



# Delhi Policy Group

Advancing India's Rise as a Leading Power



## DPG China Monitor

SEPTEMBER 2020



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Delhi Policy Group

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

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### ABOUT US

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### DPG China Monitor

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

### Cover Photograph:

*Chinese State Councillor and Foreign Minister Wang Yi met Indian External Affairs Minister Dr. S. Jaishankar in Moscow on September 10, 2020.*

*Source: Xinhua*

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## Abstract

India-China standoff in Eastern Ladakh on India's Northern Borders continues for the fourth month running. Relations between the two countries plummeted to a new low when shots were fired along the Line of Control (LOC) for the first time in 45 years. Despite the tenuous situation on the borders, military and diplomatic channels of negotiations remained open and both countries engaged in talks aimed at de-escalation. However, further complicating matters, China later declared that it does not recognise the "Ladakh Union Territory illegally setup by India". India categorically rejected this claim, maintaining it has never accepted the so-called unilaterally defined 1959 Line of Actual Control (LAC)", which is a fact well-known to Beijing as well.

U.S.-China animosity pervaded multilateral fora as both lobbied to secure support of the international community. The China-Germany-EU leaders' summit meeting was held on September 14, with both sides deciding to establish a China-EU High Level Environment and Climate Dialogue and a China-EU High-Level Digital Cooperation Dialogue aimed at developing China-EU green and digital partnerships. An agreement was also signed on geographical indications (GIs) which would make "it easier for Chinese products to enter the EU market and vice versa."

On defence issues, China strongly criticised the annual China Military Power report of the U.S. Department of Defence for "distorting relations between the Communist Party of China (CPC) and the Chinese military" and exaggerating the "Chinese military threat." China also noted with concern the strengthening defence ties between India and the US and ideas to "formalise" the quadrilateral security dialogue modelled on the lines of NATO.

In the realm of internal security, the sentencing of Ren Zhiqiang, a prominent Chinese property mogul turned social critic, to 18 years in prison for criticising President Xi Jinping's handling of the Coronavirus crisis, attracted much international attention. China's economic data for August showed the growth rate of multiple indicators turning positive or close to positive for the first time in the year. While some Chinese commentaries interpreted these numbers as symbolic of "the significant advantages of the leadership of the Communist Party of China and socialism with Chinese characteristics", others flagged the issue of China's economic recovery leaving behind its migrant workers and small businesses. Meanwhile, preparations were in full swing to usher in the "14<sup>th</sup> Five Year Plan" that aims to start "a new journey of building a socialist modern country on the basis of building a well-off society in an all-round way", laying "a solid foundation" for China to achieve high-quality economic development during the 14th Five-Year Plan period and beyond.

## Foreign and Security Policy

### China-India Relations

Amidst the continuing standoff, now in its fourth month, relations plummeted to a new low when shots were fired along the Line of Control (LOC) for the first time in 45 years, in the aftermath of the Indian Army's operations to seize strategic heights overlooking the Spanggar Gap. Nonetheless, through the month, military and diplomatic channels remained open and both countries engaged in talks aimed at de-escalation. On August 31, the Indian Army made a [statement](#) that on the night of 29/30 August, it had thwarted the People's Liberation Army's (PLA) "provocative military movements to change the status quo" on the southern bank of Pangong Tso.<sup>1</sup> The Chinese Foreign Ministry spokesperson responded to India's statement denying any intrusion and [maintaining](#) that the PLA has "been strictly observing the Line of Actual Control and never crossed the line."<sup>2</sup> It also reported that amidst the skirmish, the Indian Army acquired control of strategic heights along the southern bank of Pangong Tso, Rechin La and Rezang La, locations that dominate the Moldo Gap and Chinese positions in the area.<sup>3</sup> Responding to India's so called provocative actions, the Chinese military representative [called](#) upon India to "immediately withdraw its troops" from the region, accusing India of "flagrant provocation" which "undermined the consensus reached in previous multi-level engagements and negotiations."<sup>4</sup>

While the situation along the border remained tense, ministers from both the countries used the Shanghai Cooperation Organisation (SCO) meeting to discuss the deteriorating border situation and the state of India-China relations. On September 4, Indian Defence Minister Rajnath Singh met his Chinese counterpart Wei Fenghe. Both maintained their respective country's stand and attributed the violation of bilateral consensus to the other party. India's Defence Minister [held](#) that Indian troops, although acting responsibly,

<sup>1</sup> Ministry of Defence, "Situation Update: Eastern Ladakh", Press Information Bureau, August 31, 2020, <https://pib.gov.in/PressReleasePage.aspx?PRID=1649940>

<sup>2</sup> Foreign Ministry Spokesperson Zhao Lijian's Regular Press Conference on August 31, 2020", Ministry of Foreign Affairs of the People's Republic of China, August 31, 2020, [https://www.fmprc.gov.cn/mfa\\_eng/xwfw\\_665399/s2510\\_665401/2511\\_665403/t1810783.shtml](https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1810783.shtml)

<sup>3</sup> Krishn Kaushik & Shubhajit Roy, "Indian moves in Chushul sector aimed at forcing complete China pullback", The Indian Express, September 3, 2020, <https://indianexpress.com/article/india/india-china-lac-standoff-talks-pangong-tso-6580923/#:~:text=Indian%20and%20Chinese%20brigade%20commanders,Rechin%20La%20near%20Rezang%20La.>

<sup>4</sup> Chinese military demands India withdraw troops illegally trespassing LAC", Xinhua, September 1, 2020, [http://www.xinhuanet.com/english/2020-09/01/c\\_139332402.htm](http://www.xinhuanet.com/english/2020-09/01/c_139332402.htm)

were determined to “protect India’s sovereignty and territorial integrity” from China’s “aggressive behaviour”.<sup>5</sup> Minister Wei Fenghe, on the other hand, “blamed India for the incidents”, [calling](#) Indian activities “infringing and provocative.”<sup>6</sup> Regardless of the stalemate, the leaders [expressed](#) a desire to “resolve the ongoing situation and outstanding issues in the border areas peacefully through dialogue.”<sup>7</sup>



