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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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(Photographs top to bottom)

On the 99th Party Anniversary, Chinese President Xi Jinping calls for stronger CPC in the new era. Source: China Daily

The Chinese Foreign Ministry confirmed on July 27 that the U.S. Consulate General in Chengdu, Sichuan province has been closed. Source: DNA

US Secretary of State Mike Pompeo speaks on “Communist China and the Free World’s Future” at the Richard Nixon Presidential Library, July 23, 2020, Source: Hindustan Times

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Abstract

The month saw a complex set of developments in China-India relations. On the one hand, political and military level talks generated the possibility of disengagement at the LAC; on the other, Prime Minister Narendra Modi and Defence Minister Rajnath Singh’s back to back visits to Ladakh signalled doubts over China’s willingness to actually disengage and return the situation along the LAC to the status quo ante prevailing in April, 2020.

Chinese strategists interpreted these high profile visits in the middle of the ongoing standoff as India’s attempt to gain bargaining chips at the negotiation table. Some analysts even accused India of buying time through peace talks, while secretly planning to launch surprise attacks on China, and warning that “What is not available at the negotiating table, cannot be obtained through force”.

Chinese media kept a close eye on the India-Japan naval exercise in the Indian Ocean on June 27, and the earlier PASSEX with the US Navy comprising the USS Nimitz Carrier Battle Group off the Andaman islands on July 20-21. Concern was raised in Beijing as reports suggested that India might consider inviting Australia for the Malabar naval exercise, scheduled to be held in August or September this year.

India’s deepening military/intelligence collaboration with various countries, particularly the US, and its announcements of military purchases following the Galwan Valley incident, also drew concerns. The Chinese media accused Washington of taking sides in the border conflict, called out Russia for being a “reluctant partner (of China)”, and rebuked Israel for cancelling the early warning aircraft contract with China, while supplying India with the Barak 8 Air Defence Missile Systems.

In terms of economic ties, Chinese commentaries noted with concern how in the recent past India has been rejecting Chinese capital and technology, while providing a red carpet to American giants like Amazon, Facebook and Google. Some even accused India and the US of collaborating against China’s economic interests. Others, however, expressed satisfaction at the breakdown of China-India economic ties on grounds that China no longer needs to play the role of a “development partner” to a potential strategic competitor like India.

There was some mention in Chinese strategic circles about creating “a positive atmosphere” for a new comprehensive re-assessment of China-India bilateral relations. However, hardliners were of the opinion that in the present
international situation, China does not need to take any special initiative to improve ties with India. As long as no large scale conflict breaks out, China should be happy to maintain basic and minimalistic relations with India with more room for discord and disagreements, including small or medium level conflicts. This approach will not only dampen India’s tough stance vis-à-vis China, but will also slow down the ongoing process of US-India detente.

To further build pressure on India, China seems keen to play the ‘South Asia’ card. On July 27, the foreign ministers of China, Afghanistan, Pakistan and Nepal held a video conference, where Chinese Foreign Minister Wang Yi actively promoted the construction of the China-Pakistan Economic Corridor (CPEC) and a Trans-Himalayan Multidimensional Connectivity network, while also supporting the extension of the CPEC to Afghanistan.

On the US-China front, an escalatory spiral continued through the month. Much to China’s unease, the month saw three key speeches by high ranking US administration figures on the US’s China policy - by FBI Director Christopher Wray on July 7, Attorney General William P. Barr on July 16 and finally Secretary of State Mike Pompeo on July 23. Wray accused China of “stealing its way up the economic ladder” at the US’ expense; Barr’s key argument was “the ultimate ambition of China’s rulers isn’t to trade with the United States...It is to raid the United States; Pompeo pulled the curtain on the post-1971 US policy of engagement and urged the Chinese people and “free world” countries to “change” the Communist Party of China (CPC). Further, Secretary Pompeo’s July 13 statement declaring “Beijing’s claims to offshore resources across most of the South China Sea (SCS) as completely unlawful” rattled China. Some Chinese commentators suggested that China should not bite into such all-out US attacks, continue with its strategy of opening up to the world and avoid a new Cold War with the US. Others, however, advocated that China should remain alert to the possibility of military clashes with the US in the near future.

