

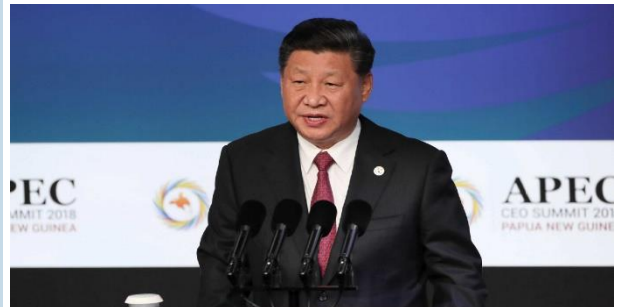


Delhi Policy Group

DPG China Monitor

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Delhi Policy Group

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

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ABOUT US

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In keeping with India's increasing global profile as a leading power and the accompanying dynamism of India's foreign and security policy, the Delhi Policy Group has expanded its focus areas to include India's broader regional and global role; India's initiatives to strengthen its strategic periphery; India's political, security and connectivity challenges and policies across the Indo-Pacific; and the strategic partnerships that advance India's rise. To support these goals, the DPG undertakes research, publishes policy reports and organises conferences on strategic and geo-political, geo-economic, and defence and security issues.

DPG China Monitor

DPG China Monitor is compiled by our research team from open source Chinese media. Your comments and feedback can be addressed to Antara Ghosal Singh at antara@dpg.org.in

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(Photographs top to bottom)

Chinese Premier Li Keqiang attends the 13th East Asia Summit in Singapore on November 15, 2018. Source: China Daily, <http://www.chinadaily.com.cn/a/201811/16/WS5bedf732a310eff303288ff3.html>

Chinese President Xi Jinping delivers a keynote speech at the Asia-Pacific Economic Cooperation (APEC) CEO Summit in Port Moresby, Papua New Guinea, November 17, 2018.

Source: China Daily, <http://www.chinadaily.com.cn/a/201811/17/WS5bef743da310eff>

National Security Adviser Ajit Doval with Chinese Minister of Foreign Affairs Wang Yi at the 21st meeting of the Special Representatives of India and China on the border issue in Chengdu, Sichuan on November 24, 2018.

Source: FMPRC, <https://www.fmprc.gov.cn/web/wjzbzd/t1615980.shtml>

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Abstract

During the month, China's commentariat continued to be heavily preoccupied with the state of US-China relations in the run up to the Trump-Xi meeting on the sidelines of the G-20 Summit in Argentina. There were several components of China's concern in this discourse, starting with what might be "reasonable" and "unreasonable" elements amongst the demands made by the US seeking change in the China's trade and economic practices, to discern where the balance of common interest might fall. Next, there was concern about multiple voices emanating from Washington regarding prospects for the future of China-US relations, which was seen as a tactic to bring pressure on Beijing. Finally, US Vice President Pence's various statements were the subject of strongly worded Chinese commentaries. These warned that if Pence really wanted to engage in a Cold War with China, he must fight with Wall Street, top US companies dependent on the Chinese market and US consumers who survive on Chinese products. If the Cold War was about forming two camps, then Washington needed to ponder who the active members of its much touted Indo-Pacific strategy might be. Nonetheless, Beijing also maintained the official stance that "as long as there is sincerity on either side, there is no problem that cannot be mutually solved by China and the US".

The Chinese media showcased President Xi Jinping's back to back state visits to seven countries and the two multilateral summit meetings (APEC and the G-20) which he attended during the month. This was described as part of China's "Major Power Diplomacy with Chinese Characteristics in the New Era" (新时代中国特色大国外交) aimed at offering Chinese solutions to global problems.

In Asia, there was considerable coverage of China's relations with both South East and South Asia. The China-ASEAN relationship was seen to have evolved into a "multi-dimensional cooperation model" comprising economy, trade, politics and diplomacy. On the US-China rivalry, the question was asked "which one of the ASEAN countries want to decouple from China and become its enemy".

In South Asia, China and India were seen to have concluded a particularly "positive, constructive and forward looking" 21st meeting of Special Representatives on the Border Issue which took place in Chengdu on November 24, 2018. At the same time, the Chinese media highlighted the inherent "strategic divergence" that has existed between the two sides: "whereas China believes that resolving border disputes is usually the result rather than the cause of improvement in relations, India insists that its relations with China will not improve fundamentally until the border dispute is resolved".

Despite the positive movement in China-India relations since the Xi-Modi informal summit in Wuhan earlier this year, Chinese strategists continued to identify India as the biggest swing factor in the region, and did not rule out the possibility of further shocks in the relationship. Adjustments in China's South Asia policy were advocated, bearing in mind evolving geopolitical trends within the region.

On the economic outlook, this month's narrative was the need for an image makeover, from being the "world's factory" to being the "world's largest market". Elsewhere in the domestic space, issues such as re-education camps in Xinjiang, students' privacy rights on university campus, genetically edited babies and "rectification drives for cleaning of cyber space" figured in the limelight. With the year coming to a close, the Chinese media also debated the efficacy of year-end assessment methods of the CPC and discussed the difficult conditions for grassroots cadres.

1. Foreign and Security Policy

China-US Relations

There was much anticipation regarding the Trump-Xi meeting due on December 1, on the margins of the G-20 in Buenos Aires. Prior to the meeting, the Chinese strategic community fiercely [debated](#) what was “reasonable” and what was “unreasonable” amongst demands made by the US and how to best seek the highest common denominator of interests between the two countries.¹ Although hope of a possible trade truce was mentioned, so was the possibility of a last minute surprise.