Indian Defence Minister Rajnath Singh met his Chinese counterpart General Wei Fenghe in Moscow on September 4, 2020. Source: Twitter/@DefenceMinIndia

Nevertheless, tensions escalated on September 7, when shots were fired along the border for the first time in over four decades. The PLA [claimed](#) that Indian troops trespassed “into the Shenpaoshan area on the southern bank of the Pangong Lake” and also “brazenly made gunshot threat” in a “grave military

<sup>5</sup>“Raksha Mantri Shri Rajnath Singh meets Chinese Defence Minister at latter’s request on the sidelines of SCO meeting in Moscow”, Ministry of External Affairs of India, September 5, 2020, [https://mea.gov.in/press-releases.htm?dtl/32940/Raksha\\_Mantri\\_Shri\\_Rajnath\\_Singh\\_meets\\_Chinese\\_Defence\\_Minister\\_at\\_latters\\_request\\_on\\_the\\_sidelines\\_of\\_SCO\\_meeting\\_in\\_Moscow](https://mea.gov.in/press-releases.htm?dtl/32940/Raksha_Mantri_Shri_Rajnath_Singh_meets_Chinese_Defence_Minister_at_latters_request_on_the_sidelines_of_SCO_meeting_in_Moscow)

<sup>6</sup>“Chinese, Indian defense ministers discuss border tension in Moscow”, The State Council of PRC, September 5, 2020, [http://english.www.gov.cn/statecouncil/weifenghe/202009/05/content\\_WS5f537111c6d0f7257693b92a.html](http://english.www.gov.cn/statecouncil/weifenghe/202009/05/content_WS5f537111c6d0f7257693b92a.html)

<sup>7</sup>“Raksha Mantri Shri Rajnath Singh meets Chinese Defence Minister at latter’s request on the sidelines of SCO meeting in Moscow”, Ministry of External Affairs of India, September 5, 2020, [https://mea.gov.in/press-releases.htm?dtl/32940/Raksha\\_Mantri\\_Shri\\_Rajnath\\_Singh\\_meets\\_Chinese\\_Defence\\_Minister\\_at\\_latters\\_request\\_on\\_the\\_sidelines\\_of\\_SCO\\_meeting\\_in\\_Moscow](https://mea.gov.in/press-releases.htm?dtl/32940/Raksha_Mantri_Shri_Rajnath_Singh_meets_Chinese_Defence_Minister_at_latters_request_on_the_sidelines_of_SCO_meeting_in_Moscow)

provocation.”<sup>8</sup> The Indian side [maintained](#) that it was the PLA troops who tried to trespass and had “fired a few rounds in the air in an attempt to intimidate” Indian troops.<sup>9</sup> The Chinese media in its usual vituperative disinformation campaign attributed the tensions to India, [claiming](#) that over the year, New Delhi has “attempted to unilaterally change the status quo by force and undermined peace and stability in the border region” while also claiming Beijing has “kept maximum restraint to prevent potential escalation.”<sup>10</sup>

On September 10, another round of ministerial discussions took place between India’s External Affairs Minister S. Jaishankar and his Chinese counterpart State Councillor and Foreign Minister Wang Yi in Moscow, on the side-lines of the SCO meeting.<sup>11</sup> The two [agreed](#) that the “immediate task is to ensure a comprehensive disengagement of troops in all the friction areas” and arrived at a Five Point guidance that would help guide the disengagement process.<sup>12</sup> The [five points](#) were: following the [consensus](#) forged by leaders of the two countries; disengaging and maintaining distance; following “existing agreements and protocol on China-India boundary affairs”; continuing dialogue through “the Special Representative mechanism on the India-China boundary question” and the Working Mechanism for Consultation and Coordination on India-China border affairs (WMCC); and expediting “work to conclude new Confidence Building Measures.”<sup>13</sup>

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<sup>8</sup> Chen Zhuo, “India’s move is grave military provocation: Chinese military”, Ministry of National Defence of the People’s Republic of China, September 8, 2020, [http://eng.mod.gov.cn/news/2020-09/08/content\\_4870954.htm](http://eng.mod.gov.cn/news/2020-09/08/content_4870954.htm)

<sup>9</sup> “Situation in Eastern Ladakh”, Ministry of External Affairs of India, September 8, 2020, <https://mea.gov.in/press-releases.htm?dtl/32946/situation+in+eastern+ladakh>

<sup>10</sup> “Commentary: India must stop endangering stability in border with China”, Xinhua, September 9, 2020, [http://www.xinhuanet.com/english/2020-09/09/c\\_139356120.htm](http://www.xinhuanet.com/english/2020-09/09/c_139356120.htm)

<sup>11</sup> “Chinese, Indian FMs hold full, in-depth discussion on situation in border areas”, Xinhua, September 11, 2020, [http://www.xinhuanet.com/english/2020-09/11/c\\_139360139.htm](http://www.xinhuanet.com/english/2020-09/11/c_139360139.htm)

<sup>12</sup> “Meeting of EAM with the Chinese Foreign Minister”, Ministry of External Affairs of India, September 11, 2020, <https://mea.gov.in/press-releases.htm?dtl/32964/meeting+of+eam+with+the+chinese+foreign+minister>

<sup>13</sup> “Meeting of EAM with the Chinese Foreign Minister”, Ministry of External Affairs of India, September 11, 2020, [https://www.mea.gov.in/bilateral-documents.htm?dtl/32961/Joint\\_Press\\_Statement\\_Meeting\\_of\\_External\\_Affairs\\_Minister\\_and\\_the\\_Foreign\\_Minister\\_of\\_China\\_September\\_10\\_2020](https://www.mea.gov.in/bilateral-documents.htm?dtl/32961/Joint_Press_Statement_Meeting_of_External_Affairs_Minister_and_the_Foreign_Minister_of_China_September_10_2020)

