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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

Cover Photographs:

(Photographs top to bottom)

Chinese Vice Premier Liu He with U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin at the new round of high-level economic and trade consultations in Washington D.C., October 10, 2019, Source: Xinhua, http://www.xinhuanet.com/english/2019-10/14/c_138471569.htm

Prime Minister Narendra Modi with Chinese President Xi Jinping at the 2nd India-China Informal Summit in Chennai on October 12, 2019, Source: China Daily, <https://global.chinadaily.com.cn/a/201910/12/WS5da0d53da310cf3e3557000a.html>

The fourth plenary session of the 19th Central Committee of the Communist Party of China (CPC) was held from October 28 to 31, 2019 in Beijing, Source: Xinhua, http://www.xinhuanet.com/english/2019-11/01/c_138519098.htm

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Abstract

October was an eventful month for China. There were positive developments in China-US trade relations, as both sides agreed to a “limited trade deal” or a “phased settlement of differences”, paving the way for an eventual signing of a comprehensive trade agreement. US Vice President Mike Pence hinted at a possible mellowing down of policy towards China, even though he criticised its political system, human rights record, economic policy and national defense posture. China is not calling these positive developments as a ‘turning point’ in bilateral relations with the US; instead, it is adopting a wait and watch approach on how Washington’s China Policy unfolds in the future.

Another key highlight was China’s South Asia outreach, which included Pakistani Prime Minister Imran Khan’s China visit on October 8, the India-China second informal summit between Prime Minister Modi and President Xi (October 11-12) ending with Xi’s historic visit to Nepal on October 13-14, the first by a Chinese President in 23 years. In sharp contrast to the media and public frenzy in India over the outcome of the Modi-Xi informal summit, the Chinese media’s coverage of Xi’s India visit was lack-lustre. Except for some feel-good stories in China’s state media, the strategic community largely remained disillusioned about the future course of India - China relations and the effectiveness of informal summits in maintaining permanent peace between the two countries.

In the defense realm, this year’s Beijing Xiangshan Forum gained prominence with attendance by (1) Russia’s Defense Minister Sergei Shoigu (2) a higher-level 20 member delegation from the US; and (3) North Korea’s Deputy Minister of the Korean People’s Armed Forces, Jin Henglong.

On the internal security front, the news of 39 supposedly Chinese migrants found dead in a refrigerated truck in Britain, close on the heels of the grand celebration of the 70th anniversary of the People’s Republic of China, caused much embarrassment, which was eased by subsequent reports of the dead being Vietnamese refugees. The Chinese media took perverse comfort in the fact that not just Hong Kong, but two other world-class cities of the western world, Barcelona and Santiago, were ravaged by violent protests during the month. Meanwhile, Hong Kong and Taiwan got into a fresh squabble over the extradition of a Hong Kong native accused of murder in Taiwan. The case was at the center of the controversy over the infamous extradition bill, which eventually led to pro-democracy protests in Hong Kong since the beginning of this year.

On the economy, while there was concern over China's third-quarter GDP growth dwindling to 6.0%, the lowest in 27 years, there were reasons for cheer as China overtook France to take the 31st spot in the World Bank's "ease of doing business" rankings and its foreign trade expanded 2.8 percent year on year in the first three quarters of this year.

During the month, the Chinese Communist Party held the long overdue Fourth Plenary Session of the 19th Central Committee from Oct 28 – 31, 2019. One of its most consequential decisions was upholding the System of Socialism with Chinese characteristics as "a scientific institutional system, with significant institutional advantages, strong vitality and greater superiority". While urging the domestic audience to consolidate and upgrade Chinese institutions, so as to realize the Chinese dream of the great rejuvenation of the Chinese nation, the forum also had a message for the international community, that China is now "confident" to provide a "Chinese solution to the global aspiration for a better governance system".

