



Delhi Policy Group

Advancing India's Rise as a Leading Power



China Monitor

AUGUST 2023

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Volume VI, Issue 8





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China Monitor

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

Cover Photograph:

The 15th BRICS Summit was held in South Africa on August 22-24, 2023. Source: [Official X Handle/Narendra Modi](#)

US Commerce Secretary, Gina Raimondo met with Chinese Commerce Minister, Wang Wentao in Beijing on August 28, 2023. Source: [Official X Handle/Secretary Gina Raimondo](#)

Chinese President Xi Jinping inspected the PLA's Western Theatre Command, Air Force, ahead of China's Army Day (August 1). Source: [Xinhua/Li Gang](#)

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China Monitor
Volume VI, Issue 8
August 2023

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Abstract

This was an eventful month, with a number of high-level meetings aimed at resolving the border standoff central to the normalisation of India-China relations. Prime Minister Narendra Modi and Chinese President Xi Jinping had an informal conversation on the sidelines of the 15th 'BRICS' Summit held in Johannesburg, South Africa, on August 22-24, 2023. The two sides issued divergent readouts on the meeting. PM Modi reiterated India's position that observing and respecting the LAC was essential for the normalisation of bilateral relations.

Earlier, the 19th round of India-China Corps Commander Level Meeting was held on August 13-14, 2023. India reportedly pressed for access to all old patrolling points and early disengagement from the remaining friction points, Depsang Plains and Demchok. An overall de-escalation of troops from the Ladakh region was also part of the discussion. The meeting concluded without any tangible outcome, even as both sides described it as positive and constructive.

India lodged a strong protest with China over a new official map in which Beijing laid extensive claims on India's territory in Aksai Chin and Arunachal Pradesh. In a statement, India emphasised that Chinese claims have no basis and that such actions will only impede efforts to resolve the boundary question.

Technical teams setup for the delimitation of the disputed border between Bhutan and China met in Beijing on August 27, 2023. The establishment of the joint technical team was the outcome of the 13th Expert Group Meeting on Bhutan-China boundary issue held in Beijing from August 21-24. The two sides reportedly agreed to implement the memorandum of understanding (MoU) on a "three-step road map" for expediting boundary negotiations.

To mark the second phase of CPEC, Pakistan and China signed two important agreements during the month, that included the Second Phase of the Karakoram Highway and establishing an export exchange mechanism.

Bangladesh Prime Minister Sheikh Hasina met President Xi Jinping on the sidelines of the BRICS Summit in Johannesburg on August 23, 2023. President Xi assured that Beijing would support Bangladesh in "opposing external interference" and would deepen economic cooperation including through the Belt and Road Initiative. These remarks came following the US public call for "free and transparent" elections in Bangladesh scheduled for later this year,

including visa ban against individuals that the US holds responsible for “undermining the democratic election process in Bangladesh”.

In his address at the 15th ‘BRICS’ Summit, on August 23, 2023, President Xi highlighted that in an age of turbulence and transformation, it is imperative to adhere to the BRICS spirit of openness, inclusion, and win-win cooperation. He described the expansion of BRICS membership as “historic” and in line with the interests of emerging markets and developing countries. Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates have been invited to join the BRICS from January 1, 2024.

A Global Times editorial rejected Western reports that cited differences between BRICS regarding the group’s expansion, arguing that the West has underestimated BRICS’ commitment to cooperation and solidarity. It urged the US-led West to meet BRICS halfway, stating that anti-Westernism has never been on the agenda of the BRICS.

President Biden issued an executive order on August 9, 2023, restricting US investment in China's semiconductor, microelectronics, quantum information technology, and artificial intelligence sectors. Reacting to this, a People’s Daily editorial cautioned the US that “containment and suppression cannot halt China’s development”. Meanwhile, as part of continuing US-China trade and economic consultations, US Commerce Secretary, Gina Raimondo, met Chinese Commerce Minister, Wang Wentao, in Beijing on August 28, 2023. Secretary Raimondo is the fourth senior member of the US Administration to visit China in the last three months.

Taiwan continued to be a source of tension between China and the US. Beijing strongly condemned Taiwanese Vice President Lai Ching-te’s transit through the US, and the PLA held a military exercise around Taiwan on August 19, 2023.

The joint statement issued after the US-Japan-ROK leader’s summit held at Camp David on August 18, 2023, expressed concern about China's “dangerous and aggressive” actions in the South China Sea, and reaffirmed the “importance of peace and stability across the Taiwan Strait”. In response, China expressed strong dissatisfaction and asked the US to refrain from creating division and confrontation that would undermine regional peace and stability.

Continuing the deepening trend of the China-Russia strategic partnership, the two countries held their third joint naval patrol in international waters near the Aleutian Islands, Alaska (US).

President Xi visited the PLA's Western Theater Command, Air Force in Southwest China's Sichuan Province. In his address, Xi reiterated the importance of accelerating the modernization of the armed forces, improving military readiness, and maintaining CPC's control over the PLA.

The Central Military Commission (CMC) has appointed Wang Houbin, a former deputy commander of the PLA Navy, as the new commander of the PLA Rocket Force (PLARF). He has no previous experience in serving in PLARF. This step was following the initiation of an anti-corruption investigation into the former commander of the PLARF, Li Yuchao.

