Note from Head CS3

Dear all,

We are happy to publish the third issue of the *Sinometer: The China Strategic Monitor*, a monthly magazine by the Centre for Strategic Studies and Simulation (CS3), United Service Institution of India, with you.

The presence of China as a prominent player in the evolving geo-politics and geo-economics, and its role in the global affairs pertaining to security, economy and political relations has been a focal point of discussion in recent years. The magazine, taking into consideration the above-mentioned developments, has aimed to lay out a comprehensive picture of the vital happenings in China’s security, economic and political domains along with providing analyses on the implications for India and the world, at large.

The third issue in its first section includes commentary on the geopolitics around semiconductor chip and the centrality of Taiwan. The second section examines the advancements in the US-China relations and scrutinises various agendas on which EU’s extends support to Taiwan. It further analyses the meeting between Chinese Foreign Minister and Mullah Abdul Ghani Baradar, the acting Deputy Prime Minister of the Afghan Taliban’s interim government, which took place in October. Also, this issue examines the censorship of Confucius Institutes in Germany and US Secretary of State Antony Blinken diplomatic statement supporting Taiwan’s membership in the United Nations system and its organizations. It further analyses China’s recently announced White Paper on “Biodiversity Conservation in China” and the development of several countries putting pressure on China regarding its problematic human rights record in the UN general assembly and the UN Human Rights Council. Finally, the section looks at Taiwan’s call to China to “renounce hostility” in the backdrop of Beijing’s increasing economic and military coercion, while analysing China’s pledges at the Glasgow Climate Summit and China’s recent strategy to counter economic challenges in the backdrop of short-term challenges like power cuts and the Evergrande crisis, as well as longer-term matters such as “common prosperity.”

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Head, Centre for Strategic Studies and Simulation (CS3)
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# TABLE OF CONTENTS

## ANALYSIS

4

Semi-conductor Chip in Spotlight: A New Perspective in the Geo-political Construct and Centrality of Taiwan

By Group Captain Aseem Dogra

## NEWS DEVELOPMENTS

7

US-China Relations

US Ambassador Designate to China Talks Tough on China

EU Parliament Supports Closer Ties with Taiwan

Chinese FM Meets Afghanistan’s Acting Dy PM

China Passes Land Border Law Amidst Stand-off with India

Confucius Institutes- Censorship in Germany

Taiwan’s greater participation in the UN system

White Paper on “Biodiversity Conservation in China”

Xinjiang – Human Rights record of China

Taiwan urges Beijing to ‘renounce hostility’

China at Glasgow Summit

China outlines strategy to meet economic challenges

## LINK FEST

14
**ANALYSIS**

**Semi-conductor Chip in Spotlight: A New Perspective in the Geo-political Construct and Centrality of Taiwan**
By Group Captain Aseem Dogra

The semiconductor, processor or microchip, commonly referred to as ‘chip’ is an essential component in all things running around us on technology, from the mundane electric kettle to the state-of-the-art bio-medical equipment, the ubiquitous mobile phone, high end data mining servers or the new generation cruise missile. World-wide shortage since early 2020 has strained the global supply chain, increased the waitlist across certain sectors and made certain products expensive. The worst hit was the automobile sector with Honda, BMW, Ford amongst the giants to temporarily halt production. The whole episode has not only forced policy makers across the world to initiate action to mitigate the shortage, but has firmly put the spotlight on the tiny ‘chip’ described ‘as important for 21st century as oil was to the 20th century’.

**Reasons for Global Chip Shortage**

The genesis of the current shortage, though partly attributed to COVID-19, can be traced back to the American blacklisting of Chinese telecom giant, Huawei in 20191. The largest chip manufacturer of China, Semiconductor Manufacturing International Corporation (SMIC) was also later denied access to cutting edge manufacturing technology in Sep 20202. Additionally, drought induced water shortage in Taiwan adversely affected the world’s largest facility (chip manufacturing is a highly water intensive industry) and aggravated the supply side constraints.

**Importance of the ‘Chip’**

Global chip sales were $440 billion in 2020 and President Joe Biden calls them “critical products” whose “supply-chain disruptions can put Americans’ lives and livelihoods at risk,” while the governments of Japan and South Korea compare the importance of semiconductors to “rice”3. Chinese imports of chips itself accounted for a staggering $350 bn worth in 2020, pushing the crude oil imports to a distant second4.

