

China Monitor NOVEMBER 2023

Authors Arun Sahgal Angana Guha Roy Sanket Joshi

Volume VI, Issue 11



Delhi Policy Group Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003 www.delhipolicygroup.org



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China Monitor

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

Cover Photograph:

Prime Minister of India, Narendra Modi, delivers inaugural statement at the Virtual G20 Summit on November 22, 2023. Source: <u>PM India</u>

Chinese President Xi Jinping and US President Joe Biden met at Filoli Estate in California on November 15, 2023. Source: <u>Official X Handle/President Biden</u>

Chinese President Xi Jinping addressed the 30th APEC Economic Leaders' Meeting in San Francisco on November 17, 2023. Source: <u>Ministry of Foreign Affairs of the People's Republic of China</u>

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Abstract

As the Indian Army prepares for a winter posture, it is reviewing troop deployment along the LAC in Eastern Ladakh. On November 30, 2023, India and China held the 28th Meeting of the "Working Mechanism for Consultation and Coordination on India-China Border Affairs" (WMCC). The two sides discussed proposals to achieve complete disengagement in Eastern Ladakh, and agreed to hold the next round of Senior Military Commanders' Meeting as soon as possible.

As China continues its assertions both along the land border with India and in the maritime domain, India has stepped up its defence capability development, with the Defence Acquisition Council clearing several major proposals for the purchase of military hardware.

On November 15, 2023, Dr. S. Jaishankar, Minister of External Affairs, in an address at the Indian High Commission in London spoke about the current trajectory of India-China relations. While acknowledging China's rise, Dr. Jaishankar asserted that India's rise too was equally significant.

Chinese Premier Li Qiang addressed the virtual G20 Leaders' Summit hosted by India on November 22, 2023. In his remarks, Li underscored the importance of cooperation for development and the need to accelerate efforts to promote global economic growth through an open world economy.

On November 10, 2023, China's State Council Information Office released a White Paper entitled "CPC Policies on the Governance of Xizang (Tibet) in the New Era: Approach and Achievements". The White Paper mentions four main priorities for the region, which include stability, facilitating development, protecting the eco-environment, and strengthening the borders.

Pakistan has formally applied for "BRICS" membership, a move that is unlikely to find acceptance in India as Pakistan does not meet the basic criteria of being a leading emerging economy. China is backing Pakistan to try and create a Sino-centric bloc within BRICS and enhance its influence. Between November 11-17, 2023, China and Pakistan held a joint naval exercise titled "Sea Guardians", the aim was to demonstrate a commitment to safeguard the CPEC and strengthen anti-access/area denial capabilities in the Arabian Sea.

Amidst their growing strategic competition, Chinese President Xi Jinping and US President Joe Biden met in San Francisco on November 15, 2023. President Xi called upon the two countries to develop a correct understanding of each other, properly manage differences, and strengthen dialogue and cooperation.



The two sides agreed to resume military dialogue at various levels, and to strengthen bilateral cooperation in areas such as climate change and artificial intelligence.

Addressing the 30th Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting in San Francisco on November 17, President Xi highlighted APEC's role in promoting trade and investment liberalisation in the Asia-Pacific, calling on the forum to usher in another "golden 30 years" for the region's development. Towards this, Xi called upon APEC member-states to remain committed to innovation-driven, open, inclusive, and green development that benefits all.

Chinese Foreign Minister, Wang Yi, stressed that President Xi's visit to the US has given Asia-Pacific cooperation a new impetus and has added stability to the China-US relations. However, in a post-summit press conference, President Biden once again referred to President Xi as a "dictator" for being a leader of a communist country, while US Defence Secretary Austin reaffirmed Washington's commitment to strengthening military ties with Taiwan.

As tensions between China and the Philippines escalate, the US and Australia conducted joint patrols with the Philippines in the South China Sea in a show of solidarity. Beijing reacted sharply, highlighting that such actions by outside forces sabotaged regional peace and stability. On its part, China conducted joint military exercise "Aman Youyi-2023", which involved the ASEAN peninsular states of Cambodia, Laos, Malaysia, Thailand, and Vietnam. This exercise was conducted in Zhanjiang, South China's Guangdong province, and focused on counterterrorism and maritime security.

According to the International Monetary Fund (IMF), the Chinese economy is on track to meet the government's 2023 growth target and is likely to grow by 5.4 percent in 2023.



Foreign and Security Policy

I. China-India Relations

On November 30, 2023, India and China held the 28th Meeting of the 'Working Mechanism for <u>Consultation and Coordination</u> on India-China Border Affairs' (WMCC). ¹ The two sides discussed proposals to achieve complete disengagement in Eastern Ladakh, and agreed to hold the next round of Senior Commanders' Meeting as soon as possible.²

As the Indian Army prepares for winter posture, it is reviewing troop deployment. To prevent provoked/unprovoked incidents during winter, local ground commanders have held a series of meetings along the Line of Actual Control (LAC) in eastern Ladakh. These <u>discussions are part of confidence-building measures (CBMs)</u> agreed upon during the 20th round of Corps Commander-level talks held in October 2023, wherein both sides committed to sustaining dialogue and negotiations through various military and diplomatic channels.³

In the backdrop of no signs of early dispute resolution and China continuing its infrastructure build-up, India, too, has fast-tracked infrastructure projects. Commenting on India's border infrastructure drive, <u>Eastern Army</u> <u>Commander, Lt. Gen. Rana Pratap Kalita</u> said, although India started late in developing infrastructure, it is now "catching up" with progress being made by China. The government is building roads and tracks for basic connectivity and helipads for mobile communication. As part of the Vibrant Village Program, India is creating a lot of infrastructure in the villages that are close to the LAC, so that basic facilities like education and healthcare are available, Kalita added.⁴

Aside from intrusions along the LAC, China has also begun to assert itself in the Indian Ocean. As a result, India too has stepped up its <u>defence capability</u> <u>development</u>, with the Defence Acquisition Council clearing several major proposals for the purchase of military hardware.⁵

 ¹ "28th Meeting of the Mechanism for Consultation and Coordination on India-China Border Affairs (WMCC)", <u>Ministry of External Affairs Government of India</u>, November 30, 2023.
² Ibid.

