



Delhi Policy Group

Advancing India's Rise as a Leading Power



China Monitor OCTOBER 2023

Authors

Arun Sahgal
Angana Guha Roy
Sanket Joshi

Volume VI, Issue 10





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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:

India's Defence Minister, Rajnath Singh, visited forward areas in Arunachal Pradesh on the occasion of 'Vijaya Dashami' on October 24, 2023. Source: [Official X Handle/Rajnath Singh](#)

A meeting between Chinese Foreign Minister Wang Yi and US Secretary of State Antony Blinken took place in Washington on October 26 and 27, 2023. Source: [Ministry of Foreign Affairs PRC](#)

Chinese President Xi Jinping addressed the 'Third Belt and Road Forum for International Cooperation' in Beijing on October 18, 2023. Source: [Official Website of the Third Belt and Road Forum for International Cooperation](#)

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Delhi Policy Group

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

China Monitor
Volume VI, Issue 10
October 2023

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Abstract

At the 20th round of India-China Corps Commander-level meeting held on October 9-10, 2023, no progress was made towards disengagement from the two disputed sites of Depsang and Demchok in Eastern Ladakh. The border standoff continues for the fourth consecutive year.

India's Defence Minister, Rajnath Singh, visited forward posts in Arunachal Pradesh on October 24, 2023, to assess defence preparedness along the Line of Actual Control in the Eastern Sector. Meanwhile, satellite imagery revealed that the Chinese Combined Arms Brigade deployed near Lampug in Tsona Dzong during the Yangtze standoff in December 2022, had been redeployed to Ritang in Lhontse Dzong near Tawang, underscoring the evolving escalatory dynamics in the eastern sector of the LAC.

On October 26, 2023, India's External Affairs Minister, Dr. S. Jaishankar, addressed the Council of Heads of Government of the Shanghai Cooperation Organisation (SCO) in Bishkek. Dr. Jaishankar stressed that connectivity initiatives should respect the sovereignty and territorial integrity of all countries and that the Global South should not be saddled with unviable debt arising from opaque initiatives.

China's newly released foreign policy outlook, which calls for prioritising relations with neighbours, did not mention India, except in a footnote, which mentions India along with 27 countries that have partnerships, cooperative, or strategic relations with China.

Despite India's objections, the PLA Navy's research vessel Shi Yan 6 docked at Sri Lanka's Colombo port on October 25, 2023. For the past decade, China has been increasing its presence in the Indian Ocean as part of its strategy to expand its sea legs.

Bhutanese Foreign Minister, Thandi Dorji, met with Chinese Foreign Minister Wang Yi in Beijing on October 23, 2023. During his visit, China and Bhutan held their 25th round of boundary talks and signed a Cooperation Agreement on the "Responsibilities and Functions of the Joint Technical Team (JTT) on the Delimitation and Demarcation of the Bhutan-China Boundary". Earlier, the Bhutanese Prime Minister had stressed that no agreement with China would in any way go against India's interests.

China hosted the 'Third Belt and Road Forum for International Cooperation' (BRF) on October 17-18, 2023, marking the tenth anniversary of the Belt and Road Initiative (BRI). At the opening ceremony, President Xi outlined the

original objectives of the BRI and called for “building an open, inclusive, and interconnected world for common development”. To advance high-quality joint BRI cooperation, Xi announced eight steps, including building a multidimensional connectivity network, supporting an open world economy, and advancing green development.

Xinhua stressed that BRI provides “Chinese solutions to global development issues” and has created a “new paradigm for international cooperation rising above geopolitical games”. In the backdrop of Chinese grandstanding on BRI, President Biden asserted that the US is collaborating with G7 nations to compete with the BRI which has increased the debt burden for participating nations.

Chinese Foreign Minister, Wang Yi, visited Washington from October 26-28, 2023, as part of continuing high-level diplomatic engagements between the US and China. The two sides are working together on a meeting between President Biden and President Xi at the Asia-Pacific Economic Cooperation (APEC) Summit in San Francisco on November 14, 2023. Earlier, a bipartisan delegation of US Senators led by Majority Leader Chuck Schumer met with President Xi in Beijing on October 9, 2023. In his remarks, President Xi reiterated that the common interests of China and the US far outweigh their differences, and their success is an opportunity rather than a threat to one another.

A US Congressional report titled ‘America’s Strategic Posture’ released on October 12, 2023, called for expanding US military power, especially its nuclear weapons modernization program, in preparation for a possible simultaneous nuclear war with China and Russia. Chinese state media expressed concern about the report, warning that “Washington was playing with fire and posing an immeasurable threat to world peace”.

In his address at the Beijing Xiangshan Forum, General Zhang Youxia, Vice Chairman of the Central Military Commission, accused “certain countries” of “stirring trouble around the world,” and underscored Chinese red lines concerning Taiwan.

On October 24, 2023, China’s National People’s Congress (NPC) removed General Li Shangfu from his positions as State Councillor and Defence Minister. The NPC Standing Committee did not provide any explanation for Li’s removal. Analysts believe that General Li’s removal and other military purges like those in the PLA Rocket Force, initiated by President Xi, are a result of his anti-corruption campaign demanding absolute loyalty of the PLA to the CPC’s leadership.

