



Delhi Policy Group

Advancing India's Rise as a Leading Power



DPG China Monitor May 2022



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Delhi Policy Group
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DPG China Monitor

The DPG China Monitor features developments related to China during the month and is compiled by our research team comprising Brig. Arun Sahgal (Retd.), Senior Fellow, Dr. Angana Guha Roy and Sanket Joshi, Research Associates, from open-source reports and publications.

Cover Photograph:

Indian External Affairs Minister, Dr. S. Jaishankar, attends 'BRICS' Foreign Minister's dialogue with Emerging Markets and Developing Countries, May 19, 2022.

Source: Twitter/@DrSJaishankar

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Abstract

Shortly after taking over command of the Indian Army, General Manoj Pande conducted a security review of the continuing standoff with China, including PLA deployments in Eastern Ladakh and the state of preparedness of the Indian Army.

China is building twin bridges connecting the north and south banks of the Pangong Tso lake to enable a rapid force buildup and negate India's tactical advantage in the South Bank area. China is also setting up an emergency airbase in the Tashkurgan district of Xinxiang opposite Eastern Ladakh, which is likely to be functional by September 2022. Responding to these developments, India stressed that "Chinese bridging activity is in areas that continue to be under the illegal occupation of China since the 1960s", adding that "India has not accepted China's unjustified claim or such construction activities". On its part, the Indian Army is stepping up deployments at the LAC. Seven Indian bridges are coming up over the Galwan river to handle any military contingency.

Amidst these developments, a meeting of the bilateral Working Mechanism for Consultation and Coordination (WMCC) was held on May 31. The two sides agreed to continue diplomatic and military talks, along with the possibility of an early meeting of military commanders to achieve the objective of complete disengagement from all friction points along the LAC.

Speaking at the BRICS Foreign Ministers' meeting, External Affairs Minister, Dr. S. Jaishankar, stressed the need for members to respect each other's territorial integrity. Chinese state media reports claimed that "BRICS had reached consensus on increasing the role of emerging economies in global governance, support for Russia-Ukraine negotiations, counter-terrorism, arms control, and possible expansion of BRICS".

The ongoing economic crisis in Sri Lanka has ignited discussion on the impact of Chinese investments under the BRI in a number of South Asian countries. Sri Lanka's economic meltdown has put Chinese strategic influence in the country in jeopardy. Meanwhile, Pakistan is also facing a grim economic situation. Despite disagreement on a possible economic bailout, Pakistan and China have agreed to inject fresh momentum into their "All-Weather Strategic Cooperative Partnership" by adding new avenues of practical cooperation. Nepal's ruling party has become increasingly wary of China's expansive BRI.

In the context of Sino-US strategic competition, President Biden's first trip to East Asia coincided with a slew of diplomatic initiatives, including bilateral summits with allies Japan and Republic of Korea, the QUAD Leader's Summit, and the launch of the Indo-Pacific Economic Framework (IPEF). Even as the QUAD leaders emphasised 'infrastructure', 'climate change', 'fight against the pandemic', and 'supply chains' as key areas of regional cooperation and engagement, Global Times (GT) rejected the view that the "QUAD's focus has shifted from security architecture to the economic arena and that it was no longer engaged in building the so-called small Asian NATO", maintaining that the QUAD is a "sinister gang of Indo-Pacific states" geared towards China containment. A China Daily editorial echoing similar views asked "Asian countries to consider the risks of being a cat's paw of Washington". Importantly, it called upon Asian countries to "look at the developments in Europe [Russia-Ukraine conflict] to see what happens when countries get too caught up in the US' games". In an apparent attempt to showcase their combined military prowess during the QUAD Summit, China and Russia carried out a joint strategic air patrol over the Sea of Japan, the East China Sea, and the Western Pacific Ocean.

President Biden's remarks in Tokyo that the US would intervene militarily if the Chinese mainland tried to unify Taiwan with force sharpened US-China tension. The PLA increased military exercises, including warship activities, in key straits near Japan. Earlier, PLA Navy's Liaoning-led carrier battle group and nuclear-capable H-6 bombers held drills in the Western Pacific. This was designed to demonstrate the "PLA's capabilities to cut off any foreign interference in a Taiwan contingency from countries like Japan and US".

US Secretary of State, Antony Blinken, in a major speech at Georgetown University on May 26, labelled China as the "most serious long-term threat" to the international order. Rejecting "America's cold war mentality", Chinese Foreign Minister, Wang Yi, asserted in response that Washington's views on Sino-US relations had "gone seriously awry", and "actually, it is the US that has become a source of chaos that shakes the current international order and remains an obstacle to the democratisation of international relations".

After President Biden launched the Indo-Pacific Economic Framework (IPEF) to "deepen economic engagement among partner countries", the China Daily argued that "Washington's real intent is to exclude China from the regional trade structure". IPEF is yet another attempt by the US to "destabilise" the Indo-Pacific, the paper added. Chinese Foreign Minister Wang Yi, on his part, stressed that "IPEF should advocate free trade instead of pursuing protectionism, contribute to global economic recovery instead of undermining

industrial supply-chains, and promote openness and cooperation instead of geopolitical confrontation”.

The Director of the Office of the Central Commission for Foreign Affairs – Yang Jiechi, penned an article in People’s Daily elaborating on ‘Xi Jinping’s Thought on Diplomacy and New Horizons in China’s External Work’. In his discourse, he outlined Beijing’s foreign policy priorities that include “a coordinated approach towards development and security better serving China’s national rejuvenation”, “strengthening the global network of partnerships”, “leading reforms and development of global governance system while championing true multilateralism”, and “consolidating the framework in which the CPC Central Committee exercises overall leadership on all aspects of foreign policy”.

COVID-19 lockdowns continued to impact China’s economy as employment conditions remained “grim and complicated”. Premier Li Keqiang called upon the government to “make all possible efforts to ensure positive growth in the second quarter”. Amidst concerns that growth is likely to fall short of the 5.5 percent target set for 2022, China’s National Bureau of Statistics (NBS) continued to maintain that lockdown effects are “short term and external” and that the “fundamentals of the economy remain unchanged”. There were reports about disagreement between President Xi Jinping and Premier Li Keqiang on how to deal with a rapid economic slowdown.

Foreign and Security Policy

I. China-India Relations

Shortly after taking over command of the Indian Army, [General Manoj Pande](#), [conducted a security review of the PLA's deployments](#) in Eastern Ladakh and Indian posture and the state of preparedness.¹ Major recent development in Eastern Ladakh has been reports of [China building twin bridges](#) connecting the North and South Banks of Pangong Tso.² These bridges would facilitate the rapid deployment of troops in this sector. China's aim in constructing these bridges is to negate India's tactical advantage in the South Bank area of Pangong Tso. Further, Chinese armour and MBRL [regiments are stationed at Rudog Base](#), South of Pangong Tso and Xiadullah which can support PLA deployments in the area.³ Another report highlights, that China is setting up an [emergency airbase in the Tashkurgan district](#) of Xinxiang opposite Eastern Ladakh, which is likely to be functional by September 2022.⁴ Tashkurgan is located in the Uighur Autonomous Region, at an important junction bordering Tajikistan, Afghanistan, and Pakistan which is close to Ladakh.