Owing to unfavourable demographics and rising tensions with the US-led West, which threaten foreign investment and trade with China, analysts believe China has entered a period of significantly slower economic growth.

Foreign and Security Policy

I. China-India Relations

There were several important developments regarding India-China relations during the month. First, there were a series of military discussions to resolve the prevailing deadlock in Eastern Ladakh. This was followed by a meeting between Prime Minister Narendra Modi and President Xi Jinping on the sidelines of the 'BRICS' summit.

On August 13-14, the 19th round of India-China Corps Commander Level meeting was held to resolve the outstanding issues along the Line of Actual Control (LAC). According to reports, India, at the meeting pressed for access to all old patrolling points, as also early disengagement from the remaining friction points including Depsang Plains and Demchok. An overall de-escalation of troops from the Ladakh region was also part of the agenda.¹

As in the recent past, the meeting concluded without a breakthrough. The Joint Press Release issued after the meeting described the talks as positive, constructive, and in-depth. It also mentioned that the two sides agreed to resolve the remaining issues in an expeditious manner and maintain the momentum of the dialogue and negotiations through military and diplomatic channels.²

The 19th round of the corps commander-level meeting, was followed by a series of Major General level talks over a span of six days to discuss border flashpoints, depth, and scope of patrolling in disputed areas and other confidence-building measures. While there has been no official statement on the outcome of these talks, reports claim that the dialogue took place in a positive and constructive manner towards making progress in easing border tensions.³

After their brief discussion in Bali in November 2022, Prime Minister Narendra Modi and Chinese President Xi Jinping met on the sidelines of the 15th 'BRICS' Summit in Johannesburg, South Africa. PM Modi highlighted India's concerns about the unresolved boundary issue. During their "informal conversation",

¹ "19th round of military talks: India presses for access to all old patrolling points along the LAC," [The Indian Express](#), August 15, 2023

² "Joint Press Release of the 19th Round of India-China Corps Commander Level Meeting," [Ministry of External Affairs](#), August 15, 2023

³ "India, China discuss patrolling and de-escalation," [The Economic Times](#), August 20, 2023

both leaders agreed to issue necessary instructions to their officials for early de-escalation at the border.⁴ Indian Foreign Secretary, Vinay Kwatra, in a statement said, both sides agreed to step up efforts for the disengagement of troops along the LAC. He underscored that "the Prime Minister underlined that maintenance of peace and tranquility in border areas including observing and respecting the LAC as essential for the normalisation of the India-China relations".⁵

The Chinese Foreign Ministry readout, on the other hand, stressed that, Prime Minister Narendra Modi and President Xi Jinping had a "candid and in-depth exchange of views" on current India-China relations and "other questions of shared interest"... "President Xi stressed that improving China-India relations serves the common interests of the two countries and people, and is also conducive to peace, stability and development of the world and the region."⁶ The statement further said that President Xi told PM Modi that the two countries "should bear in mind the overall interests of their bilateral relations and handle the border issue properly so as to jointly safeguard peace and tranquility in the border region".⁷

India and China have varying versions of the conversation between Prime Minister Narendra Modi and President Xi Jinping.⁸ While China claimed that Prime Minister Modi's meeting with President Xi at the BRICS Summit took place at India's request, top Indian government sources refuting it maintained this meeting was on account of "pending request from the Chinese side".⁹

Following the Leaders meeting, Chinese Foreign Ministry spokesperson maintaining the standard Chinese line, said, the boundary issue between China and India is clear and consistent.¹⁰ It is left over from history and does not represent the entirety of China-India relations, while calling on the two countries to consider the overall situation of bilateral relations, properly handle

⁴ "Candid and in-depth exchange of views': China on Xi-Modi meeting on sidelines of BRICS Summit," The Indian Express, August 25, 2023

⁵ "Talking about talking: On an India-China dialogue," The Hindu, August 28, 2023

⁶ "India, China offer different views on Modi-Xi conversation in Johannesburg," The Tribune, August 26, 2023

⁷ Ibid.

⁸ "India, China offer different views on Modi-Xi conversation in Johannesburg," The Times of India, August 25, 2023

⁹ Ibid.

¹⁰ "China, India should maintain peace, tranquility in border areas before border issue is resolved: Chinese FM," Global Times, August 25, 2023

the border issue, and jointly maintain peace and tranquility in the border areas.¹¹

Meanwhile, India has lodged a strong protest with China over a new official map in which Beijing laid extensive claims on India's territory in Aksai Chin and Arunachal Pradesh. India's Ministry of External Affairs said in a statement, "we have today lodged a strong protest through diplomatic channels with the Chinese side on the so-called 2023 'standard map' of that lays claim to India's territory"... We reject these claims as they have no basis. Such steps by the Chinese side only complicate the resolution of the boundary question."¹²