Amidst Beijing's efforts to boost the country's sluggish post-covid economic recovery, China's economy grew 4.9 percent year-on-year in the third quarter of 2023. For the first three quarters of 2023, the economy grew 5.3 percent.

Reformist former Chinese Premier, Li Keqiang, died of a heart attack on October 27, 2023. Wu Zunyou, an epidemiologist who was instrumental in driving China's zero-covid policy, also passed away on October 27, 2023.

Foreign and Security Policy

I. China-India Relations

The 20th round of Corps Commander-level meeting on 9-10 October again failed to make any headway in disengagement from the two outstanding disputed sites of Depsang and Chumar. As in the past, the two sides agreed to maintain the momentum of “dialogue and negotiations” while committing to “maintain” peace and tranquillity. The lack of progress in dispute resolution signifies that the standoff will continue for the fourth winter in succession.¹

In a significant development, commercial satellite imagery indicated, China which had deployed Combined Arms Brigade (CAB) in the proximity to the clash site at Lampug in Tsona Dzong during the standoff in Yangtze, has redeployed these to Ritang in Lhontse Dzong in the proximity of Twang.² The US Department of Defence, in its recent annual report to Congress, too, has emphasised the deployment of three light-to-medium Chinese Combined Arms Brigades (CABs) in the eastern sector underscoring the evolving escalatory dynamics in the region.³

Amid the heightened tensions, India’s Defence Minister, Rajnath Singh, visited the border area of Tawang in Arunachal Pradesh on October 24 to conduct a review of military preparedness. Singh accompanied by Chief of the Army Staff, General Manoj Pande, along with other high-ranked officers of Eastern Army Command, appreciated the efforts being made by the Indian Army in securing the country’s borders in sub-minus temperatures at an altitude of 15,000 feet above sea level.⁴

The newly released Chinese foreign policy document that calls for prioritising relations with neighbours didn't mention India, except as a footnote, which mentions India along with 27 countries that have established partnerships and

¹ “20th round of India-China Corps Commander Level Meeting,” Ministry of External Affairs, India, October 11, 2023

² “China deploying Combined Arms Brigade near Tawang after clashes in Arunachal,” India Today, October 25, 2023

³ “Military and Security Developments Involving the People’s Republic of China,” US Department of Defense, 2023

⁴ “Raksha Mantri Rajnath Singh reviews defence preparedness along forward posts in Arunachal Pradesh,” All India Radio, October 22, 2023

cooperation of mutual benefit.⁵ This underscores the low priority China accords in improving bilateral relations.

While delivering remarks at the Shanghai Cooperation Organisation (SCO) Head of Government meeting in Kyrgyzstan on October 26, India's External Affairs Minister, Dr. S. Jaishankar took a veiled dig at China's BRI debt trap aid saying that "connectivity initiatives should always respect the sovereignty and territorial integrity of all countries....We should bear in mind that the Global South should not be saddled with unviable debt arising from opaque initiatives. I am confident that the India-Middle East-Europe Economic Corridor and the International North-South Transport Corridor could become enablers in bringing economic prosperity to the region."⁶

II. China-South Asia Relations

On October 19, Pakistan's caretaker Prime Minister Anwaar-ul-Haq Kakar met Chinese President Xi Jinping on the sidelines of the third Belt and Road Forum for International Cooperation (BRF). President Xi Jinping appreciated "Pakistan's firm support for China's core interests." In another meeting during the same conference between PM Kakar and Li Qiang, Premier of China, the two sides agreed to diversify the scope of the CPEC projects to areas like industrial development, ICT, livelihood projects, mining and mineral exploration, and agriculture.⁷

Following these interactions, the Chinese Defence Ministry announced that the two countries will conduct their third round of joint naval drills in November 2023 in the northern Arabian Sea. As per reports, China is likely to deploy a task force comprising a submarine along with three ships for the exercise. India is keeping an eye on China's expanding presence and increasing collusion with Pakistan in the IOR.⁸

The Taliban has formally announced its decision to join the BRI. Taliban's acting commerce minister announced that a technical team will be sent to China for talks. China last month became the first country to appoint an

⁵ "Outlook on China's Foreign Policy on Its Neighborhood In the New Era," MFA, China, October 24, 2023

⁶ "Connectivity steps should respect sovereignty of all nations: Jaishankar takes dig at China's BRI," The Statesman, October 26, 2023

⁷ "Pakistan, China sign 20 agreements during PM Kakar's first China visit," PTI News, October 20, 2023

⁸ "China & Pakistan Set For Major Maritime Drills In The Arabian Sea; India's 'Sea Guardians' To Keep Vigil," The Eurasian Times, October 27, 2023

Ambassador to Kabul since the Taliban took power. Other nations have either retained previous ambassadors or appointed heads of mission in a charge d'affaires capacity that does not involve formally presenting credentials to the government.⁹

Chinese Survey and Research Vessel Shi Yan 6 docked at Sri Lanka's Colombo port on October 25, despite India's objections. The vessel is slated to conduct a maritime survey in the Sri Lankan Exclusive Economic Zone with Sri Lanka's National Aquatic Resources Research and Development Agency (NARA). In August, a PLA warship Hai Yang 24 Hao had also docked at Colombo port for what was described as a formal port call. For the past decade, China has been increasing its presence in the Indian Ocean as part of its strategy to expand its sea legs in the region. It is ostensibly carrying out sea-bed research for future expansion of the Chinese Navy's presence in the Indian Ocean, much to India's detriment.¹⁰