Satellite image points toward China accelerating construction of a bridge across Pangong Tso.

Source: [Republic World/Maxar Technologies](#)

¹ "Army chief on 3-day visit to Ladakh, reviews situation along LAC," [The Telegraph](#), May 14, 2022

² "Why is China building bridges over Pangong Tso: the genesis and ramifications," [The Indian Express](#), May 17, 2022

³ "China bridge row: Indian army counters Xi's threat along LAC; Steps up military deployment," [Youtube: Hindustan Times](#), May 26, 2022

⁴ "China setting up emergency airbase near Ladakh," [The Pioneer](#), May 29, 2022

A report in the [South China Morning Post \(SCMP\)](#) stressed that the Chinese bridges across Pangong Tso might emerge as a new point of friction between India and China.⁵ Responding to these developments, [India's Ministry of External Affairs stressed](#) that "both these bridges are in areas that have continued to be under the illegal occupation of China since the 1960s". It further stated that "India has not accepted China's "unjustified claim" or "such construction activities".⁶ Indian External Affairs Minister, [Dr. S. Jaishankar, in his remarks during the 'BRICS' Foreign Ministers meeting](#), highlighted the need for members to respect each other's territorial integrity.⁷



Indian External Affairs Minister, Dr. S. Jaishankar, attends 'BRICS' Foreign Minister's dialogue with Emerging Markets and Developing Countries, May 19, 2022. Source: [Twitter/@DrSJaishankar](https://twitter.com/DrSJaishankar)

The Indian army, too, is stepping up [deployment at the LAC](#) to counter PLA's rapid infrastructure development.⁸ Seven Indian bridges are coming up on the Galwan river to handle any military emergency.⁹

⁵ "China-India border: why another Chinese bridge may be the latest friction point," [South China Morning Post](#), May 25, 2022

⁶ "MEA: Two bridges built by China in Pangong area occupied illegally," [The Indian Express](#), May 21, 2022

⁷ "Jaishankar reaffirms respect for territorial integrity in BRICS FM meet," [The New Indian Express](#), May 20, 2022

⁸ "Army counter deploys after PLA Pangong Tso bridge challenge," [Hindustan Times](#), May 26, 2022

⁹ Ibid.

Amidst these developments, 24th meeting of the bilateral [Working Mechanism for Consultation and Coordination \(WMCC\)](#) was held on May 31.¹⁰ The two sides agreed to continue diplomatic and military talks, along with the possibility of an early meeting of military commanders to achieve the objective of complete disengagement from all friction points along the LAC.¹¹

Meanwhile, in its [annual threat assessment](#), the US intelligence community assessed that the expanded military posture by both India and China along their disputed border, increased the risk of armed confrontation between the two countries.¹²

In the wake of the recently held 'QUAD' Summit in Japan, a commentary in [Global Times](#) described the QUAD as a handy tool for India.¹³ Calling US-India relationship as a confluence between an established power and an emerging power, it highlighted that - "If India grows into a global influential power, the US will not hesitate to suppress and contain India as a strategic opponent".¹⁴

II. China-South Asia Relations

The ongoing economic turmoil has ignited discussion on the impact of [Chinese investments in Sri Lanka](#) and their relation to the current economic and political crisis.¹⁵ The focus is on the role of [former Prime Minister Mahinda Rajapaksa](#) who paved the way for Chinese strategic investments in the country.¹⁶ Many of the grand projects, like the Rajapaksa airport, Hambantota port, and the Colombo lotus tower funded by China, now stand as reminders of gross [mismanagement of funds](#).¹⁷ Reportedly, 10 percent of the \$51 billion external [debt that Sri Lanka owes is to China](#).¹⁸ Amidst the mounting dissent, China has promised to "[play a positive role](#)" in talks with the IMF and offered Colombo more loans but remains reluctant to cut its debt for fear that other Belt and Road borrowers who too owe tens of billions of dollars will demand the

¹⁰ "24th Meeting of the Working Mechanism for Consultation & Coordination on India-China Border Affairs," [Ministry of External Affairs](#), May 31, 2022

¹¹ Ibid.

¹² "Annual Threat Assessment of the US Intelligence Community," [Office of the Director of National Intelligence](#), February 2022

¹³ "India a vulnerable member on fringe of Quad," [Global Times](#), May 23, 2022

¹⁴ Ibid.

¹⁵ "China's infrastructure projects have worsened Sri Lanka's economic woes," [Deccan Herald](#), June 1, 2022

¹⁶ "China declines to comment on Rajapaksa's resignation; calls for govt-opposition unity," [The Times of India](#), May 11, 2022

¹⁷ "Airport without planes, debt-laden seaport: China-backed projects testament to Sri Lanka's mismanagement" [The New Indian Express](#), May 11, 2022

¹⁸ "We can't change the past': Sri Lankan MP on Chinese investment and debt trap," [India Today](#), May 15, 2022

same relief.¹⁹ Sri Lanka's meltdown has now put [China's strategic influence in the region](#) into jeopardy which at one point looked at Colombo as its strategic outpost in the Indian Ocean Region (IOR).²⁰

The crisis in Sri Lanka has also turned the [spotlight on China's BRI lending practices](#), sparking an outrage. As a result, Chinese nationals are being targeted in Sri Lanka and Pakistan.²¹ After Rajapaksa's resignation, [China asked its citizens working in Sri Lanka](#) to be on alert against attacks.²² Meanwhile, Beijing is pressurizing [Pakistan to allow it to construct military outposts](#) for its citizens working in Pakistan, in the wake of recent terrorist attacks on Chinese nationals in the country.²³

Besides Sri Lanka, Pakistan is also facing a grim economic situation and is on the [verge of bankruptcy](#).²⁴ Further, Pakistan continues to grapple with political volatility in the country owing to former [PM Imran Khan's mass campaign](#) demanding early elections.²⁵ On the economic front, [Pakistan's foreign exchange reserves](#) can barely cover two months of exports.²⁶ Pakistan and the International Monetary Fund (IMF) [failed to reach an agreement](#) on an economic bailout.²⁷ Like Sri Lanka, [China has expressed reluctance in assisting Pakistan](#) with loan bailouts.²⁸ Chinese companies have also [stopped generating electricity in CPEC](#) projects demanding payment of arrears.²⁹ High-interest rates on CPEC loans, rising project costs, poor project implementation, and attacks on CPEC infrastructure have slowed down the projects by as much as 80 percent.³⁰

