



# Delhi Policy Group

Advancing India's Rise as a Leading Power



## China Monitor

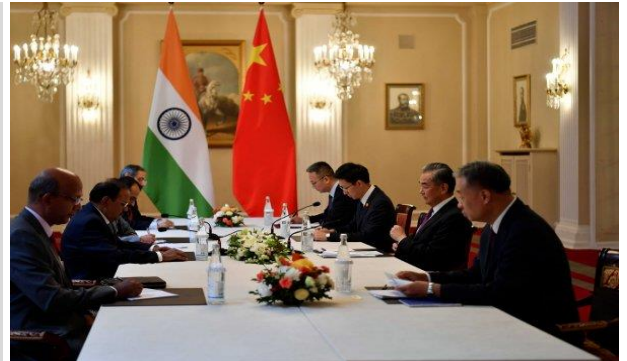
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## China Monitor Volume VII, Issue 9 September 2024

### ABOUT US

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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 and Sanket Joshi, Research Associate, from open-source reports and publications.

### Cover Photographs:

*India's National Security Advisor Ajit Doval and Director of China's Central Commission for Foreign Affairs Wang Yi met in St. Petersburg on September 12, 2024. Source: [Official X Handle/Global Times](#)*

*US Secretary of State Antony Blinken and Director of China's Central Commission for Foreign Affairs Wang Yi met in New York on the sidelines of the 79<sup>th</sup> UN General Assembly. Source: [Official X Handle/Lin Jian \(@SpoxCHN\\_LinJian\)](#)*

*President Xi Jinping addressed the Summit of the Forum on China-Africa Cooperation (FOCAC) in Beijing on September 5, 2024. Source: [Official X Handle Hua Chunying/SpokespersonCHN](#)*

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**China Monitor**  
**Volume VII, Issue 9**  
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## Abstract

On September 12, 2024, India's National Security Advisor, Ajit Doval and the Director of China's Central Commission for Foreign Affairs, Wang Yi, met in St. Petersburg on the sidelines of the BRICS National Security Advisers' meeting. They reviewed recent efforts towards resolving the remaining issues along the LAC and agreed to work with urgency to achieve complete disengagement. India reaffirmed that peace and tranquillity in border areas and respect for the LAC are essential for rebuilding bilateral relations.

Meanwhile, also on September 12, 2024, speaking at an event in Geneva, India's External Affairs Minister Dr. S. Jaishankar highlighted the progress on border talks with China, noting that 75 percent of disengagement problems have been resolved. However, he reiterated that India-China relations remain "complex" and that the Galwan clash of 2020 had cast a shadow on bilateral relations.

With the continuing trust deficit and the PLA's posture, the Indian Army is set to maintain its winter troop deployment posture along the LAC in eastern Ladakh, Arunachal Pradesh and Sikkim.

President Xi hosted a Summit of the Forum on China-Africa Cooperation in Beijing on September 5, 2024. He urged China and Africa to upgrade their partnership in a manner that will spark a wave of modernisation throughout the "Global South", building a community of shared future. China has pledged financial support of CNY 360 billion (USD 50.7 billion) over the next three years to implement the partnership action plan with Africa.

Continuing the trajectory of high-level strategic communication, Director of China's Central Commission for Foreign Affairs, Wang Yi, and US Secretary of State Antony Blinken met on the margins of the 79th UN General Assembly in New York on September 27, 2024. Progress on implementing the commitments made at the San Francisco Summit, including counternarcotics cooperation, military communication, and AI safety and risk mitigation, were discussed. Director Wang cautioned that seeking China's containment and requesting cooperation at the same time will not work, and urged the US to "develop a rational perception of China".

Following a four-year statutory review, the Office of the United States Trade Representative (USTR) announced action on China tariffs on September 13, 2024. USTR Katherine Tai stated that the increase in tariffs underscores the US government's commitment to stand up for American workers and businesses against China's "unfair trade practices". China's Ministry of Commerce

responded by cautioning that Washington's decision would not only undermine the "international trade order" and global supply chains, but would also fail to address the US's trade deficit and industrial competitiveness.

Spanish Prime Minister Pedro Sánchez visited China from September 8-11, 2024 and met President Xi Jinping and Premier Li Qiang. Sánchez expressed concerns about a trade war and urged the European Commission to reconsider its decision to impose tariffs on electric vehicles manufactured in China. Supporting this position, German Chancellor Olaf Scholz also called for a rethink of EU tariffs on Chinese-made electric vehicles.

According to reports, in March 2024, President Biden approved a classified nuclear weapons strategy aimed at reorienting America's deterrence posture in response to China's expanding nuclear arsenal. Reacting sharply, China's Ministry of National Defence criticised US plans to expand its nuclear arsenal and shirk its responsibility for disarmament under the guise of a "non-existent nuclear threat from China".

The PLA Rocket Force (PLARF) launched an Intercontinental Ballistic Missile (ICBM) carrying a dummy warhead into the Pacific Ocean on September 25, 2024, believed to be the first such test since the early 1980s. Beijing asserted that the country does not seek an arms race, and strictly adheres to a nuclear policy of no-first use.

On September 10, 2024, the Commander of the US Indo-Pacific Command, Admiral Samuel Paparo, and the Commander of the PLA's Southern Theatre Command, Wu Yanan, held a video call. Military communication between the US and China has advanced rapidly following the San Francisco Summit, easing the risk of confrontation.

Chinese Defence Minister Dong Jun addressed the 11th Beijing Xiangshan Forum on September 13, 2024. As tensions continue in the South China Sea, Dong emphasised the importance of countries maintaining their strategic autonomy to protect sovereignty, security, and development interests. He provided an overview of China's Global Security Initiative (GSI) and reaffirmed the PLA's intent to "build peace" and its commitment to playing a "new and bigger role" in global security.

Amidst mounting economic headwinds, on September 24, 2024, the People's Bank of China announced several stimulus measures including lowering home mortgage interest rates, reducing the reverse repo rate, and lowering the Reserve Requirement Ratio for commercial banks.

