLANTIC TIES ARE HELD BACK BY WASHINGTON, NOT BEIJING," [NIAS: India in the Chinese Media](#), January 3, 2021

⁵⁶ "Hong Kong: Declaration by the High Representative on behalf of the EU on the mass arrest of people involved in the July 2020 pro-democracy primary elections," [EEAS](#), January 8, 2021

⁵⁷ "Ericsson CEO Lobbied to Overturn Sweden's Huawei Ban, DN Reports," [Bloomberg](#), January 2, 2021

⁵⁸ Ibid.

all necessary measures" to safeguard Chinese firms' legitimate rights, in response to the Swedish move to exclude China's Huawei and ZTE from 5G network rollout."⁵⁹

V. Russia- China

Month witnessed both sides acknowledging the strength and importance of their bilateral ties. During an interview with the Chinese state media, State Councillor and Foreign Minister Wang Yi referred to China- Russia strategic relations at a stage where there are no limits, no forbidden zone, and no ceiling to their bilateral cooperation.⁶⁰ Refraining from commenting on bilateral border disputes Wang maintained, "China-Russia will continue to be an example of good neighbourly and friendly ties between two major countries. Echoing a similar sentiment, Russian Foreign Minister Sergei Lavrov, too underlined Russia's close strategic relations with China, while highlighting that Russia is doing its utmost "to make sure that India and China, our two great friends and brothers, live in peace with one another".⁶¹

China's Global Image

(i) Coronavirus

After much dilly-dallying (vaguely [citing procedural requirement](#) to WHO's displeasure) on January 14, China allowed the entry of WHO officials to investigate the origin of corona-virus.⁶²

Meanwhile, China has launched an aggressive Vaccine Diplomacy campaign to build its global image amidst reports of its untested and ineffective vaccines. To counter adverse reports, state media compared Chinese vaccines with those developed by the West like Pfizer and others, in terms of efficacy (50%), storage, and cheap availability. However, much to the embarrassment of China its name came up in a major COVID-19 vaccine scandal in the Philippines.⁶³ [Reportedly](#), President Rodrigo Duterte's security team received Chinese-made [smuggled](#)

⁵⁹"China to take counter-measure against Sweden over excluding Huawei, ZTE from 5G rollout," [Global Times](#), January 21, 2021

⁶⁰"State Councilor and Foreign Minister Wang Yi Gives Interview To Xinhua News Agency and China Media Group On International Situation and China's Diplomacy in 2020," [Global Times](#), January 2, 2021

⁶¹"Foreign Minister Sergey Lavrov's remarks and answers to media questions at a news conference on the results of Russian diplomacy in 2020, Moscow, January 18, 2021," [MFA, Russia](#), January 18, 2021

⁶²"WHO expert team tasked to probe virus origins to visit China on January 14," [Business Standard](#), January 12, 2021

⁶³"社评：无中国疫苗参战，全胜病毒很难," [Huanqiu](#), December 24, 2021

Sinopharm Covid-19 vaccine doses in September last year without any regulatory approval.⁶⁴



World Health Organization (WHO) team arrived in China to investigate the origins of COVID-19. Source: ABC News

China's attempt to exonerate itself over untested COVID-19 Vaccine and attempt to capture the global market (largely in SE Asia and Africa) have come for severe criticism in the [international press](#).⁶⁵ [Sui-Lee Wee and Elsie Chen](#), correspondents for the New York Times in a commentary underlined, China has been in a hurry to push forward its unproven vaccine globally. It highlighted that in few cases, unproven vaccines have caused health risks adding that reports of deaths or illness could reignite mistrust in vaccines. Responding to the reports, China accused western media of making COVID-19 vaccines an "[invisible geopolitical issue](#)."⁶⁶

Furthering its misinformation campaign on the origin of coronavirus, Chinese State Councillor and Foreign Minister Wang Yi [claimed](#) that there is a high probability of coronavirus breaking out in other countries before China. On being criticized for these remarks, the Chinese spokesperson countered that reports falsifying Chinese claims as "[conspiracy theories against China](#)." A [Human Rights Watch](#) report meanwhile flagged the issue of China detaining

⁶⁴ "Security team for Philippines' Duterte gets unauthorised Covid-19 vaccine," [France 24](#), 2021