Despite disagreement on the bailout, Pakistan and China have agreed to inject fresh momentum into their [All-Weather Strategic Cooperative Partnership](#) by

¹⁹ "China Becomes Wild Card in Sri Lanka's Debt Crisis," [The Economic Times](#), May 21, 2022

²⁰ "Sri Lanka's Meltdown Puts China's Strategic Influence in Jeopardy," [The Diplomat](#), May 18, 2022

²¹ "'Entrapment' or 'ineptitude'? Sri Lanka debt crisis reignites debate on Chinese lending," [The Hindu](#), May 7, 2022

²² "Beijing's debt trap: Chinese nationals face threats in Pakistan, Sri Lanka," [ANI](#), May 28, 2022

²³ "China looking to construct military outposts in Pakistan: Report," [Wion](#), May 20, 2022

²⁴ "Pakistan facing bankruptcy as the economy crumbles," [Asia Times](#), May 16, 2022

²⁵ "Pakistan's ousted Imran Khan demands new elections at mass rally in Islamabad," [Yahoo News](#), May 26, 2022

²⁶ "Pakistan's foreign exchange reserves plunge to lowest level since December 2019: Report," [Financial Express](#), May 13, 2022

²⁷ "Pakistan, IMF fail to reach staff-level agreement on programme's revival," [The News](#), May 25, 2022

²⁸ "China Hesitates on Bailing Out Sri Lanka, Pakistan as Debt Soars," [Bloomberg](#), April 13, 2022

²⁹ "Delay in CPEC projects sowing frustration in Pakistan, China: Report," [The Economic Times](#), May 7, 2022

³⁰ Ibid.

adding new avenues of practical cooperation, during a virtual meeting between Pakistan's Foreign Minister Bilawal Bhutto Zardari and China's State Councilor and Foreign Minister Wang Yi.³¹ Later in the month, Foreign Minister Bilawal visited China on the [71st anniversary of the establishment of diplomatic relations](#) between Pakistan and China.³² During the meeting, [Foreign Minister Wang criticized the US](#) for creating the "Indo-Pacific Strategy" to form small cliques in the name of freedom and openness to contain China.³³ Both leaders engaged in talks pertaining to economic coordination, industrialization, and the China-Pakistan Economic Corridor (CPEC).³⁴

At the end of the [Fourth Regional Security Dialogue on Afghanistan](#) in Dushanbe, National Security Advisers and Secretaries from China, India, Iran, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan released a joint statement, urging the Afghan leadership to create an inclusive political system, to run a consistent and moderate domestic and foreign policy, develop friendly ties with all neighbouring nations, while honouring their commitments to help restore the country's economic growth.³⁵

During the [14th meeting of the Nepal-China Bilateral Consultative Mechanism](#), China expressed reservations about US Under Secretary of State Uzra Zeya's visits to two Tibetan camps in Nepal.³⁶ The Chinese implicitly reminded Nepal of its 'One-China' policy responding to which the Nepali side reconveyed its adherence to the same and committed to not allowing its soil to be used against its neighbours.³⁷

Amid Sri Lanka's financial collapse, Nepal's ruling party has become increasingly [wary of China's expansive Belt and Road Initiative](#).³⁸ A recently published report pointed out it has been five years since Nepal finalised an agreement on any BRI projects. In early 2019, Nepal proposed nine different

³¹ "Pakistan, China agree to "inject fresh momentum" in bilateral ties," [The Hindu](#), May 12, 2022

³² "Pakistan Foreign Minister Bilawal Bhutto holds talks with Chinese counterpart Wang Yi on maiden visit to China," [The Hindu](#), May 22, 2022

³³ "Purpose To Contain" Beijing: China-Pakistan Cozy Up, Slam Quad Meet," [NDTV](#), May 23, 2022

³⁴ Ibid.

³⁵ "Dushanbe meeting calls for stable Afghanistan," [Pajhwok](#), May 28, 2022

³⁶ "Rattled by US officials' Kathmandu visit, China reminds Nepal on 'One-China' policy," [The Print](#), May 27, 2022

³⁷ Ibid.

³⁸ "Nepal: What happened to China's 'Belt and Road' projects?," [Deutsche Welle](#), May 26, 2022

projects to be pursued under the BRI, however, not a single project has been finalised.³⁹

Bangladesh's "development partner" China⁴⁰ is reportedly [growing wary of Dhaka](#) diversifying its defence supplies and acquiring quality defence items from India, Europe, and the US.⁴¹ In an interesting development, [Bangladesh commemorated Doppa Day](#), in protest against the persecution of Uyghur Muslims by the Chinese government.⁴² Further, [Chinese nationals were attacked](#) by locals opposing construction by Chinese firm.⁴³

III. China-United States Relations

The month witnessed the Biden administration taking a more strident and confrontational approach by pushing the US-China trade war a notch higher. President Biden's first trip to East Asia coincided with a [slew of diplomatic initiatives](#) including bilateral summits with allies Republic of Korea and Japan, the Quad Leader's Summit and the launch of the Indo-Pacific Economic Framework (IPEF).⁴⁴



President Biden launches the 'Indo-Pacific Economic Framework for Prosperity' in Tokyo, May 24, 2022. Source: [Twitter/@TheWhiteHouse](https://twitter.com/TheWhiteHouse)

³⁹ Ibid.

⁴⁰ "China remains wary of Bangladesh diversifying its defense supplies," [The Print](#), May 11, 2022

⁴¹ "China remains wary of Bangladesh diversifying its defense supplies," [ANI](#), May 11, 2022

⁴² "Bangladesh marks Doppa Day in protest against persecution of Uyghur Muslims by Chinese govt," [The Print](#), May 5, 2022

⁴³ "B'desh locals oppose Chinese construction, 9 including 3 Chinese nationals injured," [The Print](#), May 4, 2022

⁴⁴ "Biden Has a Long Way to Go to Turn His Asia Policy into a Success," [News 18](#), May 28, 2022

On the Quad, the [joint statement](#) issued by the four leaders did not mention China directly.⁴⁵ However, in a veiled reference to China, the statement underscored the goal of building an Indo-Pacific region that respects the sovereignty and the rule of law.⁴⁶ Quad leaders stated that they “strongly oppose any coercive, provocative or unilateral actions that seek to change the status quo and increase tensions in the region, such as the militarization of disputed features, the dangerous use of coast guard vessels and maritime militia, and efforts to disrupt other countries’ offshore resource exploitation activities.”⁴⁷ As part of an effort to counter [illegal Chinese fishing activity](#) in the region, Quad leaders unveiled a maritime initiative aimed at monitoring territorial waters.⁴⁸ Even as the QUAD leaders emphasised ‘infrastructure’, ‘climate change’, ‘fight against the pandemic’, and ‘supply chains’ as key areas of cooperation, Global Times (GT) rejected the view that “QUAD’s focus has shifted from [security architecture to economic arena](#) and that it was no longer engaged in building the so-called small Asian NATO”.⁴⁹ Maintaining QUAD as a “sinister gang of Indo-Pacific states” geared towards China containment.⁵⁰ A China Daily editorial echoing similar views asked “Asian countries to consider the [risks of being a cat’s paw of Washington](#)”.⁵¹ Importantly, it called upon Asian countries to “look at the developments in Europe [Russia-Ukraine conflict] to see what happens when countries get too caught up in US’ games”.⁵²

