



Delhi Policy Group

Advancing India's Rise as a Leading Power



DPG China Monitor

October 2021



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Delhi Policy Group

Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003

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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.

Cover Photograph:

India and China held the 13th Corps Commander-level talks on the Ladakh standoff on October 10. Source: India Today

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Abstract

The thirteenth round of Corps Commanders level talks held on October 10 were marked by shrill acrimony, with China accusing India of making unrealistic and unreasonable demands. India, in turn highlighted that the constructive suggestions made by the Indian side were not agreeable, nor did China provide any forward-looking proposals. The talks took place in the backdrop of two recent incidents of attempted transgressions by the Chinese troops in the Central Barahoti sector of Uttarakhand and the Tawang sector in Arunachal Pradesh, which further vitiated the atmosphere.

Importantly, amidst the ongoing tensions along the LAC, the National People's Congress (NPC) approved a new law that stipulates the territorial sovereignty and integrity of the People's Republic of China as sacred and inviolable. The Act has the potential of formalising Chinese control over intrusions across the LAC in support of which they are now constitutionally mandated to use force. Various commentaries point out that this is largely an India centric measure that will create tensions and make border resolution difficult.

Meanwhile, China continues its combative operational buildup and logistics in Eastern Ladakh in apparent preparation for the onset of winter. Reacting to continued deployment of the Chinese Air Force (PLAAF) at bases facing Eastern Ladakh, India enhanced its deployments including enhanced integrated surveillance to keep an eye on PLA activities across the LAC.

In an important development, China and Bhutan signed a memorandum of understanding on October 14 that provides a three-step roadmap for expediting the settlement of the outstanding border disputes.

Concerned with continuing IS-K violence in Afghanistan, the Chinese Foreign Minister Wang Yi sought assurances from the Taliban that it would make a “clean break” with the East Turkestan Islamic Movement (ETIM). China is linking humanitarian and other assistance to the Taliban-led Afghan government's ability to control extremist groups and violence. Similarly, in Pakistan, Beijing has demanded USD 38 million as compensation from Pakistan for Chinese casualties at the Dasu Dam Project (part of CPEC) before resuming work. This is despite Pakistani PM Imran Khan and Chinese President Xi Jinping agreeing to bolster bilateral ties.

The month saw continuing tensions in US-China bilateral relations over a host of issues which included US economic policy towards China, China's hypersonic missile test and the Taiwan issue. The US appears to be maintaining

a delicate balance between a competitive China policy and efforts to ease tensions. With the deteriorating cross-strait situation marked by Chinese intrusions of the Taiwan ADIZ, information about the presence of a US special operations group and contingent of marines being deployed in Taiwan fuelled bilateral tensions. The Chinese state media claimed that the secret presence of US troops in Taiwan is not a real threat; rather, it brought Taiwan's reunification with the mainland even closer. Reacting to the US Navy submarine USS Connecticut's collision with an unidentified object in the South China Sea on October 02, the Chinese Defence Ministry called on Washington to provide a detailed account of the incident which it claimed was a result of provocative Freedom of Navigation Operations.

The EU appears to be struggling to settle on a unified approach over its new Indo-Pacific strategy. The AUKUS pact and French ire following the collapse of their submarine deal with Australia have highlighted the hiatus between the European and US approaches to weaving a common strategy in dealing with China. The EU and China continue to look at engagement and dialogue as a crucial modus operandi. After a phone call with President Xi Jinping (on October 15), European Council President Charles Michel announced the possibility of an EU-China summit. Meanwhile, much to the chagrin of China, the EU parliament adopted a resolution calling for strengthening ties with Taiwan.

In a major boost to Sino-Russian maritime defence cooperation, the two countries held joint naval drills in the Sea of Japan. Chinese analysts claimed that as "the West continues to build antagonistic regional security organisations like the Quad and AUKUS, the joint naval exercise will enhance Beijing and Moscow's capability to deal with maritime security threats while safeguarding regional peace and stability".

China's economy continues to show signs of a slowdown, with Q3 GDP growth at 4.9 percent, down from 18.3 and 7.9 percent in the first and second quarters of 2021, respectively. However, China's National Bureau of Statistics stressed that the economy maintained its overall recovery and growth momentum in the first three quarters. An ongoing power crisis, rising international energy prices, the outbreak of the Delta variant of the coronavirus, high commodity prices and floods are being cited as the major causes of the Q3 economic slowdown.

The importance of its Western regions is growing in China's economic planning. Beijing issued a master plan for the construction of the 'Chengdu-Chongqing economic circle 'as the new growth engine of China's

development. Meanwhile, President Xi Jinping emphasised the vital role of the digital economy in China's new development paradigm. Without any reference to technology competition with the US, President Xi observed that "socialist system", "whole country approach" and "vast market size" provide unique advantages to China to "take autonomy of the digital economy firmly in Beijing's hands".

China's State Council hosted a reception marking the 72nd anniversary of the founding of People's Republic of China. In his address on the occasion, Premier Li Keqiang emphasised "commitment to reforms toward socialist market economy", "faithful implementation of one country two systems for Hong Kong and Macao", "opposing and deterring Taiwan independence", "promoting the growth of global economy", and "realising the dream of national rejuvenation by rallying around the CPC Central Committee with President Xi Jinping at the core".

The CPC Politburo will hold the sixth plenary session of the 19th Central Committee from November 8 to 11. Reportedly, the CPC is likely to "adopt a rare [historic] party resolution that will solidify Secretary-General Xi Jinping's power, leaving leadership succession unclear".

Foreign and Security Policy

I. China-India Relations

October 2021 saw a dramatic deterioration in bilateral relations, with China hardening its stand on further disengagement and de-escalation.

The [thirteenth round of Corps Commanders level talks](#) held on October 10 were marked by shrill acrimony, with China accusing India of making unrealistic and unreasonable demands.¹ In an [official statement put out by the Western Theatre](#) Command of China, it condescendingly advised India to cherish the hard-won situation in the border areas, while for the first time underlining its resolve to “safeguard national sovereignty”.² This is a significant development and tantamount to conveying no compromise on the border issue and that every inch of territory bequeathed to China will be repossessed.

In a rejoinder, [a statement released by the Indian army](#) highlighted that the constructive suggestions made by the Indian side were not agreeable to China, nor did it provide any forward-looking proposals.³ Following these acrimonious exchanges, Chinese state media warned of “risks of a new conflict”, accusing India of bearing an opportunistic attitude towards negotiations.⁴

The fresh round of talks took place [in the backdrop of two recent incidents](#) of attempted transgressions by the Chinese troops in the Central Barahoti sector of Uttarakhand and the Tawang sector in Arunachal Pradesh.⁵ Reports of India [detaining a large number of PLA troops](#) in Tawang, incensed China who vehemently denied them.⁶ China additionally [objected to Vice-President M Venkaiah Naidu's visit](#) to Arunachal Pradesh,⁷ reacting to which External Affairs Ministry Spokesperson categorically stated, objecting Indian leaders

¹ “Chinese Side Wasn't Agreeable’: 13th Round of India-China Corps Talks Fails,” [The Quint](#), October 11, 2021

² “PLA spokesperson makes statement on latest China-India military talks,” [Ministry of National Defense](#), China, October 11, 2021

³ “LAC Standoff: ‘China Not Agreeable’, India Says 13th Round Of Talks Did Not Bring Resolution,” [ABP Live](#), October 11, 2021

⁴ Ibid.