³ "Indian And Chinese Ground Commanders Engage In Talks Along LAC Ahead Of Harsh Winter Deployment", <u>Outlook India</u>, November 12, 2023

⁴ "India late in infra development along LAC but now catching up, says Lt Gen RP Kalita", <u>The</u> <u>Times of India</u>, November 22, 2023

⁵ "Defence Acquisition Council approves capital acquisition proposals worth Rs 2.23 lakh crore to enhance the operational capabilities of the Armed Forces", <u>Ministry of Defence</u> <u>Government of India</u>, November 30, 2023



A recent International Crisis Group report titled <u>'Thin Ice in the Himalayas:</u> <u>Handling the India-China Border Dispute'</u> notes that, since it seems impossible to resolve the boundary dispute in the short term, it is time when the resolution of the boundary issue could be put on hold to allow India-China bilateral ties to improve. As a first step the report recommends, New Delhi and Beijing, could begin by demarcating the LAC in the middle sector where there are least differences as a confidence-building measure. This least will initiate the process of demarcation and de-escalation along the disputed LAC.⁶

Reiterating the concerns about China's assertive behaviour in the Indo-Pacific, Australian Deputy Prime Minister and Defence Minister Richard Marles, during the <u>India-Australia 2+2 dialogue</u>, stated that both Australia and India consider China their largest trading partner while also being their "biggest security anxiety."⁷

Speaking on the current trajectory of India-China relations at the Indian High Commission in London on November 15, <u>External Affairs Minister of India, Dr.</u> <u>S. Jaishankar</u> while acknowledging the rise of China asserted that an equal reality is the rise of India.⁸ Maintaining a similar tone, India's Defence Minister, Rajnath Singh, attending the <u>10th ASEAN Defence Ministers' Meeting - Plus</u> (<u>ADMM-Plus</u>) in Jakarta, on November 16, upheld India's commitment to "freedom of navigation, overflight and unimpeded lawful commerce in international waters", in an apparent reference to China. Rajnath Singh's comment comes at a time when several ASEAN countries have raised issues with China over its territorial claims in the South China Sea.⁹

II. China-South Asia Relations

<u>Pakistan has formally applied to be a full member of the 'BRICS'</u>, a move that is unlikely to find acceptance in India as Pakistan does not meet the criteria of being a major emerging economy. Pakistan's Ambassador to Russia informed that his country is counting on Russian support, even as it is being speculated

⁶ "Thin Ice in the Himalayas: Handling the India-China Border Dispute", <u>Crisis Group</u>, November 14, 2023

⁷ "India, Australia commit to boosting strategic ties as their diplomats and defence chiefs hold talks", <u>Associated Press</u>, November 21, 2023

⁸ "The rise of China is a reality, but...,' EAM S Jaishankar reflects on India-China relations", <u>Mint.</u> November 16, 2023

⁹ "India committed to freedom of navigation, overflight & unimpeded lawful commerce in international waters: Raksha Mantri Shri Rajnath Singh at 10th ASEAN Defence Ministers' Meeting-Plus in Indonesia, <u>Ministry of Defence Government of India</u>, November 16, 2023



that China will strongly back Pakistan to create a separate Sino-centric bloc within the BRICS.¹⁰

China and Pakistan held their largest bilateral naval exercise, "Sea Guardians" between November 11-17, 2023. The aim was to demonstrate commitment to safeguard the CPEC and strengthen anti-access/area denial capabilities in the Arabian Sea. The Chinese ships such as Type 052 Missile Destroyer and Type 039 Diesel submarine took part in the exercise. Such exercise, officials from both sides noted would help strengthen Sino-Pakistan relations and explore new avenues for naval cooperation.¹¹

Meanwhile reports claim, <u>Pakistani Taliban has threatened to initiate attacks on</u> <u>Chinese Belt and Road</u> projects, unless they receive 5 percent tax on the projects from the Pakistan government. This threat was issued by the leader of the Gandapur faction of the Taliban.¹²

The Sri Lankan government has approved the <u>Chinese proposal to build a USD</u> <u>4.5 billion refinery</u>. This is seen as a surprising move, considering that Chinalinked projects have come under criticism for being "white elephants" and have failed to contribute to the economy. Underperforming projects in Sri Lanka include Mattala Rajapaksa International Airport (MRIA), built with USD 191 million financing from the Exim Bank of China; Hambantota International Port (HIP) built by China Harbour Engineering Company (CHEC) with USD 1.3 billion of credit from China; and the Port City Colombo (PCC), a USD 1.4 billion project also built by CHEC. All projects are part of Belt and Road funding.¹³

On November 20, Sri Lankan President Ranil Wickremesinghe met visiting <u>Chinese State Councilor Shen Yiqin, wherein</u> both sides pledged to deepen bilateral cooperation and friendship. Following the meeting, Shen reiterated, China attaches great importance to its relations with Sri Lanka, and is willing to work earnestly to implement the consensus reached between leaders of the two countries.¹⁴