To enhance its regional engagement, President Biden launched the ‘[Indo-Pacific Economic Framework](#)’ (IPEF), a trade pact, with 13 other Indo-Pacific countries.⁵³ Chinese Foreign Ministry denounced the US move calling it an attempt to [politicise and weaponise economic issues](#) coercing countries to take sides between the US and China.⁵⁴ On his part, Foreign Minister Wang Yi stressed that “IPEF should [advocate free trade instead of pursuing protectionism](#), contribute to global economic recovery instead of undermining industrial supply-chains, and promote openness and cooperation instead of

⁴⁵ “Quad Joint Leaders’ Statement,” [The White House](#), May 24, 2022

⁴⁶ Ibid.

⁴⁷ Ibid.

⁴⁸ “Biden Ends Asia Trip With Warning Seen as Signal to China,” [Voice of America](#), May 24, 2022

⁴⁹ “The Quad plays insidious tricks: Global Times editorial”, [Global Times](#), May 25, 2022.

⁵⁰ Ibid.

⁵¹ “Asian countries should heed risks of being a cat’s paw of Washington: China Daily editorial”, [China Daily](#), May 19, 2022.

⁵² Ibid.

⁵³ “In Asia, President Biden and a Dozen Indo-Pacific Partners Launch the Indo-Pacific Economic Framework for Prosperity,” [The White House](#), May 23, 2022

⁵⁴ “Your move, Beijing: U.S.-China trade rivalry intensifies after Biden launches Asian economic pact”, [Politico](#), May 26, 2022.

geopolitical confrontation".⁵⁵ Even as IPEF intends to "deepen economic engagement among partner countries", China Daily argued that "Washington's real intent is to [exclude China from the regional trade structure](#)".⁵⁶ IPEF is yet another attempt by the US to "destabilize" the Indo-Pacific, it added.⁵⁷

U.S. Secretary of State, Antony Blinken, in a major speech at Georgetown University on May 26, labelled [China as the "most serious long-term threat" to the international order](#).⁵⁸ Rejecting "America's cold war mentality", Chinese Foreign Minister, Wang Yi, asserted that Washington's views on Sino-US relations had "gone seriously awry"; "actually, it is the US that has become a source of chaos that shakes the current international order and remains an obstacle to democratization of international relations", he added.⁵⁹

Earlier, President [Biden rankled China](#) by committing to Taiwan's defence if invaded by China, forsaking the policy of ambiguity maintained by the US.⁶⁰ Later, as in the past, the comments were rolled back by the White House.⁶¹ China expressed its "strong dissatisfaction and firm opposition" to President Biden's comments, saying it will not allow any external force to interfere in its "internal affairs."⁶² As per reports, [US and Taiwan](#) are slated to begin talks to deepen economic and trade ties.⁶³

To counter the US over QUAD, China accelerated the promotion of the [Global Security Initiative \(GSI\)](#), a proposal for an alternative security order, a collection of policy principles floated by President Xi Jinping in April 2022.⁶⁴ During the BRICS Meeting on May 19, [President Xi pointed out the myriad virtues of GSI](#) and urged countries to support the initiative.⁶⁵ A report in the Financial Times

⁵⁵ "U.S. "Indo-Pacific Strategy" bound to fail: Chinese FM", [Xinhua](#), May 23, 2022.

⁵⁶ "New framework just another US destabilizer: China Daily editorial", [China Daily Editorial](#), May 23, 2022.

⁵⁷ Ibid.

⁵⁸ "US views on China 'gone seriously awry', Chinese foreign minister warns during Pacific tour", [South China Morning Post](#), May 29, 2022.

⁵⁹ Ibid.

⁶⁰ "Biden Pledges to Defend Taiwan if It Faces a Chinese Attack," [The New York Times](#), May 23, 2022

⁶¹ Ibid.

⁶² "Biden says US would respond 'militarily' if China attacked Taiwan, but White House insists there's no policy change," [CNN](#), May 23, 2022

⁶³ "US and Taiwan could begin talks on closer economic ties 'in a few weeks'," [CNN](#), May 27, 2022

⁶⁴ "China's Xi Proposes Global Security Initiative," [The Diplomat](#), May 7, 2022

⁶⁵ "Xi calls on BRICS countries to build global community of security for all," [The State Council](#), May 19, 2022

concluded the move as [China's attempt to build a coalition to counter American leadership](#).⁶⁶

IV. China-European Union Relations

The Russian invasion of Ukraine has brought to the forefront a narrative of [brewing bipolar cold war](#) between the "free world " and authoritarian regimes seemingly referring to western democracies and Russia-China.⁶⁷ President Xi's comment made it clear that China would not distance itself from Russia gave new impetus to the emerging narrative.⁶⁸ According to [Philippe Le Corre of Carnegie](#), the emerging strategic environment will have a major impact on China-EU relations.⁶⁹ In the backdrop of a war being fought in Ukraine, Corre pointed out that while EU-China relationship is undergoing a rough patch, suggesting that EU would be happy to see China offering its help on the Ukraine issue.⁷⁰ To shore up its troubled ties with the EU, China sent its special representative [Wu Hongbo](#) to discuss the fallout from the latest EU-China summit held in April.⁷¹

Meanwhile, reports claim that China as an investment partner is laying debt traps by expanding its [investment portfolio](#) by operating European ports and mines and building roads and bridges (investing where others won't).⁷² There are also claims of workers being exploited by Chinese firms - in terms of pay, conditions, and staffing levels.⁷³

Germany's new ruling coalition has shown signs of divergence from the erstwhile conservative government's pro-China engagement policy over concerns about Beijing's growing power. Finance Minister, Christian Lindner, cited a need to reduce [Germany's economic dependence on China](#) as quickly as possible.⁷⁴ On the contrary, during a phone conversation between Chinese Foreign Minister Wang Yi and French European and Foreign Affairs Minister, Catherine Colonna, [both countries reaffirmed their commitment](#) to deepen

⁶⁶ "China builds coalition to counter America's 'barbaric and bloody' leadership," [Financial Times](#), May 27, 2022

⁶⁷ "Europe's Indo-Pacific pivot," [East Asia Forum](#), May 27, 2022

⁶⁸ Ibid.