Chinese experts were mostly concerned about the multiple voices emanating at the same time from Washington regarding the prospects for future China-US relations. They believed that this was part of Washington’s pressure tactics on Beijing. A commentary in the Chinese media, for instance, noted that just a few hours before Vice President Pence stressed at the APEC summit that “the United States will not change its practice until China changes its behaviour,” President Trump spoke to reporters at the White House, expressing his willingness not to impose additional tariffs on Chinese goods. Similarly, they pointed out that at the 2nd round of the China-US Diplomatic and Security Dialogue which was held on November 9, the US made it clear that it did not seek a Cold War with China, but just before the APEC summit Pence spoke in another voice in an opinion piece for the Washington Post.

While reacting to Pence’s repeated reference to the Cold War, a strongly worded commentary in Huanqiu Shibao² [said](#) that if Pence wants to fight a cold war with China he must first fight with Wall Street, fight with the top US companies who survive on the huge market in China, and fight with the consumers across the United States who survive on Chinese products. Pence, it added, should ask if Hollywood was willing to withdraw from the Chinese market, if top American universities were willing to let go of the hundreds of thousands of Chinese students and their lofty tuition fees. Are the McDonald’s and KFCs willing to withdraw from the Chinese market or are GM and other US manufacturers willing to give up on their sales in China to their counterparts in Germany and Japan? Not just that, if the Cold War was about forming two camps, the

¹‘艰难使命·寻找中美利益最大公约’, *Huanqiu Shibao*, November 28, 2018, <http://opinion.huanqiu.com/editorial/2018-11/13664287.html>

²‘中美冷战？别用这样的笑话当威胁’, *Huanqiu Shibao*, November 16, 2018, http://views.ce.cn/view/ent/201811/16/t20181116_30795026.shtml

commentary dared Washington to ask who it thinks are the active members of its much touted Indo-Pacific Strategy. Which one of the group is willing to have a Cold War with China? Which one of the ASEAN countries want to "decouple" from China and become its enemy?



U.S. Vice President Mike Pence at the APEC CEO Summit 2018 in Port Moresby, Papua New Guinea, November. 17, 2018. Source: Business Insider, <https://www.businessinsider.com/china-us-pence-speeches-apec-summit-2018-11?IR=T>

Again, while reacting to Pence's speech at the APEC summit, another [article](#) in Huanqiushibao sarcastically mentioned that China shares the United States' principle that there should be protection of sovereignty, equality and mutual respect in international economic and trade cooperation. However, "China wants the United States to first apply this attitude to Sino-US relations, stop interfering in China's sovereignty on the pretext of protecting human rights, stop criticising the status of state owned enterprises and allow comprehensive and equal cooperation between the two sides".³

³彭斯批评的那个中国更像是美国', *Global Times*, November 17, 2018, <http://opinion.huangniu.com/editorial/2018-11/13573899.html>

Beyond such charged reactions from time to time, Beijing, by and large, maintained an official stance that “as long as there is sincerity on either side, there is no problem that cannot be mutually solved by China and the US”.⁴ Interestingly, in yet another charm offensive, Beijing is now planning to commemorate the 40th anniversary of the establishment of diplomatic relations between China and the United States on January 1, 2019.

China at the East Asia Summit



Chinese Premier Li Keqiang attends the 13th East Asia Summit in Singapore on November 15, 2018. Source: China Daily, <http://www.chinadaily.com.cn/a/201811/16/WS5bedf732a310eff303288ff3.html>

The 33rd ASEAN Summit and the 13th East Asia Summit were held in Singapore from November 13-15, 2018. Chinese Premier Li Keqiang made two important announcements during his speech: (i) China hopes that the negotiations on the "Regional Comprehensive Economic Cooperation Partnership Agreement" (RCEP) initiated by ASEAN can be finalized in 2019; and (ii) consultations on the Code of Conduct for the South China Sea can be completed within the next three years to help achieve lasting peace and stability in the South China Sea.⁵

A Huanqishibao commentary mentioned that the China-ASEAN relationship has entered a new stage where the former economic and trade-led cooperation model has now given way to a multi-dimensional cooperation model comprising of economy, trade, politics and diplomacy. During Chinese

⁴‘只要有诚意中美之间没有解决不了的问题’, *Xinhua Commentary*, December 3, 2018, http://views.ce.cn/view/ent/201812/03/t20181203_30926033.shtml

⁵‘中国与东盟刷新地区合作图景’, *Hanqishibao*, <http://opinion.huanqiu.com/editorial/2018-11/13539870.html>

president Xi Jinping's state visits to Philippines and Brunei, both countries upgraded their relationship with China to a "Comprehensive Strategic Partnership" and 'Strategic Partnership' respectively.

Another [commentary](#) on the China Net stated that in the next stage of relations with ASEAN, China will have three objectives. First, to consolidate strategic mutual trust and to convince them that China's development is an opportunity for all countries, not a threat. The second, to pragmatically expand cooperation and exchanges, under the overall umbrella of the Belt and Road Initiative. The third, to handle the South China Sea issue well by preventing all kinds of external interference to ensure that the relationship between the two sides can develop steadily.⁶

