



# Delhi Policy Group

Advancing India's Rise as a Leading Power



## China Monitor

### JULY 2024

#### *Authors*

Arun Sahgal

Sanket Joshi



Volume VII, Issue 7



Delhi Policy Group

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

[www.delhipolicygroup.org](http://www.delhipolicygroup.org)



# Delhi Policy Group

Advancing India's Rise as a Leading Power

## China Monitor Volume VII, Issue 7 July 2024

### ABOUT US

Founded in 1994, the Delhi Policy Group (DPG) is among India's oldest think tanks with its primary focus on strategic and international issues of critical national interest. DPG is a non-partisan institution and is independently funded by a non-profit Trust. Over past decades, DPG has established itself in both domestic and international circles and is widely recognised today among the top security think tanks of India and of Asia's major powers.

Since 2016, in keeping with India's increasing global profile, DPG has expanded its focus areas to include India's regional and global role and its policies in the Indo-Pacific. In a realist environment, DPG remains mindful of the need to align India's ambitions with matching strategies and capabilities, from diplomatic initiatives to security policy and military modernisation.

At a time of disruptive change in the global order, DPG aims to deliver research based, relevant, reliable and realist policy perspectives to an actively engaged public, both at home and abroad. DPG is deeply committed to the growth of India's national power and purpose, the security and prosperity of the people of India and India's contributions to the global public good. We remain firmly anchored within these foundational principles which have defined DPG since its inception.

### 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:

*India's External Affairs Minister Dr. S. Jaishankar and Chinese Foreign Minister Wang Yi met in Astana, Kazakhstan on the sidelines of the SCO Summit on July 4, 2024. Source: [Official X Handle/ Dr. S. Jaishankar](#)*

*PLA Navy's Type 052D destroyer Yinchuan participated in the fourth China-Russia joint maritime patrol in the Pacific Ocean in July 2024. Source: [Global Times](#)*

*President Xi Jinping attended the third plenary session of the 20<sup>th</sup> CPC Central Committee in Beijing from July 15-18, 2024. Source: [Xinhua](#)*

© 2024 by the Delhi Policy Group

**Delhi Policy Group**

Core 5A, 1st Floor,

India Habitat Centre,

Lodhi Road, New Delhi- 110003.

[www.delhipolicygroup.org](http://www.delhipolicygroup.org)

**China Monitor**  
**Volume VII, Issue 7**  
**July 2024**

**Contents**

<b>Abstract</b> .....	i
<b>Foreign and Security Policy</b> .....	1
I. China-India Relations .....	1
II. China-South Asia Relations .....	3
III. China-United States Relations .....	4
IV. China-European Union Relations .....	7
V. China-Russia Relations .....	9
VI. Shanghai Cooperation Organisation (SCO) Summit .....	10
<b>Internal Developments</b> .....	10
Third Plenary Session of the 20th CPC Central Committee .....	10
Key Addresses by Chinese Leaders and Developments .....	11
<b>Trade and Economy</b> .....	12
<b>Defence and Security</b> .....	13
<b>Technology</b> .....	15

## Abstract

India's External Affairs Minister Dr. S. Jaishankar and Chinese Foreign Minister Wang Yi met twice in July 2024. Their first meeting took place on the sidelines of the Shanghai Cooperation Organisation (SCO) Summit in Astana, Kazakhstan on July 4, while the second was held in Vientiane, Laos, on the sidelines of the ASEAN-related Foreign Ministers' meetings on July 25. The two sides agreed to work with purpose and urgency to achieve complete disengagement at the LAC in order to stabilise and rebuild bilateral relations. EAM Dr. S. Jaishankar reaffirmed the importance of "mutual respect, mutual interest, and mutual sensitivity" in ties, while emphasising "strong guidance" to resolve the border issue. FM Wang Yi called upon the two countries to rebuild relations to serve their common interests and the aspirations of the "Global South".

The 30<sup>th</sup> meeting of the Working Mechanism for Consultation and Coordination on India-China Border Affairs (WMCC) was held in New Delhi on July 31, 2024. The two sides reviewed the current situation along the LAC and agreed on the need to jointly uphold peace and tranquility in the border areas in accordance with relevant bilateral agreements, protocols, and understandings reached between them.

On July 29, 2024, speaking in Tokyo after the QUAD Foreign Ministers meeting, EAM Dr. S. Jaishankar ruled out any involvement of third parties in the resolution of the India-China border dispute, while acknowledging that the relationship remains strained due to China's large-scale intrusion across the LAC in 2020.

China's construction activity in the Ladakh sector continues unabated. The PLA has built a heavy-duty bridge in the Pangong Tso area suitable for carrying tanks to assist China's rapid military build-up. Meanwhile, India reportedly plans to invest USD 1 billion for the construction of 12 hydroelectric power stations in Arunachal Pradesh.

President Xi addressed the 24th Meeting of the Council of Heads of State of the Shanghai Cooperation Organisation (SCO) in Astana, Kazakhstan on July 4, 2024. He urged member-states to uphold the "Shanghai Spirit", which embodies the five principles of peaceful coexistence, maintain their commitment to pursue development paths suitable to national and regional conditions, and work together for the prosperity of the SCO.

On July 27, 2024, Chinese Foreign Minister Wang Yi and US Secretary of State Antony Blinken met in Laos on the margins of ASEAN-related ministerial meetings. The two sides agreed to maintain open lines of communication and responsibly manage competition. Wang Yi stressed that China adheres to the principles of mutual respect, peaceful coexistence, and win-win cooperation in its relations with the US and urged Washington to correct its wrong perception of China based on hegemonic thinking.

