ABOUT US

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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@dpig.org.in

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The 3rd Regional Comprehensive Economic Partnership (RCEP) Summit was held in Bangkok on November 4, 2019, on the sidelines of the 35th Association of Southeast Asian Nations (ASEAN) Summit. Source: CNBC, https://www.cnbc.com/2019/11/12/what-is-rcep-asia-pacific-trade-deal-slated-to-be-worlds-largest-fta.html


Hong Kong’s Pro-democracy candidates won a sweeping victory in the district council elections, November 24, 2019, Source: Global Times http://www.globaltimes.cn/content/1171062.shtml

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Abstract

Tensions in Hong Kong continued to escalate as the city saw the first confirmed casualty from the ongoing pro-democracy clashes. The protesting students reacted violently, by trying to shut down the city, targeting roads and the transport system, occupying University campuses, and attacking pro-Beijing politicians, lawmakers and mainland students. The Hong Kong police retaliated, for the first time, with live rounds.

Likening the Hong Kong protesters with ISIS terrorists, China bemoaned the public support for pro-democracy protests in Hong Kong. Various developments like the Hong Kong High Court’s ruling declaring the recently introduced anti-mask law “unconstitutional”, Heads of Universities in Hong Kong refusing to condemn the protestors, and finally, defeat for the pro-establishment camp in Hong Kong’s district council elections left Beijing red-faced. On the other hand, China strongly condemned the new US law over Hong Kong’s status, which was described as yet “another show of US’s nasty long-arm jurisdiction and hegemony”. How and to what extent the bill’s provisions will be implemented by President Trump remained a hotly debated topic in China.

Meanwhile, China played down the New York Times’ disclosure of the CPC’s documents on the Xinjiang crackdown. It argued that the West is attacking China due to geo-political reasons, reiterating that it will not have any impact on governance in Xinjiang, nor will it deter others, particularly Muslim nations, from backing China’s policy in Xinjiang.

Despite the US’s toughening stance on Hong Kong and Xinjiang, and US warships undertaking FONOPS in the South China Sea, Chinese and U.S. negotiators made some headway towards securing a “phase one” trade deal. The month also saw a one-on-one discussion between the Chinese Defense Minister Wei Fenghe and US Secretary of Defense Mark Esper aimed at preventing further miscalculations and misjudgment in bilateral ties.

China’s outreach to Europe during the month was noteworthy. French President Emmanuel Macron paid a two-day state visit to China and attended the opening ceremony of the second China International Import Expo, becoming the first leader of a major Western country to participate in this event. In return, China, in its largest foreign-currency-denominated bond offering ever, issued 4 billion euros ($4.4 billion) of sovereign bonds in France, reportedly to support Paris’s bid to become an international financial center. The Chinese President also paid a state visit to Greece, barely a week after the
Greek Prime Minister, Kyriakos Mitsotakis, returned from participating in the Import Expo in Shanghai. China’s message to European nations was clear: in the backdrop of ongoing trade tensions with the United States, the focus needs to be on “co-constructing” the Belt and Road and upholding multilateralism and free trade; any attention on China’s human rights record or “discriminatory” policies towards Huawei will be unproductive and not be taken kindly.

In Asia, China welcomed ASEAN’s decision to play down the South China Sea dispute and keep the focus of the 35th ASEAN summit on economic cooperation, particularly RCEP. The absence of US President Donald Trump and a low-profile US delegation to the summit was further played up by the Chinese side as the Trump administration’s “declining commitment”, and “contempt/apathy” towards ASEAN, as against China’s renewed focus on the region.

China’s state media called India’s decision not to join RCEP as “regrettable but not unexpected”. While some Chinese analysts argued that India’s decision has nothing to do with the US Indo-Pacific Strategy and is based purely on India’s own economic interests, others took a tougher stance towards India accusing it of following a policy of ‘having its cake and eating it too’, that is, sharing dividends brought by multilateralism while at the same time not wanting to offend countries that promote protectionism. Delhi’s urban pollution made headlines in the Chinese press, for which Beijing put the blame on India’s “faulty democracy”. In yet another development, China also accused India of maliciously appropriating the intangible cultural heritage of Tibetan medicine, particularly of Sowa Rigpa, by setting up a Tibetan medicine institute in Ladakh.

