



Delhi Policy Group

Advancing India's Rise as a Leading Power



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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 and Sanket Joshi, Research Associate, from open-source reports and publications.

Cover Photograph:

Prime Minister Narendra Modi inaugurated the 'Sela Tunnel' in Arunachal Pradesh on March 9, 2024. Source: [Official X Handle/Narendra Modi](#)

Chinese President Xi Jinping met representatives from US business, strategic, and academic communities in Beijing on March 27, 2024. Source: [Xinhua/Huang Jingwen](#)

President Xi Jinping and Premier Li Qiang attended the second session of the 14th National People's Congress in Beijing on March 5, 2024. Source: [People's Daily](#)

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Abstract

Inauguration of the 'Sela Tunnel', connecting Tezpur in Assam with Tawang in Arunachal Pradesh on March 9, 2024 sparked a war of words between India and China. Beijing asserted that India has no right to arbitrarily develop the area it calls Zangnan (Arunachal Pradesh), adding that this would "complicate" the boundary dispute. India categorically rejected China's "absurd claims" and "baseless arguments", emphasising that Arunachal Pradesh will always be an integral and inalienable part of India.

Meanwhile, the US reiterated that Arunachal Pradesh an integral part of India and strongly opposed China's attempts to advance territorial claims across the LAC, by incursions and encroachment.

In a major move, India plans to deploy an additional 10,000 troops in the Central Sector of the LAC. These troops will be part of a newly established corps manning the LAC in the northern states of Uttarakhand and Himachal Pradesh.

Amidst the Arunachal Pradesh controversy, the 29th meeting of the Working Mechanism for Consultation and Coordination (WMCC) on India-China Border Affairs was held in Beijing on March 28, 2024. The two sides exchanged views on complete disengagement in the remaining areas along the LAC in the Western sector, but without any tangible outcomes. India maintained its consistent stand that there cannot be any forward movement in bilateral relations till the full restoration of peace and tranquility along the border.

China reacted cautiously to India's successful maiden test of the IRBM Agni-5, featuring the indigenous Multiple Independently Targetable Re-Entry Vehicle (MIRV) technology. The test was seen as India's bid to enhance strategic deterrence against China and Pakistan.

To advance defence cooperation with nations in South Asia, a Chinese military delegation visited the Maldives, Sri Lanka, and Nepal, from March 4-13, 2024. Beijing is seeking to strengthen its military relations and enhance its strategic influence in India's neighbourhood.

On March 7, 2024, Chinese Foreign Minister Wang Yi addressed a press conference on the sidelines of the second session of the 14th National People's Congress (NPC). He reiterated that Beijing will remain a "staunch force for peace, stability, and progress". Major issues touched by him included promoting an equal and orderly multipolar world; deepening the China-Russia strategic partnership; mutual respect, peaceful coexistence, and win-win

cooperation as the basis of China-US relations; and cooperation as the defining feature of China-EU relations.

The European Parliament, in its annual Foreign and Security Policy report, affirmed support for Taiwan by emphasising that “neither Taiwan nor China is subordinate to the other” and that “only the democratically elected government of Taiwan can represent the Taiwanese people internationally”. China’s Mission to the EU reacted by stressing that the report challenges the one-China principle and reveals an intention to obstruct China’s reunification.

A delegation of US business, strategic, and academic communities met President Xi in Beijing on March 27, 2024. In his remarks, Xi reiterated that China and the US should view each other as partners and adhere to principles of mutual respect, peaceful coexistence, and win-win cooperation. Notwithstanding, the US Ambassador to China, Nicholas Burns, described the growing military and technology competition between the US and China as “quite profound” and emphasised that the two countries are likely to remain “systemic rivals” for the next decade.

Amidst ongoing tensions between China and the Philippines, US Secretary of State Antony Blinken, in a meeting with President Bongbong Marcos in Manila on March 19, 2024, reaffirmed Washington's commitment to the Philippines, including their Mutual Defence Treaty. Following Blinken’s visit, the Chinese Coast Guard used water cannons against Philippine vessels in a contested area of the South China Sea, causing “heavy damage”.

On March 5, 2024, Premier Li Qiang delivered a Report on the Work of the Government to the 14th NPC. For 2024, China’s GDP growth target has been set at around 5 percent. A Global Times editorial noted that the growth target demonstrates that the country’s economy is transitioning from a period of high-speed to medium-high-speed growth, and a phase of high-quality development.

In response to concerns during the ‘Two Sessions’ that China’s economy is losing momentum or its reform process is stagnating, Xinhua described President Xi as a “reformer” on par with Deng Xiaoping. Analysts, however, expressed concerns that “post-Tiananmen openness is fading from Chinese politics” and Xi’s regime is backsliding on reform, particularly as Beijing scrapped the decades-long tradition of the Premier holding a press conference following the NPC session. Further, the NPC approved an amended ‘Organic Law of the State Council’ that reportedly ends any separation of power between the Party and the State.

For 2024, China's defence budget has been set at CNY 1.69 trillion (around USD 232 billion), an increase of 7.2 percent compared to 2023. President Xi, on his part, emphasised the need to deepen reform to enhance strategic capabilities in emerging technology areas such as artificial intelligence, unmanned technologies, aerospace, and cyberspace.