## Foreign and Security Policy

### I. China-India Relations

There were signs of consensus emerging over the disengagement process in eastern Ladakh. During the month, India's National Security Advisor Ajit Doval and China's Director of the Office of the Central Foreign Affairs Commission, Wang Yi met in Saint Petersburg, Russia on the sidelines of the BRICS National Security Advisors meeting on September 12. They reviewed the recent efforts towards finding an early resolution of the remaining issues along the Line of Actual Control (LAC). Both sides agreed on the urgency to redouble efforts to realise complete disengagement in the remaining areas. NSA Ajit Doval conveyed that peace and tranquillity in border areas and respect for the LAC are essential for normalcy in bilateral relations.<sup>1</sup>

Meanwhile, India's External Affairs Minister Dr. S. Jaishankar, speaking at the Geneva Centre for Security Policy, Switzerland dwelling on India-China relations, calling it a very complex issue, underscored that India and China have sorted out 75 per cent of disengagement. Adding that, if there is a complete disengagement in the remaining areas and we return to peace along the LAC, then we can look at other possibilities. EAM Dr. Jaishankar reiterated that what happened in May 2020 was a violation of several agreements adding that the Galwan clash further affected bilateral ties.<sup>2</sup>

A statement issued by the Chinese Defence Ministry on September 26, 2024, reaffirmed the above developments, stating that China and India have made some progress in resolving pending issues along the LAC in eastern Ladakh. This included exploring the contours of a possible solution that factors in their respective pre-April 2020 positions while agreeing to address existing issues in Arunachal Pradesh. It added that the two sides have agreed to maintain dialogue to reach a mutually acceptable resolution at an "early date". These statements were issued following a meeting between India's Ambassador to China Pradeep Kumar Rawat and Li Jinsong, Director-General of the Department of Asian Affairs of the Chinese Foreign Ministry.<sup>3</sup>

Further, Zhang Xiaogang, spokesperson for the Chinese Ministry of National Defence, told a media briefing that under the guidance of their two leaders,

<sup>1</sup> "Meeting of National Security Adviser with his Chinese counterpart on the sidelines of the BRICS NSA Meeting", Ministry of External Affairs Government of India, September 12, 2024

<sup>2</sup> "Jaishankar says 75 per cent of disengagement problems 'sorted out' with China", The Economic Times, September 13, 2024

<sup>3</sup> "Reached some consensus with India': China on Ladakh disengagement process", The Indian Express, September 27, 2024



China and India have maintained communication with each other through diplomatic and military channels including between the two Foreign Ministers, India's National Security Advisor and the border consultation mechanisms. Highlighting that through dialogue the two sides have been "able to reduce their differences and build some consensus besides agreeing to strengthen dialogue to accommodate each other's legitimate concerns," Zhang added.<sup>4</sup>

As reported by the Indian Express, the 22nd round of military talks between India and China at the Corps Commander level is now expected to be held shortly to chalk out the modalities, including a timeframe of the redeployment of troops from either side based on impending mutual agreement to be reached. It was reported that the delegations to the 31st Working Mechanism for Consultation and Coordination on India-China Border Affairs (WMCC) talks, held on August 29 in Beijing, also had representatives from the Indian military.<sup>5</sup>

Despite political and diplomatic talks indicating progress on the resolution of the standoff in eastern Ladakh, the Indian Army is all set to adopt its fifth winter troop deployment posture both in Ladakh and Arunachal Pradesh-Sikkim. The Army sources informed that the way China continues to strengthen its forward military positions as well as build "permanent defences" and infrastructure all along the 3,488-km LAC, it is quite clear that the PLA will not be returning to its peacetime locations in the near future. Under these circumstances, the Indian Army does not want to take any chances of lowering its guard.<sup>6</sup>

On September 21, 2024, President Biden hosted India's Prime Minister Narendra Modi, Australia's Prime Minister Anthony Albanese, and Japan's Prime Minister Kishida Fumio in Wilmington, Delaware for the fourth Quad Leaders' Summit.<sup>7</sup> While the US insisted that the Quad was not directed at any particular country, the Chinese Foreign Ministry claimed that it is a "tool used to contain China" and "maintain US hegemony".<sup>8</sup> As Quad leaders expressed concern about the situation in the East and South China Seas, Beijing warned countries outside the region not to meddle in maritime issues at China's doorstep warning that it would not weaken China's resolve to defend its

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<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> "India to maintain LAC troop deployment as trust deficit with China remains", The Times of India, September 30, 2024

<sup>7</sup> "Fact Sheet: 2024 Quad Leaders' Summit", US Embassy and Consulates in India, September 21, 2024

<sup>8</sup> "Foreign Ministry Spokesperson Lin Jian's Regular Press Conference on September 23, 2024", Ministry of Foreign Affairs PRC, September 23, 2024

maritime sovereignty and territorial integrity.<sup>9</sup> Chinese officials cautioned against the formation of exclusive groups that undermine trust among regional countries when it comes to the Quad's intent to enhance cooperation in the Indian Ocean region.<sup>10</sup>

Ahead of China's National Day on October 1, Chen Wenqing, head of Central Political and Legal Affairs Commission – the ruling Communist Party's top security body, during a visit to the Tibetan Region, called for a "resolute crackdown" on separatists in Tibetan areas. He maintained that stability and guarding against independence and destructive activities are the top priorities for security personnel in the Tibetan region. He also underscored the need "to resolutely manage religious affairs, while protecting normal religious activities and maintain stability". Chen's trip included stops in the Tibet autonomous region as well as the Ganzi Tibetan autonomous prefecture in Sichuan province. Chen has cast the Tibetan security net wider in recent years to include more surrounding regions with large Tibetan populations.<sup>11</sup>