Tibet, Xinjiang and Hong Kong became the forefront of China-US rivalry and tit-for-tat diplomacy. As the US signed the Hong Kong Autonomy Act, issued a business advisory against Xinjiang supply chains, banned Chinese companies from buying American technology and put visa restrictions and sanctions on CCP officials for their role in perpetuating China’s “repressive” policies in Xinjiang, China retaliated by imposing sanctions on US companies like Lockheed Martin for arms sales to Taiwan, the US Congressional-Executive Commission on China, and four members of the US Congress, namely, Senator Marco Rubio, Senator Ted Cruz, Congressman Chris Smith, and Congressman Sam Brownback.
Furthermore, in a major diplomatic escalation, the US on July 21 asked the Chinese Consulate General in Houston to cease operations, ostensibly in order to protect US intellectual property and the private information of Americans. In retaliation, the Chinese Foreign Ministry on July 24 asked the US to shut down the US Consulate General in Chengdu.

As the CCP celebrated its 99th anniversary on July 1, the Chinese media accused the US of “targeting” the CCP to achieve two "sinister" purposes – first, mobilisation of the western world or the ‘democratic world’ against Communist China, and second, to drive a wedge between the Chinese people and the Party, thereby dividing Chinese society. While acknowledging that there exists a radical minority within Chinese society which seeks to separate the party-government and the country, China's state media claimed that the overwhelming majority understands that “once the political system led by the CCP is overturned, China will collapse and the outcome will be even more tragic than the disintegration of the Soviet Union”. Therefore, it is unlikely that Chinese people will “fall into the US trap”.
Foreign and Security Policy

China-India Relations

In the Chinese assessment, interactions between China and India during July remained particularly complicated, with both negative and relatively positive developments. On one hand, the telephonic conversation between the Chinese Special Representative on the border issue, State Councillor and Minister of Foreign Affairs Wang Yi, with India’s National Security Adviser Ajit Doval, generated some consensus between the two sides for early completion of the disengagement process of the front-line troops of both sides. This sentiment was repeated during the 4th round of commander-level talks on July 14, wherein both sides deliberated upon the possibility of disengagement from other friction areas at the Line of Actual Control (LAC).

However, PM Modi’s visit to Ladakh on July 3, and his speech asserting that “the era of colonial expansion is over... history is a witness to the fact that such forces have been erased or have forced to relent...the whole world now has made up its mind against the policy of expansion”\(^1\) drew strong criticism from the Chinese commentariat. Similarly, the Chinese media kept a close eye on Defence Minister Rajnath Singh’s visit to Ladakh on July 17, where he stressed that there is “no guarantee” that the ongoing talks between India and China can resolve the dispute in eastern Ladakh, while also emphasising that “no power in the world can touch even an inch of India’s land”\(^2\).

Chinese strategists interpreted these back-to-back high-level visits to Ladakh amidst ongoing dialogues at the military and political level as India’s attempt to win bargaining chips vis-à-vis China at the negotiation table. They accused India of buying time through peace talks, while secretly increasing the deployment of troops, and waiting for opportunities to launch surprise attacks on China. Warning India that “what is not available at the negotiating table, cannot be obtained through force”\(^3\), various commentaries in the Chinese Press advocated that China should not rule out the possibility of a volte-face.

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by India and must maintain greater vigilance and better preparedness at the Western frontier.

On the other hand, retired PLA General Wang Hongguang’s (former deputy commander of the Nanjing military area command) warning “Do not underestimate India’s high altitude and plateau combat capabilities” generated much debate on the comparative military strengths of the two antagonistic neighbours. In General Wang’s opinion, the biggest advantage Indian army tank soldiers have over the PLA is that they have rich actual combat experience and dare to drive tanks alone, which can often take opponents by surprise. Some Chinese strategists advocated that even as China continues to strategically “despise” India, thereby securing a psychological upper hand over an opponent, tactically it needs to pay more attention to the Asian rival’s growing military capabilities.