Xi Jinping in Papua New Guinea, Brunei, Philippines and at the APEC Summit

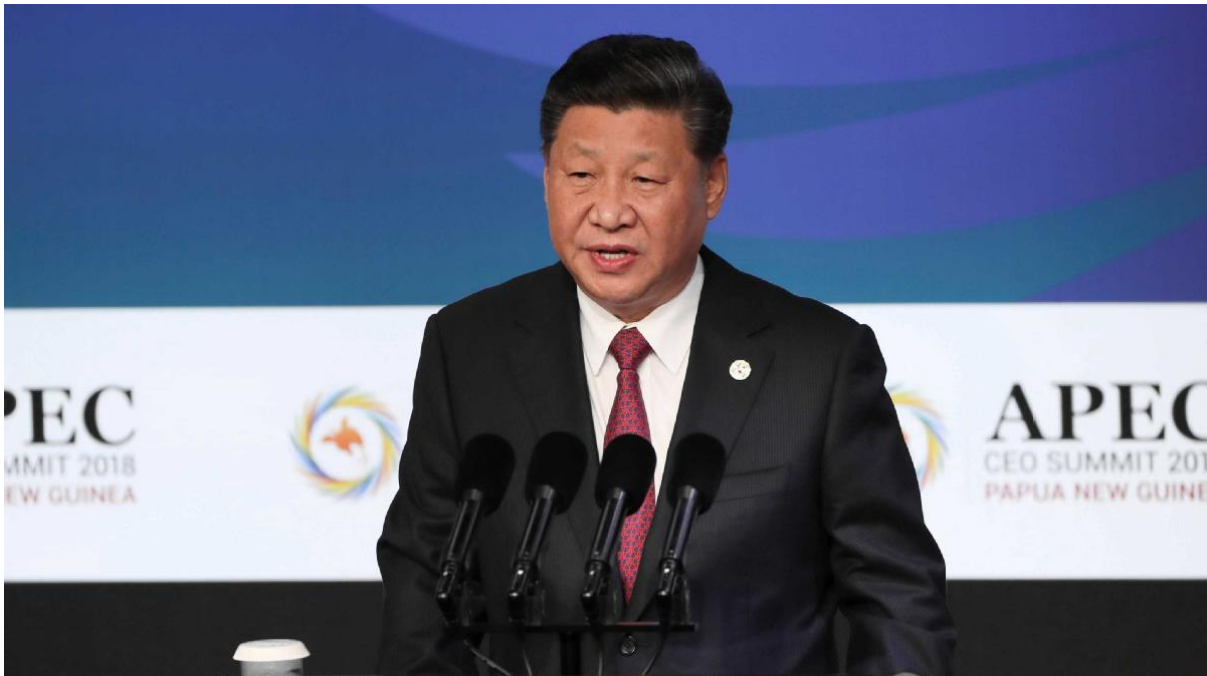
From November 15-21, Chinese President Xi Jinping attended the 26th APEC Informal Leaders' Meeting, paid state visits to Papua New Guinea, Brunei and the Philippines and held a meeting with the leaders of the Pacific island countries. [Chinese media](#) described the visits as a significant endeavour under the banner of "Major Country Diplomacy with Chinese characteristics in the New Era".⁷ In the words of Chinese commentators, President Xi Jinping performed a "trio"⁸ of regional diplomatic tasks during the visits: i) discussion on the approach to regional economic integration with APEC members; ii) collaboration with Southeast Asian neighbours on strategic cooperation; and iii) opening a new chapter of sustainable development with the Pacific island countries. The [People's Daily](#), in an editorial underscoring the importance of the visits, highlighted that they demonstrated China's image of a constructive, responsible and morally upright great power and delivered China's positive energy to the Asia-Pacific region and the world against the backdrop of rising unilateralism, protectionism, and the undercurrents of cold-war mentality and anti-globalization trends.⁹

⁶习近平南太行演绎区域外交"三重奏", *China Net*, November 23, 2018, http://views.ce.cn/view/ent/201811/23/t20181123_30850906.shtml

⁷中国正能量', *Renmin Ribao*, November 22, 2018, http://www.ciis.org.cn/chinese/2018-11/22/content_40588401.html

⁸习近平南太行演绎区域外交"三重奏', *China Net*, November 23, 2018, http://views.ce.cn/view/ent/201811/23/t20181123_30850906.shtml

⁹推动构建亚太命运共同体的中国担当', *Xinhua*, November 6 2018, http://views.ce.cn/view/ent/201811/16/t20181116_30794470.shtml



Chinese President Xi Jinping delivers a keynote speech at the Asia-Pacific Economic Cooperation (APEC) CEO Summit in Port Moresby, Papua New Guinea, November 17, 2018.

Source: China Daily, <http://www.chinadaily.com.cn/a/201811/17/WS5bef743da310eff>

The [Chinese media](#) unabashedly boasted how Beijing had helped PNG prepare for the APEC summit. The newly constructed Independence Boulevard Precinct: a 300-meter wide corridor, valued at around \$12 million and featuring a six-lane road, two five-meter wide footpaths, street lights, path lights, three traffic lights and five nature parks running from Waigani to the PNG Parliament House; and the \$35 million Port Moresby International Convention Centre, where some of the high-level meetings of the APEC summit took place, were all Chinese made. Chinese companies had worked overtime to eliminate all difficulties, keep their promises and complete the project on schedule, winning goodwill for the country. This cooperation between China and Papua New Guinea will serve as a new template for China to carry out cooperation with other South Pacific Island countries and South-South cooperation.¹⁰

Chinese writers regretted that for the first time in the history of APEC, the summit failed to issue a joint communiqué due to disagreements among members on WTO reforms. China's state media clarified that China does not disagree with the need for WTO reforms, but insists that the highest standard for revising WTO rules should be a win-win for all and not just a win for the

¹⁰'连线APEC会场PECC主席苏格：巴新人连赞中国援建信誉', *CIIS*, November 19, 2018, http://www.ciis.org.cn/chinese/2018-11/19/content_40582618.html

