

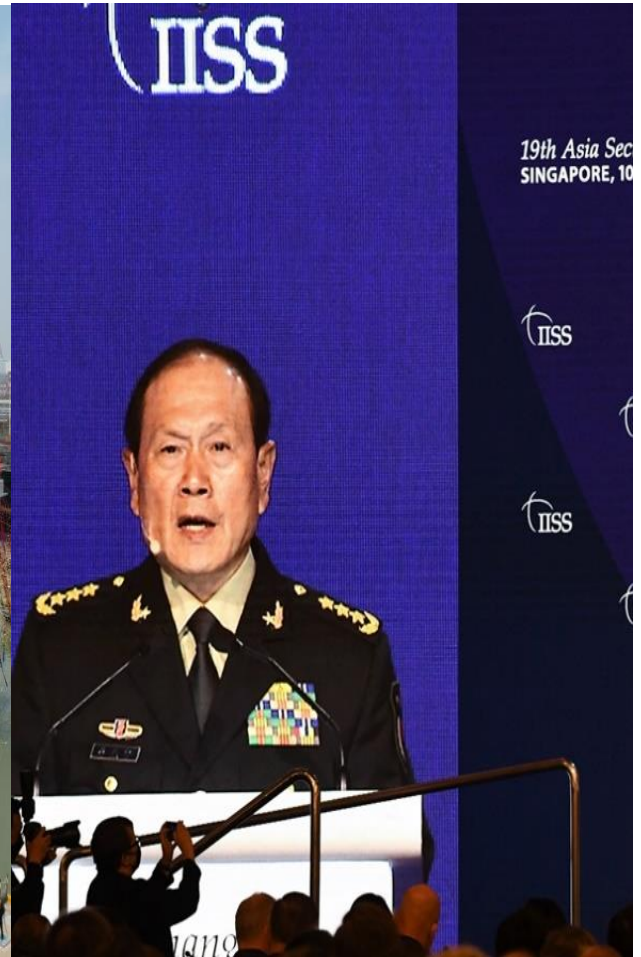


# Delhi Policy Group

Advancing India's Rise as a Leading Power



## DPG China Monitor June 2022



Volume V, Issue 6 | June 2022

Delhi Policy Group  
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## DPG China Monitor

Volume V, Issue 6

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### ABOUT US

Founded in 1994, the Delhi Policy Group (DPG) is among India's oldest think tanks with its primary focus on strategic and international issues of critical national interest. DPG is a non-partisan institution and is independently funded by a non-profit Trust. Over past decades, DPG has established itself in both domestic and international circles and is widely recognised today among the top security think tanks of India and of Asia's major powers.

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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:

*China launches its third aircraft carrier, the Fujian, in Shanghai, June 17, 2022. Source: Xinhua*

*Chinese Defence Minister, Wei Fenghe, speaks at the Shangri-La Dialogue in Singapore, June 12, 2022. Source: Global Times*

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## Abstract

Two years after the bloody Galwan clash, the India-China standoff in eastern Ladakh continues, with both sides maintaining a strong military posture. Several rounds of military and diplomatic talks have not resulted in any significant pullback or disengagement. The Commanding General of the US Army Pacific, Gen. Charles Flynn, during a recent visit to India, assessed that the Chinese military's infrastructure build-up in its Western Theatre Command was "eye-opening and alarming". Australian Defence Minister, Richard Marles, also during a visit to India, observed that the PLA's assault on Indian forces along the Line of Actual Control (LAC) in 2020 was a warning that the world should heed with regard to the China threat.

Ahead of the BRICS Summit, Chinese Foreign Minister Wang Yi, while receiving India's new Ambassador to China, reiterated the standard China line that the two countries should put aside their differences on the border issue and seek to resolve the dispute through dialogue and consultation. Meanwhile, China's state media praised Indian External Affairs Minister Dr. S. Jaishankar's response on the Ukraine conflict at the 'GLOBSEC 2022 Bratislava Forum', while suggesting that India does not want a similar crisis with China in its own neighbourhood.

Speaking at the 14th BRICS Summit, President Xi Jinping stressed the need for "safeguarding world peace by practicing true multilateralism while rejecting hegemony, bullying, and division". In an indirect reference to the G7, he noted that "BRICS countries do not gather in a closed club or an exclusive circle, rather, it is a partnership for win-win cooperation". He called upon BRICS countries to "uphold openness and inclusiveness to strengthen industrial and supply chains while fostering a spirit of innovation".

As Sri Lanka faces its worst economic crisis, the China financed and controlled Hambantota port has pushed Colombo deeper into the Chinese debt trap. Despite the port being commercially "unviable", Sri Lanka is forced to pay steep instalments of loans taken from China. In contrast, China has agreed to refinance its "all-weather strategic partner" Pakistan with USD 2.3 billion in loans, shoring up Islamabad's foreign exchange reserves.

In the backdrop of the deteriorating security situation in the Af-Pak region, a tri-service military delegation led by Pakistan's Army Chief, Gen. Bajwa, visited China from June 9-12 for wide-ranging discussions with counterparts of the Chinese military and other government departments.

Elsewhere in the neighbourhood, China's pressure tactics against US aid and assistance continued, as under Beijing's pressure, Nepal reportedly dropped a proposal to join a US-led disaster relief alliance.

At Shangri-La Dialogue held in Singapore during the month, Chinese Defence Minister Wei Fenghe reiterated Beijing's resolve to realise the reunification of the nation, sending a strong warning to the US on the Taiwan issue. His remarks came in response to US Defence Secretary Gen. Austin's comment that the US is committed to the security of Taiwan, even as there is no change in US policy. In response to recent Chinese assertions that "there are no international waters in Taiwan Straits", the US sent P-8A anti-submarine aircraft and the destroyer 'USS Benfold' to the South China Sea in an apparent show of force questioning Chinese claims.

Chinese Defence Minister, Wei Fenghe, criticised the US Indo-Pacific Strategy as an attempt to incite military confrontation between blocs of Asian countries. He suggested that regional countries should "build an Asia-Pacific community with a shared future" to counter the US Indo-Pacific Strategy. As leaders of Japan, Australia, New Zealand, and Republic of Korea attended the NATO Summit for the first time, a Global Times editorial called upon "Asia-Pacific countries not to stand under the dangerous wall of NATO". China's Permanent Representative to the United Nations warned that any expansion of NATO or creation of a NATO-like body in the Asia-Pacific would create turmoil and stir conflict in the region.