In an attempt to make further inroads in Nepal, China hosted an event in Kathmandu to promote the fourth volume of <u>"Xi Jinping: The Governance of</u>

¹⁰ "Pakistan applies for BRICS membership; seeks Russia's support", <u>The Indian Express</u>, November 22, 2023

¹¹ "China, Pakistan wrap up naval drill featuring sub, high-tech destroyer", <u>Defense News</u>, November 17, 2023

¹² "Pakistani Taliban threatens to attack China's Belt and Road route unless 'tax' paid", <u>The Telegraph</u>, November 25, 2023

¹³ "Sri Lanka approves Sinopec's \$4.5 billion refinery proposal", <u>Reuters</u>, November 27, 2023

¹⁴ "China, Sri Lanka vow to deepen bilateral ties", <u>Xinhua,</u> November 20, 2023



<u>China."</u> Chinese Ambassador to Nepal, Chen Song, mentioned that the release of the new volume will help enhance the understanding of the Chinese Communist Party among Nepalese people.¹⁵ Earlier in the month, Chinese Ambassador handed <u>emergency relief materials</u> for earthquake-hit areas in western Nepal.¹⁶

Amidst major discussion about external influence in the <u>upcoming elections</u> <u>in Bangladesh</u>, Chinese Ambassador to Bangladesh, Yao Wen remarked, China expects elections to be held as per the constitution and laws of the country and does not want any foreign intervention in the elections. He further stressed that China itself doesn't interfere in the internal affairs of any country either.¹⁷

Chinese-built <u>Dohazari-Cox's Bazar railway</u>, was inaugurated on November 11, to bolster connectivity and transport infrastructure in Bangladesh. The 104 Km (65 miles) railway was built by the China Civil Engineering Construction Corporation and the China Railway Group Limited.¹⁸

III. China-United States Relations

Chinese President <u>Xi Jinping and US President Joe Biden met in San Francisco</u> on November 15, 2023. A White House readout of the meeting highlighted that the two leaders had candid conversation on range of issues, including managing competition responsibly and keeping open lines of communication. Leaders also discussed the importance of developing principles that would advance common goals. The two sides agreed to restore military-to-military communication at various levels. China agreed to examine curbs on the import of precursor chemical "Fentanyal" that is causing deaths among youths in America. They also affirmed the need to address the risks of advanced AI systems and improve AI safety through bilateral talks."¹⁹

Amidst the widening <u>strategic competition between the two countries</u>, President Xi reiterated that China-US relations should be based on mutual respect, peaceful coexistence, and win-win cooperation. Adding that, the two

¹⁵ "Promotional event of 4th volume of 'Xi Jinping: The Governance of China' held in Nepal", <u>China Daily</u>, November 24, 2023

¹⁶ "China sends emergency aid to Nepal for quake-hit areas", <u>CIDCA</u>, November 11, 2023

¹⁷ "Beijing doesn't want foreign intervention in Bangladesh polls: Chinese ambassador", <u>Prothom Alo</u>, November 9, 2023

¹⁸ "Chinese-built railway inaugurated in Bangladesh to bolster connectivity, transportation infrastructure", <u>Xinhua</u>, November 12, 2023

¹⁹ "Readout of President Joe Biden's Meeting with President Xi Jinping of the People's Republic of China", <u>The White House</u>, November 14, 2023



countries should develop a correct understanding of each other, properly manage differences, and strengthen dialogue and cooperation.²⁰

President Biden <u>reaffirmed the consistent US position on Taiwan</u>. "He reiterated that the United States opposes any unilateral changes to the status quo from either side, that we expect cross-strait differences to be resolved by peaceful means, and that the world has an interest in peace and stability in the Taiwan Strait." ²¹ President Xi, on his part, reiterated Chinese red lines concerning Taiwan; however, Xi reportedly denied that Beijing would take <u>military action against Taiwan in 2027</u> and 2035.²² Analysts believe that Xi's deliberate mentions of 2027 and 2035 indicate that he is planning on running for a fourth and fifth term as China's top leader.²³ To transcend the current difficult political situation at home, Xi needed to send a message regarding Taiwan and demonstrate his confidence that he would be in charge for more than a decade to come.²⁴

According to Chinese Foreign Minister, Wang Yi, President Xi's visit to the US has given Asia-Pacific Cooperation a new impetus and has <u>added stability to</u> <u>the China-US relationship</u>.²⁵ Moreover, an editorial in the Global Times emphasised that the "San Francisco Vision" provides a blueprint for <u>healthy</u>, <u>stable</u>, and <u>sustainable development</u> of China-US relations and that the "world looks forward to seeing the San Francisco Vision become reality".²⁶

Despite continued emphasis on the importance of stable relations between the US and China, bilateral relations remain shaky. Following the Xi-Biden Summit, President Biden once again <u>referred to President Xi as a "dictator"</u>²⁷, while US Defence Secretary Austin reaffirmed Washington's commitment to <u>strengthening military ties with Taiwan</u>.²⁸

²⁰ "Xinhua Headlines: Xi, Biden hold historic summit, charting course for improving bilateral ties", <u>Xinhua</u>, November 17, 2023.

²¹ "Readout of President Joe Biden's Meeting with President Xi Jinping of the People's Republic of China", <u>The White House</u>, November 14, 2023

²² "China Up Close Analysis: U.S. failed to catch hints Xi Jinping dropped at Filoli summit", <u>Nikkei Asia</u>, November 23, 2023.

²³ Ibid.

