



Delhi Policy Group

Advancing India's Rise as a Leading Power



DPG China Monitor

Volume 3, Issue 5

MAY 2020



Delhi Policy Group

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

www.delhipolicygroup.org



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DPG China Monitor

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

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India and China are currently engaged in a military stand-off across the contested Line of Actual Control (LAC) in the eastern Ladakh region, Source: Hindustan Times, <https://www.hindustantimes.com/analysis/to-counter-china-look-for-options-beyond-lac/st>

Xi Jinping and other Chinese leaders attending the opening meeting of the third session of the 13th National Committee of the Chinese People's Political Consultative Conference (CPPCC), Beijing, May 21, 2020. Source: Xinhua, http://www.xinhuanet.com/english/2020-05/21/c_139075541.htm

Chinese President Xi Jinping delivers a speech at the opening of the 73rd World Health Assembly through video conference, Beijing, May 18, 2020, <https://news.cgtn.com/news/2020-05-19/What-does-Xi-s-speech-at-World-Health-Assembly-mean-for-China-world--QBXGtKxu0M/index.html>

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Abstract

China-India relations hit a new low this month, as Indian and Chinese troops faced off at various places along the disputed LAC. Meanwhile, adding a twist to the tale, Nepal suddenly upped the ante over the Nepal-India-China tri-junction point at Lipulekh Pass, soon after Defence Minister Rajnath Singh virtually inaugurated a road to Lipulekh on May 8, 2020. Although China officially kept out of the India-Nepal row and focused on the on-going standoff in Ladakh, certain sections within the strategic community in China see the Nepal-India territorial dispute as a direct contributing factor to the recent flare-up along the Sino-Indian border, which is being referred to as “Donglang (Doklam) 2.0”.

Chinese commentaries lauded Nepal for its “powerful counterattack and its first military confrontation against India in years,” encouraging the Himalayan nation to keep up the “tough stance” and “fight back by remaining uncompromising on its core interests”. Some Chinese strategists also seemed to be exploring the future possibility of a “prolonged guerrilla warfare”, a “prompt military action” on the India-Nepal border or setting up a “Three Front” (China-Pakistan-Nepal) strategic challenge to constrain India along its northern borders.

Meanwhile, the Chinese media closely followed the US position on the China-India border standoff. Various statements emanating from Washington were seen as the Trump Administration's support for India's territorial claims vis-à-vis China. Press reports complained that the US is trying to dictate terms between China and India and even encouraging India to intensify its confrontation with China, so as to secure the future of its “Indo-Pacific” strategy.

As for India, while some Chinese strategists ridiculed its great power ambitions “with an arsenal full of imported weapons”, others warned India that “the US is not the international community and China is not isolated. The more the Chinese nation encounters external pressure, the more united it will get, and more it cannot admit defeat. Hope Indian society will strengthen its understanding and research on China, and do not wish to understand China wishfully, let alone understand China through the perspective of the United States.”

The other key highlight of the month was the convening of the ‘Two Sessions’, the annual meetings of the National People’s Congress (NPC) and the Chinese People’s Political Consultative Conference (CPPCC). The key ‘decisions’ taken

during the meeting included not setting China's economic growth target for the year, thereby providing "greater strategic flexibility" to deal with the uncertainty caused by the epidemic. Secondly, there was the approval of the Hong Kong-related national security law which, as per the Chinese assessment, embodied the CCP's "great determination to prevent anti-China forces to interfere in Hong Kong affairs and curb China's peaceful rise".

As the new legislation brought the question of Hong Kong's autonomy under the scanner and caused global outrage, China maintained that the discourse criticising the new law for undermining the "one country, two systems" arrangement and putting Hong Kong's high degree of autonomy in jeopardy is simply a reiteration of the US-centric viewpoint, while disregarding the fact that Hong Kong has been returned to China. For the US, China's message was clear that after two years of the trade war, China is no longer afraid of US sanctions and is prepared for the worst. On the Taiwan issue, China breathed a sigh of relief as the Taiwanese agenda to re-enter the WHA as an Observer could be thwarted for the time being. However, China braced for another turbulent four years in Cross-Strait relations as Tsai Ingwen took the oath of office for her second term as Taiwan's President.

