



# Delhi Policy Group

Advancing India's Rise as a Leading Power

## China Monitor

### JUNE 2025

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Volume VIII, Issue 6



**Delhi Policy Group**

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## China Monitor Volume VIII, Issue 6 June 2025

### ABOUT US

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### China Monitor

The DPG China Monitor features developments related to China during the month and is compiled by our research team comprising Ambassador Biren Nanda, Senior Fellow and Sanket Joshi, Research Associate, from open-source reports and publications.

### Cover Photographs:

*China's Defence Minister Dong Jun and India's Defence Minister Rajnath Singh met on the sidelines of the SCO Defence Ministers' Meeting in Qingdao on June 27, 2025. Source: [Official X Handle/Rajnath Singh](#)*

*Chinese delegation led by Vice Premier He Lifeng and US delegation led by Treasury Secretary Scott Bessent held the first meeting of the China-US economic and trade consultation mechanism in London, on June 9, 2025.*

*Source: [Xinhua News Agency/Li Ying](#)*

*President Xi attended the second China-Central Asia Summit in Astana, Kazakhstan on June 17, 2025. Source: [Official X Handle/Mao Ning, MFA PRC Spokesperson](#)*

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**Volume VIII, Issue 6**  
**June 2025**

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## Abstract

Continuing the high-level strategic engagement between India and China, China's Defence Minister, Admiral Dong Jun, and India's Defence Minister, Rajnath Singh, met on the margins of the Shanghai Cooperation Organisation (SCO) Defence Ministers' meeting in Qingdao, on June 27, 2025. They exchanged "constructive and forward-looking" views on bilateral relations, with India expressing satisfaction at the revival of the 'Kailash Mansarovar Yatra' after a five-year hiatus. Defence Minister Rajnath Singh reiterated the importance of maintaining peace and tranquillity along the LAC and addressing the complex border issues through a structured framework, calling for a lasting resolution of the border dispute by revitalising the established mechanism on the issue.

Reacting to this, China stressed its intent to maintain communication with India on various issues, including delimitation negotiations and border management, noting that the "boundary question is complicated and it will take time to settle it".

President Xi met Tibetan Buddhist leader Panchen Rinpoche at Zhongnanhai in Beijing on June 6, 2025. CPC-appointed Panchen Rinpoche's visit to Beijing came one month before H.H. the Dalai Lama's 90th birthday, a day which the exiled highest spiritual authority in Tibetan Buddhism has marked for announcing his succession plans. President Xi urged Panchen Rinpoche to promote ethnic unity and religious harmony by ensuring that religions in China are Chinese in orientation (the Sinicisation of religion) and advance modernisation in Tibet (Xizang).

President Xi addressed the Second China-Central Asia Summit held in Astana, Kazakhstan, on June 17, 2025. He called upon China and the five Central Asian nations to adhere to the principles of "mutual respect, mutual trust, mutual benefit, and mutual assistance" to collectively advance modernisation through high-quality development.

Amidst the ongoing US-China trade war, the value of rare-earth minerals exported by China in May 2025 plummeted significantly, underscoring Beijing's ability to leverage its control over critical mineral supply chains, threatening industries globally. In light of this, on June 5, 2025, US President Donald Trump and Chinese President Xi Jinping held a phone conversation. President Xi urged Beijing and Washington to use their economic and trade consultation mechanism to seek win-win cooperation based on mutual respect and equality. He stated that China honours its commitments and urged

both sides to work diligently to implement the Geneva agreement on trade issues. Xi also emphasised the importance of the US handling the Taiwan issue with caution, ensuring that separatist forces advocating for "Taiwan independence" do not provoke conflict between China and the US.

Following the Xi-Trump phone conversation, the first meeting of the US-China economic and trade consultation mechanism was held in London on June 9-10, 2025. The two sides reached a consensus on a framework to implement the Geneva agreement, particularly as China agreed to ease export controls over critical minerals essential to the American industry.

Chinese Vice Premier He Lifeng, on his part, urged the US side to resolve trade disputes through equal dialogue and mutually beneficial cooperation. Beijing emphasised its commitment to engaging in economic and trade consultations with the US, reiterating that "trade wars yield no winners" and that, while China does not seek conflict, it will not be intimidated by one.

China's state media, while reacting to the high-level engagement between the US and China, called upon Washington to adopt an "objective and rational perspective" of China's development while refraining from actions that could disrupt bilateral relations. Further, analysts cautioned that the recent escalation of the trade war indicates that US-China strategic competition is evolving into a "multifaceted confrontation", with stakes rising across various domains, including trade, high-technology, military affairs, and student visas, as well as academic collaboration.

US Secretary of Defence, Pete Hegseth, spoke at the Shangri-La dialogue in Singapore on May 31, 2025. He reaffirmed the US's strategic intent to deter aggression by "Communist China" in the Indo-Pacific. Reacting sharply, China described Hegseth's remarks as demonstrating America's "hegemonic logic", "bullying", and "Cold War mentality" that emanates from a distorted view of China's policies in the region.

The NATO Summit was held in The Hague, Netherlands, from June 24-25, 2025, during which the allies agreed to invest 5 percent of their GDP on defence by 2035 and reaffirmed their commitment to Ukraine. In his remarks, NATO Secretary General Mark Rutte articulated apprehensions regarding China's military build-up and its support for Russia's war in Ukraine, calling for the strengthening of the Western military alliance. Reacting sharply, Beijing denounced NATO's slandering of China's normal military build-up, asserting that the Western alliance is fabricating justifications to substantially increase its military expenditure.