²⁴ Ibid.

²⁵ "Roundup: Chinese FM expounds on China-U.S. summit, Xi's attendance at 30th APEC Economic Leaders' Meeting", <u>Xinhua</u>, November 18, 2023.

²⁶ "World looks forward to seeing 'San Francisco vision' translated into reality: Global Times editorial", <u>Global Times</u>, November 23, 2023.

²⁷ "Biden calls Xi 'dictator' after cautious remarks on Taiwan", <u>Nikkei Asia</u>, November 16, 2023.

²⁸ "U.S. committed to arming Taiwan after Biden-Xi talks: Austin", <u>Nikkei Asia</u>, November 17, 2023.



Ahead of Xi-Biden meeting, <u>US Treasury Secretary Janet Yellen met Chinese</u> <u>Vice-Premier He Lifeng</u> in San Francisco on November 11. Both sides agreed not to aim for economic decoupling and to enhance cooperation on global debt relief and climate change. They also pledged to continue working on strengthening international financial architecture and promote increases in International Monetary Fund quotas. Secretary Yellen stressed that she had raised concerns with Lifeng about Chinese state-led economic practices and their impact on the global community.²⁹ On the other hand, <u>Lifeng raised</u> <u>concerns from the Chinese side</u> over US restrictions on two-way investment, sanctions on Chinese enterprises, and export controls and extra tariffs imposed on goods from China.³⁰

Analysts stressed that "this kind of new tone (on trade and investment) can translate into a <u>new normal for the economic relationship</u>, where there's a mutually beneficial relations of China playing by the rules and the two countries can get back to a more normal economic footing." Adding that, "what you get from this summit is a very clear signal that the two countries, are committed to what we can call 'recouple', in a way, on the basis of reciprocity and mutual respect."³¹

Following the high-level meetings in San Francisco, Melanie Hart, a senior adviser for China and the Indo-Pacific in the office of the undersecretary of state for economic growth, energy and the environment, at the launch of report titled <u>"Investigating China's economic coercion: The reach and role of Chinese corporate entities"</u> stressed that, the US is committed to help allies and partners tackle what it regards as Beijing's economic coercion. In 2021, China had stopped all imports from Lithuania for allowing Taiwan to open a de facto embassy in Vilnius.³²

IV. China-European Union Relations

The <u>11th China-Europe Forum was held in Brussels on November 23</u> by Friends of Europe, a Brussels-based non-profit think tank that attracted stakeholders from business, policy making, and academic community from China and the European Union. During the event, Chinese Ambassador to the European

²⁹ "US, China agree to cooperate on climate change, global debt relief", <u>South China Morning</u> <u>Post</u>, November 11, 2023

³⁰ "Chinese vice premier holds talks with U.S. treasury secretary", <u>State Council of PRC</u>, November 11, 2023

³¹ "U.S. and China agree to resume military talks. Takeaways from the Biden-Xi summit", <u>CNBC</u>, November 15, 2023

³² "Investigating China's economic coercion: The reach and role of Chinese corporate entities", <u>Atlantic Council</u>, November 6, 2023



The overcapacity arguments emerged in a recent statement made by European Commission President, Ursula von der Leyen, wherein she asserted, "There is clear overcapacity in China and this overcapacity will be exported," claiming this is the reason behind the EU launching the anti-subsidy investigation on Chinese EVs. Responding to the accusations, Fu said, "If finding an overseas market can be interpreted as overcapacity automatically, then what are the European companies doing in the Chinese market? He raised concerns about the fairness of the investigation's launch and procedures".³⁴

Amidst the ongoing debate in the EU on de-risking and decoupling from China, French Foreign Minister, Catherine Colonna, visited Beijing and held a series of meetings with her Chinese counterpart Wang Yi and Chinese Premier Li Qiang. Jointly hosting the 6th high-level dialogue mechanism on people-to-people exchanges with Wang Yi, Colonna said, China's cooperation is vital on the war in Ukraine. She urged China to continue working on its Ukrainian peace proposal while also ensuring that it does not aid Russia's war.³⁵ In reply, <u>Wang Yi said China and France are committed</u> to strengthening high-quality cooperation in strategic, economic, cultural, and people-to-people exchanges.³⁶

Following her meeting with Chinese Premier Li Qiang, Colonna said their countries should work together to address issues such as climate change and biodiversity. Later during a press briefing with Foreign Minister Colonna, Wang Yi said, <u>China's position is clear. We will adhere to our support of Europe's strategic autonomy</u>."³⁷

<u>China has reportedly lifted its "economic pressure" on Lithuania</u>. Foreign Minister Gabrielius Landsbergis said talks were ongoing to end a feud with Beijing that flared following Lithuania permitting the opening of Taiwanese office in its capital, Vilnius in 2021. Meanwhile, <u>Taiwan is working to set up a</u> <u>non-diplomatic representative office in Estonia</u>. The move comes after

³³ "China rejects EU's allegations of EV overcapacity export: ambassador", <u>China Daily</u>, November 23, 2023

³⁴ Ibid.