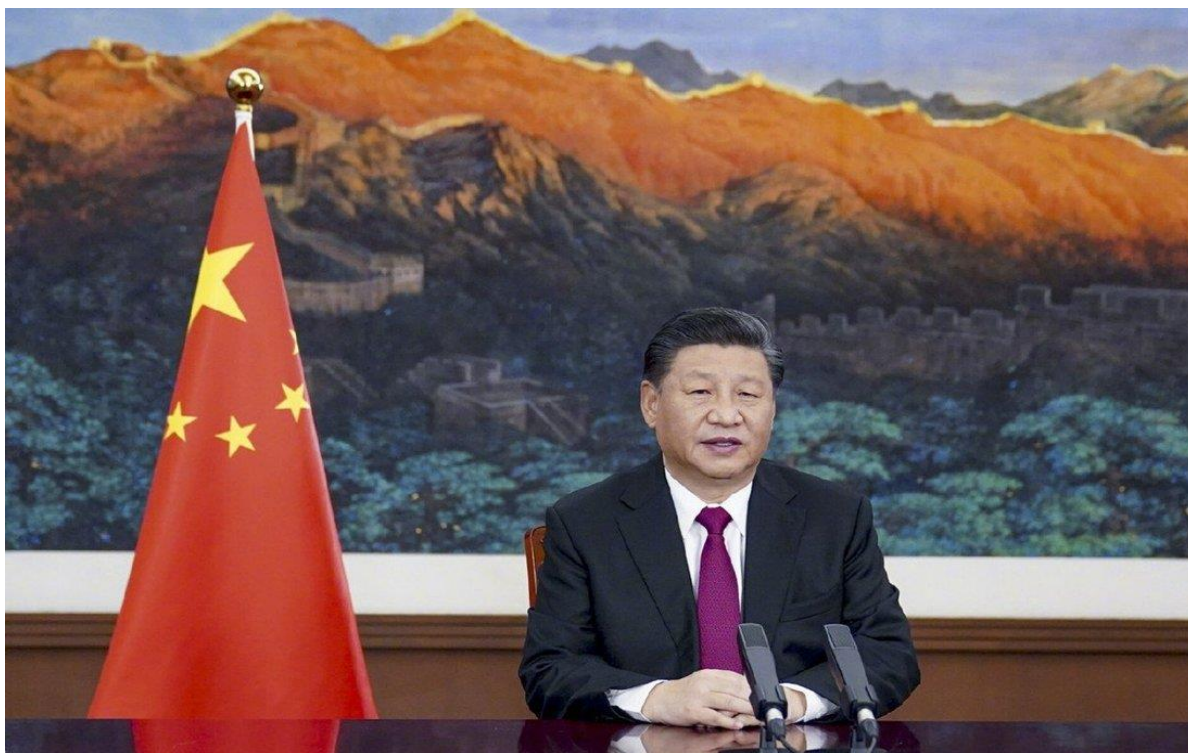
⁶⁵ "China's vaccines are poised to help less wealthy nations, but face trust issues," [CNBC](#), December 25, 2020

⁶⁶ "Vaccine Unproven? No Problem in China, Where People Scramble for Shots," [The New York Times](#), January 7, 2021

people over the online discussion on COVID-19 outbreak and restraining media reports, China called such reports [“full of ideological biases.”](#)

(ii) Wolf Warrior Diplomacy

Chinese state media called the aggressive pursuit of Chinese diplomatic interests [“wolf warrior diplomacy”](#) a false proposition.⁶⁷ It argued that adapting either “wolf warrior diplomacy” or “sheep diplomacy” style depends on the circumstances of time and the need to defend China’s national interest.



President Xi Jinping delivers address at the World Economic Forum, January 25, 2021.
Source: South China Morning Post

During an [interview](#) State Councillor and Foreign Minister Wang Yi while defending Chinese diplomatic outreach, in a characteristic [response](#), justifying China’s handling of Taiwan, Hong Kong, Xinjiang, and Tibet issues maintained “China’s diplomacy shoulders the important responsibilities of safeguarding national interests, defending national dignity, facilitating international cooperation, and promoting world peace”.⁶⁸ Hailing China’s “cloud diplomacy”⁶⁹, Wang claimed, “China has demonstrated its sense of

⁶⁷ “江时学：“战狼外交”是个伪命题,” [Huanqiu](#), January 6, 2021

⁶⁸ “State Councilor and Foreign Minister Wang Yi Gives Interview To Xinhua News Agency and China Media Group On International Situation and China’s Diplomacy in 2020,” [Global Times](#), January 2, 2021

⁶⁹ Cloud Diplomacy - Chinese term for Virtual Diplomacy

responsibility, contributed its wisdom and expanded the ways it conducts foreign relations.”

While delivering a speech at the World Economic Forum, Davos, President Xi turning a blind eye to China’s own aggressive foreign policy posture, blatantly [claimed](#), “China firmly pursues an independent foreign policy of peace, strives to bridge differences through dialogue, resolve disputes through negotiation, and actively develop friendly and cooperative relations with other countries on the basis of mutual respect, equality, and mutual benefit”.⁷⁰ In terms of Chinese foreign policy objectives, [President Xi’s speech](#) underlined four major areas : (i) strengthening macroeconomic policy coordination; (ii) peaceful coexistence and mutual benefit abandoning ideological prejudices; (iii) overcoming the development gap between developed and developing countries; and (iv) global action, global response and, global cooperation to meet global challenges.⁷¹

(iii) Belt and Road Initiative (BRI)

A white paper released by China titled "China's International Development Cooperation in the New Era," on January 10 elaborates China’s views on development cooperation. The [report](#) illustrates that "international development cooperation refers to China's bilateral and multilateral efforts, within the framework of South-South cooperation, to promote economic and social development through foreign aid, humanitarian assistance, and other means".⁷² It also stressed how China has contributed to BRI and the pandemic. Further, in an interview in early January, State Councillor and Foreign Minister Wang Yi shared a specious view on BRI stating, "[Facts abound](#) to show the vitality of the BRI and that the pandemic has not shaken the commitment of the participating countries. Instead, the Belt and Road cooperation is playing a role in powering post Covid global development."⁷³ Interestingly, the white paper release coincided with reports of BRI debt trap entanglements and China gradually scaling down BRI investment and projects.

