

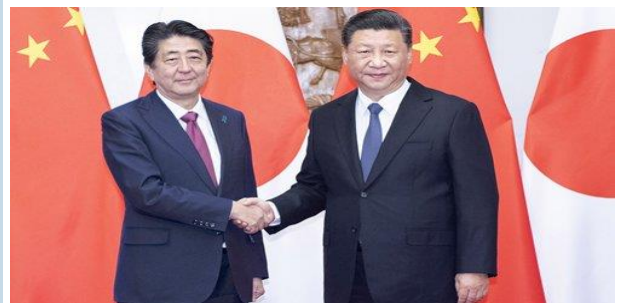


Delhi Policy Group

DPG China Monitor

Volume 1, Issue 4

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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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In keeping with India's increasing global profile as a leading power and the accompanying dynamism of India's foreign and security policy, the Delhi Policy Group has expanded its focus areas to include India's broader regional and global role; India's initiatives to strengthen its strategic periphery; India's political, security and connectivity challenges and policies across the Indo-Pacific; and the strategic partnerships that advance India's rise. To support these goals, the DPG undertakes research, publishes policy reports and organises conferences on strategic and geo-political, geo-economic, and defence and security issues.

DPG China Monitor

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

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US Vice President Mike Pence delivering a speech at the Hudson Institute on October 4, 2018 about the Trump Administration's policies toward China, Source: The White House, <https://www.whitehouse.gov/articles/vice-president-mike-pence-china-meddling-americas-democracy>

Chinese President Xi Jinping greets Japanese Prime Minister Shinzo Abe in Beijing on October 26. Source: Global Times, <http://www.globaltimes.cn/content/1124685.shtml>

US Defence Secretary Jim Mattis with his Chinese counterpart General Wei Fenghe at a meeting on the sidelines of the ASEAN security summit in Singapore on October 18, 2018. Source: CNBC, <https://www.cnbc.com/2018/10/1>

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Abstract

The month of October witnessed a sustained escalation of complications across-the-board in China-US ties. As the US continued to harden its stance against Beijing, the Chinese establishment retorted philosophically that “Soft is strong and the hard is always defeated by the soft.” In terms of strategy, this meant that China will firmly stand its ground in the trade-war, in the South China Sea and across the Taiwan Strait, while at the same time maintaining a softer, friendlier and more rational international posture: always willing to discuss matters, not highlighting or promoting the escalation of China-US friction from its side or even allowing their rivalry to become the dominant feature of its foreign relations. Another important development in China’s foreign policy during the month was the landmark visit by Japanese Prime Minister Shinzo Abe to Beijing on October 25-27, which put China-Japan relations back on a positive track after a prolonged hiatus. However, China’s opinion makers painted varying prospects for progressing these ties. Some blamed the “US factor” for fluctuations in China-Japan relations and lamented continuing US influence over Japan, while others condescended that Japan needs continued “guardianship” of the US. In reporting positively on the India-Japan annual summit on October 28-29, the Chinese state media opined that President Trump’s trade war against one and all was resulting in an “unprecedented tighter knit” between Asia’s three largest economies.

On domestic front, China faced international criticism over the “disappearance” of high-profile Chinese nationals like Interpol Chairman Meng Hongwei and Chinese starlet Fan Bigbing, which brought attention to the Chinese concept of liuzhi (留置), meaning “retention in custody.” In the economic space, the downward pressure on the Chinese economy continued. China’s A-share market experienced a sharp decline, the RMB exchange rate came under further pressure, corporate debt soared and China’s foreign trade outlook remained in question. Against this backdrop, President Xi Jinping made important announcements while visiting Guangdong on October 22-23 about the future course of the Chinese economy: first, China will raise the banner of reform and opening up even higher; second, China will strive to create newer and bigger economic miracles for the world to take notice of; and third, China’s quality will be as world-renowned as China’s speed of execution.

The Chinese narrative on India during this month was mostly about “China-India trade relations being fast-tracked” and that if India wants to increase its exports to China and address its longstanding trade deficit issue, the time is now.

1. Foreign and Security Policy

China-US Relations



US Vice President Mike Pence delivering a speech at the Hudson Institute on October 4, 2018 about the Trump Administration's policies toward China, Source: The White House, <https://www.whitehouse.gov/articles/vice-president-mike-pence-china-meddling-americas-democracy/>

The month of October witnessed sustained fire-works in Sino-US relations. China was already smarting under the blow from President Trump's "[Poison Pill](#)" (毒丸) agreement¹ with Canada and Mexico of September 30, which restricted the possibility of a free trade agreement between these two countries and "non-market economy countries" in the future and was even more [concerned](#) about the US using the same model in future trade negotiations with other major economies like Japan and the European Union². The White House released a [report](#) titled "Assessing and Strengthening the Manufacturing and Defense Industrial Base and Supply Chain Resiliency of the United States" on

¹美国“毒丸”挡不住中国制造前行’, *Huanqiushibao*, October 17, 2018, http://opinion.huanqiu.com/opinion_world/2018-10/13337825.html

²美国的“毒丸”，欧日难以下咽’, *Huanqiushibao*, October 17, 2018, <http://opinion.huanqiu.com/hqpl/2018-10/13281289.html>

October 5, blaming China for the shrinking US defense industrial base³. Then US Vice President Mike Pence delivered a blistering policy address on October 4 at the Hudson Institute, which left the Chinese side fuming. Some called it the most unscrupulous attack on China by US leaders since the establishment of Sino-US relations⁴, others compared his remarks to the "Iron Curtain" speech delivered by Winston Churchill in 1946 and believed it could mark the beginning of a [New Cold War](#) between China and the US⁵.