³⁵ "Catherine Colonna's visit to China (23-24 November 2023)", <u>Ministry for Europe and</u> <u>Foreign Affairs</u>, November 24, 2023

³⁶ "China, France vow to unleash greater vitality, achieve more results in people-to-people exchanges", <u>State Council of PRC</u>, November 24, 2023

³⁷ "China and Europe should work together to enhance stable trade ties – Wang", <u>Reuters</u>, November 24, 2023



Estonia's cabinet decided to revise the country's approach to Taiwan and allow it to open a diplomatic office in Tallinn.³⁸

V. China-Russia Relations

In respective congratulatory letters sent to the <u>Tenth Meeting of the Dialogue</u> <u>Mechanism between the Ruling Parties of China and Russia</u>, President Xi and President Putin hailed the strength of China-Russia bilateral ties calling it "unprecedented." "On a bilateral basis, as well as in the formats of the Shanghai Cooperation Organization (SCO), BRICS and other multilateral structures, Moscow and Beijing coordinate efforts in solving major international problems, helping to build a more just and democratic world order," Russian President Vladimir Putin emphasised. In his letter, Chinese President Xi Jinping said "Sino-Russian relations have withstood the severe test of the changing international situation and have always maintained high-level development, setting a model for a new type of major-country relations."³⁹

According to recent reports, Russia and China are in discussion for building an <u>"underwater tunnel" connecting mainland Russia and Crimea</u> for establishing a transport route that would be protected from attacks by Ukraine. Ukraine's security service intercepted communication between Russian and Chinese business executives involved in discussing the project. The state-owned Chinese Railway Construction Corporation (CRCC) is likely to take on the project. Chinese Foreign Ministry Spokesperson Wang Wenbin called these reports as unfounded.⁴⁰

According to claims made by Gazprom, <u>Russia has set a new record for daily</u> <u>gas deliveries to China</u> via the Power of Siberia gas pipeline." Gazprom delivered all the requested volumes and set a new historical record for daily gas supplies to China," the company said in a statement. By the end of 2022, Russia had exported 15.5 billion cubic meters of gas to China the statement further claimed.⁴¹

³⁸ "Taiwan in talks to set up non-diplomatic representative office in Estonia", <u>South China</u> <u>Morning Post</u>, November 7, 2023

³⁹ "Xi Jinping and President of Russia Vladimir Putin Send Congratulatory Letters Respectively to the Tenth Meeting of the Dialogue Mechanism between the Ruling Parties of China and Russia", <u>Embassy of PRC, Saudi Arabia</u>, November 20, 2023

⁴⁰ "Russian and Chinese executives discuss Russia-Crimea tunnel project", <u>Washington Post</u>, November 23, 2023

⁴¹ "Russia set new record for daily gas deliveries to China", <u>Andolou Agency</u>, November 25, 2023



VI. Virtual G20 Leaders' Summit

On November 22, 2023, Chinese Premier Li Qiang addressed the <u>virtual G20</u> <u>Leaders' Summit</u> hosted by India.⁴² Premier Li underscored the importance of cooperation for development and the need to accelerate efforts to promote global economic growth through an open world economy.⁴³ Major issues touched by Premier Li included opposition to the politicisation of development issues, revitalising multilateralism, strengthening macroeconomic policy coordination, and accommodating the concerns of developing countries in reforming international organisations such as the World Trade Organisation (WTO) and the International Monetary Fund (IMF).⁴⁴

VII. 30th APEC Economic Leaders' Meeting

Addressing the 30th Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting in San Francisco on November 17, President Xi highlighted APEC's role in promoting trade and investment liberalisation in the Asia-Pacific, calling on the forum to usher in another "golden 30 years" for the region's development. Towards this, Xi called upon APEC member-states to remain committed to innovation-driven, open, inclusive, and green development that benefits all.⁴⁵ Major issues highlighted in President Xi's remarks included, Chinese modernisation facilitating modernisation of all countries, and maintaining peace across continents, particularly in the Asia-Pacific region.⁴⁶

On the sidelines of the APEC meeting, <u>President Xi met with Japan's Prime</u> <u>Minister</u>, Fumio Kishida on November 16, 2023.⁴⁷ Xi called upon Beijing and Tokyo to focus on common interests, properly handle differences on the issue of Taiwan, and adhere to the principles set out in four political documents between the two countries.⁴⁸ Chinese analysts observed that, owing to Japan's tendency to follow the US, its policy toward China has lost strategic autonomy, resulting in structural problems between the two countries.⁴⁹

⁴² "Li: Cooperation a priority for G20", <u>People's Daily</u>, November 24, 2023.

⁴³ Ibid.

⁴⁴ Ibid.

⁴⁵ Xinhua Headlines: Join hands for high-quality development in Asia-Pacific", <u>Xinhua</u>, November 18, 2023

⁴⁶ Ibid.

⁴⁷ "Xi meets Kishida, reaffirming strategic and mutually beneficial relations", <u>Global Times</u>, November 17, 2023.

⁴⁸ Ibid.

⁴⁹ Ibid.



Internal Developments

President Xi's Key Addresses and Developments

On November 2, 2023, President Xi attended the <u>funeral of former Chinese</u> <u>Premier Li Keqiang</u> at the Babaoshan Revolutionary Cemetery in Beijing.⁵⁰ Li's sudden death means <u>Xi's "eternal rival" has left</u> China's political scene.⁵¹ Reports suggested that Li Keqiang was behind the harsh advice retired senior Chinese Communist Party leaders gave to Xi during this summer's Beidaihe conclave questioning the direction of the nation.⁵² China's economy, foreign relations, and security are all facing dire straits under Xi's administration. Thus, if Xi were to unexpectedly retire at an early date, Li Keqiang could have taken his place.⁵³ Due to his close political rivalry with Xi Jinping, there are several mysteries that surround Li Keqiang's death.⁵⁴

On October 31, 2023, President Xi addressed the <u>Central Financial Work</u> <u>Conference in Beijing</u> where he discussed China's priorities for five key areas including the real economy, real estate sector, local government debt, financial institution risks, and capital markets.⁵⁵ Xi reiterated that building a modern socialist country is China's primary objective and the finance sector must continue to provide <u>high-quality services for economic and social</u> <u>development</u>.⁵⁶ Major issues touched by Xi in his remarks included developing a virtuous cycle between the financial and real estate sectors, establishing a long-term mechanism for managing local government debt, addressing risks associated with small and medium-sized financial institutions, and stimulating capital markets.⁵⁷ Premier Li Qiang will head the newly created <u>Central</u> <u>Commission for Finance</u>.⁵⁸ During a meeting of Central Finance Commission, Premier Li stressed on <u>enhancing the quality of finance</u> for technology, green development, pension, and digital platforms.⁵⁹

⁵⁰ "Remains of Li Keqiang cremated in Beijing", <u>Xinhua</u>, November 2, 2023.

