



Delhi Policy Group

Advancing India's Rise as a Leading Power



DPG China Monitor

October 2022



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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:

Xi Jinping, General Secretary of the 19th CPC Central Committee delivers a work report to the 20th CPC National Congress, October 16, 2022. Source: Xinhua/Ju Peng

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Abstract

The 20th Central Committee of the Communist Party of China (CPC), on October 23, elected 'Xi Jinping' as its General Secretary for a norm-breaking third term, cementing Xi Jinping's position as China's 'Paramount' and most powerful leader since 'Mao Zedong'. Newly constituted CPC Politburo comprises mostly of Xi loyalists. CPC's Shanghai Chief, 'Li Qiang', who has been anointed as second-ranking member of the politburo and in line to replace current Premier Li Keqiang has never been a Vice Premier, in State Council, managing central government portfolios.

President Xi Jinping's third term is unlikely to bring any substantial change in the current state of India - China bilateral relations. The vision put forth by Xi Jinping at the 20th CPC Congress is that of an assertive and muscular China, suggesting that Beijing is likely to continue with its aggressive border policy. The presence of the PLA regimental commander injured during the Galwan Valley clash and showcasing a video clip of the clash was principally to highlight security challenges faced by China and the need for maintaining a strong "strategic deterrence".

In an oblique reference to China's attempt at establishing a 'new normal' along the disputed border, External Affairs Minister Dr. S. Jaishankar counselled that "the continuation of the current impasse was not to the benefit of either country", adding "new normal's of posture will inevitably lead to new normal's of responses".

Responding to China's continuing military build-up, India announced 75 infrastructure projects including bridges, roads, and helipads along the Line of Actual Control (LAC) to further strengthen its border posture.

Amidst the ongoing economic crisis, to expedite the finalization of the International Monetary Fund rescue package, the Sri Lankan government has begun debt restructuring discussions with China. Meanwhile, Pakistan's Prime Minister Shehbaz Sharif is scheduled to meet Chinese President Xi Jinping in November 2022 where he too will take up the issue of debt restructuring and providing impetus to stalled CPEC projects.

In the backdrop of Indian dithering, on the much-awaited water-sharing deal, China's Ambassador to Bangladesh reportedly prodded Prime Minister Sheikh Hasina, to opt for Beijing to execute the important multipurpose Teesta River management project. If Bangladesh succumbs to Chinese pressure, the issue

will have serious strategic ramifications, given its proximity to the strategic Siliguri corridor, mere 100 kms away.

General Secretary Xi Jinping delivered a work report to the 20th CPC National Congress. In the report, Xi Jinping framed foreign relations as a struggle between China and “external attempts to suppress and contain” it. He called upon “both US and China to strengthen their communication and cooperation to help increase global stability and certainty, promoting world peace and development”. Xi reiterated the CPC’s resolve to strive for peaceful reunification of Taiwan, however, he warned that China “will not renounce the use of force” and “reserves the option of taking all measures necessary”.

The Biden Administration unveiled its National Security Strategy (NSS) and National Defence Strategy (NDS). Criticizing the NSS, Global Times editorial described it as a “vicious cold war and bloc confrontation mentality aimed at containing China”. To maintain the US’s technological edge, Washington announced major export restrictions prohibiting sales of semiconductor chips, advance equipment, or knowledge from any U.S. citizen, resident, or green card holder in the field of supercomputers and artificial intelligence.

Charting a future path, General Secretary Xi Jinping emphasised China’s “Socialist Modernisation” as the “central task of the CPC toward realizing the second centenary goal of building a great modern socialist country in all respects” by the middle of the century. Other major issues touched by Xi Jinping in his address included “adapting Marxism to the Chinese context”, “Party’s self-reform and zero-tolerance for corruption”, “upholding the One Country, Two Systems policy”, “safeguarding national security and social stability”, “achieving the goals of PLA modernisation and ensuring that the military always obeys the Party’s command”, “prudently working towards fulfilling China’s carbon goals”, “technology, innovation, and human resources as the strategic pillars of modernisation”, and “building a socialist market economy with a positive interplay between domestic and international markets” (Dual Circulation).

Amidst mounting economic headwinds, China’s GDP grew by 3.9 percent year-on-year in the third quarter of 2022, up from 0.4 percent growth in the second quarter. Despite this, the overall growth in the first three quarters of 2022 stood at 3 percent, much below the annual target of 5.5 percent.

Foreign and Security Policy

I. China-India Relations

President Xi Jinping's norm-breaking third term is unlikely to entail any substantial change in the current state of India – China bilateral relations. The vision President Xi put forward at the 20th CPC Congress is that of a more assertive and muscular China. The presence of Galwan military commander and showcasing the [video clip](#) of Galwan Valley clash at the Congress was an attempt to highlight strategic challenges faced by China and the need for maintaining strong "strategic deterrence".¹ For India, this signifies the possibility of Beijing continuing its aggressive border policy and limited if at all disengagement from other friction points such as Depsang or Chumar. Xi's similar assertive tone on Taiwan also indicates China's overall belligerent attitude towards regional territorial disputes.