## II. China-South Asia Relations

The US has imposed sanctions on entities in China and Pakistan for the proliferation of missile technology. The US Department of State is taking action against five entities and one individual who have been involved in the proliferation of ballistic missiles and controlled missile equipment and technology to Pakistan. It has identified the Beijing Research Institute of Automation for Machine Building Industry (RIAMB) as an 'entity' that worked with Pakistan's National Development Complex (NDC) in providing nuclear missile technology. The Shaheen-3 and the Ababeel are nuclear-tipped missiles that Pakistan possesses, whose numbers are reportedly rising, now estimated to be 170.<sup>12</sup>

Sanctions have also been imposed under the Arms Export Control Act (AECA) and the Export Control Reform Act (ECRA) on Chinese firms Hubei Huachangda Intelligent Equipment Company, Universal Enterprise Limited, and Xi'an Longde Technology Development Company Limited alias Lontek. The Chinese individual is Luo Dongmei alias Steed Luo and the Pakistani entity is 'Innovative Equipment'. The sanctions are being imposed because these

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<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> "China's security chief calls for 'resolute crackdown' on separatists in Tibetan areas", South China Morning Post, September 16, 2024

<sup>12</sup> "US imposes sanctions on Chinese, Pakistani firms for proliferation of nuclear missile tech", The Tribune, September 12, 2024



entities and individuals knowingly transferred equipment and technology controlled under the Missile Technology Control Regime (MTCR) to Pakistan, a country that is not a signatory of the MTCR.<sup>13</sup>

On the sidelines of the UN General Assembly, the interim leader of Bangladesh, Muhammad Yunus met Chinese Foreign Minister Wang Yi on September 25. Underscoring traditional friendly ties between China and Bangladesh, the Chinese Foreign Minister said that Beijing is willing to work with the Interim Government of Bangladesh to take their traditional relationship forward. Also offered support in expanding cooperation in the fields of agriculture, energy needs, and social and economic development. Both sides agreed to cooperate in furthering regional cooperation.<sup>14</sup>

### III. China-United States Relations

Continuing their high-level strategic communication, Director of China's Central Commission for Foreign Affairs, Wang Yi, and US Secretary of State Antony Blinken met on the margins of the 79<sup>th</sup> UN General Assembly in New York on September 27, 2024.<sup>15</sup> The two sides discussed progress in implementing the commitments made at the San Francisco Summit, including counternarcotics cooperation, military communication, and AI safety and risk mitigation.<sup>16</sup> Director Wang cautioned that seeking China's containment and requesting cooperation at the same time will not work and urged the US to "develop a rational perception of China".<sup>17</sup> On Taiwan question, he reiterated that the US must adhere to the one-China principle, cease arming Taiwan separatists, and support China's peaceful reunification.<sup>18</sup> Other major issues touched by Director Wang included opposition to the US' suppression of China's trade and technology sectors, stirring up trouble in the South China Sea, and promoting peace talks for resolving the Ukraine crisis.<sup>19</sup>

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<sup>13</sup> Ibid.

<sup>14</sup> "Bangladesh's Muhammad Yunus meets Chinese FM Wang Yi, World Bank President Banga at UNGA; discusses bilateral cooperation, financial support", The Economic Times, September 26, 2024

<sup>15</sup> "Secretary Blinken's Meeting with People's Republic of China (PRC) Director of the CCP Central Foreign Affairs Commission and Foreign Minister Wang Yi", US Department of State, September 27, 2024

<sup>16</sup> Ibid.

<sup>17</sup> "China expects rational perception from Washington about bilateral ties", Xinhua, September 28, 2024

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

In his remarks, Secretary Blinken reiterated the importance of maintaining open lines of communication, expressed concern about China's destabilising actions in the South China Sea, stressed the need for peace and stability across the Taiwan Strait, and emphasised US concerns about China's support for Russia's military-industrial complex.<sup>20</sup>

Following a four-year statutory review, the Office of the United States Trade Representative (USTR) finalised action on China tariffs on September 13, 2024.<sup>21</sup> USTR Katherine Tai stated that the increase in tariff underscores the US government's commitment to stand up for American workers and businesses against China's "unfair trade practices".<sup>22</sup> The revised tariff rates are: 25 percent for steel and aluminium products, 50 percent for semiconductors, 100 percent for electric vehicles (EVs), and 50 percent for solar panels.<sup>23</sup> Reacting sharply, China's Ministry of Commerce opposed tariff increases and cautioned that Washington's decision would not only undermine "international trade order" and global supply chains but would also fail to address the US' trade deficit and industrial competitiveness.<sup>24</sup> A Xinhua commentary expressed concerns about the US' protectionism, asserting that Section 301 tariffs demonstrate its "hegemonic" nature.<sup>25</sup>

China's Ambassador to the US, Xie Feng underscored four red lines in China-US bilateral relations that include Taiwan, democracy, human rights, and the right to development.<sup>26</sup> He reaffirmed that the Taiwan issue remains paramount and should not be crossed, rejected the notion of democracy versus authoritarianism as a fallacy, and stressed that China's political system and development path are non-negotiable.<sup>27</sup>

Notwithstanding, the US House of Representatives passed a slew of bills targeting China, including restrictions on biotechnology firms, drones, electric

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<sup>20</sup> "Secretary Blinken's Meeting with People's Republic of China (PRC) Director of the CCP Central Foreign Affairs Commission and Foreign Minister Wang Yi", US Department of State, September 27, 2024

<sup>21</sup> "USTR Finalizes Action on China Tariffs Following Statutory Four-Year Review", Office of US Trade Representative, September 13, 2024

<sup>22</sup> Ibid.

