



Delhi Policy Group

Advancing India's Rise as a Leading Power



China Monitor

MARCH 2025

Authors

Biren Nanda
Sanket Joshi

Volume VIII, Issue 3



Delhi Policy Group

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

www.delhipolicygroup.org



Delhi Policy Group

Advancing India's Rise as a Leading Power

China Monitor Volume VIII, Issue 3 March 2025

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 Ambassador Biren Nanda, Senior Fellow and Sanket Joshi, Research Associate, from open-source reports and publications.

Cover Photographs:

The 33rd Meeting of the Working Mechanism for Consultation and Coordination on India-China Border Affairs was held in Beijing on March 25, 2025. Source: [Official X Handle/Xu Feihong - China's Ambassador to India](#)
Wang Yi, the Director of China's Central Commission for Foreign Affairs addressed a press conference on the margins of the third session of 14th NPC on March 7, 2025. Source: [Official X Handle/Lin Jian - Spokesperson, Ministry of Foreign Affairs PRC](#)
Chinese President Xi Jinping and Premier Li Qiang attended the third session of the 14th National People's Congress (NPC) in Beijing on March 5, 2025. Source: [Official X Handle/Xu Feihong - China's Ambassador to India](#)

© 2025 by the Delhi Policy Group

Delhi Policy Group

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

China Monitor
Volume VIII, Issue 3
March 2025

Contents

Abstract	1
Foreign and Security Policy	4
I. China-India Relations	4
II. China-South Asia Relations	6
III. China-United States Relations	7
IV. China-European Union Relations	10
V. China-Russia Relations	11
VI. China-Japan-ROK Trilateral Foreign Ministers Meeting	12
Internal Developments	13
Two Sessions	13
Key Developments and Addresses by Chinese Leaders	16
Trade and Economy	16
Defence and Security	17
Technology	18

Abstract

India and China continued their high-level diplomatic engagement. The 33rd Meeting of the “Working Mechanism for Consultation and Coordination on India-China Border Affairs (WMCC)” was held in Beijing on March 25, 2025. The two sides reviewed the situation along the LAC and explored measures and proposals to implement the decisions taken during the 23rd meeting of the Special Representatives on the India-China boundary question to advance effective border management. Major issues discussed included the importance of peace and tranquility on the border for the smooth development of bilateral relations, and the exchange of views on the resumption of cross-border cooperation and exchanges, including on trans-border rivers and the Kailash-Mansarovar Yatra.

Earlier, in a podcast on March 16, 2025, India's Prime Minister, Narendra Modi, acknowledged that normalcy was restored at the India-China border following his meeting with Chinese President Xi Jinping on the margins of the BRICS Summit in October 2024. He underscored the importance of cooperation between the two countries for global stability and prosperity, advocating a paradigm of “healthy competition over conflict”. He also highlighted the deep cultural connection between India and China, underscoring a “shared history of learning from each other and contributing to global good”.

On March 17, 2025, China's Ministry of Foreign Affairs expressed appreciation for Prime Minister Modi's positive remarks on bilateral relations, noting that for more than 2000 years, China-India relations have been characterised by friendly exchanges and mutual learning. Beijing called for a “cooperative pas de deux of the dragon and the elephant” as the only right choice for the two countries to pursue modernisation, advance the interests of the Global South, and maintain global peace and stability.

President Donald Trump announced on March 3, 2025, that the US would impose an additional 10 percent tariff on goods imported from China, citing Beijing's failure to prevent Fentanyl from entering the US through Mexico and Canada. Further, on March 26, 2025, President Trump signed a proclamation imposing a 25 percent tariff on imports of automobiles and certain automobile parts.

Reacting to these developments, the Chinese government imposed a 15 percent duty on the imports of US poultry and agricultural products, including wheat, corn, and cotton. A 10 percent tariff was also imposed on the imports of soybeans, pork, beef, fruits, vegetables, and dairy products. China's Ministry of

Commerce reiterated that the unilateral tariff measures initiated by the US were in serious violation of WTO rules.

Amidst escalating trade tensions, US Republican Senator Steve Daines met Chinese Premier Li Qiang and Vice Premier He Lifeng in Beijing on March 22-23, 2025. The Chinese side reiterated its opposition to politicisation, weaponisation, and instrumentalisation of economic and trade issues and urged Washington to pursue dialogue with Beijing based on mutual respect, equality, and mutual benefit.

On March 19, 2025, the European Union released its "White Paper for European Defence - Readiness 2030" in the midst of escalating tensions with the US. The white paper called for closing critical capability gaps and developing a strong base to rearm EU member-states against the Russian military challenge, as well as Chinese military actions in the Indo-Pacific, that were causing a deterioration in the strategic environment.

Chinese Vice-Premier He Lifeng met the EU's Trade Commissioner Maros Sefcovic in Beijing on March 28, 2025, with the two sides pledging to deepen trade and investment cooperation.

As US trade policy targeted all nations, the Foreign Ministers of China, Japan, and the Republic of Korea (ROK) met in Tokyo on March 22, 2025, and pledged to enhance economic integration and stability in East Asia. Further, on March 28, 2025, President Xi met representatives of the international business community in Beijing, reiterating that China will remain an ideal, secure, and promising destination for foreign investors. He maintained that China would advance high-standard opening up and promote economic globalisation.