In an oblique reference to China's attempt at establishing a '[new normal](#)' along the disputed boundary, post disengagement from disputed locations, External Affairs Minister Dr. S. Jaishankar warned, "The continuation of the current impasse will not benefit either India or China," adding, "New normal's of posture will inevitably lead to new normal's of responses." Unlike Beijing, New Delhi's position remains that the stand-off in eastern Ladakh was not yet over.²

China's outgoing Ambassador to India [Sun Weidong](#) in his farewell remarks urged both sides to make use of available communication channels to avoid miscalculation and misunderstandings. Stressing on unresolved differences, he highlighted "it is only natural for India and China to have some differences. The key is how to handle them, while remaining cognoscente that the common interests of the two countries are greater than the differences."³

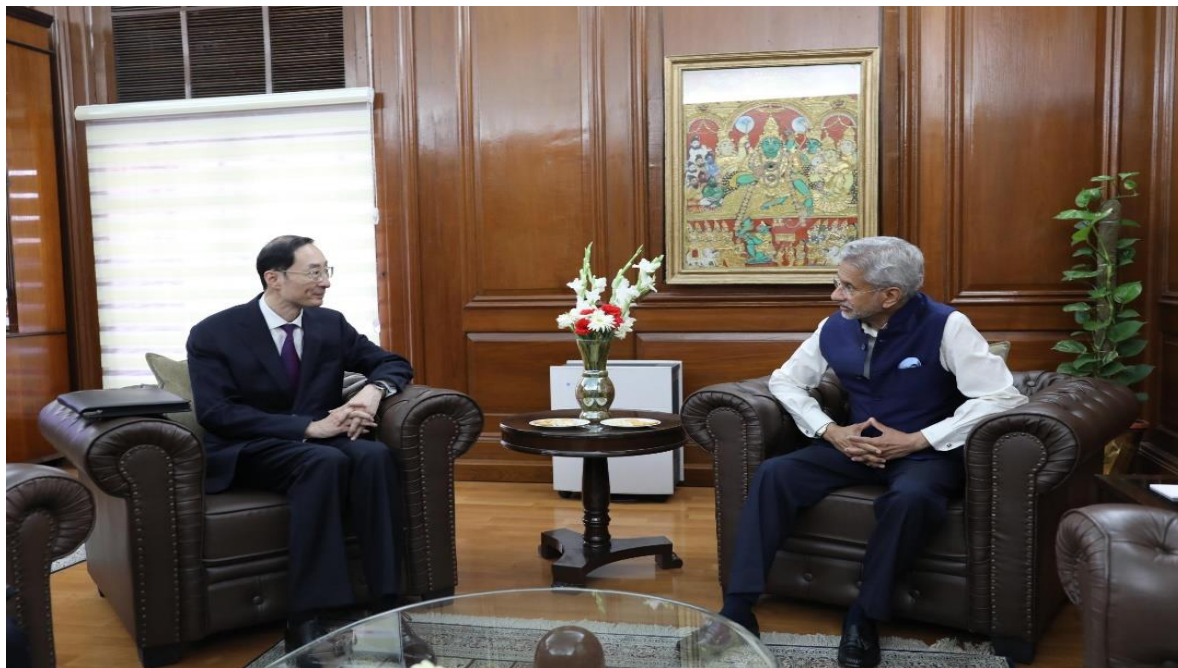
Ahead of China's Party Congress, India and China held [foreign ministry level consultations](#) wherein both sides had a "candid" and friendly exchange of views on bilateral relations, international and regional situation as also issues

¹ "PLA's commander at Galwan attends meet, footage of clash shown on giant screen," [The Times of India](#), October 17, 2022

² "India warns China against any bid to establish 'new normals' along LAC," [Deccan Herald](#), October 18, 2022

³ "Chinese Ambassador to India Sun Weidong's Farewell Remarks," [MFA, China](#), October 25, 2022

of common concern.⁴ The two sides also discussed the issue of restrictions on Indian students studying in various Chinese universities travelling to China.



China's Ambassador to India Sun Weidong meets External Affairs Minister Dr. S. Jaishankar for a farewell call in New Delhi, October 26, 2022. Source: [Twitter/@China_Amb_India](https://twitter.com/China_Amb_India)

Responding to China's continuing military buildup, India announced 75 infrastructure projects including bridges, roads and helipads along the Line of Actual Control (LAC). These [strategic roads and helipads](#) are crucial in the rapid deployment and mobilisation of Indian forces along the LAC.⁵ Separately, PM Narendra Modi addressed a rally at Mana, the last village on the India - China border. In his address, PM Modi reaffirmed importance of villages and habitations in the border region, underscoring "every border village to be India's first, not the last village."⁶

Despite China itself facing multiple terrorist and secessionist challenges, Beijing put a hold on the Indian and US supported proposal to blacklist [Hafiz](#)

⁴ "India, China hold consultations ahead of important Communist Party Congress in Beijing," [The Hindu](#), October 12, 2022

⁵ "Big boost to 'defence' along LAC with China; 75 projects, including bridges, roads and helipads inaugurated," [Times Now](#), October 28, 2022

⁶ "PM Modi visits Kedarnath & Badrinath; holds rally at China border village: Key points," [The times of India](#), October 21, 2022

[Talah Saeed](#), son of Hafiz Saeed, the mastermind behind 26/11 Mumbai attacks. This was China's fifth stalling attempt in the span of four months.⁷

On the trade front, China's cumulative trade surplus, ever since trade started in early 2000's surpassed '[\\$1 trillion](#)'. The consistent adverse trade balance has evoked concerns that this might in the long run lead to the problem of current account deficit for India.⁸

II. China-South Asia Relations

In the wake of Sri Lanka's spiralling economic crisis and adverse publicity regarding mounting debt on account of BRI, Chinese [government](#) launched major influence operations, as part of which local journalists, are being enticed by fully paid training sessions in China. On return they are expected to portray China in positive light in their stories. Importantly, it is the Chinese Embassy and not the editors/management of the respective publications, who decide on the eligibility of journalists for these programmes.⁹