United States and a few developed countries. While refuting the claim that China has been the biggest beneficiary of the international system, an [editorial](#) in Huanqiushibao mentioned “China's economic strength has grown because the Chinese economy has gone through lots of reforms that the American society does not want to undertake...a large part of China's hard-earned foreign exchange has been borrowed and used by the US as a national debt...the Chinese people rely on diligence to earn money and achieve national development, rather than exploiting the loopholes of the international system”.¹¹



Amidst US-China discord, APEC summit wrapped up with no joint statement, Source: Global Times, <http://www.globaltimes.cn/content/1127935.shtml>

While discussing the prospects for future cooperation and development of the APEC region, another commentary on China Net argued that the long-standing spirit of openness and cooperation in the Asia-Pacific region has lately being undermined by formalism and unilateralism. The Asia-Pacific region, it added, is at the forefront of massive changes taking place in the field of geo-politics. “Nations with changed mentality not only hope to change the background of Asia-Pacific economic cooperation, but also the geographical contours of the region. The purpose is to obstruct the objective changes taking place in the international system, thus undermining the long-standing spirit of

¹¹ ‘APEC未能发表宣言，遗憾与希望’, *Huanqiushibao*, November 18, 2018, <http://opinion.huanqiu.com/editorial/2018-11/13580795.html>

cooperation in the Asia-Pacific region". This, they [say](#), was the real reason for the absence of the APEC communiqué.¹²

Xi Jinping in Spain, Portugal, Argentina, Panama and at the G-20 Summit



World leaders pose for a family photo at the G20 summit, November. 30, 2018 in Buenos Aires, Argentina, Source: Hindu Business Line, <https://www.thehindubusinessline.com/news/world/g20-summit>

Chinese state media [described](#) the "grand closing" of Xi's head-of-state diplomacy for the year 2018, as something which would be recorded in the annals of history as an important chapter of Major Power Diplomacy with Chinese Characteristics in the New Era.¹³ Xi's visits during the month were deemed significant for other reasons as well. This was the first visit of President Xi Jinping to Europe (Spain, Portugal) and Latin America (Argentina, Panama) after the 19th CPC National Congress. It was also the first visit of the Chinese Head of State to Latin America since the establishment of diplomatic relations between China and Panama in July, 2017. Chinese strategic circles expect that these visits will deepen China-EU and China-Latin America cooperation.

Again, at the G20 summit, China [proposed](#) "to lead the world economy in the right direction" with the help of Chinese wisdom.¹⁴ Chinese papers were

¹²'建设繁荣亚太需要真正的合作精神', *China Net*, November 21, 2018,

http://views.ce.cn/view/ent/201811/21/t20181121_30829858.shtml

¹³'2018年中国元首外交收官之作聚焦世界目光', *Nanfang Wang*, November 26, 2018

http://views.ce.cn/view/ent/201811/26/t20181126_30867471.shtml

¹⁴'引领世界经济沿着正确轨道向前发展', *Renmin Ribao*, December 3, 2018,

http://views.ce.cn/view/ent/201812/03/t20181203_30926543.shtml

initially concerned that the G-20 summit would also fail to issue a joint communique like the APEC summit due to differences between the member countries. A commentary in Huanqiushibao argued that leading the world economy in the right direction required participation from all G-20 nations. "If some countries think that the US's unilateral policies will only affect China while they will escape unaffected, or might even benefit from the situation, then they are miscalculating", the article [argued](#).¹⁵ From Canada and Mexico to the US's European and Asia Pacific allies – all are paying the price of the US unilateralism and, therefore, G-20 nations should together uphold the banner of multilateralism.

China-India Relations

The 21st meeting of the Special Representatives for the China-India border issue was held in Chengdu on November 24, 2018. Being the first Sino-Indian boundary talks after the Doklam incident and the first negotiations after leaders of the two sides met in Wuhan earlier this year, the Chengdu meeting was a much anticipated one. The Chinese media [appreciated](#) the "positive, constructive and forward-looking" tenor of the meeting and also noted that compared to the past trend when both sides issued short statements, mostly comprising diplomatic rhetoric, the communiqué this time was relatively longer and newer in content, signifying substantial progress in negotiations between the two sides.¹⁶ While explaining the overall relatively slow pace of negotiations between the two countries, a [Global Times](#) article highlighted the inherent "strategic divergence" that has existed between the two sides: "whereas China believes that resolving border disputes is usually the result rather than the cause of improvement in relations, India insists that its relations with China will not improve fundamentally until the border dispute is resolved".¹⁷

¹⁵ '多边主义不能休眠·G20请为它呐喊', *Huanqiushibao*, November 30, 2018, <http://opinion.huangniu.com/editorial/2018-11/13684598.html>

¹⁶ '中印边界谈判达重要共识, 可贺', *Huanqiushibao*, November 26, 2018, <http://opinion.huangniu.com/editorial/2018-11/13638847.html>

¹⁷ 'Challenges linger in China-India border talks', *Global Times*, November 26, 2018, <http://www.globaltimes.cn/content/1129040.shtml>



National Security Adviser Ajit Doval with Chinese Minister of Foreign Affairs Wang Yi at the 21st meeting of the Special Representatives of India and China on the border issue in Chengdu, Sichuan on November 24, 2018, Source: FMPRC, <https://www.fmprc.gov.cn/web/wjzbzd/t1615980.shtml>

Another article by [CIIS](#) argued that since the Modi government took office, there have been massive changes in India's internal and external environment. As a result, India's "great power" attitude is getting more pronounced while its anti-China sentiment is getting stronger – a situation the Chinese scholars call Gaokaidizou (高开低走), which means that the relationship started on a high note but is gradually losing tempo due to various reasons.