Reports have indicated that China is expanding its nuclear weapons arsenal faster than any other country, adding 100 new warheads annually. Reacting to this, China's Ministry of Foreign Affairs reiterated its adherence to the "no first use" policy regarding nuclear weapons, emphasising that the nation's nuclear capabilities are maintained at the minimum level deemed necessary for national security.

Amidst continuing trade tensions with the US, manufacturing activity in China contracted for a second consecutive month in May 2025. Chinese exporters are reportedly facing challenges in pivoting to the domestic market for products initially meant for foreign markets.

## Foreign and Security Policy

### I. China-India Relations

Continuing the high-level strategic engagements between India and China, India's National Security Advisor, Ajit Doval, and Defence Minister Rajnath Singh visited China to participate in the Shanghai Cooperation Organisation (SCO) meetings. On June 23, 2025, the Director of China's Central Commission for Foreign Affairs, Wang Yi, and India's National Security Advisor, Ajit Doval, met in Beijing, on the margins of the 20<sup>th</sup> Meeting of Secretaries of Security Councils of SCO member-states. The two sides reviewed recent developments in bilateral relations and underscored the importance of advancing the comprehensive development of India-China relations, including by fostering greater people-to-people ties.<sup>1</sup> To maintain peace and stability in the region, NSA Ajit Doval reiterated the necessity of "combating terrorism in all its forms and manifestations".<sup>2</sup>

Director Wang Yi, on his part, highlighted "some positive progress" in China-India relations following the meeting between President Xi Jinping and Prime Minister Narendra Modi during the BRICS Summit in Kazan in October 2024.<sup>3</sup> He called upon Beijing and New Delhi to view each other as "development partners rather than competitors", enhance mutual trust, properly handle sensitive issues, and maintain peace and tranquillity in the border areas.<sup>4</sup>

Later, on June 26, 2025, China's Defence Minister, Admiral Dong Jun, and India's Defence Minister, Rajnath Singh, met on the sidelines of the SCO Defence Ministers' meeting held in Qingdao. Both leaders exchanged "constructive and forward-looking" views on bilateral relations, with India expressing satisfaction at the revival of the 'Kailash Mansarovar Yatra' after a five-year hiatus.<sup>5</sup> Defence Minister Rajnath Singh stressed that India and China should maintain the "positive momentum" in their relations and avoid adding new complexities.<sup>6</sup> He reiterated the importance of maintaining peace and tranquillity along the Line of Actual Control (LAC) and addressing the complex border issues through a structured framework, advocating for a lasting

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<sup>1</sup> "NSA's meeting with Member of the Politbureau of the Central Committee of the Communist Party of China and China's Foreign Minister (June 23, 2025)", [MEA India](#), June 23, 2025

<sup>2</sup> Ibid.

<sup>3</sup> "Wang Yi met with India's National Security Adviser and India's Special Representative on the China-India Border Issue", [MFA PRC](#), June 23, 2025

<sup>4</sup> Ibid.

<sup>5</sup> Rajnath Singh, [Official X Handle](#), June 27, 2025

<sup>6</sup> Ibid.



resolution of the border dispute by revitalising the established mechanism on the issue.<sup>7</sup>

Reacting to this, China's Ministry of Foreign Affairs stressed its intent to maintain communication with India on issues including delimitation negotiations and border management, noting that the "boundary question is complicated and it will take time to settle it".<sup>8</sup>

Meanwhile, in his remarks at the SCO Defence Ministers' meeting, Rajnath Singh urged member countries to unite in the fight against terrorism.<sup>9</sup> India chose not to sign the joint statement of the SCO Defence Ministers' meeting, because it did not mention the Pakistan-linked Islamist terror attack in Pahalgam, but it did directly reference militant activities in Balochistan.<sup>10</sup> Reacting to this, Chinese analysts argued that the SCO functions as a platform for fostering multilateral regional consensus rather than resolving specific, long-standing bilateral disputes between India and Pakistan. Adding that, India and Pakistan should resolve their issues through bilateral channels or other mechanisms.<sup>11</sup>

In light of China's close relations with Pakistan and Beijing's double standards in dealing with terrorism, India's External Affairs Minister, Dr. S. Jaishankar, in an interview with French media, cautioned that "ambiguity and double standards" are unacceptable on issues such as terrorism, as it affects the entire global community. A spokesperson for the Chinese Ministry of Foreign Affairs denied accusations of double standards in fighting terrorism and reiterated China's determination to fight terrorism in all its forms.<sup>12</sup>

Earlier, India's Foreign Secretary, Vikram Misri, and China's Vice Foreign Minister, Sun Weidong, met in New Delhi on June 12-13, 2025. The two sides agreed to continue to stabilise and rebuild bilateral relations with a focus on people-centric engagements. The meeting addressed several key issues,

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<sup>7</sup> "Raksha Mantri meets his Chinese counterpart on the sidelines of SCO Defence Ministers' meeting in Qingdao", PIB Ministry of Defence, June 27, 2025

<sup>8</sup> "Foreign Ministry Spokesperson Mao Ning's Regular Press Conference on June 30, 2025", MFA PRC, June 30, 2025

<sup>9</sup> "Every act of terrorism is criminal & unjustifiable, SCO must unite in eliminating the menace for collective safety & security: Raksha Mantri at SCO Defence Ministers' Meeting at Qingdao, China", PIB Ministry of Defence, June 26, 2025

<sup>10</sup> "SCO Summit: Rajnath Singh refuses to sign joint document; Pakistan, China go soft on terror threat", The Times of India, June 26, 2025

<sup>11</sup> "Chinese, Indian defence ministers hold bilateral meeting: Chinese Defence Ministry", Global Times, June 26, 2025