To expedite finalization of International Monetary Fund rescue package, Sri Lankan government has started debt restructuring discussions with China.¹⁰

After Sri Lanka, Pakistan too has requested China for rollover of its [\\$6.3 billion debt](#) to help meet countries external debt related obligations. Another proposal in the pipeline is to seek a fresh Chinese loan to repay the maturing bilateral debt. This comes amidst prolonged delays in BRI projects, owing to serious resource crunch.¹¹

According to Global Times, the forthcoming visit of [Pakistan PM Shehbaz Sharif](#) to China is to demonstrate the special friendship and strategic mutual trust between China and Pakistan. During his visit, Sharif is scheduled to meet Chinese President Xi Jinping, hold talks with Premier Li Keqiang, and meet

⁷ "Five Attempts In Four Months: China Continues Blocking Blacklisting Of Pakistan-Based Terrorist-Designates," [Outlook](#), October 20, 2022

⁸ "China's total trade surplus with India 'surpasses \$1 trillion'," [The Hindu](#), October 19, 2022

⁹ "China attempting to influence Sri Lankan local media: Reports," [India Blooms](#), October 19, 2022

¹⁰ "Sri Lanka begins crucial debt restructuring talks with China," [Associated Press](#), October 6, 2022

¹¹ "Sri Lanka Begins Crucial Debt Restructuring Talks with China", [The Diplomat](#), October 7, 2022.

Chairman of the Standing Committee of the National People's Congress Li Zhanshu for discussion on bilateral, regional, and global issues.¹²

Afghanistan has complained about China's exaggerated rhetoric on investments. Since the Taliban takeover, there has been no substantive Chinese investments, it is only now that China is considering extending CPEC to the country. China however has extended humanitarian aid to the beleaguered Taliban Government including hints for recognition.

As per reports, the [Chinese ambassador](#) to Bangladesh, prodded Prime Minister Sheikh Hasina, to opt for Beijing to execute the multipurpose Teesta river management project, in the backdrop of India dragging its feet. Issue assumes significance in the backdrop of PM Hasina seeking early conclusion of Teesta water-sharing deal.¹³

Chinese involvement in such a large project will have serious consequences, signalling failure of [hydro-diplomacy](#) with India's most trusted neighbour. There are strategic implications as well considering that this will allow, Chinese presence within 100 km of the India-Bangladesh border in proximity of the Siliguri Corridor. A narrow strip of land in North Bengal that connects the Northeast with the rest of India.¹⁴

In a survey by the [Center for Genocide Studies](#), Dhaka University, as many as 74 percent Bangladeshi's believe that the Chinese government is repressive towards Uyghur Muslims while 24 per cent think that they are being persecuted because of their religious identity.¹⁵ In the recent past, Bangladesh has witnessed several protests against China's crackdown on Uyghur Muslims.

As Nepal gears up for federal and provincial elections in November 2022, reports claim China is backing anti-India [Khadga Prasad Sharma Oli's](#), Communist Party of Nepal-Unified Marxist Leninist (CPN-UML) in the November polls.¹⁶

Reportedly, Nepal is keen to replace Chinese developers with Indian companies from some of Nepal's hydro power projects. In the defence sector,

¹² "Pakistani PM to visit China after 20th CPC National Congress, 'demonstrating the special friendship and strategic mutual trust'," [Global Times](#), October 26, 2022

¹³ "China tests Dhaka waters with Teesta barrage trip," [The Telegraph](#), October 10, 2022

¹⁴ Ibid.

¹⁵ "Many people unhappy with China's role : survey," [New Age Bangladesh](#), October 14, 2022

¹⁶ "China backs anti-India K.P. Oli as Nepal prepares to vote," [Sunday Guardian Live](#), October 22, 2022

in a significant development, an Indian firm (SSS Defence) recently replaced China, for supplying ammunition to the Nepalese army in a government-to-government contract.¹⁷

III. China-United States Relations

In a veiled dig at the US, President Xi Jinping's speech on the opening day of [China's 20th Party Congress](#) framed foreign relations as a struggle between China and "external attempts to suppress and contain" it.¹⁸ Later in somewhat of conciliatory message President Xi urged both sides to "find ways to get along". Further, in a message to the United States, Xi highlighted that "as major powers, strengthening communication and cooperation between China and the US will help to increase global stability and certainty, promoting world peace and development." Adding, China was "willing to work with the US to give mutual respect, coexist peacefully... (and) find ways to get along in the new era". Doing so "will not only be good for both countries, but also benefit the world".¹⁹ Xi's message came days after President Biden said that China is the only US competitor "with both the intent to reshape the international order and, the economic, diplomatic, military and technological power to advance that objective".²⁰

[Taiwan](#) loomed large in President Xi's opening speech at the Party Congress. In an assertive note he mentioned, "The wheels of history are rolling toward reunification and rejuvenation of the Chinese nation. Complete reunification of our country must be realized, and it can, without doubt, be realized", pointing out that "peaceful unification will be the foremost effort, but China will not renounce the use of force".²¹ Following Xi's comments US Secretary of State Antony Blinken remarked, China might employ forceful means to annex Taiwan disrupting the status quo and creating tensions in the region.²²

¹⁷ "India Finally Sells Ammunition To Nepal After 8-Year Chinese Dominance," [Outlook India](#), October 25, 2022

¹⁸ "China signals tensions with U.S. here to stay as Xi consolidates power", [NBC News](#), October 27, 2022.