<sup>23</sup> "FACT SHEET: President Biden Takes Action to Protect American Workers and Businesses from China's Unfair Trade Practices", The White House, May 14, 2024

<sup>24</sup> "China calls on the US to axe tariff increases on EVs, solar cells and semiconductors", South China Morning Post, September 15, 2024

<sup>25</sup> "Xinhua Commentary: U.S. tariffs on Chinese goods underscore trade bully, hegemony", Xinhua, September 14, 2024

<sup>26</sup> "Chinese ambassador Xie Feng lays down 'red lines' in US-China relationship", South China Morning Post, September 13, 2024

<sup>27</sup> Ibid.

vehicles (EVs), and Hong Kong-related issues.<sup>28</sup> The US Biosecure Act bill, which was passed by the House of Representatives on September 10, 2024, restricts business with Chinese companies such as WuXi AppTec and BGI Genomics on national security grounds.<sup>29</sup> The House also passed a bill that would prevent Chinese drone manufacturer DJI's products from operating on US communications infrastructure.<sup>30</sup> Moreover, the US House passed a bill that could lead to the closure of Hong Kong's (HKSAR) economic and trade offices in Washington D.C., New York, and San Francisco if they are not run with a "high degree of autonomy" from China.<sup>31</sup>

Reacting to these developments, Chinese analysts identified two disparaging views emanating from the US legislature; the first emphasises the need to avoid a new Cold War, while the second proposes anti-China legislation.<sup>32</sup> It was noted that the US can't stabilise relations with China at a time when its legislative body is focused on dismantling them.<sup>33</sup>

On September 6, 2024, US Climate Envoy John Podesta visited Beijing and met Wang Yi, Director of China's Central Commission for Foreign Affairs, and Liu Zhenmin, Special Envoy for Climate Change.<sup>34</sup> Both sides committed to working together to narrow differences on climate finance and non-carbon dioxide emissions.<sup>35</sup> Director Wang Yi emphasised that dialogue and cooperation on climate change is an integral part of US-China relations and urged Washington to respect China's legitimate concerns, avoid protectionism, and not overstretch the concept of economic security.<sup>36</sup>

Amidst continued tensions in the South China Sea, the Commander of the US Indo-Pacific Command, Samuel Paparo, and the Commander of the PLA's Southern Theatre Command, Wu Yanan, held a video call on September 10,

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<sup>28</sup> "US House 'China Week' aims to weaponize legislation to score political points: experts", Global Times, September 10, 2024

<sup>29</sup> "US bill to restrict business with China's WuXi AppTec, BGI passes House", Reuters, September 10, 2024

<sup>30</sup> "US House votes to bar new DJI drones as 'China week' gets underway", Reuters, September 10, 2024

<sup>31</sup> "Hong Kong's John Lee warns of strong response if US advances bill targeting trade offices", South China Morning Post, September 17, 2024

<sup>32</sup> "Xinhua Commentary: China-related bills a smokescreen to cover up U.S. own problems", Xinhua, September 11, 2024

<sup>33</sup> Ibid.

<sup>34</sup> "China, US vow to work together on climate issues, but American election may alter path", South China Morning Post, September 9, 2024

<sup>35</sup> Ibid.

<sup>36</sup> Ibid.

2024.<sup>37</sup> Wu Yanan also visited the US (Hawaii) and met Admiral Samuel Paparo at the Indo-Pacific Chiefs of Defence Conference, the first such visit by a PLA commander to the US in two years. The US urged the PLA to “reconsider its use of dangerous, coercive, and potentially escalatory tactics in the South China Sea and beyond”.<sup>38</sup> Analysts noted that military communication between the two countries has advanced rapidly following the Xi-Biden San Francisco Summit, easing the risk of confrontation.<sup>39</sup>

On the other hand, Lisa Franchetti, the Chief of US naval operations, provided insight into the Pentagon's plan to prepare for a possible armed conflict with China over Taiwan by 2027.<sup>40</sup> The US Navy is incorporating lessons from combat in the Red Sea and Ukraine's Black Sea to prepare itself for a potential Chinese attack on Taiwan. Among their priorities is improving the Navy's infrastructure, especially recruitment and the use of drones and autonomous systems.<sup>41</sup> Meanwhile, on September 18, 2024, Chinese Foreign Ministry imposed sanctions on nine US defence contractors for arms sales to Taiwan.<sup>42</sup> Chinese state television showed a glimpse of what an amphibious assault on Taiwan might look like in the documentary series Quenching.<sup>43</sup>

Among other developments, a South China Morning Post report shed light on the uphill battle that the US, Japan, and Australia are facing to challenge China's dominance in the rare earth minerals market.<sup>44</sup>

#### IV. China-European Union Relations

Spanish Prime Minister Pedro Sánchez visited China from September 8-11, 2024 and met President Xi Jinping and Premier Li Qiang. During his visit, Sánchez expressed concerns about a trade war and urged the European Commission to reconsider its decision to impose tariffs on imports of electric

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<sup>37</sup> “US military theatre commander urges China rethink ‘tactics in South China Sea and beyond”, South China Morning Post, September 10, 2024

<sup>38</sup> Ibid.

<sup>39</sup> Ibid.

<sup>40</sup> “US Navy chief unveils plan to be ready for possible war with China by 2027”, South China Morning Post, September 19, 2024

<sup>41</sup> Ibid.

<sup>42</sup> “Beijing sanctions 9 Pentagon contractors after US arms deal for Taiwan”, South China Morning Post, September 18, 2024

<sup>43</sup> “How to take Taiwan: mainland China show imagines what a PLA attack may look like”, South China Morning Post, September 17, 2024

<sup>44</sup> “China’s grip on rare earths undercuts US, Japan and Australia projects”, South China Morning Post, September 17, 2024

vehicles manufactured in China.<sup>45</sup> In support of Spain's position, German Chancellor Olaf Scholz also called for a rethink of EU tariffs on Chinese-made electric vehicles.<sup>46</sup> Amidst this, Chinese Commerce Minister Wang Wentao and the EU's Trade Commissioner Valdis Dombrovskis met in Brussels on September 19, 2024. The two sides reportedly failed to reach a deal on ending the dispute over EVs, however, they pledged to intensify dialogue towards finding a solution, including taking a "renewed look at price undertakings".<sup>47</sup> Meanwhile, the EU launched a WTO dispute settlement in response to China's anti-subsidy investigation of Europe's dairy products.<sup>48</sup>