⁵ “LAC row: India-China military talks last for over 8 hours,” [The Tribune](#), October 11, 2021

⁶ “An Indian media report on ‘detention’ of PLA soldiers riled China up. Here’s what followed,” [The Print](#), October 20, 2021

⁷ “India urged to maintain tranquillity on border,” [China Daily](#), October 14, 2021

visit to an Indian state “[does not stand to reason and understanding](#)” of Indian people.⁸

Amid the ongoing tensions along the LAC, Members of the Standing Committee of the [National People's Congress \(NPC\) approved a new law](#) that stipulates the territorial sovereignty and integrity of the People's Republic of China as sacred and inviolable.⁹ Chinese news media reacting to this underlined that this would strengthen the country's territorial integrity while encouraging infrastructure and other developmental works in border states. The Act has the potential of formalising Chinese control over intrusions across the LAC in support of which they are now constitutionally mandated to use force.¹⁰ This has serious implications for the resolution of boundary disputes and in maintaining peace and tranquillity along the LAC. [The law will become operational from January 1](#) next year.¹¹



To counter China, India enhances day and night surveillance at LAC in Arunachal sector. Source: Zee News

China continues to develop its combative operational logistics along Eastern Ladakh. As per reports Chinese air force (PLAAF) is “[still deployed at three air bases](#)” facing eastern Ladakh.¹² India too is assiduously working on its

⁸ “India strongly rejects China’s objection to Vice-President Venkaiah Naidu’s Arunachal visit,” [The Indian Express](#), October 13, 2021

⁹ “China adopts land borders law amid regional tensions, vowing to better protect territorial integrity at legal level,” [Global Times](#), October 24, 2021

¹⁰ Ibid.

¹¹ “China adopts new land border law amid military impasse with India,” [Hindustan Times](#), October 24, 2021

¹² “Chinese still deployed at 3 air bases facing Ladakh, building infra: IAF chief,” [The Indian Express](#), October 6, 2021

operational preparedness focusing on developing both offensive and defensive capabilities. [India has enhanced integrated surveillance and communication](#) to keep an eye on PLA activities across the LAC.¹³ In addition, massive infrastructure construction is being undertaken all along the northern borders.¹⁴

Reacting to the Chinese build-up opposite the Eastern sector, Eastern Army Commander Lt General Manoj Pande claimed [China has been building dual-use border villages](#) close to the LAC while simultaneously cranking up military facilities and creating dual-use infrastructure such as airports to keep up the pressure on India.¹⁵

Amidst China's obdurate stand in resolving the border standoff, the Chief of Army Staff GG Naravane and Chief of Indian Airforce Marshal VR Chaudhari visited eastern Ladakh [to review operational preparedness in the region](#).¹⁶ Reacting to Chinese deployments and up-gradation of its military posture, Gen Naravane remarked, if the Chinese military continues with its large-scale deployment in the eastern Ladakh region, then the Indian Army too will maintain its strength on its side which he said is ["as good as what the PLA has done"](#).¹⁷

While addressing a seminar on October 21 themed "Leveraging China's Economy" foreign secretary Harsh Shringla reiterated External Affairs Minister Dr.S Jaishankar's previous remarks highlighting that the development of India - China relations can only be "based on mutuality – [mutual respect, mutual sensitivity and mutual interests should guide this process](#)".¹⁸ [During a conclave on October 8](#), Dr. Jaishankar said, "if we need to get back to the normal relationship, which they said they want, and which both of us believe is in our mutual interest, then they (China) need to stick with the agreements and do the right things. We have had progress in a few areas. But the larger problem remains which is a very sizeable Chinese forces close to, if not at, the LAC."¹⁹

¹³ "Major upgrade in weapons, surveillance and infrastructure in east to counter China," [The Times of India](#), October 19, 2021

¹⁴ Ibid.

¹⁵ "China building 'dual use' villages along LAC: Lt General Manoj Pande," [The Times of India](#), October 20, 2021

¹⁶ "Army Chief in eastern Ladakh to review op preparedness," [The Indian Express](#), October 2, 2021

¹⁷ "Eastern Ladakh row: India, China hold 13th round of military talks," [The Economic Times](#), October 10, 2021

¹⁸ "Trade with China up 49%, Shringla red-flags deficit", [The Times of India](#) , October 22, 2021

¹⁹ "S Jaishankar on Taliban regime, Pakistan, China, US and more," [India Today](#), October 8, 2021

Foreign Secretary Shringla also flagged [India's concern about the widening deficit in India China bilateral trade](#), which has seen an increase of 49% over the last year. Reportedly, India's trade with China touched \$90 billion in the first three quarters of 2021.²⁰

II. South Asia–China Relations

On October 14, [China and Bhutan signed a memorandum of understanding](#) that encapsulates a three-step roadmap for expediting the settlement of the outstanding border disputes.²¹ Beijing has a 400 Km long border with Bhutan and lays claim to around 765 square kilometres of Bhutanese territory.²² The signing of the MOU comes nearly 48 months after the India – China confrontation at Doklam tri-junction. Bhutan is the only country in South Asia with which it has no diplomatic relations.²³ [Chinese state media blamed India for the delay in negotiations](#) on boundary issues between China and Bhutan, maintaining that when India is pursuing hegemony by coercion over its neighbours, the MoU is a victory for the region.²⁴

Islamic State terror group's affiliate in Afghanistan, Islamic State Khorasan (ISK) claimed responsibility for a [suicide bomb attack on October 8](#) at a mosque in Kunduz that killed more than 70 people and injured over 140 worshippers. ISK claimed the attack targeted both Shiites and the Taliban government for its willingness to deport Uyghurs from Afghanistan in response to Chinese requests. According to Nodirbek Soliev, a senior analyst at RSIS, "ISK is potentially considering pivoting its China strategy away from a relatively non-provocative posture towards a more hands-on stance."²⁵ Following the mosque attack, Chinese foreign minister [Wang Yi sought assurances from the Taliban](#) to make a "clean break" with the East Turkestan Islamic Movement (ETIM), a group Beijing alleges is inciting separatism in neighbouring Xinjiang.²⁶ Mullah Abdul Ghani Baradar, the deputy prime minister of the Taliban's interim government, assured China, never to allow inimical forces to use the Afghan territory to harm China.²⁷ A day after the talks, [China committed to providing](#)

²⁰ "Trade with China up 49%, Shringla red-flags deficit", [The Times of India](#), October 22, 2021

²¹ "After China-Bhutan deal, India requires fresh eyes," [Deccan Chronicle](#), October 26, 2021

²² Ibid.