¹⁹ "Xi sends congratulations to Gala Dinner of National Committee on US-China Relations, stressing importance of China-US cooperation," [Global Times](#), October 27, 2022

²⁰ *ibid.*

²¹ "These are 4 key points from Xi's speech at the Chinese Communist Party congress," [NPR](#), October 16, 2022

²² "China's plans to annex Taiwan moving 'much faster' under Xi, says Blinken," [The Guardian](#), October 18, 2022

The Biden administration unveiled its National Defence Strategy casting China as the “greatest danger” to American security and stressed the need to build military capabilities to deter Beijing in the coming decades. The introductory paragraph of the security document written by [Defence Secretary Lloyd Austin](#) highlights, “The PRC remains our most consequential strategic competitor for the coming decades. I have reached this conclusion based on the PRC’s increasingly coercive actions to reshape the Indo-Pacific region and the international system to fit its authoritarian preferences, alongside a keen awareness of the PRC’s clearly stated intentions and the rapid modernization and expansion of its military.”²³ The United States also released its new [National Security Strategy](#) (NSS) which the Global Times editorial described as “vicious cold war and bloc confrontation mentality aimed at containing China”.²⁴

The Biden administration also announced major export restrictions by prohibiting sales of [semiconductor chips](#) to China as also advance equipment, including knowledge from any U.S. citizens, residents, or green card holders needed to make supercomputers and artificial intelligence.²⁵ These curbs are aimed at maintaining technological advantage vis-à-vis China in critical fields of AI, as well as virtually every industry from defence to pharmaceuticals. The US Trade Chief [Katherine Tai](#) in an interview stressed that the next phase of China-US economic relations is unclear until Xi picks new head of the economy portfolio.²⁶

IV. China-Russia Relations

As the west scrambles away to reduce its energy and trade dependency on Russia, China has signalled its resolute determination to double down on its tight relationship with Russia after Xi’s norm breaking ascent to power. During a phone call with Russian counterpart [Sergei Lavrov](#), Chinese Foreign Minister Wang Yi (who was elected to the 24-member Politburo) clearly indicated Beijing’s intent to deepen its relationship with Moscow “at all levels”. To highlight importance of Russia, FM Wang Yi chose to make his first phone call to Lavrov after the Party Congress.²⁷

²³ “2022 National Defense Strategy,” [US Embassy in China](#), October 27, 2022

²⁴ “US’ new national security report lack of creativity, full of viciousness: Global Times editorial,” [Global Times](#), October 14, 2022.

²⁵ “Biden Short-Circuits China,” [Foreign Policy](#), October 30, 2022

²⁶ “Biden Trade Chief Says Next Phase of China Relationship Unclear,” [Bloomberg](#), October 28, 2022

²⁷ “China to develop further bilateral ties with Russia, says Chinese top diplomat,” [TASS](#), October 27, 2022

Following FM Wang Yi's phone call to his Russian counterpart, Russian President Vladimir Putin speaking at the [Valdai Discussion Club](#) reaffirmed the increasing momentum of relations, describing them having "reached an unprecedented level of openness, mutual trust and effectiveness over the past years and past decades."²⁸

During September 2022, China-Russia [bilateral trade](#) saw a significant growth in the import and export volume, reaching \$18.65 billion, an year-on-year increase of 27.8 percent. Further, the energy trade gained greater foothold as Russia is placing more focus on the East in terms of energy supply expansion driven by Western sanctions.²⁹

V. China-European Union Relations

China was at the center of discussion in the EU after German Chancellor Scholz's announcement of leading a business delegation to Beijing next month. EU lawmakers expressed distress over [German Chancellor's](#) decision, who had earlier supported a hawkish stand on China, underscoring the need for Europe to diversify its relations to ensure it is not dependent on any one nation.³⁰ In another development, Chancellor Scholz has backed a deal that would result in Chinese shipping company Cosco acquiring a stake in the container terminal of the Port of Hamburg. This deal has elicited concern from other countries in the EU bloc who prefer to maintain a unified voice on China.³¹

As the narrative around China gets increasingly critical, Josep Borrell, the High Representative of the European Union for Foreign Affairs and Security Policy in a statement drew attention that the growing competition with China was outstripping the partnership and "systemic rivalry" elements of the relationship. [Joseph Borrell's](#) statement came after the foreign ministers of 27 countries met to discuss China for the first time in the year. Sharing EU's perception on China, Borrell stated that "The message from China is now one

²⁸ "China and Russia reaffirm deepened relations at all levels, 'embodiment of major-country diplomacy'," [Global Times](#), October 29, 2022

²⁹ "China-Russia trade gains 27.8% growth in Sep, driven by high complementarity and free trade," [Global Times](#), October 24, 2022

³⁰ "German Chancellor Olaf Scholz to visit China next week," [South China Morning Post](#), October 28, 2022

³¹ "Scholz criticized over China's Cosco bid in Hamburg port," [Deutsche Welle](#), October 20, 2022

of competing: on political and economic levels to gain all sorts of influence, including presence in Africa, Asia, Latin America and elsewhere.”³²

Amidst the escalating debate on the emerging nature of [China-EU relations](#), a report in the South China Morning Post highlighted that Chinese business enterprises operating in the EU are concerned about the ‘wall’ put up around the bloc’. During a survey, the enterprises expressed concerns over the critical political atmosphere that has enhanced negative views about China across the continent.³³