Despite positive movement in Sino-Indian relations after the Xi-Modi meet in Wuhan, Chinese strategists nonetheless continue to identify India as the biggest swing factor in the region. They note that while on one hand, the US's Indo-Pacific strategy has indeed enhanced India's bargaining power vis-a-vis China, on the other, its own great power ambitions and its diplomatic legacy of non-alignment are preventing it from giving up its strategic autonomy and playing into the hands of bigger powers. Chinese writers thus conclude that Sino-Indian relations have entered a critical period of development, which is

also going to be a period of prominent contradictions. China does not rule out the possibility of further shocks in the relationship.¹⁸

It is against this backdrop that the Chinese media closely followed the Modi-Abe summit in October. A [SIIS](#) commentary specially took note of the highly symbolic nature of the summit, pointing out that “Even though the US is Japan’s top priority in the international space, President Trump or President Obama did not receive the kind of welcome which PM Modi received in Japan”. It further argued that the timing was also so chosen so as to dilute the international community’s impression that Japan and China are getting close.

Chinese commentaries speculated that PM Modi was not initially keen on upgrading the level of the India-Japan 2+2 dialogue, citing the high frequency of meetings between the two leaders. However, he later agreed to do so on Japanese PM Abe’s request, who insisted that the upgraded dialogue will be symbolic of a new era of Indo-Japan relations. They further argued that it was precisely because of India’s position that Japan has mentioned that “the India-Pacific strategy is not aimed at China”.

Chinese strategists, therefore, infer that given the long land border between China and India, China’s status as India’s number one trading partner, and shared common interests at multiple international platforms like the BRICS, SCO, and AIIB, India and Japan were not on the same wavelength in their ideas of resisting China. Most importantly, they noted, India’s comprehensive strength still being far behind China, it is impossible for India to compete with China as Japan hopes.¹⁹

China-South Asia Relations

Pakistan Prime Minister Imran Khan made his first official visit to China from November 2 to 5, 2018. The visit was [reportedly](#) aimed at determining the future of the China-Pakistan Economic Corridor, seeking Chinese help for Pakistan’s debt crisis and targeting more balanced trade between China and Pakistan.²⁰ During the visit, both sides signed 15 bilateral cooperation agreements and memorandums of understanding. They also issued a joint statement wherein both sides opposed the negative propaganda against the China-Pakistan

¹⁸ ‘处于发展关键期的中印关系’, *CIIS*, November 7, 2018, http://www.ciis.org.cn/2018-11/07/content_40565414.html

¹⁹ ‘安倍和莫迪大秀亲密的背后有何玄机’ *SIIS*, November 4, 2018, <http://www.siis.org.cn/Research/Info/4618>

²⁰ ‘挑拨中巴关系的种种谣言，因为他的到来不攻自破’, *SIIS*, November 6, 2018, <http://www.siis.org.cn/Research/Info/4619>

Economic Corridor and vowed to resolutely protect the safety of its construction. However, the visit was somewhat marred by the November 23 [terrorist attack](#) on the Chinese Consulate in Karachi by members of the Balochistan Liberation Army (BLA), a separatist militant group based in the Pakistani state of Balochistan, a key area for the China-Pakistan Economic Corridor.²¹



Chinese President Xi Jinping meets Pakistani Prime Minister Imran Khan at the Great Hall of the People in Beijing, November 2, 2018. Source: Pakistan Today, <https://www.pakistantoday.com.pk/2018/11/04/pm-khans-visit-infuses-momentum-in-pak-china-ties-global>

A research report released by CIIS took a closer look at the emerging geopolitical trends in South Asia, which according to the Chinese side, have brought new challenges for the successful implementation of China's Belt and Road Initiative in South Asia. The article highlighted three new trends: i) given its sound economic growth and strong decisive government, India has strengthened its position in the region and has been realizing its great power ambition; ii) the geostrategic balance in South Asia is further tilting towards India with rising internal and external trouble for Pakistan; and iii) spill over of terrorism from Afghanistan to rest of South Asia threatens the security and stability of the region. Looking at these developments, Chinese strategists [advocated](#) that China needs to make some timely adjustments, including

²¹ 'China condemns Karachi attack, attempts to derail ties 'will not succeed', *Global Times*, November 23, 2018, <http://www.globaltimes.cn/content/1128728.shtml>

rethinking China-India relations, deepening China-Pakistan cooperation, actively developing relations with small and medium-sized countries in South Asia, and continuing to play a constructive role on the Afghanistan issue.²²

Yet another report on South Asia analysed the debt situation in Sri Lanka. While maintaining the official Chinese stand that Sri Lanka's debt is not due to China, the article discussed in detail the gaps in China's economic engagement with Sri Lanka. It highlighted the glaring imbalance/asymmetry in Sino-Sri Lankan economic ties, particularly Sri Lanka's one-sided dependence on China, denounced the closed/opaque nature of Chinese projects and criticised China's failure to boost local employment and improve the local people's livelihood. It further argued that it is the Chinese "one size fit all" style of overseas investment model characterised by state-owned enterprises project contracting, with a very small amount of direct investment that can actually generate sustained local employment and tax contribution, which is the real reason behind the local government and public dissatisfaction in Sri Lanka.