India’s deepening military/intelligence collaboration with various countries, particularly the US, and its military purchases following the Galwan Valley incident, were noted with some concern. The Chinese media accused Washington of taking sides in the China-India border conflict and called out Russia for being a “reluctant partner (of China)” which is disregarding the dangerous developments at the China-India border and exporting large quantities of weapons to India “only for profit”. They further lamented that Israel, which was once “a good friend of China”, has cancelled the early warning aircraft contract with China at Washington’s behest, and instead has given India a “big gift” by providing Barak 8 Air Defence Missile.

The Chinese media also kept a close eye on the India-Japan naval exercise in the Indian Ocean on June 27, and on the PASSEX with the US Navy Carrier Battle Group led by super-carrier USS Nimitz off the Andaman islands on July 20-21. Alarms were raised in Beijing as reports surfaced that India might consider inviting Australia to the Malabar naval exercise, scheduled to be held in August or September this year. Calling this “the first step towards the militarization of the four-nation alliance”, Chinese strategists, in their signature

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condescending tone, warned that "For China, the United States is too powerful, Australia is too far away, and Japan is too important to the Chinese economy. However, India shares a long border with China, therefore its methods to punish India will be manifold and much stronger than those for Japan, the United States and Australia."³

Further, to build-up pressure on India, Chinese foreign minister Wang Yi, on July 27, interacted with his counterparts from Afghanistan, Pakistan and Nepal via a video conference where he actively promoted the construction of the China-Pakistan Economic Corridor (CPEC) and the Trans-Himalayan Multidimensional Connectivity network, while also signalling the speeding up of the extension of the CPEC to Afghanistan⁹.

In terms of economic ties, some Chinese commentators noted with concern how in the recent past India has been rejecting Chinese capital and technology, while providing a red carpet to the US, with American giants like Amazon, Facebook and Google announcing new investment plans for India. Some even suggested that India and the US have started collaborating with each other with the objective to hurt Chinese economic interests. After all, China does have overcapacity in various industries and needs a huge market to digest these. It also has a surplus of capital, looking for 'blue ocean' investments across the world. India was originally considered one of the best destinations for Chinese companies to go abroad. Chinese hardware industry as represented by Xiaomi and software industry as represented by TikTok have been doing well in India, but this trend may now be interrupted. Under such circumstances, it was felt that China needs to focus more on markets like the EU and ASEAN.

A section of the Chinese strategic community, however, seemed pleased at the adverse trend in China-India economic relations, arguing that "India has been a strategic competitor and sooner or later will pose bigger threat to China; therefore, China need not play a constructive role in fast-tracking its development process."

There was some talk in Chinese strategic circles about creating "a positive atmosphere" for a comprehensive re-assessment of China-India bilateral relations. Echoing this sentiment, on July 10, Chinese Ambassador to India Sun Weidong delivered a video talk on current Sino-Indian relations, emphasising

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the need to get the relationship back on track\textsuperscript{10}, while warning India about against forced decoupling.

Chinese hardliners were, however, of the opinion that in the present international situation, China does not need to take any special initiative to improve ties with India. As long as no large scale conflict breaks out, China should be happy to maintain basic and minimalistic relations with India with more room for discord and disagreements, including small or medium level conflicts. This, according to them, will not only dampen India’s “confidence and its adventurous attitude” vis-à-vis China, but will also slow down the ongoing process of US-India detente.\textsuperscript{11}

Overall, there has been a growing realisation in China that the negative impact of the ongoing standoff in bilateral relations will exceed that of the 2017 Doklam crisis and reconciliation with India will be difficult. Going forward, the key challenges will be on three fronts. First, given the low level of mutual trust between the two sides, increased strategic competition and greater involvement of third party factors, there will be a heightened risk of strategic misjudgement and increased possibility of an armed conflict. Secondly, security dilemmas between the two countries will deepen, resulting in more defence build-up and an intensified arms race on either side of the LAC. Thirdly, economic and trade frictions will be further intensified given the rise in the “hostile spiral” in public opinion on either side. Therefore, in the Chinese assessment, China-India relation are likely to remain tense in the foreseeable future\textsuperscript{12}.