On March 7, 2025, Wang Yi, the Director of China's Central Commission for Foreign Affairs, addressed a press conference about China's foreign policy and external relations on the margins of the third session of the 14th National People's Congress (NPC). Wang Yi described China as a source of global stability in turbulent times, and emphasised that Beijing would promote peace and development while staunchly defending its national interests. He lauded the mature, resilient, and stable nature of China's relations with Russia, while warning the US that China would respond to any attempts to impede its development.

On March 5, 2025, Premier Li Qiang delivered a 'Report on the Work of the Government' to the third session of the 14th NPC. China has set a GDP growth target of around 5 percent for 2025, which Premier Li described as a "very challenging" goal, given an "increasingly complex" external environment.

China announced a defence budget of CNY 1.78 trillion (USD 249 billion), marking an increase of 7.2 percent from the previous year.

Foreign and Security Policy

I. China-India Relations

India and China continued their high-level diplomatic engagement in March 2025. The 33rd Meeting of the “Working Mechanism for Consultation and Coordination on India-China Border Affairs (WMCC)” was held in Beijing on March 25, 2025. The two sides reviewed the situation along the LAC and explored measures and proposals to implement the decisions taken during the 23rd meeting of the Special Representatives on the India-China boundary question, in order to advance effective border management.¹ Major issues discussed included the importance of peace and tranquillity on the border for the smooth development of bilateral relations and the exchange of views on the resumption of cross-border cooperation and exchanges, including on trans-border rivers and Kailash-Mansarovar Yatra.²

Earlier, on March 16, 2025, India's Prime Minister, Narendra Modi, acknowledged that normalcy was restored at the India-China border following his meeting with Chinese President Xi Jinping in Kazan on the margins of the BRICS Summit in October 2024.³ PM Modi underscored the importance of cooperation between the two countries for “global stability and prosperity”, advocating for a paradigm of “healthy competition over conflict”.⁴ He also shed light on the deep cultural (civilisational) connection between India and China, underscoring a “shared history of learning from each other and contributing to global good”.⁵ Meanwhile, in his remarks at a think tank event in London on March 5, 2025, India's External Affairs Minister, Dr. S. Jaishankar, stressed the need for “respect” and recognition of India's “sensitivities” for predictable and stable relations with China.⁶

On March 17, 2025, a statement from China's Ministry of Foreign Affairs expressed appreciation for Prime Minister Modi's positive remarks on bilateral relations, noting that for more than 2000 years, China-India relations have been characterised by friendly exchanges and mutual learning. Beijing called for a “cooperative pas de deux of the dragon and the elephant” as the only right

¹ “33rd Meeting of the Working Mechanism for Consultation & Coordination on India-China Border Affairs”, MEA India, March 25, 2025

² Ibid.

³ “PM interacts with Lex Fridman in a podcast”, PM India, March 16, 2025

⁴ Ibid.

⁵ Ibid.

⁶ “India wants stability with China but seeks ‘respect’ for its interests: EAM S Jaishankar”, The Economic Times, March 6, 2025

choice for the two countries to pursue modernisation, advance the interests of the Global South, and maintain global peace and stability.⁷ Wang Yi, the Director of China's Central Commission for Foreign Affairs, on March 7, 2025, during his press conference on the margins of the "Two Sessions", urged India and China not to allow relations to be defined by the boundary question or let differences affect the overall picture of bilateral relations.⁸ Major issues touched by him included India and China taking the lead in opposing "hegemonism and power politics", upholding the basic norms governing international relations, supporting the modernisation of the Global South, and promoting greater democracy in international relations.⁹

On the other hand, during his remarks at the General Bipin Rawat Memorial Lecture in Delhi, Indian Army Chief General Upendra Dwivedi underscored China's growing economic and strategic clout, which impedes India's ambition to lead the Global South. He cautioned that "near absolute collusivity" between China and Pakistan means that a "two-front threat is a reality" for India. Gen. Dwivedi also expressed concerns about China's increased militarisation of the space.¹⁰

Amidst a thaw in China-India relations and the threat of US tariffs, reports indicated that New Delhi is considering relaxing some trade and investment restrictions imposed on China after the Galwan clash in 2020.¹¹ Meanwhile, India has proposed a 12 percent provisional safeguard duty (tariff) on a broad range of steel product imports, particularly from China and Vietnam, to safeguard the domestic industry from increased imports.¹²

As the widening trade deficit with China remains a major concern for India, Taiwan's Deputy National Security Advisor Hsu Szu-Chien, during his remarks at the Raisina Dialogue, urged Taiwan and New Delhi to strengthen their

⁷ "Foreign Ministry Spokesperson Mao Ning's Regular Press Conference on March 17, 2025", MFA PRC, March 17, 2025

⁸ "Member of the Political Bureau of the CPC Central Committee and Foreign Minister Wang Yi Meets the Press", MFA PRC, March 7, 2025

⁹ Ibid.