Next came the US Department of Energy's [announcement](#) on the October 11 about restricting export of nuclear technology to China so that it could not be diverted for military purposes⁶. Then the US exited the [Universal Postal Union](#) which China fears will affect businesses of China's small and medium-sized export enterprises that rely on online shopping. In between, reports emerged of China implanting intelligence chips into US web servers⁷. Finally there were announcements of the US quitting the three-decade-old landmark Intermediate-Range Nuclear Forces Treaty, which grew out of President Ronald Reagan's historic meeting with Mikhail Gorbachev in 1986, on the ground that it constrained the United States from deploying new weapons to respond to challenges posed by China in the Western Pacific. The Chinese side [warned](#) that of the recent high-profile treaty exits of the US, withdrawing from the I.N.F will be "the most dangerous one", and its impact on international security will be far-reaching⁸.

Meanwhile, there were also some positive developments, like US Secretary of State [Mike Pompeo's China visit](#)⁹ and the meeting between US Secretary of Defence Jim Mattis and Chinese Defense Minister Wei Fenghe in Singapore on October 18, but they did little to assuage the tension building up between Washington and Beijing.

³‘五角大楼欲撕裂中美关系，何患无辞’，*Huanqiushibao*, October 6, 2018 <http://opinion.huanqiu.com/editorial/2018-10/13186498.html>

⁴‘彭斯们的“希望”终将落空’，*Huanqiushibao*, October 18, 2018, <http://opinion.huanqiu.com/hqpl/2018-10/13291311.html>

⁵‘彭斯们的“希望”终将落空’，*Huanqiushibao*, October 18, 2018, <http://opinion.huanqiu.com/hqpl/2018-10/13291311.html>

⁶‘华盛顿对华猜忌·又有新受害者’，October 13, 2018, *Huanqiushibao*, <http://opinion.huanqiu.com/editorial/2018-10/13246850.html>

⁷‘彭博商业周刊应当就造谣公开道歉’，October 9, 2018, *Huanqiushibao*, <http://opinion.huanqiu.com/editorial/2018-10/13216270.html>

⁸‘美国退《中导条约》，非常危险的一步’，October 22, 2018, *Huanqiushibao* <http://opinion.huanqiu.com/editorial/2018-10/13324913.html>

⁹ ‘Pompeo's Asia trip yields results, yet future regional trajectory difficult to predict’, *Global Times*, October 10, 2018, <http://www.globaltimes.cn/content/1122406.shtml>

Given the downward spiral in the relationship, Chinese strategic circles [lamented](#) that the country has become the “main bearer of American Hegemony” and the sole target of the US’s “extreme pressure thinking”¹⁰. Every time Washington has an offensive plan, China is almost always one of its targets. Chinese society has never seen a US government that is so [hostile](#) to China.¹¹

So, how is China coping with the American pressure? A Huanqishibao article throws light on the likely Chinese strategy. The article mentions that since the US is in a rage and is spitting fire, China should use its unique ancient strategic wisdom of TaijiQuan to deal with it, that is, not to meet brute force with brute force, but rather with calmness and rationality. It should keep engaging the attacking force till it exhausts itself or can be safely redirected. The article advocates that China should stand its ground in the trade-war, at the South China Sea and across the Taiwan Strait but all the while maintaining a calm, rational and friendly international posture. China must be willing to discuss things, should not promote the escalation of Sino-US friction from its side, should not let the Sino-US rivalry become the dominant aspect of China's foreign relations, and also not allow it to influence the direction of China's domestic governance.

Unsurprisingly, [Global Times](#), an integral part of the China’s conservative state media, generally known for its hyper nationalistic and hawkish views, is now advocating that “No matter how many hostile reports and speeches come out of Washington, we must view the US, the biggest influencer of China's development, in a rational manner without being misled emotionally”¹².

Another article commended China for being able to withstand more than half a year of trade war with the US without being instigated, angry or frustrated, for maintaining strategic patience and demonstrating courage and confidence to transform the American “blitzkrieg” into a protracted war¹³. “We have not taken the initiative to escalate trade conflicts and have not mobilized the entire society to launch an anti-American movement. The trade war initiated by the

¹⁰‘美国退《中导条约》，非常危险的一步’，October 22, 2018, *Huanqishibao*
<http://opinion.huanqiu.com/editorial/2018-10/13324913.html>

¹¹‘蓬佩奥访华，中美关系是重要看点’，October 8, 2018, *Huanqishibao*,
<http://opinion.huanqiu.com/editorial/2018-10/13204716.html>