II. China-South Asia Relations

China signed six agreements with Pakistan to initiate the second phase of the China-Pakistan Economic Corridor (CPEC) which includes establishing an export exchange mechanism and Karakoram Highway Phase-II realignment.¹³ Chinese President Xi Jinping, in a congratulatory message declared, "China will work with Pakistan to aim for high-standard, sustainable and livelihood enhancing outcomes and further build the China-Pakistan Economic Corridor (CPEC) into an exemplary project of high-quality Belt and Road cooperation."¹⁴

In yet another incident of attack on Chinese workers, a convoy of Chinese engineers came under attack in Pakistan's Balochistan province by armed rebels.¹⁵ The Baloch Liberation Army - Majeed Brigade, claimed responsibility for the attack. Pakistan's Gwadar Port, which is coming up in Balochistan, is being developed as part of the CPEC. Baloch nationalists oppose the project over fears that it will enable the federal government in Pakistan to exploit regions natural resources without providing suitable compensation. There is also growing anger over land acquisition without proper compensation and colonisation of the area by the Chinese.

A recent report underscored that China's growing influence in Afghanistan is "largely driven" by a desire to check Uyghur activists that threaten Beijing's

¹¹ Ibid.

¹² "India lodges 'strong protest' with China over new map; 'absurd claims', says External Affairs Minister," The Hindu, August 29, 2023

¹³ "Pakistan & China ink six agreements to expedite cooperation under 2nd phase of CPEC", The Indian Express, July 31, 2023.

¹⁴ "Xi says China to work with Pakistan to build CPEC into exemplary project of high-quality B&R cooperation", The State Council of PRC, August 1, 2023.

¹⁵ "Pakistani militants attack convoy of Chinese engineers," CNN, August 14, 2023

domestic and regional interests.¹⁶ It further stated that, Chinese businesses have been exploring opportunities in Afghanistan and bagging mining contracts. Afghanistan is rich in natural resources that include copper, gold, oil, natural gas, uranium, rare earths, lithium, chromium among others, estimated to be worth nearly three trillion dollars.

A new joint technical team set up by Bhutan and China for delimitation of the disputed border between the two countries, held its first meeting in Beijing on August 27.¹⁷ The establishment of the joint technical team was the outcome of the 13th Expert Group Meeting (EGM) on Bhutan-China boundary issues in Beijing between August 21-24. "The two countries had a candid, friendly and constructive discussions" on implementing a memorandum of understanding (MoU) on the so-called "three-step road map" for expediting boundary negotiations, the joint statement said. This development comes at a time when India and China are locked in a military standoff on the Line of Actual Control (LAC) now in its fourth year. Chinese claims on Bhutanese territory, including the strategic Doklam region, have strategic implications for India's north-eastern region.¹⁸

According to reports, Nepal plans to build a cross-border transmission line with China via the border district of Rasuwa, an agreement for which is proposed to be signed during Prime Minister Prachanda's upcoming visit to China.¹⁹ Reports claim, Nepal is also trying to import agricultural procedures from China while also cooperating with India in the same field.

Amidst Bangladesh's recent differences with the US, which issued a public call for "free and transparent" elections scheduled for later this year, Bangladesh Prime Minister Sheikh Hasina met President Xi Jinping on the sidelines of the BRICS Summit in Johannesburg. During their interaction, President Xi said, China was "willing to strengthen the synergy of development strategies with Bangladesh, deepen practical cooperation in various fields, push bilateral strategic cooperative partnership to a new level, and better benefit the people of the two countries." Adding that Beijing was "willing to continue to work with

¹⁶ "China's 'Great Game' In Afghanistan: Beijing Expands Influence with Taliban To Check Uyghurs, Exploit Resources," Eurasian Times, August 28, 2023

¹⁷ "China, Bhutan hold boundary talks with focus on 'three-step road map'," Hindustan Times, August 27, 2023

¹⁸ Ibid.

¹⁹ "China, Nepal To Sign Power Trading Agreement Next Month," The Business World, August 15, 2023

Bangladesh in firmly supporting each other in issues involving their respective core interests.”²⁰

Meanwhile, Bangladesh based newspaper Daily Asian Age reported that a number of Chinese-backed projects in the country were performing below par. This has raised concerns among experts in the wake of economic downturn in Pakistan and Sri Lanka whose economies have been crippled owing to Beijing’s unsustainable debt burden. Projects such as Payra Power Plant, which is a joint initiative of China and Bangladesh, has met with a stumbling block over repayment of Chinese loans.²¹

Sri Lanka's Defence Ministry has approved of Chinese research vessel Shi Yan 6 to dock at its port on October 25th. The vessel will be involved in research operations for a period of 17 days. China’s state broadcaster, CGTN, described Shi Yan 6 as a scientific research vessel, crewed by 60 that carries out oceanography, marine ecology, and marine geology tests.²²

In 2022, India had raised its concerns over a Sri Lankan port call in Hambantota by Chinese research vessel “Yuan Wang 5”, specializing in spacecraft tracking, which New Delhi described as a spy vessel.²³ Given Sri Lanka’s strategic location along the IOR shipping routes, the Chinese operations have triggered strategic concerns among regional countries.