On the eve of the 11th BRICS summit held in Brazil from November 13-14, China defended the economic credentials and the development purpose of the grouping and ruled out allegations of intensifying power struggles between the member states.

In economic domain, China hosted two important events this month: (a) the 2nd International Import Expo; and (b) the ‘Double Eleven’ online shopping festival. It was highlighted that although international public opinion does not take these initiatives seriously and regards them as China’s “political show,” it is China’s true will and determination to actively participate in the wave of globalization and closely integrate its economy with the outside world.

In the field of high technology, during the month China officially kicked off commercialization of 5G services, with the nation’s big three telecom operators, China Mobile, China Unicom and China Telecom, rolling out their
5G data plans. With this, 5G is believed to be entering the stage of full commercial application in China.

In the defence arena, President Xi reiterated the need to build a world class military and called for efforts to cultivate new type of military personnel who are “competent, professional and possess both integrity and ability”. Meanwhile, showcasing China-ASEAN joint efforts towards maintaining lasting peace and stability for the Asia-Pacific region, China hosted the largest land-based ADMM-Plus joint counter-terrorism drill in Guilin, South China’s Guangxi Zhuang Autonomous Region, in which 800 military personnel, 10 aircraft, and more than 60 armored vehicles participated.

In the realm of party and ideology, China geared up to implement the decision of “development and improvement of the socialist system with Chinese characteristics” that was adopted at the “landmark” fourth plenary session of the 19th CPC Central Committee held on October 31, 2019. Forums were organized across China to apprise foreign dignitaries and participants about China’s governance model and economic development experience.
1. Foreign and Security Policy

China-US Relations

The Chinese and U.S. economic and trade teams, continued to talk through the month to iron out “remaining issues” for a “phase one” trade deal between the two countries. There were also reports about a possible tariff roll back on each other’s goods. In speculative reporting, it was stated that President Trump and President Xi Jinping were ready to sign the trade deal at the Asia-Pacific Economic Cooperation Forum in Chile on Nov 16 and 17. However, as the event was canceled due to social unrest in Chile, both sides are now working on new opportunities for culminating the deal¹.

However, despite positive developments on the trade front, the US’s toughening stance on Hong Kong and Xinjiang, increased frequency of the US Navy warships sailing near the islands claimed by China (Spratly and Paracel Islands) as part of the FONOPS in the South China Sea, together with the US officials’ public slamming of Chinese policies and the Communist Party kept China under pressure².


Particularly, there was much displeasure about U.S. Secretary of State Mike Pompeo’s repeated verbal attacks on China. His speech at the Rice University on November 15, where he talked about the ‘communist party challenge’, his deliberation[^3] on the 30th anniversary of the fall of the Berlin Wall in Germany, slamming China and the Chinese Communist Party, and his presentation at the NATO headquarters urging the North Atlantic Treaty Organization alliance to unite against the “China threat” irked the Chinese. The state media argued that radical political elites in Washington are waging a public opinion war against China and seeking to drive a wedge between the Chinese people and the Party by soliciting Chinese domestic endorsement for their criticism[^4].

*China-Europe Relations*


[^4]: ‘Pompeo’s futile efforts to discredit CPC’, Global Times, November 27, 2019, [http://www.globaltimes.cn/content/1171394.shtml](http://www.globaltimes.cn/content/1171394.shtml)
One of the key highlights of the month was China’s outreach to the European nations. French President Emmanuel Macron paid a state visit to China from November 4-6 and attended the opening ceremony of the second China International Import Expo, becoming the first leader of a major Western country to participate in the Chinese event. In return, China, in its largest foreign-currency-denominated bond offering ever, issued 4 billion euros ($4.4 billion) of sovereign bonds in France. The bond issue was highlighted as an important step to deepen financial cooperation between China and France, as well as between China and the European Union. The move was upheld as ‘win-win’, as it will not just strengthen China’s integration into the global financial market, but will also support Paris in its effort to become an international financial center.