Meanwhile, despite Beijing's propaganda overdrive, a sense of "isolation" seemed to be setting in among Chinese strategic circles, owing to a number of adverse developments during the month. First, the global consensus at the World Health Assembly (WHA) on May 18, 2020 agreed to conduct an independent investigation into the origin of the new coronavirus; second, initiatives like the 'Economic Prosperity Network' led by the US, designed to reorganise the international supply chain, reduce global dependence on Chinese manufacturing and create an alliance of 'trusted partners' (Australia, India, Japan, New Zealand, South Korea and Vietnam) gaining currency among the participating nations. To offset the growing trend of 'de-Sinicization', China seems to be exploring a three-fold strategy: a) vigorously developing indigenous high technology industry; b) enhancing China's attractiveness to the outside world to undermine certain nations' strategic will to decouple from China; and c) restoring the East Asian production network, while also building up on its own 'discourse' power.

In the defence arena, it was announced that China's defence spending for the year will rise at the slowest rate in three decades, yet maintain an increase of 6.6% in 2020. China gave two reasons for this "moderate" but "steady" increase in the nation's defence budget: first, China wants to demonstrate that it has confidence in positive economic growth for the rest of the year and that the effect of the epidemic on China has only been temporary and short-lived; and

second, in the post-pandemic period, China continues to face multiple military threats, including from the US, requiring continued military modernisation. Meanwhile, the South China Sea remained turbulent during the most part of the month, with several Freedom of Navigation operations by the US and various naval drills by China. Despite these probing developments, the Chinese side ruled out the possibility of a serious military conflict breaking out in the region in the near future.

Foreign and Security Policy

China-India Border Stand-off

China-India relations reached a new low this month as Indian and Chinese troops faced off at various places along the disputed LAC, first near Pangong Tso in Eastern Ladakh (May 5-6), then at Naku La, ahead of Muguthang in Sikkim (May 9) and finally an Indian patrol was stopped by hundreds of Chinese soldiers, in Ladakh's Galwan valley, leading to a stand-off that continues till date, with both sides reinforcing their respective positions. Meanwhile, adding a twist in the tale, Nepal suddenly upped the ante against India over Nepal-India-China tri-junction point at Lipulekh Pass soon after Defence Minister Rajnath Singh inaugurated a road to Lipulekh on May 8. Kathmandu not only deployed its Armed Police Force (APF) at the Lipulekh Nepal-India border point, but in a move to further aggravate bilateral tensions issued new political maps, which claimed a broad area, including Kalapani, Lipulekh and Limpiyadhura as Nepalese territory.



India and China are currently engaged in a military stand-off across the contested Line of Actual Control (LAC) in the eastern Ladakh region, Source: Hindustan Times, <https://www.hindustantimes.com/analysis/to-counter-china-look-for-options-beyond-lac/st>

China officially kept out of the India-Nepal row, and instead accused "India of illegally trespassing into Chinese territory in the Galwan Valley region and constructing defence, leaving Chinese border defence troops no other options

but to make counter moves in response". However, certain sections within the strategic community in China see the Nepal-India territorial dispute as a direct contributing factor to the recent flare-up on the Sino-Indian border, which they are mostly referring to as "Donglang (Doklam) 2.0".

In the Chinese assessment, India's construction activity in the disputed areas with Nepal has affected China's [border security](#)¹ in Tibet. By building the 80 kilo-meter stretch, India is understood to have moved its frontier vis-a vis China, gaining direct access to the concrete highway in the Purang County in Tibet and thereby changing the existing status quo in the region. China has border defence roads in Purang County on the middle border and Cona County on the southern border with India including an airport in the Purang County, scheduled to be completed in 2021. Despite having highly developed infrastructure on its side of the border, China is concerned that India is creating a manoeuvre space, using Nepal's territory to challenge China's dominant position in the region. The Chinese strategic community, [lauded](#)², what they called, "Nepal's first powerful counterattack and the first military confrontation against India in years" and encouraged the Himalayan nation to keep up the "tough stance" and "fight back by remaining uncompromising on its core interests".