III. China-United States Relations

President Biden issued an executive order on August 9, 2023, restricting US investment in China's semiconductor, microelectronics, quantum information technology, and artificial intelligence sectors.²⁴ As a result, a People’s Daily editorial cautioned the US that “containment and suppression cannot halt China’s development”.²⁵ Adding that, the US is “obsessed with maintaining its technological hegemony” and for that it is “sabotaging international economic

²⁰ “China says will back Bangladesh against ‘external interference’,” [The Hindu](#), August 25, 2023

²¹ “Experts raise concern over volatile performance of China-backed projects in Bangladesh,” [The Economic Times](#), August 13, 2023

²² “Chinese vessel Shi Yan 6 to reach Sri Lanka on October 25th,” [WION](#), August 28, 2023

²³ “Chinese research ship Shi Yan 6 requests Sri Lanka port call, raising possible security concerns in India,” [South China Morning Post](#), August 22, 2023

²⁴ “Containment, suppression cannot halt China's development”, [People's Daily Editorial](#), August 16, 2023.

²⁵ Ibid.

and trade order as well as the stability of supply chains”.²⁶ A Global Times editorial rejected President Biden's statement that China was “a ticking time bomb” due to its economic and population problems.²⁷ The editorial warned that “unscrupulous attacks on China are making the US nastier”.²⁸ A Xinhua commentary criticised “hype about China's economic coercion” as a “testament to US coercive diplomacy”.²⁹

Amid strained ties, US Commerce Secretary Gina Raimondo visited China. Secretary Raimondo is the fourth senior US Administration official to travel to China in less than three months.



US Commerce Secretary, Gina Raimondo met with Chinese Commerce Minister, Wang Wentao in Beijing on August 28, 2023. Source: [Official X Handle/Secretary Gina Raimondo](#)

Briefing reporters ahead of the trip Raimondo said, one of the goals of the visit was to “explain and bring further transparency” with regard to the US National Security Strategy of protecting critical technologies which are fundamental to its domestic security. Adding that, President Biden had asked her to carry a

²⁶ Ibid.

²⁷ “Unscrupulous attacks on China make US nastier and nastier: Global Times editorial”, [Global Times](#), August 12, 2023.

²⁸ Ibid.

²⁹ “Xinhua Commentary: Hype of China's “economic coercion” yet another testament to U.S. coercive diplomacy”, [Xinhua](#), August 12, 2023.

message for the Chinese leaders that “we need to communicate to avoid conflict”.³⁰

Raimondo’s visit is critical and comes amid mounting restrictions on trade in advanced technology between the US and China. During her meeting with Chinese counterpart Wang Wentao, Secretary Raimondo said, “the economic relationship between the United States and China is one of the most significant in the world. We share over USD 700 billion of trade”.. it is profoundly important that we have a stable economic relationship, which is to the benefit of both our countries... it’s a complicated relationship... but I believe that we can make progress if we are direct, open and practical.”³¹ Wang Wentao said, Beijing is ready to work with Washington, adding that bilateral economic relations are important not just to the two countries, but to the rest of the world.³²

A new analysis of trade data published in the International Security academic journal claims, China has at least a 70 percent dependence on the US and its allies for more than 400 items, ranging from luxury goods to raw materials needed for Chinese industries.³³ The analysis uses data from the United Nations Comtrade database, which tracks official global trade statistics. China’s high-dependency exposure was calculated by bundling together trade activity from the US and more than a dozen allies across a range of categories.

Taiwan was again the center point of diplomatic squabble as Lai Ching-te, Taiwan’s current Vice President and a frontrunner to be the islands next President, visited the US, briefly while on his way to Paraguay. In his speech, Lai urged the world to stand up against the “increased threat from authoritarianism” while reiterating willingness to talk to China.³⁴

On its part, Beijing strongly condemned Washington’s decision to arrange Taiwanese Vice President, Lai Ching-te’s stopover in the US on his way to

³⁰ “U.S. Commerce Secretary Faces a Wide Range of Issues in China,” [The New York Times](#), August 27, 2023

³¹ “U.S. Secretary of Commerce Gina Raimondo Delivers Remarks Ahead of Bilateral Meeting with PRC Minister of Commerce Wang Wentao,” [US Department of Commerce](#), August 28, 2023

³² “US Commerce Secretary Raimondo offers China more dialogue at ‘very open’ talks in Beijing,” [CNN](#), August 28, 2023

³³ “China Relies on U.S., Allies for Hundreds of Products,” [The Wall Street Journal](#), August 9, 2023

³⁴ “Taiwan vice-president says ‘don’t be afraid’ to fight authoritarianism in New York speech,” [The Guardian](#), August 14, 2023

Paraguay.³⁵ According to the Chinese Foreign Ministry, Lai Ching-te is a "through and through troublemaker" and his US stopover has "seriously violated the one-China principle".³⁶ Further, China slammed the US's continuing military assistance to Taiwan including planned sale of F16 Infrared Search and Track (IRST) Systems.³⁷ According to Chinese analysts, Taiwan is receiving the F16 IRST systems to counter the PLA's J20 fighter's but will prove to be ineffective.³⁸ To deter Taiwan and its external supporters, the PLA held a military exercise around Taiwan on August 19, 2023.³⁹ Chinese analysts claimed that sudden and swift joint drills around Taiwan demonstrate the PLA's readiness for missions in the Taiwan Straits at any time.⁴⁰ In the aftermath of Lai's stopover in the US, China also suspended import of mangoes from Taiwan.⁴¹