¹⁰ "Two-front war no longer a possibility—It's a reality': Army chief Upendra Dwivedi fires warning shot", The Economic Times, March 17, 2025

¹¹ "India mulls easing trade, investment curbs on China amid US tariff tensions: Report", Moneycontrol, March 24, 2025

¹² "India follows Trump to fight global steel glut with tariffs", The Economic Times, March 19, 2025

economic engagement, particularly in the semiconductor industry, through a free trade agreement (FTA).¹³

His Holiness the 14th Dalai Lama, the Spiritual Leader of Tibetan Buddhism, indicated that his successor (reincarnation) would be born outside of China, in the free world.¹⁴ China rejected the Dalai Lama's proposal, describing him as a political exile who uses religion as "a cover for anti-China secessionist activities and has no right to represent the Tibetan people".¹⁵ It is to be noted that the Tibetan people's freedom struggle and the issue of the Dalai Lama's reincarnation would have major implications for China's relations with India and the US.

II. China-South Asia Relations

Bangladesh Chief Adviser Muhammad Yunus paid a visit to Beijing from March 26-28, 2025 and called on Chinese President Xi Jinping on March 28, 2025. During the meeting between the two leaders, they discussed trade and investment, cooperation on the Teesta River Project and the modernisation of the Mongla port. Bangladesh welcomed Chinese participation in the Teesta River Comprehensive Management and Restoration Project. Chinese President Xi Jinping has told Bangladesh's interim leader Muhammad Yunus that Beijing would consider requests to lower interest rates on Chinese loans to Dhaka, Yunus's press chief said.¹⁶

China and Bangladesh signed one economic and technical cooperation agreement and eight MOUs related to cooperation in the areas of cultural heritage, media, sports, and health. The two sides also signed an agreement on the exchange of hydrological information of the Yarlung Zangbo-Jamuna (Brahmaputra).¹⁷

In a joint statement issued after the end of the official discussion, the two sides announced that Bangladesh and China have agreed to start discussions for a Free Trade Agreement "at an early date".¹⁸ On the second day of his visit to

¹³ "Taiwan ready to assist India reduce trade deficit with China: Taiwanese Deputy NSA Hsu Szu-Chien", The Economic Times, March 20, 2025

¹⁴ "Explainer | Why the choice of the next Dalai Lama is such a sensitive issue for Beijing", South China Morning Post, March 17, 2025

¹⁵ Ibid.

¹⁶ "Bangladesh says Xi Jinping would consider lowering interest on Chinese loans", Reuters, March 28, 2025

¹⁷ "Joint Press Release between the People's Republic of China and the People's Republic of Bangladesh", Ministry of Foreign Affairs Bangladesh, March 28, 2025

¹⁸ Ibid.

China, Chief Adviser Muhammad Yunus secured a commitment for Bangladesh to enjoy duty-free and quota-free access to the Chinese market until 2028. He also discussed relocating Chinese manufacturing plants to Bangladesh.¹⁹

On March 11, 2025, a research paper titled 'National Image of China in Bangladesh' was released by a Bangladeshi scholar in the presence of Chinese Ambassador to Dhaka Yao Wen.²⁰ It shed light on the export of a variety of defence technologies by China to Bangladesh to develop its defence industrial base.²¹ Major issues touched in the paper include China's transfer of technology to Bangladesh for manufacturing of small and medium-sized weapons such as rifles, rocket launchers, manpads, light utility vehicles, etc., assistance for the domestically produced naval patrol vessel, military assistance to Bangladesh armed forces including free training and supplies, setting up a language lab at Bangladesh University of Professionals, and cooperation in UN peacekeeping operations.²²

III. China-United States Relations

President Donald Trump announced on March 3, 2025, that the US would impose an additional 10 percent tariff on goods imported from China, citing Beijing's failure to prevent Fentanyl from entering the US through Mexico and Canada.²³ On March 26, 2025, to address critical threats to US national security, President Trump signed a proclamation imposing a 25 percent tariff on imports of automobiles and certain automobile parts.²⁴

Reacting to these developments, the Chinese government imposed a 15 percent duty on the imports of US poultry and agricultural products, including wheat, corn, and cotton.²⁵ A 10 percent tariff was also imposed on the imports of soybeans, pork, beef, fruits, vegetables, and dairy products.²⁶ China's

¹⁹ Ibid.

²⁰ "China: Have exported tech to Bangladesh for defence industrial base", The Economic Times, March 14, 2025

²¹ Ibid.

²² Ibid.

²³ "Trump triggers trade war, price hikes with tariffs on Canada, China and Mexico", Reuters, March 5, 2025

²⁴ "Sheet: President Donald J. Trump Adjusts Imports of Automobiles and Automobile Parts into the United States", The White House, March 26, 2025

²⁵ "China hits back at Trump with reciprocal tariffs, sanctions of US firms", South China Morning Post, March 5, 2025

²⁶ Ibid.