(iv) Democracy and Human Rights

The US demanded the release of Uighur Muslim medical doctor Gulshan Abbas, jailed after her sister Rushan Abbas formed a [Washington-based advocacy](#)

⁷⁰ “完整视频 | 习近平在世界经济论坛“达沃斯议程”对话会上的特别致辞（全文）”, [Huanqiu](#), January 25, 2021

⁷¹ *ibid.*

⁷² “China issues white paper on international development cooperation,” [CGTN](#), January 10, 2021

⁷³ “State Councilor and Foreign Minister Wang Yi Gives Interview To Xinhua News Agency and China Media Group On International Situation and China's Diplomacy in 2020,” [Global Times](#), January 2, 2021

[group](#), (designated as a “terrorist organization” by Beijing) to raise awareness about China’s human rights violation.⁷⁴ In reply, the Chinese spokesperson nonchalantly referred to the twenty-year jail sentence as a punishment “for participating in a [terrorist organization](#)”.⁷⁵ In another development, US State Department released an [official statement](#) decrying the unconditional release of under-trial “Hong Kong 12” pro-democratic activist group.⁷⁶ Reportedly the group of activists arrested under “[compulsory criminal detention](#)” for illegally crossing the border was trying to flee Taiwan in the wake of draconian National Security Law.⁷⁷ China reacted typically by accusing the US of interfering in “[China’s judicial sovereignty](#).”⁷⁸

Chinese state media accused Uyghur victims living overseas of lying about their family members “going missing”.⁷⁹ In a commentary, Global Times accused the US of [attempting to](#) control human rights definition based on western social standards. In a telling statement, it argued that freedom of speech should match the circumstances of an individual’s political systems.⁸⁰ It further added that to prevent the Chinese constitutional system from collapsing, “China’s freedom of speech must not contain any content that attacks the CPC’s leadership”. A Chinese public intellectual further [accused](#) the West of misinterpreting China’s human rights record based on the parochial and stagnated Western standards.⁸¹

Meanwhile, the US Capitol Hill protest gave China an opportunity to target the US. China’s amplified coverage of the US Capitol hill protest [jeered](#) it as an incident that marked the “[fall of beacon of democracy](#).”⁸² Chinese state media [projected](#) US internal political differences as an “internal collapse of American political system”.⁸³ Overlooking the sagacious debate on democratic values in American media leading to a sitting President’s ban, Chinese state media’s

⁷⁴ “China brings its cruel crackdown on Uighur advocates to the U.S.,” [The Washington Post](#), January 5, 2021

⁷⁵ “Foreign Ministry Spokesperson Wang Wenbin’s Regular Press Conference on December 31, 2020,” [MFA, China](#), december 31, 2021

⁷⁶ “US Lambasts China Over Poor Treatment Of ‘Hong Kong 12’, Demands Immediate Release,” [Businessworld](#), January 1, 2021

⁷⁷ “Hong Kong 12 who fled by boat for Taiwan held in ‘criminal detention’ by China,” [The Guardian](#), September 15, 2020

⁷⁸ “Foreign Ministry Spokesperson Hua Chunying’s Regular Press Conference on January 4, 2021,” [MFA, China](#), January 4, 2021

⁷⁹ “Some people from Xinjiang living overseas being coaxed to lie about ‘missing’ relatives: spokesperson,” [Global Times](#), January 11, 2021

⁸⁰ “China must be sober-minded to counter West’s attacks on human rights,” [Global Times](#), January 3, 2021

⁸¹ “What is root cause of West’s misinterpretation of China?,” [Global Times](#), January 12, 2021

⁸² “A landmark night in US history: Capitol riots nation’s Waterloo, destroy global image,” [Global Times](#), January 7, 2021

⁸³ “社评：谁都知道美国出问题了，关键是怎么办,” [Huanquin](#), January 7, 2021

[comparison](#) of Capitol Hill protest to the pro-democracy movement in Hong Kong (challenging China's fervent nationalism) was referred to as "[false equivalence](#)" by the pro-democratic protesters.⁸⁴