⁶⁹ "Russia's Invasion of Ukraine Has Jeopardized the China-EU Relationship," [Carnegie Endowment for International Peace](#), May 10, 2022

⁷⁰ Ibid.

⁷¹ "China sends special envoy to Brussels in bid to salvage souring ties with EU," [South China Morning Post](#), May 19, 2022

⁷² "Why Europe will have to face the true cost of being in debt to China," [BBC](#), May 3, 2022

⁷³ Ibid.

⁷⁴ "Putin must not win this war,' Germany's Olaf Scholz tells Davos," [Deutsche Welle](#), May 26, 2022

practical cooperation based on mutual respect, while upgrading bilateral comprehensive strategic partnership to a new level.⁷⁵

With a view to tap into Taiwan's "[role as a hi-tech leader](#)", the European Union will upgrade its trade and investment relations with Taipei.⁷⁶ In line with the EU's Indo-Pacific strategy, [Brussels is keen to rope in Taiwanese investment](#) in its semiconductor sector while strengthening political ties with the country.⁷⁷ A [trade and investment dialogue](#) over critical sectors and policy areas linked to supply chains, export control, and FDI (foreign direct investment) screening is slated to take place on June 2.⁷⁸ EU acknowledges that it requires Taiwanese support if it is to follow through on a €45 billion (US\$47 billion) European Chips Act unveiled in February this year.⁷⁹ In a statement, the [Chinese mission to the EU](#) expressed Beijing's opposition to any form of official interactions or any discussion and signing of an agreement with Taiwan that has a bearing on China's sovereignty.⁸⁰

[China denounced](#) EU- Japan's joint statement wherein both sides voiced concerns about tensions in the South and East China Seas.⁸¹ They also stressed [the importance of peace](#) across the Taiwan Strait, and pledged to coordinate closely on regional issues including Hong Kong and Xinjiang.⁸² [Chinese state media](#) called the concerns flagged in the joint statement a misinterpretation of reality, fuelled by over-consumption of the Ukraine crisis.⁸³

In a bid to counter Chinese propaganda, EU's anti-fake news agency, [EUvsDisinfo](#), highlighted articles published by Chinese media in a disinformation campaign on Ukraine war.⁸⁴ In the past, EUvsDisinfo has reported on alignment between pro-Kremlin and Chinese State-affiliated and State-controlled sources, on COVID-19, human rights violations in Xinjiang, Afghanistan and Ukraine.⁸⁵

⁷⁵ "Wang Yi: China, EU are partners, not rivals," [CGTN](#), May 26, 2022

⁷⁶ "EU to upgrade trade ties with Taiwan as China warns Brussels 'not to gamble on this issue'," [South China Morning Post](#), May 18, 2022

⁷⁷ Ibid.

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ Ibid.

⁸¹ "China lashes out at EU-Japan statement as G7 raise pressure on Beijing," [Politico](#), May 29, 2022

⁸² "Joint Statement EU-Japan Summit 2022," [European Council](#), May 12, 2022

⁸³ "Japan's joint statement with EU hyping 'China threat' detrimental to its own, regional security," [Global Times](#), May 12, 2022

⁸⁴ "EU anti-fake news agency starts debunking in Chinese," [Euro News](#), May 2, 2022

⁸⁵ Ibid.

V. China-Russia Relations

A day after North Korea fired three missiles following U.S. President Joe Biden's trip to East Asia, in a show of diplomatic cooperation, [China and Russia vetoed](#) a U.S.-led push to impose more UN mandated sanctions on North Korea.⁸⁶ The remaining 13 council members all voted in favour of the U.S.-drafted resolution that proposed banning tobacco and oil exports to North Korea.⁸⁷

Amidst the QUAD Summit, drawing clear battle lines, China and Russia conducted a [joint air exercise](#).⁸⁸ Chinese and Russian warplanes reportedly entered the [South Korean and Japanese air-defence zone](#) and flew over Sea of Japan.⁸⁹ In retaliation, [U.S. Indo-Pacific Command](#) aircraft conducted a bilateral exercise with Japan's Air Self-Defense Force in the same area.⁹⁰ An apparent message conveyed by this action of Russia and China is that in the wake of the Ukraine crisis partnership between the two countries is ["alive and well"](#).⁹¹

Even as the US continues to warn China against backing Moscow's war in Ukraine, Beijing in an apparent show of solidarity, stepped up its rhetorical support for Russia by describing the China-Russia relationship as a ['New Model'](#) for the world.⁹² [Chinese Foreign Ministry](#) said "an important takeaway from the success of China-Russia relations is that the two sides rise above the model of military and political alliance in the Cold War era," adding that they "commit themselves to develop a new model of international relations."⁹³ Chinese Foreign Ministry spokesperson [Wang Wenbin](#) in a separate statement reiterated that the country's relationship with Russia can "withstand the new test of changing international situation," and that it has maintained the right direction.⁹⁴

⁸⁶ "China and Russia veto new UN sanctions on North Korea," [The Washington Post](#), May 26, 2022

⁸⁷ Ibid.

⁸⁸ "Russia and China Held Military Exercise in East Asia as Biden Visited," [The New York Times](#), May 24, 2022

⁸⁹ "S.Korea scrambles jets after Chinese, Russian warplanes enter air defence zone", [Reuters](#), May 24, 2022

⁹⁰ "Japan and U.S. Conduct Bilateral Exercise," [US Indo Pacific Command](#), May 25, 2022

⁹¹ "Russian and Chinese jets deliver pointed send-off on last day of Biden Asia trip," [Reuters](#), May 25, 2022

⁹² "China Calls Russia Relationship a 'New Model' for the World," [Time](#), April 29, 2022

⁹³ "Foreign Ministry Spokesperson Zhao Lijian's Regular Press Conference", [MFA, China](#), April 29, 2022

⁹⁴ "China reiterates its ties with Russia can 'withstand test'," [CGTN](#), May 24, 2022

Internal Developments

Yang Jiechi's Article on China's Foreign Policy

The Director of the Office of the Central Commission for Foreign Affairs – [Yang Jiechi](#), penned an article in *People's Daily* elaborating on 'Xi Jinping's Thought on Diplomacy and New Horizons in China's External Work' [foreign policy].⁹⁵ Yang stressed that "following Xi Jinping's guidance, China has continuously advanced major-country diplomacy with Chinese characteristics, and has maintained its advantageous position in the overarching strategic context".⁹⁶ CPC's upcoming 20th National Congress is the "overriding theme of China's foreign policy for 2022".⁹⁷ In light of this, Yang Jiechi underscored Beijing's foreign policy priorities that include "coordinated approach towards development and security better serving China's national rejuvenation", "strengthening the global network of partnerships", "leading reforms and development of global governance system while championing true multilateralism", and "consolidating the framework in which the CPC Central Committee exercises overall leadership on all aspects of foreign policy".⁹⁸



President Xi Jinping attends a ceremony in Beijing marking the 100th anniversary of the founding of the 'Communist Youth League of China' (CYLC), May 10, 2022.