Ministry of Commerce reiterated that the unilateral tariff measures initiated by the US seriously violate the WTO rules.²⁷

Further, the State Council Information Office released a white paper titled "Controlling Fentanyl-Related Substances – China's Contribution".²⁸ In light of this, an editorial in the Global Times asserted that the white paper exposed the US government's "fentanyl lie" and that Washington was using the fentanyl issue as an excuse to impose an additional 10 percent tariff on imports from China.²⁹ Beijing also added 15 US companies – including those linked to the defence and security industry to its export control list, while 10 American companies were added to China's "unreliable entity list" for continuing arms sales to Taiwan.³⁰

As US sanctions and tariffs increase global uncertainties, the Organisation for Economic Cooperation and Development (OECD) forecast China's economy to slow further and grow by 4.8 percent in 2025.³¹ In line with this, a Xinhua report cautioned that tariff turmoil unleashed by the US could lead to an economic recession.³²

On March 4, 2025, President Trump addressed a joint session of the US Congress. Among other issues, he outlined Washington's trade measures against China, including new tariffs and a push for economic decoupling.³³ President Trump reaffirmed the "America First" trade policy approach, asserting that his administration would not allow China to take advantage of weak US policies.³⁴ While commenting on Trump's address to the US Congress, Chinese state media shed light on more pronounced "political polarisation" in the US between the Republicans and Democrats.³⁵

Amidst escalating trade tensions, US Republican Senator Steve Daines met Chinese Premier Li Qiang and Vice Premier He Lifeng in Beijing on March 22-

²⁷ Ibid.

²⁸ "Full text: Controlling Fentanyl-Related Substances – China's Contribution", The State Council PRC, March 5, 2025

²⁹ "The white paper renders the 'fentanyl lie' self-defeating: Global Times editorial", Global Times, March 4, 2025

³⁰ "China hits back at Trump with reciprocal tariffs, sanctions of US firms", South China Morning Post, March 5, 2025

³¹ "Trump's tariffs will slow China's economy and impede global trade, OECD forecasts", South China Morning Post, March 18, 2025

³² "Xinhua Headlines: Tariff turmoil sparks Trumpcession fears", Xinhua, March 16, 2025

³³ "Trump tells Congress China can no longer 'take advantage' of weak US policies", South China Morning Post, March 5, 2025

³⁴ Ibid.

³⁵ "President's congress speech highlights 'more pronounced' polarization in US", Global Times, March 6, 2025

23, 2025.³⁶ The Chinese side reiterated its opposition to politicisation, weaponisation, and instrumentalisation of economic and trade issues and urged Washington to pursue dialogue with Beijing based on mutual respect, equality, and mutual benefit.³⁷ Premier Li urged the two countries to choose dialogue over confrontation and pursue win-win cooperation instead of a zero-sum game.³⁸ Earlier, President Trump indicated that he expects President Xi to visit Washington soon.³⁹

The G7 Foreign Ministers Meeting held in Charlevoix, Canada, from March 12-14, 2025, expressed concern about the situation in the South and East China Seas and opposed the PLA's unilateral attempts to change the status quo, in particular by force and coercion.⁴⁰ They also emphasised the importance of peace and stability across the Taiwan Strait and called for Taiwan's meaningful participation in appropriate international organisations.⁴¹ G7 Foreign Ministers raised concerns regarding China's military build-up and rapid increase in nuclear weapons arsenal, as well as Beijing's non-market policies and practices that have caused harmful industrial overcapacity and market distortions.⁴²

Reacting to this, an editorial in the People's Daily cautioned that the G7's statement is full of "arrogance and prejudice" and that it aims to suppress China's modernisation.⁴³ It urged "G7 to reassess its misleading approach" concerning Taiwan, the South and East China Sea issues, China's nuclear weapons policy, and industrial development.⁴⁴

On March 14, 2025, China hosted a symposium in Beijing marking the 20th anniversary of the country's 'Anti-Secession Law' aimed at foiling "Taiwan independence" and advancing national reunification.⁴⁵ Considering the escalating cross-strait tensions, US Secretary of State Marco Rubio stressed that the US does not want to see a conflict, but it remains opposed to any sort of change in Taiwan's status by force, threat, or coercion. He underscored the

³⁶ "China against using trade as 'weapon', seeks candid talks with US, pro-Trump senator told", South China Morning Post, March 22, 2025

³⁷ Ibid.

³⁸ Ibid.

³⁹ "Trump says Xi Jinping will visit Washington in not too distant future", South China Morning Post, March 18, 2025

⁴⁰ "Statement of the G7 Foreign Ministers' Meeting in Charlevoix", US Department of State, March 14, 2025

⁴¹ Ibid.

⁴² Ibid.

⁴³ "High time for G7 to reassess its misleading approach", People's Daily, March 20, 2025

⁴⁴ Ibid.

⁴⁵ "Xinhua Commentary: Anti-Secession Law a strong, effective deterrent to Taiwan independence", Xinhua, March 15, 2025

importance of US military capabilities to deter a potential Chinese attack on Taiwan.⁴⁶ Reacting sharply, China's Ministry of Foreign Affairs warned that the US's support for Taiwan's independence was a "fundamental change to the status quo in the Taiwan Strait" and that this issue was the most sensitive in US-China relations.⁴⁷

Hong Kong's CK Hutchison was criticised by China's Hong Kong and Macau Affairs Office for its decision to sell two ports operating near the Panama Canal to a BlackRock-led consortium.⁴⁸ According to Chinese analysts, this was not just a commercial deal; rather, it was a "hegemonic act" by the US, in which it used national power, coercion and pressure tactics to encroach on the legitimate rights and interests of other countries.⁴⁹ Amidst Chinese pressure, CK Hutchison has reportedly delayed signing the Panama Canal ports deal, and Beijing would carry out an antitrust review of the deal to ensure free market competition.⁵⁰