⁵¹ "China up close analysis: The mysteries and dangers that trail Li Keqiang's death", <u>Nikkei</u> <u>Asia</u>, November 2, 2023.

⁵² Ibid.

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ "Xinhua Headlines: Key meeting sets tone on China's financial development", <u>Xinhua</u>, November 1, 2023.

⁵⁶ "Opinion: Five Takeaways From China's Central Financial Work Conference", <u>Caixin Global</u>, November 2, 2023.

⁵⁷ Ibid.

⁵⁸ "Chinese Premier Li Qiang picked to head finance commission as Xi Jinping delegates duties", <u>South China Morning Post</u>, November 25, 2023.

⁵⁹ "Premier Li emphasizes efforts to enhance financial services for economy", <u>Global Times</u>, November 20, 2023.



Further, President Xi chaired the third meeting of the Central <u>Commission for</u> <u>Comprehensively Deepening Reform</u> on November 8, 2023.⁶⁰ The meeting issued a set of guidelines that called for building a beautiful China by 2035, increasing investment from the state capital in key industries that have a bearing on economy and security, and developing supervisory mechanisms for natural monopolies in industries such as electricity, oil and gas, and railways.⁶¹

President Xi sent a congratulatory letter to the <u>'World Conference on China</u> <u>Studies – Shanghai Forum'</u> on November 24, 2023.⁶² In his letter, Xi noted that China studies are not limited to the study of historical China, but also the study of contemporary China.⁶³ He encouraged scholars to connect Chinese and foreign civilisations to advance humanity as a whole.⁶⁴

White Paper: CPC Policies on the Governance of Xizang (Tibet) in the New Era: Approach and Achievements

On November 10, 2023, China's State Council Information Office released a <u>White Paper</u> entitled "CPC Policies on the Governance of Xizang in the New Era: Approach and Achievements".⁶⁵ Beijing asserted that, since the 18th CPC National Congress, Xizang (Tibet) has experienced a period of "unprecedented development and change, bringing more tangible benefits to the People".⁶⁶ Four main tasks for the region include ensuring stability, facilitating development, protecting the eco-environment, and strengthening the borders.⁶⁷ According to a Xinhua commentary, the West should <u>abandon the "Shangri-la complex"</u>, in which Xizang (Tibet) is viewed as an exhibit in a museum, adding that it has never been utopian and longs for development.⁶⁸

Trade and Economy

Premier Li Qiang delivered a keynote speech at the opening ceremony of the sixth <u>China International Import Expo</u> (CIIE) in Shanghai on November 5,

⁶⁰ "Xi stresses building Beautiful China, improving supervision mechanism for natural monopoly networks", <u>Xinhua</u>, November 7, 2023.

⁶¹ Ibid.

⁶² "Xi: Mutual learning key for progress", <u>China Daily</u>, November 25, 2023.

⁶³ Ibid.

⁶⁴ Ibid.

 ⁶⁵ "Full text: CPC Policies on the Governance of Xizang in the New Era: Approach and Achievements", <u>The State Council Information Office PRC</u>, November 10, 2023.
⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ "Xinhua Commentary: Time to discard "Shangri-la complex" in viewing Xizang", <u>Xinhua</u>, November 10, 2023.



2023.⁶⁹ Li vowed to further expand economic opening up and share China's development opportunities with the world.⁷⁰ Xinhua noted that the CIIE showed global confidence in China's economy and that it would continue to be an <u>engine of global growth through high-level opening up</u>.⁷¹

Pointing towards exhibitors at CIIE, a Global Times editorial asserted that reports in the West raising doubts about <u>China's prospects for attracting foreign</u> <u>investment</u> are unfounded.⁷² China's door of openness will only widen, making the voices that speak ill of China insignificant.⁷³ Notwithstanding the above, Chinese diplomats are struggling to counter global narrative that <u>China is entering a downward economic spiral</u>.⁷⁴ Adding to Chinese concerns, <u>property crisis is stirring protests</u> across the country and the demonstrators range from unpaid construction workers to buyers of unfinished homes.⁷⁵

According to the International Monetary Fund (IMF), the Chinese economy is on track to meet the government's 2023 growth target and is <u>forecast to grow</u> <u>by 5.4 percent in 2023</u>.⁷⁶ However, concerns persisted over the Chinese economy as <u>factory activity and exports fell in October 2023</u>.⁷⁷ Analysts expect China's <u>exports to continue declining</u> in the coming months before bottoming around the middle of 2024 as a result of US-led technology containment and supply chain diversification. ⁷⁸ To boost the country's economy, China launched the website of the <u>Private Economy Bureau</u> under the National Development and Reform Commission (NDRC)⁷⁹ and announced 25 measures to strengthen <u>financial support for the private sector</u>.⁸⁰

⁶⁹ "(CIIE) China Focus: Chinese premier vows further opening up at high-profile import expo", <u>Xinhua</u>, November 5, 2023.