A People's Daily editorial asserted that "one-China principle is an unstoppable trend of times" as the Central American Parliament revoked the "permanent observer status" of the Legislative Yuan (Taiwan's Legislature) and accepted China's National People's Congress (NPC) as a permanent observer.⁴²

IV. China-European Union Relations

On August 6, 2023, Chinese Foreign Minister Wang Yi, held a phone conversation with European Union's Foreign Affairs and Security Policy High Representative Josep Borrell.⁴³ Amid deteriorating relations with the US-led West, Wang Yi called for more institutional dialogues between China and the EU for injecting new impetus into the China-Europe Comprehensive Strategic Partnership.⁴⁴

³⁵ "Beijing slams Lai's 'stopover' in US", China Daily, August 13, 2023.

³⁶ Ibid.

³⁷ "US to sell aircraft tracking systems to Taiwan island with PLA's J-20 stealth fighter in mind; scheme futile", Global Times, August 24, 2023.

³⁸ Ibid.

³⁹ "PLA's sudden, swift joint drills around Taiwan island highlighted by live munitions, multi-source intelligence support", Global Times, August 20, 2023.

⁴⁰ Ibid.

⁴¹ "China targets Taiwanese mangoes in latest import suspension", Reuters, August 21, 2023.

⁴² "One-China principle an unstoppable trend of times", People's Daily Editorial, August 24, 2023.

⁴³ "China, EU should conduct more institutional dialogues to promote bilateral ties: Chinese FM", Xinhua, August 6, 2023.

⁴⁴ Ibid.

On the other hand, in line with the EU's call for de-risking from China, Italy has decided to pull out of the BRI by the end of 2023.⁴⁵ In an interview, Italian Defence Minister, Guido Crosetto, said, Italy made an "improvised and atrocious" decision when it joined China's Belt and Road Initiative four years ago claiming it has had done little to boost exports. In a statement Lorenzo Codogno, chief economist at the Italian Ministry of Economy and Finance from 2006 to 2015 said, "The issue for Italy right now is how to move out of the [belt and road], which is a political and not an economic tool, while maintaining or maybe strengthening the economic links with China. That is the challenge Meloni faces."⁴⁶

Meanwhile, the economic slowdown that has persisted in China since the second quarter has battered foreign investors' confidence. Jens Eskelund, President of the European Union Chamber of Commerce in a statement said, "What we see now in the economy is a crisis of confidence," adding that "insecurity about what the future would hold" has weakened business sentiment while weighing on the outlook for foreign direct investment (FDI) inflows in geopolitically onerous times.⁴⁷ In a separate statement, French Economy Minister, Bruno Le Maire, flagged the issue of legislative hurdles hindering access to Chinese markets.⁴⁸

As the EU moves towards diversifying its supply chains, Taiwan Semiconductor Manufacturing Company will begin producing chips for the automotive sector by the end of 2027, the company said.⁴⁹ The project marks the first foray onto European turf for TSMC, the world's leading maker of advanced chips. The firm will work in conjunction with German companies Robert Bosch and Infineon Technologies as well as NXP Semiconductors of the Netherlands.

⁴⁵ "Italy defence minister: joining China's belt and road plan was 'atrocious' decision," South China Morning Post, July 31, 2023

⁴⁶ "China-Italy ties: as Rome looks for belt and road exit it's expected to be 'punished twice' without reaping benefits," South China Morning Post, August 5, 2023

⁴⁷ China's economic 'crisis of confidence' has shattered faith of foreign investors, warns European business head in call to action, South China Morning Post, August 18, 2023.

⁴⁸ "De-risking and market access dominate China-France economic talks," South China Morning Post, July 30, 2023

⁴⁹ "TSMC to build US\$11 billion chip manufacturing plant in Germany," South China Morning Post, August 9, 2023

V. China-Russia Relations

In a "highly provocative" move amid the war in Ukraine, China and Russia conducted a joint naval operation near the coast of Alaska. As per reports, eleven Russian and Chinese ships approached the Aleutian Islands off the coast of Alaska, a maritime boundary Russia shares with the US.⁵⁰ Analysts said, "Given the context of the war in Ukraine and tensions around Taiwan, this move is highly provocative". The exact time and location of the operation has not been made public, and information about the event is still being declassified. Republican Alaska Sen. Dan Sullivan confirmed that the incursion took place "within the last few days," and referred to the act as another reminder that the world has entered a new era of authoritarian aggression led by the dictators in Beijing and Moscow.⁵¹

China rejected assertions that maritime patrol was intended to intimidate the US, claiming that China and Russia's military cooperation is different from that of other countries that cling to Cold War mentality, camp confrontation, and hegemonic mindset.⁵²

VI. BRICS Summit

Chinese President Xi Jinping addressed the 15th BRICS Summit held in Johannesburg, South Africa, from August 22-24, 2023.⁵³ In his address, Xi highlighted that in an age of turbulence and transformation, it is imperative to adhere to the BRICS spirit of openness, inclusion, and win-win cooperation, emphasising the ancient African philosophy of 'Ubuntu' (I am because we are).⁵⁴ He underlined that BRICS will play an important role in shaping the international order, and called for expanding business, financial, political and

⁵⁰ "Highly provocative': US sent destroyers after stunning Russia, China joint naval operation off coast of Alaska," [New York Post](#), August 6, 2023

⁵¹ Ibid.