As the US continued to highlight the "China threat" narrative, China's Ministry of Foreign Affairs (MFA) shed light on supposed falsehoods in US perceptions of China. Beijing rejected 21 US falsehoods that included "China poses the most serious long-term challenge to the international order", "US does not seek a new cold war", "China practices coercive diplomacy", "democracy is one of the most powerful assets in US-China competition", "US has profound differences with the CPC and not with the Chinese people", "US remains committed to a one-China policy", "US stands with the people of Xinjiang", "CPC has imposed harsh anti-democratic measures in Hong Kong violating the Sino-British joint declaration", "China stands with Russia while purporting to champion sovereignty and territorial integrity", "Indo-Pacific strategy stands for free and open Indo-Pacific", "China intends to create a sphere of influence in the Pacific region while advancing unlawful maritime claims in South China Sea", "Chinese government spreads disinformation", "China circumvents international trade rules", and "China takes advantage of openness of the US economy to spy, hack, and steal technology to advance its military innovation".

Amidst continuing US-China tensions in the Taiwan strait, China launched its third aircraft carrier "Fujian", equipped with electromagnetic catapults and with a displacement of more than 80,000 tonnes. "Fujian" is also the name of the Chinese province facing the island of Taiwan. Further, President Xi Jinping signed an order promulgating a set of guidelines on military operations other than war, prompting concerns that "China may be gearing up to invade Taiwan under the guise of a special military operation not classified as war". Meanwhile, China carried out another land-based, mid-course anti-ballistic missile (ABM) test as a "deterrent against any nuclear blackmail".

As the G7 launched a new "Partnership for Global Infrastructure and Investment" (PGII) initiative, pledging to raise USD 600 billion over the next five years to fund infrastructure projects in developing countries, the China Daily in an editorial highlighted that the "G7 initiative will rival China's BRI, offset alleged Chinese influence in the developing world, and worsen geopolitical divisions".

Chinese President Xi Jinping held a telephonic conversation with his Russian counterpart Vladimir Putin on June 16, reaffirming their high-level mutual trust and mutual support on matters concerning the core interests of the two countries. In his virtual address at the 25<sup>th</sup> St. Petersburg International Economic Forum (SPIEF), President Xi Jinping emphasised the need to "foster an enabling environment for development", "strengthen development partnerships", "advance economic globalisation", and "pursue innovation-driven development".

Even as China's financial capital Shanghai lifted COVID-19 restrictions, foreign investors remained apprehensive about the country's zero-covid policy. Addressing these concerns, Premier Li Keqiang reaffirmed "economic opening-up as China's basic national policy" while calling upon the government to "deploy special task forces to improve communication with foreign firms to address their problems in a timely manner". The Chinese manufacturing sector continues to face difficulties, while rising debts and falling incomes is a new reality for many Chinese citizens who are cutting back on spending. To boost growth, China's State Council unveiled a 33-point stimulus plan in key fiscal and financial areas including investment, consumption, food and energy security, supply chains, and people's livelihoods.



## Foreign and Security Policy

### I. China-India Relations

Two years after the bloody Galwan clash, the military standoff continues in eastern Ladakh. Several rounds of military and diplomatic talks have not resulted in any significant disengagement. Both sides continue to maintain a strong presence of troops and deployment of heavy weapons. China in the interim has been systematically upgrading its border infrastructure, including building new bases.

US Army Pacific Commanding General Charles Flynn, during his visit to India on June 7, emphasised that the Chinese military's infrastructure build-up under its Western Theatre Command was "[eye-opening and alarming](#)".<sup>1</sup> He further termed China's build-up near Ladakh and strengthening of its military infrastructure along the LAC as part of Beijing's "corrosive and destabilising behaviour".<sup>2</sup> Pitching for a strong operational bond between the two armies in the Indo-Pacific region, he said that the [Indian and American Army](#) are slated to train together for high-altitude warfare (9 – 10,000 feet) to enhance interoperability.<sup>3</sup> On June 10, [Army Chief General Manoj Pande](#) reviewed the operational preparedness in forward areas of the middle sector of the LAC, emphasising the need for vigilance and alertness along India's borders.<sup>4</sup>

Similar sentiments were conveyed by Australian Defence Minister Richard Marles during his [address at the National Defence College \(NDC\)](#) on June 22, pointing out that the assault on Indian forces along the Line of Actual Control in 2020 was a warning that the world should heed.<sup>5</sup> He added that China must resolve this dispute through dialogue in compliance with international law. [He noted](#), "China's military build-up in Ladakh is now the largest and most ambitious we have seen by any country since the end of the Second World War. It is critical that China's neighbours do not see this build-up as a risk for them".<sup>6</sup>

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<sup>1</sup> "Chinese activity in eastern Ladakh 'eye-opening', behaviour 'concerning', says U.S. Army General," [The Hindu](#), June 8, 2022

<sup>2</sup> Ibid.

<sup>3</sup> "India-US to hold high-altitude military exercise amid China's 'alarming' build-up along LAC," [The Print](#), June 8, 2022

<sup>4</sup> "Army chief Gen Pande reviews LAC security," [The Times of India](#), June 11, 2022

<sup>5</sup> "China a relationship & anxiety, we need to deal with it together, Australia Dy PM tells India," [The Print](#), June 23, 2022

<sup>6</sup> "Assault on Indian forces by China along LAC a warning that the world should heed: Australian Defence Minister", [Times Now](#), June 22, 2022.

Chinese state media praised Indian External Affairs Minister Dr. S. Jaishankar's response at the [Globsec 2022](#) reiterating India's position on Ukraine.<sup>7</sup> A report in *Global Times* stressed "the remarks emphasised India's strategic autonomy, underscoring that New Delhi is a lackey of no one but seeks to be an independent major power".<sup>8</sup> The comments also reflected India's objections to European centralism, conveying that the centre of the world is no longer in Europe. It concluded by maintaining that "with the emergence of geopolitical disputes in the West, especially in Europe, India gradually realised that the US and Europe had not only failed to properly handle the geopolitical crisis, but had also triggered the war". The paper interpreted these remarks to highlight that India does not want a war or a similar crisis in its own neighbourhood, maintaining that "Jaishankar's statements can be seen as India's attempt to signal its stance on China by hitting out at Europe".<sup>9</sup>

Chinese foreign minister [Wang Yi during his first meeting](#) with Indian Ambassador Pradeep Kumar Rawat, reasserted the standard Chinese line that the two countries should put aside their differences on the border issue and seek to resolve the dispute through dialogue and consultation.<sup>10</sup> Meeting with the Indian envoy ahead of the 14th BRICS (Brazil, Russia, India, China, South Africa) Summit was an indication of China's attempt to convey a sense of solidarity within the group, despite the continuing Sino-India bilateral differences.<sup>11</sup>

On the trade front, there has been a steady growth of Chinese exports to India, accompanied by a steady decline in India's exports to China. [As per trade data](#), Chinese exports grew to US \$ 27.1 billion in the first quarter of 2022, while India's export stood at 4.87 billion.<sup>12</sup> This marked a 15.3 percent year on year increase in bilateral trade, which in 2021 reached US \$ 123 billion. Nonetheless, this ballooning trade deficit remains a serious cause of concern for India.<sup>13</sup>

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<sup>7</sup> "Jaishankar's remarks reflect India's objections to European centralism," [Global Times](#), June 5, 2022

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> "Indian envoy Pradeep Kumar Rawat meets Chinese FM Wang Yi ahead of Brics summit; stresses 'criticality' of peace at borders," [The Economic Times](#), June 23, 2022

<sup>11</sup> "FM meets Indian Ambassador, says China, India 'should speak for developing countries together'," [Global Times](#), June 23, 2022

<sup>12</sup> "How's the China – India economic relationship changed 2 years on from the deadly Galwan Valley border clash" [South China Morning Post](#), June 25, 2022

<sup>13</sup> Ibid.