Also see: “China, India reach consensus on easing border tensions”, Xinhua, September 11, 2020, [http://www.xinhuanet.com/english/2020-09/11/c\\_139360350.htm](http://www.xinhuanet.com/english/2020-09/11/c_139360350.htm)



Chinese State Councillor and Foreign Minister Wang Yi met Indian EAM S. Jaishankar in Moscow on September 10, 2020. Source: Xinhua

Amidst the continuing border tensions, on September 2, the Indian Ministry of Electronics and Information Technology [announced](#) a ban on 118 Chinese apps, claiming that their data mining was “hostile to national security and defence of India, which ultimately impinges upon the sovereignty and integrity of India.”<sup>14</sup> In response, the Chinese Ministry of Commerce [accused](#) New Delhi of imposing “discriminatory and restrictive measures against Chinese enterprises, violating the relevant rules and regulations of the World Trade Organization” which would also hurt “Indian consumers and the country’s investment environment as an open economy.”<sup>15</sup>

In an attempt to defuse tensions and to take the process of de-escalation and disengagement forward, New Delhi and Beijing held a total of 6 rounds of commander-level talks this month. On September 22, the latest round of talks was held between Senior Military Commanders, which included diplomatic representatives from both sides for the first time. Following 15 hours of talks, a joint press [statement](#) was issued committing both sides to “implement the important consensus reached by the leaders of the two countries, strengthen

<sup>14</sup> Ministry of Electronics and IT, “Government Blocks 118 Mobile Apps Which are Prejudicial to Sovereignty and Integrity of India, Defence of India, Security of State and Public Order”, Press Information Bureau, September 2, 2020, <https://pib.gov.in/PressReleasePage.aspx?PRID=1650669>

<sup>15</sup> “China firmly opposes India's ban on 118 Chinese apps: ministry”, Xinhua, September 3, 2020, [http://www.xinhuanet.com/english/2020-09/03/c\\_139340531.htm](http://www.xinhuanet.com/english/2020-09/03/c_139340531.htm)



communication on the ground, avoid misunderstandings and misjudgements, stop sending more troops to the frontline, refrain from unilaterally changing the situation on the ground, and avoid taking any actions that may complicate the situation.”<sup>16</sup> There was also agreement to hold a 7<sup>th</sup> round of talks in the near future.<sup>17</sup> Although attempts towards de-escalation are underway, going by the current pace of negotiations, it is apparent that there is little willingness on the Chinese side to withdraw troops, even as both sides realise that the standoff has the potential to become a bloody war of attrition. As a result, both sides have begun to focus upon logistical preparations for meeting harsh conditions in the remote Himalayan region.<sup>18</sup>

Amidst the above developments, in a provocative move, on September 29, the Chinese Foreign Ministry spokesperson [maintained](#) that “China doesn't recognize the so-called Ladakh Union Territory, illegally set up by India and opposes infrastructure building aimed at military contention in disputed border areas.”<sup>19</sup> Categorically rejecting the Chinese claim, India [stated](#) that it “has never accepted the so-called unilaterally defined 1959 Line of Actual Control (LAC)”, which is a fact well-known to Beijing as well.<sup>20</sup> New Delhi clarified that contrary to Beijing's allegations, “it is the Chinese side which by its attempts to transgress the LAC in various parts of the Western Sector, has tried to unilaterally alter the status quo.”<sup>21</sup>

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<sup>16</sup> “Joint Press Release of the 6th round of Senior Commanders 'Meeting between India and China”, Ministry of External Affairs of India, September 22, 2020, <https://mea.gov.in/press-releases.htm?dtl/33047/Joint+Press+Release+of+the+6th+round+of+Senior+Commanders+Meeting+between+India+and+China>

<sup>17</sup> “Joint Press Release of the 6th round of Senior Commanders 'Meeting between India and China”, Ministry of External Affairs of India, September 22, 2020, <https://mea.gov.in/press-releases.htm?dtl/33047/Joint+Press+Release+of+the+6th+round+of+Senior+Commanders+Meeting+between+India+and+China>

<sup>18</sup> “China, India sending supplies for thousands of border troops ahead of brutal winter”, South China Morning Post, September 25, 2020, <https://www.scmp.com/news/china/diplomacy/article/3102927/china-india-send-supplies-thousands-border-troops-ahead-brutal>

<sup>19</sup> “Foreign Ministry Spokesperson Wang Wenbin's Regular Press Conference on September 29, 2020”, Ministry of Foreign Affairs of the People's Republic of China, September 29, 2020, [https://www.fmprc.gov.cn/mfa\\_eng/xwfw\\_665399/s2510\\_665401/2511\\_665403/t1820149.shtml](https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1820149.shtml)

<sup>20</sup> “Official Spokesperson's response to queries on the recent media report quoting a Chinese Foreign Ministry statement regarding China's position on the LAC”, Ministry of External Affairs of India, September 29, 2020, <https://mea.gov.in/response-to-queries.htm?dtl/33074/Official+Spokespersons+response+to+queries+on+the+recent+media+report+quoting+a+Chinese+Foreign+Ministry+statement+regarding+Chinas+position+on+the+LAC>

<sup>21</sup> “Official Spokesperson's response to queries on the recent media report quoting a Chinese Foreign Ministry statement regarding China's position on the LAC”, Ministry of External