1. Foreign and Security Policy

China-US Relations



Chinese Vice Premier Liu He with U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin at the new round of high-level economic and trade consultations in Washington D.C., October 10, 2019, Source: Xinhua, http://www.xinhuanet.com/english/2019-10/14/c_138471569.htm

The month saw some positive developments in China-US ties. A new round of high-level economic and trade consultations between China and the United States [took place](#) in Washington on October 10-11¹, after which President Trump announced that a limited trade deal has been reached between the two sides after more than a year of unabated trade tensions. The Chinese side too [highlighted](#) that “substantial progress”² had been made during the last round of trade consultations, particularly in the fields of agriculture, intellectual property protection, exchange rates, financial services, trade cooperation, technology transfer, dispute settlement, etc. Although there are still numerous [differences](#) between China and the United States, both have agreed to a “phased settlement

¹‘以平常心面对中美新一轮磋商的不确定性’, Huanqiu Shibao, October 9, 2019, <https://opinion.huanqiu.com/article/9CaKrnKnbyb>

²‘中美磋商有积极成果, 保持淡定继续向前’, Huanqiu Shibao, October 12, 2019, <https://opinion.huanqiu.com/article/9CaKrnKndL8>

of differences”, to move forward in accordance with the consensus of the two heads of state, without getting distracted by nay-sayers, and eventually signing a comprehensive agreement between the two, argued a commentary in China’s state media³.

However, in the run up to the event, developments like the US Department of Commerce announcing sanctions against 28 Chinese entities dealing with surveillance and artificial technology on the grounds of their suspected role in suppressing Muslim populations in Xinjiang; and White House trade adviser Navarro publicly urging negotiators to resolve the "seven sins of China", including infringement of intellectual property rights and compulsory technology transfer, dampened public sentiment in China. Therefore, despite the positive outcome, China stopped short of calling it a ‘turning point’ in China-US ties. Instead, Chinese strategists argued that China should take a modest view of the success of the last round of trade negotiations as there remains much uncertainty about the future course of China-US ties. They further opined that even as negotiations progressed, China should continue to focus on its “doing your own thing” policy.

Meanwhile, the Chinese media carefully followed US Vice President Mike Pence’s China Policy [speech](#) at the Wilson Centre on October 24. The Chinese side noted that Pence’s latest speech, wherein he mentioned that the United States does not want to “decouple” from China, was quite a departure from his last year’s speech where he virtually declared a “New Cold War”. Nevertheless, Pence’s hardened stance against China’s political system, human rights record, economic policy and national defense posture, displeased the Chinese side. This, in their view, created much confusion about US sincerity in improving ties with China. Overall, China seemed to be adopting a wait and watch policy regarding how Washington’s Policy unfolds in coming days⁴.

China-South Asia Relations

One of the key highlights of this month was [China’s South Asia outreach programme](#), which started with Pakistani Prime Minister Imran Khan’s China visit, followed by the 2nd informal summit between PM Modi-President Xi and ended with Xi’s historic visit to Nepal after 23 years⁵.

³为了中美和世界，一步步结束贸易战’，Huanqiu Shibao, October 13, 2019, <https://opinion.huanqiu.com/article/9CaKrnKnf6D>

⁴彭斯讲话的陈词老调和些许变化’，Huanqiu Shibao, October 13, 2019, <https://opinion.huanqiu.com/article/9CaKrnKnq0S>

⁵‘Xi-Modi Summit: ‘The Chennai (Dis) Connect’，The Diplomat, November 6, 2019, <https://thediplomat.com/2019/11/xi-modi-summit-the-chennai-dis-connect/>

According to the Chinese [narrative](#), Xi's South Asia tour took place in the background of the recent crisis in South Asia (the reference is to Kashmir), which figured prominently in Xi's interactions with Prime Minister Modi. "Xi met with Khan in Beijing, listened to his views, and conveyed the same to Modi in Chennai, while encouraging him to resolve the existing problems through dialogue" mentioned Chinese foreign minister Wang Yi in his round up of the Chinese President's South Asia tour. He also proposed a China-India-Pakistan trilateral, where no two countries would "target any third party or be influenced by a third party".⁶

As per the [assessment](#) of the China's strategic community, Pakistan is "so marginalised in economic and diplomatic terms that it might just collapse under India's pressure." Preventing Pakistan's possible collapse is believed to be a "strategic need" in China, as a weak and marginalized Pakistan would result in a serious power imbalance in South Asia. Therefore, to keep Pakistan relevant in South Asia politics, China is keen to bring the dialogue process back on track in the subcontinent⁷.

In sharp contrast to the media and public frenzy in India over Xi's visit, the Chinese media's coverage of Xi's India visit remained lackluster. It provided far greater and more meaningful coverage to the Nepal leg of the visit than the informal summit between China and India. It is instructive that China's Ministry of Foreign Affairs (MOFA) website, while showcasing Xi's South Asia tour, featured pictures of Xi in Nepal for all six of its display images.