From November 10 to 12, Chinese President Xi Jinping paid a state visit to Greece during which the two leaders signed 16 new agreements in areas like banking, tourism, and energy. The visit came barely a week after the Greek Prime Minister, Kyriakos Mitsotakis, returned from Shanghai, when the Chinese president raised the prospect of Greece becoming a logistic transit hub for western-bound Chinese goods.

In its interaction with the European powers, China’s message was clear; in the backdrop of ongoing trade tensions with the United States, the focus needs to be on “co-constructing” the Belt and Road and upholding multilateralism and free trade. Any unwarranted attention on China’s human rights record or “discriminatory” policies towards Huawei will be unproductive and will not be taken kindly.

**China at 35th ASEAN Summit**

The Chinese press closely followed the 35th ASEAN Summit, which took place in Bangkok, on November 3, 2019. The absence of US President Donald Trump at the summit and US sending a low-profile delegation was largely interpreted by the Chinese media as the Trump administration’s “declining commitment”.

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“contempt/apathy” towards ASEAN, as against China’s renewed focus on the region².

The 3rd Regional Comprehensive Economic Partnership (RCEP) Summit was held in Bangkok on November 4, 2019, on the sidelines of the 35th Association of Southeast Asian Nations (ASEAN) Summit. Source: CNBC, https://www.cnbc.com/2019/11/12/what-is-rcep-asia-pacific-trade-deal-slated-to-be-worlds-largest-fta.html

The Chinese Press upheld ASEAN’s decision to play down the South China Sea dispute and keep the focus of this year’s summit on economic cooperation, particularly the RCEP, rendering US participation rather redundant. It was highlighted that ASEAN holds a strong initiative when it comes to economics, but geopolitics remains one of its weaknesses, as the grouping can easily be torn apart and its unity and centrality stripped by tense geopolitical games. In this context, it was stressed how economics has always played a key role in China-ASEAN relations, in sharp contrast to the US, which has viewed ASEAN as yet another lever to achieve its own geopolitical interests, while turning a blind eye to the genuine concerns raised by the group members⁸.


The Chinese side further noted that during the ASEAN Summit, the US convened the second annual Indo-Pacific Business Forum (IPBF) and released a report titled "A Free and Open Indo-Pacific: Advancing a Shared Vision" proclaiming China as a threat to peace in the region and emphasising ties with Taiwan under the framework of the Indo-Pacific Strategy. Chinese analysts noted that the US efforts to promote the Indo-Pacific Strategy in Bangkok found few takers, amidst the overwhelming focus on the RCEP negotiations.

**China-India Relations**

India’s decision not to join the RCEP generated much discussion in the Chinese strategic circles. China’s state media called India’s decision “regrettable but not unexpected”, while adding, “Joining, not joining or when to join is entirely the sovereign decision of India.”

Chinese discourse highlighted that although joining RCEP is beneficial to India in the long run, just as China’s joining the WTO in 2001, however, unlike China, India lacked a strong decision making mechanism to take unpopular policy decisions with far-reaching consequences. This was cited as a typical example of how countries with Western-style democracies are often kidnapped by short-term interests and benefits.

While there were some Chinese analysts who contended that India’s decision has nothing to do with the Indo-Pacific Strategy, and is based purely on its own economic interests, others took a tougher stance accusing India of following a policy of "having its cake and eating it too", that is to continue reaping the dividends brought by multilateralism, while at the same time, not wanting to offend the countries that promote protectionism.

"India will lose both ways after rejecting RCEP. The South Asian nation will find itself in a dilemma of its own making. It will lose the opportunity of development along with links to the international community. At the same time, New Delhi will not be able to reap the benefits of protectionism either,” warned an article in the Global Times.