Reacting to these developments, an editorial in the Global Times urged the European Commission to listen to Germany and Spain's rational voices and view China's new energy vehicles objectively and rationally.<sup>49</sup> Hungary, Sweden, and Norway have also expressed concerns about tariffs on Chinese EVs underscoring the divisions within the EU on trade relations with China.<sup>50</sup>

On behalf of the European Commission, Mario Draghi, former President of the European Central Bank, released a report titled "The Future of European Competitiveness" on September 9, 2024.<sup>51</sup> According to the report, Europe's economic growth and industrial productivity are weaker than that of the US and China, and recommended annual additional investment of up to EUR 800 billion (USD 884 billion) to meet its climate and industrial competitiveness targets.<sup>52</sup> Chinese analysts reiterated their concerns about the prominence given to competition with China in Mr. Draghi's report, stressing that it could lead to further protectionist measures by the EU.<sup>53</sup>

Amidst continuing cross-strait tensions, on September 13, 2024, a German warship made its first passage through the Taiwan Strait in 22 years, defying

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<sup>45</sup> "Sánchez's 'significant turnaround' is not surprising: Global Times editorial", Global Times, September 13, 2024

<sup>46</sup> "Spain and Germany urge rethink on EU tariffs on Chinese-made electric vehicles", South China Morning Post, September 11, 2024

<sup>47</sup> "EU and China trade negotiators fail to strike deal on electric vehicle imports", South China Morning Post, September 20, 2024

<sup>48</sup> "Commission launches WTO consultations challenging China's anti-subsidy investigation into EU dairy", European Commission, September 23, 2024

<sup>49</sup> "European Commission should heed to rational voices of China and Europe: Global Times editorial", Global Times, September 19, 2024

<sup>50</sup> "EU tariffs on Chinese EVs raise trade war concerns", People's Daily, September 18, 2024

<sup>51</sup> "Super Mario Draghi calls for €800 billion to ensure EU competes with US and China", South China Morning Post, September 9, 2024

<sup>52</sup> Ibid.

<sup>53</sup> Ibid.

China's warnings.<sup>54</sup> While the EU's strategic pivot towards Asia-Pacific is noteworthy, its primary goal is to preserve the Indo-Pacific maritime trade routes, which does not necessitate a balancing strategy against China.<sup>55</sup>

## V. China-Russia Relations

On September 12, 2024, Wang Yi, Director of China's Central Commission for Foreign Affairs met Russian President Vladimir Putin in St. Petersburg on the sidelines of the BRICS National Security Advisors meeting. China and Russia vowed to deepen their comprehensive strategic partnership based on the principles of equality and mutual benefit.<sup>56</sup> Their goal is to strengthen strategic coordination, unite the Global South, promote multipolarity, and oppose unilateral bullying and bloc confrontation.<sup>57</sup> Earlier, Director Wang held discussions with Sergei Shoigu, the Secretary of Russia's Security Council, where he stressed the importance of promoting "balanced, objective, and rational voices" to resolve the Ukraine crisis. Shoigu reportedly lauded the "six-point consensus" jointly issued by China and Brazil for peace negotiations between Ukraine and Russia.<sup>58</sup> The US and EU, however, expressed concern about China's substantial support for the Russian military-industrial complex fuelling the war in Ukraine.<sup>59</sup>

As part of a continued strengthening of the defence partnership between China and Russia, both countries conducted the "Northern/Interaction-2024" naval exercise from September 11-15, 2024 in the Sea of Japan.<sup>60</sup> According to analysts, the joint exercise demonstrated China and Russia's high-level strategic coordination aimed at countering the growing military ties between the US, Japan, and the Republic of Korea.<sup>61</sup> Chinese and Russian Coast Guards also conducted joint patrols in the North Pacific Ocean.<sup>62</sup> Meanwhile, in his address at the Beijing Xiangshan Forum, Russian Deputy Defence Minister

<sup>54</sup> "PLA monitors German warships' transit through Taiwan Straits", Global Times, September 14, 2024

<sup>55</sup> "Opinion | What lies at the root of Europe's strategic pivot to Asia", South China Morning Post, September 4, 2024

<sup>56</sup> "Russian President Putin meets with Wang Yi in St. Petersburg", Global Times, September 13, 2024

<sup>57</sup> Ibid.

<sup>58</sup> "China promotes 'rational' voices on Ukraine ceasefire, Wang Yi tells Russian official", South China Morning Post, September 11, 2024

<sup>59</sup> "US, EU raise alarm over China's 'very substantial' support for Russia in Ukraine war", South China Morning Post, September 12, 2024

<sup>60</sup> "In Sea of Japan, China and Russia flex power to counter US and allies in Asia-Pacific", South China Morning Post, September 20, 2024

<sup>61</sup> Ibid.

<sup>62</sup> "Chinese, Russian coast guards to conduct joint patrols", Global Times, September 21, 2024



Alexander Fomin railed against the US' increased military presence in Asia-Pacific and portrayed Russia as China's security partner in the region and beyond.<sup>63</sup>

Among other developments, Chinese Vice President Han Zheng met with President Vladimir Putin at the ninth Eastern Economic Forum held in Vladivostok. Han reaffirmed China's support for the Eastern Economic Forum and the development of Russia's Far East region.<sup>64</sup> In the first eight months of 2024, bilateral trade between China and Russia reportedly increased by 1.9 percent to USD 158.5 billion year-on-year. However, due to US sanctions against Russian companies, energy trade between Russia and China is slowing.<sup>65</sup>