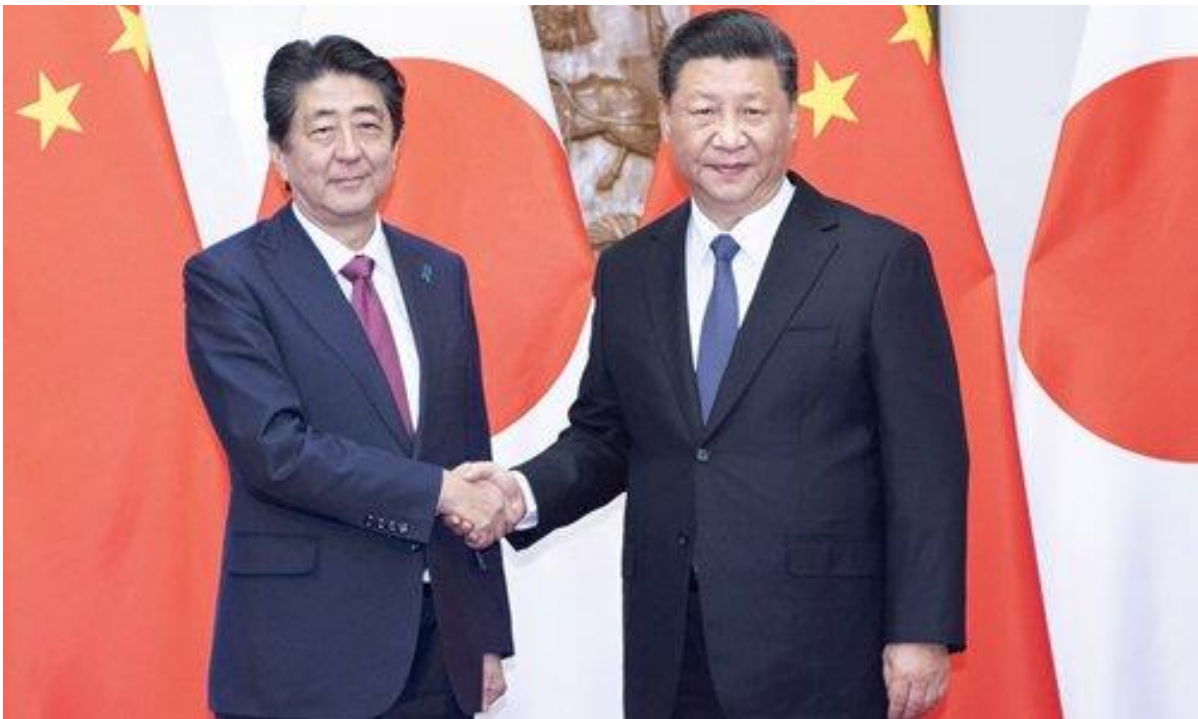
¹²‘Dealing with US requires unique wisdom’，October 7, 2018, *Global Times*,
<http://www.globaltimes.cn/content/1121980.shtml>

¹³‘贸易战唤醒中国，我们的社会在成熟’，October 17, 2018, *Huanqishibao*,
<http://opinion.huanqiu.com/editorial/2018-10/13281298.html>

United States has failed to cause a significant rise in Chinese nationalism," mentions the article.

The [logic](#) of these arguments appears to be that unless China is militarily opposing the United States, it is difficult for the White House and Congress to carry out real anti-China mobilization of US society and also the global community¹⁴.

China – Japan



Chinese President Xi Jinping greets Japanese Prime Minister Shinzo Abe in Beijing on October 26. Source: Global Times, <http://www.globaltimes.cn/content/1124685.shtml>

In yet another landmark event, Japanese Prime Minister Shinzo Abe paid an official visit to China from October 25-27, which is believed to have put China-Japan relations back on track. It is interesting to note that there exists a wide spectrum of views in Chinese strategic circles regarding the future prospects of China-Japan relationship.

For instance, some sections are particularly optimistic about the future prospects of China-Japan ties. An article in Huanqishibao argues that problems in the China-Japan relationship have so far been disproportionately overblown. China has territorial disputes with many countries other than Japan, and some are even more complicated than the Diaoyu islands dispute.

¹⁴‘美一些人休想像搞苏联那样对付中国’, *Huanqishibao*, October 10, <http://opinion.huanqiu.com/editorial/2018-10/13197456.html>

On the other hand, the territorial dispute between Japan and Russia is also much larger than that over the Diaoyu islands.

The US factor, they say, plays the key role in fluctuations in China-Japan relations. One of the biggest tasks of the US's East Asia policy is to prevent any rapprochement between China and Japan. Such rapprochement is not conducive for the United States to consolidate its political and military presence in this region.

Some Chinese strategists even [lament](#) that "Japan is a stubborn country". For most of the late 19th and the first half of the 20th century, Japan believed that it could only survive by war. After the second world war, the elites formed a long-term consensus that Japan has no other way out except the Japan-US alliance. Japan's foreign policy often suffers from these stratified ideas. Although the United States has withdrawn from the TPP, imposed tariffs on Japan and hardly has any role in Japan's economic development, still Japan needs "guardianship" from the United States, as it is unable to see other options besides the Japan-US alliance.¹⁵

Others, however, are quite measured in their expectations from China-Japan relations. They [argue](#) that Abe's visit will indeed provide fresh momentum towards normalization of relations between the two Asian neighbours, but the fundamental dynamics of Sino-Japanese relations remain unchanged.¹⁶ There may be some breakthrough in the economic and trade field but in the political and security fields, [contradictions will persist](#) as Abe continues with his policy of rewriting Japan's constitution, strengthens its military deployment around the Diaoyu Islands, supports Taiwan and sends submarines to sail through the South China Sea.¹⁷