IV. China-European Union Relations

On March 5, 2025, Lu Shaye, China's Special Envoy for European Affairs, expressed concern about the US's ill-treatment of its European allies and stated that the US and Russia alone should not determine a peace deal for resolving the Ukraine crisis.⁵¹ He urged China's European friends to compare the US's policies with those of the Chinese government and see how Beijing's diplomatic approach promotes peace, friendship, goodwill, and win-win cooperation.⁵² Meanwhile, responding to the continuing dialogue between the US and Russia and the US and Ukraine, China's Ministry of Foreign Affairs reiterated its support for dialogue and negotiations to help resolve the Ukraine crisis.⁵³

Following a fierce clash between President Trump and Ukrainian President Volodymyr Zelensky at the White House and some improvement in US-Russia relations, a South China Morning Post editorial urged Beijing to prioritise a

⁴⁶ "Beijing sees red over Marco Rubio's comments on Taiwan and tariffs", South China Morning Post, March 4, 2025

⁴⁷ Ibid.

⁴⁸ "A betrayal: top Beijing office runs scathing attack on Panama deal by Hong Kong's Hutchison", South China Morning Post, March 13, 2025

⁴⁹ Ibid.

⁵⁰ "Pro-Beijing media ramp up attack on CK Hutchison ports deal", Reuters, March 31, 2025

⁵¹ "China's envoy to the EU Lu Shaye 'appalled' by Trump's treatment of Europe", South China Morning Post, March 6, 2025

⁵² Ibid.

⁵³ Ibid.

peace deal in Europe as well as maintain a balance in its relations with the US and Russia.⁵⁴ According to analysts, the US's rapprochement with Russia is being seen in China as a "systemic reordering" of the international system in which the US is seeking a balance of power with China and Russia, and in this process, the EU may only remain a chess piece rather than a key player.⁵⁵

Amidst escalating tensions between the US and the European Union, the EU released its "White Paper for European Defence – Readiness 2030" on March 19, 2025. The white paper called for closing critical capability gaps and developing a strong base to rearm EU member-states against the Russian military challenge as well as the Chinese military actions in the Indo-Pacific, which were the cause of the deteriorating strategic environment.⁵⁶

On the other hand, Chinese Vice-Premier He Lifeng met the EU's Trade Commissioner Maros Sefcovic in Beijing on March 28, 2025, wherein the two sides pledged to deepen trade and investment cooperation. Vice Premier He Lifeng urged China and the EU to jointly resist unilateralism and protectionism and safeguard the multilateral trading system.⁵⁷

V. China-Russia Relations

On March 10, 2025, Zhang Hanhui, China's Ambassador to Russia, dismissed the talk of a US-Russia alliance against China as a manifestation of a "Cold War mindset" and stated that the strategic partnership between China and Russia is not driven by fleeting events or short-term goals but is based on a "long-term strategic approach".⁵⁸ However, analysts believe warming US-Russia ties could put China's Arctic ambitions on ice.⁵⁹

Wang Yi, the Director of China's Central Commission for Affairs is scheduled to visit Russia from March 31-April 2, 2025.⁶⁰ Director Wang Yi informed that, in 2025, the two countries would jointly commemorate the 80th anniversary of

⁵⁴ "Editorial | Focus on peace, not Zelensky-Trump rift", South China Morning Post, March 4, 2025

⁵⁵ "To Europe's shock, Trump is bringing back great power geopolitics", South China Morning Post, March 7, 2025

⁵⁶ "EU defence white paper says China's military action risks 'major disruption' for Europe", South China Morning Post, March 20, 2025

⁵⁷ "EU trade commissioner says bloc seeks to deepen cooperation with China", South China Morning Post, March 28, 2025

⁵⁸ "Top envoy dismisses talk of US-Russia alliance against China as cold war mindset", South China Morning Post, March 10, 2025

⁵⁹ "Warming US-Russia ties could put China's Arctic ambitions on ice, experts warn", South China Morning Post, March 16, 2025

⁶⁰ "Wang Yi to Pay an Official Visit to Russia", MFA PRC, March 28, 2025

their victory in the World War II (“World Anti-Fascist War”) which would advocate a correct historical view of WWII, uphold the UN-centred international system, and promote a more just and equitable international order.⁶¹

On March 14, 2025, China, Russia, and Iran held a meeting in Beijing to discuss the Iranian nuclear issue. In a joint statement, the three countries emphasised the necessity of terminating all unlawful unilateral sanctions imposed on Iran and the need to pursue dialogue based on mutual respect.⁶² They pledged to deepen their coordination at multilateral platforms such as BRICS and the Shanghai Cooperation Organisation (SCO).⁶³ The three countries also conducted joint naval drills titled “Security Belt-2025” in the Gulf of Oman, deepening their strategic partnership.⁶⁴

VI. China-Japan-ROK Trilateral Foreign Ministers Meeting

The Foreign Ministers of China, Japan, and the Republic of Korea (ROK) met in Tokyo on March 22, 2025, amidst the ongoing US tariff policy that has targeted friends and foes alike. The three countries pledged to enhance economic integration and stability in East Asia.⁶⁵ In his remarks, Director Wang Yi elaborated upon the sluggish global economic growth, the intensification of geopolitical conflicts, and the rising protectionism, and urged the three countries to promote free trade and an open economy, support the rules-based multilateral trading system, and promote economic globalisation.⁶⁶ Towards this end, he urged China, Japan, and the ROK to resume negotiations on a trilateral free trade agreement, promote scientific and technological innovation, cooperate on sustainable development, and expand people-to-people exchanges.⁶⁷

On March 21, 2025, Japanese Prime Minister Shigeru Ishiba and Director Wang Yi held a meeting in Tokyo. Among other things, Wang Yi urged Japan to earnestly fulfil the important political commitments made on the historical

⁶¹ “Member of the Political Bureau of the CPC Central Committee and Foreign Minister Wang Yi Meets the Press”, MFA PRC, March 7, 2025

⁶² “China, Russia, Iran reaffirm dialogue as only viable option for Iranian nuclear issue”, People’s Daily, March 15, 2025

⁶³ Ibid.