\textsuperscript{10}‘中印边境事务磋商和协调工作机制第16次会议 关系重回正轨局势趋向缓和’, Guancha.com, July 10, 2020, https://user.guancha.cn/main/content?id=345063


China-US Relations

US Secretary of State Mike Pompeo speaks on “Communist China and the Free World’s Future” at the Richard Nixon Presidential Library, July 23, 2020, Source: Hindustan Times

The month saw three key speeches by high ranking US politicians on the US’s China policy - by FBI Director Christopher Wray\(^\text{13}\) on July 7, Attorney General William P. Barr\(^\text{14}\) on July 16, and Secretary of State Mike Pompeo at the Richard Nixon Presidential Library and Museum on July 23\(^\text{15}\). While Wray in his speech accused China of “stealing its way up the economic ladder” at the US’ expense, Barr’s key argument was “the ultimate ambition of China’s rulers isn’t to trade with the United States...It is to raid the United States”. Pompeo on his part pulled the curtain on post-1971 US policies and urged the Chinese people and “free world” countries to "change" the Communist Party of China (CPC).

Such direct attacks by senior US officials, particularly Secretary of State Mike Pompeo’s stance, rattled the Chinese establishment. While denouncing these


speeches as “clichéd” and “crazy”, Chinese media wondered “how much these teeth-gnashing remarks by the US politicians were made for the upcoming elections, and how much came from their heart.” Some Chinese strategists suggested that China should not bite into all-out US attacks, continue with its strategy of opening up to the world and avoid a new Cold War with the US. Others, however, advocated that China should remain alert to the possibility of military clashes with the US in the near future.

Further, in an unprecedented escalation in tensions between China and the US, on July 21 the US asked the Chinese Consulate General in Houston to cease operations on the grounds of protecting US intellectual property and the private information of Americans. Labelling this development as a “political provocation”, China’s Foreign Ministry claimed that its diplomats and agencies in the US received death threats which were a result of America’s “wanton stigmatisation and incitement of hatred” and called upon the US to reverse its decision. Meanwhile, in retaliation, the Chinese Foreign Ministry on July 24 withdrew its consent for the establishment and operation of the US Consulate General in Chengdu. "The unilateral closure of China’s Consulate General in Houston is an unprecedented escalation by the United States against China, and China has no choice but to counter it… History has shown that a…"

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16 ‘China should not bite into all-out US attacks’, Global Times, July 17, 2020, https://www.globaltimes.cn/content/1194877.shtml

17 ‘Experts denounce Pompeo’s ‘crazy’ speech, warn possible military clash’, Global Times, July 24, 2020, https://www.globaltimes.cn/content/1195538.shtml
constructive China-US relationship is a win-win for both sides, and neither can afford the costs of full-blown confrontation. The onus is now on the US side to prevent bilateral ties from further deteriorating,” read an article in the China Military online.

Overall, China’s strategic circles were concerned about the increasingly adverse turn in China-US ties. Some found it hard to adapt to it, while others were worried that China will be trapped into self-isolation under US pressure. Some Chinese generals called for restraint, hinting that under the current international situation, China’s confrontational attitude may bring more problems than solutions.18

Defence

The US and China once again clashed over the disputed South China Sea. In a strong statement on July 13, US Secretary of State Pompeo declared “Beijing’s claims to offshore resources across most of the South China Sea as completely unlawful.”19 The statement reiterated the US’s support for the Southeast Asian countries embroiled in the dispute.20