Source: The State Council of the People's Republic of China

⁹⁵ Yang Jiechi, "Studying and Implementing Xi Jinping Thought on Diplomacy in a Deep-going Way and Opening up New Horizons in China's External Work", [People's Daily](#), May 16, 2022.

⁹⁶ Ibid.

⁹⁷ Ibid.

⁹⁸ Ibid.

President's Key Addresses

Secretary-General Xi Jinping addressed 'young communists' marking the 100th anniversary of the founding of the [Communist Youth League of China](#) (CYLC).⁹⁹ Xi Jinping called upon CYLC to "devote their energy and creativity for national rejuvenation and be a strong bridge that connects CPC with the youth".¹⁰⁰ Further, Xi called for "[advancing the study of 5000-year-old Chinese civilization](#)" to strengthen CPC's historical awareness and confidence in national rejuvenation.¹⁰¹

In another important address, President Xi stressed the [healthy development of capital](#) in China.¹⁰² While reviewing the country's socialist economic system, Xi Jinping noted that since the 18th CPC National Congress in 2012, Beijing has deepened reforms in all aspects with a view to "letting the market play a decisive role in the allocation of resources, with the government creating a favourable market and legal environment for the development of capital".¹⁰³

Hong Kong - Chief Executive Election

Hong Kong Special Administrative Region (HKSAR) elected 'John Lee Ka-chiu' as its sixth-term Chief Executive. His election is being highlighted as symbolising the "[principle of patriots administering Hong Kong](#)".¹⁰⁴ On the other hand, the US-led West criticising Hong Kong's new electoral system characterised it as "another step in [dismantling the one country, two systems principle](#)".¹⁰⁵ Reacting to the criticism, Global Times argued that "some forces in the US and the West resented Hong Kong's unity for the better".¹⁰⁶

Human Rights

China reacted to yet another incident of gun violence in Buffalo, New York, arguing that these "[gunshots shatter the illusion of American style human](#)

⁹⁹ "Xi tells Chinese youth to contribute energy, creativity to rejuvenation", [Xinhua](#), May 11, 2022.

¹⁰⁰ Ibid.

¹⁰¹ "Xi Focus: Xi calls for advancing study of Chinese civilization", [Xinhua](#), May 28, 2022.

¹⁰² "Xi stresses healthy development of capital in China", [Xinhua](#), May 1, 2022.

¹⁰³ Ibid.

¹⁰⁴ "HKSAR's election of sixth-term Chief Executive a new practice of "patriots administering Hong Kong", [People's Daily Editorial](#), May 11, 2022.

¹⁰⁵ "Some forces in the US and the West despaired of Hong Kong's unity for the better: Global Times editorial", [Global Times](#), May 9, 2022.

¹⁰⁶ Ibid.

[rights](#)".¹⁰⁷ "Gun violence is an epidemic in the US as gun culture is deep-rooted in the society with 120 guns for every 100 residents", the People's Daily (PD) editorial added.¹⁰⁸ A commentary in the PD also shed light on the "[frightening trend of White supremacy in the US](#)" as the Buffalo shooting was reportedly carried out by a Caucasian man targeting African-Americans.¹⁰⁹

President Xi Jinping held a virtual meeting with [UN High Commissioner for Human Rights](#) Michelle Bachelet.¹¹⁰ Xi Jinping laid out Beijing's priorities for human rights development including "putting people at the front with a holistic approach", "respecting different paths toward human rights", and "stepping up global human rights governance".¹¹¹ As Michelle Bachelet visited Xinjiang, a Global Times report claimed that it debunked rampant disinformation by the US and the West about the [Uyghur genocide](#) in the region.¹¹²

Trade and Economy

After more than six weeks of lockdown, China's financial capital Shanghai is set to [resume normalcy in the city](#) by June 2022.¹¹³ However, international organisations and investors continued to raise questions about the [efficacy of the country's zero-covid policy](#).¹¹⁴ Director-General of the 'World Health Organisation' (WHO), Tedros Adhanom Ghebreyesus, described the [zero-covid policy as "unsustainable"](#) and called upon Beijing to change its approach toward virus containment.¹¹⁵ Xinhua while defending the country's coronavirus policy stressed that "this approach has [safeguarded people's lives](#), even as China grapples with unbalanced regional development, scarcity and uneven allocation of medical resources, and insufficient vaccination among the elderly and children".¹¹⁶ Supporting this, researchers at Shanghai's Fudan

¹⁰⁷ "Gunshots shatter illusion of American-style human rights", [People's Daily Editorial](#), May 18, 2022.

¹⁰⁸ Ibid.

¹⁰⁹ Chi Zao, "Mass murder in United States reveals country's frightening trend of White supremacy", [People's Daily](#), May 16, 2022.

¹¹⁰ "President Xi meets UN human rights chief Bachelet", [Xinhua](#), May 25, 2022.

¹¹¹ Ibid.

¹¹² Xinjiang visit 'unsupervised' and 'open,' UN human rights chief says as she wraps up China trip, [Global Times](#), May 29, 2022.

¹¹³ "Shanghai details plan of resuming normalcy in June", [Global Times](#), May 16, 2022.

¹¹⁴ Zhou Xin, "Beijing mulls reducing hotel quarantine to one week for international travellers with 7+7 policy, sources say", [South China Morning Post](#) (SCMP), May 23, 2022.

¹¹⁵ "WHO chief says China's zero-Covid policy not sustainable", [South China Morning Post](#), May 11, 2022.

¹¹⁶ "Xinhua Commentary: Why China stands firm on dynamic zero-COVID policy", [Xinhua](#), April 30, 2022.

University claimed that “if China were to abandon the zero-covid policy, it risks a [Tsunami of COVID-19 infections](#) resulting in 1.6 million deaths”.¹¹⁷

COVID-19 lockdowns continued to impact [China's economic growth](#) in April as industrial production, retail sales, and fixed-asset investments contracted.¹¹⁸ Premier Li Keqiang called upon the government to “make all possible efforts to ensure positive growth in the second quarter”, however, “the [target falls short of the 5.5 percent growth target](#) set for 2022”.¹¹⁹ Echoing a similar tone, Chinese analysts noted that “country's [economy may hit rock bottom in the second quarter](#) of 2022 with growth expected to be around 4 percent”.¹²⁰ Ahead of CPC's 20th National Congress, Premier Li Keqiang, called upon provincial leaders to step up efforts to [ensure job stability](#) as employment conditions remained “grim and complicated”.¹²¹ ‘The State Council’ also announced more [measures to support Micro, Small, and Medium Enterprises \(MSMEs\)](#) facing severe hardships.¹²² Further, Premier Li [vowed to prevent power cuts](#) that rocked China's industrial provinces in 2021.¹²³ Even as the pandemic dealt a heavy blow to economic activity, China's National Bureau of Statistics (NBS) continued to maintain that these [effects are “short term and external”](#) and the “fundamentals of the economy remain unchanged”.¹²⁴ It is to be noted that, there are rumours about [disagreements between CPC's top leadership](#), President Xi Jinping and Premier Li Keqiang, about possible approach to deal with an economy devastated by COVID-19 lockdowns.¹²⁵

China's coronavirus containment measures have adversely affected the country's export trade. A South China Morning Post (SCMP) report highlighted country's [export growth slowing](#) to its lowest levels in two years.¹²⁶ In the prevailing complex economic scenario, it also claimed that the “Chinese

¹¹⁷ “China risks 1.6 million deaths in virus ‘tsunami’ if Covid Zero is abandoned: study”, [The Times of India](#), May 11, 2022.