During Sri Lankan President Wickremesinghe's visit to Beijing to attend the third Belt and Road Forum for International Cooperation from October 16-20, President Xi announced that China would work with Sri Lanka to "jointly promote high-quality Belt and Road cooperation" and push for renewed progress in "developing China-Sri Lanka strategic cooperative partnership featuring sincere mutual assistance and lasting friendship." The two sides pledged greater collaboration on international and regional affairs, oppose politicization of human rights issue and bloc confrontation, and safeguard the common interests of the two countries and other developing nations. China has also expressed willingness to increase its imports from Sri Lanka and promote more Chinese investment in the island nation.¹¹

The first ever visit to China by Bhutanese Foreign Minister Thandi Dorji in October 2023, is being seen as an unprecedented move in Bhutan- China diplomatic ties. During the visit, China and Bhutan held their 25th round of boundary talks and signed a Cooperation Agreement on the "Responsibilities and Functions of the Joint Technical Team (JTT) on the Delimitation and Demarcation of the Bhutan-China Boundary." This advances their 3-Step Roadmap initiated in 2021 for border resolution, building on the positive momentum since their last talks in 2016. The 3-Step Roadmap involves first,

⁹ "Taliban plans to formally join China's Belt and Road Initiative," DD News, October 20, 2023

¹⁰ "Chinese research ship docks at Colombo port amid security concerns raised by US," The Indian Express, October 25, 2023

¹¹ "Xi meets Ranil", The Island, October 21, 2023

agreeing to the border “on the table”; then visiting the sites on the ground; and then formally demarcating the boundary.¹²

Earlier in the month, Bhutanese Prime Minister in an interview held that the two countries were inching towards the completion of a three-step road map on boundary delineation and demarcation. He asserted that no agreement with China would in any way go against India’s interests.¹³

Bangladesh Prime Minister Sheikh Hasina inaugurated the 82-km Padma Bridge Rail Link executed under China’s Belt and Road Initiative (BRI). The development is projected to transform Bangladesh’s connectivity and economic landscape.¹⁴ During the inauguration, Chinese Ambassador to Bangladesh, Yao Wen, emphasized the project’s significance as a landmark initiative that will directly benefit 80 million people and could potentially boost Bangladesh’s economic growth by 1.5 percent.

In light of China’s growing influence, Bangladeshi Prime Minister Sheikh Hasina during her visit to Brussels emphasised that Bangladesh won’t take sides in any battle for influence between Europe and China. The comments came considering Bangladesh’s newly signed investment deal with the EU. The €400 million package, comprising loans and grants from the EU and the European Investment Bank (EIB), marks the EU’s biggest investment in Bangladesh.¹⁵ Simultaneously, Bangladesh also inaugurated a Chinese-built underwater tunnel, a first in Bangladesh and South Asia, The Bangabandhu Sheikh Mujibur Rahman Tunnel has been built with joint funding from the governments of Bangladesh and China.¹⁶

Mohamed Muizzu, the Progressive Party of Maldives (PPM) candidate, emerged victorious in the presidential polls after a runoff vote. Mohamed Muizzu is known for his ‘pro-China’ stance, stemming from significant loans received by the previous PPM government, resulting in closer economic and infrastructure ties between the Maldives and China. China’s Foreign Ministry, in a statement, said the government “respects the choice of the Maldivian people and

¹² “China prods Bhutan to establish diplomatic relations and settle border issues soon to make ties legal,” The Indian Express, October 24, 2023

¹³ “Warming ties: On Bhutan-China relations and India’s concerns,” The Hindu, October 26, 2023

¹⁴ “PM Hasina inaugurates Bangladesh’s largest infrastructure project built with Chinese loan,” Deccan Herald, October 10, 2023

¹⁵ “Bangladesh won’t take sides on China versus EU, says PM,” Politico, October 27, 2023

¹⁶ “Bangladesh enters new era of transportation with Chinese-built 1st underwater tunnel,” China Daily, October 29, 2023.

congratulates President-elect Mohamed Muizzu, reiterating China's willing to work with the Maldives to consolidate the traditional friendship and push for continuous new progress.¹⁷

III. China-United States Relations

In a bid to build positive momentum in bilateral relations with the United States, Chinese Foreign Minister Wang Yi visited Washington on a three day trip from October 26-28. During his visit, Wang Yi, called on US President Biden, and met Secretary of State Antony Blinken and National Security Adviser, Jake Sullivan. A brief statement released by the White House, highlighted that President Biden told Wang Yi that the US and China "need to manage competition in the relationship responsibly and maintain open lines of communication" and "work together to address global challenges." A summary of Mr. Sullivan's meeting said that the two officials held "candid, constructive and substantive discussions" on issues such as the Israel-Hamas conflict, Ukraine, and Taiwan.¹⁸ The US and China are working together on a meeting between President Biden and President Xi at the Asia-Pacific Economic Cooperation (APEC) Summit in San Francisco in November 2023.¹⁹