## VI. Summit of the Forum on China-Africa Cooperation

President Xi delivered a keynote address at the opening ceremony of the Beijing Summit of the Forum on China-Africa Cooperation on September 5, 2024. In his remarks, President Xi urged China and Africa to pursue modernisation together, which will spark a wave of modernisation throughout the "Global South", building a community with a shared future.<sup>66</sup> According to him, modernisation should be just and equitable, support openness and win-win cooperation through GDI and BRI, put people first, encourage diversity and inclusion, promote green growth, and ensure peace and security through GSI.<sup>67</sup> For this purpose, Xi proposed ten partnership action plans for the next three years covering issues such as mutual learning among civilisations, trade prosperity, industrial and supply chain cooperation, connectivity, agricultural and livelihood projects, public health capacity, people-to-people exchanges, green development, and common security.<sup>68</sup> China has pledged financial support of CNY 360 billion (USD 50.7 billion) over the next three years to implement ten partnership action plans with Africa.<sup>69</sup>

A South China Morning Post editorial emphasised that FOCAC demonstrated China's commitment to African countries, marked by a consistent pattern of

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<sup>63</sup> "US is stirring Asian tensions to suppress us, Russian minister tells China security forum", South China Morning Post, September 13, 2024

<sup>64</sup> "Chinese VP meets with Putin", People's Daily, September 5, 2024

<sup>65</sup> "China-Russia trade inches up as US sanctions and payment issues strain growth", South China Morning Post, September 19, 2024

<sup>66</sup> "Joining Hands to Advance Modernization and Build a Community with a Shared Future", Ministry of Foreign Affairs PRC, September 5, 2024

<sup>67</sup> Ibid.

<sup>68</sup> Ibid.

<sup>69</sup> Ibid.

investment.<sup>70</sup> It noted that with global uncertainty increasing, China is benefiting from the historic close ties with Africa based on mutual respect in which China has provided Africa with financing, technology, and infrastructure in exchange for African markets.<sup>71</sup> In the face of the US-led West's containment policies, China could have been isolated without years of efforts to develop closer ties with Africa.<sup>72</sup> On the other hand, despite praising China-Africa cooperation, UN Secretary-General Antonio Guterres warned that Africa's debt situation is "unsustainable" and "a recipe for social unrest".<sup>73</sup>

## VII. Premier Li Qiang's Visit to Saudi Arabia and UAE

Premier Li Qiang visited Saudi Arabia and the United Arab Emirates from September 10-13, 2024, deepening China's relations with both countries.<sup>74</sup> During his meetings with Saudi Crown Prince Mohammed bin Salman and UAE President Sheikh Mohammed bin Zayed, Premier Li stressed the importance of enhancing cooperation in the fields of new energy, electric vehicles, high-technology equipment manufacturing, biomedicine, digital economy, and the oil and gas sector.<sup>75</sup> Aside from Saudi Arabia's openness to wider use of the Chinese Yuan in crude settlements (Petroyuan), Riyadh plans to incorporate Chinese electric vehicles, C919 passenger aircraft, and renewable energy infrastructure into its economy.<sup>76</sup>

## Internal Developments

### Key Addresses by Chinese Leaders and Development

On September 14, 2024, President Xi addressed a meeting commemorating the 70<sup>th</sup> founding anniversary of China's National People's Congress (NPC). Xi stressed that China's People's Congress system is the result of a long struggle under the leadership of the CPC and emphasised the need for a deeper theoretical understanding of 'Socialism with Chinese Characteristics' to

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<sup>70</sup> "Editorial | Relationship between China, Africa pays off after years of effort", South China Morning Post, September 4, 2024

<sup>71</sup> Ibid.

<sup>72</sup> Ibid.

<sup>73</sup> "China rolls out new Africa financing, staying course despite slowdown at home", South China Morning Post, September 7, 2024

<sup>74</sup> "Chinese Premier Li Qiang cements ties with Saudi Arabia, UAE, including on new energy", South China Morning Post, September 14, 2024

<sup>75</sup> Ibid.

<sup>76</sup> "Exclusive | Saudi Arabia 'open' to petroyuan, closer China ties, minister says", South China Morning Post, September 11, 2024

advance whole-process people's democracy.<sup>77</sup> Further, on September 20, 2024, Xi addressed a gathering marking the 75<sup>th</sup> founding anniversary of the Chinese People's Political Consultative Conference (CPPCC).<sup>78</sup> According to Xi, the CPPCC is a vital consultative body and it should be used as a vehicle for advancing China's modernisation by adapting Marxism-Leninism to China's national realities and traditional culture.<sup>79</sup> A Xinhua commentary claimed that "China's socialist democratic system" has bolstered national stability and cohesion, while the Western capitalist system is struggling with the erosion of democracy, polarisation, and other chronic failures.<sup>80</sup> Notwithstanding, analysts raised concerns about China's shifting priorities where economic development has become secondary to national security.<sup>81</sup>

On September 10, 2024, China celebrated its 40<sup>th</sup> National Teachers Day. Marking the occasion, President Xi addressed a meeting on education reaffirming the need to advance the strategic goal of building China into a leading country in education as part of its modernisation by 2035.<sup>82</sup>

## Trade and Economy

In August 2024, China's key economic indicators such as retail sales, property investment, fixed-asset investments, industrial output, bank loan growth, and urban employment data were all disappointing, suggesting that the country may find it difficult to meet its annual growth target of 5 percent.<sup>83</sup> In light of this, President Xi reportedly toned down Beijing's focus on achieving annual growth targets by emphasising the need to "strive to fulfil the economic and social development goals for 2024" rather than expressing a "firm commitment" to annual growth targets in an earlier communique.<sup>84</sup> Amidst mounting economic headwinds, the PBOC announced a number of stimulus measures on September 24, 2024, including lowering home mortgage interest rates,

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<sup>77</sup> "Xi urges running people's congresses to good effect as political system's 70th anniversary celebrated", People's Daily, September 15, 2024

<sup>78</sup> "Xi stresses imperative to give full play to CPPCC's political strengths", Xinhua, September 21, 2024

<sup>79</sup> Ibid.