¹¹⁸ Chu Daye and Qi Xijia, “China April economic data down on Omicron impact; more pro-growth measures in pipeline”, [Global Times](#), May 16, 2022.

¹¹⁹ Frank Tang, “China GDP: Premier Li signals ‘clear urgency’ on reviving economy, but no change to zero-Covid”, [South China Morning Post](#), May 27, 2022.

¹²⁰ Chu Daye and Qi Xijia, “China April economic data down on Omicron impact; more pro-growth measures in pipeline”, [Global Times](#), May 16, 2022.

¹²¹ Luna Sun, “China jobs: Premier Li Keqiang warns of ‘complicated, grim’ outlook, urges action ahead of Communist Party congress”, [South China Morning Post](#), May 8, 2022.

¹²² “China announces more measures to shore up small firms”, [Xinhua](#), May 5, 2022.

¹²³ Orange Wang, “Chinese Premier Li Keqiang vows ‘resolute efforts’ to prevent power cuts amid ‘skyrocketing’ energy prices”, [South China Morning Post](#), May 20, 2022.

¹²⁴ Chu Daye and Qi Xijia, “China April economic data down on Omicron impact; more pro-growth measures in pipeline”, [Global Times](#), May 16, 2022.

¹²⁵ Wang Xiangwei, “What's behind China's crackdown on the political rumour mill?”, [South China Morning Post](#), May 21, 2022.

¹²⁶ Orange Wang, “China trade: ‘sharp decline’ in exports as growth slows to lowest in 2 years as zero-Covid dents outlook”, [South China Morning Post](#), May 9, 2022.

market is [losing its shine for private equity investors](#)".¹²⁷ The American Chamber of Commerce in China (AmCham China) believes "the current coronavirus control measures are [throttling US business confidence in China](#)".¹²⁸ Rejecting these adverse pronouncements, Global Times (GT) highlighted that "choosing China is choosing the future; the [rhetoric of foreign capital leaving China is self-defeating](#)".¹²⁹

Amidst growing economic headwinds, Xinhua highlighted key characteristics of [China's economic development over the past decade](#).¹³⁰ Increased spending on R&D, better coordination in urban and rural development, climate resilience, wider economic opening-up, and shared development have been key to the rise of China.¹³¹ Importantly, the country's GDP jumped from [CNY 51.93 trillion \(USD 8.28 trillion\) in 2012](#)¹³² to [CNY 114 trillion \(USD 16.79 trillion\) in 2021](#).¹³³ In another development, the International Monetary Fund (IMF) has raised the [weight of CNY](#) in the latest review of Special Drawing Rights (SDR).¹³⁴

As rising energy prices and inflation wreaks havoc in the US, Xinhua pointed towards statements by President Biden and Treasury Secretary Janet Yellen that signalled Washington's intent of considering [removal of some tariffs imposed on Chinese goods](#).¹³⁵

Defence and Security

Ahead of President Biden's visit to Japan and Republic of Korea, Chinese Foreign Minister, Wang Yi, expressed concerns that "[US-Japan would jointly confront China](#)" and warned Tokyo that "Japan-US cooperation should not harm China".¹³⁶ Importantly, open-source intelligence reports pointed towards

¹²⁷ Tracy Qu and Yaling Jiang, "China market loses its shine for private equity investors as nation's economy slows, zero-Covid-19 policy remains in force", [South China Morning Post](#), May 8, 2022.

¹²⁸ Frank Tang, "China's coronavirus controls are 'throttling US business confidence', American lobby groups says", [South China Morning Post](#), May 9, 2022.

¹²⁹ "Rhetoric of 'foreign capital leaving China' is once again self-defeating: Global Times editorial", [Global Times](#), May 13, 2022.

¹³⁰ "China Focus: Highlights of China's economic development in past decade", [Xinhua](#), May 16, 2022.

¹³¹ Ibid.

¹³² "China's GDP growth eases to 7.8% in 2012", [China Daily](#), January 18, 2013.

¹³³ "China Focus: Highlights of China's economic development in past decade", [Xinhua](#), May 16, 2022.

¹³⁴ Zhou Lanxu, "Weight of yuan raised as global currency", [China Daily](#), May 16, 2022.

¹³⁵ "Amid surging inflation, U.S. trade groups, economists urge removal of China tariffs", [Xinhua](#), May 12, 2022.

¹³⁶ "Wang Yi warns Japan-U.S. cooperation should not harm China", [China Military Online](#), May 18, 2022.

[PLA increasing warship activities in key straits near Japan](#).¹³⁷ Earlier, PLA Navy's [Liaoning carrier group](#) and H-6 bombers held drills in Western Pacific.¹³⁸ Chinese analysts believe this demonstrates "PLA's capabilities to cut off any foreign interference in Taiwan contingency from countries like Japan and US".¹³⁹ President Biden's remarks in Tokyo that "[US would intervene militarily](#) if Chinese mainland tried to unify Taiwan with force" is only likely to add more fuel to fire.¹⁴⁰



PLA's WZ-10 attack helicopters lift off for a training exercise around the Island of Taiwan, May 10, 2022. Source: [China Military Online](#)

Further, with a view to enhance diplomatic clout, Chinese Foreign Minister Wang Yi embarked on a visit of [South Pacific Island nations](#) including Solomon Islands, Kiribati, Samoa, Fiji, Tonga, Vanuatu, Papua New Guinea, and Timor-Leste.¹⁴¹ Chinese Ministry of Foreign Affairs (MFA) highlighted trade, maritime environmental protection, tourism, poverty eradication, education, culture as

¹³⁷ Liu Xuanzun, "PLA increases warship activities in key straits near Japan amid provocative US, Japanese remarks", [Global Times](#), May 24, 2022.

¹³⁸ Liu Xuanzun and Guo Yuandan, "PLA Navy's Liaoning carrier group returns from West Pacific after 'longest, most sortie-intensive' exercise", [Global Times](#), May 23, 2022.