Foreign and Security Policy

I. China-India Relations

The month was marked by a war of words erupting between Beijing and Delhi, over the inauguration of the Sela Tunnel, on March 9, 2024, connecting Tezpur in Assam to Tawang in Arunachal Pradesh.¹ Beijing lodged diplomatic and military protests over Prime Minister Modi's inauguration of a twin-lane tunnel providing all-weather connectivity to Tawang. Chinese foreign ministry spokesperson, Wang Wenbin, protested that India has "no right to arbitrarily develop the area which China calls South Tibet or Zangnan".² The move he claimed "will complicate" the boundary question and "disrupt" the border situation.³ This was followed by the Chinese Defence Ministry, spokesperson Senior Colonel Zhang Xiaogang making a similar claim of southern area of Xizang being a natural part of Chinese territory, asserting that China never recognises the so-called Arunachal Pradesh illegally established by India.⁴

India's Ministry of External Affairs strongly rejected Chinese objections, reminding Beijing that the Arunachal Pradesh, "was, an integral and inalienable part of India". Asserting, "repeating baseless arguments in this regard does not validate claims".⁵ EAM Dr Jaishankar, reacting to a question during his lecture at the Institute of South Asian Studies at the National University in Singapore on March 23, 2024, too called Chinese claims as 'ludicrous', maintaining Arunachal Pradesh as natural part of India.⁶ Despite categorical Indian assertions of Arunachal Pradesh being an integral part of India, the Chinese tirade has not ceased. Their foreign ministry spokesperson continued to maintain India in illegal occupation of Arunachal Pradesh, in response to EAM's remarks.

In a major supportive move, the US recognised Arunachal Pradesh as an integral part of India and strongly opposed China's attempts to advance

¹ "Prime Minister Shri Narendra Modi virtually dedicates to the nation Sela Tunnel from Itanagar, Arunachal Pradesh", Ministry of Defence Government of India, March 9, 2024

² "China protests against India tunnel opening, warns it will only complicate border issue", South China Morning Post, March 12, 2024

³ Ibid.

⁴ "Arunachal inherent part of China, claims Chinese military", The Times of India, March 18, 2024

⁵ "Repeating baseless arguments won't validate claims': India", The Times of India, March 19, 2024

⁶ "Ludicrous, says Jaishankar on China's claims over Arunachal Pradesh", The Times of India, March 24, 2024

territorial claims across the LAC, by incursions or encroachments, military or civilian.⁷

In the wake of growing tensions over Prime Minister Modi's visit to Arunachal Pradesh, on March 11, 2024, China carried out live SAM missile firing exercises on the Karakoram Plateau, at an altitude of 4,300 meters. The firing showcased an advanced surface-to-air missile system. Video footage of the test was viewed over 514,000 times on Weibo.⁸

In a major move, India plans to deploy 10,000 additional troops in the Central Sector of the LAC in Himachal Pradesh and Uttarakhand. These troops will be part of newly established corps Headquarters, tasked to protect 532 km (330.57 miles) border section dividing China's Tibet region from India's northern states of Uttarakhand and Himachal Pradesh. Indian move has drawn serious objections from China. Reacting to the development, Chinese foreign ministry spokesperson said, adding more troops is "not conducive to easing tensions". Noting this could become a further source of tension in already strained relations.⁹

Amidst the war of words over PM Modi's visit to Arunachal Pradesh, India and China held the 29th meeting of Working Mechanism for Consultation and Coordination (WMCC) on March 28, 2024 in Beijing.¹⁰ Post meeting statement issued by India, said that the two sides had an in-depth exchange of views over complete disengagement and resolution of remaining issues along the LAC. In the interim both sides agreed to maintain regular contact and uphold peace and tranquillity in the region.¹¹ The statement made no reference of any forward movement in addressing friction points of Demchok and Depsang. India has maintained a consistent stand that there cannot be any forward movement in bilateral relations till restoration of peace and tranquillity along the border.

Speaking at the Raisina Round Table in Tokyo, on March 6, 2024, EAM Dr. S. Jaishankar expressed his disappointment over Beijing's failure to uphold long

⁷ "Arunachal is Indian territory": Here is what the US State Dept said", Business Standard, March 21, 2024

⁸ "China Responds to India Tensions With New Military Drills Near Border", Newsweek, March 14, 2024

⁹ "China warns that increasing Indian troops at border won't ease tensions", The Economic Times, March 8, 2024

¹⁰ "29th Meeting of the Working Mechanism for Consultation & Coordination on India-China Border Affairs", Ministry of External Affairs Government of India, March 28, 2024

¹¹ Ibid.

standing written agreements, while holding China accountable for 2020 border clashes in Galwan. "It is this failure on China's part that is putting a question mark on bilateral relations and Chinese intentions", he added.¹²

China reacted somewhat cautiously to India's successful maiden Agni-5, MIRV test flight, capable of carrying multiple warheads. China saw the test as India's bid to enhance its strategic deterrence against China and Pakistan. According to Chinese experts, India has achieved a high degree of progress in the research and development of long-range strike weapons. They termed the Indian MIRV capability more offensive and difficult to defend against. According to Qian Feng, director of the research department at the National Strategy Institute at Tsinghua University, the range of 5000 km plus of Agni-5 shows India's main hypothetical enemy is China, with its goal of coverage over most of mainland to enhance deterrence capabilities.¹³