²³ Ibid.

²⁴ "MoU on China-Bhutan boundary talks 'breaks deadlock caused by India, paves way for diplomatic ties'," [Global Times](#), October 15, 2021

²⁵ "Is the Islamic State in Afghanistan Targeting China?," [The Diplomat](#), October 26, 2021

²⁶ "Crack down on ETIM, other terrorist groups, China tells Taliban," [Hindustan Times](#), October 26, 2021

²⁷ "Afghanistan to honor its promise and won't allow any forces to use its territory to harm China: acting deputy PM of Afghan Taliban," [Global Times](#), October 26, 2021

[USD 1](#) million as humanitarian assistance while promising an additional USD 5 million.²⁸



Chinese State Councilor and Foreign Minister Wang Yi met acting Foreign Minister of Afghan Taliban's interim government Amir Khan Muttaqi in Qatar, October 26, 2021.

Source: Ministry of Foreign Affairs of the People's Republic of China

Importantly, amidst China's security concerns with Afghanistan, the new Land Borders Law would enable's China to counter any "invasion, encroachment, infiltration, [or] provocation" that occurs on its borders. [The new law provides a legal framework](#) for hard border closures if Beijing deems fit.²⁹

China and Pakistan's collusion on security issues in South Asia continues to multiply. Resonating the respective government's policies a Chinese think tank recommended that both countries jointly persuade the Taliban to deal with issues of terrorism. Meanwhile, after the Taliban's interim government failed to win global recognition, [Chinese state media](#) stressed, "China and Pakistan must cooperate closely on the Afghan issue to persuade the Afghan Taliban to establish an open and inclusive government and implement a

²⁸ "China provides USD 1mn to Afghanistan after Wang Yi, Mullah Baradar meet in Doha," [ANI](#), October 26, 2021

²⁹ "China passes new border law amid concerns about India, Afghanistan," [Deutsche Welle](#), October 24, 2021

moderate domestic and foreign policy.”³⁰ China is likely to employ “[mixed tools of diplomacy](#)” characterised by caution, patience, and longterm strategic planning to exercise leverage in Afghanistan.³¹

China has demanded USD 38 million compensation from Pakistan for Chinese casualties at the [Dasu Dam Project \(part of CPEC\)](#) before resuming work.³² China suspended the work on the project in July this year following a blast that killed several Chinese engineers. This is despite Pakistan [PM Imran Khan and Chinese President Xi Jinping](#) agreeing to bolster bilateral ties, including the full realisation of the potential offered by the Phase-II of the Free Trade Agreement during a phone call on October 26.³³

The [Sri Lankan Tamil diaspora is “seriously concerned”](#) over the large-scale and long-term Chinese investments in Sri Lanka.³⁴ In the past 24 months, China has surpassed India to become Sri Lanka’s top import partner (in 2020, [Sri Lanka imported \\$3.58 billion worth of goods](#) and services from China compared to \$3.01 billion from India).³⁵ However, following the major economic and foreign exchange crisis for which Sri Lanka holds China responsible, there has been a shift in Sri Lanka's foreign policy with greater reach out to India, US and the EU. Meanwhile, Indian conglomerate [Adani Group has signed a \\$700 million deal](#) to build a container terminal at the strategic Colombo port while exploring the possibility of investing in the island nation's energy and wind sector.³⁶

In another development, [Sri Lanka has barred a Chinese ship carrying desperately needed organic fertiliser](#) that experts found tainted with harmful bacteria.³⁷ Amidst farmers’ concerns over the ban, which would ruin their crops, [Sri Lanka imported Nano Nitrogen liquid fertilizer from India](#).³⁸

[Prime Minister Sheikh Hasina sent a letter of felicitation](#) to Chinese President Xi Jinping on 72nd anniversary of the founding of the People's Republic of China while expressing hope to strengthen cooperation at various levels

³⁰ “Why is it essential for China, Pakistan to enhance coordination against terrorists, safeguard regional stability,” [Global Times](#), October 2, 2021

³¹ “China’s geostrategic engagement in a new Afghanistan,” [East Asia Forum](#), October 8, 2021

³² “Dasu Dam: China demands \$38 mn compensation from Pakistan for dead workers,” [Business Standard](#), October 16, 2021

³³ “Xi calls for building closer China-Pakistan community with shared future in new era,” [Xinhua](#), October 26, 2021

³⁴ “China’s presence in Sri Lanka raises concerns,” [The Hindu](#), October 11, 2021

³⁵ “Does China Want an Unstable Sri Lanka?,” [The Wire](#), October 4, 2021

³⁶ “Sri Lanka walks India-China tightrope with port deal,” [Nikkei Asia](#), October 7, 2021

³⁷ “Sri Lanka bans contaminated Chinese fertiliser,” [The Times of India](#), October 24, 2021

³⁸ “India comes to Sri Lanka’s rescue despite its China tilt. Will Colombo mend its ways now?,” [Firstpost](#), October 25, 2021

between the two countries.³⁹ Meanwhile, reports have surfaced about [maltreatment of Bangladesh local workers](#) by Chinese companies and Chinese nationals. There are also reports of China acquiring projects through fraudulent methods, including bribery and corruption. Reacting to these, the Bangladesh government is either cancelling or putting on hold specific Chinese projects due to malpractices.⁴⁰

III. China-US Relations

Tensions in US-China bilateral relations continued during the month. Major issues include; US combative economic policy towards China, Chinese nuclear-capable hypersonic missile test, Taiwan Issue, etc.



China's top diplomat Yang Jiechi meets US National Security Advisor Jake Sullivan in Zurich, Switzerland, October 6, 2021. Source: Xinhua

The US appears to be maintaining a delicate balance between competitive China policy and efforts to ease tension. On October 6, National Security Advisor Jake Sullivan met with Chinese Communist Party Politburo Member and Director of the Office of the Foreign Affairs Commission Yang Jiechi in Zurich, Switzerland.⁴¹ During the meeting, [Sullivan raised a number of issues](#),

³⁹ "China Anniversary: PM greets Xi, hopes strong cooperation," [The Daily Star](#), October 2, 2021

⁴⁰ "Maltreatment of locals in Chinese funded projects cast a shadow over Beijing's FDI in Bangladesh," [The Economic Times](#), October 16, 2021

⁴¹ "Readout of National Security Advisor Jake Sullivan's Meeting with Politburo Member Yang Jiechi," [White House](#), October 6, 2021

including human rights, Xinjiang, Hong Kong, the South China Sea, and Taiwan. He made it clear that the US will engage with the PRC at a senior level to ensure responsible competition.⁴² Similarly, US Secretary of State Antony Blinken, in a [National Day message to China](#), implicitly conveyed US willingness to work on the present challenges that both countries are facing.⁴³ Further, the United States and China agreed in principle for a Presidential virtual meeting before the end of the year, to establish [direct leader-level communication](#) to set relations in a more “constructive direction”.⁴⁴