<sup>12</sup> "China denies double standards in fighting terrorism due to its close ties with Pakistan", The Economic Times, June 13, 2025



including cooperation on trans-border rivers and hydrological data, the resumption of direct air services, facilitating interactions between media and think tanks, and conducting functional dialogues in economic and trade sectors to address specific concerns, such as export controls on rare-earth minerals.<sup>13</sup>

Due to China's export controls on rare-earth minerals, India's auto industry is experiencing delays in securing rare-earth magnets, which is disrupting production.<sup>14</sup> In light of this, Pradeep Kumar Rawat, India's Ambassador to China, met Sun Weidong, China's Vice Foreign Minister, on June 5, 2025. During this meeting, Beijing expressed its willingness to enhance dialogue and cooperation with New Delhi to maintain the stability of global industrial and supply chains.<sup>15</sup>

On June 6, 2025, President Xi met Tibetan Buddhist leader Panchen Rinpoche at Zhongnanhai in Beijing. The Communist Party of China (CPC) appointed Panchen Rinpoche's visit to Beijing came one month before H.H. the Dalai Lama's 90th birthday, a day which the exiled highest spiritual authority in Tibetan Buddhism has marked for announcing his succession plans.<sup>16</sup> In his remarks, Xi urged Panchen Rinpoche to promote ethnic unity and religious harmony by ensuring that religions in China are Chinese in orientation (the sinicisation of religion) and advance modernisation in Tibet (Xizang).<sup>17</sup> Moreover, during his inspection tour of Qinghai province - the birthplace of His Holiness the Dalai Lama, Chen Wenqing, Secretary of China's Central Political and Legal Affairs Commission, warned against "separatist" moves.<sup>18</sup>

Among other developments, as India-China relations appear to be improving, Russia's Foreign Minister Sergey Lavrov called for reviving the 'RIC' (Russia-India-China) framework, opposing NATO's efforts to draw India into its "anti-China" camp.<sup>19</sup>

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<sup>13</sup> "Meeting of Foreign Secretary with Vice Minister of Foreign Affairs of the People's Republic of China", [MEA India](#), June 13, 2025

<sup>14</sup> "India may 'facilitate' magnet relief for auto cos as China keeps rare earth keys", [The Economic Times](#), June 16, 2025

<sup>15</sup> "Vice Foreign Minister Sun Weidong Meets with Indian Ambassador to China Pradeep Kumar Rawat", [MFA PRC](#), June 5, 2025

<sup>16</sup> "China-appointed Panchen Lama vows to make Tibetan Buddhism more Chinese in meeting with Xi Jinping", [CNN](#), June 6, 2025

<sup>17</sup> "Xi receives visit from Panchen Rinpoche", [Xinhua](#), June 6, 2025

<sup>18</sup> "China warns against separatism moves ahead of Dalai Lama's expected succession decree", [South China Morning Post](#), June 17, 2025

<sup>19</sup> "Russia moves again to join with China and India despite trust issues from border disputes", [South China Morning Post](#), June 5, 2025

## II. China-South Asia Relations

On June 19, 2025, the first trilateral meeting at the Foreign Office level between China, Bangladesh, and Pakistan was held in Kunming, Yunnan, marking a significant yet gradual outcome of geopolitical realignments over the past year. The meeting occurred during the 9th China-South Asia Exposition and the 6th China-South Asia Cooperation Forum. It was attended by Chinese Vice Minister of Foreign Affairs Sun Weidong, Pakistani Additional Secretary (Asia-Pacific) Imran Ahmed Siddiqui, and Bangladeshi Foreign Secretary Md. Ruhul Alam Siddique, with Pakistani Foreign Secretary Amna Baloch participating virtually.<sup>20</sup>

A December 2024 meeting involving Muhammad Yunus, Chief Adviser to the Government of Bangladesh, and Pakistan's Prime Minister Shehbaz Sharif initiated military and economic cooperation between Bangladesh and Pakistan.<sup>21</sup> Later, a high-level military delegation from Bangladesh also held talks in Pakistan with the Chief of Army Staff, Asim Munir, in January 2025.<sup>22</sup> In February, the Bangladeshi Navy participated in Aman 2025 held in Karachi after a gap of 12 years. In a historic first, since 1971, the two states started direct trade from March 2025.<sup>23</sup>

The opening of the port and the completion of a modern trade market at Lektse Port in the city of Xigaze in southwest China's Xizang (Tibet) Autonomous Region has significantly improved conditions for border trade between China and Nepal. This port is the latest in a series of border trade points opened on the China-Nepal border in the past few years. The ports of Zham, Gyirong and Burang were reopened in 2023. From January to May this year, Xizang's import-export volume with Nepal reached 1.79 billion yuan (about 249 million U.S. dollars), up 14 percent year on year, according to Lhasa Customs.<sup>24</sup>

China and Sri Lanka are exploring a free trade agreement (FTA) as Beijing continues to strengthen economic and military ties with India's neighbours.<sup>25</sup> A high-level Chinese delegation led by its Commerce Minister Wang Wentao attended the Sri Lanka-China Trade and Investment Forum in Colombo on

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<sup>20</sup> "As China, Pakistan, and Bangladesh inch closer to each other, India must explore feasible diplomatic options", The Indian Express, June 26, 2025

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> "Revitalized China-Nepal border trade brings prosperity", Xinhua, June 24, 2025

<sup>25</sup> "China woos Sri Lanka with FTA and business deals", The Economic Times, May 25, 2025

May 30, wherein Wang Wentao expressed China's intent to expand economic and trade cooperation.