At NATO's 75th anniversary summit held in Washington, D.C. President Biden emphasised America's steadfast commitment to the alliance. The "Washington Summit Declaration" issued by NATO on July 10, 2024, expressed concern about China's ambitions and coercive policies, as well as the deepening strategic partnership between China and Russia, undermining and reshaping international rules-based order. Reacting sharply, China described NATO as a seed of "war and chaos" and expressed concerns about the alliance's expansion in the Asia-Pacific creating division and bloc confrontation.

Following the NATO Summit, China and Russia held a live-fire naval exercise "Joint Sea-2024" off the southern coast of China, deepening defence cooperation between the two countries. Further, on July 24, 2024, North American Aerospace Defence Command (NORAD) intercepted Chinese and Russian bombers operating together in international waters near Alaska.

Amidst the widening strategic competition in East Asia, on July 28, 2024, the US, Japan, and the Republic of Korea signed a landmark security cooperation agreement that would "institutionalise" their trilateral defence ties. A Reciprocal Access Agreement (RAA) was signed during the month between Japan and the Philippines to strengthen their defence relations.

US-China tensions over Taiwan persisted. On July 17, 2024, the Chinese Foreign Ministry announced that it had suspended arms control and nuclear non-proliferation consultations with the US due to Washington's continued arms sales to Taiwan.

On July 1, 2024, Hungary assumed the Presidency of the Council of European Union. As part of its Presidency of the EU Council, Hungary's Prime Minister Viktor Orbán embarked on a "Peace Mission" to Ukraine, Russia, and China. During his meeting with PM Orbán in Beijing on July 8, 2024, President Xi appreciated Hungary's efforts to promote a political settlement to the Ukraine crisis and committed to further deepening the "all-weather comprehensive strategic partnership" between the two countries.

Highlighting the differences within the EU on relations with Russia and China, the European Parliament criticised Prime Minister Orbán's peace mission, especially the visit to Russia, as "a blatant violation of the EU's Treaties and common foreign policy".

On July 18, 2024, the 20<sup>th</sup> CPC Central Committee, at its third plenary session, adopted a resolution on "comprehensively deepening reform to advance China's modernisation". Its principal objective is to create a high-standard socialist market economy by 2035, modernise the country's governance system, and lay the foundation for building China into a great modern socialist country by the middle of this century. The resolution also underscored the need to "speed up the development of strategic deterrence forces." Analysts anticipate that this will boost the quality and quantity of China's nuclear arsenal.

A South China Morning Post editorial noted that the CPC's third plenum struck a balance between growth and security, while reinforcing the message that China must focus on long-term structural transformation of the economy that will move it up the value chain. The paper said that there are no magic solutions to China's economic problems, and it must build up its comprehensive national strength to deal with deglobalisation and protectionism from developed countries.

China's GDP grew by 5 percent year-on-year in the first half of 2024 to CNY 61.68 trillion (USD 8.65 trillion), and grew 4.7 percent in the second quarter of the year.

## Foreign and Security Policy

### I. China-India Relations

India's External Affairs Minister Dr. S. Jaishankar and Chinese Foreign Minister Wang Yi met twice in July 2024. At the first meeting held on the sidelines of the Shanghai Cooperation Organisation (SCO) Summit in Astana, Kazakhstan, Dr. S. Jaishankar stressed the need to redouble efforts to achieve complete disengagement as a prolonged border standoff was in no sides interest.<sup>1</sup>

At the second meeting held in Vientiane, Laos on July 25, 2024, on the margins of the ASEAN foreign ministers meeting, perceptible forward movement appeared to have been made wherein the two foreign ministers accepted the need for "strong guidance" to complete the disengagement process in Eastern Ladakh.<sup>2</sup> External Affairs Minister Dr. S. Jaishankar reiterated that peace and tranquillity along the LAC was an essential prerequisite for normalcy in bilateral relations. He reaffirmed the importance of "mutual respect, mutual interest, and mutual sensitivity" in ties.<sup>3</sup>

The readout from China's Ministry of Foreign Affairs did not mention anything about "strong guidance" to resolve border tensions. Chinese readout was bland enunciation, focusing upon how India and China as two developing countries and neighbours should step up dialogue and communication, increase mutual trust and properly handle differences. It also emphasised that China-India relationship needed to be brought back on the right track to serve the interests of both sides and meet the shared aspiration of countries of the "Global South". The only mention of the border situation is in the remark "two sides agreed to make concerted efforts to maintain peace and tranquillity in the border areas and work for new progress in consultations on border affairs".<sup>4</sup>

The 30<sup>th</sup> meeting of the Working Mechanism for Consultation and Coordination on India-China Border Affairs (WMCC) was held in New Delhi on

---

<sup>1</sup> "External Affairs Minister's meeting with Member of the Communist Party of China (CPC) Political Bureau and Foreign Minister, H.E. Mr. Wang Yi on the sidelines of SCO Council of Heads of State Meeting", Ministry of External Affairs Government of India, July 4, 2024

<sup>2</sup> "LAC Standoff: S Jaishankar, Wang Yi seek 'strong guidance' to end border impasse", The Times of India, July 26, 2024

<sup>3</sup> "External Affairs Minister's meeting with Member of the Communist Party of China (CPC) Political Bureau and Foreign Minister, H.E. Mr. Wang Yi on the sidelines of ASEAN-related Foreign Ministers' Meetings", Ministry of External Affairs Government of India, July 25, 2024

<sup>4</sup> "Wang Yi Meets with Indian External Affairs Minister Dr. Subrahmanyam Jaishankar", Ministry of Foreign Affairs PRC, July 25, 2024



July 31, 2024. The two sides reviewed the current situation along the LAC and agreed on the need to jointly uphold peace and tranquility in the border areas in accordance with relevant bilateral agreements, protocols, and understandings reached between them.<sup>5</sup>