Earlier in the month, Chinese President Xi Jinping met the US Senate Majority Leader, Chuck Schumer and his delegation of lawmakers. During their meeting, Xi Jinping told Chuck Schumer that the future and destiny of mankind depends on China-US relations. He described the China-US ties as "the most important bilateral relationship in the world". Xi also emphasised that China has no reason to ruin Beijing-Washington relationship and that the logic of 'peaceful coexistence between China and the United States' remains unchanged. "China and the United States must demonstrate the broadmindedness, vision and responsibility of major countries, enhancing the well-being of the two peoples and promoting progress of human society," he further added.²⁰

Commenting on the present state of US-China relations, analysts stressed that the bilateral relations remain fraught. "The question is how long this is going to

¹⁷ "Maldives: Pro-China leader Mohamed Muizzu wins Presidential election; PM Modi congratulates," Mint, October 1, 2023

¹⁸ "Biden Hosts China's Top Diplomat Ahead of Expected Xi Meeting," The New York Times, October 27, 2023

¹⁹ "China, U.S. 'Working Together' on Biden-Xi Meeting at APEC Next Month", Caixin Global, October 28, 2023.

²⁰ "China, US need not go head to head, President Xi Jinping tells senators, in strongest sign he may head to Apec summit," South China Morning Post, October 9, 2023

last. This is not called an 'improvement' in relations", they added. "The word you hear is stabilisation – you don't hear 'improvement' from anyone."²¹

Meanwhile, Xie Feng, China's Ambassador to the US, described reversing the downward spiral in bilateral ties as a "shared wish" because "messing up" the relationship would serve nobody's interest. He added that next year, when China and the US mark 45 years of the establishment of diplomatic ties - the two countries must find a "right way" to get along.²²

The lack of regular communications between the US and Chinese militaries has been a persistent worry for Washington amid tensions between the countries and the risk of an accidental clash in the South China Sea or near Taiwan. Ely Ratner, assistant secretary of defence for Indo-Pacific security affairs, said that the Pentagon would continue to seek open lines of communication with the PLA, as direct talks have largely been frozen over the past year. He added the communication between the Chinese and US militaries had seen "some new openings" but called for "substantive" talks between defence leaders to manage potential crises. Addressing the current state of military relations between the countries, Ratner said: "We are not where we need to be and not where we should be." Beijing has declined multiple invitations for opportunities to communicate directly with Secretary Austin, the chairman of the Joint Chiefs of Staff and other department officials," Ratner said.²³

IV. China-European Union Relations

On October 13, 2023, Chinese Foreign Minister, Wang Yi, and Josep Borrell, High Representative of the European Union for Foreign Affairs and Security Policy held the 12th round of China-EU High-level Strategic Dialogue in Beijing.²⁴ Wang Yi urged Europe to develop a correct understanding of China,

²¹ "Biden Hosts China's Top Diplomat Ahead of Expected Xi Meeting," The New York Times, October 27, 2023

²² "US-China relations: Beijing's envoy to Washington says conflict should never be allowed, decoupling will never work," South China Morning Post, October 25, 2023

²³ "Remarks by Assistant Secretary Ely Ratner at Center for Strategic and International Studies Conference on "China's Power: Up for Debate 2023", US Department of Defense, October 5, 2023

²⁴ "Chinese FM, EU foreign policy chief hold 12th round of China-EU High-level Strategic Dialogue", Xinhua, October 13, 2023.

remain committed to the partnership, consolidate mutual trust, and avoid misunderstandings and miscalculations.²⁵

Amidst calls for de-risking, EU launched a range of probes against China. According to reports, the EU is planning to announce anti-subsidy investigations against Chinese steelmakers to shield industries from cheap competition. Leaders from both sides of the Atlantic have been working on a deal in the past few months, in an effort to avoid trade tariffs on each other's steel goods.²⁶ Simultaneously, the EU revealed plans to de-risk relations with China in advanced semiconductors, artificial intelligence, quantum technologies and biotech as a part of economic security strategy calling them the "most serious and immediate risks" to the union's security and resilience.²⁷

The European Commission also officially opened an investigation into China's electric vehicle sector, saying it was "already in possession of sufficient evidence" that Beijing has provided subsidies that risk damaging EU industry. A statement published in the Official Journal of the European Union said that based on public information, the subsidies "pose an imminent threat of injury to an already vulnerable EU industry". Depending on the evidence uncovered, and majority support garnered among EU member states, the Union could slap import duties on vehicles imported from China. A Chinese Ministry of Commerce statement slammed the investigation as "naked protectionist behaviour that will seriously disrupt and distort the supply chain of the global automotive industry, including the EU".²⁸

Despite the talk of de-risking, China has updated a financial cooperation agreement with Germany first inked in 2019. The two governments released a 25-point joint statement aimed at expanding market access and deepening cooperation in capital market investments. The document departs from the 2019 version by omitting mentions of the Belt and Road Initiative.²⁹

²⁵ Ibid.