II. China-South Asia Relations

In a suicide attack, an explosive-laden vehicle rammed into a convoy carrying Chinese workers to the site of hydroelectric dam being constructed by a Chinese company near Besham city (270 Km from Islamabad) in northwest Pakistan's Khyber Pakhtunkhwa province. Five Chinese workers belonging to Wuhan based engineering company were among six killed in the attack. In an earlier attack in the same region nine Chinese workers were killed, in a similar fashion. This was third major attack on Chinese interests in the week, after Gwadar Port and airbase in Baluchistan. Chinese Embassy in Pakistan has demanded thorough investigation while reminding Pakistani authorities of their security responsibilities.¹⁴

China has provided Pakistani Navy a missile range instrumentation ship (PNS Rizwan), equipped with advanced technical instruments, like LPAR and Laser, that can provide an early warning of incoming missiles, besides monitoring Indian missiles.¹⁵ The ship has broadly same capabilities as those of Indian missile tracking ship INS Dhruv.

¹² "Can disagree on many things, but ...': Jaishankar blames China for not observing border agreements", The Times of India, March 7, 2024

¹³ "India's missile program indicates its imaginary enemy, harms regional peace, stability: observer", Global Times, March 12, 2024

¹⁴ "5 Chinese engineers killed in suicide bomb attack in Pakistan, probe under way", South China Morning Post, March 26, 2024

¹⁵ "Pakistan Navy gets its first spy ship, PNS Rizwan, courtesy China", The Print, March 16, 2024

A Chinese military delegation recently visited the Maldives, Sri Lanka and Nepal to discuss further cooperation in defence issues. Beijing's move is to build closer ties in South Asia in a push to counter the Indian strategic influence in its neighbourhood. Move came following military assistance pact signed with the Maldives following President Mohamed Muizzu asking Indian military personnel to leave the country by March 2024. In all three countries, the delegation "exchanged views on military relations and regional security as also issues of common concern", as per the statement issued by the Chinese on their official WeChat account.¹⁶

In a sudden government reshuffle, in Nepal, two Communist parties, of Pushpa Kamal Dahal's CPN (Maoist Centre), and KPS Oli's CPN (UML) came together to form a new coalition government, after ousting erstwhile pro-India coalition partner, Nepali Congress. The move coming soon after Chinese military delegation's visit to Kathmandu, is being seen as a result of lobbying by the CPC. China has been uncomfortable with growing Indian outreach in the Himalayan country.¹⁷

The Maldives signed a defence agreement with China to obtain non-lethal weapons and training, marking a significant step in their relationship. Ever since election, Maldives has been leaning on China to counter-balance India. As per President Muizzu, agreement on providing free "non-lethal" military equipment and training, will strengthen the Maldives' independence and autonomy. This is the first such defence agreement signed by the two countries. China in the past has largely been known for economic and infrastructure support. Following the agreement Maldives allowed China to berth its research vessel Xiang Yang Hong 03 in Male. Subsequent reports, indicated vessel being deployed in Maldives EEZ for research activities.¹⁸

Chinese Premier Li Qiang and Sri Lanka's Prime Minister Dinesh Gunawardena signed nine new agreements aimed at increasing overall cooperation in the social, cultural, educational and agricultural sectors in addition to economic cooperation during Sri Lankan Prime Minister's visit. The two leaders confirmed that a new chapter in the long-term friendship and cooperation

¹⁶ "China says military delegation visited Maldives, Sri Lanka and Nepal", The Economic Times, March 13, 2024

¹⁷ "Chinese Military Delegation's Visit to Nepal Raises Eyebrows After Government Reshuffle", Resonant News, March 9, 2024

¹⁸ "Maldives-China defence agreement to obtain non-lethal weapons and training, says President Muizzu", The Economic Times, March 6, 2024

between Sri Lanka and China will begin through the nine memoranda of understanding signed by the two leaders.¹⁹

On the occasion of Bangladesh's 53rd Independence Day, Chinese President Xi Jinping sent his greetings to Bangladesh President Mohammed Shahabuddin. In his message, he reiterated China and Bangladesh as traditional friendly neighbours, enjoying 'solid and profound' political trust, and 'fruitful practical cooperation' in various fields. He emphasised that China attaches great importance to the development of bilateral relations and stands ready to further advance high-quality Belt and Road Cooperation and deepen China-Bangladesh Strategic Partnership of Cooperation.²⁰

III. China-United States Relations

A delegation of US business, strategic, and academic communities met President Xi Jinping in Beijing on March 27, 2024.²¹ In his address, Xi reiterated that China and the US should view each other as partners and adhere to principles of mutual respect, peaceful coexistence, and win-win cooperation.²² Notwithstanding, US Ambassador to China, Nicholas Burns, described the growing military and technology competition between the US and China as "quite profound" and emphasised that the two countries are likely to remain "systemic rivals" for the next decade.²³ He defended Washington's sanctions limiting China's access to advanced US technology and rejected the notion that China is rising while the US is declining.²⁴ China, on its part, maintained that it remains opposed to defining bilateral relations as competition and restricting China's legitimate right to development.²⁵ The People's Daily, in an editorial comment, called upon "the US and China to meet each other halfway to turn the San Francisco vision into reality".²⁶

¹⁹ "Nine Agreements signed on Sri Lanka China Cooperation", Daily Mirror Online, Mar 27, 2024

²⁰ "Bangladesh-China relationship beneficial for both nations: Xi Jinping", New Age Bangladesh, March 26, 2024

²¹ "Xi meets U.S. guests", Xinhua, March 27, 2024

²² Ibid.