⁷⁰ Ibid.

⁷¹ "Xinhua Commentary: Import expo displays world confidence in Chinese economy, market", <u>Xinhua</u>, November 9, 2023.

⁷² "Whose interests are harmed by voices that speak ill of China?: Global Times editorial", <u>Global Times</u>, November 7, 2023.

⁷³ Ibid.

⁷⁴ "As China's economic momentum falters, it strives to maintain hold on global influence, identity", <u>South China Morning Post</u>, November 14, 2023.

⁷⁵ "China's property crisis is stirring protests across the country", <u>Nikkei Asia</u>, November 20, 2023.

⁷⁶ "China's GDP to grow by 5.4 percent in 2023: IMF", <u>The State Council of PRC</u>, November 7, 2023.

⁷⁷ "China's economic recovery momentum 'takes a step back': 4 takeaways from October's manufacturing, services activity", <u>South China Morning Post</u>, November 4, 2023.

⁷⁸ "China trade: 'alarming sign' as October's exports drag and regional rivals prosper, testing link with global economy", <u>South China Morning Post</u>, November 7, 2023.

⁷⁹ "China launches website for the private economy bureau amid strong policy support", <u>Global Times</u>, November 24, 2023.

⁸⁰ "China issues 25 measures to boost financial support for private firms", <u>Global Times</u>, November 27, 2023.



At a State Council meeting, on November 3, 2023, Premier Li Qiang stressed on the high-quality <u>development of the rare-earth industry</u> – a strategic mineral resource.⁸¹ Meanwhile, despite floods and droughts, China's grain output is expected to hit a new high in 2023, boosting the <u>country's food security</u>.⁸²

Defence and Security

On November 16, 2023, a delegation of the Chinese Ministry of National Defence attended the <u>10th ASEAN Defence Ministers' Meeting-Plus</u> (ADMM-PLUS) in Jakarta, Indonesia. ⁸³ During the meeting, Beijing reiterated its commitment to implementing the Global Security Initiative (GSI) to build a community with a shared future for mankind.⁸⁴ It called upon all parties to practice true multilateralism, maintain a correct security outlook, engage in peaceful consultations, refrain from conflict and confrontation, and contribute to world peace and development.⁸⁵

The Australian Defence Minister's Office claimed that a Chinese navy warship had engaged in <u>"unprofessional and unsafe" conduct</u> near Japan's exclusive economic zone, injuring divers from the Australian Navy on November 14, 2023.⁸⁶ In response to Australia's accusations, the Chinese Ministry of National Defence asserted that "the Chinese vessel kept a safe distance from the Australian vessel and did not engage in any actions that could have interfered with the diver's operations".⁸⁷ Rather, it urged Australia to "cease making reckless and irresponsible accusations against China and create a positive atmosphere for the sound development of relations between the two countries and their militaries".⁸⁸ Earlier, Chinese President Xi met with Australian <u>Prime Minister Anthony Albanese</u> on November 6, 2023 in Beijing.⁸⁹ Xi noted that, Australia and China have resumed bilateral exchanges in various sectors and that the two countries are on the right track to improve their relations.⁹⁰

⁸¹ "China stresses high-quality development of rare earth industry", <u>The State Council of PRC</u>, November 3, 2023.

⁸² "China avoids grain drain, reporting record yields despite floods, droughts and import doubts", <u>South China Morning Post</u>, November 7, 2023.

⁸³ "Defence Ministry Spokesperson's Remarks on Recent Media Queries Concerning the Military", <u>Ministry of National Defence PRC</u>, November 22, 2023.

⁸⁴ Ibid.

⁸⁵ Ibid.

⁸⁶ "China rejects Australia's claims of 'unsafe and unprofessional' warship encounter", <u>Ministry of National Defence PRC</u>, November 20, 2023.

⁸⁷ Ibid.

⁸⁸ Ibid.

⁸⁹ "Xi stresses mutual understanding", <u>China Daily</u>, November 7, 2023.

⁹⁰ Ibid.



To enhance regional maritime security and deepen bilateral ties with the Philippines, Japan has committed to providing Manila with <u>coastal</u> <u>surveillance radars</u>.⁹¹ In light of this, Chinese Ministry of National Defence reiterated that defence cooperation between Japan and the Philippines should not harm the interests of a third party or undermine regional peace and stability.⁹²

Meanwhile, in the midst of ongoing tensions between China and the Philippines, the <u>US and Philippines conducted a joint patrol</u> in the South China Sea (SCS) on November 21, 2023.⁹³ The Philippines and Australia also held their <u>first joint patrol in SCS</u>.⁹⁴ Beijing expressed concern that the Philippines has <u>sabotaged regional peace and stability</u> by mobilising forces from outside the region to patrol the SCS.⁹⁵ Chinese analysts pointed out that, during the US-Philippines joint patrol the PLA was on high alert and its presence deterred potential provocations as well as demonstrated China's capability to protect national sovereignty and maritime interests.⁹⁶

Amidst repeated US-Philippines provocations, China conducted a joint <u>military exercise "Aman Youyi-2023"</u>, that included peninsular States of Cambodia, Laos, Malaysia, Thailand, and Vietnam. ⁹⁷ This exercise was conducted in Zhanjiang, South China's Guangdong province. The focus of exercise was counter-terrorism and safeguarding maritime security.⁹⁸ PLA's newly commissioned type 055 large destroyer <u>'Zunyi' carried out drills</u> in the South China Sea demonstrating its combat capabilities in far seas.⁹⁹ PLA's 'Shandong' carrier strike group concluded its <u>third far-sea exercise of 2023</u> in the Western Pacific reportedly doubling aircraft sortie rate.¹⁰⁰ It is to be noted that, the sea region to the east of Taiwan will play a strategic role if the US and

⁹¹ "Defence Ministry Spokesperson's Remarks on Recent Media Queries Concerning the Military", <u>Ministry of National Defence PRC</u>, November 22, 2023.