²⁶ "Unfair Chinese competition: EU plans anti-subsidy steel probe," Euro News, October 10, 2023

²⁷ "EU's China 'de-risking' plan puts AI, semiconductors, quantum tech and biotech in cross hairs," South China Morning Post, October 3, 2023

²⁸ "China bites back as EU launches probe into electric vehicle industry," South China Morning Post, October 4, 2024

²⁹ "China, Germany agree to expand market access," China Daily, October 2, 2023

V. China-Russia Relations

President Xi met with Russian President Vladimir Putin on the sidelines of the Belt and Road Forum (BRF), reiterating Beijing's intent to develop a long-term comprehensive strategic partnership with Russia.³⁰

While praising the model of Russia-China relations as "exemplary", at the Beijing's "Xiangshan Forum", China's biggest annual show of military diplomacy, Russia's Defence Minister Sergei Shoigu warned the West that its involvement in the Ukraine war may create grave danger. "The Western line of steady escalation of the conflict with Russia carries the threat of a direct military clash between nuclear powers, which is fraught with catastrophic consequences."³¹

Earlier in the month, Chinese Premier Li Qiang said China-Russia cooperation is not targeted at any third party, nor will it be disturbed by any third party. The two sides carry out bilateral cooperation with an aim to benefit their people, promote global development, and uphold fairness and justice. China, Li said, is willing to further align its development strategies with Russia, promote synergy between the Belt and Road cooperation and the Eurasian Economic Union (EEU), maintain the growth momentum of cooperation on trade and investment, deepen cooperation in the field of energy, and enhance connectivity and trade liberalization and facilitation.³²

In a show of strategic solidarity, Russia and China vetoed US drafted UN Security Council resolution on the war between Israel and Palestinian militants Hamas in the Gaza Strip. The draft aimed to address a worsening humanitarian crisis in Gaza, calling for pause in the violence to allow aid access.³³

Internal Developments

Third Belt and Road Forum for International Cooperation

China hosted the 'Third Belt and Road Forum for International Cooperation' (BRF) on October 17-18, 2023, marking the tenth anniversary of the Belt and

³⁰ "Key takeaways from Xi's meetings with foreign leaders, UN chief attending 3rd BRF", People's Daily, October 19, 2023.

³¹ "China and Russia take aim at US at Chinese military forum," The Print, October 30, 2023

³² China-Russia cooperation not targeted at any third party: premier," Xinhua, October 25, 2023

³³ "Russia, China veto U.S. push for U.N. action on Israel, Gaza," Nikkei, October 27, 2023

Road Initiative (BRI).³⁴ Leaders and High Representatives from more than 150 countries attended the forum including Russia, Argentina, Chile, Congo, Indonesia, Kazakhstan, Kenya, Laos, Mongolia, Serbia, Sri Lanka, Turkmenistan, Uzbekistan, Vietnam, Cambodia, Thailand, Egypt, Ethiopia, Hungary, Mozambique, Nigeria, Pakistan, Papua New Guinea, France, UAE, and Greece.³⁵

At the opening ceremony, President Xi outlined the original objectives of the BRI and called for “building an open, inclusive, and interconnected world for common development”.³⁶ To advance high-quality joint BRI cooperation, Xi announced eight steps, including building a multidimensional connectivity network, supporting an open world economy, promoting small livelihood programs, advancing green development, supporting scientific and technological innovation, encouraging people-to-people exchanges, establishing integrity and compliance evaluation systems for companies involved in BRI cooperation, and strengthening institutional building for BRI cooperation.³⁷

According to Global Times, “BRI cooperation is on the right side of history” adding that Chinese modernisation is not just for China, but for all developing countries.³⁸ A Xinhua report stressed that BRI provides “Chinese solutions to global development issues” and has created a “new paradigm for international cooperation rising above geopolitical games”.³⁹ Earlier, on October 10, 2023, China’s State Council Information Office released a White Paper entitled “The Belt and Road Initiative: A Key Pillar of the Global Community of Shared Future”.⁴⁰ China has pledged CNY 780 billion (USD 107 billion) to finance the BRI for the next five years.⁴¹ In the backdrop of Chinese grandstanding on BRI, President Biden asserted that the US is collaborating with G7 nations to

³⁴ “Full text of Xi Jinping’s keynote speech at 3rd Belt and Road Forum for Int’l Cooperation”, People’s Daily, October 18, 2023.

³⁵ “Chair’s Statement of the Third Belt and Road Forum for International Cooperation”, Ministry of Foreign Affairs PRC, October 18, 2023.

³⁶ Full text of Xi Jinping’s keynote speech at 3rd Belt and Road Forum for Int’l Cooperation, “”, People’s Daily, October 18, 2023.

³⁷ Ibid.

³⁸ “Belt and Road cooperation is on the right side of history: Global Times editorial”, Global Times, October 19, 2023.

³⁹ “BRI creates new paradigm for international cooperation”, Xinhua, October 10, 2023.

⁴⁰ “The Belt and Road Initiative: A Key Pillar of the Global Community of Shared Future”, China Daily, October 11, 2023.