In response to the statement, the Chinese Foreign Ministry spokesperson highlighted that the US was attempting to drive a wedge between China and Southeast Asian countries. He further accused the US of being a “destructor and troublemaker of peace and stability in the region” as it “frequently promotes militarization of the South China Sea by dispatching, advanced warships and aircraft.” The US was asked to stop its “wrongdoings” on this issue.21

The Chinese media also chastised the US for its statement on the South China Sea. Contradicting Secretary Pompeo’s statement of China seeking a maritime empire, the media denounced the US for flexing “its military muscle” in order to pursue its own hegemonic ambitions.22 There was also speculation about the

20 Ibid
22 Ibid
possibility of a surprise attack by the US on China claimed islands and reefs in the South China Sea before November this year. It was argued that the statement made by the US administration on July 13, denying China’s sovereignty over and maritime rights and interests in the Nansha islands and reefs of the South China Sea, has created the legal basis for a possible military confrontation. “Guarding against surprise attacks by the US military on the South China Sea islands and reefs is no sensational claim. China must be fully prepared,” read an article in the China Military Online portal.

Internal Security

China’s treatment of religious minorities, especially in the Xinjiang province, has become a major source of contention with the US. On July 1, the US announced that it would “not stand idly by as the CCP carries out human rights abuses targeting Uyghurs, ethnic Kazakhs, and members of other minority groups in Xinjiang.”23 Acting on this basis, the US Department of State together with the US Departments of Treasury, Commerce, and Homeland Security, issued a business advisory against Xinjiang supply chains on account of the human rights abuses attributed to them. The advisory held that the “People’s Republic of China (PRC) government continues to carry out a campaign of repression in Xinjiang” and consequently businesses must be aware of “the reputational, economic, and legal risks of involvement with entities that engage in human rights abuses, including but not limited to forced labour” in the Xinjiang Uyghur Autonomous Region.24 In a further development, the US placed sanctions on three senior members of the Chinese Communist Party “for their involvement in gross violations of human rights” in the Xinjiang region on July 9.25 The sanctions were subsequently expanded on July 20, when the US Department of Commerce banned 11 Chinese companies from


buying American technology for their involvement in perpetrating human rights violations and the "campaign of repression" in Xinjiang.  

China’s Foreign Ministry and related ministries condemned and countered the US sanctions and allegations through the month. On July 14, the Chinese Ministry of Commerce spokesperson called the Xinjiang supply chain business advisory a "severe distortion of facts" and said that what the US has called "human rights problems" are actually measures towards anti-secessionism and counterterrorism. The spokesperson also accused the US of obstructing the recovery of the global economy by undermining global supply chains through the advisory and hindering normal cooperation. Additionally, in response to the US’s sanctions on CCP officials, China imposed sanctions on the US Congressional-Executive Commission on China along with four Congressional leaders, namely, Senator Marco Rubio, Senator Ted Cruz, Congressman Chris Smith, and Congressman Sam Brownback. The Foreign Ministry accused them of having acted "viciously" on matters concerning the Xinjiang Uygur Autonomous Region and urged the US “to immediately withdraw its wrong decision, and cease any remarks or attempts of meddling in China's internal affairs.”

Another human rights issue that deepened the rift between the US and China is the mandated restricted access to Tibet for foreigners. In reference to this restriction, Secretary Pompeo imposed visa limitations on PRC officials under the Reciprocal Access to Tibet Act, 2018, stating that access to Tibet was vital to check China for its human rights abuses and environmental degradation. There was great displeasure at this development and in retaliation, the Chinese Foreign Ministry imposed visa restrictions on American officials with "egregious conducts on Tibet-related issues." The Ministry cited Tibet as an

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28 Ibid


internal affair and urged the US to stop using human rights as a guise to intervene in China's domestic matters.  

There was also significant anger in China regarding the Hong Kong Autonomy Act which was signed into law by the US President on July 14. The Act imposes sanctions on Chinese institutions that conduct business with people and entities violating Hong Kong’s autonomy. The Chinese Foreign Ministry released a statement that “firmly opposed and strongly condemned” the signing of the Act and threatened to sanction American officials and institutions related to the Act in order to protect their interests. Chinese media also released expert opinions that deemed the move “illegitimate” and a “gross interference in China's internal affairs.” This fuelled the narrative of the US trying to contain China under the pretext of preserving democracy and freedom in Hong Kong.