China and Sri Lanka have deepened economic and trade cooperation, with China now ranking as Sri Lanka's second-largest trading partner and second-largest source of imports. In 2024, bilateral trade between the two countries surged by over 30 percent year on year, reaching USD 5.36 billion. China's exports accounted for USD 4.97 billion, while imports from Sri Lanka totalled USD 392 million.<sup>26</sup>

Sri Lanka was the guest country of honour at the '9th China-South Asia Expo', which took place from June 19 to 24 in Kunming, capital of southwest China's Yunnan Province.<sup>27</sup>

### III. China-United States Relations

Amidst the ongoing US-China trade war, the value of rare-earth minerals exported by China in May 2025 plummeted by 48.3 percent year-on-year, underscoring Beijing's ability to leverage its control over critical mineral supply chains, threatening industries globally.<sup>28</sup> However, China maintained that it is taking a responsible stand in restricting the export of rare earth minerals, as these are dual-use strategic materials that can be used to manufacture advanced military equipment.<sup>29</sup>

In light of this, on June 5, 2025, US President Donald Trump and Chinese President Xi Jinping held a phone conversation. In his remarks, Xi urged Beijing and Washington to use their existing economic and trade consultation mechanism to seek win-win cooperation based on mutual respect and equality.<sup>30</sup> He stated that China honours its commitments and urged both sides to work diligently to implement the Geneva agreement.<sup>31</sup> President Xi emphasised the importance of the US handling the Taiwan issue with caution, ensuring that separatist forces advocating for "Taiwan independence" do not provoke conflict and confrontation between China and the US.<sup>32</sup> A Global

<sup>26</sup> "Graphics: China, Sri Lanka deepen trade cooperation", CGTN, June 18, 2025

<sup>27</sup> "Expo in Kunming to boost ties with South Asia", China Daily, June 7, 2025

<sup>28</sup> "Ahead of US-China talks, China's rare earth trade data from May shows leverage in action", South China Morning Post, June 9, 2025

<sup>29</sup> "Commentary: China's rare earth regulations responsible step toward sustainable global supply, security", People's Daily, June 10, 2025

<sup>30</sup> "Xi says dialogue, cooperation only correct choice for China, U.S. in phone call with Trump", People's Daily, June 6, 2025

<sup>31</sup> Ibid.

<sup>32</sup> Ibid.

Times editorial, while reacting to the diplomatic engagement between the heads of state of China and the US, called upon Washington to adopt an "objective and rational perspective" of China's development while refraining from actions that could disrupt bilateral relations.<sup>33</sup>

Following Xi-Trump phone conversation, the first meeting of US-China economic and trade consultation mechanism was held in London on June 9-10, 2025. The Chinese delegation was headed by Vice Premier He Lifeng, while the US delegation was led by Treasury Secretary Scott Bessent. The two sides reached a consensus on a framework to implement the Geneva agreement, particularly China agreed to ease export controls over critical minerals essential to the American industry.<sup>34</sup> Although China did not disclose the details of the agreement, President Trump announced on June 11, 2025, that the US and China had reached a trade deal. Under this agreement, Beijing consented to export magnets and any required rare earth minerals to the US, while the US would grant Chinese students access to American universities for higher education.<sup>35</sup> President Trump also informed that the US would impose a 55 percent tariff on imports from China, while China would impose a 10 percent tariff on imports from the US.<sup>36</sup>

Chinese Vice Premier He Lifeng, on his part, urged the US side to resolve trade disputes through equal dialogue and mutually beneficial cooperation. Beijing emphasised its commitment to engaging in economic and trade consultations with the US, reiterating that "trade wars yield no victors" and that, while China does not seek conflict, it will not be intimidated by one.<sup>37</sup> On June 27, 2025, China's Ministry of Commerce pledged to review and approve export applications for rare-earth minerals to the US.<sup>38</sup>

Reacting to the US-China trade dialogue, Chinese state media asserted that the US's "untrustworthy behaviour" is the root cause of the current difficult situation in bilateral relations and that, from Geneva to London, the international community expects the US to live up to its promises with

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<sup>33</sup> Why is it 'particularly important' to steer clear of disturbances and disruptions in China-US relations?: Global Times editorial, Global Times, June 7, 2025

<sup>34</sup> "After heated London talks, where do China-US trade relations stand?", South China Morning Post, June 12, 2025

<sup>35</sup> "Trump says China will face 55% tariffs as he endorses trade deal", The Guardian, June 11, 2025

<sup>36</sup> Ibid.

<sup>37</sup> "Chinese vice premier urges U.S. to resolve trade disputes with China through dialogue, cooperation", People's Daily, June 12, 2025

<sup>38</sup> "China Confirms Breakthrough on Rare-Earth Exports to U.S.", The Wall Street Journal, June 27, 2025

actions.<sup>39</sup> According to an editorial in the South China Morning Post, the “framework” agreement reached in London is only the beginning of a long process that could lead to easing of trade tensions and normalisation of economic relations.<sup>40</sup> However, analysts cautioned that the recent escalation of the trade war indicates that US-China strategic competition is evolving into a “multifaceted confrontation”, with stakes rising across various domains, including trade, high-technology, military affairs, and student visas, as well as academic collaboration. Adding that, the US is trying to extract maximum benefit from a defiant China that would not accept Washington’s bullying demands.<sup>41</sup>

Meanwhile, on June 11, 2025, US Treasury Secretary Scott Bessent, in his testimony before the House of Representatives Ways and Means Committee, criticised China for having “the most unbalanced economy in history”, harming not only the US, but also the entire world.<sup>42</sup> On the other hand, a Xinhua commentary rejected the US's claims of “trade imbalance” as a myth and urged Washington to refrain from overstretching the notion of economic security and politicising economic and trade issues.<sup>43</sup> Amidst the continuing trade tensions, China reduced its stockpile of US Treasuries to a 16-year low.<sup>44</sup> According to Chinese analysts, the US's chaotic trade policies would result in a gradual decline in demand for US assets, particularly Treasury bonds, making it increasingly difficult for Washington to sustain its balance of payments and maintain a strong Dollar.<sup>45</sup>