⁴¹ “Belt and road forum: Xi Jinping signals China will stay the course in development pitch to Global South”, South China Morning Post, October 18, 2023.

compete with the BRI which has increased the debt burden for participating nations.⁴²

President Xi's Key Addresses and Developments

Xi Jinping's Thought on Culture was presented at a national conference on public communication and culture in Beijing on October 7-8, 2023.⁴³ As part of his message, President Xi emphasised that the CPC must strengthen its leadership over public communication and culture, develop socialist ideology, strengthen media influence and credibility, promote the development of traditional Chinese culture, enhance international communication, and promote mutual learning among civilizations.⁴⁴

Further, President Xi attended the 18th National Congress of the All-China Federation of Trade Unions (ACFTU). Addressing the Congress, CPC Politburo Standing Committee member Cai Qi called upon the nation's trade unions to remain loyal to the Party's cause and serve workers to build a modern socialist country.⁴⁵ In another address, President Xi called for prioritising green development at a symposium advancing high-quality development of the Yangtze River Economic Belt.⁴⁶ This economic belt covers 11 Chinese provinces and municipalities in eastern China that account for 40 percent of mainland China's population and over 40 percent of its GDP.⁴⁷ Further, at a CPC Politburo meeting Xi also called for the revitalization of northeast China.⁴⁸

Reformist former Chinese Premier, Li Keqiang, died of a heart attack on October 27, 2023.⁴⁹ The CPC Central Committee in an obituary paid tribute to Li Keqiang's dedication to the communist cause adding that his death was a great loss to the Party and the State.⁵⁰ A call was made for the Chinese people

⁴² "US working with G7 countries to compete with China's Belt and Road Initiative: Biden", The Economic Times, October 26, 2023.

⁴³ "Xi Focus: Xi Jinping Thought on Culture highlighted at key meeting", Xinhua, October 9, 2023.

⁴⁴ Ibid.

⁴⁵ "18th National Congress of ACFTU opens", People's Daily, October 10, 2023.

⁴⁶ "Xi stresses high-quality development of Yangtze River Economic Belt", The State Council of PRC, October 13, 2023.

⁴⁷ "Five years on: Xi Jinping's blueprint for Yangtze River Economic Belt", CGTN, January 5, 2021.

⁴⁸ "Xi presides over meeting on promoting new breakthrough in full revitalization of northeast China", Xinhua, October 27, 2023.

⁴⁹ "Li Keqiang passes away", CCTV, October 27, 2023.

⁵⁰ Ibid.

to turn their grief into strength and rally around Xi Jinping and the CPC Central Committee to achieve national rejuvenation.⁵¹ It should be noted that, Li Keqiang, during his Premiership, had expressed views contrary to those of President Xi on a number of issues, including the Chinese economy and zero-covid policy.⁵² Wu Zunyou, an epidemiologist who was instrumental in driving China's zero-covid policy, also passed away on October 27, 2023.⁵³

Trade and Economy

Amidst Beijing's efforts to boost the country's sluggish post-covid economic recovery, China's economy grew 4.9 percent year-on-year in the third quarter of 2023.⁵⁴ For the first three quarters of 2023, the economy grew 5.3 percent.⁵⁵ A Xinhua report noted that, despite global and domestic headwinds, the Chinese economy has gained momentum, expressing confidence that the country will be able to achieve its GDP growth target of 5 percent for 2023.⁵⁶ According to Chinese analysts, the third-quarter growth was a result of an increase in consumption and a stabilization of industrial production.⁵⁷ Premier Li Qiang pointed out that China was in the midst of a critical period of economic recovery and called for the development of new drivers of high-quality development.⁵⁸

While the Chinese economy gained mild momentum in the third quarter, concerns persisted about the country's property sector and local government debt.⁵⁹ To prevent debt contagion from posing systemic risks, Pan Gongsheng, the Governor of the People's Bank of China (PBOC) indicated that the country's regulators would increase monitoring of large banks, property developers, and local governments.⁶⁰ Moreover, the Central Finance Commission, chaired by

⁵¹ Ibid.

⁵² "China in Focus – NTD", [X Handle/@ChinaInFocusNTD](#), October 28, 2023.

⁵³ "China's chief epidemiologist who helped drive the anti-COVID fight dies at age 60", [Associated Press](#), October 27, 2023.

⁵⁴ "Q3 data reveals China's economic recovery gathering steam", [Xinhua](#), October 18, 2023.

⁵⁵ Ibid.

⁵⁶ Ibid.

⁵⁷ "Update: China Q3 GDP Beats Market Estimates Amid Pickup In Consumption", [Caixin Global](#), October 18, 2023.

⁵⁸ Chinese premier stresses nurturing new drivers for high-quality development, [People's Daily](#), October 14, 2023.

⁵⁹ "China's debt crises, from developers to local governments, prompt cabinet call to curb contagion", [South China Morning Post](#), October 23, 2023.

⁶⁰ Ibid.