²³ "Systemic China-US rivalry could last a decade: Washington envoy Nicholas Burns", South China Morning Post, March 15, 2024

²⁴ Ibid.

²⁵ "China hits out at US ambassador Nicholas Burns for making negative comments on multiple occasions", South China Morning Post, March 19, 2024

²⁶ "China, U.S. should meet each other halfway, turn "San Francisco vision" into reality", People's Daily, March 5, 2024

Trade tensions between the US and China are intensifying over shipbuilding, heavy-duty cranes, the auto industry, and high technology. US Treasury Secretary Janet Yellen is likely to visit China in April 2024 to convey concerns over China's overcapacity in industries like solar, electric vehicles, and lithium-ion batteries.²⁷ On March 12, 2024, the US Steelworkers Union, along with other labour groups, submitted a petition seeking trade relief and state support for the country's shipbuilding industry.²⁸ They accused China of distorting international markets by engaging in "unreasonable and discriminatory actions, policies, and practices in the maritime, logistics, and shipbuilding sectors".²⁹ According to the Chinese Ministry of Commerce, the US's accusations are "totally untenable", adding that the unilateral trade protectionism in the shipbuilding sector is in contravention of the rules of the World Trade Organisation (WTO).³⁰ Amidst China's uneven post-COVID economic recovery, analysts have questioned predictions that China would overtake the US in GDP terms and challenge Washington's global leadership role.³¹

A House Select Committee on Strategic Competition Between the United States and the Chinese Communist Party has expressed concern that heavy-duty Chinese-made cranes could be used as "spies" and as an "instrument to disrupt US trade flows".³² A Global Times editorial refuted Washington's accusations as "absurd" asserting that the "targeting of heavy-duty cranes produced by Shanghai Zhenhua Heavy Industries Co (ZPMC) as irrational".³³ Adding that, the "witch hunt" initiated by the US against China disrupts normal trade order.³⁴ Meanwhile, President Biden, in a statement on national security risks to the US auto industry, highlighted China's determination to dominate the "connected" vehicles market including by using "unfair practices".³⁵

²⁷ "US Treasury Secretary Janet Yellen to press China on green energy spending, subsidies that distort global market", South China Morning Post, March 28, 2024

²⁸ "Shipbuilding: the new battleground in the US-China trade war", Financial Times, March 12, 2024

²⁹ Ibid.

³⁰ "China rejects ill-founded U.S. petition against its shipbuilders", Xinhua, March 16, 2024

³¹ "China's 'two sessions' 2024: as GDP gap with US widens, will the 'East wind' prevail?", South China Morning Post, March 5, 2024

³² "Cranes = 'spies,' how did Washington come up with this absurd equation?: Global Times editorial", Global Times, March 12, 2024

³³ Ibid.

³⁴ Ibid.

³⁵ "Statement from President Biden on Addressing National Security Risks to the U.S. Auto Industry", The White House, February 29, 2024

The US House of Representatives passed a bill on March 14, 2024, which would give Chinese short-video app TikTok's owner ByteDance approximately six months to divest its US assets.³⁶ Reacting to this, a Xinhua report claimed that the TikTok ban bill is an extension of the US-initiated technology war with China that undermines the principles of free trade and fair competition.³⁷ Adding that hundreds of thousands of American jobs will be affected if the bill is signed into law.³⁸ The House Foreign Affairs Committee also approved a bill to impose greater congressional scrutiny on future efforts by the US State Department to enter, renew, or extend any science and technology agreement with China.³⁹

On March 14, 2024, China released a report entitled "Freedom of Speech in the United States: Truth and Facts".⁴⁰ Beijing stressed that the US manipulates freedom of expression, both, at home and abroad to maintain its position as a global leader.⁴¹ Meanwhile, as South Korea hosted the third "Summit for Democracy", Chinese state media asserted that democracy is being used as a tool, asserting that setting democratic standards according to a single model is undemocratic.⁴²

IV. China-European Union Relations

The European Union has raised concerns over China's overcapacity in exports of electric vehicles, lithium batteries, and solar cells.⁴³ The EU Chamber of Commerce in China informed that "trade is becoming a security question as strategically critical industries constituting the European industrial base are being priced out of the market".⁴⁴ It called upon Beijing to expand domestic demand and address trade concerns through high-level dialogues.⁴⁵

³⁶ "Xinhua Headlines: TikTok ban bill puts fair competition in peril", Xinhua, March 15, 2024

³⁷ Ibid.

³⁸ Ibid.

³⁹ "Bill to put US-China science pact under new scrutiny passes a House committee", South China Morning Post, March 22, 2024

⁴⁰ "Freedom of Speech" in the United States: Truth and Facts", Ministry of Foreign Affairs PRC, March 14, 2024

⁴¹ Ibid.