The report further noted that the recent suspension of Chinese investment projects in South Asian countries such as Myanmar and Nepal has not only brought serious economic losses to Chinese investors, but also jeopardized the international reputation of the Belt and Road Initiative. Sri Lanka, they said, is an important nodal country for the initiative. China's interactions with Sri Lanka under the banner of the Belt and Road Initiative have a certain demonstrative significance for other countries. Therefore, the article [advocated](#) that China should make immediate adjustments in cooperation ideas and investment models, properly address Sri Lanka's debt anxiety to help Sri Lanka strengthen its production capacity and competitive advantage, and make Sri Lanka a good template for Belt and Road cooperation.²³

2. Defence

The Chinese media welcomed the outcome of the second round of China-US Diplomatic and Security Dialogue held in Washington on November 9, setting the stage for the Xi-Trump summit at the G-20 meeting later in the month. The Dialogue was actually scheduled to be held in October in Beijing, but was postponed at the height of US-China trade tensions. According to Chinese reports, the Dialogue sent a positive message to both the countries and to the

²² 南亚局势新动向对“一带一路”在南亚推进的影响', *CIIS*, October 29, 2018, http://www.ciis.org.cn/2018-10/29/content_40553700.html

²³ 斯里兰卡外债问题现状、实质与影响', *CIIS*, October 23, 2018, http://www.ciis.org.cn/2018-10/23/content_40545759.html

global community at large regarding either side's strategic intentions to de-escalate the ongoing tensions.²⁴

To build up on the positive environment, China allowed the US aircraft carrier Ronald Reagan and three other warships to call at Hong Kong. In September, it had rejected a similar request from the US against the backdrop of rising tension. According to the Chinese media, the move was intended to convey a global message of the relative easing of Sino-US relations and also to tell the global community that the Chinese and US armed forces have the ability to maintain cooperation even under the present scenario of adverse trade relations and strategic mutual distrust between the two countries.

The narrative that China wanted to build is that earlier, economic and trade cooperation was the cornerstone of Sino-US relations. But now, with the economic and trade area becoming the core of Sino-US friction, the so-far most sensitive and fragile element of military cooperation has become a key line of defence for maintaining the fundamentals of Sino-US relations.

However, much to China's discomfort, on November 19, just two days before the US ships docked at Hong Kong, two US B-52 bombers flew again through the airspace of the South China Sea near the Chinese island reef, in what was said to be a "[routine training mission](#)".²⁵

An editorial piece in People's Daily advocated strengthening military training for Chinese defence forces in strategic locations like the Western Theatre (Tibet and Chengdu). The commentary argued that it is only by undertaking training activities closest to the mission area and battlefield environment, can China prepare for war and comprehensively improve its ability to win in the new era. In this perspective, the commentary highlighted the strategic significance of the Western Theatre and the need for improving joint command, joint operations, joint support and other capabilities of Chinese forces.²⁶

²⁴ 'Conveying correct vs. misleading messages is key for China-US ties'. *CIIS*, November 12, 2018, http://www.ciis.org.cn/english/2018-11/12/content_40572019.html

²⁵ 美舰停靠香港，积极信号及其他', *Huanqiushibao*, November 22, 2018, http://views.ce.cn/view/ent/201811/22/t20181122_30840784.shtml

²⁶ 把军事训练摆在战略位置', *People's Daily*, November 18, 2018, <http://opinion.people.com.cn/n1/2018/11/18/c1003-30406404.html>



China's J-10B Thrust Vector Validation Aircraft performed the cobra manoeuvre at the China International Aviation and Aerospace Exhibition 2018 on November 6, 2018.

Source: Global Times, <http://www.globaltimes.cn/content/1126200.shtml>

The Chinese media celebrated the "Cobra Manoeuvre" performed by China's J-10B fighters at the Zhuhai Air Show. The J-10B, mentioned a report in [Global Times](#)²⁷, is the world's first single-engine fighter jet to perform such manoeuvres. It is actually equipped with an engine capable of thrust vectoring control, which means that the engine can change the direction of its thrust, thus realizing extreme manoeuvrability that can give the aircraft significant advantage in dogfights. This thrust vectoring control technology used on the aircraft is China's independently developed innovation, which they [say](#), makes China one of a few countries in the world to master this key technology and brings the Chinese Air Force one step closer to become world class.²⁸

²⁷'Chinese people amazed by the country's rapid development in fighter jets', *Global Times*, November 25, 2018, <http://www.globaltimes.cn/content/1128863.shtml>

²⁸'核心技术越过硬越有底气', *Beijing Daily*, November 9, 2018, http://views.ce.cn/view/ent/201811/09/t20181109_30739033.shtml

3. Economy



The inaugural CIIE took place at the National Exhibition and Convention Center at Shanghai on November 5, 2018, Source: China Daily, <http://www.chinadaily.com.cn/a/201810/23/WS5bced95ca310eff303284108.html>

The [Chinese media](#) extensively covered news of the first China International Import Expo held in Shanghai from November 5-10.²⁹ A [People's Daily editorial](#) mentioned that China is taking the opportunity of holding the import fair to reaffirm the "open China" stance and lead the "open world" trend.³⁰ They highlighted that the Expo was not an ordinary exhibition, but a major policy announcement and the core of China's new round of opening up. Another People's Daily editorial mentioned that just like the New York Times Square is called the Crossroad of the world, China's vision is to popularize Shanghai as the new "living room of the world (世界的会客厅)". China, it [said](#), will provide a free and fast ride to development to all other nations of the world.³¹

²⁹ '进博会对世界经济意味着什么' *Renmin Ribao*, October 30, 2018, http://views.ce.cn/view/ent/201810/30/t20181030_30659053.shtml

³⁰ "上海！上海！" 与各国携手"招财进宝", *Renmin Ribao*, November 3, 2018, <http://opinion.people.com.cn/n1/2018/1103/c1003-30379569.html>

³¹ 上海此刻成为"世界的会客厅", *Renmin Ribao*, November 4, 2018, <http://opinion.people.com.cn/n1/2018/1104/c1003-30380795.html>

Chinese commentators [emphasized](#) that the convening of the Expo was an important measure to respond to the need of the times.³² They observed that China's economy had shifted from a high-speed growth to a high-quality development stage, which meant that the economic structure needs to be transformed and upgraded. They further highlighted that in a departure from its export-oriented economic model of the past, domestic consumption had now become the driving force for Chinese economic growth. For instance, in the first half of 2018, the internal consumption contributed as much as 78.5% of China's GDP growth, while the contribution of net exports to GDP growth in the first half of the year has been as low as -9.9%.