Vice-Premier He Lifeng, began its operations in late September 2023 as the country's primary financial planner.⁶¹

The European Union reached a political agreement on the "Anti-Coercion Instrument" (ACI) as part of its focus on economic security and de-risking from China.⁶² In light of this, a Global Times editorial pointed out recent anti-globalization measures initiated by the US, including the 'Inflation Reduction Act', and called for China and the EU to take joint measures against US economic coercion.⁶³ Meanwhile, reports pointed towards China struggling to wean itself off US dollar assets despite financial de-risking calls.⁶⁴ China remains the second largest foreign investor in US Treasuries after Japan, a net buyer of US Dollar assets.⁶⁵

China is planning to tighten its state secrets law in the midst of a protracted intelligence battle with the US and its allies, emphasizing its commitment to balancing national security and economic development.⁶⁶ Foreign investors are concerned that this law could increase the risks associated with doing business in China.⁶⁷

The population crisis in China continues, with 9.56 million babies born in 2022, a decrease of 10 percent from 2021.⁶⁸ Fewer families gave birth to a second child, signalling the waning of the two-child policy introduced in 2016.⁶⁹

Defence and Security

On October 24, 2023, China's National People's Congress (NPC) removed General Li Shangfu from his positions as State Councillor and Defence Minister.⁷⁰ The NPC Standing Committee did not provide any explanation for

⁶¹ "China's new party finance organ gets to work while concerns over stability loom", South China Morning Post, October 14, 2023.

⁶² "To 'counter coercion,' EU must first recognize 'real coercion': Global Times editorial", Global Times, October 7, 2023.

⁶³ Ibid.

⁶⁴ "China struggling to wean itself off US dollar assets despite financial de-risking calls", South China Morning Post, October 10, 2023.

⁶⁵ Ibid.

⁶⁶ "China to tighten its state secrets law in biggest revision in a decade", South China Morning Post, October 27, 2023.

⁶⁷ Ibid.

⁶⁸ "China's Two-Child Policy Runs Out of Gas", Caixin Global, October 13, 2023.

⁶⁹ Ibid.

⁷⁰ "China's top legislature concludes standing committee session", Xinhua, October 24, 2023.

Li's sudden removal. General Li had not appeared in public since August 29, 2023. Analysts believe that General's removal and other military purges like those in PLA Rocket Force initiated by President Xi are a result of his anti-corruption campaign demanding absolute loyalty of the PLA to the CPC's leadership.⁷¹ It is being suggested that the removal of US sanctioned Li Shangfu could lead to better military relations between the US and China.⁷² A Global Times editorial, nevertheless, underscored that "respect for China's security concerns remains the main premise for getting US-China military relations back on track".⁷³

The 10th Beijing Xiangshan Forum was held from October 29-31, 2023, with the theme "Common Security and Lasting Peace".⁷⁴ General Zhang Youxia, Vice Chairman of the Central Military Commission, gave the keynote address emphasising Beijing's intent to develop military relations with the US based on mutual respect, peaceful coexistence, and win-win cooperation. However, he accused "certain countries" of "stirring trouble around the world" and reiterated Chinese red lines concerning Taiwan.⁷⁵

A US Congressional report titled 'America's Strategic Posture' released on October 12, 2023, called for expanding US military power, especially its nuclear weapons modernization program, in preparation for a possible simultaneous nuclear war with China and Russia.⁷⁶ Chinese state media expressed concern about the report, warning that "Washington was playing with fire and posing an immeasurable threat to world peace".⁷⁷ Further, it rejected the Pentagon's 'China Military Power Report' in which the US warned that China was building its nuclear and long-range missiles arsenal "faster than previous projections".⁷⁸ China reiterated its commitment to a defensive nuclear strategy and urged the

⁷¹ "Analysis: Inside Xi Jinping's great military purge", Nikkei Asia, October 5, 2023.

⁷² "Chinese defense chief's ouster opens door to better military ties with U.S.", The Japan Times, October 25, 2023.

⁷³ "Respect for China's security concerns is main premise of China-US military exchanges: Global Times editorial", Global Times, October 28, 2023.

⁷⁴ "China pledges to renew military dialogue with US while criticising meddling", Financial Times, October 30, 2023.

⁷⁵ Ibid.

⁷⁶ "A strategic nightmare sneaks into Washington's political agenda: Global Times editorial", Global Times, October 14, 2023.

⁷⁷ Ibid.

⁷⁸ "Pentagon report hypes 'China threat' to sustain own hegemony", Global Times, October 20, 2023.

US to abandon its “Cold War mentality and hegemonic thinking” in order to view China's development rationally.⁷⁹

Japan and the US renewed their commitment to deepen relations to maintain peace and stability in the Indo-Pacific region, including the Taiwan Strait, and South and East China Seas, as part of Japanese Defence Minister Kihara's visit to the US from October 3-6, 2023.⁸⁰ China warned that US-Japan defence and security cooperation should not target any third party and urged the two sides to refrain from hyping the China threat rhetoric.⁸¹ Further, Beijing reiterated concerns about Japan breaking out of its pacifist constitution and the exclusively defence-oriented policy. Adding that, Japan has exaggerated the surrounding threats to increase its defence expenditure which poses a challenge to regional peace and stability as well as the post-war international order.⁸² Chinese Foreign Minister, Wang Yi, asserted that Japan has mistakenly identified China as an unprecedented strategic challenge causing substantial damage to the political foundation of bilateral relations.⁸³

Taiwan's National Defence Report for 2023 places a high priority on resolute defence, multi-domain deterrence, and consolidating partnerships with allies, such as the US, Australia, and Japan.⁸⁴ Chinese Ministry of National Defence warned that “Taiwan’s so-called resolute defence and deterrence will not work against the PLA and that seeking independence with foreign support is a self-deceiving dream”.⁸⁵

The tensions between China and the Philippines over the Ren'ai Reef (Second Thomas Shoal) dispute in the South China Sea showed no signs of abating.⁸⁶ To deter China, the US, Philippines, Britain, Canada, and Japan held a multilateral naval exercise called ‘Sama Sama’ around Luzon island,

⁷⁹ Ibid.