China-South Asia

Amidst the reset of ties between China and Pakistan's newly elected government, [reports](#) emerged about opening of a Lahore-Kashgar bus service as a part of CPEC¹⁸ and partnership between the Pakistan Aeronautical Complex Kamra and the Aviation Industry Corporation of China's Chengdu

¹⁵ '美单边主义重锤敲醒日本', *Huanqiu Shibao*, October 18, 2018, <http://opinion.huanqiu.com/hqpl/2018-10/13291318.html>

¹⁶ '怎么看安倍访华与中日关系前景', *CIIS*, October 26, 2018 http://www.ciis.org.cn/chinese/2018-10/26/content_40550550.htm

¹⁷ '安倍虽胜尤困，前程并不平坦', *CIIS*, October 10, 2018, http://www.ciis.org.cn/chinese/2018-10/10/content_40529722.htm

¹⁸ 'New Lahore-Kashgar bus service promises memorable journey', *China Daily*, November 5, 2018, http://www.chinadaily.com.cn/cndy/2018-11/05/content_37198269.htm

Aircraft Industrial (Group) Company to jointly manufacture 48 [Wing Loong II drones](#)¹⁹. In both cases, apparently to assuage India's concerns, the Chinese media observed that "the developments are not directed at any third country".

With China zealously promoting discussions to extend the China-Pakistan Economic Corridor to Afghanistan and incorporate Afghanistan within the framework of SCO, there were also discussions in Chinese strategic circles about China's Afghanistan policy. According to Chinese strategists, China's policy towards Afghanistan advocates "four firm supports": firmly supporting Afghanistan's political reconciliation under the framework of the Quadrilateral Coordination Group (QCG) of Afghanistan, Pakistan, China and the United States; supporting Afghanistan's peace and reconstruction by jointly pushing forward "Belt and Road" construction; supporting Afghanistan-Pakistan mutual understanding and cooperation through the China-Afghanistan-Pakistan Trilateral Foreign Ministers' Dialogue; and supporting Afghanistan's integration into regional development by making it a part of the SCO.

On the Sri Lankan political situation, Chinese analysts [claimed](#) that some Indian and Western media reports have been driving a narrative that pitches India against China in a fight for influence in Sri Lanka, but such rhetoric is based on a misunderstanding of China's relationship and is counterproductive to the situation in Sri Lanka as well as the relationship between China and India, which has warmed up in recent months.²⁰

China-India

The dominant theme of China's India coverage during the month was about "China-India trade relations being fast-tracked". There was much discussion in the Chinese media about how India can increase exports to China and address its longstanding trade deficit problem.

It was showcased that China has recently dropped a ban on rapeseed meal imports from India. China was the top buyer of Indian rapeseed meal before the ban was imposed in 2011, over quality concerns. As China-US trade tensions have escalated, India has stepped up its lobbying for the restart of the trade, which was worth \$161 million in 2011, according to the Chinese media. Other than rapeseed meal, China has also scrapped tariffs on Indian soybean

¹⁹ 'India over-interpreting China-Pakistan drone deal', *Global Times*, October 10, 2018, <http://www.globaltimes.cn/content/1122461.shtml>

²⁰ 'China seeks pragmatic ties with India, not strategic competition in Sri Lanka: analysts', *Global Times*, October 29, 2018, <http://www.globaltimes.cn/content/1125002.shtml>

imports since July 1.²¹ The market for Indian black tea in China is still being explored.²² India is also scheduled to participate in the China International Import Expo in Shanghai in November where it is expected to showcase produces in four key sectors: food and agricultural products, pharmaceuticals, information technology enabled services, and the tourism and services sector, all of which are believed to have adequate market potential in China.

On the other hand, Chinese media also [highlighted](#) how in recent years Chinese companies, from the home appliance industry to the mobile phone manufacturing industry, are vying for the Indian market²³, the latest being the Midea Group which laid the foundation stone for a Technology Park in Maharashtra with a new investment of Rs. 1350 Crores. Meanwhile, in the Indian telecom industry, [Chinese smartphones](#) have maintained the trend of leading India's October holiday sales figures.²⁴

Beyond trade and commerce, Chinese commentators also welcomed the positive trends in Sino-Indian defence ties in recent months. An [article](#) in China Military Online says that China-India military ties have moved out of the shadow of the Doklam incident and improved "markedly" with the rapid recovery of China-India relations. Further, they hoped that the China-India military relationship, often referred to as the "wind vane" of China-India relations, will serve as a positive factor for stable bilateral ties.²⁵

It is interesting to note that the Chinese media was rather positive about the Abe-Modi Summit on October 28-29. A China Daily editorial mentioned how "President Donald Trump's trade wars against one and all is pushing Asia's three biggest economies -- China, Japan, India -- into an unprecedented tighter knit"²⁶. Other Chinese language press, while upholding the combined power of the three countries to say 'no' to Trump²⁷, also noted how India and

²¹'India hoping for trade boost with China from CIIE', *Global Times*, November 5, 2018, <http://www.globaltimes.cn/content/1126049.shtml>

²²'Indian tea sector sees potential among Chinese consumers', *Global Times*, October 24, 2018, <http://www.globaltimes.cn/content/1124419.shtml>

²³'中国企业印度"跑马圈地"印度市场为何成"猎场"?' *SCBzol.com*, November 5, 2018, <http://www.scbzol.com/content/77418.html>

²⁴'Chinese smartphones lead Indian holiday sales despite reported restrictions', *Global Times*, October 15, 2018, <http://www.globaltimes.cn/content/1123093.shtml>

²⁵'China-India military relations improve markedly', October 15, 2018, *China Military Online*, http://eng.chinamil.com.cn/view/2018-10/15/content_93135s02.htm

²⁶ Abe's balancing act between China and India, *China Daily*, November 1, 2018, <http://www.chinadaily.com.cn/a/201811/01/WS5bdac0f2a310eff303285ff7.html>

²⁷'特朗普公开拒绝莫迪的邀请 印度或与日本联手抗美', *Changjiang News*, October 3, 2018, <http://mini.eastday.com/a/181031115118012-2.html>

Japan are working together to win over Sri Lanka, Myanmar and other South Asian countries ²⁸.