⁶⁴ “Iran, Russia, China conduct joint naval drills in Gulf of Oman”, AL Jazeera, March 12, 2025

⁶⁵ “The 11th Trilateral Foreign Ministers’ Meeting was held in Tokyo”, MFA PRC, March 22, 2025

⁶⁶ Ibid.

⁶⁷ Ibid.

issues and the Taiwan question.⁶⁸ The Chinese Foreign Ministry statement also claimed that Japan fully recognised the significance of the four political documents between Tokyo and Beijing and respects the position elaborated by China.⁶⁹ However, Japan protested China's statement, asserting that Prime Minister Ishiba never stated that Japan respects the positions elaborated by the Chinese side.⁷⁰ Earlier, the Japanese government had informed that the Sino-Japanese Joint Statement of 1972 is not legally binding, and it does not restrict Japanese legislators' visits and activities in Taiwan.⁷¹

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, 2025, Premier Li Qiang delivered a 'Report on the Work of the Government' to the third session of the 14th NPC.⁷² As 2025 marks the final year for implementing China's 14th Five-Year Plan, Premier Li underscored the importance of fulfilling the targets and tasks set in this plan, advancing modernisation and national rejuvenation.⁷³ China has set a GDP growth target of around 5 percent for 2025, which Premier Li described as a "very challenging" goal, given an "increasingly complex" external environment.⁷⁴

Towards this end, he urged the government to boost domestic demand, expand fiscal spending, advance reform and the opening-up policy to attract foreign investment, bolster the confidence of the private sector, establish a mechanism to promote "future industries" in the fields such as biomaterials manufacturing, quantum technology, embodied AI (robotics), 6G, adhere to the "one country, two systems" model to promote prosperity in Hong Kong and Macao, and stabilise the real estate sector and stock market.⁷⁵ Beijing reiterated its resolve

⁶⁸ "Japan protests China's description of Ishiba and Wang meeting", The Japan Times, March 24, 2025

⁶⁹ Ibid.

⁷⁰ Ibid.

⁷¹ "FM refutes Japan's claim of the Sino-Japanese Joint Statement does not have legal binding force", Global Times, March 17, 2025

⁷² "China releases full text of government work report", Xinhua, March 12, 2025

⁷³ Ibid.

⁷⁴ "8 takeaways from Premier Li Qiang's work report at China's two sessions", South China Morning Post, March 5, 2025

⁷⁵ Ibid.

to oppose separatist activities and external interference aimed at “Taiwan independence” and firmly advance the cause of national reunification.⁷⁶

China’s major requirements and policy orientations for economic and social development in 2025 include adhering to the ‘Central Economic Work Conference guidelines’, pursuing development while ensuring security and stability, advancing high-quality development, comprehensively deepening reform as per the resolution adopted at the Party’s third plenary session, modernising the industrial system, defusing external risks, and improving living standards.⁷⁷ Amidst China’s population crisis, Premier Li also called for birth-friendly policies that would bolster birth rates and boost consumption.⁷⁸

In light of this, a South China Morning Post editorial underscored a significant divergence in the strategic approaches adopted by the US and China. It noted that the White House has instigated “global chaos” through tariffs on both allies and adversaries, whereas China has adopted a measured strategy aimed at achieving stable economic growth by effectively managing both internal and external risks.⁷⁹

Meanwhile, a Xinhua commentary criticised the political instability in Western democracies and hailed China's political system as a "whole-process people's democracy" serving the country's 1.4 billion citizens efficiently and effectively.⁸⁰

On March 7, 2025, Wang Yi, the Director of China’s Central Commission for Foreign Affairs addressed a press conference about China’s foreign policy and external relations on the margins of the third session of the 14th NPC. In his remarks, Director Wang Yi described China as a source of global stability in turbulent times and emphasised that Beijing would promote peace and development while staunchly defending its national interests.⁸¹ He lauded the mature, resilient, and stable nature of China's relations with Russia, while

⁷⁶ Ibid.