Pete Hegseth, US Secretary of Defence, spoke at the Shangri-La dialogue in Singapore on May 31, 2025. In his remarks, Secretary Hegseth reaffirmed the US’s strategic intent to deter aggression by “Communist China” in the Indo-Pacific. He expressed concern about China’s military build-up in the region, warning that Beijing wants to “fundamentally alter the region’s status quo”.<sup>46</sup>

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<sup>39</sup> “From Geneva to London, the world expects the US to fulfill its promises with actions: Global Times editorial”, [Global Times](#), June 12, 2025

<sup>40</sup> “Editorial | Step in right direction as US and China ease trade war tensions”, [South China Morning Post](#), June 12, 2025

<sup>41</sup> “Opinion | US-China rivalry is morphing into a multifront war with no easy way out”, [South China Morning Post](#), June 4, 2025

<sup>42</sup> “US Treasury chief slams ‘unreliable’ China at House hearing on Trump trade policy”, [South China Morning Post](#), June 12, 2025

<sup>43</sup> “Xinhua Commentary: Why China-U.S. ‘trade imbalance’ is a myth”, [Xinhua](#), June 9, 2025

<sup>44</sup> “China cuts US Treasury stockpiles to 16-year low amid Trump’s trade war”, [South China Morning Post](#), June 19, 2025

<sup>45</sup> “Open Dialogue | Kenneth Rogoff and Yu Yongding on Trump, the dollar and the rise of the yuan”, [South China Morning Post](#), June 9, 2025

<sup>46</sup> “Remarks by Secretary of Defence Pete Hegseth at the 2025 Shangri-La Dialogue in Singapore (As Delivered)”, [US Department of Defence](#), May 31, 2025

Reacting sharply, China's Ministry of National Defence described Secretary Hegseth's remarks as demonstrating America's "hegemonic logic", "bullying", and "Cold War mentality" that constitutes a distortion of China's policies in the region.<sup>47</sup> However, the PLA reiterated its commitment to promoting sound military-to-military relations with the US, adhering to the principles of mutual respect, peaceful coexistence, and win-win cooperation.<sup>48</sup> An editorial in the South China Morning Post advised the US to use platforms such as the Shangri-La Dialogue to ease tensions and not inflame the China threat in Asia-Pacific.<sup>49</sup>

On June 22, 2025, Taiwan's President, Lai Ching-te, in his first "uniting the country" address, reaffirmed the sovereignty of the Republic of China (Taiwan), emphasising that "Taiwan has never been part of the People's Republic of China (PRC)" and that "Beijing has never ruled Taiwan for even a single day".<sup>50</sup> Reacting sharply, a China Daily editorial warned Taiwan's leader that his separatist rhetoric, which denies Taiwan's deep-rooted connection with the Chinese nation (PRC), will "drag Taiwan into a severe crisis".<sup>51</sup>

Meanwhile, a civilian organisation in Taiwan organised a war-gaming exercise at the chief-of-staff level, featuring former senior military officers from the US and Japan.<sup>52</sup> In response, China's Ministry of National Defence issued a warning to "certain countries", urging them to cease actions perceived as encouraging Taiwan independence separatist forces and to adhere to the one-China principle.<sup>53</sup>

Among other developments, China's state media highlighted the lack of social cohesion in the US as another example of the country's failings, in the wake of riots that erupted in Los Angeles, California, against President Trump's immigration policies.<sup>54</sup>

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<sup>47</sup> "Chinese defence ministry firmly opposes U.S. negative remarks on China at Shangri-La Dialogue", People's Daily, June 2, 2025

<sup>48</sup> "China stays committed to promoting sound China-U.S. military-to-military relationship: spokesperson", People's Daily, June 14, 2025

<sup>49</sup> "Editorial | Shangri-La Dialogue a place to ease tensions, not inflame China threat", South China Morning Post, June 4, 2025

<sup>50</sup> "Lai's first '10 Talks' speech draws mixed reactions", Focus Taiwan, June 23, 2025

<sup>51</sup> "Lai's speech will drag Taiwan into severe crisis", China Daily, June 24, 2025

<sup>52</sup> "China warns certain countries against emboldening separatists in Taiwan", People's Daily, June 14, 2025

<sup>53</sup> Ibid.

<sup>54</sup> "Chinese state media seize on LA unrest as proof that America is broken", South China Morning Post, June 10, 2025



## IV. China-European Union Relations

On June 16, 2025, Ursula von der Leyen, President of the European Commission, expressed concerns during her address at the G7 Summit in Canada regarding China's weaponisation of its near-monopoly on the global supply of rare-earth elements.<sup>55</sup> She also raised alarms about a second "China shock", wherein Beijing is flooding global markets with its subsidised industrial overcapacity.<sup>56</sup> China, for its part, refuted the G7's manipulation of China-related issues, including Taiwan, the South China Sea, and the East China Sea, as well as the G7's false accusations concerning "industrial overcapacity" and "market distortion".<sup>57</sup> Chinese analysts noted that the G7's approach to international economic affairs reflects its "Cold War thinking" that politicises economic issues. Adding that, the US's refusal to endorse a joint statement at the G7 Summit reflects growing divisions within the group.<sup>58</sup>