2. Defence



The USS Decatur came dangerously close to a Chinese warship during a recent encounter in the South China Sea, Source: Independent,
<https://www.independent.co.uk/news/world/americas/us-navy-ship-chinese-luyang-destroyer-uss-decatur-south-china-sea-a8564201>

On September 30, US Navy destroyer USS Decatur came within 12 nautical miles of the Chinese claimed islands in the South China. The USS Decatur was followed by a Chinese Destroyer which closed in within 45 yards of the U.S. ship, nearly resulting in a collusion. The encounter triggered much political debate within China.

The Chinese media argued that as the China-US trade conflict showed signs of escalating into a "comprehensive strategic confrontation", the South China Sea issue has become an important card in Washington's hand. This, they said, is

²⁸ 日印提升战略合作等级 拉拢缅甸斯里兰卡等国, *Overseas Network*, October 30, 2018,
<https://baijiahao.baidu.com/s?id=1615711987213505374&wfr=spider&for=pc>

the real reason behind the encounter of Chinese and American military ships in the South China Sea.

Chinese strategists are of the opinion that the US presently has three main objectives in the South China Sea. First, under the guise of freedom of navigation, maintaining its presence in the region, showing off force, and creating military tension. Second, creating “discourse hegemony” and creating tensions in Chinese public opinion. Third, rallying other countries of the region against China by amplifying the “China Threat Theory”²⁹.

In this regard, China is particularly concerned about growing US-Vietnam military ties and their impact on the South China Sea situation. Chinese strategic circles took note of US Defence Secretary Mattis’ visit to Vietnam on October 16-17, which was his second trip to the South East Asian nation within a year. In fact, after assuming office less than two years ago, Mattis has met with the Vietnamese Defense Minister five times. These facts, Chinese strategists believe, denote the growing depth of military cooperation between the United States and Vietnam.

Chinese commentators also took note of a CNN report in which several US Defense Department officials were said to have revealed that the US Pacific Fleet has developed a secret proposal to demonstrate the use of force to warn China on a global scale. Reacting to the report, Chinese strategists warned that China's offshore cannot be the stage for the US Pacific Fleet to “perform unilateralism”.

Looking at this trend of events, Chinese experts averred that the “South China Sea can be more risky than trade conflict for US-China relations”. Howsoever severe the trade confrontation is, it is still not a military conflict. But with the South China Sea concerning sovereignty and military issues which are highly sensitive, this may even trigger armed conflict between the two. If the China-US confrontation is escalated and unchecked, it would only lead to more serious encounters of warships and both sides will fall into the Thucydides Trap.³⁰

Meanwhile, amidst growing tension in the South China Sea, China conducted the first-ever China-ASEAN joint military exercise. The Chinese side hailed this as a milestone event that showcased the resolve and determination of China

²⁹到底谁在南海兴风作浪耍套路', *PLA Daily*, October 19, 2018, http://www.81.cn/jwgd/2018-10/19/content_9317737.htm

³⁰ 'S.China Sea can be more risky than trade', *China Military Online*, October 10, 2018, http://eng.chinamil.com.cn/view/2018-10/12/content_9309501.htm

and ASEAN to safeguard regional peace and stability. ASEAN's willingness to deepen its military ties with China, according to Chinese strategists, sends the world a message that the two sides are increasingly confident of managing differences and conflicts themselves without interference from powers outside the region.³¹



US Defence Secretary Jim Mattis with his Chinese counterpart General Wei Fenghe at a meeting on the sidelines of the ASEAN security summit in Singapore on October 18, 2018.

Source: CNBC, <https://www.cnbc.com/2018/10/1>

On the other hand, Chinese Defence Minister Wei Fenghe met US Defense Secretary Mattis in Singapore on October 18, 2018. Although the international media reported that the 90-minute meeting did not produce any significant agreement, the Chinese side believed that it helped release pressure and provided an opportunity to both sides to understand each other. Chinese strategic circles view Mattis as one of the relatively moderate figures in the US administration, who has repeatedly highlighted the need for cooperation. But the possibility of his leaving his position and the exit of other moderates from the administration, they argued, is making the exchanges between the Chinese and American militaries unpredictable.

As if to underscore this vein of unpredictability, just after the Singapore meeting and when the Chinese side expected an easing of relations, two USN ships, USS Wilbur and Antietam, sailed through the Taiwan Strait, exerting the United States' commitment to the free and open India-Pacific. .