⁷⁷ “China releases full text of government work report”, Xinhua, March 12, 2025

⁷⁸ “Subsidies, services, social shifts: China's strategic push for a birth-friendly future”, People’s Daily, March 21, 2025

⁷⁹ “Editorial | As US rivalry hots up, Beijing sets steady growth target and looks to wider world”, South China Morning Post, March 6, 2025

⁸⁰ “Commentary: China's democracy serves the people, safeguards development”, People’s Daily, March 4, 2025

⁸¹ “Member of the Political Bureau of the CPC Central Committee and Foreign Minister Wang Yi Meets the Press”, MFA PRC, March 7, 2025

warning the US that China would respond to any attempts to impede its development.⁸²

Major issues touched by him included mutual respect as the basic principle governing China-US relations, deepening strategic partnership with Russia based on principles of “non-alliance, non-confrontation and no targeting any third party”, supporting the peace talks on resolving the Ukraine crisis, strengthening strategic communication with Europe, working with the Global South to improve global governance, safeguarding the country’s territorial sovereignty in the South China Sea, and opposing Taiwan independence separatist movement.⁸³ Wang Yi also claimed that China’s foreign policy (GDI, GSI, GCI, and BRI) was increasingly welcomed by the international community.⁸⁴ Reacting to this, an editorial in the Global Times argued that China’s diplomacy will bring “greater certainty and stability” to the world despite the rise of anti-globalisation thinking, unilateralism, and protectionism.⁸⁵

On March 7, 2025, President Xi addressed a plenary meeting of the delegation of the People’s Liberation Army (PLA) and the People’s Armed Police Force. He underscored the significance of successfully concluding the country’s 14th Five-Year Plan for military development, with a focus on improving strategic management systems, fostering joint civil-military endeavours, accelerating the development of new quality combat capabilities, and improving the oversight system to combat corruption.⁸⁶

Xi also addressed national political advisors from the China Democratic League, the China Association for Promoting Democracy, and the advisors from the education sector attending the third session of the 14th National Committee of the Chinese People’s Political Consultative Conference (CPPCC) in Beijing. He stressed the importance of the school education system in advancing China’s modernisation, especially in science and technology.⁸⁷

⁸² Ibid.

⁸³ Ibid.

⁸⁴ Ibid.

⁸⁵ “Stability of China’s diplomacy is a gift to the world: Global Times editorial”, Global Times, March 8, 2025

⁸⁶ “Xi calls for successful conclusion of five-year plan for military development”, People’s Daily, March 8, 2025

⁸⁷ “Xi stresses role of education in supporting sci-tech, talent development”, People’s Daily, March 7, 2025

Key Developments and Addresses by Chinese Leaders

The second anniversary of President Xi's Global Civilisation Initiative (GCI) was marked on March 15, 2025. A Xinhua report shed light on GCI, which calls for tolerance, coexistence, and mutual learning among civilisations to advance humanity's modernisation. It advocates just global governance and a national development path that is not necessarily associated with Westernisation.⁸⁸

On March 28, 2025, President Xi met with representatives of the international business community in Beijing, reiterating that China will remain an ideal, secure, and promising destination for foreign investors and that investing in China is an investment in the future. He maintained that China will advance high-standard opening up and promote economic globalisation.⁸⁹

China hosted the Boao Forum for Asia (BFA) Annual Conference 2025 in Boao, Hainan, under the theme "Asia in the Changing World: Towards a Shared Future". A number of speakers at the forum emphasised the importance of innovation, openness, and collaboration in fostering economic growth in Asia and beyond while denouncing the trade war launched by the US.⁹⁰

Trade and Economy

On March 23, 2025, Premier Li Qiang, in his address at the 'China Development Forum' attended by leading multinational executives, informed that Beijing was prepared for external shocks that may exceed expectations and will open up more sectors for foreign investment.⁹¹ He urged international businesses to resist protectionism and support economic globalisation.⁹² Meanwhile, on March 16, 2025, China announced an action plan to increase consumption and make domestic demand the main engine of the country's economic growth.⁹³ Amidst the escalating trade war with the US, China's Ministry of Commerce is exploring ways to help the country's exporters pivot to the domestic market.⁹⁴

⁸⁸ "Why Global Civilization Initiative matters to human progress", Xinhua, March 15, 2025

⁸⁹ "Xinhua Headlines: Key takeaways from Xi's meeting with representatives of int'l business community", Xinhua, March 29, 2025

⁹⁰ "Boao Forum 2025 sends strong message of openness, cooperation in Asia", CGTN, March 28, 2025

⁹¹ "China is prepared for bigger than expected external shocks: Premier Li Qiang", South China Morning Post, March 23, 2025

⁹² Ibid.

⁹³ "China unveils plan on special initiatives to boost consumption", People's Daily, March 17, 2025

⁹⁴ "As US tariffs bite, China helps its exporters pivot to a new market – China", South China Morning Post, March 18, 2025

Even as analysts expressed concerns about the possibility of US tariffs slowing China's economy further, a Xinhua report indicated that the country's economy performed well in the first two months of 2025, creating favourable conditions to achieve its five percent annual growth target.⁹⁵

As China continues to promote the internationalisation of the Yuan (CNY), analysts believe the global economy is heading towards a multicurrency system which will erode the dominant position of the US Dollar (USD).⁹⁶ They shed light on an increased trade invoicing in Yuan - half of Chinese capital flows are now in Yuan - and the development of China's 'Cross-border Interbank Payment System' (CIPS) as an alternative to the 'Society for Worldwide Interbank Financial Telecommunication' (Swift) payment system as a sign of world heading towards "multicurrency equilibrium" over the long-term.⁹⁷