## China-U.S. Relations

During the month, the China-U.S. competition pervaded in various high-level meetings and summits. The meeting of SCO chaired by Russia became one such platform. While in Moscow for the SCO meeting, Foreign Minister Wang Yi [accused](#) the U.S. of interfering in its internal affairs, claiming that Washington had “gone too far.”<sup>22</sup> He also [maintained](#) that China had never “interfered in the internal affairs of other countries” including the U.S.<sup>23</sup> Minister Wang Yi at the meeting of the SCO Council of Foreign Ministers took to [brand](#) the U.S. as the “biggest destroyer of the contemporary international order” by “stubbornly sticking to the America First policy”, consequently harming the spirit of multilateralism.<sup>24</sup>



Chinese State Councillor and Foreign Minister Wang Yi attended the Shanghai Cooperation Organization (SCO) Council of Foreign Ministers' meeting in Moscow on September 10, 2020. Source: Ministry of Foreign Affairs of the People's Republic of China

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Affairs of India, September 29, 2020, <https://mea.gov.in/response-to-queries.htm?dtl/33074/Official+Spokespersons+response+to+queries+on+the+recent+media+report+quoting+a+Chinese+Foreign+Ministry+statement+regarding+Chinas+position+on+the+LAC>

<sup>22</sup> “China never interferes in U.S. internal affairs: Chinese FM”, Xinhua, September 12, 2020, [http://www.xinhuanet.com/english/2020-09/12/c\\_139362570.htm](http://www.xinhuanet.com/english/2020-09/12/c_139362570.htm)

<sup>23</sup> China never interferes in U.S. internal affairs: Chinese FM”, Xinhua, September 12, 2020, [http://www.xinhuanet.com/english/2020-09/12/c\\_139362570.htm](http://www.xinhuanet.com/english/2020-09/12/c_139362570.htm)

<sup>24</sup>“ SCO should prevent world back to “law of the jungle”: Chinese FM, Xinhua, September 10, 2020, [http://www.xinhuanet.com/english/2020-09/10/c\\_139359037.htm](http://www.xinhuanet.com/english/2020-09/10/c_139359037.htm)

Video meetings hosted by ASEAN offered another opportunity for the U.S.-China spat. During the ASEAN-China Foreign Ministers meeting, Minister Wang Yi [called](#) on the U.S. to accommodate the “historical trend toward multipolarity in the world.”<sup>25</sup> Cautioning the U.S., he [maintained](#) that any “unilateral bullying attempts to retain a monopoly position, sabotage other countries’ development achievements” were “doomed to fail.”<sup>26</sup> The U.S. Secretary of State Pompeo during his meeting with the ASEAN Foreign Ministers on the other hand voiced his [objection](#) towards Beijing’s “aggressive campaigns” in the South China Sea and urged the ASEAN to support the U.S. in its stand against China in the region.<sup>27</sup> Chinese media [chastised](#) Secretary Pompeo’s statement and accused him of attempting to “sow discord between China and its neighbours.”<sup>28</sup> The dispute over the South China Sea also featured at the 10<sup>th</sup> East Asia Summit Foreign Ministers Meeting, where Minister Wang [rebuked](#) the US for being the “biggest driver of militarization of the South China Sea and the most dangerous factor damaging peace in the area.”<sup>29</sup> He [accused](#) the U.S. of “flaunting its force” and interfering in the region for its own political gains.<sup>30</sup>

On August 24, U.S. Secretary of Defence Mark Esper wrote an [article](#) accusing the PLA of serving not the country, but “a political entity, the Chinese Communist Party.”<sup>31</sup> He [called](#) upon other countries “to make sure they are not helping advance the Communist Party’s malign agenda.”<sup>32</sup> The Chinese military [condemned](#) the article, accusing it of attempting to “sever the close ties between the Chinese military and the people.”<sup>33</sup> A PLA spokesperson [claimed](#) that “the PLA shares the purpose of the Party, which is to wholeheartedly serve

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<sup>25</sup>“China urges U.S. to follow historical trend toward multi-polar world”, Xinhua, September 10, 2020, [http://www.xinhuanet.com/english/2020-09/10/c\\_139356546.htm](http://www.xinhuanet.com/english/2020-09/10/c_139356546.htm)

<sup>26</sup>“China urges U.S. to follow historical trend toward multi-polar world”, Xinhua, September 10, 2020, [http://www.xinhuanet.com/english/2020-09/10/c\\_139356546.htm](http://www.xinhuanet.com/english/2020-09/10/c_139356546.htm)

<sup>27</sup> “Commentary: Washington’s futile attempt on South China Sea”, Xinhua, September 12, 2020, [http://www.xinhuanet.com/english/2020-09/12/c\\_139363446.htm](http://www.xinhuanet.com/english/2020-09/12/c_139363446.htm)

<sup>28</sup> “Commentary: Washington’s futile attempt on South China Sea”, Xinhua, September 12, 2020, [http://www.xinhuanet.com/english/2020-09/12/c\\_139363446.htm](http://www.xinhuanet.com/english/2020-09/12/c_139363446.htm)

<sup>29</sup>“U.S. becoming biggest driver of militarization in South China Sea: Chinese FM”, Xinhua, September 10, 2020, [http://www.xinhuanet.com/english/2020-09/10/c\\_139356567.htm](http://www.xinhuanet.com/english/2020-09/10/c_139356567.htm)

<sup>30</sup> U.S. becoming biggest driver of militarization in South China Sea: Chinese FM”, Xinhua, September 10, 2020, [http://www.xinhuanet.com/english/2020-09/10/c\\_139356567.htm](http://www.xinhuanet.com/english/2020-09/10/c_139356567.htm)

<sup>31</sup> Mark Esper, “The Pentagon Is Prepared for China”, The Wall Street Journal, August 24, 2020, <https://www.wsj.com/articles/the-pentagon-is-prepared-for-china-11598308940>

<sup>32</sup> Mark Esper, “The Pentagon Is Prepared for China”, The Wall Street Journal, August 24, 2020, <https://www.wsj.com/articles/the-pentagon-is-prepared-for-china-11598308940>