Amidst Ursula von der Leyen's criticism of China's trade practices, the EU's Trade Commissioner, Maros Sefcovic, and China's Commerce Minister, Wang Wentao, held a video call on June 19, 2025. Their discussion focused on critical issues, including export controls, market access, and the EU's tariffs on Chinese-made electric vehicles, which are anticipated to feature prominently during the China-EU Leaders Summit scheduled to be held in July 2025 in Beijing, commemorating the 50th anniversary of their diplomatic relations.<sup>59</sup>

Adding to China's concerns, the EU has reportedly restricted Chinese medical device manufacturers from participating in its public procurement market. In light of this, a Global Times editorial observed a rise in negative sentiment towards China in Europe and urged the EU to maintain its strategic autonomy while developing an "objective and rational understanding" of China's modernisation.<sup>60</sup> Adding that, Europe needs to show more sincerity in its engagement with China.<sup>61</sup> While the European Union adopts a hawkish trade policy stance toward China, Hungary, leveraging its subsidies, low labour costs,

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<sup>55</sup> "EU pushes China to address 'alarming' rare earth export controls", South China Morning Post, June 5, 2025

<sup>56</sup> "'A new China shock': von der Leyen revives hard line on Beijing at G7 summit", South China Morning Post, June 17, 2025

<sup>57</sup> "China opposes G7's manipulation of China-related issues: FM spokesperson", Global Times, June 18, 2025

<sup>58</sup> Ibid.

<sup>59</sup> "Chinese and EU trade officials hold talks after von der Leyen outburst", South China Morning Post, June 20, 2025

<sup>60</sup> "An 'independent Europe' should establish an objective and rational understanding of China: Global Times editorial", Global Times, June 9, 2025

<sup>61</sup> Ibid.



and favourable relations with Beijing, is positioning itself as China's emerging manufacturing hub in Europe.<sup>62</sup>

Among other developments, Kaja Kallas, the EU's Foreign Policy Chief, has called for a "dose of realism" in Europe's relations with China, which she accuses of enabling Russia's war in Ukraine.<sup>63</sup>

## V. China-Russia Relations

The Israel Defence Forces (IDF) conducted pre-emptive strikes on Iran's nuclear sites on June 13, 2025, marking a significant escalation of the military conflict between the two countries. In light of this, on June 19, 2025, Chinese President Xi Jinping and Russian President Vladimir Putin engaged in a telephonic discussion to exchange perspectives on the prevailing situation in the Middle East. In his remarks, Xi proposed an urgent ceasefire between Israel and Iran, prioritising civilian safety, dialogue, and support for international peacemaking efforts.<sup>64</sup> Reacting to this, Chinese state media asserted that President Xi's "four-point proposal" aims to mitigate tensions between Israel and Iran. However, it raised concerns regarding the US's perceived lack of a constructive role and its indications of direct involvement in the conflict.<sup>65</sup>

Russian President Vladimir Putin and China's Vice Premier Ding Xuexiang met on the margins of the St. Petersburg International Economic Forum (SPIEF) held in St. Petersburg, Russia, on June 20, 2025. During the meeting, Vice Premier Ding emphasised the significant transformations occurring in the international landscape and called on China and Russia to further enhance their comprehensive strategic partnership.<sup>66</sup> He advocated for promoting international justice, reinforcing a WTO-centred multilateral trading system, increased coordination within the SCO and BRICS frameworks, and advancing an equitable and orderly multipolar world with inclusive economic globalisation.<sup>67</sup>

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<sup>62</sup> "How Hungary became China's new factory hub in the heart of Europe", South China Morning Post, June 10, 2025

<sup>63</sup> "EU foreign policy chief calls for 'dose of realism' in China relations", South China Morning Post, June 24, 2025

<sup>64</sup> "Xi, Putin discuss Middle East situation on phone", Global Times, June 19, 2025

<sup>65</sup> "The US should immediately stop fuelling the war machine in the Middle East: Global Times editorial", Global Times, June 19, 2025

<sup>66</sup> "Chinese Vice Premier meets Putin, emphasizing strategic guidance of leaders of two countries as the strongest guarantee for deepening co-op", Global Times, June 21, 2025

<sup>67</sup> Ibid.

Meanwhile, President Putin, at SPIEF 2025, stated that Russia and China are not shaping a “new world order” but facilitating its natural rise to make it more balanced.<sup>68</sup> In accordance with this, Vietnam's admission as a partner country in BRICS was welcomed by China, which highlighted the group's expansion as a testament to its growing appeal and influence within the “Global South”.<sup>69</sup>

Earlier, China's Security Chief Chen Wenqing and Russia's Security Chief Sergei Shoigu co-chaired the 10<sup>th</sup> meeting of the China-Russia law enforcement and security cooperation mechanism, in Moscow. The two sides pledged to deepen cooperation on jointly countering terrorism, separatism, extremism, drug trafficking and other challenges.<sup>70</sup>

## VI. China-Central Asia Summit

President Xi addressed the Second China-Central Asia Summit held in Astana, Kazakhstan, on June 17, 2025. In his remarks, President Xi called upon China and the five Central Asian nations—Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan—to adhere to the principles of “mutual respect, mutual trust, mutual benefit, and mutual assistance” in order to collectively advance modernisation through high-quality development.<sup>71</sup> The two sides launched three cooperation centres focused on poverty alleviation, educational exchange, and desertification management, as well as a trade facilitation platform.<sup>72</sup>

The meeting addressed key topics such as advancing high-quality Belt and Road Cooperation (BRI), with particular emphasis on the construction of the China-Kyrgyzstan-Uzbekistan railway, the establishment of a treaty on eternal good-neighbourliness, friendship, and cooperation, the rejection of trade and tariff wars, and the collective effort to combat terrorism, separatism, and extremism.<sup>73</sup> In response to the China-Central Asia Summit, analysts observed that Beijing is incrementally broadening its regional influence and is progressively outpacing both Russia and the European Union in Central Asia,

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<sup>68</sup> Russia Today (RT), Official X Handle, June 20, 2025

<sup>69</sup> “China welcomes Vietnam to join as BRICS partner country: FM spokesperson”, Xinhua, June 16, 2025

<sup>70</sup> “China, Russia ‘fighting together’ against terror and other threats: Chen Wenqing”, South China Morning Post, May 30, 2025

<sup>71</sup> “Key takeaways from 2nd China-Central Asia Summit in Astana”, Xinhua, June 18, 2025

<sup>72</sup> Ibid.