On July 29, 2024, speaking in Tokyo after the QUAD Foreign Ministers meeting, EAM Dr. S. Jaishankar ruled out any involvement of third parties in the resolution of the India-China border dispute. He maintained that India-China border dispute can be resolved bilaterally without third-party involvement. He emphasised that the relationship remains strained due to China's large-scale intrusion across the LAC in 2020 leading to military tensions and clashes, when the country was battling COVID-19.<sup>6</sup>

Penpa Tsering, President of the Tibetan Government in Exile, also known as the Central Tibetan Administration (CTA) speaking to a select group of journalists in New Delhi on July 16 before leaving for the US, stated that despite fervent denials by Beijing, the CTA had been holding regular "back-channel talks" with the Chinese authorities through a third country on the Resolve Tibet Act which was recently signed by President Biden into law on July 12. He elaborated that the last meeting initiated by China was held in early July. He, however, declined to elaborate on the level of official participation or the "third party" involved. Penpa Tsering underscored that "we do not have any expectations from these talks, but we keep the engagements going as part of our long-term plans. "We just cannot think of the short term nor think only about the Xi Jinping era. He will be there for some time and then gone. We have to keep our communications (with Beijing) open", he added.<sup>7</sup>

Chinese buildup and construction activities continue unabated in the Ladakh Sector. Chinese have constructed and operationalised a heavy-duty bridge in the Pangong Tso area capable of carrying tanks. This is an important development providing Chinese rapid build-up of forces North and South of Pangong Tso, a critical sector that saw clashes between Indian and Chinese troops in August 2020.<sup>8</sup>

---

<sup>5</sup> "30th Meeting of the Working Mechanism for Consultation & Coordination on India-China Border Affairs", Ministry of External Affairs Government of India, July 31, 2024

<sup>6</sup> "Not looking to other countries to sort out issues: Jaishankar on India-China border dispute", The Times of India, July 29, 2024

<sup>7</sup> "Back-channel talks between China, Tibetan govt-in-exile going on: Sikyong Penpa Tsering", The Economic Times, July 17, 2024

<sup>8</sup> "Chinese bridge on Pangong lake operational, to be used by PLA troops, tanks", Business Standard, July 30, 2024



In a bid to develop infrastructure in the northeast, India plans to spend USD 1 billion for the construction of 12 hydropower stations in Arunachal Pradesh, a move that could raise tensions with China that lays claim to the region. Under the scheme, about 90 billion rupees are likely to be allotted for the 12 hydropower projects. The Indian government is pushing projects in the eastern region following reports that Beijing could construct dams on a section of the Brahmaputra river, known as the Yarlung Tsangpo in China, that flows from Tibet into Arunachal Pradesh.<sup>9</sup>

## II. China-South Asia Relations

In his talks with visiting Maldives foreign minister Moosa Zameer, on July 22, 2024, Chinese Foreign Minister Wang Yi emphasised enhanced mutually beneficial cooperation between the two countries. Chinese Foreign Minister offered to further deepen practical cooperation with the Maldives in areas such as investment and green development, as also expand people-to-people exchanges in tourism and education. China also offered to help strengthen the country's sustainable development, including enhancing multilateral coordination in areas such as climate change to jointly respond to global challenges and safeguard true multilateralism.<sup>10</sup>

Nepal's domestic political manoeuvrings that led to the ousting of Prime Minister Pushpa Kamal Dahal, popularly known as Prachanda are likely to impact the country's foreign policy towards India and China. New alliance comprising K.P. Sharma Oli-led Unified Marxist–Leninist (UML) and Nepali Congress led by Sher Bahadur Deuba, the two largest political parties in Nepal took office on July 15, 2024, with KP Sharma Oli appointed as PM for the third time. Coming together of Left-leaning (UML) known to maintain close ties with Beijing and Centrist Nepalese Congress leaning towards India, has ramifications for both China and India. The backing of Deuba's party with maximum number of members of parliament gives the new government a more India-leaning tilt – raising questions about how Nepal will manage its relationships with its two immediate and influential neighbours.<sup>11</sup>

In a rare and unusual move, Bangladesh Prime Minister Sheikh Hasina cut short her China visit and returned home early, after Beijing reportedly

---

<sup>9</sup> "India races to build power plants in region claimed by China, sources say", The Economic Times, July 9, 2024

<sup>10</sup> "China ready to deepen cooperation with Maldives, foreign minister says", China News Service, July 23, 2024

<sup>11</sup> "Nepal's political shift complicates its India-China balancing act", South China Morning Post, July 22, 2024

backtracked from the financial support offered and apparent dilution in protocol, with Chinese Premier made as primary interlocutor instead of President Xi Jinping.<sup>12</sup> The bigger concern was a dilution of the assistance package from the promised 5 billion dollars to 300 million dollars. This is despite the fact, PM Hasina signed agreements for 21 projects with China, to further elevate bilateral ties. This development has put bilateral relations in jeopardy as China was cultivating military relations by conducting joint exercises and sale of weapons and equipment, including negotiating the construction of a submarine base and other infrastructure projects. Even the Teesta barrage project on the India – Bangladesh border which China was eyeing hangs in balance.<sup>13</sup>

### III. China-United States Relations

At NATO's 75th anniversary celebration in Washington, President Biden emphasised America's steadfast commitment to the alliance.<sup>14</sup> The "Washington Summit Declaration" issued by NATO on July 10, 2024, expressed concern about China's ambitions and coercive policies, as well as the deepening strategic partnership between China and Russia, undermining and reshaping international rules-based order.<sup>15</sup> Australia, Japan, New Zealand, and the Republic of Korea participated in the NATO Summit underlining the alliance's commitment to strengthen practical cooperation with its Indo-Pacific partners.<sup>16</sup> Reacting sharply, China described NATO as a seed of war and chaos and expressed concerns about the alliance's expansion in Asia-Pacific creating division and bloc confrontation.<sup>17</sup> A Global Times editorial cautioned that NATO is a "war machine" that continuously creates enemies and crises to maintain its existence. It warned that the "alliance's globalisation (expansion) would only accelerate its failure".<sup>18</sup>

US-China tensions on Taiwan showed no signs of abating. On July 17, 2024, Chinese Foreign Ministry announced that it had suspended arms control and

---

<sup>12</sup> "Upset Bangladesh PM Hasina cuts short China visit, returns to Dhaka", The Economic Times, July 15, 2024

<sup>13</sup> Ibid.