Trade and Economy

President Xi Jinping in his New Year's address to the nation expounded [China's major achievements](#) in 2020.⁸⁵ Eulogising China's epic battle against the coronavirus Xi highlighted that, "among the major economies in the world, China alone has taken a lead in achieving positive economic growth this year". Further, he spoke about the prospects of "China's Gross Domestic Product (GDP) [exceeding 100 trillion yuan mark](#) (approximately USD15.43 trillion) in 2020".⁸⁶ Reviewing major achievements in the socio-economic sphere he emphasised China's decisive victory in poverty alleviation, underscoring, "in the past eight years, China has lifted 100 million people out of poverty in rural areas, while 832 impoverished counties have been declared poverty-free". Commenting on China's determination to deepen its reforms, President Xi highlighted the success of Shenzhen and Shanghai as part of China's 'dual circulation strategy', with domestic market as the mainstay of the economy, the roles of Shanghai and Shenzhen are becoming even more important. Finally, Xi re-iterated the original mission of the Chinese Communist Party (CPC) of "[great rejuvenation of the Chinese nation](#)" as it celebrates its centenary in 2021.⁸⁷

In another significant address laying out the vision for the CPC over the next three decades, President Xi emphasised that "[time and momentum are on China's side](#)", despite challenges such as the COVID-19 pandemic, supply chain disruptions, deteriorating relations with the West and a slowing economy.⁸⁸ "The extensiveness of opportunities and challenges is unprecedented but, the opportunities we (China) face outweigh our challenges", Xi added.

Chinese state media highlighted the [continuous appreciation of the yuan](#) against the US Dollar as a "sign of country's economic resilience amid turbulent Sino-American relations".⁸⁹ There are however signs of the central government

⁸⁴ "The false equivalency between the stormings of Hong Kong's LegCo and the US Capitol," [Harbour Times](#), January 8, 2021

⁸⁵ "Highlights of Chinese President Xi Jinping's 2021 New Year address", [CGTN](#), December 31, 2020.

⁸⁶ Ibid.

⁸⁷ Ibid.

⁸⁸ Kinling Lo and Kristin Huang, "Xi Jinping says 'time and momentum on China's side' as he sets out Communist Party vision", [South China Morning Post](#), January 12, 2021.

⁸⁹ Hu Xijin, "Strong yuan indicates China's resilience amid turbulent Sino-US ties", [Global Times](#), January 6, 2021.

moving to [curb the ascent of the yuan](#) amid future export concerns.⁹⁰ Zhou Yu, director of the Research Centre of International Finance at the Shanghai Academy of Social Sciences observed, "China's exports have not been affected much by the yuan appreciation because of the COVID-19 led production slow down globally, but when the coronavirus is controlled with vaccines, the [negative impact of yuan's appreciation](#) would show up more evidently".⁹¹

In terms of economic growth, Nomura and China International Capital Corporation estimate China's [economy to grow](#) at 9 percent in 2021, while the World Bank and China Academy of Social Sciences (CASS), a Beijing based think tank affiliated with State Council have projected a slightly lower growth of 7.8 percent in the coming year.⁹² The IMF and OECD expect China's GDP growth to be 8.2 and 8 percent respectively. CASS stressed that weak consumption, unemployment, and an on-going struggle faced by small and medium-sized enterprises are likely to be [major obstacles to China's growth](#).⁹³ "China's exports remained resilient in 2020, however it could face problems from poor global economic outlook and shrinking international trade in the coming year", CASS added. In light of this, "the pressure to expand domestic consumption is huge". To rescue the COVID-19 hit economy, the Chinese government has unleashed a number of stimulus measures to fund infrastructure investments by local governments and had also offered tax cuts that lifted [China's fiscal deficit](#) to a record high of 3.6 percent of the GDP.⁹⁴ Analysts have warned that extra liquidity provided by the Chinese Central bank through low-interest rates may fuel asset bubbles and the sharp rise in government borrowing adds pressure to the country's already high public debt. CASS expects China's Debt-to-GDP ratio to hit 275 percent this year, driven by the rapid growth of local government debt.⁹⁵

In terms of [China-India bilateral trade](#), Nikkei's Chinese website highlighted a 20 percent drop in India's imports from China as a turning point in trade relations between the two neighbours. Chinese state media rejected such notions and stressed that the "resilience of China-India economic and trade partnership should not be completely dismissed."⁹⁶ The Modi government is

⁹⁰ Frank Tang, "China moves to curb yuan rally pressure due to hot money and export concerns", [South China Morning Post](#), January 6, 2021.

⁹¹ "Chinese yuan rose to 31-month high against US dollar on Wednesday", [Global Times](#), January 13, 2021.

⁹² Amanda Lee and Cissy Zhou, "China's economy may expand by 9 per cent in 2021, helping to overtake US sooner", [South China Morning Post](#), January 1, 2021.

⁹³ Ibid.

⁹⁴ Ibid.

⁹⁵ Ibid.