China's renewed focus on Nepal comes in the face of the changing dynamics in South Asia's security situation. It is generally understood in the Chinese policy circles that by reorganising the state of Jammu and Kashmir in August 2019, India has broken the strategic balance in South Asia (between India and Pakistan) that existed over the past half century. China's failure to get international support on the issue has further added on to its exasperation. Meanwhile, China's threat perception vis-à-vis India has also been changing in recent years, particularly after the Doklam crisis, with some Chinese strategists now considering India as the ["toughest regional competitor or the biggest threat in the region"](#)³ to China's rise, which is making use of the international situation (favourable in case of India and unfavourable in case of China) to make up for the gap in strength with China and seeking benefits/concessions beyond its strength and capabilities. Although China does not consider India to be its primary strategic competitor, however, some

¹尼印对抗中国遭殃？尼泊尔到底该如何对抗咄咄逼人的印度侵略者？, Sohu.com, May 23, 2020, https://www.sohu.com/a/397079427_120441448

²不让印度胡来·尼泊尔出兵无人区阻挡印军北上·抢先占领争议地区, Sohu.com, May 21, 2020, https://www.sohu.com/a/396724536_563497

³How should China deal with regional challenges toward its rise?, Global Times, May 18, 2020, <https://www.globaltimes.cn/content/1188674.shtml>

Chinese [veterans](#)⁴ are of the opinion that China has a history of adjusting its strategic directions and have more often than not solved the contradictions in the secondary direction first, than the contradictions in the primary direction. Many Chinese strategist believe that the chances of a [military conflict](#)⁵ is much more real in the case of China-India than China-US.

Given the situation, China seems to be relooking at its South Asia policy. Firstly, the [agenda](#)⁶ is to set off a [public opinion](#) offensive against India at the international level, portraying India as destabilizing factor in South Asia which is [simultaneously](#)⁷ provoking all the neighbouring countries, irrespective of their sizes. Secondly, China is tactically invoking Nepal's [history](#)⁸, stoking the idea of Greater Nepal and Gorkha nationalism. Thirdly, some Chinese strategists also seemed to be exploring the future possibility of a "[prolonged guerrilla warfare](#)"⁹, a "[prompt military action](#)" on India-Nepal border or setting up a "[Three Front](#)"¹⁰ (China-Pakistan-Nepal) strategic challenge to restrict India in the North.

Meanwhile, China has been closely following the US position on the China-India border row. Various statements emanating from Washington have largely been seen as Trump administration's support for India's territorial claims vis-à-vis China. Chinese media complained that the US is trying to dictate terms between China and India and even encouraging India to intensify its confrontation with China, so as to secure the future of its "Indo-Pacific" strategy. While playing down President Trump's offer to mediate, China lately seems to be softening its official stance on the border stand-off, suggesting that

⁴印度误判形势屡犯中国边境 或重演历史悲剧, www.senstrat.com, May 20, 2020, <http://mil.m4.cn/2020-05/1366051.shtml>

⁵中印边境对峙 62 年冲突是否会重现, May 27, 2020, Baijiahao, May 27, 2020, <https://baijiahao.baidu.com/s?id=1667858885746994687&wfr=spider&for=pc>

⁶挑衅中国必将付出代价！美国政客趁机为印度撑腰·赵立坚霸气表态, Baijiahao, May 22, 2020, <https://baijiahao.baidu.com/s?id=1667375594713271869&wfr=spider&for=pc>

⁷挑衅中国必将付出代价！美国政客趁机为印度撑腰·赵立坚霸气表态, Baijiahao, May 22, 2020, <https://baijiahao.baidu.com/s?id=1667375594713271869&wfr=spider&for=pc>

⁸历史争端未决纷争又起·印度在边界挑事：竟直接在邻国建战略公路, inews.qq.com, May 12, 2020, https://view.inews.qq.com/a/20200512A0GWX700?tbkt=G&openid=o04IBACg9sQM4KJg9r mGdbMKyhSI&uid=100084521739&refer=wx_hot

⁹尼泊尔不再忍气吞声·无惧印度百万大军·将争议领土划入版图, QQ.com, May 23, 2020, <https://new.qq.com/omn/20200523/20200523A0I6KX00.html?pc>

¹⁰印度扩张领土遇硬茬·邻国出兵争议地区·领土扩大 335 平方公里, NetEase.com, https://3g.163.com/3g/article_cambrian/FD7RVQ3C05311NDJ.html?from=history-back-list&from=history-back-list

“the situation at the LAC is [generally stable and controllable](#)¹¹ and that the two countries are capable of resolving related issues properly through dialogue and consultation,”