⁸⁰ “Defence Ministry Spokesperson's Remarks on Recent Media Queries Concerning the Military”, Ministry of National Defence PRC, October 19, 2023.

⁸¹ Ibid.

⁸² Ibid.

⁸³ “Japan’s current cognition of China clearly regressed, frequently crossing lines on the Taiwan question: Wang Yi”, Global Times, October 19, 2023.

⁸⁴ “Regular Press Conference of the Ministry of National Defense on September 28”, Ministry of National Defence PRC, October 9, 2023.

⁸⁵ Ibid.

⁸⁶ CCG intercepts Philippines vessels bump-leading trespasses off Ren'ai Reef, Global Times, October 22, 2023.

Philippines, from October 2-13, 2023.⁸⁷ Simultaneously, the PLA also held naval drills in the South China Sea with Chinese analysts warning that Beijing will not tolerate Philippines challenging its sovereignty, irrespective of who supports Manila, and escalation through joint military exercises with the US will backfire.⁸⁸ Further, China refuted the US and Canada's claims that their military aircraft were intercepted in an unprofessional manner over the South and East China Seas respectively.⁸⁹ The Philippine–China spat and US support has the potential of escalating regional tensions.

Amidst widening strategic competition in the Indo-Pacific, during an international symposium on China's neighbourhood diplomacy on October 24, 2023, President Xi called for adherence to the principles of amity, sincerity, mutual benefit, and inclusiveness to build an Asian homeland of peace, tranquillity, prosperity, and friendly coexistence.⁹⁰ Wang Yi, on his part, called for upholding Asian values and joint implementation of the Global Development Initiative (GDI), Global Security Initiative (GSI), and Global Civilization Initiative (GCI).⁹¹

In response to a major terror attack launched by the Palestinian militant group Hamas on October 7, 2023, Israeli Prime Minister, Benjamin Netanyahu, declared a "state of war".⁹² Reacting to the developments, China urged restraint from all parties, a ceasefire, and international efforts to achieve a two-state solution between Israel and Palestine.⁹³ According to an editorial in the *Global Times*, Israel-Palestine is a complex issue and external interference by the US-led West is fuelling conflict.⁹⁴ Chinese analysts stressed that the US-backed India-Middle East-Europe Economic Corridor (IMEC) remains a castle in the air

⁸⁷ "Military escalation through joint drills with US 'to backfire on Philippines'", *Global Times*, October 7, 2023.

⁸⁸ "PLA holds cross-regional naval drills in South China Sea amid US-Philippines exercise", *Global Times*, October 9, 2023.

⁸⁹ "Chinese defense spokesperson refutes Canada's hype of military aircraft encounter", *Ministry of National Defence PRC*, October 18, 2023.
Also see, Unprofessional Intercept of U.S. Aircraft over South China Sea, *US Indo-Pacific Command*, October 26, 2023.

⁹⁰ "Ten years on, China's neighbourhood diplomacy cements bonds, cooperation", *The State Council Information Office PRC*, October 25, 2023.

⁹¹ Ibid.

⁹² "GLOBALink | Israel declares "state of war" as conflict with Hamas continues", *Xinhua*, October 9, 2023.

⁹³ "China stands with peace, justice and conscience of humanity on Palestine issue: top diplomat", *Global Times*, October 14, 2023.

⁹⁴ "To avoid a new Middle East war, Israeli-Palestinian issue can't be delayed: Global Times editorial", *Global Times*, October 8, 2023.

due to the conflict between Israel and Palestine.⁹⁵ Adding that, IMEC's objective is to counter the BRI, but it will be difficult to stabilize the Middle East for this economic corridor without resolving the Palestinian issue.⁹⁶ Meanwhile, reports from the West stating Beijing had sent six warships to the Middle East in response to the ongoing conflict between Israel and Hamas were rejected by China, which clarified the warships were on routine escort missions.⁹⁷

Technology

China launched the Global Artificial Intelligence (AI) Governance Initiative, which calls for a collaborative effort to foster the development of AI.⁹⁸ Beijing stressed that, AI development should be based on a people-centred approach, adhere to the principles of mutual respect, equality and mutual benefit, avoid drawing ideological lines or forming exclusive groups to obstruct the development of AI by other countries. It also called for discussions within the UN framework to establish an international institution to govern AI, aid developing countries, and bridge the gap between AI and its governance capacity.⁹⁹

⁹⁵ "With Israeli-Palestinian conflict or not, IMEEC is just a castle in the air", People's Daily, October 12, 2023.

⁹⁶ Ibid.

⁹⁷ "China's warships in Middle East on routine escort missions, not involved in Israel-Palestine conflict", Global Times, October 23, 2023.

⁹⁸ Global AI Governance Initiative, Ministry of Foreign Affairs PRC, October 20, 2023.

⁹⁹ Ibid.



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

www.delhipolicygroup.org