## II. China-South Asia Relations

As Sri Lanka faces its worst economic crisis, [Hambantota port](#) has proved to be the proverbial sinkhole for Colombo, pushing it 'deeper and deeper into the Chinese debt trap'.<sup>14</sup> Despite the port being commercially 'unviable', Sri Lanka continues to pay steep instalments of loans on the port. About 10% of Sri Lanka's \$51 billion foreign debt is owed to China.<sup>15</sup> In the backdrop of the unprecedented economic crisis, other Chinese funded projects are also under scrutiny by the interim Sri Lankan Government.<sup>16</sup> Meanwhile, during [Sri Lanka's period of crisis](#), India has widened its support through a commitment of upto \$3 billion in loans, credit lines and currency swaps to help the beleaguered government to import much needed essential commodities of fuel, food, and medical supplies.<sup>17</sup> India is supporting Sri Lanka's bid for bailout funding from the IMF and has also asked Japan to assist the country at the recently held Quad summit.<sup>18</sup> China's humanitarian aid of [\\$76 million](#) during the current crisis pales into insignificance in comparison against the support India has provided to Sri Lanka.<sup>19</sup>

After [refusing to refinance](#) Sri Lanka's debt, China now insists that Colombo should "boost own effort, protect the stability and credibility of the investment and financing partners and ensure the stability and credibility of its investment and financing environment".<sup>20</sup> Reacting to China, the Sri Lankan President remarked that China has lost interest in South Asia and is concentrating its resources in South East Asia and Africa.<sup>21</sup> Amidst ongoing talks with the IMF for a bailout package, Sri Lanka plans to call a [donor conference](#) comprising China, India and Japan to ramp up foreign assistance to ease the worsening economic situation.<sup>22</sup>

Unlike Sri Lanka, China has agreed to refinance its [all-weather strategic partner Pakistan](#) with \$2.3 billion in fresh loans to shore up its foreign exchange

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<sup>14</sup> "Was cash strapped Sri Lanka duped by China in Hambantota Port?," [Hindustan Times](#), June 26, 2022

<sup>15</sup> "China becomes wild card in Sri Lanka's raging debt crisis," [The Economic Times](#), May 21, 2022

<sup>16</sup> "As Crisis-Hit Sri Lanka Counts Cost of Chinese Projects, India Moves to Recover Influence," [VOA](#), June 10, 2022

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> "Be 'independent', get aid: China's message to Sri Lanka amid economic crisis," [Deccan Herald](#), June 21, 2022

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

<sup>22</sup> "Crisis-Hit Lanka Plans Donor Conference With India, China, Japan," [NDTV](#), June 22, 2022

reserves.<sup>23</sup> With the looming political instability and an economic crisis, there is an increasing risk of Pakistan going Sri Lanka's way.<sup>24</sup>

Meanwhile, the IMF has asked Pakistan's government to renegotiate the China-Pakistan Economic Corridor (CPEC) energy deals before making payments of around Rs300 billion to Chinese built power plants, putting Islamabad in a tight spot.<sup>25</sup> The IMF's demand came after China's refusal in the past to renegotiate the terms of power purchase agreements with the independent power producers (IPPs).<sup>26</sup> According to a report in Pakistan's Express Tribune, IMF suspected that the Chinese IPPs might have been overcharging Pakistani distributors, hence the need for closer scrutiny of all these deals.<sup>27</sup> A report on the IPPs had identified overpayment of about Rs 41 billion to the Chinese IPPs.<sup>28</sup>

During the month, China imposed a ["technical hold"](#) on India-US efforts to impose sanctions and list Lashkar-e-Taiba's Abdul Rehman Makki under the UN Security Council's Al-Qaida and ISIL (Dae'sh) Sanctions Committee, a move India said could subsequently expose China itself to the threat of terrorism.<sup>29</sup>

In the backdrop of a deteriorating security situation in the Af-Pak region, a tri-service military delegation led by [Gen Bajwa visited China](#) from June 9-12 for wide-ranging discussions with counterparts of the Chinese military and other government departments.<sup>30</sup> The meeting was held under the Pakistan-China Joint Military Cooperation Committee (PCJMCC) mechanism and as per communique issued by Pakistan General Headquarters GHQ, took place as both countries' ties with India have plunged in the past three years.<sup>31</sup> Chinese side was led by Gen. Zhang, deputy in the Central Military Commission (CMC), who assured the Pakistani delegation that "China is willing to strengthen communication, reinforce cooperation, deepen pragmatic exchanges with Pakistan, and properly deal with the complicated factors in regional situation, so as to push the military-to-military relations for further development."<sup>32</sup>

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<sup>23</sup> "China agrees to refinance Pakistan with \$2.3 billion funding," [The Indian Express](#), June 3, 2022

<sup>24</sup> Ibid.

<sup>25</sup> "IMF asks govt to reopen CPEC deals," [The Express Tribune](#), June 9, 2022

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

<sup>28</sup> Ibid.

<sup>29</sup> "China does it again. Stops India-US move for UN sanctions on top Lashkar terrorist in Pakistan," [The Print](#), June 17, 2022

<sup>30</sup> "China, Pakistan to step up military cooperation," [The Hindustan Times](#), June 13, 2022

<sup>31</sup> Ibid.

<sup>32</sup> Ibid,

Boosting Pakistan's naval capabilities, China delivered the second Type 054A/P frigate ([PNS Taimur](#)) on June 23.<sup>33</sup> Pakistan remains heavily dependent on China for military equipment, including for warships and fighter jets, in the absence of military sales from the US.

Following the devastating earthquake in Eastern Afghanistan that killed more than 1,000 people, [China pledged](#) to provide humanitarian assistance worth 50 million yuan (\$7.5 million), as the country remains cut off from much of direct international assistance on account of Western sanctions.<sup>34</sup>

In Bangladesh, the Ministry of Foreign Affairs dismissed as false reports that portrayed the [Padma Multipurpose Bridge](#) having been constructed under the Chinese BRI.<sup>35</sup> A statement by the foreign office clarified that no foreign funds were used in the bridge construction.<sup>36</sup>

China's pressure tactics against US aid and assistance in India's neighbourhood continue, with China now pushing Nepal to avoid engaging with the US. According to reports, the Nepal government has [dropped a proposal](#) to join a US disaster relief alliance under pressure from China.<sup>37</sup>

In a new development, a [MoU relating to China's Belt and Road](#) projects signed with Nepal in 2017 surfaced during the month, which has apparently remained hidden from the public. The document reveals China's attempt to impose economic hegemony through currency and free trade provisions. The MOU would have enabled China to sell its goods to Nepal with zero customs duty, flooding its market as also the neighbourhood, including India.<sup>38</sup> The MoU clearly indicated a close nexus between the Communist Party of Nepal and the Chinese leadership to enlarge China's foot hold in the Himalayan Kingdom.