<sup>14</sup> "Biden touts 'sacred obligation' between US and Nato at Washington summit", South China Morning Post, July 10, 2024

<sup>15</sup> "Washington Summit Declaration", North Atlantic Treaty Organisation (NATO), July 10, 2024

<sup>16</sup> Ibid.

<sup>17</sup> "China slams NATO as troublemaker at UNSC; 'peace hope for Ukraine crisis remains fragile", Global Times, July 17, 2024

<sup>18</sup> "NATO's 'globalization' can only accelerate its failure: Global Times editorial", Global Times, July 11, 2024

nuclear non-proliferation consultations with the US due to Washington's continued arms sales to Taiwan.<sup>19</sup> The US State Department described China's decision as "unfortunate", adding it undermines strategic stability and increases the risk of an arms race.<sup>20</sup>

On July 24, 2024, Joe Biden announced that he would not run for a second term as President of the US. In his remarks, President Biden stressed that the conventional wisdom when he took office in January 2021 that "China would inevitably surpass the US is no longer true".<sup>21</sup> He noted that manufacturing has returned to America and the US is a world leader in semiconductors, science, and innovation.<sup>22</sup> Meanwhile, Speaker of the US House of Representatives Mike Johnson pledged to introduce more legislation targeting China ahead of the November 2024 Presidential election.<sup>23</sup> In response to these developments, Chinese state media called upon the US to "develop a correct understanding of China", stay true to its commitments, and cease to use China as a scapegoat for domestic problems in the US.<sup>24</sup>

On July 13, 2024, former US President and Republican Party's Presidential candidate Donald Trump survived an assassination attempt at a rally in Pennsylvania, raising questions about the health of the US' democratic system.<sup>25</sup> Xinhua criticised the US political system by describing the Presidential debate as an "American-style reality show".<sup>26</sup> Analysts believe, if elected, Trump's 'America First' policy could be hawkish towards China while more flexible on Russia, warning that "another trade war seemed inevitable".<sup>27</sup>

On July 27, 2024, Chinese Foreign Minister Wang Yi and US Secretary of State Antony Blinken met in Vientiane, Laos on the margins of ASEAN-related ministerial meetings. The two sides agreed to maintain open lines of

---

<sup>19</sup> "China calls off arms control talks with US over weapon sales to Taiwan", South China Morning Post, July 17, 2024

<sup>20</sup> Ibid.

<sup>21</sup> "Joe Biden insists US leads China as he explains decision to pass the torch", South China Morning Post, July 25, 2024

<sup>22</sup> Ibid.

<sup>23</sup> "Tough-on-China bills eyed for passage before 2024 election: US House Speaker Mike Johnson", South China Morning Post, July 9, 2024

<sup>24</sup> "US election should not easily make China an issue: Global Times editorial", Global Times, July 18, 2024

<sup>25</sup> "Donald Trump says China's Xi Jinping wrote him a 'beautiful note' after assassination attempt", South China Morning Post, July 21, 2024

<sup>26</sup> "Why China is happy to stay on the sidelines in the US presidential contest", South China Morning Post, July 2, 2024

<sup>27</sup> "Trump and Vance's 'America first': hawkish on China, more flexible on Russia", South China Morning Post, July 20, 2024

communication at all levels and responsibly manage competition.<sup>28</sup> Foreign Minister Wang Yi stressed that China adheres to the principles of mutual respect, peaceful coexistence, and win-win cooperation in its relations with the US and urged Washington to correct its wrong perception of China based on hegemonic thinking.<sup>29</sup> Major issues touched by him included Taiwan's independence as a threat to cross-strait stability, not stirring up trouble in the South China Sea, and promoting peace talks between Russia and Ukraine.<sup>30</sup> Secretary Blinken reaffirmed the US' commitment to a free and open Indo-Pacific, emphasised the importance of peace and stability across the Taiwan Strait, and expressed concern about China's destabilising actions in the South China Sea.<sup>31</sup>

Chinese Foreign Minister Wang Yi met a Delegation of the US-China Business Council (USCBC) Board of Directors in Beijing on July 22, 2024.<sup>32</sup> He called upon USCBC to take a leading role in shaping US-China relations by adhering to the principles of mutual respect, peaceful coexistence, and win-win cooperation.<sup>33</sup> Wang Yi assured the American business delegation that the resolution adopted at the Third Plenary Session of the 20th CPC Central Committee would deepen reform, ensure a high level of opening up, and usher in a new phase of modernisation in China.<sup>34</sup> Reports, however, indicate that the US and European companies are taking a cautious approach to investing in China.<sup>35</sup>

Amidst growing trade and technology competition with China, the US announced the "Western Hemisphere Semiconductor Initiative" to expand semiconductor manufacturing in Mexico, Costa Rica, and Panama.<sup>36</sup> In light of this, a Global Times editorial asserted that the US' "high fence, small yard approach to curbing China's growth in the high-technology sector would force the world to de-Americanize". Adding that, the US' chip restrictions are the

---

<sup>28</sup> "China, U.S. agree to maintain communication at all levels", Xinhua, July 27, 2024

<sup>29</sup> Ibid.

<sup>30</sup> Ibid.

<sup>31</sup> "Secretary Blinken's Meeting with People's Republic of China (PRC) Director of the CCP Central Foreign Affairs Office Wang Yi", US Department of State, July 27, 2024

<sup>32</sup> "Wang Yi Holds a Group Meeting with Delegation of the U.S.-China Business Council Board of Directors", PRC Ministry of Foreign Affairs, July 22, 2024

<sup>33</sup> Ibid.