However, in its internal discussions, some Chinese strategists ridiculed India’s military strength and its great power ambitions, given its “arsenal full of imported weapons”, while China’s nationalist media warned that India should not remain under the [illusion](#)¹² that the Chinese economy is hit and China is internationally isolated and therefore this is the perfect opportunity to manipulate the border dispute in its favour. “The US is not the international community and China is not isolated. The more the Chinese nation encounters external pressure, the more united it will get, and more it cannot admit defeat. Hope Indian society will strengthen its understanding and research on China, and do not wish to understand China wishfully, let alone understand China through the perspective of the United States” stated an article in the Huanqiu Shibao, in its signature condescending tone.

An “isolated” China



*Chinese President Xi Jinping delivers a speech at the opening of the 73rd World Health Assembly through video conference, Beijing, May 18, 2020,
<https://news.cgtn.com/news/2020-05-19/What-does-Xi-s-speech-at-World-Health-Assembly-mean-for-China-world--QBXGtxu0M/index.html>*

¹¹ Diplomatic, military communication channels between China and India on border issue unimpeded: Chinese FM, Global Times, June 1, 2020, <https://www.globaltimes.cn/content/1190184.shtml>

¹² 印度不要错把风险当机会, Huanqiu Shibao, May 27, 2020, <https://opinion.huanqiu.com/article/3yPADyem8P8>

A sense of "isolation" has been setting in among the Chinese strategic circles, due to various developments during the month. First, the global consensus at the World Health Assembly (WHA) on May 18 to conduct an independent investigation into the origin of the new coronavirus; Second, initiatives like the Economic Prosperity Network by the US, designed to reorganize the international supply chain, reduce global dependence on Chinese manufacturing and create an alliance of 'trusted partners' (Australia, India, Japan, New Zealand, South Korea and Vietnam) gaining currency among the participant nations.

One argument emanating from Beijing is that the [hype over China being isolated](#)¹³ is unjustified. "How can a country which has assisted more than 100 countries and played a pivotal role in fighting the epidemic in the world, can be described as a demon and vilified by the world," mentioned an article in the Chinese Press, while highlighting that even at the recent WHA meeting China has promised assistance worth US\$ 2 billion over the next two years to support global fight against the epidemic, and vowed to treat the COVID vaccine, once it is developed, as a global public product.

The other argument is that the international community is not the United States and that [the West is not a monolith](#)¹⁴. For instance, as per the Chinese assessment European public opinion on China is very different from that of the United States, and it cannot be simply confused as the "Western public opinion on China" in general. They note that the attitude of the people in Europe is relatively mild and there is no widespread rhetoric or anti-China sentiment in European societies. Similarly, they note that on the issue of globalisation and global supply chains, there are [sharp differences](#)¹⁵ between the two major power sectors within the West, namely, industrial capital that opposes globalization and transnational financial capital that supports globalization. How China can use these differences to prevent the formation of a common anti-China front presently tops the Chinese agenda.

Meanwhile, China's nationalist media asserted that "decoupling" cannot stop China's scientific and technological progress and industrial modernization. Since the days of "Two Bombs, One Satellite"- China's first nuclear and space

¹³炒作中国“被孤立”是什么心理？, Huanqiushibao, May 21, 2020,
<https://opinion.huanqiu.com/article/3yK0vg0Umzo>

¹⁴“西方对华疫情舆论”并不统一, Huanqiushibao, May 8, 2020,
<https://opinion.huanqiu.com/article/9CaKrnKqQhb>

¹⁵中国要把抗疫真相讲给世界, Huanqiushibao, May 9, 2020,
<https://opinion.huanqiu.com/article/9CaKrnKqRhD>

project, the nation has achieved major technological breakthroughs under severe global pressure and this time too it won't be any different. To [offset](#)¹⁶ the growing trend of de-Sinicization, the Chinese strategy seems to be three-fold a) vigorously developing the indigenous high technology industry, b) optimizing the conditions for China's opening up to the outside world and expanding exchanges with other developed countries so that China's attractiveness overwhelm certain nations' strategic will to decouple from China and c) [Restoring the East Asian production network](#)¹⁷, while also building up China's own [discourse power](#)¹⁸.