<sup>33</sup>“China slams U.S. defense secretary’s article on Chinese army”, Xinhua, September 7, 2020, [http://www.xinhuanet.com/english/2020-09/07/c\\_139349730.htm](http://www.xinhuanet.com/english/2020-09/07/c_139349730.htm)

the people.”<sup>34</sup> Additionally, David Stilwell from the U.S.’s Bureau East Asian and Pacific Affairs made a [statement](#) labelling Taiwan as one of America’s “most-reliable partners in the Indo-Pacific,” praising Taipei for exemplifying the idea that “no one person, no one party, can monopolize the minds and thoughts of all ethnic Chinese people.”<sup>35</sup> The [statement](#) also announced the establishment of a U.S.-Taiwan bilateral economic dialogue.<sup>36</sup> This induced a sharp reaction from Beijing which claimed that U.S.-Taiwan bilateral ties violated “the one-China principle” which is a “fundamental precondition for the establishment and development of China-U.S. diplomatic ties.”<sup>37</sup> In reference to the statement, the Foreign Ministry also [maintained](#) that “nobody should underestimate China’s firm resolve and determination to safeguard national sovereignty and territorial integrity.”<sup>38</sup>

Over the month, diplomatic sanctions were also wielded in the context of the U.S.-China power struggle. On September 2, in “a direct response to the excessive restraints already placed on our [American] diplomats by the PRC”, the U.S. State Department issued a [statement](#) tightening restrictions on Chinese diplomats by requiring them to “receive prior approval to visit U.S. university campuses and to meet local government officials.”<sup>39</sup> Chinese Foreign Ministry [moved](#) the U.S. to revoke the decision as it was “sabotaging bilateral ties” and also warned that “China will make a justified and necessary response in light of the situation.”<sup>40</sup>

Visa status of journalists and the treatment of press has been another point of contention between U.S. and China for the past few months. The issue came into contention this month as well, when China [implored](#) the U.S. to extend visas of Chinese journalists working in the country while denying

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<sup>34</sup> “China slams U.S. defense secretary’s article on Chinese army”, Xinhua, September 7, 2020, [http://www.xinhuanet.com/english/2020-09/07/c\\_139349730.htm](http://www.xinhuanet.com/english/2020-09/07/c_139349730.htm)

<sup>35</sup> David R. Stilwell, “The United States, Taiwan, and the World: Partners for Peace and Prosperity”, U.S. Department of State, August 31, 2020, <https://www.state.gov/The-United-States-Taiwan-and-the-World-Partners-for-Peace-and-Prosperity/>

<sup>36</sup> David R. Stilwell, “The United States, Taiwan, and the World: Partners for Peace and Prosperity”, U.S. Department of State, August 31, 2020, <https://www.state.gov/The-United-States-Taiwan-and-the-World-Partners-for-Peace-and-Prosperity/>

<sup>37</sup> “China urges U.S. to cease official contact with Taiwan”, Xinhua, September 1, 2020, [http://www.xinhuanet.com/english/2020-09/01/c\\_139334902.htm](http://www.xinhuanet.com/english/2020-09/01/c_139334902.htm)

<sup>38</sup> “China urges U.S. to cease official contact with Taiwan”, Xinhua, September 1, 2020, [http://www.xinhuanet.com/english/2020-09/01/c\\_139334902.htm](http://www.xinhuanet.com/english/2020-09/01/c_139334902.htm)

<sup>39</sup> Michael R. Pompeo, “Advancing Reciprocity in U.S.- China Diplomatic Relations”, U.S. Department of State, September 2, 2020, <https://www.state.gov/advancing-reciprocity-in-u-s-china-diplomatic-relations/>

<sup>40</sup> “China urges U.S. to immediately withdraw restrictions on Chinese diplomats”, Xinhua, September 3, 2020, [http://www.xinhuanet.com/english/2020-09/03/c\\_139340514.htm](http://www.xinhuanet.com/english/2020-09/03/c_139340514.htm)

Washington's accusations regarding Beijing not renewing visas of American journalists.<sup>41</sup> Despite dismissing claims of retaliation, a Foreign Ministry spokesperson [threatened](#) that China may be "compelled to take necessary and justified response to firmly safeguard its legitimate interests."<sup>42</sup> The spokesperson also warned that "if the United States cares about their journalists in China, they should extend visas for all Chinese journalists."<sup>43</sup> This month, the media also got embroiled in the Sino-American competition. On September 9, Secretary of State Michael Pompeo made a [statement](#) criticising Chinese media outlet People's Daily for refusing to publish an op-ed by the American Ambassador to Beijing.<sup>44</sup> He [attributed](#) this conduct to the CCP's "fear of free speech and serious intellectual debate- as well as Beijing's hypocrisy when it complains about lack of fair and reciprocal treatment in other countries."<sup>45</sup> People's Daily [protested](#) the statement and defended its decision by saying that the article was not only "full of loopholes and serious inconsistencies with the facts", but also "filled with prejudice."<sup>46</sup>

Additionally, the Chinese Foreign Ministry also admonished Secretary Pompeo's comment about the CCP using the COVID-19 crisis to weaken democracy. A spokesperson for the Ministry responded by discrediting the U.S. for their handling of the pandemic while [maintaining](#) that "Chinese people, under the leadership of the CPC, adopted the most comprehensive, rigorous and thorough prevention and control measures" against COVID-19.<sup>47</sup>

Furthermore, earlier this month, during the first International Seminar on Global Digital Governance in Beijing, Minister Wang Yi [introduced](#) Beijing's Global Initiative on Data Security which attempts to "build a peaceful, safe, open, cooperative and orderly cyberspace with view to deal with emerging

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<sup>41</sup> "China urges U.S. to extend Chinese journalists' visas", Xinhua, September 7, 2020, [http://www.xinhuanet.com/english/2020-09/07/c\\_139349932.htm](http://www.xinhuanet.com/english/2020-09/07/c_139349932.htm)