Defence and Security

Amidst the escalating strategic competition with the US, China announced a defence budget of CNY 1.78 trillion (USD 249 billion) on March 5, 2025, marking an increase of 7.2 percent from the previous year.⁹⁸ Beijing reiterated that its defence policy is mainly focused on protecting the country's sovereignty, security, and development interests, adding that the country will never seek hegemony or expansionism.⁹⁹ The Chinese officials expressed concern about the US's large defence budget and urged Washington to put "America First" in reducing its military expenditure and nuclear arsenal.¹⁰⁰

On March 13, 2025, Taiwan's President Lai Ching-te convened a high-level national security meeting introducing 17 major strategies to respond to five major national security and united front threats coming from China.¹⁰¹ He assured the Taiwanese people that the country's government would do its utmost to ensure that its national sovereignty is not infringed upon and expressed hope that all citizens would unite in solidarity to resist being divided

⁹⁵ "Xinhua Headlines: Chinese economy off to robust start in 2025 as growth gains momentum", Xinhua, March 29, 2025

⁹⁶ "Decline of the US dollar as dominant global currency is inevitable: economists", South China Morning Post, March 25, 2025

⁹⁷ Ibid.

⁹⁸ "China plans 7.2% defence budget rise, marking 10th consecutive year of single-digit growth", Global Times, March 5, 2025

⁹⁹ Ibid.

¹⁰⁰ "Regular Press Briefing of the Ministry of National Defence on February 27, 2025", MND PRC, March 18, 2025

¹⁰¹ "President Lai holds press conference following high-level national security meeting", Office of President ROC (Taiwan), March 13, 2025

by China.¹⁰² Reacting sharply, the PLA conducted joint combat readiness patrols in the Taiwan Strait as a deterrent measure in response to Lai Ching-te's persistent advocacy of "separatism".¹⁰³

As President Trump shakes up the US Department of Defence, China's Ministry of National Defence informed that the two sides maintain effective communication and that preliminary plans have been made for dialogue and exchanges in the near future.¹⁰⁴

Marking his first trip to the Indo-Pacific region, US Secretary of Defence Pete Hegseth visited the Philippines on March 27-28, 2025. During his meetings with Philippine President Ferdinand Marcos, Jr. and Secretary of National Defence Gilberto Teodoro, Jr., the two sides reaffirmed the enduring strength of the US-Philippines alliance and the importance of upholding a free and open Indo-Pacific region.¹⁰⁵ Importantly, the two countries reiterated a shared commitment to their Mutual Defence Treaty (MDT), "extending to armed attacks against either country's armed forces, aircraft, and public vessels – including those of their coast guards – anywhere in the South China Sea".¹⁰⁶ Reacting to this, the PLA held a joint patrol in the South China Sea, cautioning Manila to desist from provocations and escalation by depending on external forces.¹⁰⁷

In light of reports that Japan is developing a new ballistic missile with a range of 3,000 kilometres, China reiterated its concerns regarding Japan's historical militarism and departure from its pacifist constitution.¹⁰⁸

Technology

Highlighting the growing importance of the humanoid robot industry in China's economy, Beijing has introduced a new data series on "service robots" in its monthly industrial output report, in addition to the existing industrial

¹⁰² Ibid.

¹⁰³ "China says military exercises near Taiwan punishment for separatism", [Reuters](#), March 17, 2025

¹⁰⁴ "Regular Press Conference of the Ministry of National defence on February 27, 2025", [MND PRC](#), February 27, 2025

¹⁰⁵ "United States–Philippines Joint Statement on Secretary Hegseth's Inaugural Visit to the Philippines", [US Department of Defence](#), March 28, 2025

¹⁰⁶ Ibid.

¹⁰⁷ "China conducts military patrol in South China Sea, warns Philippines", [Reuters](#), March 29, 2025

¹⁰⁸ "Regular Press Briefing of the Ministry of National Defence on March 14, 2025", [MND PRC](#), March 18, 2025

robot category.¹⁰⁹ Companies such as Unitree Robotics and UBTECH Robotics are leading the way in the development of service robots in the country in areas such as household work, elderly care, and gardening.¹¹⁰ In light of this, the Vice-Chairman and Co-President of Chinese electric vehicle manufacturer Xpeng, Brian Gu Hongdi, expressed his belief that robotics would be the largest industry in the future, even bigger than the automotive industry.¹¹¹

On March 3, 2025, China's Manned Space Agency announced that the nation is progressing steadily in its manned lunar exploration program, with research and construction activities proceeding as scheduled to accomplish the objective of landing a Chinese astronaut on the lunar surface by 2030.¹¹²

As President Trump called for the creation of a national cryptocurrency reserve and hosted the first White House Crypto Summit, analysts stressed that the Trump administration's ambition to position the US as the world's crypto capital isn't just about economic leadership; rather, it's also a geopolitical move.¹¹³ Adding that, "by embracing cryptocurrencies and fostering USD-backed 'stablecoins', the US can further embed its currency into the global financial system, to counter attempts by China and Russia to build alternatives to the US Dollar".¹¹⁴

¹⁰⁹ "China debuts economic data on service robots as humanoid industry grows", South China Morning Post, March 18, 2025

¹¹⁰ Ibid.

¹¹¹ Ibid.

¹¹² "China advances manned lunar program for 2030 moon landing", People's Daily, March 4, 2025

¹¹³ "Trump is diving into crypto headfirst. Has China missed the boat?", South China Morning Post, March 12, 2025

¹¹⁴ Ibid.



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

www.delhipolicygroup.org