Except for some feel-good stories in China's state media, Chinese strategic community largely remained [disillusioned](#) about the future course of China-India relations. It is perceived that given the long-term conflict of interests, it is impossible for China-India to be the best of friends on the global stage. They further opined that high-level informal summits, despite their grandeur and popularity, are unlikely to ensure permanent peace between China and India, let alone reclaiming the old mojo of "China and India brotherhood," or providing fresh impetus to a grand anti-Western global alliance. Therefore,

⁶ 'The Road Ahead Is Long and Winding Though, A Start Will Bring An Arrival --State Councilor and Foreign Minister Wang Yi on President Xi Jinping's Attendance at the Second Informal Meeting Between Chinese and Indian Leaders in India and His State Visit to Nepal', FMPRC, October 14, 2019, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1707868.shtml

⁷ '中国和印度尽管不是最好的朋友，但一致同意“求同存疑”', Junshi Kuaixun, October 13, 2019, <https://www.fxing.cn/html/97/96954.html>

developing a predictable and stable relationship and avoiding the Thucydides Trap in Asia remains China's sole purpose⁸.



Prime Minister Narendra Modi with Chinese President Xi Jinping at the 2nd India-China Informal Summit in Chennai on October 12, 2019, Source: China Daily, <https://global.chinadaily.com.cn/a/201910/12/WS5da0d53da310cf3e3557000a.html>

Accordingly, terminologies like "major-country relations," "rejuvenation of the oriental civilization," and "democratization of international relations" that characterized the Chinese statement following the 2018 Wuhan summit were missing from the Chinese statements this time. Furthermore, there was a glaring disconnect between the Chinese and Indian official position on issues of mutual concern like the scope of the bilateral ties, regional connectivity, RCEP, terrorism and the boundary issue, among others. Given the visible 'disconnect' between the two sides, it is rather ironic that the term 'Chennai

⁸ ibid

Connect' has been coined to describe the 2nd informal summit between China and India.

2. Defence

The theme of this year's Beijing Xiangshan Forum (from October 20 to 22) was "Maintaining International Order and Promoting Peace in the Asia-Pacific". It featured four major topics: (1) big nation relations and global order; (2) Asia-Pacific security risks and management; (3) interests and joint security of small and medium-sized countries; and (4) international arms control mechanisms and global stability. According to the [Chinese media](#), 1300 delegates, including 76 formal delegations and 23 defense ministers from various countries and international organizations took part this year.



The 9th Xiangshan Forum was held from October 20 to 22, 2019 in Beijing, Source: China Plus, <http://chinaplus.cri.cn/opinion/opedblogger/23/20191023/371138.html>.

The discussions featured security-related topics including counterterrorism, maritime security, Asia-Pacific security architecture and the use of artificial intelligence in future warfare. China's Defence Minister Wei Fenghe [delivered](#) the keynote address wherein he reiterated China's official stance that "China will not seek hegemony but will never allow its security and sovereignty to be

compromised...China will not initiate a war but will fight if it has to".⁹ As per the Chinese articulation, this year's Forum made a significant political [statement](#) with Russia's Defense Minister Sergei Shoigu's maiden attendance and US sending a high level delegation of 20 led by U.S. Deputy Assistant Defense Secretary Chad Sbragia. Deputy Minister of the Korean People's Armed Forces, Jin Henglong also attended the summit, his second time in a row¹⁰.

The Chinese strategic community [appreciated](#) the growing popularity of the Forum. They particularly hailed it for providing a platform for small nations to voice their opinions. "The Shangri-La Dialogue is backed by the United Kingdom and the US, and it tends to have an unfriendly atmosphere toward competitors like China and Russia. The Munich Conference focuses mostly on issues in Europe, so many other smaller nations' voices go unheard. But it is Xiangshan Forum which helps smaller nation speak up," read a commentary in the China Daily¹¹.

This apart, there was much discussion in the Chinese media about the recent launching of Chinese Navy's amphibious assault ship. The Type 075 is the first amphibious assault ship independently developed by China, which is believed to be greatly enhancing Chinese amphibious assault capability, bringing it at par with the navies of Great Powers. It was further highlighted that these amphibious assault ships are not meant only to target Cross-strait separatists, but also to provide more public goods to the international community, in an obvious attempt to play down its operational role.