<sup>42</sup> "China urges U.S. to extend Chinese journalists' visas", Xinhua, September 7, 2020, [http://www.xinhuanet.com/english/2020-09/07/c\\_139349932.htm](http://www.xinhuanet.com/english/2020-09/07/c_139349932.htm)

<sup>43</sup> "China urges U.S. to extend Chinese journalists' visas", Xinhua, September 7, 2020, [http://www.xinhuanet.com/english/2020-09/07/c\\_139349932.htm](http://www.xinhuanet.com/english/2020-09/07/c_139349932.htm)

<sup>44</sup> Michael R. Pompeo, "The Hypocrisy of the PRC's Propaganda System", U.S. Department of State, September 9, 2020, <https://www.state.gov/the-hypocrisy-of-the-prcs-propaganda-system/>

<sup>45</sup> Michael R. Pompeo, "The Hypocrisy of the PRC's Propaganda System", U.S. Department of State, September 9, 2020, <https://www.state.gov/the-hypocrisy-of-the-prcs-propaganda-system/>

<sup>46</sup> "People's Daily spokesperson strongly protests Pompeo's statement", People's Daily, September 10, 2020, <http://en.people.cn/n3/2020/0910/c90000-9759096.html>

<sup>47</sup> "China urges some U.S. politicians to shed arrogance, bias", Xinhua, September 12, 2020, [http://www.xinhuanet.com/english/2020-09/12/c\\_139361910.htm](http://www.xinhuanet.com/english/2020-09/12/c_139361910.htm)

issues and challenges.”<sup>48</sup> This initiative is meant to counter the U.S. led “[Clean Network Program](#)” which is directed at “countering intrusion” from the CCP with regard to data security.<sup>49</sup>



Chinese State Councillor and Foreign Minister Wang Yi delivered a keynote speech at the International Seminar on Global Digital Governance on September 8, 2020.

Source: Global Times

The continuing battle of accusation and rhetoric signifies rapid unravelling of diplomatic relations. From all accounts the acrimony between the two countries is likely to only intensify, at least in the run up to the U.S. presidential elections in early November, 2020.

### China-EU Relations

To mark the [completion](#) of 45 years of diplomatic ties between China and the EU, China, Germany and EU leaders met on September 14;<sup>50</sup> in a high level summit attended by Chinese President Xi Jinping, German Chancellor Angela

<sup>48</sup> “China Focus: China proposes “Global Initiative on Data Security””, Xinhua, September 8, 2020, [http://www.xinhuanet.com/english/2020-09/08/c\\_139353373.htm](http://www.xinhuanet.com/english/2020-09/08/c_139353373.htm)

<sup>49</sup> Michael R Pompeo, “Announcing the Expansion of the Clean Network to Safeguard America’s Assets”, U.S. Department of State, September 5, 2020, <https://www.state.gov/announcing-the-expansion-of-the-clean-network-to-safeguard-americas-assets/>

<sup>50</sup> “Economic Watch: China, EU broaden prospects for future cooperation”, Xinhua, September 15, 2020, [http://www.xinhuanet.com/english/2020-09/15/c\\_139370728.htm](http://www.xinhuanet.com/english/2020-09/15/c_139370728.htm)

Merkel, European Council President Charles Michel and European Commission President Ursula von der Leyen.

The meeting [resulted](#) in a decision to establish China-EU High Level Environment, Climate and Digital Cooperation Dialogues aimed at developing China-EU green and digital partnerships.<sup>51</sup> The leaders also [signed](#) an agreement on geographical indications (GIs) which would make “it easier for Chinese products to enter the EU market and vice versa.”<sup>52</sup> The [agreement](#) is China’s first major bilateral agreement regarding GIs and also marks the first high-profile trade agreement between China and EU in the recent past.<sup>53</sup> The leaders also [committed](#) to expediting negotiations surrounding the China-EU Bilateral Investment Treaty with the aim of completing the talks this year.<sup>54</sup> Commenting on the decision, the Chinese Ministry of Commerce [revealed](#) that the 32<sup>nd</sup> round of negotiations for the agreement will commence shortly.<sup>55</sup>

The meeting was projected in China as a successful stride in the Beijing-EU relations as it “injected confidence into the bilateral relationship and opened up new areas for collaboration.”<sup>56</sup> However, [analysis](#) by international experts suggest that the meeting was “disappointing” to the Chinese leadership, given that they were aiming at “larger geostrategic goals of firstly, preventing the creation of a united transatlantic front against China, after recent visits to Western and Central Europe by U.S. Secretary of State Mike Pompeo and National Security Adviser Robert O’Brien, secondly, attaining the goal of reassuring Europeans after souring of relations over the Chinese handling of coronavirus” - which largely remained unmet<sup>57</sup>.

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<sup>51</sup> “Xi co-hosts China-Germany-EU leaders’ meeting via video link”, Xinhua, September 15, 2020, [http://www.xinhuanet.com/english/2020-09/15/c\\_139368204.htm](http://www.xinhuanet.com/english/2020-09/15/c_139368204.htm)

<sup>52</sup> “Economic Watch: China, EU broaden prospects for future cooperation”, Xinhua, September 15, 2020, [http://www.xinhuanet.com/english/2020-09/15/c\\_139370728.htm](http://www.xinhuanet.com/english/2020-09/15/c_139370728.htm)

<sup>53</sup> “Economic Watch: China, EU broaden prospects for future cooperation”, Xinhua, September 15, 2020, [http://www.xinhuanet.com/english/2020-09/15/c\\_139370728.htm](http://www.xinhuanet.com/english/2020-09/15/c_139370728.htm)

<sup>54</sup> “Xinhua Headlines: China-Germany-EU leaders’ meeting charts course for development of ties amid COVID-19 pandemic”, Xinhua, September 15, 2020, [http://www.xinhuanet.com/english/2020-09/15/c\\_139368220.htm](http://www.xinhuanet.com/english/2020-09/15/c_139368220.htm)