⁵² "Cooperation between Chinese, Russian militaries open and transparent: Defense Spokesperson", [Ministry of National Defence PRC](#), August 14, 2023.

⁵³ "Full Text: Remarks by Chinese President Xi Jinping at the 15th BRICS Summit", [People's Daily](#), August 24, 2023

Note: 'BRICS' is an acronym for the five major emerging economies: Brazil, Russia, India, China, and South Africa.

⁵⁴ Ibid.

security cooperation, promoting understanding between civilizations, and improving global governance.⁵⁵

Further, Xi described the expansion of BRICS membership as "historic" and in line with international expectations and the interests of emerging markets and developing countries.⁵⁶ Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates have been invited to join the BRICS.⁵⁷ A Global Times editorial rejected Western reports that cited differences between BRICS regarding the group's expansion, arguing that the West has underestimated BRICS' commitment to cooperation and solidarity.⁵⁸ It urged the US-led West to meet BRICS halfway, stating that anti-Westernism has never been on the agenda of the BRICS.⁵⁹ Analysts believe, in addition to providing greater voice to the Global South⁶⁰, an expanded BRICS would enhance security in West Asia (Middle East), balance international energy markets, and improve food security.⁶¹

VII. China-Africa Leaders' Dialogue

Prior to the BRICS Summit, President Xi met with South Africa's President, Cyril Ramaphosa, on August 22, 2023. Xi stressed that China-South Africa relationship has entered a "golden era" with a promising future.⁶² He emphasised the importance of strengthening exchanges and cooperation among national legislatures, political parties, and militaries, as well as the importance of supporting each other on fundamental issues of national interest.⁶³ Among other issues, President Xi discussed advancing the Belt and Road Initiative (BRI) and strengthening cooperation in key areas such as infrastructure, logistics, trade, investment, manufacturing, agro-processing,

⁵⁵ "Xi says BRICS important force in shaping international landscape", Xinhua, August 24, 2023

⁵⁶ "BRICS expansion hailed as historic", China Daily, August 25, 2023

⁵⁷ BRICSza, Official X Handle of BRICS Summit South Africa 2023, August 24, 2023

⁵⁸ "West underestimates BRICS' resolve for solidarity, cooperation: Global Times editorial", Global Times, August 24, 2023

⁵⁹ "US and Western countries could have met the 'BRICS' halfway: Global Times editorial", Global Times, August 21, 2023

⁶⁰ "With expanded membership, BRICS champions inclusive cooperation, bigger say for Global South", Xinhua, August 25, 2023

⁶¹ "Expanded BRICS seen as antidote to conflict", China Daily, August 28, 2023

⁶² "Xinhua Headlines: Xi calls on China, S. Africa to strengthen four partnerships in golden era", Xinhua, August 23, 2023.

⁶³ Ibid.

energy and resources, digital economy and high-tech among others.⁶⁴ Xi reiterated Beijing's determination to support South Africa's bigger role in international and regional affairs, as well as the accession of the African Union (AU) to the G20.⁶⁵



The 15th BRICS Summit was held in South Africa on August 22-24, 2023.

Source: [Official X Handle/Narendra Modi](#)

At the China-Africa Leaders' Dialogue held on August 24, 2023, President Xi called upon China and Africa to work together for modernisation.⁶⁶ Beijing intends to channel more resources, investment, and financing to support Africa's industrialisation.⁶⁷ During his speech at the China-Africa Peace and Security Forum in Beijing, Chinese Defence Minister Li Shangfu emphasised the importance of China-Africa cooperation as part of the Global Security Initiative (GSI).⁶⁸

VIII. Chinese Foreign Minister Visits ASEAN Countries

Chinese Foreign Minister, Wang Yi, visited Singapore, Malaysia, and Cambodia from August 10-13, 2023. Chinese analysts claimed that, Wang Yi's visit has strengthened strategic communication between China and the three

⁶⁴ Ibid.

⁶⁵ Ibid.

⁶⁶ "Xi urges China, Africa to join hands for modernization", [Qiushi Journal Website](#), August 25, 2023.

⁶⁷ Ibid.

⁶⁸ "China-Africa to inject stability, positive energy to turbulent world: Chinese defense minister", [Global Times](#), August 29, 2023.