An interesting point being made in the Chinese media regarding China's trade surplus is that China had never deliberately pursued a surplus in international trade, but rising consumerism, people's yearning for a good life and diversified consumer demand had now pushed China to open its huge market to the world and to share development opportunities with other countries around the world through increased imports. While on one hand the Chinese government was pursuing an image makeover at the global level - from being the "world's factory" to becoming the "world's largest market", it was simultaneously striving hard to convince its domestic constituency about the benefits of this 'coming in' policy vis-a-vis the 'going out' policy of the past. A People's Daily [editorial](#) urged domestic companies to actively support and participate in the Import Expo which was symbolic of China's shift in policy direction. It argued that participating in the Expo would help domestic companies to engage directly with the cutting-edge technological products and services from all over the world, introduce them to advanced and reliable management practices, and inspire innovation led development and management optimization.³³

In the same spirit of reform and opening up, as also to put all speculations to rest about Guo jin min tui (国进民退) (which means that the state is advancing and the private sector retreating), a [Private Enterprise Symposium](#) was held in Beijing on November 1.³⁴ The symposium delved into important themes like reduction in corporate taxes and fees; addressing the problem of financing for

³² '中国国际进口博览会：与世界共享中国改革开放成果' *CIIS*, November 11, 2018, http://www.ciis.org.cn/chinese/2018-11/09/content_40568494.html

³³ '进博会，向世界学习的机会'，*Renmin Ribao*, November 3, 2018, <http://opinion.people.com.cn/n1/2018/1107/c1003-30386009.html>

³⁴ '搬走“三座大山”，实现民营经济更大发展'，*Renmin Ribao*, November 3, 2018, <http://opinion.people.com.cn/n1/2018/1103/c1003-30379568.html>

private enterprises; creating a level playing field for private entities in China; and building a new type of political and business relationship.³⁵

In the same vein, Chinese President Xi Jinping, while inaugurating the Import Expo on November 5, announced that the Shanghai Stock Exchange will set up a new trading board for science and technology companies and test out the new registration-based IPO system that will make it easier for small, domestic tech companies to raise equity and to seek IPO approvals via a deregulated system. A [People's Daily editorial](#) described this as one of the major measures for the structural reform of the supply side of China's capital markets, the main purpose being to showcase the multi-level openness of the domestic capital market and enhance its attractiveness and significance.³⁶

It is interesting to note that as the Chinese government launches new headline hogging measures for reform and opening up, the Chinese state media is busy advocating to the public to have faith in the government's reform and opening up policy and actively participate in the same. A Huanqiushibao article stated that "They are still doubting if the country will really develop private enterprises? Doesn't that mean suppressing state-owned enterprises? Others worry that the development of private enterprises will weaken the foundation of China's political system." It further asserted that it is the record-breaking sales of the "Double 11"(双十一) shopping festival, the high intensity of high-speed rail transportation and the massive scale of tourism during the Golden Week, which demonstrate the great potential of China's market. "Can we go on like this? The answer is that we have to go this way because there is no way out", concluded the [article](#).³⁷

4. Internal Security

It was reported in the international media that ambassadors from fifteen countries, including Canada, the European Union and other European countries, jointly drafted a letter to the Chinese government requesting a meeting regarding re-education camps in Xinjiang, which the Chinese side calls "Xinjiang vocational skills education and training institutions". A [commentary](#) in Huanqiushibao criticised the move as "un-called for". It argued that the signatories to the letter and their point of view about Xinjiang is in a

³⁵ '吃下定心丸，一心谋发展', *Renmin Ribao*, November 1, 2018, <http://opinion.people.com.cn/n1/2018/1101/c1003-30377121.html>

³⁶ '以科创板推进资本市场供给侧改革', *Renmin Ribao*, November 11, 2018, http://views.ce.cn/view/ent/201811/09/t20181109_30738107.shtml

³⁷ '迎接改革开放新浪潮，中国何惧之有', *Huanqiushibao*, November 12, 2018, <http://opinion.huanqiu.com/editorial/2018-11/13527955.html>

minority, as China has good relations with all the Islamic countries and the entire developing world. The teaching and training camps, it argued, has had an immediate effect on the extreme degeneration of Xinjiang society and played a key role in regaining peace and tranquillity in various parts of Xinjiang. "No matter how much pressure the West exerts, Xinjiang will stick to its own path".³⁸

Meanwhile, the theme of protection of students' rights to privacy on campus dominated the commentary section of Chinese [state media](#) after there was social outrage over incidents where Chinese universities proposed to inspect students' electronic devices for certain subversive materials or asked students to standardise their social media profiles as per the school approved format and share daily posts from the school's Communist Youth League.³⁹



The Fifth World Internet Conference (WIC) took place in Wuzhen, Zhejiang Province, November 7- 9, 2018. Source: Global Times, <http://www.globaltimes.cn/content/1126751.shtml>