3. Internal Security

Coming on the heels of the grand 70th anniversary celebration of the founding of the People's Republic of China, where China showcased its economic and military prowess, the news of 39 supposedly Chinese migrants found dead in a refrigerated truck in Britain caused much embarrassment among the strategic community in Beijing. They condemned the Western [media](#) for using a "serious humanitarian disaster" to ridicule China's achievements of the last 70 years¹². While urging the government to better manage the menace of human

⁹ 香山论坛上，国防部部长：中国绝不称霸，我们一寸土地也不能丢，Beiwanxinshijue, October 21, 2019, <https://www.takefoto.cn/viewnews-1933629.html>

¹⁰ 美俄朝高规格参加北京香山论坛，释放了什么信号？，Nanfangdushibao, October 23, 2019, <http://news.ifeng.com/c/7r07HfzVkJ9>

¹¹ Xiangshan forum helps smaller nations speak up', China Daily, November 1, 2019, https://www.chinadaily.com.cn/a/201911/01/WS5dbb7c9fa310cf3e35574caa_2.html

¹² 西媒给中国挖坑，不顾自己可能掉进去，Huanqiuishibao, October 27, 2019, <https://opinion.huanqiu.com/article/9CaKrnKnsoY>

trafficking in China by narrowing the welfare gap between domestic and Western societies, they also called on the developed nations to provide a helping hand rather than play a blame-game. "They died in Europe, more important than where they came from" read an [article](#) in Huanqishibao. The news that the migrants were actually Vietnamese and not Chinese came as a relief in terms of upholding China's image as a developing society not indulging in trafficking¹³.

On the issue of Hong Kong unrest, the violent protests in Barcelona and Santiago, Chile, two important world-class cities of the western world, was seen by the Chinese media as a sort of equivalence to the situation in embattled Hong Kong. Some commentaries in the Chinese media even argued that the demonstrations in the semi-autonomous Chinese city were acting as a catalyst to violent demonstrations across the world. Global Times [argued](#) that the West is paying a price for their support for the riots in Hong Kong, and it is time for the world to shun hypocrisy and double standards against such violent attacks on rule of law, no matter where it happens¹⁴. By supporting Hong Kong protestors, the Chinese side argued, western public opinion has [dug a grave](#) for itself¹⁵. Meanwhile, China condemned US senator Ted Cruz's [visit](#) to Taiwan and Hong Kong this month and accused him of providing a fresh impetus to violent protests in Hong Kong¹⁶.

In yet another turn of event, Hong Kong and Taiwan got engaged in a fresh squabble over how to extradite a Hong Kong native accused of murder in Taiwan, whose case was earlier used by Hong Kong authorities to introduce the infamous extradition bill. The Tsai administration in Taiwan refused to grant the murder-suspect entry into its territory after its proposal of the Taiwan police escorting the suspect or establishing a formal judicial cooperation mechanism with Hong Kong was turned down by the Carrie Lam administration.

Taipei Times [called](#) it a "trap" to belittle Taiwan's sovereignty and also a dangerous precedent, opening the door for the Hong Kong government "to bundle its residents onto a train or plane to Mainland China without due

¹³'他们死在了欧洲，比他们从哪来更重要',Huanqishibao, October 2019, <https://opinion.huanqiu.com/article/9CaKrnKnvM>

¹⁴'暴力在世界快闪，西式体制首当其冲',Huanqishibao, October 20, 2019 <https://opinion.huanqiu.com/article/9CaKrnKnldb>

¹⁵'香港式暴力运动反噬西方将无可避免',Huanqishibao, October 17, 2019, <https://opinion.huanqiu.com/article/9CaKrnKniFT>

¹⁶'美参议员赤膊上阵乱港，应受到制裁', Huanqishibao, October 13, 2019, <https://opinion.huanqiu.com/article/9CaKrnKnfhC>

process". On the other hand, Hong Kong authorities urged Taiwan "[not to put politics over justice](#)"¹⁷; while the state media in Beijing [accused](#) the Tsai administration of political and electoral motives behind keeping the issue alive, thereby ensuring that chaos prevails in Hong Kong in the foreseeable future¹⁸.