<sup>73</sup> Ibid.

supported by strategic policy frameworks and its geographical proximity to the region.<sup>74</sup>

## Internal Developments

### Key Developments and Addresses by Chinese Leaders

Chinese Premier Li Qiang addressed the 16<sup>th</sup> annual Meeting of the New Champions organised by the World Economic Forum in Tianjin, China, from June 24-26, 2025. In his remarks, Premier Li acknowledged China's challenges stemming from a decline in cross-border investment, while reaffirming Beijing's intent to stimulate domestic demand as a catalyst for both domestic and global economic growth.<sup>75</sup> He pledged to make China a "mega-sized consumption powerhouse, on top of being a manufacturing powerhouse".<sup>76</sup>

In May 2025, China launched the 'International Organisation for Mediation (IOMed)', headquartered in Hong Kong SAR. In light of this, analysts highlighted China's efforts to promote new models of global governance aimed at representing the interests of the Global South, as existing mechanisms are perceived to inadequately address the concerns of developing countries.<sup>77</sup> Reportedly, 33 countries have signed the founding convention of IOMed, including Pakistan, Indonesia, Laos, Cambodia, Algeria, Djibouti, Sudan, Zimbabwe, Kenya, Uganda, Cuba, Nicaragua, Venezuela, Belarus, and Serbia.<sup>78</sup>

President Xi Jinping sent a congratulatory message to the Ministerial Meeting of Coordinators on the Implementation of Follow-up Actions of the Forum on China-Africa Cooperation (FOCAC), which convened in Changsha on June 11, 2025. Xi reiterated China's commitment to implementing the ten action plans for Africa's modernisation, as agreed upon at FOCAC, and to strengthen collaboration in areas such as green industry, e-commerce and e-payment,

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<sup>74</sup> "Opinion | Why China's Central Asian footprint is about to get bigger", South China Morning Post, June 22, 2025

<sup>75</sup> "Address by China Premier Li Qiang to the Annual Meeting of New Champions 2025", World Economic Forum, June 26, 2025

<sup>76</sup> "At 'Summer Davos', Li Qiang vows China will be 'mega-sized' consumption power", South China Morning Post, June 25, 2025

<sup>77</sup> "Why has China set up a new Hong Kong-based international mediation body?", South China Morning Post, June 21, 2025

<sup>78</sup> "IOMed: Another China-led global organisation?", Think China, June 17, 2025

science and technology, artificial intelligence, as well as enhancing cooperation in security and the rule of law.<sup>79</sup>

Wang Yi, the Director of China's Central Commission for Foreign Affairs, delivered an address at the United Nations' inaugural 'International Day for Dialogue among Civilizations' on June 10, 2025. He shed light on China's "Global Civilisation Initiative", emphasising the importance of respecting each nation's development path, rejecting ideas such as "the clash of civilizations", and promoting cultural exchanges and progress through the free flow of ideas, technologies, and people.<sup>80</sup>

On June 13, 2025, President Xi presided over a meeting marking the 120<sup>th</sup> birth anniversary of the CPC's first-generation revolutionary leader Chen Yun, who worked under both Mao Zedong and Deng Xiaoping. Xi called upon the Party to uphold the legacy of Chen Yun and strive toward the comprehensive development of China as a modern socialist nation.<sup>81</sup>

## Trade and Economy

Amidst continuing trade tensions with the US, manufacturing activity in China contracted for a second consecutive month in May 2025.<sup>82</sup> However, retail sales, a key indicator of consumption, increased by 6.4 percent in May 2025, compared to the 5.1 percent growth recorded in April 2025.<sup>83</sup> In light of this, China's National Bureau of Statistics maintained that, despite mounting external uncertainties, the economic recovery momentum has been sustained.<sup>84</sup>

Chinese exporters are facing challenges in pivoting to the domestic market for products initially meant for overseas business.<sup>85</sup> Reacting to this, analysts shed light on the prevalent sentiment among Chinese businesses that Beijing should stabilise trade ties with the US and help manufacturers access more business

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<sup>79</sup> "Xi, Sassou send congratulatory letters to FOCAC ministerial meeting of coordinators", People's Daily, June 11, 2025

<sup>80</sup> "China's top diplomat calls for advancing dialogue among civilizations", People's Daily, June 10, 2025

<sup>81</sup> "Xi urges hard work to build strong China as CPC marks 120th birth anniversary of veteran leader Chen Yun", People's Daily, June 14, 2025

<sup>82</sup> "China's factory activity contracts for second month in row as US trade tensions persist", South China Morning Post, May 31, 2025

<sup>83</sup> "China's economy weathers US tariff storm in May as consumption picks up", South China Morning Post, June 16, 2025

<sup>84</sup> "China's economy maintains recovery momentum in May", People's Daily, June 16, 2025

<sup>85</sup> "Hard to pivot: why China's exporters struggle to sell at home despite trade war", South China Morning Post, June 2, 2025

opportunities in Europe.<sup>86</sup> It is to be noted that the US-China trade war is fundamentally altering global supply chains, with reports highlighting Malaysia, Vietnam, Mexico, Turkey, Thailand, Indonesia, India, and Brazil as primary beneficiaries of the reallocation of global production activities.<sup>87</sup>