Cross-Strait Relations

China [breathed](#)¹⁹ a sigh of relief as Taiwan's agenda to re-enter WHA as an observer could be thwarted for the time being, with debates on the matter being postponed for the next few months. Various articles in the Chinese Press kept asserting "There is only one China in the world, Taiwan is an inalienable part of China, and that the [issue](#)²⁰ of Taiwan's participation in international activities can only be properly resolved on the basis of the one-China principle."

Meanwhile, the Chinese side was far from impressed with Taiwanese President Tsai Ing-wen's ["5-20" speech](#)²¹, which they criticised for not mentioning the "92 Consensus" throughout the speech and for mentioning "Peaceful and Stable Cross-Strait relations" in the National Security section together with "Defence Affairs Reform and Active Participation in International Affairs". This, argued the Mainland media, was meant to show that "maintenance of cross-strait peace and stability does not rely on the 92 Consensus but on asymmetric warfare, power and external intervention." China is therefore bracing up for the Taiwan Independence Movement to gain traction over the next four years.

¹⁶特朗普在错误时间对华发错误威胁, Huanqushibao, May 15, 2020, <https://opinion.huanqiu.com/article/3yEqjGa6PLI>

¹⁷东亚生产网络面临什么挑战与机遇, Huanqiushibao, May 12, 2020, <https://opinion.huanqiu.com/article/3yCVKytYQmD>

¹⁸如何破解国际抗疫话语权的困境, Huanqiuhibao, May 8, 2020, <https://opinion.huanqiu.com/article/9CaKrnKqQh4>

¹⁹所谓"台湾在国际组织代表权"问题早有定论, Huanqiushibao, May 21, 2020, <https://opinion.huanqiu.com/article/3yKO5IB4Ynj>

²⁰想绕过 2758 号决议是行不通的, Huanqiushibao, May 11, 2020, <https://opinion.huanqiu.com/article/3yC94uBa1aZ>

²¹民进党当局正把台湾推向深渊, Huanqiushibao, May 14, 2020, <https://opinion.huanqiu.com/article/3yEBRHjvrol>

Chinese Communist Party

On May 21, the [Third Session²²](#) of the 13th National Committee of the Chinese People's Political Consultative Conference was convened, officially kicking off the two sessions of the National Congress in 2020. The [convening of the two sessions²³](#) at this point in time was meant to convey the message that China has entered a post-epidemic "new normal". Although the duration of the meeting this time was shortened, the number of personnel reduced, and the method of the meeting adjusted, the Sessions, nonetheless, symbolised the country's political and social life returning to normal, thereby boosting the confidence of the whole society to resume work and production.



Xi Jinping and other Chinese leaders attending the opening meeting of the third session of the 13th National Committee of the Chinese People's Political Consultative Conference (CPPCC), Beijing, May 21, 2020. Source: Xinhua, http://www.xinhuanet.com/english/2020-05/21/c_139075541.htm

As per the Chinese assessment, the three key decisions taken during this year's "Two Sessions" are: The first; not to set economic growth targets for the year, instead stress on stabilizing employment and protecting people's livelihood. The decision was welcomed by the Chinese Press as a "pragmatic strategy",

²²读懂全国两会的这三个信号, Huanqiu Shibao, May 27, 2020, <https://opinion.huanqiu.com/article/3yPQKMbAznG>

²³两会召开·国家统筹治理进入新常态, Huanqiu Shibao, May 21, 2020, <https://opinion.huanqiu.com/article/3yK0qufRN5g>

providing “great strategic flexibility” to deal with the uncertainty caused by the epidemic.

The second key decision was to reemphasise on the slogan, “housing is for living in, not for speculation” at a time when the Chinese economy is facing downward pressure and there have been reports on worrying trends like economic recovery funds illegally flowing into the [real-estate markets](#)²⁴, causing significant surge in housing prices. The meeting, therefore, decided that China will implement city-specific policies to promote “steady and healthy” development of the real estate market.

The third important decision was the formulation of the Hong Kong-related national security law. The decision, as per the Chinese assessment, embodied the government’s “great determination/resolve to prevent anti-China forces to interfere in Hong Kong affairs and curb China’s peaceful rise”.