4. Economy

On the one hand, there was despair over China's [third-quarter GDP growth](#) dwindling to 6.0%, lower than general expectations and the lowest in 27 years¹⁹. There were, however, reasons for cheer as China overtook France to take the 31st spot in the World Bank's "ease of doing business" [rankings](#)²⁰, and its foreign trade expanded 2.8 percent year on year in the first three quarters of this year, as per [data](#) released by China's General Administration of Customs²¹. China's state media argued that these are substantive achievements, given the external and internal challenges facing the economy, which further prove that the economic measures by the government are effective and prospects for the Chinese economy is bright.

In a [speech](#) at the 2019 World VR Industry Conference, Vice Premier Liu He deliberated upon two major challenges facing Chinese economy: 1) progress of Sino-US trade negotiations and 2) China's macroeconomic situation. On the China-US front, he highlighted that China has laid an important foundation for signing a phased agreement with the US, while in terms of macroeconomic situations, China is fully confident and capable of achieving its predetermined goals²².

5. Chinese Communist Party

The Fourth Plenary Session of the 19th Central Committee of the Communist Party of China was held in Beijing from October 28 to 31, 2019. The session

¹⁷ 'Don't put politics before justice, Hong Kong urges Taiwan over fugitive case which sparked anti-government unrest', SCMP, October 22, 2019, <https://www.scmp.com/news/hong-kong/politics/article/3033988/dont-put-politics-justice-hong-kong-urges-taiwan-over>

¹⁸ 陈同佳是否“被自首”，让他去台湾说，Huanqiushibao, October 19, 2019, <https://opinion.huanqiu.com/article/9CaKrnKnmhW>

¹⁹ '6.0%的增长对中国经济意味着什么？', Huanqiushibao, October 18, 2019, <https://opinion.huanqiu.com/article/9CaKrnKnjB0>

²⁰ '中国营商环境好于法国，很有信息量', Huanqiushibao, October 24, 2019, <https://opinion.huanqiu.com/article/9CaKrnKnpwv>

²¹ '外贸数据展现中国经济强大韧劲', Huanqiushibao, October 14, 2019, <https://opinion.huanqiu.com/article/9CaKrnKnggc>

²² '有问题更有能力解决它们，中国所以乐观', Huanqiushibao, October 19, 2019, <https://opinion.huanqiu.com/article/9CaKrnKnkgi>

[reviewed and adopted](#) the CPC Central Committee's decision on some major issues concerning how to uphold and improve the system of "socialism with Chinese characteristics" and to advance the modernisation of China's system and capacity for governance²³. The [communiqué](#) released after the session summarized the various advantages of China's national system and state governance system under 13 categories, including political, stability, people centric approaches, focus on development etc.²⁴



The fourth plenary session of the 19th Central Committee of the Communist Party of China (CPC) was held from October 28 to 31, 2019 in Beijing, Source: Xinhua, http://www.xinhuanet.com/english/2019-11/01/c_138519098.htm

The key [narrative](#) emerging out of the 4th Plenum is that after 70 years of exploration, development and improvement, the socialist system with Chinese characteristics has become a scientifically established system, with significant institutional advantages, strong vitality and greater superiority²⁵. Only by

²³ '19th CPC Central Committee concludes fourth plenary session, releases communiqué', Qiushi, November 1, 2019, http://english.qstheory.cn/2019-11/01/c_1125182614.htm

²⁴ '19th CPC Central Committee concludes fourth plenary session, releases communiqué', Xinhua, October 31, 2019, http://www.xinhuanet.com/english/2019-10/31/c_138518832.htm

²⁵ '迈向伟大复兴的制度自信', Qiushi, November 5, 2019, http://www.qstheory.cn/zdwz/2019-11/05/c_1125194066.htm

consolidating and upgrading this system can China provide a strong guarantee for realizing the "two centenary goals" and the Chinese dream of the great rejuvenation of the Chinese nation, argued an [article](#) in Qiushi²⁶. Secondly, it was [highlighted](#) that the system of socialism with Chinese characteristics is a comprehensive system with a distinct social, political and economic model that addresses every aspect of state governance. By comparing and contrasting 'China's orderliness' (中国之治) with 'western chaos' (西方之乱), the session is believed to have infused greater confidence in China to provide a "Chinese solution to the global aspiration for a better system²⁷".

²⁶'在守正创新中坚定制度自信', People's Daily, , November 11, 2019, http://www.qstheory.cn/zdwz/2019-11/05/c_112,5193549.htm

²⁷'学习四中全会精神是当前头等大事', Qiushi, November 5, 2019, http://www.qstheory.cn/zdwz/2019-11/05/c_1125194063.htm



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