Southeast Asian countries, despite US propagating divisions in the Asia-Pacific region.⁶⁹ In order to promote peace, stability, and development, China remains committed to working with ASEAN to implement the Global Development Initiative (GDI), Global Security Initiative (GSI), and Global Civilization Initiative (GCI).⁷⁰

Internal Developments

Trade and Economy

China's post-covid economic recovery continues to be sluggish.⁷¹ Due to the rising unemployment, Chinese government has suspended the reporting of youth unemployment (age group 16-24).⁷² Further, owing to unfavorable demographics and rising tensions with the US-led West, which threaten foreign investment and trade in China, analysts believe China has entered a period of much slower economic growth.⁷³ Chinese exports fell in July 2023 at their steepest pace since early 2020 as a result of "de-risking" efforts by the West.⁷⁴ Amid concerns about the country's real estate sector, Chinese financial regulators have pledged to take additional measures to address the property crisis and local government debt issues.⁷⁵ Beijing has also initiated a crackdown on corruption in the country's healthcare sector.⁷⁶

Despite rising economic headwinds, Premier Li Qiang called on the State Council to stay committed to achieving the country's five percent growth target for 2023.⁷⁷ For this, he emphasised policy coordination that would expand domestic demand, support private enterprise, attract foreign

⁶⁹ "Closer, deeper cooperation expected as Wang Yi kicks off Southeast Asia tour amid US creating division", People's Daily, August 11, 2023.

⁷⁰ Ibid.

⁷¹ "China's economy shows no bright spots in July, calls for stronger action to ease property woes and boost spending", South China Morning Post, August 15, 2023.

⁷² "Why is China hiding its youth unemployment rate?", Deutsche Welle, August 24, 2023.

⁷³ "China's 40-Year Boom Is Over. What Comes Next?", The Wall Street Journal, August 20, 2023.

⁷⁴ "China trade: de-risking, reshoring efforts chip away at exports as July shipments fall at steepest pace since early 2020", South China Morning Post, August 8, 2023.

⁷⁵ "Chinese financial regulators pledge further measures to tackle local government debt and property sector woes", South China Morning Post, August 20, 2023.

⁷⁶ "Cover Story: Anti-Corruption Storm Sweeps China's Health-Care Industry", Caixin Global, August 14, 2023.

⁷⁷ "China targets fulfilling economic goals despite slowdown, as premier seeks enhanced domestic momentum", South China Morning Post, August 17, 2023.

investment, and build a modern industrial system.⁷⁸ In line with this, the State Council issued 24 measures to attract foreign investment.⁷⁹ Further, to boost struggling Chinese economy, the People's Bank of China (PBOC) cut the interest rate of the one-year medium term lending facility.⁸⁰ Chinese state media reassured that the country's economy is continuing to recover and develop efficiently.⁸¹ Further, even as concerns were raised about deflation in China⁸², a Xinhua report dismissed worries about deflationary risks.⁸³

China's new energy vehicle (NEV) industry is reportedly experiencing strong growth.⁸⁴ China-made NEV sales made up 60 percent of the global market in the first half of 2023, and by the end of the year, China's total auto exports may outpace those of Japan.⁸⁵

In spite of the Western business concerns regarding China's anti-espionage law, the Chinese Ministry of National Security has stated that the law is clear, transparent, and will not interfere with business and investment activities in the country.⁸⁶

Global Times, marking a decade of the BRI, launched a special section entitled 'BRI Focus' on its website ahead of the third BRI Forum, which is expected to take place in 2023.⁸⁷ Through this section, it hopes to emphasise the role BRI plays in improving infrastructure connectivity, stimulating regional growth, and debunking false claims about the "debt trap".⁸⁸

⁷⁸ Ibid.

⁷⁹ "China's new measures offer broader opportunities for foreign investment", China Daily, August 27, 2023.

⁸⁰ "China surprisingly cuts major policy rate by 15 basis points, signalling support for struggling economy", South China Morning Post, August 15, 2023.

⁸¹ "Chinese economy maintains steady recovery, quality growth in July", People's Daily, August 16, 2023.

⁸² "China is dealing with deflation. Falling prices could be a sign of economic trouble", NPR, August 10, 2023.

⁸³ "China faces no deflationary risk as demand, confidence recover", Xinhua, August 13, 2023.

⁸⁴ China-made NEV sales make up 60% global share in H1, total auto exports may surpass Japan by year-end, Global Times, August 6, 2023.

⁸⁵ Ibid.

⁸⁶ "Espionage act is clear and transparent", China Daily, August 5, 2023.

⁸⁷ BRI Focus, Global Times Special Coverage BRI Focus, Global Times

⁸⁸ Ibid.

Defence and Security

President Xi visited the PLA's Western Theater Command, Air Force in Southwest China's Sichuan Province ahead of China's Army Day (August 1).⁸⁹ In his address, Xi reiterated the importance of accelerating modernization of the armed forces, improving military readiness, and maintaining CPC's control over the PLA.⁹⁰

The Central Military Commission (CMC) has appointed Wang Houbin, a former deputy commander of the PLA Navy, as the new commander of the PLA Rocket Force (PLARF), after the initiation of an anti-corruption investigation into the former commander of the PLARF, Li Yuchao.⁹¹ Importantly, Wang Houbin has previously not served with the PLARF, which holds and deploys China's nuclear forces.⁹² Meanwhile, a major breakthrough in 'laser weapon technology' has been claimed by scientists at the National University of Defence Technology in China.⁹³ They have reportedly developed a new system that allows high-energy lasers to operate infinitely, extending engagement times, extending range, and increasing damage.⁹⁴

US, Japan, and South Korea held a leader's summit at Camp David on August 18, 2023.⁹⁵ A post summit joint statement, expressed concern about China's "dangerous and aggressive" actions in the South China Sea, and reaffirmed the "importance of peace and stability across the Taiwan Strait".⁹⁶ In response, China expressing strong dissatisfaction asked the US to refrain from creating division and confrontation that would undermine regional peace and stability.⁹⁷ Further, a Global Times editorial warned Japan and South Korea that they are jeopardising their national interests by standing guard for the US.⁹⁸

⁸⁹ "Xi stresses boosting armed forces' modernization in PLA Western Theater Command inspection", Global Times, July 30, 2023.