<sup>34</sup> Ibid.

<sup>35</sup> "US, EU companies cautious on China investment amid 'new normal', chamber officials say", South China Morning Post, July 14, 2024

<sup>36</sup> "US initiative to produce semiconductors in Latin America announced by Antony Blinken", South China Morning Post, July 18, 2024

result of its Cold War mentality, whereas China promotes open cooperation based on globalisation and free trade principles.<sup>37</sup>

On July 15, 2024, China asked the World Trade Organisation (WTO) to establish an expert panel to examine US Inflation Reduction Act subsidies for new energy vehicles.<sup>38</sup> Meanwhile, the WTO, in its trade policy review of China, expressed concerns about Beijing's backsliding on key reforms and lack of transparency regarding subsidies in key sectors such as steel, aluminium, electric vehicles, solar modules, glass, semiconductors, and shipbuilding.<sup>39</sup> To prevent Chinese steel and aluminium products from evading American tariffs, the US announced stricter measures on imports of steel and aluminium from Mexico.<sup>40</sup>

Among other developments, 14 Palestinian factions, including Hamas (Gaza) and Fatah (West Bank), held reconciliation talks in China between July 21-23. They signed the "Beijing Declaration" on ending division and enhancing Palestinian national unity in the presence of Chinese Foreign Minister Wang Yi.<sup>41</sup> In the Beijing Declaration, the Palestine Liberation Organisation (PLO) was recognised as the sole legitimate representative of the Palestinian people, along with its commitment to establishing an independent state with Jerusalem as its capital.<sup>42</sup> Chinese state media stressed that the Beijing Declaration further demonstrates the success of the country's Global Security Initiative (GSI), which transcends geopolitical and ideological differences to achieve peace and reconciliation.<sup>43</sup>

#### IV. China-European Union Relations

On July 23, 2024, Chinese Premier Li Qiang congratulated Ursula von der Leyen on her re-election as the President of the European Commission. He reiterated Beijing's resolve to deepen China-EU relations, enhance strategic

---

<sup>37</sup> "High fence, small yard approach forces the world to de-Americanize: Global Times editorial", Global Times, July 19, 2024

<sup>38</sup> "China requests WTO to establish panel regarding dispute over U.S. Inflation Reduction Act", People's Daily, July 16, 2024

<sup>39</sup> "WTO says China is backsliding on key reforms and lacks transparency on subsidies", South China Morning Post, July 17, 2024

<sup>40</sup> "US, Mexico move to stop China evading steel, aluminium tariffs", South China Morning Post, July 10, 2024

<sup>41</sup> "Palestinian factions sign Beijing Declaration on ending division, strengthening Palestinian national unity", People's Daily, July 24, 2024

<sup>42</sup> Ibid.

<sup>43</sup> "China's image as 'peace builder' is highlighted again: Global Times editorial", Global Times, July 24, 2024

mutual trust, and jointly address global challenges.<sup>44</sup> Ursula von der Leyen, on her part, asserted that Europe would work with Japan, the Republic of Korea, New Zealand, and Australia to deter China from unilaterally changing the status quo by military means, particularly over Taiwan.<sup>45</sup> Chinese state media emphasised that “Von der Leyen's Taiwan remarks have set a bad precedent” for China-EU relations and urged Europe to develop a correct understanding of China so it can contribute more to the peace and security of the world.<sup>46</sup>

On July 10, 2024, China launched an investigation into trade and investment barriers put up by the EU following the imposition of tariffs of up to 37.6 percent on Chinese battery electric vehicles (BEVs).<sup>47</sup> In light of this, a South China Morning Post editorial urged China and the EU to “step back from costly tit-for-tat for trade battles”.<sup>48</sup> Meanwhile, Italian Prime Minister Giorgia Meloni visited Beijing vowing to promote pragmatic cooperation with China.<sup>49</sup>

On July 1, 2024, Hungary assumed the Presidency of the Council of EU. As part of its Presidency of the EU Council, Hungary's Prime Minister Viktor Orbán embarked on a “Peace Mission” to Ukraine, Russia, and China.<sup>50</sup> On July 8, 2024, PM Orbán met President Xi in Beijing wherein the two sides exchanged views on the Ukraine crisis. President Xi appreciated Hungary's efforts in promoting a political settlement of the Ukraine crisis and vowed to further deepen the all-weather comprehensive strategic partnership between the two countries.<sup>51</sup> Highlighting the differences within the EU on relations with Russia and China, the European Parliament criticised Prime Minister Orbán's peace mission, especially the visit to Russia, as “a blatant violation of the EU's Treaties and common foreign policy”.<sup>52</sup> In a statement, EU's Foreign and Security Policy chief Josep Borrell stated that Prime Minister Orbán's visit to Moscow was exclusively a bilateral matter between Hungary and Russia and that he was not representing the EU.<sup>53</sup>

---

<sup>44</sup> “Chinese premier congratulates von der Leyen on reelection as European Commission president”, The State Council PRC, July 24, 2024

<sup>45</sup> “Von der Leyen vows to stop China from invading Taiwan”, Politico, July 18, 2024

<sup>46</sup> “Von der Leyen's Taiwan remarks have set a bad precedent: Global Times editorial”, Global Times, July 20, 2024

<sup>47</sup> “Are EU trade barriers on China fair? Beijing's new probe demands answers after bloc action”, South China Morning Post, July 10, 2024

<sup>48</sup> “Step back from costly tit-for-tat trade battles”, South China Morning Post, July 1, 2024

<sup>49</sup> “Meloni vows to 'relaunch' Italy's cooperation with China”, Reuters, July 29, 2024

<sup>50</sup> “Xi meets Hungarian prime minister, exchanging views on ties, Ukraine crisis”, People's Daily, July 9, 2024

<sup>51</sup> Ibid.