<sup>80</sup> "Xinhua Commentary: Chinese democracy thrives in garden of civilizations", Xinhua, September 13, 2024

<sup>81</sup> "Opinion | If Deng Xiaoping were alive, he would worry about China's shifting priorities", South China Morning Post, September 2, 2024

<sup>82</sup> "Xi stresses building China into leading country in education", People's Daily, September 11, 2024

<sup>83</sup> "Explainer | Where now for China after economy lost momentum 'across the board' in August?", South China Morning Post, September 17, 2024

<sup>84</sup> "Xi Jinping tones down focus on China's growth targets as headwinds mount", South China Morning Post, September 13, 2024

reducing the reverse repo rate, and lowering the Reserve Requirement Ratio (RRR) for commercial banks.<sup>85</sup> The State Council issued guidelines prioritising job creation in response to a high unemployment rate among youth.<sup>86</sup> Chinese cabinet also called for accelerating the venture capital industry's development to foster high-technology innovation and industrial upgrading.<sup>87</sup>

Exports from China continued to maintain a strong competitive edge in August 2024, increasing by 8.7 percent year-on-year to USD 308.65 billion.<sup>88</sup> To boost foreign investment, on September 8, 2024, China released a Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition) in which all restrictions on foreign investment in China's manufacturing sector have been lifted and restricted sectors are reduced from 31 to 29.<sup>89</sup> Despite this there are reports, indicating that American companies are losing confidence in China's business environment.<sup>90</sup>

Taking into account the country's demographic challenges, particularly its declining working-age population, China increased the statutory retirement age for men from 60 to 63 over the next 15 years beginning in 2025, from 55 to 58 for women working as cadres (CPC cadres), and from 50 to 55 for women working in blue-collar jobs.<sup>91</sup>

Among other developments, China Rare Earth Group has discovered 4.96 million tonnes of rare earths in the Liangshan Yi autonomous prefecture.<sup>92</sup>

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<sup>85</sup> "Update: China's Fresh Stimulus Targets Property and Stock Market Challenges", Caixin Global, September 24, 2024

<sup>86</sup> "China's push for job creation takes centre stage after policy barrage with 24-point plan", South China Morning Post, September 26, 2024

<sup>87</sup> "China eyes sci-tech venture capital to boost industrial upgrade, economic growth", South China Morning Post, September 19, 2024

<sup>88</sup> "China's exports show 'strong competitiveness' in August, but challenges remain", South China Morning Post, September 10, 2024

<sup>89</sup> "What two major developments regarding foreign investment access in one day signal: Global Times editorial", Global Times, September 10, 2024

<sup>90</sup> "Confidence of US firms in China wanes as record numbers cut investments amid hardships", South China Morning Post, September 12, 2024

<sup>91</sup> "Raising retirement age a proactive response to population ageing", People's Daily, September 14, 2024

<sup>92</sup> "China safeguards rare earth reserves with discovery of 5 million tonnes of key metals", South China Morning Post, September 16, 2024

## Defence and Security

Chinese Defence Minister Dong Jun addressed the 11<sup>th</sup> Beijing Xiangshan Forum on September 13, 2024.<sup>93</sup> As tensions continue in the South China Sea, Defence Minister Dong emphasised the importance of countries maintaining their strategic autonomy to protect sovereignty, security, and development interests.<sup>94</sup> He provided an overview of China's Global Security Initiative (GSI) and reaffirmed the PLA's intent to "build peace" and its commitment to playing a "new and bigger role" in global security.<sup>95</sup> As per analysts China's message at the Beijing Xiangshan Forum was that the regional security rests on joint efforts of all and that the PLA remains open to pragmatic cooperation with other armed forces to build mutual trust and defence ties.<sup>96</sup> Among other issues discussed at the forum was the importance of US-China military communication to avoid miscalculations or accidents, as well as the belief that no matter which candidate wins the US Presidential Election, America will not change its China containment policy.<sup>97</sup>

On September 23, 2024, Wang Yi, Director of China's Central Commission for Foreign Affairs addressed the 79<sup>th</sup> session of the UN General Assembly in New York. Director Wang urged UN member-states to jointly build a future that is peaceful, prosperous, fair, and just.<sup>98</sup> He discussed China's Belt and Road Initiative, Global Development Initiative, Global Security Initiative, and Global Civilisation Initiative to advance global governance as well as China's modernisation.<sup>99</sup>

Amidst ongoing tensions between China and the Philippines in the South China Sea, Philippine coast guard vessel MRRV-9701 was withdrawn from the disputed Sabina Shoal (Xianbin Jiao) on September 14, 2024.<sup>100</sup> Reacting to this, a Xinhua commentary claimed that the ship was withdrawn due to China's effective measures, which prevented the Philippines from resupplying the ship.<sup>101</sup> As the Philippines maintained that it would "sustain presence" at Sabina

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<sup>93</sup> "Peace 'only way out' of wars in Gaza and Ukraine, Chinese defence chief says – as it happened", South China Morning Post, September 13, 2024

<sup>94</sup> Ibid.

<sup>95</sup> Ibid.

<sup>96</sup> "Editorial | China sends message regional security rests on joint efforts of all", South China Morning Post, September 14, 2024

<sup>97</sup> Ibid.

<sup>98</sup> "Bearing in Mind Our Common Future and Jointly Building a Better Tomorrow", Ministry of Foreign Affairs PRC, September 23, 2024

<sup>99</sup> Ibid.

<sup>100</sup> "Commentary: Philippines needs to carefully consider next steps after withdrawing ship from China's Xianbin Jiao", People's Daily, September 17, 2024

<sup>101</sup> Ibid.