Amidst the growing dissent within Hong Kong and the increasing international attention to the issue, China established the Office of Safeguarding National Security of the Central People’s Government in the Hong Kong Special Administrative Region (HKSAR) on July 8. This office was opened to uphold the Law of the People’s Republic of China on Safeguarding National Security in the HKSAR.

Together with the above developments, there has also been considerable discontent over the US’s supply of arms to Taiwan. The spokesperson for the State Council Taiwan Affairs Office opposed the US State Department’s approval of a plan to supply arms worth USD 620 million to Taiwan. The move was seen in China as yet another instance of the US interfering in China’s domestic affairs. In retaliation, China imposed sanctions on Lockheed Martin which was the main contractor in this sale of arms. The sanctions were deemed necessary by China to secure its national interests, while maintaining that the Taiwan’s Democratic Progressive Party (DPP) will never be successful

51 Ibid
52 ‘China firmly opposes U.S. signing Hong Kong-related act into law’, Xinhua, July 15, 2020, 
http://www.xinhuanet.com/english/2020-07/15/c_139213774.htm
Also see: “China to sanction relevant US personnel and entities over Hong Kong Autonomy Act: FM”, Global Times, July 15, 2020, https://www.globaltimes.cn/content/1194574.shtml
54 Ibid
56 ‘China to impose sanctions on U.S. arms contractor’, Xinhua, July 14, 2020, 
http://www.xinhuanet.com/english/2020-07/14/c_139211953.htm
in attaining independence from China and its attempts will only cause harm to the Taiwanese people and further disrupt peace in the region.³⁷

**Chinese Communist Party**


Chinese President Xi Jinping called for a [stronger](https://www.chinadaily.com.cn/a/202007/01/WS5efbbf59a310834817256407.html) Chinese Communist Party in the new era, as the party celebrated its 99th anniversary on July 1³⁸.

The Chinese media expressed outrage over the [news](https://www.chinadaily.com.cn/a/202007/01/WS5efbbf59a310834817256407.html) that US government was discussing a motion to ban all CCP members and their families from traveling to the U.S, even as US officials like Secretary of State Mike Pompeo and Secretary of Defence Mark Esper and others continued their “attack” on the Chinese Communist Party at various occasions during the month³⁹. It was [argued](https://opinion.huanqiu.com/article/3z60WySQZwI) that by constantly “targeting” the CCP, the US aims to achieve two sinister purposes – first, mobilisation of the western world or the democratic

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³⁹ ‘中国共产党是谁？华盛顿该补这堂课’, Huanqushibao, July 18, 2020, [https://opinion.huanqiu.com/article/3z60WySQZwI](https://opinion.huanqiu.com/article/3z60WySQZwI)
world against Communist China, and second, to drive a wedge between the people and the Party, and thereby dividing the Chinese society\textsuperscript{40}.

In this regard, it was \textit{highlighted} that in the last few years there have been some voices within China to separate the party-government and the country. "Allegiance to the nation but not to the party" argument has also made way to China’s social media space. But that, China’s state media says, is the voice of a radical minority, while the majority of Chinese people understand that once the political system led by the Chinese Communist Party is overturned, China will collapse. The outcome of China will be even more tragic than the disintegration of the Soviet Union. Therefore, it is unlikely that they will fall into such a US trap\textsuperscript{41}.

\textsuperscript{40} ‘华盛顿仇共表演是对人类和平的犯罪’, Huanqushibao, July 16, 2020, https://opinion.huanqiu.com/article/3z4z6i860n4

\textsuperscript{41} ‘反共’难掩华盛顿对中国人民的敌视’, Huanqushibao, July 20, https://opinion.huanqiu.com/article/3z7cpeGwSBB