⁴² "Final judgment can be made with 3rd 'Summit for Democracy' underway: Global Times editorial", Global Times, March 18, 2024

⁴³ "China's 1 trillion yuan EV, solar and battery exports face overcapacity concerns as US, EU anxieties grow", South China Morning Post, February 24, 2024

⁴⁴ "EU chamber warns of 'slow-motion train accident' with China, says something needs to change", South China Morning Post, March 20, 2024

⁴⁵ Ibid.

On March 27, 2024, President Xi met with Prime Minister of the Netherlands Mark Rutte in Beijing.⁴⁶ In his discussions, President Xi railed against Netherlands attempts at restricting and decoupling of chip technology exports to China.⁴⁷ He insisted that open cooperation is the only viable option, adding that technology barriers would only lead to division and conflict.⁴⁸

The European Parliament, in its annual Foreign and Security Policy report, affirmed its support for Taiwan by emphasising that “neither Taiwan nor China is subordinate to other” and that “only the democratically elected government of Taiwan can represent the Taiwanese people internationally”.⁴⁹ Furthermore, the European Parliament urged the EU Commission to support Taiwan's participation in international organisations and to expand bilateral investment agreements with Taiwan.⁵⁰ Chinese Mission to the EU stressed that the report challenges the one-China principle by advocating “one China, one Taiwan” and reveals an intention to obstruct China's reunification. Adding that, China will be reunified, and no force can stop it.⁵¹

V. China-Russia Relations

On March 18, 2024, Chinese President Xi Jinping congratulated Vladimir Putin on his re-election as Russia's President and reiterated the great importance China attaches to the development of China-Russia comprehensive strategic partnership for a new era.⁵² In another development, Xi condemned the terrorist attack in Russia's Moscow Oblast, on March 23, 2024, stressing “China opposes terrorism in all its forms”.⁵³

China's Special Representative on Eurasian Affairs, Li Hui, during his second round of shuttle diplomacy regarding the Ukraine crisis, visited Russia, Ukraine, the EU Headquarters, Poland, Germany, and France between March 2-12, 2024.⁵⁴ Li stated that he discussed ways to promote a ceasefire and a

⁴⁶ “President Xi welcomes more Dutch companies to invest in China”, CGTN, March 27, 2024

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ “European Parliament backs Taiwan”, Taipei Times, March 1, 2024

⁵⁰ Ibid.

⁵¹ “China hits back at EP report's 'outrageous' remarks on Taiwan island”, Global Times, March 1, 2024

⁵² “Xi congratulates Putin on re-election as Russian president”, Xinhua, March 18, 2024

⁵³ “Xi extends condolences to Putin over deadly Moscow concert hall terror attack”, Xinhua, March 23, 2024

⁵⁴ “Special Representative of the Chinese Government on Eurasian Affairs Li Hui Holds A Briefing on the Second Round of Shuttle Diplomacy on the Ukraine Crisis”, Ministry of Foreign Affairs PRC, March 22, 2024

political solution to the crisis maintaining that all parties are expecting China to play a more constructive role in resolving the Ukraine conflict.⁵⁵ Ukraine's Foreign Minister, Dmytro Kuleba also stated that China has "great potential" to help end the war in Ukraine and that the two sides remain "confident in each other".⁵⁶ On the other hand, European Union officials suggested that the Chinese Envoy repeated Russian talking points, and a wide gulf remains between the two sides about the war.⁵⁷

China, Russia, and Iran held a joint naval exercise 'Security Belt – 2024' from March 11-15 near the Gulf of Oman.⁵⁸ The exercise focused on anti-piracy and search and rescue operations. It included firing at sea targets and rescue from hijacked merchant ships.⁵⁹

Internal Developments

Two Sessions

Beijing hosted the biggest event of its political calendar, 'Two Sessions', the annual gathering of the Chinese People's Political Consultative Conference (CPPCC) and the National People's Congress (NPC). On March 5, 2024, Premier Li Qiang delivered a Report on the Work of the Government to the 14th NPC.⁶⁰ He admitted that China's economic recovery will be difficult after the COVID-19 pandemic stressing that the external global environment has negatively affected the country's development.⁶¹ For 2024, China's GDP growth target is set at around 5 percent, and it hopes to create over 12 million new urban jobs while keeping the urban unemployment rate at 5.5 percent, and consumer price inflation (CPI) at around 3 percent.⁶²

Analysts emphasised that China's GDP target demonstrates that "Beijing acknowledges the existence of economic headwinds and is willing to reserve

⁵⁵ Ibid.

⁵⁶ "Ukraine war: China has 'great potential' to help end the conflict, Kyiv's top diplomat says", South China Morning Post, March 20, 2024

⁵⁷ "EU locks horns with China's envoy on Ukraine, as schisms on war remain", South China Morning Post, March 6, 2024

⁵⁸ "China-Iran-Russia Security Belt-2024 joint naval exercise concludes", China Military Online, March 18, 2024

⁵⁹ Ibid.