## Defence and Security

The PLA will hold a military parade in Beijing's Tiananmen Square on September 3, 2025, to commemorate the 80th anniversary of China's victory over Japan in 1945.<sup>88</sup> Beijing stressed that the parade would emphasise the significance of the Sino-Japanese war and China's commitment to defending the post-World War II order.<sup>89</sup> It would showcase China's military modernisation, including advanced combat capabilities, emerging technologies, and "strategic deterrence strength".<sup>90</sup>

A report by the Stockholm International Peace Research Institute (SIPRI), a Swedish think tank, indicated that China is expanding its nuclear arsenal faster than any other country, adding 100 new warheads annually. This rapid growth has brought the PLA's estimated nuclear stockpile to 600 nuclear warheads. Reacting to this, China's Ministry of Foreign Affairs reiterated its adherence to the "no first use" policy regarding nuclear weapons, emphasising that the nation's nuclear capabilities are maintained at the minimum level deemed necessary for national security.<sup>91</sup>

The NATO Summit was held in Hague, Netherlands, from June 24-25, 2025, during which the allies agreed to invest 5 percent of their GDP in defence by 2035 and reaffirmed their commitment to Ukraine.<sup>92</sup> In his remarks, NATO Secretary General Mark Rutte articulated apprehension regarding China's military build-up and its support for Russia's war in Ukraine, advocating for the strengthening of the Western military alliance through unity and innovation.<sup>93</sup> Reacting sharply, Beijing denounced NATO's slandering of China's normal military build-up, asserting that the Western alliance is fabricating

<sup>86</sup> Ibid.

<sup>87</sup> "The US-China rivalry is reshaping global supply chains – who benefits most?", South China Morning Post, June 16, 2025

<sup>88</sup> "China to mark 80th WWII anniversary with military parade in Beijing in September", South China Morning Post, June 24, 2025

<sup>89</sup> Ibid.

<sup>90</sup> Ibid.

<sup>91</sup> "FM responds to SIPRI report hyping China's nuclear arsenal growth", Global Times, June 16, 2025

<sup>92</sup> "Defence expenditures and NATO's 5% commitment", NATO, June 27, 2025

<sup>93</sup> "Keynote speech by NATO Secretary General Mark Rutte at the NATO Summit Defence Industry Forum followed by a moderated discussion", NATO, June 24, 2025

justifications to substantially increase its military expenditure. It also opposed NATO's eastward expansion into the Asia-Pacific region, calling on the Western military alliance to reflect on its behaviour, alter its trajectory, and play a more active role in fostering global security and stability.<sup>94</sup>

The PLA Navy's aircraft carriers Liaoning and Shandong conducted dual-carrier training in the Western Pacific Ocean in early June 2025. Reportedly, this marked the first time a Chinese aircraft carrier crossed the second island chain, a notional defensive boundary set by the US and its allies to contain China in a potential conflict.<sup>95</sup> Analysts observed that the PLA Navy is coordinating carrier operations in the blue-water domain, a strategic move aimed at enhancing its capacity to deter the US forces in the event of a Taiwan conflict.<sup>96</sup> Meanwhile, the PLA Daily's editorial underscored the pivotal and commanding role of drones (unmanned systems) in any future intelligent warfare, advocating for their centralised and large-scale deployment in combat operations.<sup>97</sup>

## Technology

On June 10, 2025, the People's Daily interviewed Ren Zhengfei, the CEO of Chinese technology company Huawei. Amidst continuing US export controls on semiconductor chips and sanctions on Huawei, Ren Zhengfei stated that Washington has overstated Huawei's achievements, emphasising that the company's chips trailed the US by a generation. Major issues discussed by him included the need to maintain strategic patience with theoretical scientists, advancing reform and opening up, adopting artificial intelligence in the manufacturing industry, and establishing a unified national market that would break down all blockades and support national rejuvenation.<sup>98</sup>

On June 17, 2025, the US Senate passed a regulatory framework for US-dollar-pegged cryptocurrency tokens known as 'stablecoins'. In light of this, Chinese state media suggested Beijing consider laws to regulate Yuan-backed stablecoins. They argued that USD-backed stablecoins show the US's

<sup>94</sup> "China firmly opposes NATO using China as an excuse to "expand eastward into Asia-Pacific": Defence Spokesperson", [China Military Online](#), June 26, 2025

<sup>95</sup> "What does China's military gain from operating 2 aircraft carriers in second island chain?", [South China Morning Post](#), June 13, 2025

<sup>96</sup> Ibid.

<sup>97</sup> "Massed drone deployments part of military modernisation: China's PLA Daily", [South China Morning Post](#), June 12, 2025

<sup>98</sup> "The more open the country, the more it will drive our progress: Ren Zhengfei speaks to People's Daily", [Global Times](#), July 10, 2025

commitment to ensuring the US Dollar as the world's reserve currency, especially as China pushes for Yuan internationalisation.<sup>99</sup>

On June 6, 2025, the China National Space Administration (CNSA) informed that the Tianwen-2 probe, launched on May 29, 2025, with the objective of collecting samples from the near-Earth asteroid 2016HO3 and exploring the main-belt comet 311P, is functioning smoothly in orbit. This mission seeks to elucidate the processes underlying the formation and evolution of asteroids and the early solar system.<sup>100</sup>

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<sup>99</sup> "China needs yuan-backed stablecoins 'sooner rather than later', state media urges Beijing", South China Morning Post, June 23, 2025

<sup>100</sup> "Tianwen-2 probe operating smoothly in orbit: CNSA", People's Daily, June 6, 2025





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