Protests erupted in Nepal over China's reported move of erecting an illegal structure in Gorkha district. Slogans like "Go back China", "Halt Chinese

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<sup>33</sup> "China Delivers Its 'Most Advanced' Frigate – PNS Taimur – To Pakistan; Navy Says Will Boost Combat Capabilities," [The Eurasian Review](#), June 24, 2022

<sup>34</sup> "China to provide \$7.5 million in humanitarian aid to Afghanistan," [The Express Tribune](#), June 25, 2022

<sup>35</sup> "Bangladesh Says Padma Bridge Not Part Of China's Belt and Road Initiative," [NDTV](#), June 18, 2022

<sup>36</sup> Ibid.

<sup>37</sup> "America vs China in Nepal," [WION](#), June 28, 2022

<sup>38</sup> "China's Belt and Road Initiative MoU reveals Beijing seeking economic hegemony in Nepal," [ANI](#), June 28, 2022

intervention", and "End the undeclared blockade against Nepal" were chanted during the protest.<sup>39</sup>

### III. China-United States Relations

Secretary of Defence Lloyd J. Austin III had his [first interaction](#) with Chinese Defence Minister Gen. Wei Fenghe on June 10, on the margins of the Shangri-La Dialogue in Singapore.



Chinese Defence Minister, Wei Fenghe, speaks at the Shangri-La Dialogue in Singapore, June 12, 2022. Source: [Global Times](#)

The two sides [discussed](#) global and regional security issues including Taiwan, North Korea and other challenges in Northeast Asia, as also the Ukraine crisis. They also reviewed the bilateral defence relationship.<sup>40</sup> Underlining that China's assertions against Taiwan are a matter of "grave concern" for the US, Austin reiterated that the US is committed to the security of Taiwan, even as there is no change in US policy towards Taiwan. Austin also made it clear that the US does not support any unilateral changes to the status quo, and also does not support Taiwan independence. Austin flagged US concerns about the PLA's increasingly aggressive behaviour and its attempt to change the status quo through such actions.<sup>41</sup> According to [Chinese state media](#), Defence Minister Gen. Wei Fenghe emphasised US attempts at rallying allies in Asia by hyping

<sup>39</sup> "Civic group in Nepal protests against China's illegal fencing at no-man's land in Gorkha," [ANI](#), June 27, 2022

<sup>40</sup> "Austin Meets With Chinese Counterpart in Singapore," [US Department of Defense](#), June 10, 2022

<sup>41</sup> Ibid.

the “China threat”. On the issue of the future of Taiwan, he categorically stated that “the Chinese military won't hesitate to fight anyone who dares to separate the island of Taiwan from China”.<sup>42</sup>

The two defence ministers also offered their respective outlooks for the future of the region at the Shangri-La Dialogue<sup>43</sup>. [Austin](#) in his speech explained that “the more China pushes boundaries in the region, the more the US and its partners will tighten their bonds to deal with Chinese assertiveness”.<sup>44</sup> He nonetheless advocated keeping channels open with Beijing to manage tensions. [Wei](#) in his remarks warned that “American attempts to form exclusive blocs (e.g., through the Quadrilateral Security Dialogue or AUKUS) would split the region and undermine the interests of all”.<sup>45</sup> On [Taiwan](#) Wei said, “China will definitely realise its reunification, it is a historic trend that no one can stop.”<sup>46</sup>

During an interactive session at the Shangri-La Dialogue, [Wei blamed India](#) for the ongoing border tension in eastern Ladakh, maintaining that the responsibility for the standoff does not lie with Beijing.<sup>47</sup> At the same event, [US Defence Secretary](#) pointed out that it was China that has continued to harden its positions along the Line of Actual Control (LAC) with India, and escalating tensions. He reiterated US concerns over China’s “destabilising” military activity near Taiwan and its aggressive approach to the territories it claims in the South China Sea.<sup>48</sup>

In early June, US national security adviser Jake Sullivan met the Director of the Office of the Foreign Affairs Commission of China, Yang Jiechi, in Luxembourg. According to a [press release by the White House](#), both sides conducted a “candid, substantive, and productive discussion of a number of regional and global security issues, as well as key issues in U.S.-China relations. Mr. Sullivan underscored the importance of maintaining open lines of communication to manage competition between our two countries”.<sup>49</sup> The statement released by [Chinese foreign ministry stated](#) that the meeting flagged

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<sup>42</sup> “China draws security red line to US at defense ministers’ longer-than-expected first meeting,” [Global Times](#), June 10, 2022

<sup>43</sup> “America and China present duelling narratives at Shangri-La Dialogue.” [Brookings](#), June 14, 2022

<sup>44</sup> Ibid.

<sup>45</sup> Ibid

<sup>46</sup> “Chinese defense chief sends 'strongest warning' to US on Taiwan question; 'Indo-Pacific strategy will fail to divide region',” [Global Times](#), June 12, 2022

<sup>47</sup> “China pins blame on India for LAC standoff,” [Hindustan Times](#), June 13, 2022

<sup>48</sup> “Austin: China is hardening its positions along LAC,” [The Indian Express](#), June 12, 2022

<sup>49</sup> “Readout of National Security Advisor Jake Sullivan’s Meeting with Politburo Member Yang Jiechi,” [White House](#), June 13, 2022



China's concern over Taiwan issues and also elaborated on China's solemn position on Xinjiang, Hong Kong, Xizang, the South China Sea, human rights, religion and other issues".<sup>50</sup>

China continued its intimidation of Taiwan, with [29 Chinese warplanes](#) entering Taiwan's air defence identification zone (ADIZ) on June 22.<sup>51</sup> This was the third-largest sortie of warplanes entering Taiwan in less than a month, after China had sent 30 warplanes on a similar mission. Responding to Chinese incursions, a US Navy P-8A Poseidon reconnaissance plane flew over the Taiwan Strait in a demonstration of the United States' "commitment to a free and open Indo-Pacific". In a statement, China's military said that the fly through of the US maritime plane through the Taiwan Strait deliberately disrupted the regional situation and endangered peace and stability.<sup>52</sup>

After the [Philippines](#) lodged a diplomatic protest against the illegal presence of Chinese vessels in and around Julian Felipe (Whistun) Reef in the West Philippine Sea, the US extended its support for the Philippines in the South China Sea.<sup>53</sup> Criticising the Chinese move, a US press statement underlined that such actions are part of a broader trend of PRC provocations against South China Sea claimants and other states lawfully operating in the region.<sup>54</sup>