⁶⁰ "China releases full text of government work report", Xinhua, March 12, 2024

⁶¹ "As it happened: China's 'two sessions' 2024 – Premier Li Qiang sets GDP target of around 5% for the year", South China Morning Post, March 5, 2024

⁶² Ibid.

some policy flexibility".⁶³ A Global Times editorial noted that growth target demonstrates that the country's economy is transitioning from a period of high-speed growth to medium-high-speed growth, a phase of high-quality development.⁶⁴ Adding that, even though the growth rate may not be as high as before, the robust development of new quality productive forces provides limitless opportunities for the Chinese economy.⁶⁵

Major issues touched by Premier Li in his address included modernising the industrial system and developing new quality productive forces, boosting self-reliance in high technology, expanding domestic demand, pursuing high-standard opening-up, ensuring both development and security, effectively defusing debt risks in real estate sector and local governments, advancing rural revitalisation, promoting integrated urban and rural development, and promoting low-carbon development.⁶⁶ The Chinese government also released its plans for National Economic and Social Development and the budget for 2024.⁶⁷

On foreign policy, Premier Li informed that China remains committed to an independent path of peaceful development and a win-win strategy of opening up.⁶⁸ He reiterated that Beijing will resolutely oppose "Taiwan independence" and promote the peaceful development of cross-strait relations.⁶⁹ Meanwhile, Chinese Foreign Minister Wang Yi, in his press conference reiterated that Beijing will remain a "staunch force for peace, stability, and progress".⁷⁰ Major issues touched by him included promoting an equal and orderly multipolar world, deepening China-Russia strategic partnership, mutual respect, peaceful coexistence, and win-win cooperation as the basis of China-US relations, and cooperation as the defining feature of China-EU relations.⁷¹ He also emphasised strengthening 'BRICS', pursuing neighbourhood relations based on amity, sincerity, mutual benefit and inclusiveness, maintaining peace and

⁶³ Ibid.

⁶⁴ "China's 5% growth target continues to play vital role in world economy: Global Times editorial", Global Times, March 6, 2024

⁶⁵ Ibid.

⁶⁶ "Full Text: Report on the Work of the Government", Xinhua, March 12, 2024

⁶⁷ "China releases reports on budgets, national economic and social development plans", People's Daily, March 14, 2024

⁶⁸ "As it happened: China's 'two sessions' 2024 – Premier Li Qiang sets GDP target of around 5% for the year", South China Morning Post, March 5, 2024

⁶⁹ Ibid.

⁷⁰ "Important Messages from Foreign Minister's Press Conference During NPC and CPPCC Sessions 2024", Qiushi Journal, March 8, 2024

⁷¹ Ibid.

stability in the South China Sea through the collective efforts of China and ASEAN, ushering in the second golden decade of BRI, and advancing global governance of AI.⁷²

During the Two Sessions, Xinhua described President Xi as a "reformer" on par with 'Deng Xiaoping' in response to concerns that China's economy is losing momentum or its reform process is stagnating.⁷³ It also provided an overview of China's "Whole Process People's Democracy", emphasising Xi's people-centered development philosophy.⁷⁴ Analysts, however, expressed concerns that "post-Tiananmen openness is fading from Chinese politics" and Xi's regime is backsliding on reform as Beijing scrapped the decades-long tradition of Premier holding a press conference following the NPC session.⁷⁵

Further, the NPC approved the amended 'Organic Law of the State Council' that reportedly ends any separation of power between the Party and the Government.⁷⁶ As outlined in this law, the State Council must uphold the CPC's leadership and "implement the decisions" of the Party's Central Committee while closely following the political teachings of President Xi Jinping.⁷⁷

On March 5, 2024, President Xi addressed national legislators from Jiangsu province, whom he represents at the 14th National People's Congress.⁷⁸ He stressed that China's modernisation must be advanced by ensuring self-reliance in science and technology, pursuing high-quality development, preserving cultural heritage, and advancing the common prosperity drive.⁷⁹ The term Chinese modernisation remained a buzzword during the Two Sessions.⁸⁰ It encompasses the modernisation of a large population, common prosperity, material as well as cultural-ethical advancement, harmony between humanity and nature, and peaceful development.⁸¹

⁷² Ibid.

⁷³ "Xinhua Headlines-Profile: Xi Jinping the reformer", Xinhua, March 12, 2024

⁷⁴ "Xinhua Headlines: A deep dive into Xi Jinping's stewardship of whole-process people's democracy", Xinhua, March 3, 2024

⁷⁵ "Analysis: Post-Tiananmen 'openness' fades from Chinese politics", Nikkei Asia, March 7, 2024

⁷⁶ "Two sessions 2024: China 'all about the party's leadership' as it gets more control over cabinet", South China Morning Post, March 12, 2024

⁷⁷ Ibid.

⁷⁸ "President Xi engages in lively discussion with deputies", China Daily, March 7, 2024

⁷⁹ Ibid.

⁸⁰ "Explainer: Why Chinese modernization a buzzword during China's two sessions?", People's Daily, March 10, 2024

⁸¹ Ibid.