⁹⁶ "GT Voice: Too soon to see turning point in China-India trade", [Global Times](#), January 13, 2021.

pushing for self-reliance to support domestic industrial development, but that doesn't necessarily mean decoupling from Chinese supplies that are integrated into local markets". State media further, "without supplies of Chinese equipment's and appliances, the living cost in India will inevitably rise, while import restrictions on industrial goods may affect local manufacturing and India's industrial growth".⁹⁷ In another development, state media highlighted a robust growth in China-Vietnam bilateral trade in 2020 that rose 18.8 percent compared to 2019 and [asked India to learn from Vietnam's strategy](#) to proactively integrate into regional industrial value chains. With its manufacturing base solidifying, more and more businesses are looking to Vietnam – not India – as the next manufacturing hub of the world, it stressed.⁹⁸

State media also highlighted some major lessons learned by the Chinese people from the past year. First, it described the [U.S. as the world's biggest failure](#) in the fight against COVID-19, while raising questions about the western "system" and the "order of values" in western society.⁹⁹ The West believes "democracy" and "freedom" should be at the forefront, while Chinese society based on its historical experience believes, [national stability and people's livelihood](#), including public health and safety, are above the notions of democracy and freedom.¹⁰⁰ As compared to the U.S., the "Chinese system is more capable of doing the right thing at critical moments, as Beijing only focuses on actual results".

On the China-US economic and trade relations, Chinese analysts believe that the Biden administration is [set to reconnect with China](#).¹⁰¹ A [US-China Business Council \(USCBC\)](#) report which states that the trade war with China has hurt the US economy and failed to achieve major policy goals outlined by the Trump administration was extensively quoted to underscore that Biden administration could de-escalate the trade war.¹⁰² Chinese analysts also spoke about Beijing actively considering joining the 'Comprehensive and Progressive Agreement for Trans-Pacific Partnership' (CPTPP) as part of further opening of its economy. However, it was stressed that compared to RCEP, [CPTPP has higher requirements](#) in many aspects; China will need to carry out in-depth reforms in government procurement, subsidies, and the operations of state-

⁹⁷ Ibid.

⁹⁸ "GT Voice: India, others can learn from Vietnam 2020 trade boom", [Global Times](#), January 14, 2021.

⁹⁹ "What did Chinese people learn from turbulent 2020?: Global Times editorial", [Global Times](#), December 29, 2020.

¹⁰⁰ Ibid.

¹⁰¹ Wang Cong and Li Qiaoyi, "China-US trade ties at turning point as world awaits new teams' contact", [Global Times](#), January 15, 2021.

¹⁰² Zhao Huanxin, "Report: Trade war end would help US", [China Daily](#), January 16, 2021.

owned enterprises that do not currently conform to international practices.¹⁰³ In addition to CPTPP, Commerce Minister Wang Wantao highlighted the prospects of "Beijing expanding its [free trade network](#) across the world by facilitating FTA negotiations including China-Japan-Republic of Korea, China-Gulf Cooperation Council (GCC), China-Norway, and China-Israel FTA's".¹⁰⁴

PLA and Internal Security

In a major development, Beijing revised its 'National Defence Law', by expanding the powers of the [Central Military Commission](#) (CMC), whilst weakening the role of the State Council in formulating China's military policy.¹⁰⁵ Chinese analysts stressed that "amendment is aimed at strengthening country's military leadership under President Xi, providing it with legal grounds to respond to the challenges of growing confrontations between the United States and China". Interestingly, this updated legislation includes the words "disruption" and protection of "developmental interests" as one of the bases for military mobilization and troop deployment, including reserve forces.¹⁰⁶ This law denotes the centralization of military power with CMC, beyond even a fig leaf of civilian control, by the State Council. This in essence means that the use of military power by China will be at the sole discretion of the Xi Jinping led CMC.

Further, the People's Liberation Army (PLA) has completed [3D mapping of China's western border](#).¹⁰⁷ Wang Yanbin deputy leader of the navigation and mapping unit of the PLA said, "the panoramic spatial datum is like a multifunctional, highly accurate ruler that can indicate the coordinates of remote sensing images and other geographic data with centimeter-level accuracy". Further, the Chinese military analysts stated that "this system has military significance, as it will contribute to the tactical and strategic judgment of commanders through improved situational awareness and provision of accurate geographic data to the weapon systems".¹⁰⁸ It will also enable the monitoring of the entire western border through remote sensing satellites, and

¹⁰³ Zhong Nan, "CPTPP interest proof of China's further opening-up", [China Daily](#), January 7, 2021.

¹⁰⁴ Liu Zhihua, "Nation to expand free trade network", [China Daily](#), January 9, 2021.