<sup>52</sup> “EU Parliament criticises Hungary's Orban for meeting Putin”, Reuters, July 17, 2024

<sup>53</sup> Josep Borrell Fontelles, Official X Handle, July 5, 2024



## V. China-Russia Relations

President Xi met Russian President Vladimir Putin in Astana, Kazakhstan on July 3, 2024, on the sidelines of the Shanghai Cooperation Organisation (SCO) summit. The two leaders emphasised the importance of aligning development strategies and strengthening international strategic coordination.<sup>54</sup> They reiterated their commitment to uniting the Global South, preventing a new Cold War, and opposing hegemony and unilateral sanctions.<sup>55</sup> Further, Zhao Leji, the Chairman of China's National People's Congress (NPC) Standing Committee visited Russia to deepen the Parliamentary cooperation between the two countries.<sup>56</sup>

Continuing the deepening of defence cooperation between China and Russia, the two sides held a live-fire naval exercise entitled "Joint Sea-2024" off the southern coast of China following the NATO summit.<sup>57</sup> On July 24, 2024, North American Aerospace Defence Command (NORAD) intercepted Chinese and Russian bombers operating together in international waters near Alaska.<sup>58</sup> Reacting to these developments, analysts noted that this demonstrates the high level of combat readiness and mutual trust between Chinese and Russian forces. Adding that the growing military cooperation between Russia and China in the Arctic and northern Pacific is intended to counter NATO's activities in the region.<sup>59</sup>

While the US-led West continues to accuse China of supporting the Russian military-industrial complex, Ukraine's Foreign Minister Dmytro Kuleba met Foreign Minister Wang Yi in Guangzhou on July 24, 2024. Wang Yi emphasised the need for a political settlement of the Ukraine crisis, and the steady development of China-Ukraine relations.<sup>60</sup>

---

<sup>54</sup> "Xi Jinping holds talks with Vladimir Putin on SCO sidelines in Kazakhstan", South China Morning Post, July 3, 2024

<sup>55</sup> Ibid.

<sup>56</sup> "China's top legislator pays official goodwill visit to Russia, attends meeting on parliamentary cooperation", People's Daily, July 14, 2024

<sup>57</sup> "China, Russia wrap up joint naval drill, show high-level combat orientation", Global Times, July 18, 2024

<sup>58</sup> "US intercepts Russian, Chinese bombers near Alaska: What we know", AL Jazeera, July 26, 2024

<sup>59</sup> "China, Russia wrap up joint naval drill, show high-level combat orientation", Global Times, July 18, 2024

<sup>60</sup> "Chinese FM urges political settlement of Ukraine crisis in talks with Ukrainian counterpart", Xinhua, July 24, 2024



## VI. Shanghai Cooperation Organisation (SCO) Summit

President Xi addressed the 24th Meeting of the Council of Heads of State of the Shanghai Cooperation Organisation (SCO) in Astana, Kazakhstan on July 4, 2024.<sup>61</sup> He urged member-states to uphold the "Shanghai Spirit", which embodies the five principles of peaceful coexistence, keep their commitment to development paths suitable to national and regional conditions, and work together for the prosperity of the SCO.<sup>62</sup> Major issues touched by Xi included promoting common security, the importance of Afghanistan to the region's security, advancing modernisation through high-quality Belt and Road cooperation, advocating an equal and multipolar world, and achieving just global governance and economic globalisation.<sup>63</sup> At the Astana Summit, Belarus became a full member of the SCO.<sup>64</sup> President Xi also held meetings with Kazakhstan's President Kassym-Jomart Tokayev and Tajikistan's President Emomali Rahmon further deepening their cooperation and China's influence in Central Asia.<sup>65</sup>

## Internal Developments

### Third Plenary Session of the 20th CPC Central Committee

On July 18, 2024, the 20th Central Committee of the Communist Party of China (CPC), at its third plenary session, adopted a resolution on "comprehensively deepening reform to advance China's modernisation".<sup>66</sup> Its principal objective is to create a high-standard socialist market economy by 2035, modernise the country's governance system, and lay the foundation for building China into a great modern socialist country by the middle of this century (Second Centenary Goal).<sup>67</sup> Major issues discussed in the resolution included promoting high-standard opening-up, improving self-reliance in science and technology, advancing whole process people's democracy, developing a socialist culture with Marxism at its core, promoting common prosperity, pursuing green and low-carbon development (ecological civilisation),

---

<sup>61</sup> "Joining Hands to Build a More Beautiful Home of the Shanghai Cooperation Organization", Ministry of Foreign Affairs PRC, July 4, 2024

<sup>62</sup> Ibid.

<sup>63</sup> Ibid.

<sup>64</sup> "SCO summit kicks off in Astana with Belarus joining association", The State Council PRC, July 4, 2024

<sup>65</sup> "Xi's Central Asia trip significant for regional cooperation, development: Chinese FM", People's Daily, July 7, 2024

<sup>66</sup> "Full text: Explanation of resolution of CPC Central Committee on further deepening reform comprehensively to advance Chinese modernisation", Xinhua, July 22, 2024

<sup>67</sup> Ibid.

strengthening the national defence, and improving the leadership and long-term governance skills of the Party.<sup>68</sup> The reform tasks outlined in the resolution are planned to be completed by the time China celebrates its 80th anniversary in 2029.<sup>69</sup>

A South China Morning Post editorial noted that CPC's third plenum struck a prudent balance between growth and security, while reinforcing the message that China must focus on long-term structural transformation of the economy that will move it up the value chain.<sup>70</sup> There are no magic solutions to China's economic problems, and it must build up its comprehensive national strength to deal with deglobalisation and protectionism from developed countries.<sup>71</sup>