Shoal by replacing the MRRV-9701 ship, Xinhua advised Manila to carefully consider its next steps and work with China to uphold the Declaration on the Conduct of Parties in the South China Sea (DOC).<sup>102</sup> Meanwhile, Gilbert Teodoro, Philippine Defence Secretary warned that if China were to tow away Manila's ship BRP Sierra Madre grounded at the disputed Second Thomas Shoal (Ren'ai Jiao), it would be an act of war, and the US would be expected to assist its ally in such a situation.<sup>103</sup>

The PLA has stepped up patrols and military drills near Taiwan to unprecedented levels since the election of Lai Ching-te as President of Taiwan. Reacting to Chinese provocations, Taiwan's Defence Minister Wellington Koo urged the country's military to test its ability to deal with a "potential sudden contingency", warning that going forward it may be more difficult to detect when the PLA transition from training to a large exercise, and from exercise to war.<sup>104</sup> Despite this, Taiwan's defence authorities perceive that the PLA is not yet capable of waging an all-out war against Taiwan. Beijing, on its part, warned that China's reunification is an overwhelming trend of history that cannot be halted.<sup>105</sup>

According to reports, President Biden approved a classified nuclear weapons strategy in March 2024 that reoriented America's nuclear deterrence strategy in response to China's expanding nuclear arsenal.<sup>106</sup> The US is planning to expand its strategic nuclear arsenal beginning February 2026 when the New START treaty (New Strategic Arms Reduction Treaty) expires to counter adversaries such as Russia, China, Iran, and North Korea.<sup>107</sup> Reacting sharply, China's Ministry of National Defence opposed the US' plans to expand its nuclear arsenal and shirk its responsibility for nuclear disarmament under the guise of a "non-existent nuclear threat from China".<sup>108</sup>

Amidst this, the PLA Rocket Force (PLARF) launched an Intercontinental Ballistic Missile (ICBM) carrying a dummy warhead into the high seas of the Pacific Ocean on September 25, 2024, believed to be the first such test since the

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<sup>102</sup> Ibid.

<sup>103</sup> "Why latest Philippine warning of South China Sea war may not be cause for serious alarm", South China Morning Post, September 19, 2024

<sup>104</sup> "China's growing military activity makes a shift to war harder to spot, warns Taiwan", Financial Times, September 19, 2024

<sup>105</sup> "Defence Ministry Spokesperson's Remarks on Recent Media Queries Concerning the Military", Ministry of National Defence PRC, September 19, 2024

<sup>106</sup> "Regular Press Conference of the Ministry of National Defence on August 29", Ministry of National Defence PRC, September 15, 2024

<sup>107</sup> Ibid.

<sup>108</sup> Ibid.



early 1980s.<sup>109</sup> Reacting to this, Beijing informed that the country does not seek an arms race and strictly adheres to a nuclear policy of no-first-use.<sup>110</sup> Following China's ICBM test and a series of intrusions into Japanese airspace and waters, Tokyo sent a Maritime Self-Defence Force vessel through the Taiwan Strait for the first time, in an apparent show of force.<sup>111</sup> Meanwhile, China urged the US to abandon its plans to deploy mid-range missile system (Typhon) in Japan for military exercises as it could heighten regional tensions.<sup>112</sup>

The PLA Navy reportedly tested its next-generation carrier-borne stealth fighter J-35 on its first aircraft carrier, Liaoning. The new carrier-borne stealth fighter is also operational on China's two other aircraft carriers, Shandong and Fujian.<sup>113</sup> The PLA tested electromagnetic catapults on the aircraft carrier Fujian, which would enable the vessel to launch aircraft more frequently.<sup>114</sup> In an important development, the US shed light on the sinking of China's newest nuclear-powered attack submarine at a shipyard near Wuhan. This is a major setback for China's military modernisation, particularly PLAN's blue water ambitions.<sup>115</sup>

## Technology

On September 23, 2024, President Xi addressed space scientists and engineers who participated in China's 'Chang'e-6 lunar mission'. He lauded the Chang'e-6 mission for collecting samples from the moon's far side and urged China's aerospace industry to keep striving towards building a modern socialist country in space exploration.<sup>116</sup> Over the past 30 years, China's BeiDou satellite

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<sup>109</sup> "China test launches intercontinental ballistic missile for first time in decades", The Guardian, September 25, 2024

<sup>110</sup> "China strictly follows nuclear policy of no first use of nuclear weapons: Defence Spokesperson", Ministry of National Defence PRC, September 26, 2024

<sup>111</sup> "Japan MSDF warship sails through Taiwan Strait for first time", The Japan Times, September 26, 2024

<sup>112</sup> "US urged to abandon its missile system deployment plan in Japan, will seriously heighten regional tensions", Global Times, September 19, 2024

<sup>113</sup> "China's new-type warplane tested on aircraft carrier Liaoning", Global Times, September 14, 2024

<sup>114</sup> "China says Fujian aircraft carrier has tested catapult launch system", South China Morning Post, September 12, 2024

<sup>115</sup> "China's Newest Nuclear Submarine Sank, Setting Back Its Military Modernization", The Wall Street Journal, September 26, 2024

<sup>116</sup> "Xi calls for accelerating progress in China's space endeavours", Xinhua, September 23, 2024

navigation system has also made significant strides, with reports claiming that BeiDou now matches the US' Global Positioning System (GPS).<sup>117</sup>

The Republic of Korea hosted the second Responsible AI in the Military Domain (REAIM) conference on September 9-10, 2024. At this conference, China did not sign the non-binding joint statement endorsed by over 60 countries, including the US, that called for nuclear weapon decisions to be made by humans and not by artificial intelligence.<sup>118</sup> Although it is unclear why Beijing chose not to sign the joint statement, it is a reflection of the escalating US-China strategic competition which is impeding global efforts to regulate artificial intelligence.<sup>119</sup>

China's first home-grown 'civil manned airship' blimp was delivered to a client in the country as Beijing focuses on developing "new quality productive forces" and boosting its low-altitude economy.<sup>120</sup>

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<sup>117</sup> "After 30 years, China's BeiDou is a GPS rival. Will the world enter its orbit?", South China Morning Post, September 7, 2024

<sup>118</sup> "Why US-China rivalry 'impedes' global efforts to regulate artificial intelligence", South China Morning Post, September 21, 2024

<sup>119</sup> Ibid.

<sup>120</sup> "China's soaring low-altitude economy adds 'new track' with home-grown blimp delivery", South China Morning Post, September 16, 2024



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