¹³⁹ Ibid.

¹⁴⁰ Liu Xuanzun and Guo Yuandan, "PLA holds 2nd large-scale drills around Taiwan this month after Biden claims to 'defend' island", [Global Times](#), May 25, 2022.

¹⁴¹ Yang Sheng and Liu Caiyu, "China to provide South Pacific countries 'what US, Australia failed to offer'", [Global Times](#), May 25, 2022.

key areas of cooperation and rejected the view that “China-Pacific Island countries relations could spark a new cold war with US and Australia”.¹⁴²

As US-China tensions continue to rise, Admiral Charles Richard, the head of US Strategic Command, warned Congress about “[heightened risk of nuclear deterrence](#) breakdown as regards to China and Russia”, claiming that Beijing was “watching the developments in Ukraine closely” and could “use nuclear coercion to its advantage”.¹⁴³ He also warned the Congress about “current nuclear crisis faced by the US which it has seen only a few times in its history”.¹⁴⁴ Rejecting such sentiments, Global Times asserted that “sensationalising China’s nuclear threat was a familiar trick of Washington; in reality these efforts are geared towards expanding America’s budget for nuclear weapons and systems research”.¹⁴⁵

Chinese Vice Foreign Minister, Le Yucheng, rejected accusations from the West that, due to the “no-limits friendship” between Moscow and Beijing, China had “prior knowledge” of [Russia’s special military operation](#) in Ukraine and even “endorsed” it.¹⁴⁶ Instead, Vice FM Le Yucheng pointed fingers at US Indo-Pacific strategy “creating exclusive groups against China” and “inflaming the Taiwan question”.¹⁴⁷ “If this is not an Asian version of NATO’s eastward expansion, then what is? If left unchecked, it would bring horrible consequences pushing Asia-Pacific over the edge of an abyss”, he added.¹⁴⁸ Further, Chinese MFA reiterated that it [does not pose any threat to NATO’s security](#) and rejected NATO Secretary-General Jens Stoltenberg’s statement that reportedly questioned China’s political system, Russia and China’s threat to allies security while calling upon NATO member-states to increase their military spending.¹⁴⁹

As Australia elected ‘Anthony Albanese’ as its new Prime Minister, China Daily (CD) described it as an “opportunity for Canberra to [adjust its China policy](#)”.¹⁵⁰ However, as PM Albanese attended the QUAD Summit in Tokyo, CD believes

¹⁴² Ibid.

¹⁴³ “US eyes ‘nuclear freedom’ by hyping China’s ‘nuclear threat’: Global Times editorial”, [Global Times](#), May 6, 2022.

¹⁴⁴ Ibid.

¹⁴⁵ Ibid.

¹⁴⁶ “It is absurd to blame China for Russia-Ukraine conflict: Chinese vice FM”, [Xinhua](#), May 7, 2022.

¹⁴⁷ Ibid.

¹⁴⁸ Ibid.

¹⁴⁹ Zhao Jia, “Nation firmly condemns NATO’s series of smears”, China Daily,

¹⁵⁰ “Chance for Australia to adjust China policy: China Daily editorial”, [China Daily](#), May 22, 2022.

he has already “dashed hopes of an up stick in Sino-Australia relations”.¹⁵¹ “A bipartisan consensus has been formed in Australia that China is a threat to country’s security and regional interests”, CD added.¹⁵² Meanwhile, as the US hosted special summit with ASEAN leaders, Global Times called upon Washington “[not to use ASEAN as a tool in its game against China](#)”.¹⁵³

With regards to military modernisation, reports in the West claimed that China has launched a new and upgraded class of [nuclear-powered attack submarine](#).¹⁵⁴ Chinese experts, however, maintain that reports on nuclear submarine are “speculative and biased”. Meanwhile, boosting [PLA’s capabilities to conduct far sea missions](#) beyond the first island chain, Type 055 destroyer ‘Lhasa’ is reportedly fully ready for such missions.¹⁵⁵

Technology

In the backdrop of Beijing’s Big-tech crackdown, Wang Yang, Chairman of The Chinese People’s Political Consultative Conference (CPPCC) addressed a special symposium promoting “[sustainable and heathy](#)” [development of the digital economy](#).¹⁵⁶ After weeks of regulatory uncertainty including pressure on ‘Didi Global’ to delist from New York Stock Exchange (NYSE), Wang Yang and Premier Li Keqiang assured that “government will support technology companies in going public [IPO] on domestic and international capital markets”.¹⁵⁷ Even as the government tried to infuse new energy into the Big-tech, covid lockdowns are [hurting revenues of Chinese companies](#).¹⁵⁸

As the US-China technology competition heats up, US-EU Trade and Technology Council (TTC) vowed to facilitate “[cross-Atlantic information exchange on critical technologies](#) and supply-chains while promoting trusted

¹⁵¹ Ibid.

¹⁵² Ibid.

¹⁵³ “ASEAN not a tool of US in its game against China: Global Times editorial”, [Global Times](#), May 15, 2022.

¹⁵⁴ Liu Xuanzun, “Foreign reports on PLA Navy’s new submarine speculative and biased”, [Global Times](#), May 11, 2022.

¹⁵⁵ “China’s 2nd large destroyer passes comprehensive test, fully ready for far sea missions”, [Global Times](#), May 15, 2022.

¹⁵⁶ Tracy Qu, “China’s top political advisory body hosts special symposium to help digital economy in sign of easing crackdown”, [South China Morning Post](#), May 17, 2022.

¹⁵⁷ Ibid.

¹⁵⁸ Tracy Qu and Ann Cao, “Alibaba reports slowest ever revenue growth for March quarter on the back of slowing economy amid pandemic lockdowns”, [South China Morning Post](#), May 17, 2022.

suppliers”.¹⁵⁹ In light of this, analysts believe “US-EU united front on high-tech could erode China’s supply chain advantages”.¹⁶⁰



Wang Yang, the Chairman of the Chinese People's Political Consultative Conference (CPPCC), and Vice Premier Liu He, attend a symposium on the development of digital economy, May 17, 2022. Source: [Xinhua/Liu Weibing](#)

In a boost to domestic development of passenger aircraft, Commercial Aircraft Corporation of China’s ([COMAC](#)) ‘C919’ successfully completed its first test flight.¹⁶¹ It is set to deliver first plane to China Eastern Airlines that will operate on domestic routes between Shanghai, Beijing, Guangzhou, and Chengdu.¹⁶²

¹⁵⁹ Jiaxing Li and Che Pan, “Tech war: US-EU united front on tech to erode China’s supply chain advantages, analysts say”, [South China Morning Post](#), May 17, 2022.

¹⁶⁰ Ibid.

¹⁶¹ COMAC completes first test flight of first home-made C919 aircraft to be delivered, [Global Times](#), May 14, 2022.

¹⁶² Ibid.



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