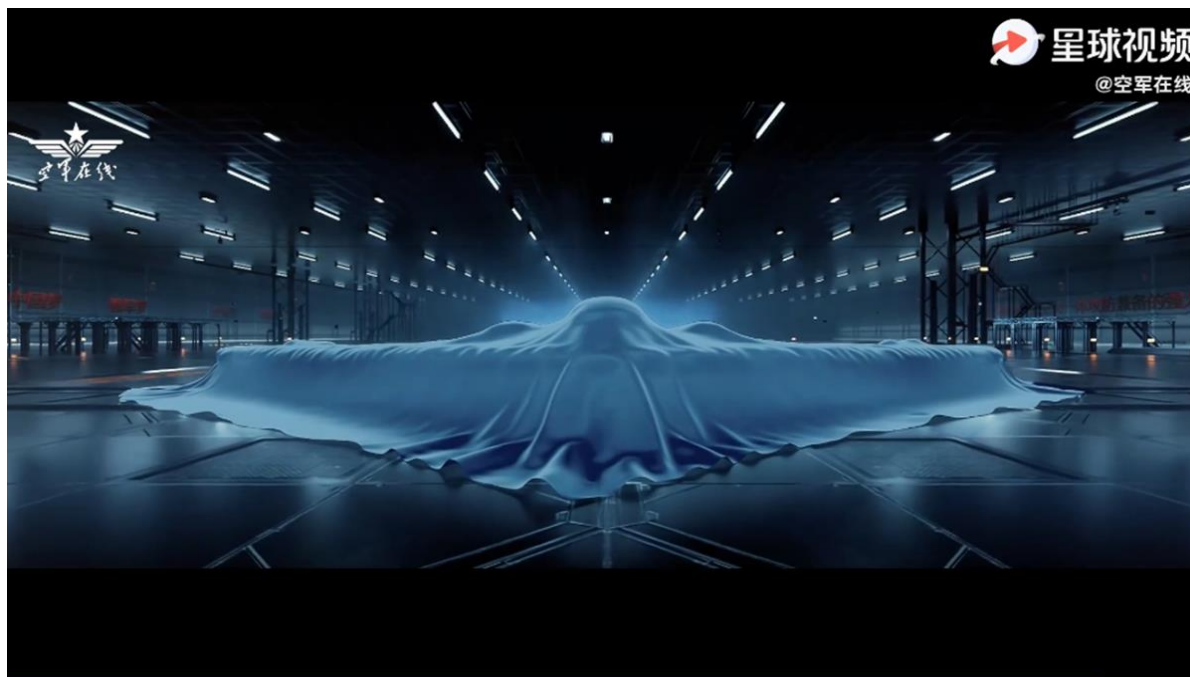
¹⁰⁵ Minnie Chan, "China's military takes charge of war powers with new defence law", [South China Morning Post](#), January 3, 2021

¹⁰⁶ Ibid.

¹⁰⁷ Liu Xuanzun, "PLA completes 3D mapping of China's western border with centimeter-level accuracy", [Global Times](#), January 12, 2021.

¹⁰⁸ Ibid.

provide reliable support for infrastructure construction and spatial planning, among others.



An unknown aircraft covered in a blanket was shown in a recruitment video released by the PLA Air-Force. Source: Global Times

After somewhat of an unsettling 2020, China's [military modernization drive](#) is likely to accelerate in the coming year. State-controlled media highlighted that, China's third aircraft carrier, a newly developed frigate with an integrated electric propulsion system, and aircraft carrier-based stealth fighter aircraft could make their first appearance in 2021.¹⁰⁹ Further, the PLA Air Force gave a glimpse of the design of [China's new long range stealth bomber](#), likely to be designated as H-20.¹¹⁰ Wei Dongxu, a Beijing-based military analyst highlighted that, "H-20 could look similar to the U.S. B-2 long range bomber, however, its radar cross section will be minimal". The display of new bombers design shows that the "outline and design of the aircraft are no longer top secrets, and the project has made significant progress", Wei added.¹¹¹ Further, China's [J-20 stealth fighter](#) completed 10 years on January 11 since its maiden flight.¹¹² While marking this day, the PLA Air-force released a video of a twin-seat variation of J-20 aircraft and a J-20 equipped with domestically made aero engines. Chinese military experts believe that "internationally, two-seat fighter

¹⁰⁹ Liu Xuanzun, "From 3rd aircraft carrier to fighter jets: weapons to expect in 2021", [Global Times](#), December 30, 2020.

¹¹⁰ Liu Xuanzun and Leng Shumei, "China's long-range stealth bomber outlined in PLA Air Force recruitment video", [Global Times](#), January 6, 2021.

¹¹¹ Ibid.

¹¹² Wang Xinjuan, "Ten years after J-20's maiden flight: expect the next X-20", [PLA Daily](#), January 12, 2021.

jets could perform a variety of combat missions, including [electronic warfare](#), and command of wingman drones".¹¹³ Analysts stressed that, domestic aircraft engine for J-20 means "Beijing is no longer reliant on Russia".¹¹⁴ In another development, domestically developed 2 ton-class Z-11WB armed light helicopter is expected to enter service in the PLA. It will play a key role in ground attack, reconnaissance and anti-terrorism operations.¹¹⁵