Internal Developments

20th CPC National Congress

The 20th Central Committee of the Communist Party of China (CPC) elected ‘[Xi Jinping’ as its General Secretary for a third term](#) on October 23, cementing Xi Jinping’s position as China’s paramount and most powerful leader since ‘Mao Zedong’.³⁴ CPC’s top decision-making authority, the seven-member Politburo Standing Committee in hierarchical order includes ‘Xi Jinping’, ‘Li Qiang’, ‘Zhao Leji’, ‘Wang Huning’, ‘Cai Qi’, ‘Ding Xuexiang’, and ‘Li Xi’.³⁵ In the backdrop of the growing US-China competition, a looming economic crisis, and growing social unrest on account of severe Covid-19 lockdowns, [loyalty to Party leadership](#)³⁶ and experience in handling issues around [science, technology, and national security](#) was seen as critical in the selection of the new Politburo Standing Committee.³⁷ CPC’s Shanghai Chief, ‘Li Qiang’, who has never been vice premier has been anointed as a second-ranking member of the politburo and is in line to replace current Premier Li Keqiang.³⁸ None of the newly appointed Politburo Standing Committee members stand out as an obvious successor to General Secretary Xi Jinping implying “Xi may even get a

³² “China competition eclipses all other EU relations with Beijing, top diplomat Josep Borrell says,” [South China Morning Post](#), October 18, 2022

³³ “Chinese firms in Europe concerned by calls for decoupling and growing support for protectionism,” [South China Morning Post](#), October 2, 2022

³⁴ “Xinhua Headlines: CPC unveils new top leadership for new journey toward modernization”, [Xinhua](#), October 23, 2022.

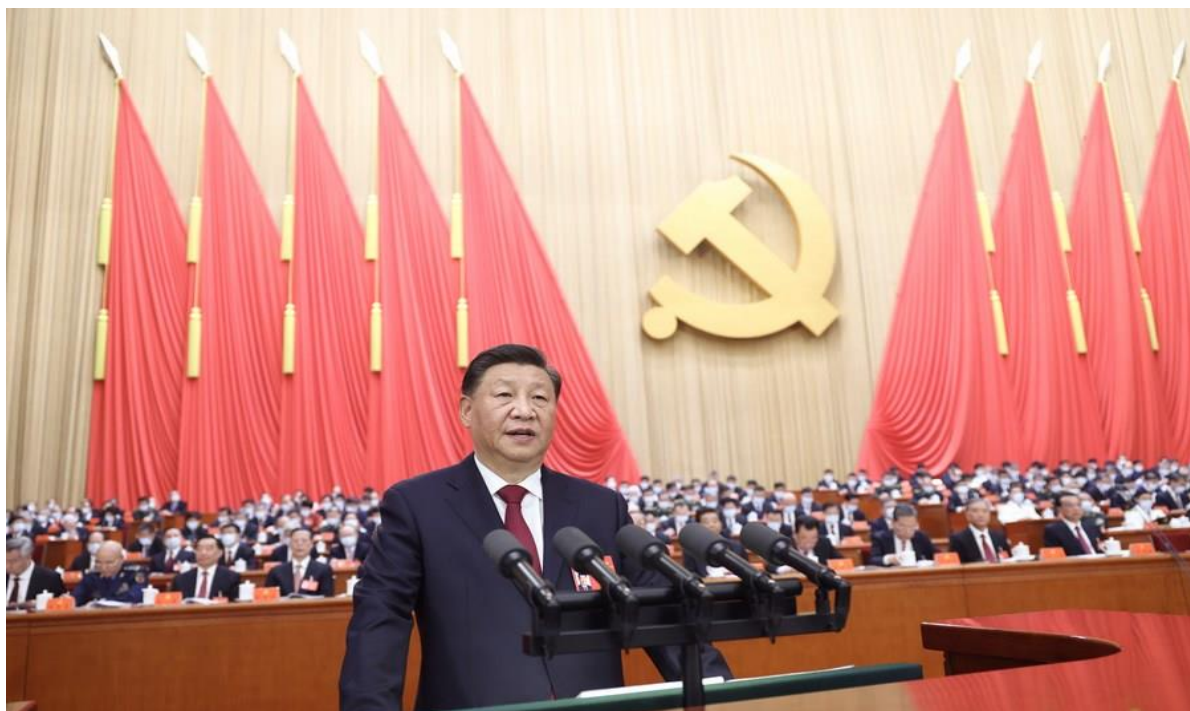
³⁵ Ibid.

³⁶ Stephen McDonnell and Tessa Wong, “China congress: Xi cements power by packing top team with loyalists”, [BBC News](#), October 24, 2022.

³⁷ Jun Mai, Zhuang Pinghui, and Guo Rui, “Chinese President Xi Jinping looks to fresh faces to confront new term of unparalleled complexity”, [South China Morning Post](#), October 23, 2022.

³⁸ Ibid.

fourth term in the 2027 Party Congress”.³⁹ After the conclusion of the Party Congress, Xi Jinping led Politburo Standing Committee members to a [visit to an old revolutionary base](#) in Northwest China's Shaanxi. This is the location where seventh Congress of CPC was held in 1945, which marked the Party, becoming politically, ideologically, and organizationally more mature. Here Xi, reminded the members of Mao Zedong's philosophy and the need to strengthen the fighting spirit opening new horizons for the cause of the Party and the country.⁴⁰



Xi Jinping, General Secretary of the 19th CPC Central Committee delivers a work report to the 20th CPC National Congress, October 16, 2022. Source: [Xinhua/Ju Peng](#)

Earlier, General Secretary Xi Jinping, on behalf of the 19th CPC Central Committee delivered a [work report to the 20th CPC National Congress](#).⁴¹ In the report, Xi Jinping underscored three events of “profound historical significance” from the past decade, which included the CPC’s centenary, ushering in a “new era of Socialism with Chinese Characteristics”, and fulfilling the first centenary goal of building a moderately prosperous society in all respects.⁴² Charting the future path, Xi Jinping emphasised [China’s “Socialist](#)

³⁹ Ibid.