While the upcoming talks are expected to prevent matters from getting worse, the US continues to undertake operational decisions indicating its hawkish China policy. [Central Intelligence Agency is creating a high-level unit](#) to sharpen agency’s focus on China. The China Mission Centre, as CIA Director William Burns said, would cut across “all of the agency’s mission areas,” noting the CIA’s concern was “the threat ...from the Chinese government, not its people.”⁴⁵ In response, a People’s Daily editorial stressed that “the mission centre takes a page from [America’s cold war playbook](#)”.⁴⁶ “This unprecedented act not only undermines already fragile mutual trust but also risks stoking global paranoia and distrust towards the ill-behaved superpower [US]”, it added.⁴⁷ People’s Daily drew parallels between “US’ accusations against former Iraqi President Saddam Hussein of possessing WMDs and recent attempts of surrogating biologists to trace the origins of COVID-19 as telling evidence of CIA’s crooked and wicked nature”.⁴⁸ In a simultaneous development US officials issued fresh warnings over a range of advanced technology and artificial intelligence China is developing, giving China a decisive edge over military and healthcare areas.⁴⁹

Amidst growing strategic competition between the United States and China, reports in Western media pointed toward “China testing a [nuclear capable hypersonic missile](#) in August 2021 that caught US intelligence by surprise”.⁵⁰ Chinese Ministry of Foreign Affairs (MFA) clarified that it was in fact a “routine test of technology for [reusing a space vehicle](#) [not a missile]... such a test is

⁴² Ibid.

⁴³ “U.S. Secretary of State Antony Blinken congratulates China on National Day,” [CGTN](#), October 1, 2021

⁴⁴ “U.S. and China agree in principle to virtual summit by year-end,” [Nikkei Asia](#), October 7, 2021

⁴⁵ “Biden's CIA director creates unit focusing on China,” [Reuters](#), October 7, 2021

⁴⁶ “CIA’s new China mission center takes a page from America’s cold war playbook”, [People’s Daily](#), October 21, 2021.

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ “US intel warns China could dominate advanced technologies,” [AP News](#), October 22, 2021

⁵⁰ Demetri Sevastopulo and Kathrin Hille, “China tests new space capability with hypersonic missile”, [Financial Times](#), October 17, 2021.

meant to lower the cost of using a space vehicle, providing more low-cost measures for the peaceful use of space”, MFA added.⁵¹ Chinese analysts claimed that “the US is using Western media to hype the test and spread ‘China threat theory’ to increase their defence budget for the development of space weapons”.⁵² Even as Beijing denied reports about testing nuclear-capable hypersonic missile, Washington expressed concerns about China deviating from [‘minimal nuclear deterrence’](#) strategy.⁵³

Meanwhile, tensions in the South China Sea (SCS) continued unabated. Chinese Ministry of National Defence called on Washington to “provide detailed account of US submarine, [USS Connecticut’s collision](#) with an unidentified object on October 02 during diving operations in the SCS.⁵⁴ People’s Daily editorial argued that “US submarine collusion raises [red flag on maritime security](#)”.⁵⁵

China also continued to severely criticise ‘AUKUS’. Chinese Ambassador for Disarmament Affairs described AUKUS as a [“textbook case” of nuclear proliferation](#) reflecting “cold war mentality” and “narrow-minded geopolitical calculations”.⁵⁶ AUKUS poses a “serious challenge to the letter and spirit of Nuclear Non-Proliferation Treaty” (NPT), he added.⁵⁷ In light of this, state media highlighted [concerns expressed by Samoa and Kiribati](#) about AUKUS and US’ refusal to ratify protocols to the South Pacific Nuclear Free Zone (SPNFZ) Treaty.⁵⁸ Using these concerns, Chinese Ministry of Foreign Affairs called on Washington to “refrain from deploying nuclear weapons in South Pacific region”.⁵⁹

On October 01 (Foundation day of PRC), [Taiwan reported the largest ever incursions](#) by the Chinese air force of its air defence zone. For a year or more

⁵¹ Yang Sheng and Deng Xiaoci, “China’s routine space vehicle test a transparent act for peaceful use, not militarization”, [Global Times](#), October 18, 2021.

⁵² Ibid.

⁵³ Robert Delaney, “US accuses China of deviating from ‘minimal nuclear deterrence’ strategy”, [South China Morning Post](#), October 19, 2021.

⁵⁴ “Chinese defense spokesperson urges US to give detailed account of submarine collision incident as soon as possible”, [Ministry of National Defence of the People’s Republic of China](#), October 19, 2021.

⁵⁵ “US submarine collision raises red flag on maritime security”, [People’s Daily](#), October 13, 2021.

⁵⁶ “Chinese ambassador slams AUKUS pact as “textbook case” of nuclear proliferation”, [Xinhua](#), October 13, 2021.

⁵⁷ Ibid.

⁵⁸ “U.S. should refrain from deploying nuclear weapons in South Pacific region: FM spokesperson”, [China Military Online](#), October 15, 2021.

⁵⁹ Ibid.

now, Taiwan has complained of repeated incursion by Chinese air force.⁶⁰ Taiwan's Premier, Su Tseng- Chang called [Chinese actions as "brutal and barbarian"](#).⁶¹ Meanwhile, contradictory statements by the Biden administration on the US stance over the Taiwan issue evoked discussion regarding US posture over Taiwan being one of "strategic ambiguity or strategic support"? Weeks after President Biden said he and President Xi [agreed to abide by the Taiwan agreement](#) (October 6) President Biden voiced (on October 21) [US commitment to protect Taiwan](#) in the event of an attack by China.⁶² Amidst furore over his statement White House press secretary clarified, that the President Biden's October 21 statement⁶³, "was not announcing any change in our policy, nor has he made a decision to change our policy... Our defence relationship with Taiwan is guided by the Taiwan Relations Act."⁶⁴

Reports of US stationing US military advisors and marines came in for strong condemnation by China. It called upon the US to abide [by one-China principle](#) and the provisions of Sino-US joint communiqués.⁶⁵

IV. China–EU Relations

The EU is struggling to settle on a unified approach with its new strategy for the Indo-Pacific. It is exploring multifaceted ways of cooperating and engaging within the region.⁶⁶ The AUKUS pact and French apprehension following the submarine deal have highlighted the bitter struggle between [EU and US approaches to weave a common strategy](#) over dealing with China. Despite this, both sides continue to be wary of China's growing military, political and economic power.