Aligning with the international outcry against China's human rights violations, the US State Department notified the initiation of implementing the [Uyghur Forced Labour Prevention Act's](#) provisions to prohibit imports of products made by forced labour in Xinjiang into the United States.<sup>55</sup> President Biden signed this Act into law on December 23, 2021.<sup>56</sup> The Biden administration has been steadily criticising human rights violations in Xinjiang by introducing "visa restrictions, financial sanctions under Global Magnitsky, export controls, withhold release orders and import restrictions, including a multi-agency business advisory on Xinjiang to help U.S. companies avoid commerce that facilitates or benefits from human rights abuses, including forced labour".<sup>57</sup> Responding to the development, the [Chinese state media](#) stressed that "The US

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<sup>50</sup> "Yang Jiechi Meets with U.S. National Security Advisor Jake Sullivan," [MFA, China](#), June 14, 2022

<sup>51</sup> "China sends dozens of warplanes into skies near Taiwan," [CNN](#), June 22, 2022

<sup>52</sup> Ibid.

<sup>53</sup> "U.S. Support for the Philippines in the South China Sea," [US Department of State](#), June 17, 2022

<sup>54</sup> "U.S. Support for the Philippines in the South China Sea," [US Department of State](#), June 17, 2022

<sup>55</sup> "Implementation of the Uyghur Forced Labor Prevention Act," [US Department of State](#), June 21, 2022

<sup>56</sup> Ibid.

<sup>57</sup> Ibid.



seeks to wield hegemonic power over world public opinion, using sensationalist phrases such as 'genocide,' 'denial of human rights' and 'forced labour' to please domestic conservatives, shape public opinion to make China a common enemy, pressure the Chinese government, and persuade other nations to follow them".<sup>58</sup>

As China increases its footprint in the Indo-Pacific, the US along with Australia, New Zealand, Japan, and the United Kingdom launched an informal group called [Partners in the Blue Pacific \(PBP\)](#) aimed at bolstering Pacific regionalism.<sup>59</sup> China's agreements with Pacific islands like Solomon Islands, Kiribati and Samoa in the recent past allows Beijing to directly influence these island nations' national security to varying degrees. [Chinese state media](#) called PBP an extension of AUKUS, calling it AUKUS Plus.<sup>60</sup> [Another report](#) stressed "the PBP is nothing more than a new gang formed by the US with its old lackeys to collectively coerce the peoples of the Pacific to give China a cold shoulder, since it is a framework under which the five countries can apply coordinated pressure on the Pacific island countries to exclude China from the region...In the dictionary of Washington, there is no such word as "regionalism", only hegemonism".<sup>61</sup>

President Biden and G7 Leaders formally launched a \$600 billion [Partnership for Global Infrastructure and Investment \(PGII\)](#) "to develop a values-driven, high-impact, and transparent infrastructure partnership to meet the enormous infrastructure needs of low and middle income countries and support the United States' and its allies' economic and national security interests".<sup>62</sup> Media reports have suggested that PGII is aimed at countering China's BRI.<sup>63</sup>

#### IV. China- European Union Relations

On June 9, the European Parliament adopted a resolution stating that China's alleged human rights abuses in Xinjiang hold a "serious risk of genocide".<sup>64</sup> The

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<sup>58</sup> "Struggling for public opinion dominance becomes another tool of U.S. pressure on China," [CGTN](#), June 22, 2022

<sup>59</sup> "Statement by Australia, Japan, New Zealand, the United Kingdom, and the United States on the Establishment of the Partners in the Blue Pacific (PBP)," [The White House](#), June 24, 2022

<sup>60</sup> "'Partners in the Blue Pacific' is really just AUKUS Plus," [CGTN](#), June 26, 2022

<sup>61</sup> "US bakes South Pacific pie stuffed with anti-China filling: China Daily editorial," [China Daily](#), June 26, 2022

<sup>62</sup> "President Biden and G7 Leaders Formally Launch the Partnership for Global Infrastructure and Investment," [The White House](#), June 26, 2022

<sup>63</sup> "G7 Leaders Unveil \$600 Billion Plan To Rival China's Belt And Road Initiative In Developing Nations," [Outlook](#), June 28, 2022

<sup>64</sup> "European Parliament passes landslide vote on China's alleged rights abuses in Xinjiang," [South China Morning Post](#), June 9, 2022

[non-binding resolution](#) broadly condemned China's treatment of Uyghurs and other ethnic Muslims in north-western China.<sup>65</sup> It called on Beijing to "cease all government-sponsored programmes of forced labour and mass forced sterilisation and put an immediate end to any measures aimed at preventing births in the Uyghur population, including forced abortions or sanctions against birth control violations".<sup>66</sup> The Chinese Mission to the EU, reacting the resolution, called it a "malicious attack" on the human rights situation of the Xinjiang people.<sup>67</sup>

Amidst a flurry of summits being conducted in Europe at which China was an integral point of conversation, [Belgian PM Alexander De Croo](#) warned against turning the EU's back to China, citing its economic and trade importance to the EU countries<sup>68</sup>. The remarks followed similar statements from Dutch Prime Minister Mark Rutte, who stressed that cutting ties with China would not "help anyone in Hong Kong or the Uyghurs".<sup>69</sup> Rutte said he was opposed to reorganising trade relations with China because of Beijing's policies in Xinjiang and Hong Kong.<sup>70</sup> Both Belgium and Netherlands are significant trade partners of China. Seemingly, the argument has also taken root in certain Central and Eastern European countries who are interested in deepening trade ties with China.<sup>71</sup> Rem Korteweg, an analyst at the Clingendael Institute, a Dutch think tank, underlined the emerging schism between two emerging EU blocs on China policy.<sup>72</sup>

Following the G7 summit in Brussels on June 23-24 wherein the member countries formally launched PGII, a global infrastructure and investment partnership aimed at countering Chinese BRI, the Chinese state media suggested in an [editorial](#) that China and the EU should build a partnership for in-depth alignment of strategies for social, economic and technological development under their respective broader global development goals.<sup>73</sup>

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<sup>65</sup> Ibid.

<sup>66</sup> Ibid.

<sup>67</sup> Ibid.

<sup>68</sup> "Belgium prime minister cautions against treating China as if it is another Russia," [South China Morning Post](#), June 28, 2022

<sup>69</sup> Ibid.

<sup>70</sup> Ibid.

<sup>71</sup> Ibid.

<sup>72</sup> Ibid.