On March 6, 2024, at the second session of the 14th CPPCC, President Xi addressed political advisors of the Revolutionary Committee of the Chinese Kuomintang (RCCK), as well as representatives from the of science and technology, and the environment and natural resources sectors.⁸² Xi touched on several major issues in his address, including the RCCK increasing its opposition to "Taiwan independence" as well as expanding support for national reunification, the pursuit of breakthroughs in core technologies by the science and technology sector, and the creation of new environmental and ecological contributions by the environment and resources sector.⁸³

Key Addresses by Chinese Leaders and Developments

During a meeting of the CPC Political Bureau on February 29, 2024, President Xi stressed the need to develop new energy in China.⁸⁴ According to Xi, Chinese wind power, new energy vehicles, lithium batteries, and photovoltaic products are highly competitive in global markets; however, he cautioned that there are still many challenges facing the country's energy landscape, including demand pressure and supply constraints, as well as the transition to a green and low-carbon future.⁸⁵

Zhao Leji, the Chairman of the National People's Congress (NPC) Standing Committee delivered a keynote speech at Boao Forum for Asia held in Hainan on March 28, 2024.⁸⁶ He urged Asian countries to resist unilateralism and bloc confrontation by staying united.⁸⁷

On March 19, 2024, the Legislative Council (LegCo) of the Hong Kong Special Administrative Region (HKSAR) passed a national security bill under Article 23 of the HKSAR Basic Law.⁸⁸ Despite Hong Kong and Beijing's claim that the national security law is necessary for stability, the US-led West expressed concern that it will further erode civil liberties.⁸⁹ China, while opposing the

⁸² "Xi Focus: Xi calls on political advisors to build consensus for Chinese modernization", Xinhua, March 6, 2024

⁸³ Ibid.

⁸⁴ "Xi stresses high-quality development of new energy in China", Xinhua, March 1, 2024

⁸⁵ Ibid.

⁸⁶ "Highlights: China's top legislator delivers speech at Boao Forum for Asia Annual Conference 2024", CGTN, March 28, 2024

⁸⁷ Ibid.

⁸⁸ "HKSAR LegCo unanimously passes milestone bill to better safeguard national security", People's Daily, March 20, 2024

⁸⁹ Secretary Antony Blinken, Official X Handle, March 23, 2024

remarks of the US, UK, Japan, and the European Union, described the national security law as a milestone in advancing "One Country, Two Systems".⁹⁰

Trade and Economy

During February 2024, China's consumer price inflation (CPI) was driven by the Lunar New Year holiday consumption; however, factory activity remained subdued.⁹¹ Amidst these challenges, a Xinhua report acknowledged that some labour-intensive industries have shifted from China to other countries, shedding light on the country's efforts to maintain its competitiveness in manufacturing and the global value chain.⁹²

On March 24, 2024, Premier Li Qiang, in his address at China Development Forum held under the theme "The Continuous Development of China" reassured foreign investors that Beijing will foster a market-oriented world-class business environment and that the fundamentals of the Chinese economy remain sound.⁹³ To boost foreign investment, the State Council announced 24 measures.⁹⁴

Following the 13th Ministerial Conference (MC13) of the World Trade Organisation (WTO) held in Abu Dhabi from February 26-29, 2024, the People's Daily raised questions about rising unilateralism and protectionism and reiterated China's commitment to building an open world economy.⁹⁵

Defence and Security

On March 7, 2024, President Xi, addressed a delegation of the People's Liberation Army (PLA) and the People's Armed Police Force attending the second session of the 14th NPC. He emphasised the need to deepen reform to enhance strategic capabilities in emerging areas such as artificial intelligence,

⁹⁰ "China hits back at West's 'double-standards' smear against Article 23", Global Times, March 20, 2024

⁹¹ "Explainer | China inflation: 4 takeaways from February data as consumer prices turned positive, but factory activity remained subdued", South China Morning Post, March 11, 2024

⁹² "China's manufacturing sector strives to remain competitive amid headwinds", Xinhua, March 10, 2024

⁹³ "Chinese premier delivers keynote speech at China Development Forum 2024", Xinhua, March 24, 2024

⁹⁴ "China's pro-foreign investment measures boost market appeal", The State Council of PRC, March 21, 2024

⁹⁵ "China firmly upholds multilateral trading system, will work with all parties to build open world economy", People's Daily, March 1, 2024

unmanned technologies, aerospace, and cyberspace.⁹⁶ Continuing military modernisation, PLA Navy's political commissar informed that China will soon unveil its fourth aircraft carrier⁹⁷; while, the development of H-20 strategic bomber is also on track.⁹⁸ On Weibo, the first images of China's newly developed heavy attack helicopter - Z-21 were posted. This helicopter could play a vital role in the PLA's cross-strait or high-altitude operations against India.⁹⁹

For 2024, China's defence budget has been set at CNY 1.69 trillion (around USD 232 billion), an increase of 7.2 percent compared to 2023.¹⁰⁰ Chinese Ministry of National Defence emphasised that the country adheres to a path of peaceful development and that its defence budget is "transparent and moderate".¹⁰¹ The defence expenditure will be used to advance the implementation of the 14th Five-Year plan for military development, accelerate innovation and defence-related science and technology, establish a modern military governance system, and improve training and war preparedness of the troops.¹⁰²