As EU foreign policy chief [Josep Borrell is currently drafting a "Strategic Compass"](#) for the 27-nation bloc that will outline a definitive stance regarding competition between the United States and China, the latter is trying to cultivate good ties with France. The reason, Paris will hold the Presidency of the

⁶⁰ "Taiwan reports largest ever incursion by Chinese air force," [The Indian Express](#), October 2, 2021

⁶¹ "China sends warplanes toward Taiwan for 2nd straight day," [CBC News](#), October 3, 2021

⁶² "White House 'in touch privately' over 56 Chinese warplanes in Taiwan's ADIZ," [Taiwan News](#), October 5, 2021

⁶³ "Biden delivered straight talk on Taiwan – contradicting a deliberately ambiguous U.S. policy. Did he misspeak?," [The Washington Post](#), October 22, 2021

⁶⁴ The 1979 Taiwan Relations Act states that the U.S. will provide arms for Taiwan to maintain a sufficient self-defense capability. It does not say the U.S. would intervene militarily to protect Taiwan in the event of a Chinese attack.

⁶⁵ "Chinese Mainland warns U.S., Taiwan over military contacts," [CGTN](#), October 11, 2021

⁶⁶ "With Aukus alliance, US turns away from Europe and drives China closer to Russia and Iran," [South China Morning Post](#), October 11, 2021

EU Council in the first half of next year, allowing China to actively shape the bloc's agenda at this pivotal moment.

During a phone call on October 26 with French President Emmanuel Macron, Chinese [President Xi Jinping urged the EU to maintain its autonomy](#) in foreign policy.⁶⁷ Earlier responding to a joint statement signed by 43 countries (on October 22) criticising China's human rights policy, Beijing's Ambassador to the UN, [Zhang Jun, warned France not to "submit to the United States"](#), or risk losing dignity and respect.⁶⁸ In the backdrop of Angela Merkel's balancing act vis-à-vis China and the transatlantic and European partners, [Germany's new coalition government](#) is yet to come up with its China policy.⁶⁹

Despite the differences, the EU and China continue to look at dialogue as a crucial modus operandi. After a phone call with [President Xi Jinping \(on October 15\), European Council President Charles Michel](#) announced the possibility of EU- China summit soon.⁷⁰

Amid heightened tension between China and Taiwan, The [EU parliament adopted a resolution](#) calling for strengthening the EU's ties with Taiwan. The non-binding resolution urged a new investment deal between the EU and Taiwan.⁷¹

V. China–Russia Relations

In the backdrop of an intensified US-China rivalry and India inclined towards US security-led initiatives, [China and Moscow approved the rare expansion of the SCO](#) by admitting Iran, a move aimed at elevating the group's international profile.⁷² Both China and Russia are exploring their trilateral relationship with Iran. The strategic developments have spurred joint exercises in recent times.⁷³

The [third meeting of the Moscow Format talks](#) on Afghanistan, attended by representatives of 10 countries including Russia, China, and Pakistan, concluded on October 20, reaffirmed the positions of regional and

⁶⁷ "Xi-Macron phone call sets tone for China-France cooperation ahead of key climate summit," [Global Times](#), October 26, 2021

⁶⁸ "China tells France it will lose respect if it 'submits' to US after Paris plays lead role in UN statement on Xinjiang," [South China Morning Post](#), October 22, 2021

⁶⁹ "The German Elections and Angela Merkel's China Legacy," [The Diplomat](#), October 13, 2021

⁷⁰ "Xi holds phone conversations with EU Council president, Singaporean PM," [CGTN](#), October 15, 2021

⁷¹ "EU lawmakers push to 'upgrade' ties with Taiwan," [Deutsche Welle](#), October 21, 2021

⁷² "With Aukus alliance, US turns away from Europe and drives China closer to Russia and Iran," [South China Morning Post](#), October 11, 2021

⁷³ Ibid.

international actors on Taliban-ruled Afghanistan.⁷⁴ Chinese state media highlighted the prospective role of [China-Russia coordination on the Afghan crisis](#).⁷⁵ Foreign Minister Wang observed, “China-Russia coordination in Afghanistan could be comprehensive, ranging from humanitarian aid, the recognition of the new government, refugee issues and how to manage terrorism and share intelligence, not like some Western countries that offer help only when their political preconditions are met.”⁷⁶

As US and China continue to accuse each other of cranking up their military strength undermining global security, China and Russia have jointly called for the US to abide by a [United Nations convention on biological weapons](#).⁷⁷ In a joint statement on October 7, the Chinese and Russian foreign ministers called for the abilities of the United States and its allies to be checked and limited. The demand was made at an arms control committee discussion of the UN’s Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction (BWC).⁷⁸

In another development, China and Russia skipped physical attendance of the G 20 Rome summit held on October 30-31, 2021. President XI Jinping however, in a virtual message, stressed on the need for coordinated efforts to boost global economic recovery and proposed a six-point Global Vaccine Cooperation Action Initiative.⁷⁹

Trade and Economy

China’s economy continues to show signs of slowdown, with [Q3 GDP growth](#) at 4.9 percent, down from 18.3 and 7.9 percent in the first and second quarter of 2021, respectively.⁸⁰ This has prompted [fears of “stagflation”](#), which is a combination of slow growth, high inflation, and unemployment.⁸¹ Despite these signs, the National Bureau of Statistics stressed that the economy

⁷⁴ “Russia welcomes India’s contacts with Taliban at Moscow format talks – envoy,” [TASS](#), October 25, 2021

⁷⁵ “Moscow format’ talks highlight China-Russia coordination on Afghan issue, conspicuous US absence,” [Global Times](#), October 20, 2021

⁷⁶ Ibid.

⁷⁷ “China, Russia ask UN to check biological warfare strength of US and allies,” [South China Morning Post](#), October 8, 2021

⁷⁸ Ibid.

⁷⁹ “Xi stresses solidarity, proposes vaccine initiative for developing countries at G20 as China’s vision to combat COVID-19,” [Global Times](#), October 30, 2021

⁸⁰ “The Overall National Economy Maintained the Recovery Momentum in the First Three Quarters”, [The State Council of the People’s Republic of China](#), October 18, 2021.

⁸¹ Orange Wang, “China GDP: slowdown in third quarter growth ramps up fears of more economic trouble ahead”, [South China Morning Post](#), October 19, 2021.

maintained its overall recovery and growth momentum in the first three quarters.⁸² Similarly, Xinhua asserted that “China is on track to [meet annual growth targets](#) for 2021 as country’s overall GDP growth stands at 9.8 percent so far, much higher than Beijing’s target of above 6 percent growth”.⁸³ Ongoing power crisis, rising international energy prices, the outbreak of the delta variant of coronavirus, high commodity prices, and floods are being cited as the major causes of the Q3 economic slowdown.⁸⁴ Manufacturing also spells more trouble for the Chinese economy as the [factory activity](#) among large firms continued to contract in September 2021.⁸⁵ In light of this, State Council deferred CNY 200 billion (USD 31.32 billion) in [tax payments](#) for small and medium-sized manufacturing enterprises (SMEs).⁸⁶ Chinese analysts believe “without a change in government policies, economic growth in the fourth quarter is likely to further slowdown”.⁸⁷

Amidst the economic slowdown, General Administration of Customs of China (GAC) revealed that country’s “[foreign trade in goods](#) grew by 22.7 percent to USD 4.4 trillion in the first three quarters of 2021 highlighting strong resilience and steady improvement in trade quality”.⁸⁸ Even as China registered strong foreign trade growth, Chinese media expressed concerns about [export growth slowing](#) towards the end of the year as other countries re-open their manufacturing bases.⁸⁹ Analysts called on Beijing to “carefully assess the impact of reopening of the world economy on Chinese industry and plan to cope with new and greater challenges accordingly”.⁹⁰ Xinhua commentary highlighted reports in the US media about [Wall Street’s optimism](#) in the Chinese market despite global economic uncertainty.⁹¹ Based on positive reactions of investment banking and asset management giants such as J.P.