CPC's third plenum resolution underscored the need to "speed up the development of strategic deterrence forces", develop new combat capabilities while strengthening traditional combat capabilities.<sup>72</sup> In light of this, analysts expect a boost in both the quality and quantity of China's nuclear arsenal.<sup>73</sup> At the plenum, CPC confirmed the expulsion of three senior PLA officers Li Shangfu, Li Yuchao, and Sun Jinming on charges of violation of Party discipline and state laws.<sup>74</sup> The Central Military Commission (CMC) pledged to enhance the military's political education to achieve its strategic objectives.<sup>75</sup>

### Key Addresses by Chinese Leaders and Developments

Chinese Foreign Minister Wang Yi addressed the 'Second High-Level Conference of the Forum on Global Action for Shared Development' on July 12, 2024. He reaffirmed that China would continue to channel finance, strengthen capacity building, and expand partnerships for sustainable development as part of the Global Development Initiative (GDI).<sup>76</sup>

President Xi visited the Vietnamese Embassy in Beijing on July 20, 2024, to pay tribute to the General Secretary of the Communist Party of Vietnam (CPV),

---

<sup>68</sup> Ibid.

<sup>69</sup> Ibid.

<sup>70</sup> "Now comes the hard work after China's plenum puts growth, security ahead of quick fixes", South China Morning Post, July 20, 2024

<sup>71</sup> Ibid.

<sup>72</sup> "China's third plenum shows it is 'not in the mood' to slow down on nuclear arms", South China Morning Post, July 24, 2024

<sup>73</sup> Ibid.

<sup>74</sup> "China's military commits to full 'rectification' in corruption investigations' wake", South China Morning Post, July 11, 2024

<sup>75</sup> Ibid.

<sup>76</sup> "China ready to boost global shared development: top diplomat", People's Daily, July 13, 2024

Nguyen Phu Trong, who passed away on July 19, 2024.<sup>77</sup> Xi praised Nguyen Phu Trong as a "staunch Marxist" and an outstanding leader of the Vietnamese people and the Communist Party of Vietnam. Vietnam's people were urged to turn their grief into strength and work towards socialist development.<sup>78</sup>

China completed its fourth Universal Periodic Review (UPR) process at the Human Rights Council of the United Nations in Geneva, Switzerland. Beijing stressed that Human rights issues should not be politicised and weaponised to interfere in China's internal affairs affirming Chinese modernisation would contribute to the healthy development of global human rights.<sup>79</sup>

## Trade and Economy

China's GDP grew by 5 percent year-on-year in the first half of 2024 to CNY 61.68 trillion (USD 8.65 trillion) and 4.7 percent in the second quarter.<sup>80</sup> According to Xinhua, China's economy has maintained stable expansion, despite challenges, owing to timely policy incentives, rebound in external demand, and the development of new quality productive forces.<sup>81</sup> However, a Caixin Global report indicated that China's second-quarter growth fell short of market expectations due to weak domestic demand and a prolonged property market slump.<sup>82</sup> China's Central Bank lowered interest rates, both, short and long-term to boost growth.<sup>83</sup>

China's 2024 economic growth forecast was revised by the IMF to 5 percent from 4.6 percent in April 2024, citing a resurgence in domestic consumption and a surge in exports.<sup>84</sup> Reportedly, in June 2024, China's exports increased by 8.6 percent year-on-year to USD 307.85 billion. According to a report by Caixin Global, Chinese exports have benefited from the growing demand in Southeast Asia and Brazil, but challenges remain from impending tariffs

---

<sup>77</sup> "Xi Jinping Mourns the Passing of General Secretary of the Communist Party of Viet Nam Central Committee Nguyen Phu Trong", Ministry of Foreign Affairs PRC, July 20, 2024

<sup>78</sup> Ibid.

<sup>79</sup> "UN Human Rights Council unanimously approves China's 4th UPR report", Global Times, July 5, 2024

<sup>80</sup> "Xinhua Headlines: China's economy maintains stable expansion in H1 despite challenges", Xinhua, July 15, 2024

<sup>81</sup> Ibid.

<sup>82</sup> "Update: China's GDP Grew 4.7% in Second Quarter, Missing Expectations", Caixin Global, July 15, 2024

<sup>83</sup> "China cuts several major interest rates to support fragile economy", South China Morning Post, July 22, 2024

<sup>84</sup> "IMF raises China's 2024 economic growth forecast to 5 pct", People's Daily, July 17, 2024

planned to be levied by major importers such as the US and the European Union.<sup>85</sup>

Among other developments, China's State Council issued regulations on rare-earth metals management, which stipulate that they belong to the state and warn that no organisation or person may encroach on or destroy rare-earth metals.<sup>86</sup> In a landmark moment, for China's green energy transition, its installed wind and solar power capacity has exceeded coal power capacity.<sup>87</sup>

## Defence and Security

The Philippines and China reached a provisional understanding on July 21, 2024, for a resupply mission to a beached Filipino naval ship in the South China Sea.<sup>88</sup> Chinese Foreign Ministry reaffirmed the country's sovereignty over Ren'ai Jiao, urged the Philippines to comply with the provisional arrangement, and warned that Beijing will not allow Manila to send large quantities of construction materials to the ship to establish permanent outposts.<sup>89</sup> People's Daily editorial reiterated China's rejection of the 2016 South China Sea Arbitration ruling, calling it a "political farce" and urged the Philippines to cease infringements and provocations in the South China Sea.<sup>90</sup>

A Reciprocal Access Agreement (RAA) was signed between Japan and the Philippines to strengthen their defence relations.<sup>91</sup> Reacting to this, Chinese analysts cautioned that a quasi-alliance between the US, Japan, and the Philippines may further escalate tensions in the South China Sea.<sup>92</sup> On the other hand, Typhon, the US mid-range missile system used in Balikpapan and Salaknib exercises, was withdrawn from the Philippines. A South China Morning Post report noted that the US has made China aware that the mid-range missile system can be redeployed at any time in future.<sup>93</sup>