⁴⁰ “Xi stresses striving in unity to fulfill goals set by Party congress”, [The State Council of the People’s Republic of China](#), October 28, 2022.

⁴¹ “(CPC Congress) Xinhua Headlines: CPC charts course for Chinese modernization as key congress opens”, [Xinhua](#), October 16, 2022.

⁴² Ibid.

["Modernisation"](#) as the "central task of the CPC toward realizing the second centenary goal of building a great modern socialist country in all respects".⁴³ In a two-step strategic plan, "the CPC aims to realise the country's modernisation from 2020 through 2035 and build China into a great modern socialist country that is "prosperous", "strong", "democratic", "harmonious", and "beautiful" from 2035 to the middle of this century".⁴⁴ ["Chinese path to modernisation"](#) involves "centrality of CPC's leadership", "common prosperity for all", "whole-process people's democracy", "material as well as cultural-ethical advancement", and "peaceful development with harmony between humanity and nature".⁴⁵ Criticising the "bloody and criminal history of Western modernisation", Global Times editorial asserted that "China's modernisation will [broaden the horizons of human civilisation](#) as it offers humanity a new choice of development".⁴⁶

Other major issues touched on in [General Secretary Xi Jinping's address](#) include continuing "adapting Marxism to Chinese context", "zero-tolerance for corruption", "upholding the One Country, Two Systems policy", "safeguarding national security and social stability", "achieving the goals of PLA modernisation and ensuring that the military always obeys the Party's command", "prudently working towards fulfilling China's carbon goals", "technology, innovation, and human resources as the strategic pillars of socialist modernisation", and "pursuing reforms and building a socialist market economy with a positive interplay between domestic and international markets" (Dual Circulation).⁴⁷

Even as the CPC remains confident of ["creating new, greater miracles"](#) toward the great rejuvenation of the nation⁴⁸, Xi Jinping warned about "black swan" and "grey rhino" events and called upon the Party to pursue self-reform and be [ready to withstand "dangerous storms"](#).⁴⁹ Deepening [Xi Jinping's position as the Party's paramount leader](#), new developments in Socialism with Chinese Characteristics including "common prosperity for all", "new development paradigm", developing a "more robust whole process people's democracy", "elevating armed forces to world-class standards", "implementation of One

⁴³ Ibid.

⁴⁴ Ibid.

⁴⁵ Ibid.

⁴⁶ "Chinese modernization will broaden horizon of civilization: Global Times editorial", [Global Times](#), October 17, 2022.

⁴⁷ "Xi Jinping delivers report to 20th CPC National Congress", [Xinhua](#), October 16, 2022.

⁴⁸ "Xinhua Headlines: Xi expresses confidence in creating new, greater miracles as key Party congress concludes", [Xinhua](#), October 22, 2022.

⁴⁹ "(CPC Congress) Xinhua Headlines: CPC charts course for Chinese modernization as key congress opens", [Xinhua](#), October 16, 2022.

Country, Two Systems”, and “resolutely opposing and deterring Taiwan independence separatists forces” has been added to the amended CPC Constitution.⁵⁰

Further, the CPC National Congress adopted a resolution on the work report of the [19th Central Commission for Discipline Inspection](#) (CCDI) in which the Party claimed “[overwhelming victory](#)” in its anti-corruption campaign and deepening of reforms on discipline inspection.⁵¹ Reportedly, ‘Li Xi’ is likely to be the next chief of China’s [Central Commission for Discipline Inspection](#) (CCDI).⁵²

National Day Reception

State Council held a reception marking the [73rd anniversary of the founding of the People’s Republic of China](#) (PRC) on October 1.⁵³ In his address, Premier Li Keqiang described the past year in China’s development as “momentous” and asserted that in the “midst of challenges from both within and outside China, the country has forged ahead with drive and resolve”.⁵⁴ Meanwhile, a People’s Daily commentary claimed that “since its founding, PRC has “[unswervingly followed a path of peaceful development](#)” and has “never provoked a conflict, occupied an inch of foreign soil, started a proxy war, or joined any military bloc”.⁵⁵

Human Rights

The United Nations Human Rights Council rejected a Western-led motion to hold a debate on [human rights violations in China’s Xinjiang](#), Uyghur Autonomous Region.⁵⁶ Muslim-majority countries including Pakistan, Qatar, Sudan, and the United Arab Emirates voted against the motion, while 11 countries including India abstained.⁵⁷ China described this as an important

⁵⁰ “Xinhua Headlines: Xi expresses confidence in creating new, greater miracles as key Party congress concludes”, [Xinhua](#), October 22, 2022.

⁵¹ “Communique of the Seventh Plenary Session of the 19th Central Committee of the Communist Party of China”, [People’s Daily](#), October 14, 2022.

⁵² Echo Xie, “Guangdong chief Li Xi set for top job at China’s Communist Party anti-corruption watchdog”, [South China Morning Post](#), October 22, 2022.

⁵³ “China’s State Council holds National Day reception”, [Xinhua](#), October 1, 2022.