<sup>55</sup> “China, EU to hold 32nd round of investment treaty negotiations”, Xinhua, September 17, 2020, [http://www.xinhuanet.com/english/2020-09/17/c\\_139376539.htm](http://www.xinhuanet.com/english/2020-09/17/c_139376539.htm)

<sup>56</sup> “Economic Watch: China, EU broaden prospects for future cooperation”, Xinhua, September 15, 2020, [http://www.xinhuanet.com/english/2020-09/15/c\\_139370728.htm](http://www.xinhuanet.com/english/2020-09/15/c_139370728.htm)

<sup>57</sup> Philippe Le, Corre John Ferguson, “China’s Diplomatic Duo Fails to Engineer a Successful Summit with Europe”, The National Interest, September 21, 2020, <https://nationalinterest.org/blog/china%E2%80%99s-diplomatic-duo-fails-engineer-successful-summit-europe-169168>



Chinese President Xi Jinping attended the China-Germany-EU leaders' meeting with German Chancellor Angela Merkel, European Council President Charles Michel and European Commission President Ursula von der Leyen on September 14, 2020.

Source: Xinhua

## Defence

On September 1, the U.S. Department of Defence released its annual China Military Power [Report](#) which provided an assessment of the "contours of China's national strategy, its approach to security and military affairs, and potential changes in the PRC's armed forces over the next 20 years."<sup>58</sup> The detailed [report](#) among others observed that the CCP's goals "have serious implications for U.S. national interests."<sup>59</sup> A spokesperson for the Chinese Defence Ministry opposed the American report [saying](#) that it had "distorted relations between the Communist Party of China (CPC) and the Chinese military" and has exaggerated the "Chinese military threat."<sup>60</sup> He [maintained](#) that "upholding the Party's leadership is the soul of the PLA and the PLA is committed to whole-heartedly serving the people."<sup>61</sup> Chinese state media also [criticised](#) the report as a "major avenue to peddle America's China threat

<sup>58</sup> <https://media.defense.gov/2020/Sep/01/2002488689/-1/-1/1/2020-DOD-CHINA-MILITARY-POWER-REPORT-FINAL.PDF>

<sup>59</sup> "Military and Security Developments Involving the People's Republic of China 2020", Office of the Secretary of Defence, September 1, 2020, <https://media.defense.gov/2020/Sep/01/2002488689/-1/-1/1/2020-DOD-CHINA-MILITARY-POWER-REPORT-FINAL.PDF>

<sup>60</sup> "China firmly opposes U.S. report on Chinese military: defense spokesman", Xinhua, September 13, 2020, [http://www.xinhuanet.com/english/2020-09/13/c\\_139365341.htm](http://www.xinhuanet.com/english/2020-09/13/c_139365341.htm)

<sup>61</sup> "China firmly opposes U.S. report on Chinese military: defense spokesman", Xinhua, September 13, 2020, [http://www.xinhuanet.com/english/2020-09/13/c\\_139365341.htm](http://www.xinhuanet.com/english/2020-09/13/c_139365341.htm)



theory" which is nothing more than a trick to "demand more appropriations from the U.S. Congress."<sup>62</sup> Chinese strategists also criticised US Defence Secretary Mark Esper's speech hosted by the RAND Corporation on September 16, where he urged all US allies to increase defence spending to at least 2% of GDP, a demand the US administration only made on NATO members previously. "Washington's request for all allies to increase defence budget is tantamount to stirring up a global arms race and destroying the current international order," [mentioned](#) an article in China Military Online.

On the other hand, China noted with concern the strengthening defence ties between India and the US and the recent US proposal to "formalise" the quadrilateral security dialogue and establish a closer relationship modelled on the lines of NATO. Chinese strategists, under playing the development, argued that the Indo-Pacific is a [pipe-dream](#) and that the members of the quadrilateral security dialogue are still divided on this issue.

### Internal Security

In less than a month after the expulsion of former Central Party School professor Cai Xia from the Chinese Communist Party made international headlines for her criticism of the CCP and Chinese President Xi Jinping, a similar case resurfaced this month. Ren Zhiqiang, a prominent Chinese property mogul turned social critic was sentenced to 18 years in prison and fined \$620,000 for criticising Chinese President Xi Jinping's handling of the Corona Virus crisis. China's state media highlighted that he was charged with corruption, bribe taking and misappropriation of public [funds](#)<sup>63</sup>.

International media [believes](#) that the case was more about political retribution (Xi's purge of his political enemies) than graft. The harsh punishment is meant to send a warning to other disgruntled party members to toe the line and not challenge President Xi's authority. Such back-to-back instances of political purges in China is being argued as indicative of growing dissent against Xi's authoritarian rule among important Chinese Communist Party elites<sup>64</sup>.

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<sup>62</sup>" Commentary: Lies, conspiracies behind Pentagon's China military report", Xinhua, September 5, 2020, [http://www.xinhuanet.com/english/2020-09/05/c\\_139345037.htm](http://www.xinhuanet.com/english/2020-09/05/c_139345037.htm)

<sup>63</sup> "Former property tycoon Ren Zhiqiang sentenced to 18 years for corruption, bribery, abuse of power", Global Times, September 22, 2020, <https://www.globaltimes.cn/content/1201662.shtml>

<sup>64</sup> "Tycoon who denounced China's leader over coronavirus is sentenced to 18 years in prison", The Washington Post, September 22, 2020, [https://www.washingtonpost.com/world/asia\\_pacific/tycoon-who-denounced-chinas-leader-over-coronavirus-is-sentenced-to-18-years-in-prison/2020/09/22/1faa9fc8-fc8a-11ea-b0e4-350e4e60cc91\\_story.html](https://www.washingtonpost.com/world/asia_pacific/tycoon-who-denounced-chinas-leader-over-coronavirus-is-sentenced-to-18-years-in-prison/2020/09/22/1faa9fc8-fc8a-11ea-b0e4-350e4e60cc91_story.html)

## Economy

On the September 15, China's National Bureau of Statistics released China's economic data for August, which showed the growth rate of multiple indicators like total retail sales of consumer goods, the cumulative growth rate of value-added of the industrial enterprises above designated size, the cumulative growth rate of goods exported and the cumulative increase in fixed asset investment turning positive or close to positive for the first time in the year.