³¹ 'China-ASEAN drill 'milestone' for regional peace', *China Military Online*, October 22, 2018, http://eng.chinamil.com.cn/view/2018-10/22/content_9319403.htm

3. Internal security



Chinese actress Fan Bingbing was ordered to pay taxes and fines worth hundreds of millions of yuan over tax evasion charges, Source: Business Insider, <https://www.businessinsider.in/Vanished-Chinese-actress-Fan-Bingbing-broke-her-silence-with-a-groveling-apology-to-the-Chinese-government-which-she-owes-129-million/articleshow/66055431.cms>

At the month began, the news that China's top actress Fan Bingbing was ordered to pay more than 800 million yuan (\$116 million) in taxes and fines made international headlines. Revelations by a TV host about the Yin-Yang contract prevalent in the Chinese entertainment industry and the exorbitant amount earned by the actress led to online public outrage, which eventually forced the state tax administration to act. An [editorial](#) in Huanqiushibao hailed the fine as a landmark event, a lesson for the entire Chinese entertainment industry and even the entire Chinese society³².

Also during the month, there was much international hype about the news that Victor Mallet, a British national who serves as the Financial Times' Asia news editor, was denied a renewal of his Hong Kong work visa without any explanation. As per the international media, the incident tarnished Hong Kong's long-held reputation as a bastion of freedom of expression. An unsigned [article](#)³³ in Huanqiushibao refuted the claim by the international media that the incident indicated "mainlandization" of Hong Kong. It argued that Mallet's invitation of Andy Chen, founder of the pro-independence Hong

³² '范冰冰遭重罚是个标志性事件', *Huanqiushibao*, October 3, 2018, <http://opinion.huanqiu.com/editorial/2018-10/13169526.html>

³³ '少一名英国记者, 香港就"内地化"了?', *Huanqiushibao*, October 7, 2018, <http://opinion.huanqiu.com/editorial/2018-10/13192678.html>

Kong National Party (HKNP), to speak at the Foreign Correspondents Club (FCC) press conference despite the opposition of the SAR government, was beyond the realm of "free speech" and an issue of national security.

It was argued that when the United States uses "quirky" ways like asking China's official news agency in the US to register as a "foreign agent", there is no global outrage. Again in 2016, when India refused renewal of visa for some Xinhua News Agency reporters, there was no external repercussion. However when China does not give a visa to a Western journalist, it is termed violation of "freedom of speech and expression" by Western media. This kind of accusation is "very unreasonable and rude".



China accused ex-Interpol chief Meng Hongwei, of bribery, Source: Aljazeera, <https://www.aljazeera.com/news/2018/10/china-tight-lipped-interpol-chief-meng-hongwei-disappearance-181006065220956.html>

Yet another incident in this space that drew global attention was the sudden "disappearance" of the France-based Chinese-origin incumbent President of Interpol, Meng Hongwei, during his visit to China. After French police opened an investigation and Interpol appealed to Beijing for answers, Interpol received his resignation and the Chinese authorities blandly announced on October 7 that he was in their custody and under investigation for bribery.

Chinese commentaries argued that the international media deliberately used the words "disappeared" and "missing" to attack the Chinese system. Although Meng Hongwei was the Chairman of Interpol, he was also a senior official of

the Chinese Ministry of Public Security and thus within the scope of statutory supervision by the State Commission. His important position in an international organization could not shield him from the supervision of Chinese law. The root cause of "this round of noise" in the Western media, argued China's state media, was that they do not respect Chinese laws, and there are a lot of misunderstandings in the West about China's anti-corruption campaign³⁴.

4. Economy

China's third quarter economic data revealed that its GDP increased by 6.5% year-on-year, as against 6.8% in the first quarter and 6.7% in the second quarter, signalling that downward pressure on the economy continues unabated. In early October, the A-share market experienced a sharp decline and the RMB exchange rate came under pressure, while on the other hand US-China trade friction continued to be an uncertain factor and China's foreign trade environment did not improve significantly.

Against this backdrop, many in China are reportedly somewhat pessimistic about the economic prospects of the country. Some of the major apprehensions doing the rounds in China's economic circles are of "[factories closing down and foreign capital leaving China](#)"³⁵, "[return of Guo jin min tui \(国进民退\) which means that the state is advancing and the private sector retreating](#)"³⁶, "[Consumption downgrade\(消费降级\) on the rise](#)",³⁷ among others. Further, looking at China's rising debt, some questions are being raised regarding the efficacy of China's "economic miracle" story, suggesting that the numbers must have been [overtly inflated](#).³⁸

As a result, during the month China's state media mostly strove to address the pessimism setting into Chinese society. They argued that this is just a short term downward trend in the economy, while on the other hand, China's economic fundamentals have improved considerably. For example, compared

³⁴ 孟宏伟被调查,《监察法》再次亮剑', *Huanqiu Shibao*, October 8, 2018, <http://opinion.huanqiu.com/editorial/2018-10/13206260.html>