Earlier, analysts had raised concerns about China's defence budget being much larger than what was officially disclosed.¹⁰³ Reacting to the criticism, Chinese state media, warned that the US's proposed defence budget for 2025 nearing USD 900 billion threatens global peace and stability.¹⁰⁴ It asserted that the Pentagon would use the defence budget for supporting American military interventions, enhancing global "integrated deterrence", developing new weapons systems, and modernising the nuclear weapons arsenal.¹⁰⁵ Specifically, Beijing expressed concern about Washington's "Pacific Deterrence Initiative", aimed at upgrading military capabilities in Indo-Pacific, continued

⁹⁶ "Xi stresses deepening reform to comprehensively enhance strategic capabilities in emerging areas", People's Daily, March 8, 2024

⁹⁷ "China to unveil fourth aircraft carrier soon: PLA Navy political commissar", Global Times, March 6, 2024

⁹⁸ "China's in-development H-20 bomber worth the excitement: PLA Air Force deputy commander", Global Times, March 11, 2024

⁹⁹ "New attack helicopter seen as vital in any PLA operations against Taiwan, India", South China Morning Post, March 25, 2024

¹⁰⁰ "China's defence budget transparent and moderate: Defence Spokesperson", Chinese Ministry of National Defence, March 9, 2024

¹⁰¹ Ibid.

¹⁰² Ibid.

¹⁰³ "China's Defense Budget Is Much Bigger Than It Looks", Foreign Policy, September 19, 2023

¹⁰⁴ "Who is threatening world with defense budget nearing \$900b?: Global Times editorial", Global Times, March 15, 2024

¹⁰⁵ Ibid.

arms sales to Taiwan, and the stationing of US Special Forces in Taiwan to train its amphibious special forces.¹⁰⁶

The PLA continued combat exercises as a show of strength in the Taiwan Straits. A Beijing-based think tank, the South China Sea Strategic Situation Probing Initiative (SCSPI), released a report that shed light on the US's enhanced military activity in the SCS in 2023 including close-in reconnaissance, Taiwan Straits transits, forward presence, strategic patrols, and military exercises.¹⁰⁷ The US's hypersonic missile test in the Marshall Islands in Western Pacific was read by China as sending a strategic message.¹⁰⁸

As Japan increased its defence budget to about USD 52.5 billion, China urged Tokyo to reflect on its history of military aggression, respect neighbouring countries' security concerns, and pursue peaceful development.¹⁰⁹ Analysts in China saw the NATO's annual report 2023 being more hostile to China, however, noted that even though the US considers China as its top strategic competitor, it may not be the common viewpoint within NATO, since European countries have longstanding and close ties to China.¹¹⁰

Amidst ongoing tensions between China and the Philippines, US Secretary of State Antony Blinken visited Manila on March 19, 2024, and met with President Bongbong Marcos. Secretary Blinken reaffirmed Washington's commitment to the Philippines, including the Mutual Defence Treaty.¹¹¹ Beijing maintained that the recent tensions in the South China Sea would not have occurred without the US pushing the Philippines.¹¹² It warned that the US has no right to interfere in maritime disputes between China and the Philippines.¹¹³ Following Blinken's visit, on March 23, 2024, water cannons were used by the Chinese

¹⁰⁶ "Defense Ministry Spokesperson's Remarks on Recent Media Queries Concerning the Military", Chinese Ministry of National Defence, March 16, 2024

¹⁰⁷ "US military ramps up activities in S. China Sea, risking conflicts: report", Global Times, March 22, 2024

¹⁰⁸ "US 'may be sending strong message' to China with hypersonic missile test as arms race heats up", South China Morning Post, March 22, 2024

¹⁰⁹ "Defense Ministry Spokesperson's Remarks on Recent Media Queries Concerning the Military", Chinese Ministry of National Defence, March 16, 2024

¹¹⁰ "NATO annual report mentions China more frequently, with more hostile tone", Global Times, March 15, 2024

¹¹¹ "China urges US not to instigate trouble in South China Sea", Global Times, March 20, 2024

¹¹² Ibid.

¹¹³ Ibid.

Coast Guard in the contested area of the South China Sea, causing “heavy damage” to Philippine vessel.¹¹⁴

Among other developments, on March 20, 2024, Chinese Foreign Minister Wang Yi and his Australian counterpart Penny Wong held the seventh China-Australia Foreign and Strategic Dialogue in Canberra. Wang Yi noted that China-Australia relations are on the right track again, and the two countries should pursue an independent foreign policy, mutual benefit, and win-win cooperation.¹¹⁵

Technology

On March 20, 2024, China launched a relay satellite 'Queqiao-2' that would provide Earth-Moon communication services, a key step for the country's future Lunar exploration missions including Chang'e-6, Chang'e-7 and Chang'e-8.¹¹⁶ Meanwhile, the People's Daily shed light on rapid growth of China's commercial space industry.¹¹⁷

¹¹⁴ “China coast guard water-cannons Philippine ship days after US backs Manila in disputed sea”, CNN, March 23, 2024

¹¹⁵ “China-Australia relations back on right track, to move forward: Chinese FM”, People's Daily, March 20, 2024

¹¹⁶ “Xinhua Headlines: China launches new relay satellite for Earth-Moon communications”, Xinhua, March 20, 2024

¹¹⁷ “China's commercial space industry embraces rapid growth”, People's Daily, March 15, 2024



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