⁹² Ibid.

⁹³ "PLA on high alert amid US-Philippines joint patrols in South China Sea", <u>South China</u> <u>Morning Post</u>, November 23, 2023.

⁹⁴ "Philippines, Australia conduct first joint patrols in South China Sea", <u>NHK World – Japan</u>, November 27, 2023.

⁹⁵ "PLA on high alert amid US-Philippines joint patrols in South China Sea", <u>South China</u> <u>Morning Post</u>, November 23, 2023.

⁹⁶ Ibid.

⁹⁷ "China to hold military drills with SE Asian countries amid tensions in South China Sea", <u>Global Times</u>, November 12, 2023.

⁹⁸ Ibid.

⁹⁹ "PLA Navy's newly commissioned Type 055 large destroyer holds drills in South China Sea", <u>Global Times</u>, November 15, 2023.

¹⁰⁰ "PLA's carrier Shandong doubles aircraft sortie rate record in latest far sea drill", <u>Global</u> <u>Times</u>, November 7, 2023.



other external forces intervene in any Taiwan scenario.¹⁰¹ Meanwhile, in response to <u>G7 Foreign Ministers' calls</u> for China to maintain peace and stability across the Taiwan Strait, Beijing urged the G7 to manage its own affairs and cease interfering in China's internal affairs.¹⁰²

Amidst the tensions in the South China Sea, China hosted a symposium on <u>Global Maritime Cooperation and Ocean Governance</u> 2023.¹⁰³ In his remarks, Chinese Foreign Minister Wang Yi rejected bloc confrontation and zero-sum approach and stressed that South China Sea disputes should be resolved through consultations between parties directly involved.¹⁰⁴

Among other developments, reports in the West claimed that Chinese advances in <u>submarine technology and undersea detection capabilities</u> could end the era of US submarine dominance over China.¹⁰⁵ According to Global Times, such reports illustrate the US's "hegemonic mentality", which aims to contain China and provide reasons for expanding its military budget.¹⁰⁶

Continuing the deepening trend of <u>China-Russia strategic partnership</u>, General Zhang Youxia, Vice Chairman of the Central Military Commission met with Russian President Vladimir Putin in Moscow on November 8, 2023.¹⁰⁷ China and Russia vowed to enhance military cooperation and safeguard world prosperity and security.¹⁰⁸

China hosted a delegation of Foreign Ministers from Arab and Islamic nations on November 20, 2023, reiterating its call for a ceasefire in Gaza and opposing any <u>forced displacement of Palestinian civilians</u>. ¹⁰⁹ Further, President Xi attended a <u>virtual extraordinary summit of the BRICS</u> on November 21, 2023, at

¹⁰¹ Ibid.

¹⁰² "G7 urged to manage their own affairs, stop interfering in others' internal affairs: Chinese FM spokesperson", <u>Global Times</u>, November 10, 2023.

¹⁰³ "China stresses S. China Sea disputes should be resolved through consultation between parties directly concerned, rejecting bloc confrontation, zero-sum approach", <u>Global</u> <u>Times</u>, November 8, 2023.

¹⁰⁴ Ibid.

¹⁰⁵ "Hegemonic mentality behind US media hype of 'China threat' theory: experts", <u>Global</u> <u>Times</u>, November 21, 2023.

¹⁰⁶ Ibid.

 ¹⁰⁷ "China, Russia vow to safeguard world prosperity, stability and boost military cooperation as Putin meets senior Chinese military officer", <u>Global Times</u>, November 9, 2023.
¹⁰⁸ Ibid

¹⁰⁹ "Beijing hosts delegation, urges immediate cease-fire in Gaza", <u>Global Times</u>, November 20, 2023.



which he reiterated China's call for a ceasefire and a two-state solution to the Israel-Palestine conflict.¹¹⁰

Technology

China's <u>BeiDou Satellite Navigation System</u> has been recognised by the International Civil Aviation Organisation (ICAO) as a global standard.¹¹¹ In addition to BeiDou, there are three other global satellite navigation systems recognised by the United Nations: GPS (US), GLONASS (Russia), and Galileo (European Union).¹¹²

President Xi addressed the 2023 <u>World Internet Conference (WIC)</u> Wuzhen Summit on November 8, 2023.¹¹³ In his remarks, Xi stressed that internet should benefit people of all countries and that the focus should be on building a more peaceful and secure cyberspace, respecting cyber sovereignty, and opposing those who seek hegemony, bloc confrontation, and arms race in cyberspace.¹¹⁴

¹¹⁰ "Xinhua Headlines: Xi urges ceasefire in Gaza, stresses two-state solution", <u>Xinhua</u>, November 22, 2023.

¹¹¹ "Beidou system recognized by intl organizer of civil aviation", <u>People's Daily</u>, November 19, 2023.

¹¹² Ibid.

¹¹³ "Xi calls for letting internet better benefit people of all countries", <u>People's Daily</u>, November 8, 2023.

¹¹⁴ Ibid.



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

www.delhipolicygroup.org