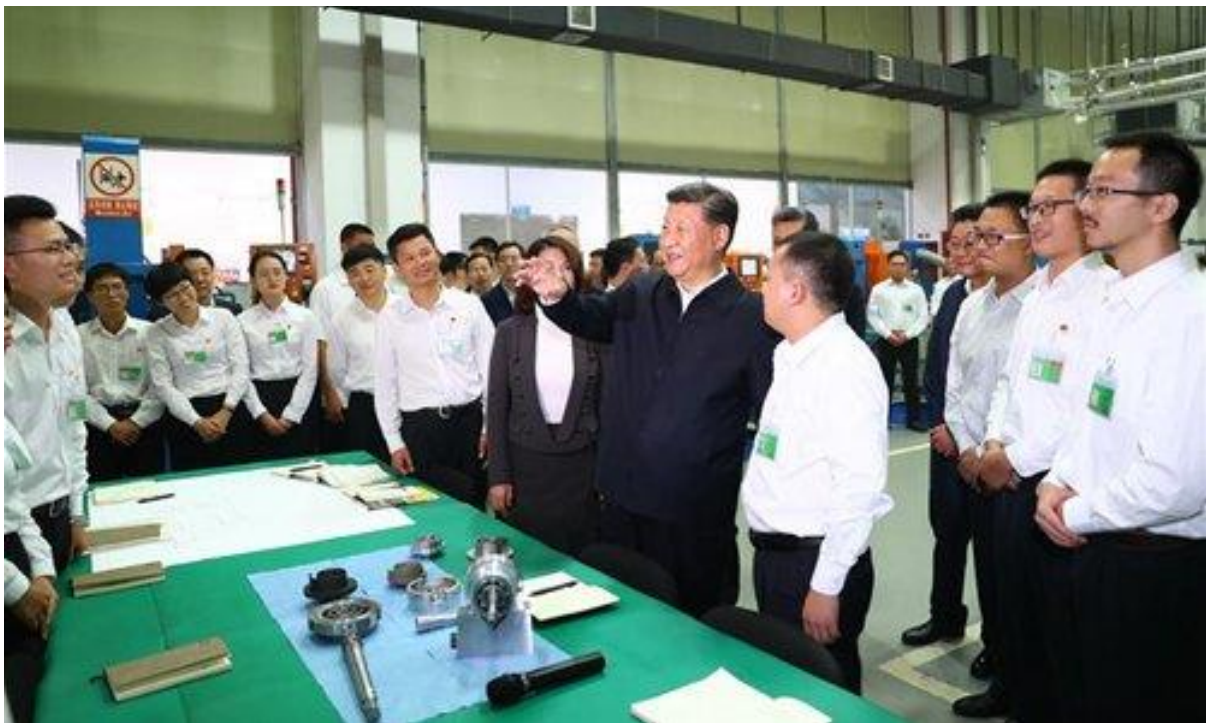
³⁵ '外资撤离'论以偏概全', *China Economic Daily*, October 31, 2018, http://views.ce.cn/view/ent/201810/31/t20181031_30666218.shtml

³⁶ 穿越风雨·撑起中国经济'半壁江山', *People's Daily*, October 25, 2018, http://views.ce.cn/view/ent/201810/25/t20181025_30622163.shtml

³⁷ "'消费降级'不成立 民生期待应关注', *China Economic Daily*, October 10, 2018, http://views.ce.cn/view/ent/201810/24/t20181024_30609590.shtml

³⁸ 中国的债务高不高? 不要对货币莫名恐惧', *Beijing Daily*, October 15, 2018, http://views.ce.cn/view/ent/201810/15/t20181015_30516732.shtml

with the export landslide in 2010-2016, China's export situation has generally improved. Progress has been made in urbanization, inbound investment and in economic restructuring, among others. Chinese media repeatedly stressed that China is fully capable of resolving short-term downward pressures and continue with the steady development of its economy³⁹. Although some economic indicators have fluctuated due to the increase of uncertain factors at home and abroad this year, this has not affected China's economic stability and has not changed the pace of high-quality development of the Chinese economy.⁴⁰



Chinese President Xi Jinping at Gree Electric Appliances in Zhuhai, south China's Guangdong Province, October 22, 2018. Source: Global Times, <http://www.globaltimes.cn/content/1124109.shtml>

On the occasion of celebrating the 40th anniversary of China's reform era, Chinese President Xi Jinping chose to visit Guangdong, where China's first round of reform and opening up was initiated. Xi Jinping's remarks at Guangdong provided important cues about the future direction of the Chinese economy, the key highlights being: [China will raise the banner of reform and](#)

³⁹'中国经济短期下行 稳中向好趋势未变', *China Net*, October 24, 2018, http://views.ce.cn/view/ent/201810/24/t20181024_30612229.shtml

⁴⁰'中国经济的"进"与"好', *People's Daily*, http://views.ce.cn/view/ent/201810/31/t20181031_30667327.shtml

[opening up even higher](#)⁴¹; [China will strive to create new and bigger miracles that will make the world notice](#)⁴²; and China's quality will be as world-renowned as China's speed of execution. During his Guangdong visit, Xi Jinping also inaugurated the Hong Kong-Zhuhai-Macao Bridge, known as the "Super Project", to commemorate the legacy of reform and opening up of the Greater Bay region.



The Hong Kong-Zhuhai-Macao Bridge connecting the east and west sides of the Pearl River Delta in South China was officially inaugurated on October 23, 2018, Source: China Daily, <http://www.chinadaily.com.cn/a/201810/18/WS5bc7c52ea310eff303282fea.html>

As China's reform and opening up is set to enter a new important threshold, China has planned to organise the first China International Import Expo, an "unprecedented Olympic trade fest", in Shanghai from November 5-10, to be attended by more than 2,800 companies and 150,000 buyers. At a time when economic globalization has experienced twists and turns and unilateralism and protectionism are on the rise, the first session of the Expo will showcase China's firm determination and position to support trade liberalization, promote a new round of high-level opening up, and open the Chinese market to the world.