<sup>73</sup> "China-EU global development partnership needed," [China Daily](#), June 28, 2022

## V. China-Russia Relations

While opposing US and EU sanctions against Russia, [China has banned](#) Russian airlines from flying with foreign-owned jetliners into its airspace to avoid seizure under sanctions over Moscow's attack on Ukraine.<sup>74</sup>

Chinese President Xi Jinping held a [phone conversation with his Russian counterpart Vladimir Putin](#) on June 16, reaffirming their high level mutual trust and mutual support on matters regarding their core interests.<sup>75</sup> The two leaders discussed economic and trade cooperation, collaborative connectivity projects, and the Ukraine issue.<sup>76</sup> While criticising NATO, they also discussed the role and importance of international and regional organisations such as the United Nations, the BRICS mechanism and the Shanghai Cooperation Organization (SCO) in deepening their strategic coordination.<sup>77</sup>

On the sidelines of the 25th St. Petersburg International Economic Forum (SPIEF), Chinese and Russian companies signed key agreements on energy, food and other commodities to boost the bilateral trade potential.<sup>78</sup>

Meanwhile, in a show of diplomatic solidarity, China and Russia took aim at the United States during a landmark [UN General Assembly](#) session on June 9, accusing Washington of following flip-flop policies in the Korean Peninsula, thereby stoking tensions in the region.<sup>79</sup>

## President's Key Addresses

[Addressing the BRICS summit](#), President Xi Jinping stressed the need for "safeguarding world peace by practicing true multilateralism while rejecting hegemony, bullying, and division".<sup>80</sup> In an indirect reference to the G7, he noted that "BRICS countries do not gather in a closed club or an exclusive circle, rather, it is a partnership for win-win cooperation".<sup>81</sup> He called upon the BRICS

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<sup>74</sup> "China bars Russian airlines with foreign planes," [The Economic Times](#), June 1, 2022

<sup>75</sup> "Xi, Putin hold phone call, vow mutual support amid global turbulence," [Global Times](#), June 16, 2022

<sup>76</sup> Ibid.

<sup>77</sup> Ibid.

<sup>78</sup> "China, Russia sign new trade agreement on energy and food, expected to further unleash potential," [Global Times](#), June 17, 2022

<sup>79</sup> "General Assembly Holds Landmark Debate on Security Council's Veto of Draft Text Aimed at Tightening Sanctions against Democratic People's Republic of Korea," [United Nations](#), June 8, 2022

<sup>80</sup> "Xinhua Headlines: President Xi calls for peace, development, openness, innovation to build high-quality BRICS partnership", [Xinhua](#), June 24, 2022

<sup>81</sup> Ibid.

countries to “uphold openness and inclusiveness to strengthen industrial and supply chains while fostering a spirit of innovation”.<sup>82</sup> Amidst the unprecedented western sanctions on Russia, President Xi Jinping warned that [sanctions being a “double-edged sword”](#), will “inflict suffering on everyone”.<sup>83</sup>



Prime Minister Narendra Modi attends the 14<sup>th</sup> BRICS Summit hosted by China, June 23, 2022.

Source: [Xinhua/Rao Aimin, Li Xueren, Li Tao](#)

In his address to the [25<sup>th</sup> St. Petersburg International Economic Forum](#), President Xi Jinping emphasised the need to “foster an enabling environment for development”, “strengthen development partnerships”, “advance economic globalization”, and “pursue innovation-driven development”.<sup>84</sup> Amidst concerns about China’s economic slowdown, Xi Jinping maintained “strong confidence in the country’s development as the fundamentals of the economy remained unchanged”.<sup>85</sup>

Ahead of the Communist Party of China’s (CPC) 20<sup>th</sup> National Congress, President Xi Jinping called for [“coordinated efforts against corruption”](#).<sup>86</sup> Meanwhile, marking the World Oceans Day, President Xi stressed the

<sup>82</sup> Ibid.

<sup>83</sup> Yang Sheng, Chi Jingyi and Wan Hengyi, “Xi offers answers to questions of the times at BRICS forum”, [Global Times](#), June 23, 2022.

<sup>84</sup> “Chinese president addresses 25th St. Petersburg International Economic Forum”, [Xinhua](#), June 18, 2022.

<sup>85</sup> Ibid.

<sup>86</sup> “Xi calls for coordinated efforts against corruption”, [Xinhua](#), June 19, 2022.

importance of developing China into a [“strong maritime country”](#), a “major strategic task toward realising the nation’s great rejuvenation”.<sup>87</sup>

Hong Kong Special Administrative Region (HKSAR) will mark the 25<sup>th</sup> anniversary of its [reunification with mainland China](#) on July 1.<sup>88</sup> Marking the occasion, the state media highlighted President Xi Jinping’s affection for HKSAR, adding that the 25th-anniversary celebrations should enhance the principle of one country, two systems.<sup>89</sup>

## Chinese Civilisation

Amidst President Xi Jinping’s call for advancing the study of Chinese civilisation, archeologists unearthed artefacts at the [‘Sanxingdui’ Ruins site](#) in Sichuan Province demonstrating the “diversity and richness of Chinese civilisation”.<sup>90</sup>

## Trade and Economy

Even as China’s financial capital Shanghai lifted COVID-19 restrictions, [foreign investors remained concerned](#) about the country’s zero-covid policy.<sup>91</sup> Ambassadors of five European countries including France, Switzerland, Norway, Italy, and Croatia warned Beijing that COVID-19 curbs were [stoking mistrust in China](#).<sup>92</sup> Reportedly, “around 23 percent of European firms are considering shifting their current or planned [investments out of China](#), highest such proportion in a decade”.<sup>93</sup> Chinese [manufacturing sector continues to face difficulties](#)<sup>94</sup>, while [rising debts and falling incomes](#) is a new reality for many Chinese citizens who are cutting back on spending.<sup>95</sup> Addressing these concerns, Premier Li Keqiang reaffirmed “economic opening-up as China’s basic national policy” while calling upon the government to “deploy special

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<sup>87</sup> “Xi Focus: Steering China toward a strong maritime country”, [Xinhua](#), June 8, 2022.

<sup>88</sup> “Xi article sets stage before anniversary celebrations begin”, [South China Morning Post](#), June 22, 2022.

<sup>89</sup> Ibid.

<sup>90</sup> “New Sanxingdui findings tell story of exchange, integration in Chinese culture”, [Xinhua](#), June 13, 2022.

<sup>91</sup> Frank Tang and Wendy Wu, “China foreign business sentiment reaches ‘tipping point’ as zero-Covid dents confidence, erodes attraction”, [South China Morning Post](#), May 31, 2022.

<sup>92</sup> Orange Wang, “European nations tell China ‘self-isolation’ is stoking ‘mistrust’ in plea for easing of Covid-19 curbs”, [South China Morning Post](#), June 21, 2022.

<sup>93</sup> Frank Tang, “China’s coronavirus controls top concern for European firms, who may ‘vote with their feet’ if uncertainty persists”, [South China Morning Post](#), June 20, 2022.