<sup>85</sup> "In Depth: As China's Exports Surge, Tariff Hikes Loom", [Caixin Global](#), July 9, 2024

<sup>86</sup> "China has its own pace in protecting rare-earth resources: Global Times editorial", [Global Times](#), July 2, 2024

<sup>87</sup> "China's Wind, Solar Power Capacity Tops Coal for First Time", [Caixin Global](#), July 26, 2024

<sup>88</sup> "China, Philippines agree on 'provisional arrangement' for South China Sea resupply missions, Manila says", [Reuters](#), July 22, 2024

<sup>89</sup> "Philippines urged to abide by 'provisional arrangement'", [Global Times](#), July 22, 2024

<sup>90</sup> "Rehashing so-called South China Sea arbitration cannot conceal rights infringement and provocation", [People's Daily](#), July 17, 2024

<sup>91</sup> "Japan-Philippines deal could spell trouble in South China Sea, maritime expert warns", [South China Morning Post](#), July 11, 2024

<sup>92</sup> Ibid.

<sup>93</sup> "Why is the US Typhon missile system being withdrawn from the Philippines?", [South China Morning Post](#), July 5, 2024

Japan's Defence White Paper 2024 expressed "grave concern" about joint military activities by China and Russia and increased military activities by China surrounding Taiwan.<sup>94</sup> Beijing rejected Japanese assertions and claimed that Tokyo was misleading the international community and providing a pretext for its military buildup.<sup>95</sup> To deter Chinese ambitions in the region, the US, Japan, and the Republic of Korea signed a landmark security cooperation agreement that would "institutionalise" their trilateral defence ties.<sup>96</sup>

In June 2024, Admiral Samuel Paparo, Commander of the US Indo-Pacific Command had warned that if China invades Taiwan, the US would turn the Taiwan Strait into an unmanned (drone) "hellscape" using several classified capabilities.<sup>97</sup> Reacting sharply, China's Ministry of National Defence warned that the US is making "crazy" and "inhumane" plans to turn the Taiwan Strait into hell and that Taiwan's leaders will be eventually abandoned as "useless pawns" by Washington.<sup>98</sup> The PLA released a study claiming that it can impose and maintain a blockade on Taiwan island solely with drones.<sup>99</sup> Reports indicated that China and the US are incorporating AI into military drones designed for any Indo-Pacific confrontation based on lessons learnt from the ongoing wars in Ukraine and Gaza.<sup>100</sup> Meanwhile, the Taiwanese military conducted its annual exercise entitled "Han Kuang-40" to test its ability to protect critical infrastructure.<sup>101</sup> For its part, the US, its allies, and partners conducted the Rim of the Pacific (RIMPAC) 2024 military exercise where capabilities for destroying the PLA's amphibious assault ship or aircraft carrier were tested.<sup>102</sup>

---

<sup>94</sup> "Japan defence white paper says China's military ambitions 'greatest strategic challenge' to the world", South China Morning Post, July 12, 2024

<sup>95</sup> "China's military development aimed for national sovereignty, security, world peace: spokesperson", Ministry of National Defence PRC, July 19, 2024

<sup>96</sup> "U.S., Japan and South Korea ink deal to 'institutionalize' security ties", The Japan Times, July 28, 2024

<sup>97</sup> "Regular Press Conference of the Ministry of National Defence on June 27", Ministry of National Defence PRC, July 4, 2024

<sup>98</sup> Ibid.

<sup>99</sup> "PLA mulls drone-only island blockade while the US plans drone-only intervention in Taiwan", South China Morning Post, July 5, 2024

<sup>100</sup> "How China and US are racing to win the game of drones, from the sky to the sea", South China Morning Post, July 13, 2024

<sup>101</sup> "Taiwan island launches military exercise in futile attempt to resist reunification", Global Times, July 22, 2024

<sup>102</sup> "US-led RIMPAC drill kicks off, 'with PLA amphibious assault ship in mind", Global Times, June 27, 2024

Among other developments, China's state media reportedly released a video of the country's latest carrier-based fighter aircraft, the "J-31B", which is expected to complement the J-20, China's most advanced stealth fighter.<sup>103</sup>

## Technology

As a result of a CrowdStrike-Microsoft global IT outage that occurred on July 19, 2024, flights were grounded, banks, hospitals, and retailers were disrupted worldwide. The incident seemed to have had little impact on China as it "prioritises domestic suppliers" of cybersecurity software as part of Beijing's high-technology self-reliance drive.<sup>104</sup>

Premier Li Qiang addressed the World AI Conference and High-Level Meeting on Global AI Governance in Shanghai on July 4, 2024. He spoke about the country's Global AI Governance Initiative stressing the importance of building consensus among countries for AI development.<sup>105</sup> Earlier, on July 1, 2024, the UN General Assembly adopted a China-sponsored resolution on "Enhancing International Cooperation on Capacity-building of Artificial Intelligence" that calls for AI development to be human-centred.<sup>106</sup>

\*\*\*

---

<sup>103</sup> "China's latest stealth fighter jet 'J-31B' ready for military service, CCTV video post suggests", South China Morning Post, July 6, 2024

<sup>104</sup> "China proved resilient to global CrowdStrike-Microsoft outage", Inside China Tech Newsletter, July 27, 2024

<sup>105</sup> "Chinese premier urges consensus-building among countries on AI development", People's Daily, July 5, 2024

<sup>106</sup> "UNGA adopts China-proposed resolution to enhance int'l cooperation on AI capacity-building", People's Daily, July 2, 2024



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

[www.delhipolicygroup.org](http://www.delhipolicygroup.org)