On December 21, the U.S. Congress passed the 'Tibetan Policy and Support Act' that aims to step up U.S. interference with [China's Tibet autonomous region](#).¹¹⁶ The bill requires China to allow the opening of a U.S. Consulate in Lhasa, and also affirm that the selection of successors to the Dalai Lama is a decision to be only made by Tibetans, free from the Chinese government interference.¹¹⁷ Commenting on Washington's Tibet card, analyst Xin Qiang said, "in terms of Dalai Lama's successor, it is clear that Washington harbours a political intent. The reincarnation of the Dalai Lama is not a personal decision; it follows certain traditions and rituals and has been approved by the Chinese government since the Qing Dynasty (1644-1911). If the selection of Dalai Lama's successor abides by religious convention and traditional rules, the U.S. cannot make big issue on the Tibet question, Xin added".¹¹⁸

China's National Defense Ministry [rebuffed a NATO report](#) claiming China's rise can threaten NATO.¹¹⁹ Defence Ministry spokesperson said, "We resolutely oppose the baseless speculation and false accusation against China in this report. China upholds a defense policy that is defensive in nature, and maintains a shared, comprehensive, co-operative and sustainable security view".¹²⁰ "Chinese ministry also expressed hope that the South China Sea does not become a battleground for big power competition or a sea full of roaming warships". Meanwhile, the Chinese analysts expressed concern at Japan's intent to develop multi-domain combined combat capabilities. By developing such capabilities, "Japan will not just play a bigger role in the [Japan-US military alliance](#) but also break the constitutional restrictions on its military build-up

¹¹³ Liu Xuanzun, "Twin-seat variation & domestic engine-equipped version of J-20 make official appearances", [Global Times](#), January 10, 2021.

¹¹⁴ Ibid.

¹¹⁵ "China's Z-11WB armed light helicopter set to enter PLA service: reports", [Global Times](#), January 5, 2021.

¹¹⁶ Lu Yuanzhi, "Playing the 'Tibet card' reflects Washington's anxiety about China", [Global Times](#), December 27, 2020.

¹¹⁷ Ibid.

¹¹⁸ Ibid.

¹¹⁹ Huang Panyue, "NATO report on China's rise a threat is baseless, false: National Defense Ministry", [PLA Daily](#), December 31, 2020.

¹²⁰ Ibid.

with US backing”.¹²¹ It argued that “Japan’s proposals to build a force of refueling tankers and transport planes, and discussions about launching pre-emptive strikes on enemy bases have long existed in Tokyo. These things are not permitted by Japan’s pacifist constitution, and the international community should remain vigilant”.¹²²



Indonesian Navy Chief Yudo Margono explains how a ‘Sea Glider’ was found by fisherman near Selayar Island, South Sulawesi, January 4, 2021. Source: South China Morning Post

In a significant development, China passed a bill [empowering the coastguard](#) to use “all necessary means” to deter threats posed by foreign vessels in waters “under China’s jurisdiction”.¹²³ Analysts stressed that “the ambiguous language used in the law could heighten the risk of miscalculation in the disputed waters”. As Beijing claims sovereignty over the [Senkaku islands administered by Tokyo](#) in the East China Sea, the coastguard law could target Japanese vessels navigating around the uninhabited islands.¹²⁴

In another significant development, Chinese underwater drone technology is closing in on advancements made by the US. In late December 2020, Indonesia

¹²¹ Guo Yilun and Song Yuchao, “Japan’s development of multi-domain combined combat capabilities raises alarm”, [PLA Daily](#), January 14, 2021.

¹²² Ibid.

¹²³ Catherine Wong, “China gives coastguards power to fire on foreign ships in disputed waters”, [South China Morning Post](#), January 23, 2021.

¹²⁴ “China bill allowing coast guard to use weapons puts Japan on notice”, [The Japan Times](#), January 23, 2021.

found three [Chinese underwater drones](#) near South Sulawesi's Selayar Island.¹²⁵ Analyst Malcolm Davis said, "by deploying these drones – even if they are in the waters of foreign states – China can ensure their submarines are best able to deploy from the South China Sea into the Indian Ocean, or against Australia's north and western maritime approaches in future conflict". The Presence of Unmanned Underwater Vehicles (UUV) indicates "China's intent to deploy submarines in those areas, most likely for intelligence gathering and to improve submarines ability to fight in those waters", highlighted security expert Timothy Heath.

Technology

The Chinese commentators described the [ban on Donald Trump by Twitter and Facebook](#) as a cautionary tale of "social media platforms wielding too much power".¹²⁶ They claimed that "the ban hypocritically goes against US advocacy of free speech". Chinese professor Wang Sixin stated that "a group of technology giants conspiring to choke off Trump is a cautionary lesson for our own regulations. We must not let these internet companies, especially the alliance of them, achieve an information monopoly". After Alibaba's episode, [tightening anti-trust regulations](#) against big-tech remains China State Administration for Market Regulation's (SAMR) top agenda this year.¹²⁷ Zhang Gong, head of SAMR said that the agency's "priority is to implement decision's from China's leadership on enhancing anti-monopoly (rules) and preventing the disorderly expansion of capital". In a related development, reports have emerged from Beijing that, central leadership of the Communist Party of China (CPC) is planning to [nationalize Jack Ma's Alibaba](#) and the Ant Group.¹²⁸ Beijing has also updated its [internet services regulation](#) to include a wide swathe of services, fake news, and fraud.¹²⁹

In terms of 5G telecommunications, China and Indonesia signed a memorandum of understanding (MoU) on [internet security and tech cooperation](#), making it the first-of-its-kind internet security agreement China

¹²⁵ Kristin Huang, "China's underwater drones seized in Indonesia expose tech, routes and potential submarine plans", [South China Morning Post](#), January 10, 2021.