⁹⁰ Ibid.

⁹¹ "China names General Wang Houbin as new PLA Rocket Force chief after former commanders snared in corruption scandal", South China Morning Post, July 31, 2023.

⁹² Ibid.

⁹³ "Chinese military scientists claim to have achieved a 'huge breakthrough' on laser weapon technology", South China Morning Post, August 11, 2023.

⁹⁴ Ibid.

⁹⁵ U.S., Japan, South Korea agree to hold annual talks after Camp David summit, Nikkei Asia, August 19, 2023.

⁹⁶ "China lodges solemn representations with relevant parties in Camp David summit on Taiwan question and South China Sea issue: FM", Global Times, August 21, 2023.

⁹⁷ Ibid.

⁹⁸ "Japan and S. Korea stand guard for US at huge potential cost: Global Times editorial", Global Times, August 19, 2023.

Meanwhile, China expressed concerns about Japan's plans to release nuclear-contaminated wastewater from the crippled Fukushima Daiichi Nuclear Power Plant into the Pacific Ocean.⁹⁹



Chinese President Xi Jinping inspected the PLA's Western Theatre Command, Air Force, ahead of China's Army Day (August 1). Source: [Xinhua/Li Gang](#)

China's Coast Guard expelled a Philippine vessel for allegedly carrying illegal construction materials near Ren'ai Reef, part of the Chinese-claimed Nansha Islands (Spratly Islands) in the South China Sea.¹⁰⁰ Although Beijing claimed that the expulsion was in accordance with the law, the Philippines condemned China's move, while, the US reiterated its commitment to confront China's armed attack as part of the US-Philippines mutual defence treaty.¹⁰¹ Chinese state media maintained that there is no room for compromise in the South China Sea regardless of who supports the Philippines.¹⁰²

On August 15, 2023, Chinese Defence Minister, Gen. Li Shangfu, addressed the 11th Moscow Conference on International Security (MCIS).¹⁰³ In his remarks, Gen. Li praised China and Russia's military cooperation as an example of non-

⁹⁹ "China urges Japan to handle nuclear-contaminated water in responsible manner", [China Military Online](#), August 18, 2023.

¹⁰⁰ "Don't take China's restraint at Ren'ai Reef as a chance to exploit: Global Times editorial", [Global Times](#), August 8, 2023.

¹⁰¹ Ibid.

¹⁰² Ibid.

¹⁰³ "Chinese Defence Minister attends Moscow security conference", [Global Times](#), August 15, 2023.

aligned, non-confrontational cooperation that does not target any third party.¹⁰⁴ Further, in a phone conversation with Russian Foreign Minister Sergey Lavrov, Chinese Foreign Minister, Wang Yi, reiterated the close strategic coordination between the two countries, including promoting multipolarity and democratization of international relations, as well as upholding basic norms of international relations.¹⁰⁵

Technology

On August 22-24, 2023, Premier Li Qiang visited Guangdong Province, China's technology hub, where he highlighted the necessity of adherence to reform and opening-up.¹⁰⁶ Chinese technology companies are planning new expansion initiatives and recruitment drives following the end of Beijing's Big-Tech regulatory crackdown.¹⁰⁷ For the revival of China's slowing economy, the CPC Politburo in July 2023 had called for "promotion of healthy, sustainable, and standardised development of [internet] platform enterprises".¹⁰⁸

Chinese officials reiterated the need to advance countries' computing capabilities rapidly in order to advance the digital economy as technology competition with the US continues to intensify.¹⁰⁹ In order to accomplish this, China will develop more national computing hubs and data centres while accelerating technological breakthroughs.¹¹⁰ Reports indicate that, China ranks second in the world in terms of computing power, and 41 percent of its economic output is derived from the digital economy.¹¹¹

¹⁰⁴ Ibid.

¹⁰⁵ "China, Russia maintain close strategic coordination, jointly promote multipolarity: FM", Xinhua, August 8, 2023.

¹⁰⁶ "Chinese premier stresses creating new advantages for high-quality development", The State Council of PRC, August 24, 2023.

¹⁰⁷ "China's Big Tech companies revive expansion plans after Beijing vows to give the green light on more deals, ends regulatory crackdown", South China Morning Post, August 1, 2023.

¹⁰⁸ "CPC leadership maps out priorities for China's economic development in H2", The State Council of PRC, July 24, 2023.

¹⁰⁹ "China puts onus on computing power as US tech war shows no sign of abating", South China Morning Post, August 21, 2023.

¹¹⁰ Ibid.

¹¹¹ "China ranks second in world in terms of computing power", People's Daily, August 1, 2023.



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