⁵⁴ Ibid.

⁵⁵ He Yin, “China unswervingly follows path of peaceful development”, [People’s Daily](#), October 8, 2022.

⁵⁶ “UN rejects debate on treatment of Uyghur Muslims in win for China”, [Middle East Eye](#), October 6, 2022.

⁵⁷ Ibid.

[victory against US coercion](#).⁵⁸ Global Times editorial claimed that the vote reflects the mood of the international community which is “fed up with the [politicization of human rights issues](#) by the US-led West”.⁵⁹

Trade and Economy

As part of its socialist modernization drive and developmental goals for 2035, China has prioritized [self-reliance in high technology](#) at the top of all economic policies.⁶⁰ Beijing plans to substantially increase its economic strength to be on par with GDP Per Capita of mid-level developed nations.⁶¹ In line with this, People’s Bank of China (PBOC) vowed to foster policies that revolve around [development, national security, and economic opening-up](#).⁶²

Owing to China’s erratic policy shifts including adherence to the Zero-Covid policy, investors remain [uncertain about business environment](#) in the country.⁶³ Amidst mounting economic headwinds, [China’s GDP grew by 3.9 percent year-on-year in the third quarter of 2022](#), up from 0.4 percent growth seen in the second quarter.⁶⁴ Country’s overall economic growth in the first three quarters of 2022 stands at 3 percent, much below the annual target of around 5.5 percent.

Further, as the US Federal Reserve continued raising its benchmark interest rate to tame soaring inflation, People’s Daily editorial claimed that the “[US is exporting inflation \[and\] slowing global economic recovery](#)”.⁶⁵ Xinhua, on its part, maintained that “Fed’s aggressive rate hikes has heightened [fears of a global recession](#)”.⁶⁶ Meanwhile, as the CPC announced its new Politburo

⁵⁸ “China calls Xinjiang vote at UN Human Rights Council a win against US coercion”, [South China Morning Post](#), October 7, 2022.

⁵⁹ “Global audiences are fed up with US-led West’s ‘show’ on human rights: Global Times editorial”, [Global Times](#), October 8, 2022.

⁶⁰ Frank Tang, “China prioritises hi-tech at ‘top of all economic policies’ as Xi Jinping refines 2035 development goals”, [South China Morning Post](#), October 18, 2022.

⁶¹ Ibid.

⁶² “PBC eyes pro-growth fine-tuning, financial security, among efforts to be prioritized in line with key takeaways from Xi’s report”, [Global Times](#), October 21, 2022.

⁶³ Frank Tang and Hu Huifeng, “China’s ‘erratic policy shifts’ have some companies wondering how much more they can take”, [South China Morning Post](#), September 30, 2022.

⁶⁴ Andrew Mullen and Orange Wang, “China GDP: economy grew by 3.9 per cent in third quarter, beating expectations, but recovery mixed”, [South China Morning Post](#), October 24, 2022.

⁶⁵ “U.S. exports inflation, slows global recovery”, [People’s Daily Editorial](#), October 4, 2022.

⁶⁶ “Growing global recession fears as Fed’s aggressive rate hikes export inflation”, [Xinhua](#), October 3, 2022.

Standing Committee full of Xi Jinping loyalists, [US-listed Chinese companies stocks](#) plunged to their lowest levels in nearly a decade.⁶⁷

Defence and Security

President Xi Jinping emphasized [“establishing a strong system of strategic deterrence”](#) for the first time in his report to the CPC Congress.⁶⁸ Analysts see in this China’s attempt to boost its nuclear weapons capabilities, and accelerate the development of new combat capabilities.⁶⁹ Further, China reaffirmed its [“no first use” nuclear weapons policy](#) at the United Nations.⁷⁰ While, China’s permanent mission to the United Nations (UN) in Vienna, “thwarted a proposal submitted by ‘AUKUS’ to legitimize their [nuclear submarine cooperation](#) at an IAEA meeting”.⁷¹



President Xi Jinping meets with delegates, specially invited delegates, and non-voting participants of the People's Liberation Army (PLA) and armed police forces present at the 20th CPC National Congress, October 24, 2022. Source: [China Military Online](#)

⁶⁷ Vicky Ge Huang and Michelle Chan, “Shares in Chinese Companies Crash After Xi Jinping Stacks Party With Allies”, [The Wall Street Journal](#), October 24, 2022.

⁶⁸ Amber Wang, “Analysts seize on Xi’s mention of strong ‘strategic deterrence’ as sign of China’s nuclear build-up”, [South China Morning Post](#), October 18, 2022.

⁶⁹ Ibid.

⁷⁰ Kawala Xie, “China underlines ‘no first use’ nuclear weapons policy as it seeks stronger power to deter”, [South China Morning Post](#), October 19, 2022.

⁷¹ “China thwarts proposal on legitimizing AUKUS’s nuclear submarine deal at IAEA meeting: envoy”, [China Military Online](#), October 2, 2022.