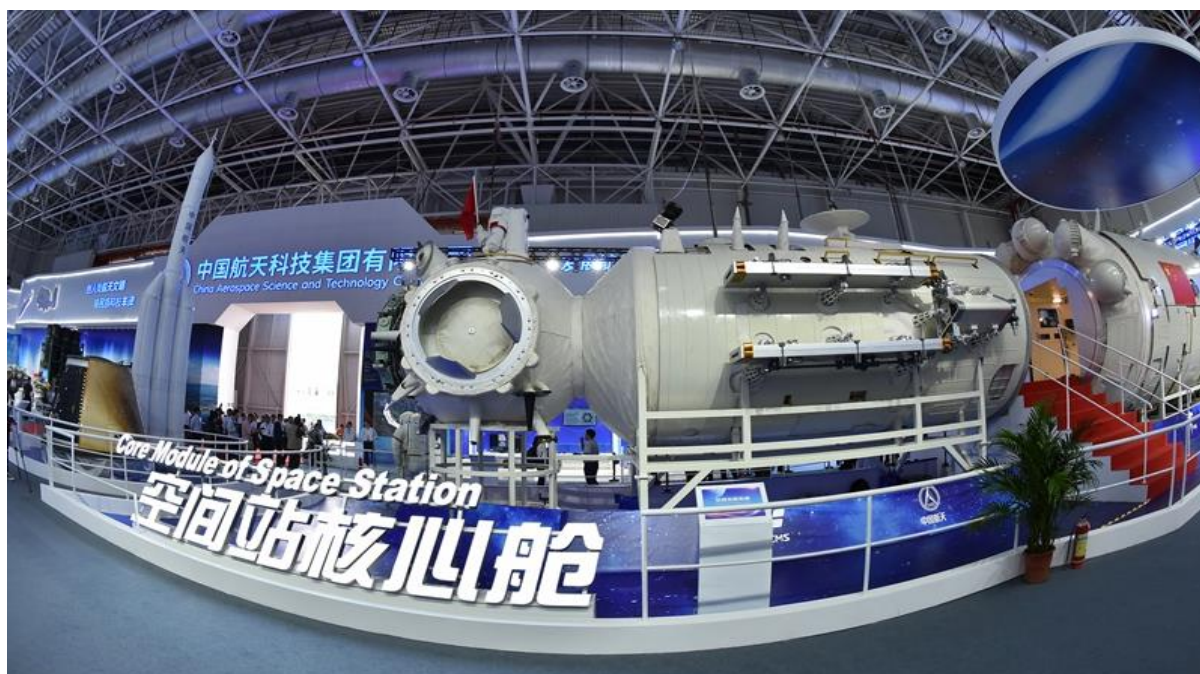
¹²⁶ Josh Ye, Tracy Qu and Linda Lew, "Chinese media and scholars react to Trump's Twitter and Facebook ban with derision amid China's Big Tech crackdown", [South China Morning Post](#), January 13, 2021.

¹²⁷ Celia Chen and Jane Zhang, "After Alibaba probe, antitrust is at the top of 2021 agenda, China's top market regulator says", [South China Morning Post](#), January 11, 2021

¹²⁸ Jacob J, "China CCP to Nationalize Jack Ma's Alibaba and Ant Group – Report", [IBT](#), January 8, 2021.

¹²⁹ Iris Deng and Celia Chen, "Beijing updates internet regulation to include a wide swathe of services, fake news and fraud", [South China Morning Post](#), January 8, 2021.

has signed with a foreign country.¹³⁰ The Chinese analysts highlighted this as a “strategic counter-attack” launched by Beijing to shatter Washington’s anti-China clean network program. Chinese analysts expect this agreement with the largest Southeast Asian country to attract economically neutral countries in the region to follow the same path, providing firms like Huawei to tap into a rising market with a large population “with a sense of certainty”.



Full-size model of the core module of China’s space station Tianhe. Source: Global Times

On the space technology front, China’s space station construction has witnessed new progress. “China is likely to carry out 11 launches, including four manned spaceships and four cargo spaceship flights in the next two years, as Beijing aims to complete the building of country’s first space station by around 2022”.¹³¹ China’s space station will operate in low-earth orbit at an altitude of between 340 and 450 kilometers, supporting scientific, technological, and application experiments.

¹³⁰ “China, Indonesia sign MoU on internet security amid Washington pressure on Beijing’s 5G technology”, [Global Times](#), January 13, 2021.

¹³¹ Ibid.



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