Internal Security

The question of Hong Kong’s autonomy came under the scanner as the Chinese Parliament adopted the controversial Hong Kong National Security Legislation at the closing meeting of the third session of the 13th National People’s Congress on May 28. The [legislation](#)²⁵ entitles the central government’s national security organs to establish agencies in the Hong Kong Special Administrative Region (SAR) to safeguard national security, while the chief executive of the Hong Kong SAR government will now need to report to the central government at regular intervals on matters like performance of duties in maintaining national security, conducting national security promotion education, and prohibiting acts that endanger national security according to law etc. In other words, the law will enable China to enhance information/evidence collection and bypass Hong Kong’s internal legislature to punish acts, which in Beijing’s assessment, accounts to “splitting the country, subverting state power, or organizing and perpetrating terrorist activities.”

China’s state media justified the development, arguing that even though [Article 23 of the Basic Law](#)²⁶ stipulates that the Hong Kong SAR shall enact national

²⁴不能让“天价喝茶费”冲撞房住不炒红线, April 22, 2020, China Youth Daily, http://views.ce.cn/view/ent/202004/22/t20200422_34748240.shtml

²⁵ HK national security law 'almost ready to be enacted', Global Times, May 22, 2020, <https://www.globaltimes.cn/content/1189195.shtml>

²⁶香港国安法是对“一国两制”的关键保护, Huanqiu Shibao, May 21, 2020, <https://opinion.huanqiu.com/article/3yKc6mhcaYS>

security laws on its own. Reality however, is that it has been almost 23 years since Hong Kong's return to China, the Hong Kong SAR has failed to enact such laws. In Hong Kong's public opinion sphere, Article 23 legislation has almost become taboo and can barely be mentioned in public. Meanwhile, in absence of a national security law Hong Kong has descended into total chaos, risking China's overall national security. As the Hong Kong SAR was unable to fulfil its task of bringing in the national security legislation, the National People's Congress had to intervene, to help Hong Kong integrate better with China, to restore its stable peaceful environment, and not let its politics get hijacked by anti-China external forces. Chinese media further argued that the discourse criticising the new law for undermining "one country, two systems" arrangement and putting Hong Kong's high degree of autonomy in jeopardy is simply a reiteration of the US-centric viewpoint, while disregarding the fact that Hong Kong has been returned to China.

For the US, China's message was clear that after two years of the Trade War, China is no more afraid of US sanctions and is [prepared for the worst](#)²⁷. "The announcement of this plan by China means that Beijing has assessed all the retaliatory measures that the US will take and is ready to meet the challenge. The possibility of Beijing retreating under US pressure is 'zero'. National security will remain the cornerstone of Chinese politics", mentioned an article in the Chinese Press.

The Chinese media further argued that there is only one [substantive](#)²⁸ measure that the US can take which will have an overall impact, that is, to abolish Hong Kong's independent tariff status and treat Hong Kong same as the Mainland. This, they say, is a double-edged sword that will not just hit Hong Kong's economy and weaken its status as an international financial centre, but simultaneously hit a large number of American companies operating in Hong Kong and seriously affect the US exports to the City. The other argument emanating from Beijing is that Hong Kong is no more the only channel between China and the West. With the deepening of China's reform and opening up, the function undertaken by Hong Kong has been largely dispersed throughout China's coastal areas over the years. Therefore, the Chinese side contends that even without Hong Kong, the damage to the mainland's economy will no longer be of an order of magnitude compared to 20 years ago.

²⁷对华制裁结果必是美国自己越来越瘦, Huanqishibao, May 30, 2020, <https://opinion.huanqiu.com/article/3yRUgCFG3Dk>

²⁸美国挺着病身吹“制裁中国”冲锋号, Huanqishibao, May 28, 2020, <https://opinion.huanqiu.com/article/3yQEhdrLcPZ>

It is further argued that the United States is not the whole of the West and there will still be many other countries for whom Hong Kong will remain business-as-usual. Therefore, after some initial shock, Hong Kong, "with Mainland's help", will have plenty of opportunities to reconstruct itself as the Pearl of the Orient. On the contrary, the [epidemic](#)²⁹, they say, has weakened the US, not just in terms of influence but also, in terms of external interventions. Further, with policies like "withdrawing here and sanctions there", the US is on the way of committing suicide as a superpower, inferred China's state media.