⁸² “The Overall National Economy Maintained the Recovery Momentum in the First Three Quarters”, [National Bureau of Statistics of China](#), October 18, 2021.

⁸³ “Addressing challenges, China on track to meet growth target”, [Xinhua](#), October 18, 2021.

⁸⁴ Ibid.

⁸⁵ Orange Wang and Su-Lin Tan, “China’s economy faces multiplying risks as shrinking factory activity points to deeper slowdown”, [South China Morning Post](#), September 30, 2021.

⁸⁶ Quick view: State Council executive meeting on Oct 27, [The State Council of the People’s Republic of China](#), October 28, 2021.

⁸⁷ Orange Wang and Su-Lin Tan, “China’s economy faces multiplying risks as shrinking factory activity points to deeper slowdown”, [South China Morning Post](#), September 30, 2021.

⁸⁸ “China sees continuous growth in imports and exports during first three quarters of 2021”, [Qiushi Journal](#), October 20, 2021.

⁸⁹ Orange Wang, “China’s explosive export growth likely to slow as other manufacturing markets open up, PPE demand wanes”, [South China Morning Post](#), October 13, 2021.

⁹⁰ Ibid.

⁹¹ “Xinhua Commentary: Why bearish takes on China’s economy always proven wrong?”, [Xinhua](#), October 10, 2021.

Morgan, Goldman Sachs, and Blackrock, Xinhua warned pessimists that “bearish takes on China’s economy have always proven wrong”.⁹²

Amidst [ongoing power crisis and coal shortages](#), Premier Li Keqiang stressed the need to “boost energy supply to ensure basic living needs of the people and maintain stable economic performance”.⁹³ Earlier, Southern manufacturing hub Guangdong had raised [electricity prices](#) by 25 percent during peak-demand hours.⁹⁴ In light of this, China’s top coal-producing province ‘[Shanxi](#)’ [has boosted its coal production](#) to meet growing industrial and residential power requirements.⁹⁵ Further, Beijing has liberalised state-controlled [coal generated electricity pricing](#) requiring industrial and commercial users to buy electricity at market prices.⁹⁶

The importance of country’s Western regions is growing in China’s economic planning. Beijing issued a master plan for the construction of ‘[Chengdu-Chongqing economic circle](#)’ as the new growth engine of China’s development.⁹⁷ Xinhua report highlighted this strategy as key to country’s balanced regional development complementing earlier plans for Beijing-Tianjin-Hebei region (North China), Yangtze River Delta (East China), and the Guangdong-Hong Kong-Macao Greater Bay Area (South China).⁹⁸

People’s Bank of China (PBOC) issued a statement describing real estate giant [Evergrande’s liquidity crisis](#) as being controllable.⁹⁹ PBOC asserted that “Evergrande Group had blindly diversified and expanded its operations without cautiously taking into consideration market changes, a sign of poor management”. “Chinese central government’s macro-control of country’s real estate sector in recent years has ensured stable land and housing prices while maintaining stability in the financial operations of real estate companies”, PBOC added.¹⁰⁰ Notwithstanding reassuring statements, [Fantasia](#), another

⁹² Ibid.

⁹³ Wang Keju, “China to boost energy supply to ensure people’s basic living needs and stable economic performance”, [The State Council of the People’s Republic of China](#), October 08, 2021.

⁹⁴ Amanda Lee, “China power crisis: Guangdong raising electricity prices for industrial users by 25 per cent in peak hours”, [South China Morning Post](#), September 30, 2021.

⁹⁵ Liu Yikun, “Coal output hiked to address power shortfalls”, [China Daily](#), October 12, 2021.

⁹⁶ Amanda Lee and Yujie Xue, “China’s power crisis prompts Beijing to liberalise electricity pricing”, [South China Morning Post](#), October 12, 2021.

⁹⁷ “Chengdu-Chongqing economic circle, China’s new economic engine”, [Qiushi Journal](#), October 22, 2021.

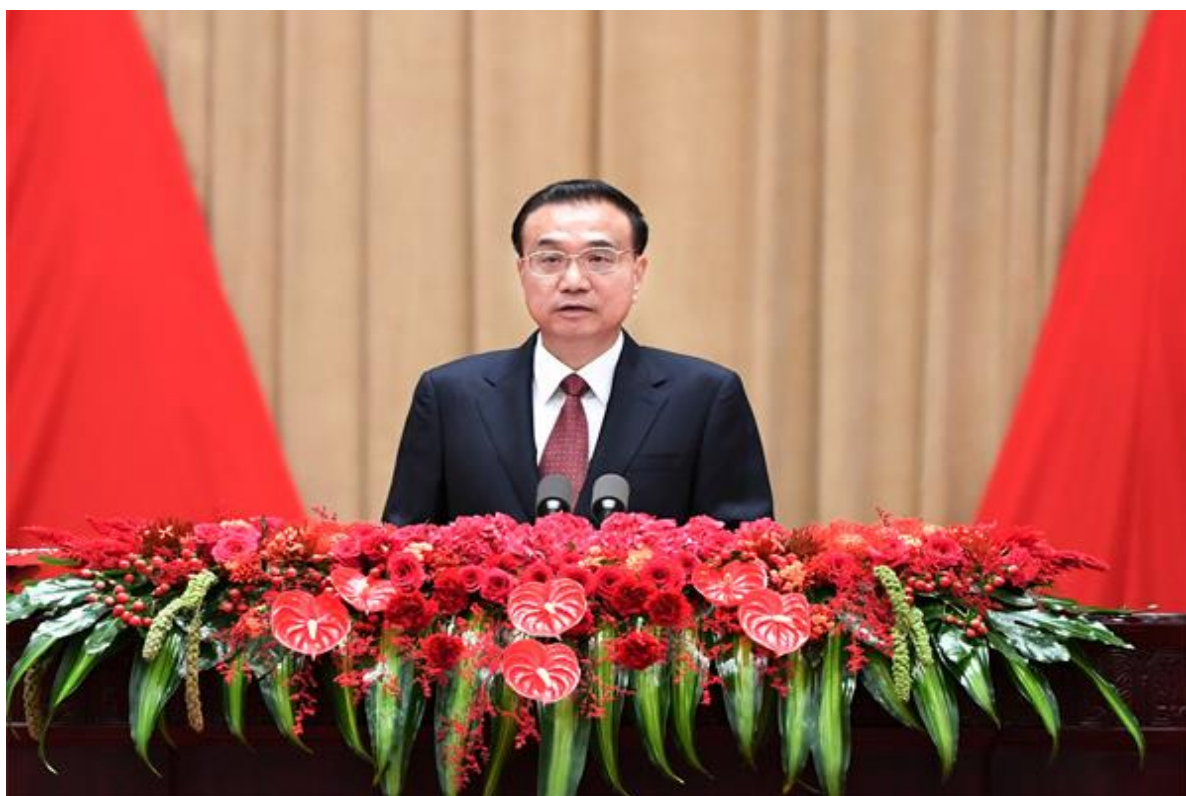
⁹⁸ Ibid.