⁴¹'把改革开放旗帜举得更', People's Daily, October 26, 2018,

http://views.ce.cn/view/ent/201810/26/t20181026_30629612.shtml

⁴²努力创造让世界刮目相看的新的更大奇迹, People's Daily, October 26, 2018,

http://views.ce.cn/view/ent/201810/26/t20181026_30629593.shtml

This mega trade event was said to be in line with [China's expectation to import 24 trillion US dollars of goods in the next 15 years](#).⁴³

Looking back at history, Chinese commentaries argued that the 1851 World Expo in London showed the UK's proud achievements as the world's number one economic powerhouse and opened the glorious chapter of the British Empire. The 1933 Chicago International Exposition positioned the US as the world's richest country after the industrial revolution, especially in science and technology. The 1970 Osaka World Expo in Japan announced Japan's re-emergence after the war and played a huge role in advancing Japan's internationalisation process and shaping Japan's international image as a major economic and technological power. Similarly, the Import Expo will be a turning point in the history of China's economic development. It is being billed as a [major policy announcement](#) from China⁴⁴ which signifies that "the door to [China's opening will not be closed, it will only grow bigger and bigger](#)!"⁴⁵ After 40 years of reform and opening up, China took a historical leap from "poverty" to "affluence". The future will see [China's transition from "affluent" to "affluent and strong"](#).⁴⁶

5. Party

The Chinese press was abuzz with stories eulogising the towering role of the party to overcome the challenges of present times and successfully carry forward the reform and opening up process. An [article](#) in People's Daily argued that the Party 'can' solve the problems facing China today. History is witness to how the Communist Party of China, adhering to the guidance of Marxism and by using dialectical materialism and historical materialism, has been able to accurately grasp the main contradictions of Chinese society, solve major issues of the times, and constantly advance the great social revolution. Since the 18th National Congress of the Communist Party of China, changes in the domestic and international situation have presented a new situation. The Party Central Committee with Xi Jinping at the core is leading the party and the people to solve the challenges of this new era. As long as Chinese people persist in and strengthen the overall leadership of the party, the party and the nation will

⁴³ '进博会对世界经济意味着什么?', *People's Daily*, October 30, 2018, http://views.ce.cn/view/ent/201810/30/t20181030_30659053.shtml

⁴⁴ '让中国开放成果更好惠及世界', *Peoples Daily*, October 30, 2018, http://views.ce.cn/view/ent/201810/30/t20181030_30656948.shtml

⁴⁵ '扩大开放, 中国说到做到', *People's Daily*, October 30, 2018, http://views.ce.cn/view/ent/201810/30/t20181030_30659044.shtml

⁴⁶ '中日当"领衔"推进亚洲区域合作', *CIIS*, October 26, 2018, http://www.ciis.org.cn/chinese/2018-10/26/content_40550566.htm

prevail.⁴⁷ [The leadership of the CCP](#) remains the fundamental guarantee for the success of the reform and opening up process.⁴⁸

Other than that, there was much discussion in the Chinese press about how the Central Inspection Team of China is changing its "operation style". Recently the second round of the 19th Central Committee's patrols was completed. The 15 central inspection teams conducted special inspections on poverty alleviation in 13 provinces, autonomous regions and municipalities, 11 central and state agencies, and 2 centrally managed financial enterprise organizations. This is the first time that the Central Inspection Team has focused on one theme and focused on one area to conduct special inspections. [Articles](#) argued that the party is continuously innovating and upgrading its supervision activity. It is likely that there will be more of "first time" in the next rounds of inspections⁴⁹.

Meanwhile, the General Office of the Central Committee of CPC was reported to have issued a "Notice on Overall Planning, Inspection and Assessment" to impose limits on the number of central government inspection campaigns directed at local authorities. According to the Chinese [media](#), President Xi has observed that too many inspections, too many checks and assessments of late has been overwhelming the grass roots level. The "Notice" was therefore promulgated to redress this problem and effectively reduce the burden on the grassroots level, in order to better motivate cadres to act efficiently.⁵⁰

[Articles](#) in the People's Daily further advocated that party members should be more welcoming to the new trends in supervision and get used to working and living under the "magnifying glass" and "spotlight". This, they say, is a test of the "party spirit" of CPC members and cadres in the new era.⁵¹

⁴⁷ '中国共产党能够解决重大时代课题', *People's Daily*, November 2, 2018, <http://dangjian.people.com.cn/n1/2018/1102/c117092-30377861.html>

⁴⁸ '党的领导是改革开放取得成功的根本保证', *Qiushi*, October 8, 2018, <http://dangjian.people.com.cn/n1/2018/1008/c117092-30327906.html>

⁴⁹ '创新是巡视工作的生命力', *People's Daily*, October 26, 2018, <http://dangjian.people.com.cn/n1/2018/1026/c117092-30363793.html>

⁵⁰ '把督查检查考核工作做得更好更有成效', *People's Daily*, October 8, 2018, <http://dangjian.people.com.cn/n1/2018/1010/c117092-30331812.html>

⁵¹ '习惯监督，聚光灯下显担当', *People's Daily*, October 19, 2018, <http://dangjian.people.com.cn/n1/2018/1019/c117092-30350387.html>



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