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11 'India will lose both ways after rejecting RCEP', Global Times, November 11, 2019, http://www.globaltimes.cn/content/1169693.shtml
This apart, Delhi smog made headlines in the Chinese press, for which Beijing put the blame on India’s “faulty democracy”. In yet another development, China accused India of maliciously appropriating the intangible cultural heritage of Tibetan medicine, particularly of Sowa Rigpa by setting up a Tibetan medicine institute in Ladakh.

**China at BRICS**

![Chinese President Xi Jinping delivering a speech during the BRICS leaders' dialogue with the BRICS Business Council and the New Development Bank in Brasilia, Brazil, November 14, 2019, Source: Xinhua, http://www.xinhuanet.com/english/2019-11/15/c_138555979.htm](image)

On the occasion of the 11th BRICS summit held in Brasilia from November 13-14, China defended the economic credentials and the development purpose of the BRICS, amidst growing criticism that the grouping is no longer about economics but about geopolitics. They argued that although the BRICS countries have lately suffered an economic slowdown, the long-term factors...
driving BRICS' economic growth remain unchanged, and also BRICS’ influence in the region and the world as a block of emerging markets remain unaffected. BRICS’ achievements so far including the New Development Bank, they argued, should not be understated\textsuperscript{4}.

Another allegation that China strove to put down was that its growing influence has created concerns in both Russia and India. They argued that China has never taken part in power struggles or leveraged its advantages to outdo other members. Rather it has \textit{boosted} the block’s international standing and contributed to its smooth functioning\textsuperscript{15}.

2. Defence

A meeting between Chinese State Councilor and Defense Minister Wei Fenghe and US Secretary of Defense Mark Esper in Bangkok on November 18 was much in the news. The Chinese side noted that at a time when the trade war simmers, speculations are rife about a possible US missile deployment in Asia and the US intervention in Hong Kong has caused tremendous trust deficit between the two sides, a meeting between the military leaders was particularly \textit{significant}\textsuperscript{16}.

It was further observed that the meeting took place at a time when the US faces a number of irritants like French President Emmanuel Macron calling NATO "brain dead" after the withdrawal of US forces from northern Syria last month, growing discord between the US and South Korea over differences in their share of defence spending among others. As per the Chinese media the Taiwan question, role of foreign forces in Hong Kong affairs and the South China Sea row – figured prominently at the meeting. Wei reportedly urged the US to avoid adding "\textit{new uncertainties}" in China-US relations\textsuperscript{17}.

Notwithstanding the above, Chinese media accused US Defense Secretary Mark Esper of driving a wedge between ASEAN and China over the South China Sea. "Esper called on regional countries to unite with the US to put pressure on China. However, he will soon realize that the countries he visited only paid lip

\textsuperscript{4} ‘BRICS ties vital in uncertain world’, Global Times, November 14, 2019, http://www.globaltimes.cn/content/1170118.shtml

\textsuperscript{15} ‘BRICS empowers cooperation among emerging countries’, Global Times, November 12, 2019, http://www.globaltimes.cn/content/1169798.shtml

\textsuperscript{16} ‘Close China-US military ties key to regional and world peace’, Global Times, November 19, 2019, http://www.globaltimes.cn/content/1170571.shtml

\textsuperscript{17} ‘As China and US try to iron out military differences, challenges remain’, Global Times, November 18, 2019
service to him. Of course, Vietnam welcomes the US decision to give it a free ship, but Vietnam will not use the vessel to run into a Chinese ship. Manila also welcomes the US’ statements that support the country, but the Philippines will not think that it has the resources to provoke China and start fighting in the South China Sea for the US interests,” highlighted an article in the Global Times. As an example of China-ASEAN joint efforts towards maintaining lasting peace and stability in the Asia-Pacific region, China hosted the largest land-based ADMM-Plus joint counter-terrorism drill on November 14, in Guilin, South China’s Guangxi Zhuang Autonomous Region, in which 800 military personnel, 10 aircraft and more than 60 armoured vehicles participated.