Defence

A draft budget report submitted to the annual session of the National People's Congress (NPC) revealed that China's [Defence](#)³⁰ spending for the year will rise at the slowest rate in three decades yet maintain an increase of 6.6% in 2020. Although a greater slowdown in China's defence budget was expected (approximately three percent), the real figure at 6.6 percent was on the higher side. China's military experts gave [two](#)³¹ reasons behind the "moderate" but "steady" increase in the nation's defence budget: First, China wants to demonstrate that it has confidence in the positive economic growth for the rest of the year and the effect of the epidemic on China has only been temporary and short-lived; and second, in the post-pandemic period, China continues to face multiple military threats including from the US, requiring continued military modernization.

Meanwhile, the South China Sea remained turbulent during most part of the month. China stayed on "[high alert](#)"³² as the US conducted various "Freedom of navigation" operations in the disputed waters of the South China Sea. The Chinese media [reported](#)³³ that the PLA Southern Theater Command "expelled" a US destroyer, the USS Barry, on April 28, when it "trespassed" into the waters off the Xisha Islands in the South China Sea. However, the US continued and sent the USS Bunker Hill cruiser to the Nansha Islands on April 29. The US also reportedly flew B-1B bombers over the South China Sea and East China Sea

²⁹美国涉港舆论战终成新的“烂尾楼”, Huanqiu Shibao, May 25, 2020, <https://opinion.huanqiu.com/article/3yNkkv40V9a>

³⁰没有 GDP 指标 · 但中国不会失去目标, Huanqiu Shibao, May 22, 2020, <https://opinion.huanqiu.com/article/3yLEXkVmlip>

³¹ China slows defense budget growth to 6.6 % in 2020, Global Times, May 22, 2020, <https://www.globaltimes.cn/content/1189146.shtml>

³² PLA slams naval drills in South China Sea, China Daily, May 1, 2020, <http://global.chinadaily.com.cn/a/202005/01/WS5eab62dca310a8b2411530ee.html>

³³ PLA expels US warship illegally trespassing into S.China Sea, Global Times, May 28, 2020, <https://www.globaltimes.cn/content/1189799.shtml>

during the May Day holiday. Again, on May 28, China reportedly “expelled” yet another US guided missile destroyer USS Mustin off the Xisha Islands.



China conducted a series of naval drills in the waters of the South China Sea to prepare for post-pandemic exigencies, Source: Global Times, <https://www.globaltimes.cn/content/1187466.shtml>

China too [conducted](#)³⁴ various naval drills in the waters of the South China Sea, reportedly to “prepare for post-pandemic US military provocations.” The Liaoning aircraft carrier task force wrapped up its South China Sea exercises early this month. The Shandong, China's second aircraft carrier, also took to sea for training exercises later this month, first time since it was commissioned late last year. Also conducting exercises in the South China Sea were the warships of the PLA Navy 35th Escort Task Group. Then there were reports of Chinese destroyer Taiyuan, frigate Jingzhou and replenishment ship Chaohu conducting anti-piracy and live-fire shooting training in the South China Sea. Chinese anti-submarine aircraft under the PLA Southern Theater Command Navy also conducted patrol and anti-submarine missions in the region. Further, various news [reports](#)³⁵ highlighted that the PLA is planning to hold large-scale landing drills in the South China Sea near Hainan Island in August

³⁴ China conducts naval drills in S.China Sea, prepares for post-pandemic US military provocations, Global Times, May 5, 2020, <https://www.globaltimes.cn/content/1187466.shtml>

³⁵ Rumored PLA drills plan on Dongsha Islands sparks fear in Taiwan, Global Times, May 13, 2020, <https://www.globaltimes.cn/content/1188267.shtml>

with the imaginary goal of "taking over the Dongsha Islands occupied by Taiwan,"

Chinese State Councillor and Foreign Minister Wang Yi, while addressing a press conference on the side-lines of the annual national legislative session, ruled out accusations of China using the COVID-19 crisis to expand presence in South China Sea as "nonsense". Instead, he accused "a few countries outside the region to be flexing their muscles by sending military aircraft and vessels to the South China Sea and sowing discords between China and the ASEAN countries." Despite these provocative moves, various commentaries in the Chinese Press ruled out the possibility of a serious military conflict breaking out in the region in the near future. "It should be noted that on the surface, the United States is aggressive and provocative, but its actions in the South China Sea is actually a bluff," stressed an article in the Huanqishibao.



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