On September 15, Premier Li Keqiang while making a speech at the World Economic Forum Global Entrepreneurs Special Dialogue expressed confidence in China's economic development, emphasising, it can achieve annual expected goals while maintaining positive growth throughout the year.

Chinese strategic community argued that the economic numbers not only fully demonstrates the resilience and vitality of the Chinese economy but also proves that "the Party Central Committee's judgment on the epidemic situation is accurate, all work arrangements are timely, and the measures taken are effective", symbolising the significant advantages of the leadership of the Communist Party of China and socialism with Chinese characteristics. However, some [Chinese](#)<sup>65</sup> as well as [international economic commentators](#)<sup>66</sup> have questioned China's economic figures, arguing that even though the Chinese economy as a whole has been recovering, it is leaving behind its migrant workers and small businesses, who have been severely impacted by economic downturn. They cautioned that such "unbalanced economic recovery can trigger new instability".

As a part of its [policy](#) of further reform and opening up in the new era, China's State Council announced an overall plan for Beijing, Hunan, and Anhui Pilot Free Trade Zones and the expansion plan of the Zhejiang Pilot Free Trade Zone<sup>67</sup>. On the other hand, to spur domestic consumption China is now working on a mission mode to double the size of its [middle-income](#) group or middle class group from 400 million to about 800 million in the next 15 years. Towards this end, a new urban construction plan, with the possibility of lifting

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<sup>65</sup> "China's two-speed economic recovery leaves migrant workers and small businesses lagging behind", South China Morning Post, September 26, 2020, <https://www.scmp.com/economy/china-economy/article/3102861/chinas-two-speed-economic-recovery-leaves-migrant-workers-and>

<sup>66</sup> "A Tale of Two Chinese Economies", Wall Street Journal, September 25, 2020, <https://www.wsj.com/articles/a-tale-of-two-chinese-economies-11601075108>

<sup>67</sup> "自贸区扩容，中国开放坚定不移," Huanqiushibao, September 22, 2020, [http://views.ce.cn/view/ent/202009/22/t20200922\\_35789524.shtml](http://views.ce.cn/view/ent/202009/22/t20200922_35789524.shtml)

the “Hukou” system and settling nearly 100 million non-registered population in various Chinese cities was widely discussed during the month<sup>68</sup>.

Meanwhile, Chinese strategic community was furious over the agreement reached between TikTok’s parent company ByteDance with Oracle and Wal-Mart on September 20. They called it an “[Unequal Treaty](#)” against Chinese companies which is “unacceptable” to Beijing<sup>69</sup>. Meanwhile, on September 27, a judge from United States District Court for the District of Columbia, temporarily blocked an order from the Trump administration that would have banned TikTok from being downloaded from U.S. app stores<sup>70</sup>.

### Chinese Communist Party

Preparations are in full swing within the party circles to usher in the “14<sup>th</sup> Five Year Plan”, the first five-year plan where China is expected to start “a new journey of building a socialist modern country on the basis of building a well-off society in an all-round way”. On September 22, President Xi Jinping hosted a [symposium](#) in Beijing of experts in education, culture, health and sports to listen to their opinions and suggestions on issues concerning economic and social development during the “14th Five-Year Plan” period<sup>71</sup>. On September 17, he presided over a grass-root representative symposium in China’s Hunan province, to discuss the arrangements for initiating the “14th Five-Year Plan”, where he emphasised the need to unify the top-level designs with people’s wishes and expectations. Before this, on September 11, at a symposium of scientists, Xi made suggestions for promoting innovation-driven development and accelerating the pace of China’s technological innovation during the “14th Five-Year Plan” [period](#) and beyond. These interactions are part of a series of meetings that are being held since June this year to brainstorm and lay “a solid foundation for achieving high-quality development during the 14th Five-Year Plan period”<sup>72</sup>.

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<sup>68</sup> “实现“中产倍增”的密码，藏在这里”，Huanqiu Shibao, September 22, 2020, [http://views.ce.cn/view/ent/202009/22/t20200922\\_35789518.shtml](http://views.ce.cn/view/ent/202009/22/t20200922_35789518.shtml)

<sup>69</sup> “对美国巧取豪夺 TikTok 说不”，Huanqiu Shibao, September 22, 2020, [http://views.ce.cn/view/ent/202009/22/t20200922\\_35789512.shtml](http://views.ce.cn/view/ent/202009/22/t20200922_35789512.shtml)

<sup>70</sup> “Judge blocks Trump administration’s ban on new TikTok downloads from U.S. app stores”, CNBC, September 27, 2020, <https://www.cnbc.com/2020/09/28/tiktok-ban-judge-blocks-order-banning-downloads-from-us-app-stores-.html>

<sup>71</sup> “让“十四五”规划更暖心”，Guangming Daily, September 24, 2020, [http://views.ce.cn/view/ent/202009/24/t20200924\\_35806041.shtml](http://views.ce.cn/view/ent/202009/24/t20200924_35806041.shtml)

<sup>72</sup> “把加强顶层设计和坚持问计于民统一起来”，Qiushi, September 21, 2020, [http://views.ce.cn/view/ent/202009/21/t20200921\\_35784572.shtml](http://views.ce.cn/view/ent/202009/21/t20200921_35784572.shtml)



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