Meanwhile, there were reports about President Xi calling upon the PLA to encourage a new type of military personnel who are “competent, professional and possess both integrity and ability.” President Xi issued the directive at the opening of a training session for heads of military academies and schools in Beijing on November 27. The two other priorities highlighted by Xi during the event included 1) upholding the Party’s absolute leadership over the military, and 2) working towards the goal of building a strong country with a strong military. Before this at an Air Force event commemorating the 70th anniversary of the founding of the PLA Air Force, Xi called for concerted efforts to build the People’s Liberation Army (PLA) Air Force into a world-class air power.

3. Economy

China hosted two important events in the month. First was the Second International Import Expo in Shanghai and the second, Double Eleven.

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18 ‘Esper’s trip to Asia yields little’, Global Times, November 21, 2019, http://www.globaltimes.cn/content/1170799.shtml
21 ‘Xi stresses building world-class air force’, Xinhua, November 8, 2019, xinhuanet.com/english/2019-11/08/c_138540365_2.htm
22 ‘Import Expo to change West’s opinion’, Global Times, November 4, 2019, http://www.globaltimes.cn/content/1168947.shtml
online shopping festival. The Import Expo reportedly saw a gathering of more than 3,000 companies from more than 150 countries and regions in the world. Similarly, this year’s ‘Double Eleven’ shopping festival recorded a trading volume of 268.4 billion yuan, with 500 million consumers from all over the world participating.

Chinese media lamented that although Western public opinion does not take these initiatives seriously and regards it as China’s “political show,” however, it is China’s true will and determination to actively participate in the wave of globalization and closely integrate its economy with the outside world.

For the domestic audience, China’s message was to get over the traditional concept of ‘protection of domestic industries” and “suppression of foreign goods”24. It is in China’s interest to further improve its economy by continuously increasing the contribution of consumption to economic growth. It underlined that the expansion of domestic consumption will fundamentally change China’s position in world trade and let its adversaries lose their leverage and impetus to fight a trade war with China. Boosting consumption is therefore no longer an economic issue for China; but one with profound international political significance.

4. Internal Security

The situation in Hong Kong deteriorated steadily throughout the month, with tensions continuing to escalate. The city saw the first confirmed casualty from the ongoing pro-democracy clashes. The protesting students reacted violently to the incident, by attempting to shut down the city, targeting roads and the transport system, occupying University campuses, attacking pro-Beijing politicians, lawmakers and mainland students. The Hong Kong police, retaliated, for the first time, with live rounds. While defending the Police actions, China’s state media likened the Hong Kong protesters to ISIS terrorists, who, they allege, have held the city captive, turned themselves into human bombs and carried out suicide attacks on the city. They called it a new type of terrorism that has its roots in urban developed societies25.

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Furthermore, China strongly condemned the new US law over Hong Kong’s status, which they described as yet “another show of US’ nasty long-arm jurisdiction and hegemony”\(^\text{26}\). Beijing interpreted the move as a deliberate attempt by the US to disrupt the People’s Republic of China’s governance over Hong Kong, weaken the HKSAR government, and compel the police to be afraid of cracking down on radical rioters. How and to what extent the bill’s provisions will be implemented by President Trump remained a hotly debated topic in China.

On the other hand, the Chinese media lamented the public support for pro-democracy protesters in Hong Kong. Various developments like the Hong Kong High Court’s ruling declaring the recently introduced anti-mask law “unconstitutional”\(^\text{27}\), Heads of Universities in Hong Kong refraining from condemning the protestors, and finally, the major defeat for the pro-

\(^{26}\) ‘HK Act reveals US ’sinister intention,’ to complicate trade talks’, Global Times, November 28, 2019, http://www.globaltimes.cn/content/1171482.shtml

\(^{27}\) 香港是中西接口，大国博弈先知冷暖’, Huanqiushibao, November 18, 2019, https://opinion.huanqiu.com/article/9CaKrnKnrQ
establishment camp in Hong Kong’s district council elections left Beijing red-faced⁵⁸.