<sup>94</sup> Leona Liu Ying, “China’s May industrial profits kept tumbling, raising calls for more government support”, [South China Morning Post](#), June 27, 2022.

<sup>95</sup> He Huifeng, “Coronavirus: China’s economic slowdown looks like a ‘lifetime of debt’ for some citizens”, [South China Morning Post](#), June 26, 2022.



task forces to [improve communication with foreign firms](#) to address their problems in a timely manner".<sup>96</sup> To boost growth, China's State Council unveiled a [33-point stimulus plan](#) in key fiscal and financial areas including investment, consumption, food and energy security, supply chains, and people's livelihoods.<sup>97</sup> Amidst recurring COVID-19 outbreaks, even as Chinese analysts expressed concerns about the possibility of "[jobless rate in the country reaching mid-2020 levels](#)"<sup>98</sup>, Xinhua asserted that "China's [foreign trade rebounding](#) in May 2022 was a sign that the government's stimulus package had started to pay off".<sup>99</sup>

As China's Minister of Commerce, Wang Wentao, addressed the plenary session of the 12<sup>th</sup> Ministerial Conference of the [World Trade Organisation](#) (WTO), a Global Times editorial lauded the WTO as a cornerstone of international trade, multilateralism, and globalisation.<sup>100</sup> However, the paper expressed concerns about Washington's "increasingly out-of-control tendencies of protectionism and unilateralism paralysing the WTO, including its dispute settlement mechanism".<sup>101</sup> It also rejected the argument that China "unfairly" boosted exports to the US making use of the WTO to become the second largest economy in the world.<sup>102</sup> Rather, "China's accession to WTO has created a win-win situation, and most countries are happy about it", the paper added.<sup>103</sup> Xinhua highlighted that China's accounting for 30 percent of [global manufacturing output in 2021](#) is a sign of country's enormous industrial growth over the past decade.<sup>104</sup>

President Xi Jinping, during a visit to Sichuan, a major seed-industry base, called for boosting grain production to [safeguard China's food security](#).<sup>105</sup> In the backdrop of the Russia-Ukraine conflict and growing concerns about

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<sup>96</sup> Orange Wang, "Coronavirus: China moves to calm foreign investors after 'unprecedented' shock of Shanghai lockdown", [South China Morning Post](#), June 10, 2022.

<sup>97</sup> "China Focus: Highlights of China's policy package to stabilize economy", [Xinhua](#), June 6, 2022.

<sup>98</sup> Amanda Lee and He Huifeng, "Coronavirus: China's jobless rate could reach 2020 levels unless Beijing 'learns' early pandemic lessons, experts say", [South China Morning Post](#), June 11, 2022.

<sup>99</sup> "Xinhua Headlines: China's foreign trade rebounds amid stronger economic recovery momentum", [Xinhua](#), June 9, 2022.

<sup>100</sup> "WTO holds high banner, and multilateralism will eventually triumph: Global Times editorial", [Global Times](#), June 14, 2022.

<sup>101</sup> Ibid.

<sup>102</sup> Ibid.

<sup>103</sup> Ibid.

<sup>104</sup> "China's industrial economy grows leaps and bounds in past decade", [Xinhua](#), June 14, 2022.

<sup>105</sup> "Xi Focus-Closeup: Boosting grain production to safeguard food security", [Xinhua](#), June 10, 2022.



wheat supplies, the Xinhua report stated that “China’s [bumper summer harvest of grain](#) will ensure the country’s food security”.<sup>106</sup>



China launched its third aircraft carrier, the Fujian, in Shanghai, June 17, 2022. Source: [Xinhua](#)

## Defence and Security

In a major development, China launched its [third aircraft carrier named “Fujian”](#), equipped with electromagnetic catapults and with a displacement of more than 80,000 tonnes.<sup>107</sup> It is to be noted that Fujian is also the name of Chinese province facing the island of Taiwan.<sup>108</sup> Chinese analysts stressed that “the third aircraft carrier is larger, more powerful, and advanced as compared to PLA Navy’s two other carriers”.<sup>109</sup> “Fujian aircraft carrier can rival US counterparts as it uses technologies such as electromagnetic catapults increasing aircraft sortie rate, allowing aircraft to carry more fuel and munitions, while also enabling heavy aircrafts like early warning aircrafts to operate from the carrier”.<sup>110</sup>

<sup>106</sup> “Xinhua Headlines: China reaps bumper summer harvest securing food security”, [Xinhua](#), June 8, 2022.

<sup>107</sup> “China launches EM catapults-equipped 3rd aircraft carrier in Shanghai”, [Global Times](#), June 17, 2022.

<sup>108</sup> Ibid.

<sup>109</sup> Ibid.

<sup>110</sup> Ibid.

China carried out another land-based, mid-course [anti-ballistic missile](#) (ABM) test.<sup>111</sup> Chinese military analysts asserted that such trials serve as a “deterrent against nuclear blackmail”.<sup>112</sup> “As countries are developing hypersonic missiles that can adjust their trajectories, mid-course interception has become even more important”, they added.<sup>113</sup> Commenting on China’s nuclear weapons, Defence Minister, Wei Fenghe, stressed that “all weapons and equipment displayed at the military parade celebrating country’s 70<sup>th</sup> National Day in 2019 have entered service; [China’s policy on nuclear weapons](#) is clear, we would not be the first to use nuclear weapons”.<sup>114</sup>

President Xi Jinping signed an order promulgating a set of [outlines on military operations other than war](#).<sup>115</sup> A Xinhua report stressed that “the outline aims to prevent and neutralise risks and challenges, handle emergencies, protect people and property, while safeguarding national sovereignty, security, development interests, as well as world peace and regional stability”.<sup>116</sup> This prompted concerns that “China may be gearing up to [invade Taiwan under the guise of special military operation](#) not classified as war”.<sup>117</sup>

Earlier, US Joint Chiefs of Staff, Mark Milley, informed the Senate Armed Forces Committee that the [US was facing two global powers](#), China and Russia, each with significant military capabilities and intending to fundamentally undermine current rules-based order.<sup>118</sup> Rejecting this statement, China’s Ministry of National Defence stressed that such remarks reflect Washington’s “strong cold war mentality, hegemonic thoughts and anxieties over China’s peaceful rise”.<sup>119</sup> It also rejected US Defence Secretary Austin’s statement that the focus of US military deployment is on countering “aggression and bullying” from China. “Bullying” and “undermining international rules and order” are the words that truly describe the US, it added.<sup>120</sup>

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<sup>111</sup> Liu Xuanzun, “China holds latest anti-ballistic missile technical test, proves reliability amid improving technologies”, [Global Times](#), June 19, 2022.

<sup>112</sup> Ibid.

<sup>113</sup> Ibid.

<sup>114</sup> “Chinese nuclear force development impressive; new weapons commissioned: Defense Minister”, [Global Times](#), June 12, 2022.