PLA delegates who attended the 20th CPC Congress including 'Xu Qiliang', 'Zhang Youxia', 'Wei Fenghe', 'Li Zuocheng', 'Miao Hua', and 'Zhang Shengmin' stressed on "achieving PLA's centenary goals of building a modern, world-class military by 2027", "[readiness for war at all times](#) and improving military's ability to win", and "strengthening Party building [political/ideological education] across the board in the armed forces".⁷² [General He Weidong](#), who commanded the Western theatre command (WTC) and Eastern Theatre Command (ETC) has been appointed as the new Vice Chairman of the Central Military Commission replacing Xu Qiliang.⁷³ General Zhang Youxia will continue as the other first ranking Vice Chairman of the CMC and is seen as President Xi Jinping's right-hand man in the PLA.⁷⁴ As the focus of reshuffled Central Military Commission (CMC) remains Taiwan centric and President Xi's reference to winning local wars, Admiral Michael Gilday, Chief of US Naval Operations called upon Washington to plan for [China's invasion of Taiwan](#) as soon as next year.⁷⁵

China's Vice Foreign Minister Ma Zhaoxu based on '[Xi Jinping's Thought on Diplomacy](#)'⁷⁶ underscored "maintaining world peace", "promoting common development", and "building a community with a shared future for mankind" as the [major goals of China's diplomacy](#).⁷⁷ China's Belt and Road Initiative (BRI), Global Development Initiative (GDI), and Global Security Initiative (GSI) has given "new impetus to bolstering shared development and upholding peace", he added.⁷⁸ Vice FM Ma Zhaoxu slammed the "cold war mentality" and "zero-sum game mindset" of certain countries and warned that "bloc confrontation, hegemony, and bullying are the biggest threats to the world order".⁷⁹

As the strategic competition in the Indo-Pacific intensifies, Japan and Australia signed a new [bilateral Security agreement](#) covering areas such as military, intelligence, cyber security, and space cooperation.⁸⁰ Even as the agreement

⁷² Ou Can, Fei Shiting, Zhang Mimi and Mei Changwei, "Delegates from military discuss report to 20th CPC National Congress", [China Military Online](#), October 19, 2022.

⁷³ Ananth Krishnan, "Xi Jinping promotes three India border command Generals to top PLA posts", [The Hindu](#), October 24, 2022.

⁷⁴ Ibid.

⁷⁵ Robert Delaney, "US Navy should prepare for an invasion of Taiwan as soon as this year, fleet chief says", [South China Morning Post](#), October 20, 2022.

⁷⁶ He Yin, "Xi Jinping Thought on Diplomacy provides fundamental philosophy, guide to action for China's diplomacy in new era", [People's Daily](#), October 4, 2022.

⁷⁷ "China's diplomacy aimed at global peace, prosperity", [China Military Online](#), October 21, 2022.

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ Xu Keyue, "Japan-Australia pact shows 'willingness to be US pawns', while risking regional peace", [Global Times](#), October 24, 2022.

does not mention China, Chinese analysts opine pact indicates “Japan and Australia’s willingness to be US pawns and risk regional peace”. “The enhanced security cooperation between Tokyo and Canberra is driven by US-led Indo-Pacific Strategy and is a sequel to a treaty signed in January 2022 that allows militaries of the two countries to train at each other’s bases and collaborate on humanitarian missions”, they added. Meanwhile, marking China’s National Day, state media in a warning to the US, aired footage of country’s strategic nuclear capable weapons including [“aircraft carrier killer” missiles](#) such as DF-21D, DF-26B, and DF-41 ICBM.⁸¹

Highlighting Saudi Arabia’s strong bonds with both China and Russia, South Africa’s President Cyril Ramaphosa signalled [“Saudi Arabia’s interest in joining BRICS”](#).⁸² He also mentioned that there are many more countries that are keen to join this grouping. China, on its part, has voiced [support for the expansion of the ‘BRICS’](#).⁸³ China Daily editorial argued that “growing appeal of BRICS herald’s [formation of a community for common development](#)”.⁸⁴ “Countries are viewing BRICS as an alternative to the West-dominated development mechanisms”, the paper added.⁸⁵

Technology

China’s first [home grown passenger aircraft](#) manufactured by state-owned ‘Commercial Aircraft Corporation of China’ (COMAC), ‘C919’, has been certified to fly.⁸⁶ Marking the occasion, President Xi Jinping met C919 project team and called upon them to “climb to the top of science and technology” by making even bigger breakthroughs in [high technology equipment manufacturing](#).⁸⁷ Chinese analysts expect C919 to compete with Boeing 737 and Airbus A320.⁸⁸

⁸¹ Minnie Chan, “China airs footage of aircraft carrier killer nuclear missiles in warning to US”, [South China Morning Post](#), October 4, 2022.

⁸² Dipanjan Roy Chaudhury, “Saudi Arabia wants to join BRICS, says South African president Cyril Ramaphosa”, [The Economic Times](#), October 20, 2022.

⁸³ “China supports expansion of BRICS membership: MOFA”, [CGTN](#), October 20, 2022.

⁸⁴ “Growing appeal of BRICS heralds formation of a community for common development: China Daily editorial”, [China Daily](#), October 20, 2022.

⁸⁵ Ibid.

⁸⁶ “Xi Focus: Xi meets C919 project team, urging more breakthroughs in high-end equipment manufacturing”, [Xinhua](#), October 1, 2022.

⁸⁷ Amanda Lee, “C919 passenger jet certified to fly as Xi Jinping urges China to climb to top of science, technology”, [South China Morning Post](#), September 30, 2022.

⁸⁸ Ibid.

With a view to unravel the Sun's secrets, China launched '[Advanced Space-based Solar Observatory](#)' (ASO-S) 'Kuafu-1'.⁸⁹ Its objectives include probing solar magnetic field and violent outbursts including solar flares and coronal mass ejections (CMEs).⁹⁰

⁸⁹ "China launches space-based observatory to unravel the Sun's secrets", [Xinhua](#), October 9, 2022.

⁹⁰ Ibid.



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