The New York Times’ disclosure of the CPC documents on the Xinjiang crackdown, which took the international media by storm, rendered the Chinese side rather defensive. China’s state media argued that the West is attacking China in Xinjiang due to geo-political reasons⁵⁹. “Their attacks may seem serious, but actually turn out to be a bunch of bubbles. First, they cannot have any impact on governance in Xinjiang. Besides, many Muslim countries publicly support China, backing China’s policy in Xinjiang”, argued an article in the Global Times⁶⁰.

Meanwhile, the Chinese government announced a series of measures, called “26 measures” aimed at improving Cross-Straits economic and people-to-people exchanges, and offset the secessionist tendencies of the Democratic Progressive Party (DPP) of Taiwan in recent years. These measures are a continuation of the “31 Measures” issued in 2018, meant to stimulate economic and people-to-people exchanges across the Straits⁶¹.

5. High-Technology

China officially kicked off commercialization of 5G services on October 31, with the nation’s big three telecom operators, China Mobile, China Unicorn and China Telecom, rolling out their 5G data plans. These companies from now on will charge tariffs by internet speed rather than data allowance. With this, 5G is believed to be entering full stage commercial application in China⁶².

In executing its 5G programme, China is focusing on two aspects; First, New infrastructure construction, such as 5G, big data, artificial intelligence, cloud

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⁶⁰ ‘Geopolitics drives Western media's attack on China’s governance in Xinjiang’, Global Times, November 27, 2019, http://www.globaltimes.cn/content/1171354.shtml

⁶¹ ‘Chinese mainland gives equal treatment to Taiwan people, companies’, November 11, 2019, http://www.globaltimes.cn/content/1168881.shtml

computing, industrial Internet and Internet of Things. At present, nearly 90,000 5G base stations have been built nationwide, and it is expected to exceed 130,000 by the end of the year. Second, China is beefing up investments in R&D. It has the second largest R&D investment in the world, and the total number of R&D personnel is the highest in the world.\textsuperscript{33}

In this context, Chinese state media criticised the new legislation by the U.S. House Foreign Affairs Committee titled ‘the Secure 5G and Beyond Act’, which would require the administration to develop an unclassified, national strategy to maximize the security of 5G telecommunications systems. It was argued that China and the United States have very different attitudes towards 5G, while China is busy building 5G infrastructure, and the United States is busy guarding China. While China sees 5G as a tool for development, the US considers it as a tool for hegemony.

6. Chinese Communist Party

China geared up to implement the measures and decisions adopted at the ‘landmark’ fourth plenary session of the 19th CPC Central Committee held on October 31, 2019. The Session had reviewed the CPC’s major achievements in various fields and highlighted the notable strengths of China’s state and governance systems.

President Xi Jinping, while presiding over the Eleventh meeting of the central committee held on November 26, stated, “With a clear timetable and roadmap, China will step up efforts to improve the socialist system with Chinese characteristics and put in place new institutions for an open economy with higher standards.” During his two day inspection tour of Shanghai, President Xi further upheld China’s people’s democracy as a type of \textit{whole-process democracy}\textsuperscript{34}, where all major legislative decisions are made after going through procedures and democratic deliberations to make sure the decision-making is sound and democratic. \textit{Forums}\textsuperscript{35} were organized across China to

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\textsuperscript{33} 发展“新基建”，中国底气何在‘, Huanqiushiabo, November 20, 2019, https://opinion.huanqiu.com/article/9CaKrnKsW0
\textsuperscript{34} ‘Xi says China’s democracy is whole-process democracy’, November 11, 2019, Xinhua, http://www.xinhuanet.com/english/2019-11/03/c_138525172.htm
\textsuperscript{35} ‘China’s governance system offers wisdom to the world’, November 21, 2019, Qiushi, http://english.qstheory.cn/2019-11/21/c_1125256482.htm
\end{flushright}
apprise foreign dignitaries and participants about China's governance model and economic development experience\textsuperscript{36}.