It is interesting to note that while on one hand China hosted the 5th World Internet Conference on November 7 in Wuzhen on the theme "towards a community with a shared future in cyberspace", and advocated strongly for

³⁸ '新疆实现稳定，比取悦西方重要多了', *Huanqiu Shibao*, November 16, 2018, http://views.ce.cn/view/ent/201811/16/t20181116_30795038.shtml

³⁹ '强制学生改微博'："校园权力"应该怎么用' *Red Net*, November 12, 2018, http://views.ce.cn/view/ent/201811/12/t20181112_30754910.shtml

more power to China in world Internet governance⁴⁰, on the other hand, in a new cyberspace clean-up drive China deleted more than 9,800 social media accounts of mostly individual news providers. [A People's Daily editorial](#) argued that the cyberspace has never been an "extra-legal place". Governing the cyberspace in accordance with the law is a common aspiration and in the common interest of hundreds of millions of netizens.⁴¹ Special broadcasts on TV and felicitation ceremonies were conducted to reward actors or entities for spreading "[positive energy](#)" in the cyber space.⁴² Also, as China celebrated Journalists' Day on November 8, there were [reports](#) of hastening the process of construction of county-level integration media centers all across China to "unify thoughts and generate social consensus".⁴³

Chinese nationalism made it to international headlines this month when China's top e-commerce sites like Alibaba (BABA) and JD.com (JD) dumped the products of Italian luxury brand Dolce & Gabbana and Chinese celebrities disassociated themselves from the brand over accusations of racism. The furore forced Gabbana co-founder Domenico Dolce to apologise to "all Chinese people around the world".⁴⁴ A Huanqishibao [commentary](#) argued that Chinese consumers should show their strength to the outside world from time to time to ensure lasting respect, while mentioning that such shows of strength must also use caution, given China's recent bid for reform and opening up.

Yet another development that brought Chinese practices under the global scanner was the case of genetically-edited babies. He Jiankui, an associate professor at Southern University of Science and Technology, announced on November 26 that a pair of genetically edited babies named Lulu and Nana was born in China. The news was criticised by Chinese state media as a publicity stunt meant for sensationalism and personal gain. A [Huanqishibao article](#) argued that this was just an isolated case, as research in this area is conducted in China under strict ethical constraints. However, it advocated that China

⁴⁰为'全球互联网治理贡献'中国力量', *China Net*, November 8, 2018,

http://views.ce.cn/view/ent/201811/08/t20181108_30734057.shtml

⁴¹'自媒体绝不是法外之地', *Renmin Ribao*, November 13, 2018,

<http://opinion.people.com.cn/n1/2018/1113/c1003-30397910.html>

⁴²'点赞中国, 放大网络正能量聚合筑梦"网动力"', *China Net* November 22, 2018,

http://views.ce.cn/view/ent/201811/22/t20181122_30843479.shtml

⁴³'扎实抓好县级融媒体中心建设', *People's Daily*, November 8, 2018,

http://views.ce.cn/view/ent/201811/08/t20181108_30730928.shtml

⁴⁴'杜嘉班纳事件: "西方中心主义"不经意就流露出来', *Chnagjiang Daily*, November 23, 2018,

http://views.ce.cn/view/ent/201811/23/t20181123_30850699.shtml

must strengthen legislation on scientific research and also conduct an in-depth investigation on the He Jiankui incident.⁴⁵

5. The Chinese Communist Party

As the year is coming to a close, it is time for yearly assessment/review of work by party cadres. In this context, the story of Li Zhongkai, an ordinary party worker from Yunnan province, attracted much media attention. The white hair and frail health of this post 80s-born worker made him an overnight internet sensation and caused a public outcry over poor working conditions and general hardships faced by the party's grass-root cadres. Several [commentaries](#) in Chinese state media advocated that "the higher authorities and the masses should give more understanding and support to grassroots cadres as they are also flesh and blood".⁴⁶

There was also criticism in the Chinese media about the "one-vote veto" (一票否决) assessment method which is widely used in the Chinese administrative system. The original intention behind the system was to change pressure into motivation and promote the work of local units. An [article in Red Net](#) emphasised that the assessment of the grassroots level by their superiors must be scientific, precise and realistic, and must not suffer from the "one-vote veto" dependency.⁴⁷

Reacting to reports of certain local governments undergoing expensive "landscape enhancement", "greening and beautification" and "image transformation" projects, the Chinese media warned party officials at the local level about the futility of being "the hero of GDP" (唯GDP论英雄) and indulging in "face engineering projects" (面子工程). [A China Economic Daily article](#) rebuked those officials who continued to pay more attention to the performance outcomes that were 'quick and easy' to report, but were not willing to work on areas that were not very easy to report upon and had long-term benefit. The article further urged local governments to resolutely resist "formalism and face engineering".⁴⁸

⁴⁵ '基因编辑婴儿事件，国家应全面调查', *Huanqiu Shibao*, November 27, 2018, http://views.ce.cn/view/ent/201811/27/t20181127_30875434.shtml

⁴⁶ '白发书记们的工作环境值得关注', *Guangming Daily*, November 22, 2018, http://views.ce.cn/view/ent/201811/22/t20181122_30841430.shtml

⁴⁷ '别患上“一票否决”依赖症', *Red Net*, November 11, 2018, http://views.ce.cn/view/ent/201811/08/t20181108_30729575.shtml

⁴⁸ '不能给“面子工程”留面子', *China Economic Daily*, November 12, 2018, http://views.ce.cn/view/ent/201811/12/t20181112_30754188.shtml



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