⁹⁹ “Evergrande spillover risks controllable”, [Global Times](#), October 16, 2021.

¹⁰⁰ Ibid.

debt-laden Chinese real estate company defaulted on its USD 205 million bond.¹⁰¹

State Council hosted a reception marking 72nd anniversary of the founding of [People's Republic of China](#).¹⁰² In his address Premier Li Keqiang emphasised “commitment to reforms toward socialist market economy”, “faithful implementation of one country two systems for Hong Kong and Macao”, “opposing and deterring Taiwan independence”, “promoting the growth of global economy”, and “realising the dream of national rejuvenation by rallying around the CPC Central Committee with President Xi Jinping at the core”.¹⁰³ Xinhua report lauded Beijing for achieving moderate prosperity while highlighting President Xi Jinping as [leading China on its new journey](#) with emphasis on “technological innovation”, “rural vitalization”, “common prosperity”, and “green development”.¹⁰⁴



Chinese Premier Li Keqiang addresses a reception held by the State Council to celebrate the 72nd anniversary of the founding of the People's Republic of China at the Great Hall of the People in Beijing, September 30, 2021.

Source: Xinhua

¹⁰¹ Eric Ng, “Fantasia, another debt-laden Chinese property developer, defaults on US\$205 million bond, as Evergrande crisis rolls on”, [South China Morning Post](#), October 05, 2021.

¹⁰² “China’s State Council holds National Day reception”, [People’s Daily](#), October 01, 2021.

¹⁰³ Ibid.

¹⁰⁴ “Xi Focus: Leading China on its new journey”, [Xinhua](#), October 01, 2021.

Kunming hosted 15th meeting of the Conference of Parties to the [UN Convention on Biological Diversity](#) (COP15) in Southwest China's Yunnan province. People's Daily editorial asserted that this event demonstrates "China's determination to pursue green development and build shared future for humanity and nature".¹⁰⁵ As the conference was held under the theme 'Ecological Civilization: Building a Shared Future for All Life on Earth', People's Daily claimed that this approach has been "embedded in every dimension of China's economic and social development".¹⁰⁶ It also highlighted certain facts about international community acknowledging China's ecological civilization concept.¹⁰⁷ Marking COP15, Chinese President Xi Jinping announced establishment of '[Kunming Biodiversity Fund](#)' with investment of CNY 1.5 billion (USD 233 million) which will be used to protect biodiversity in developing countries.¹⁰⁸ Further, China issued [guidelines on green development](#) in urban and rural areas of the country.¹⁰⁹

CPC Politburo will hold the [sixth plenary session](#) of the 19th Central Committee from November 8 to 11.¹¹⁰ Analysts stressed that CPC is likely to "adopt a rare [historic] party resolution that will solidify Secretary-General [Xi Jinping's power](#), leaving leadership succession unclear".¹¹¹ A commentary in South China Morning Post (SCMP) claimed that "only twice in CPC's 100 year history similar documents [resolutions] have been adopted at critical junctures to resolve major issues plaguing the party, changing the course of history".¹¹² First such resolution was in 1945 by Mao Zedong "marking party's break from Stalinist influences and establishing Mao's thought as the guiding principle of the CPC".¹¹³ In 1981, Deng Xiaoping adopted second such resolution "repudiating Mao for launching Cultural Revolution that resulted in turmoil and catastrophe". Importantly, it strengthened Deng Xiaoping's authority over the party and paved way for China's economic transformation.¹¹⁴ The third historic resolution endorsing Xi's vision is likely to be on the lines " -national rejuvenation has become a historic inevitability as Mao's rule enabled the

¹⁰⁵ "China determined to pursue green development and build shared future for humanity and nature", [People's Daily](#), October 12, 2021.

¹⁰⁶ Ibid.

¹⁰⁷ Ibid.

¹⁰⁸ "Chinese president announces establishing Kunming Biodiversity Fund", [People's Daily](#), October 12, 2021.

¹⁰⁹ "China issues guideline on green development in urban, rural areas", [China Economic Net](#), October 22, 2021.

¹¹⁰ William Zheng, "China's top leaders set date for key meeting next month", [South China Morning Post](#), October 19, 2021.

¹¹¹ Wang Xiangwei, "Rare party resolution will solidify Xi Jinping's power, but leave China's succession unclear", [South China Morning Post](#), October 23, 2021.

¹¹² Ibid.

¹¹³ Ibid.

¹¹⁴ Ibid.

Chinese people to stand up, Deng's rule helped them to get rich, and Xi's rule would make the country powerful".¹¹⁵

Defence and Security

China commissioned its first 10,000-ton class [maritime patrol vessel Haixun 09](#). South China Morning Post (SCMP) report stressed that "the new patrol vessel could be used to protect country's maritime claims in South China Sea".¹¹⁶ Amidst this, US Navy maintained that People's Liberation Army Navy (PLAN) is "growing to become world's largest fleet and China presents the pacing challenge" [of the century]. Chinese Ministry of National Defence rejected such claims reiterating "US is hyping China military threat to [maintain global hegemony](#)".¹¹⁷

President Xi Jinping addressed military conference on weaponry and equipment-related work calling for breaking new ground in [weapons development](#) in the 14th Five-Year Plan (2021-25) to realise goals set for PLA Centenary.¹¹⁸ Chinese military analysts stressed that "Xi's speech underlines China's efforts to realise informatisation, mechanisation and intelligentisation of the PLA by 2027 and complete modernization of country's armed forces by 2035".¹¹⁹

In another important address marking [anniversary of 1911 revolution](#), President Xi Jinping stressed that "Taiwan question arose out of the weakness and chaos of the Chinese nation and it will be resolved as national rejuvenation becomes a reality".¹²⁰ He reiterated that the "past 110 years have shown the centrality of the Communist Party of China (CPC) to the Chinese nation and without the CPC [there would be no China](#) and no national rejuvenation".¹²¹ President Xi also underlined 'Socialism with Chinese characteristics' as the "only correct path toward national rejuvenation".¹²² Notwithstanding above, Taiwan's President

¹¹⁵ Ibid.

¹¹⁶ Linda Lew, "China's largest, most advanced civilian patrol boat 'could be used to support South China Sea claims", [South China Morning Post](#), October 23, 2021.