<sup>115</sup> Liu Xuanzun, “Xi signs outlines that direct China’s military operations other than war”, [Global Times](#), June 13, 2022.

<sup>116</sup> Ibid.

<sup>117</sup> “Xi Jinping allows PLA to take ‘special military operations’ abroad”, [Business Standard](#), June 15, 2022.

<sup>118</sup> “Regular Press Conference of the Ministry of National Defense on May 26”, [China Military Online](#), June 2, 2022.

<sup>119</sup> Ibid.

<sup>120</sup> Ibid.

Further, as leaders of Japan, Australia, New Zealand, and Republic of Korea attended the NATO Summit for the first time, a Global Times editorial called upon "Asia-Pacific countries [not to stand under the dangerous wall of NATO](#)".<sup>121</sup> China's Permanent Representative to the United Nations warned that any expansion of NATO or creation of [NATO like body in Asia-Pacific](#) would create turmoil and stir conflict in the region.<sup>122</sup>

As the US continued to highlight the "China threat" narrative, China's Ministry of Foreign Affairs (MFA) shed light on [falsehoods in US perceptions of China](#).<sup>123</sup> Beijing rejected 21 US falsehoods that include "China poses the most serious long-term challenge to the international order", "US does not seek a new cold war", "China practices coercive diplomacy", "democracy is one of the most powerful assets in US-China competition", "US has profound differences with the CPC and not with the Chinese people", "US remains committed to one China policy", "US stands with people of Xinjiang", "CPC has imposed harsh anti-democratic measures in Hong Kong violating Sino-British joint declaration", "China stands with Russia while purporting to champion sovereignty and territorial integrity", "Indo-Pacific strategy stands for free and open Indo-Pacific", "China intends to create a sphere of influence in the Pacific region while advancing unlawful maritime claims in South China Sea", "Chinese government spreads disinformation", "China circumvents international trade rules", and "China takes advantage of openness of the US economy to spy, hack, and steal technology to advance its military innovation".<sup>124</sup>

Amidst growing strategic competition in the Indo-Pacific, Australia and Canada carried out [aerial close-in reconnaissance near China](#), including the 'Xisha Islands' (Paracel Islands).<sup>125</sup> Reacting to this, a Global Times report stressed that "the US is playing a new trick by rallying gangs to gather intelligence on the PLA and then share it under the framework of Five Eyes alliance".<sup>126</sup> Chinese observers noted that "if Australia and Canada keep insisting on conducting close-in reconnaissance near China, they should remember that PLA can also send warships and fighter aircraft in international

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<sup>121</sup> "Asia-Pacific countries should not stand under 'dangerous wall' of NATO: Global Times editorial", [Global Times](#), June 28, 2022.

<sup>122</sup> Teddy Ng, "China tells UN expansion of Nato, or a Nato-like body, into the Asia-Pacific will stir up conflict", [South China Morning Post](#), June 29, 2022.

<sup>123</sup> "Reality Check: Falsehoods in US Perceptions of China", [Ministry of Foreign Affairs of the People's Republic of China](#), June 19, 2022.

<sup>124</sup> Ibid.

<sup>125</sup> Liu Xuanzun, "US rallies Canada, Australia for close-in recon on China; 'PLA could do similar to them' as countermeasure", [Global Times](#), June 7, 2022.

<sup>126</sup> Ibid.

waters near them, giving a taste of their own medicine".<sup>127</sup> In a similar vein, another Global Times editorial expressed concerns about "Japan's escalating aggression and [provocation toward the Taiwan question](#) as a major risk for China-Japan relations".<sup>128</sup> Further, it criticised Washington's intent of "[building asymmetric capability](#) for Taiwan as pure daydreaming".<sup>129</sup>

## Technology

In an action that further heightens concerns over [erosion of free speech](#), the Cyberspace Administration of China (CAC), the Chinese internet watchdog, published draft rules which direct social/digital platforms to "review all user comments and filter out harmful ones before publishing".<sup>130</sup> Guidelines also propose to hold the person who uploads a post/content on social platforms responsible for all the associated comments of others.<sup>131</sup> Meanwhile, CAC's updated regulations on mobile app development, in line with national security, requires the app providers and distributors to [promote "core socialist values"](#) while adhering to the "correct" direction of politics and public opinions.<sup>132</sup> In line with this, President Xi Jinping called upon the CPC to solicit [public opinions from online platforms](#) for the Party's 20<sup>th</sup> National Congress.<sup>133</sup>

Amidst Beijing's Big-Tech crackdown, [China's ride-hailing giant 'Didi Chuxing'](#) has delisted from the New York Stock Exchange (NYSE) and started trading on over-the-counter market (OTC).<sup>134</sup> Owing to this, Chinese regulators are likely to clear Didi from cybersecurity review, allowing it to resume normal operations.<sup>135</sup> In the backdrop of recent crash in the crypto market, China's state-backed Blockchain-based service (BSN) described [cryptocurrencies as the "biggest Ponzi scheme in human history"](#).<sup>136</sup>

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<sup>127</sup> Ibid.

<sup>128</sup> "Japan needs a head blow to wake up: Global Times editorial", [Global Times](#), June 8, 2022.

<sup>129</sup> Deng Xiaoci and Leng Shumei, "US building 'asymmetric capability' for Taiwan island pure daydreaming", [Global Times](#), June 20, 2022.

<sup>130</sup> Jiaying Li, "China plans to review every single social media comment, sparking more censorship fears", [South China Morning Post](#), June 21, 2022.

<sup>131</sup> Ibid.

<sup>132</sup> Iris Deng, "China's internet watchdog tightens mobile app rules for national security, requires promotion of core socialist values", [South China Morning Post](#), June 15, 2022.

<sup>133</sup> "Xi stresses listening to people's voices through internet, other channels", [Xinhua](#), June 5, 2022.

<sup>134</sup> Che Pan, "China ride-hailing giant Didi to start trading on OTC market after NYSE delisting, ending an 11-month fiasco that angered Beijing", [South China Morning Post](#), June 12, 2022.

<sup>135</sup> Ibid.

<sup>136</sup> Xinmei Shen, "Cryptocurrency is 'biggest Ponzi scheme in human history', Chinese execs from state-backed blockchain drive say", [South China Morning Post](#), June 27, 2022.

Meanwhile, widening the [use of digital Yuan](#), e-CNY trials have moved beyond retail to cover corporate loans for small businesses (SMEs) and tax payments.<sup>137</sup>

Continuing advances in [space station construction](#), China launched a crewed spaceship 'Shenzhou-14', sending three astronauts to its space station for a six-month mission.<sup>138</sup>

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<sup>137</sup> Coco Feng, "China's digital currency: e-CNY trials move beyond retail to cover corporate loans for small businesses and tax payments", [South China Morning Post](#), June 15, 2022.

<sup>138</sup> "Xinhua Headlines: China launches crewed mission to complete space station construction", [Xinhua](#), June 5, 2022.



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