¹¹⁷ "US hyping "China military threat" to maintain global military hegemony: Defense Spokesperson", [Ministry of National Defense of the People's Republic of China](#), October 28, 2021.

¹¹⁸ Yang Sheng and Leng Shumei, "President Xi calls to break new ground in weaponry, equipment development, assigns relevant missions in 14th Five-Year Plan", [Global Times](#), October 26, 2021.

¹¹⁹ Ibid.

¹²⁰ "Complete reunification of China will be and can be realized", [People's Daily](#), October 12, 2021.

¹²¹ "Xi expounds on what past 110 years have shown to Chinese since 1911 Revolution", [People's Daily](#), October 09, 2021.

¹²² Ibid.

Tsai Ing-wen declared that the island will “[bolster national defence](#) in such a way that nobody can force Taipei to adopt China’s path because that offers neither a free nor a democratic way of life for Taiwan”.¹²³ Pointing toward record number of PLA Air Force fighter aircrafts (52) entering Taiwan’s air-defence identification zone, South China Morning Post (SCMP) editorial urged President Tsai to “[watch her words and deeds](#)”.¹²⁴ Lack of communication with Beijing and absence of a mechanism to build trust between the PLA and Taiwanese military is risking conflict”, SCMP added.¹²⁵



Chinese and Russian warships transit simulated mined sea area during the Joint Sea-2021 naval exercise, October 15, 2021. Source: Xinhua

In a major boost to Sino-Russian maritime defence cooperation, two countries held [joint naval drill in Sea of Japan](#).¹²⁶ Chinese analysts claimed that as “the West continues to build antagonistic regional security organizations like the Quad and AUKUS, joint naval exercise will enhance Beijing and Moscow’s capability to deal with maritime security threats while safeguarding regional peace and stability”.¹²⁷ China and Russia also held their [first joint patrol through ‘Tsugaru Strait’](#) in Pacific Ocean.¹²⁸ As the joint task force encircled Japan and

¹²³ “President vows to defend sovereignty”, [Taipei Times](#), October 11, 2021.

¹²⁴ “Tsai Ing-wen should watch her words and deeds”, [SCMP Editorial](#), October 07, 2021.

¹²⁵ Ibid.

¹²⁶ Guo Yuandan and Liu Xuanzun, China, Russia hold joint naval drill in Sea of Japan, display ‘higher level of trust, capability’, [Global Times](#), October 14, 2021.

¹²⁷ Ibid.

¹²⁸ Liu Xuanzun, “Chinese, Russian warships circle around Japan; base of US provocations within reach”, [Global Times](#), October 22, 2021.

sailed to the East side of the island, Chinese analysts claimed that “this was a warning to US and Japan as many recent military provocations against China in Taiwan Straits and South China Sea were launched from bases in East Japan”.¹²⁹

Technology

President Xi Jinping addressed [CPC Political Bureau](#) meeting in which he emphasised the vital role of digital economy in China’s new development paradigm.¹³⁰ Using this, Xinhua asserted that “despite Big-tech crackdown wiping out more than USD 1 trillion in value of Chinese technology stocks, Beijing remains committed to use big data, internet, cloud computing, and artificial intelligence to chart country’s economic future”.¹³¹ Importantly, President Xi stressed on “striking a balance between regulation and promotion of the technology sector”.¹³² Without any reference to tech competition with US, President Xi observed that “socialist system”, “whole country approach”, and “vast market size” provide unique advantages to China to “take autonomy of the digital economy firmly in Beijing’s hands”.¹³³ Further, Xi spoke about “promoting international digital economy cooperation”, Chinese solutions to technology issues and getting country’s voices heard in the digital domain.¹³⁴

During the past year, President Xi Jinping has emphasised the importance of self-reliance in semi-conductor production. In light of this, Alibaba has launched its own chip known as ‘[Yitian 710](#)’ for company’s Panjiu servers.¹³⁵ Reportedly, it is intended to “drive Alibaba’s cloud computing business aimed at challenging US giants such as Amazon and Microsoft on global stage”.¹³⁶

Amidst growing importance of digital sector, Ministry of Industry and Information Technology (MIIT) highlighted [shortage of cyber security talent](#) in China which is an obstacle in development of country’s digital economy.¹³⁷ MIIT expressed concerns about “lack of high-end talent that understands both

¹²⁹ Ibid.

¹³⁰ Xinmei Shen, “Xi calls for smarter regulation of digital economy and highlights its key role in future national development”, [South China Morning Post](#), October 20, 2021.

¹³¹ Ibid.

¹³² Ibid.

¹³³ Ibid.

¹³⁴ Ibid.

¹³⁵ Che Pan and Jane Zhang, “Alibaba launches own chip for its servers, cloud computing platform in ‘new breakthrough’ for e-commerce giant”, [South China Morning Post](#), October 19, 2021.

¹³⁶ Ibid.

¹³⁷ Xinmei Shen, “China faces cybersecurity talent shortage amid push to secure data and develop the digital economy”, [South China Morning Post](#), October 13, 2021.

the business and technical sides of the industry”.¹³⁸ In another development, [gruelling work hours](#) commonly known as ‘996 culture’ continues in Chinese technology companies where employees work from 9am to 9pm six days a week.¹³⁹

China’s Ministry of Commerce released 14th Five Year Plan (2021-25) for trade in services pledging to support [expansion of digital trade](#).¹⁴⁰ Reportedly, this is the first time Beijing has included digital trade in its FYP for trade in services.¹⁴¹ Digital trade can be referred to as “any digitally enabled transaction in goods and services that can either be digitally or physically delivered”.¹⁴² People’s Daily report claimed that “developing digital trade and forging international cooperation will help China in its dual circulation strategy and demand-side reforms as well as post-pandemic economic recovery”.¹⁴³

Continuing the construction of [China’s space station](#), three astronauts aboard the Shenzhou-13 spaceship have entered space station core module Tianhe. This is China’s longest-ever crewed mission for space station construction lasting six months.¹⁴⁴ Earlier, Shenzhou-12 crew had stayed in orbit for three months from June to September 2021.¹⁴⁵ The mission will test key technologies for assembly and construction of space station, while the astronauts on board will also perform two or three extravehicular activities (EVAs).¹⁴⁶

¹³⁸ Ibid.

¹³⁹ Xinmei Shen, “Spreadsheet sharing gruelling hours in China’s tech world goes viral as 996 culture persists”, [South China Morning Post](#), October 14, 2021.

¹⁴⁰ Xinmei Shen, “China to pursue digital trade expansion under new five-year plan as cross-border data flow restrictions remain in place”, [South China Morning Post](#), October 21, 2021.

¹⁴¹ Ibid.

¹⁴² Ibid.

¹⁴³ Ibid.

¹⁴⁴ “China embarks on longest-ever crewed mission for space station construction”, [People’s Daily](#), October 17, 2021.

¹⁴⁵ Ibid.

¹⁴⁶ Ibid.



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