As most of the chip manufacturing facilities are located in East Asia, chips are increasingly being treated as a strategic commodity at par with oil, with ‘Taiwan Strait’ increasingly being compared to ‘Strait of Hormuz’. And therein lies the reason for intense rivalry between the US and China. The twin US actions of cutting the supply lines to the Chinese technology giants Huawei and SMIC and encouraging the chip manufacturers to establish manufacturing facilities on American soil have intensified the trade war between the two countries with industry watchers terming it as the ‘technology cold war’. The stakes are mindboggling, economically pegged at the lucrative $5 tn

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3 https://www.time.com/6102879/semiconductor-chip-shortage-tsmc/charlie campbell/01 Oct 21
4 https://foreignpolicy.com/2021/02/16/semiconductors-us-china-taiwan-technology-innovation-competition/
Information and Communications (ICT) market\(^5\) and strategically considered invaluable with the ultimate prize of near monopoly in the field of cutting-edge semiconductors finding application in modern and next-generation weapons platforms.

**The Major Players**

From its origins in the Silicon Valley, the semiconductor industry has evolved into a highly intricate, intertwined and specialized global eco-system. Today, semiconductors are designed in the U.S., fabricated in Taiwan or South Korea, tested and assembled in Southeast Asia, and then installed into products in China\(^6\). Nearly 70\%\(^7\) of the global market share in 2020 was dominated by Taiwan Semiconductor Manufacturing Company (TSMC/Taiwan) and Samsung (S Korea). Further, the market for advanced chips (<10nm) used in niche applications employing Artificial Intelligence, Machine Learning, etc is dominated by TSMC with more than 90 \% share\(^8\). This concentration of manufacturing facilities in geo-political hotspots has now turned into a major cause of concern for the international community.

**Why Taiwan is Central to the Plot?**

With the chip industry under spotlight, the stakes have become higher for Taiwan and South Korea, put the two in the cross-hairs of US-China trade war and created a catch 22 situation wherein China is the largest market for their manufactured product but US is the guarantor for national security. The scarcity of chips has transformed Taiwan from a “strategically ambiguous” foreign policy issue for the US and an unfinished agenda for China’, to the centre of a global tussle over the future of technology.

As China is being increasingly pushed to a corner on this issue, it has started flexing its military muscles by resorting to frequent violations of Taiwan’s airspace. The recent American actions of pushing for inclusion of Taiwan in UN meetings has further angered China and the situation is becoming volatile day by day.

Enraged Chinese analysts accused US of using Taiwan as a ”suicide bomber” against China and warned of precipitate action even as strategic thinkers and historians cautioned the two sides could be going down a slippery slope to an all-out war\(^9\). There are two schools of strategic scholars divided by different thought processes - One set is convinced that Taiwan is vulnerable to Chinese invasion as the control of global chip supply chain is too lucrative. However, the second thought is that Taiwan is seemingly protected by the ‘silicon shield’\(^10\) as any disruption to the supply chain would give a crippling blow to the Chinese economy.

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\(^6\) [https://www.time.com/6102879/semiconductor-chip-shortage-tsmc/charlie campbell/01](https://www.time.com/6102879/semiconductor-chip-shortage-tsmc/charlie campbell/01) Oct 21  
\(^8\) [https://www.time.com/6102879/semiconductor-chip-shortage-tsmc/charlie campbell/01](https://www.time.com/6102879/semiconductor-chip-shortage-tsmc/charlie campbell/01) Oct 21  
\(^10\) Ibid.
Challenges and Opportunities for India

India imports almost all semiconductors to meet the demand, estimated to reach around $100 billion by 2025 from about $24 billion now\textsuperscript{11}. With rapid strides made in last five years towards transformation of Indian economy into the digital domain, the need to have a secure and committed supply of semiconductor chips cannot be overemphasized. PM Modi’s meet with the CEOs of Technology giants of the US, including Qualcomm (a major chip designer) is an action to bring the cutting-edge technology to India. Even Tata and Vedantu have expressed interest in setting up semiconductor chip facilities in India.

India and Taiwan have initiated talks on a deal worth an estimated $7.5 billion for manufacturing of chips in India. Reports in the media suggest that possible locations with adequate land, water and manpower are being scouted. India has also reportedly offered financial support of 50% of capital expenditure from 2023 as well as tax breaks and other incentives.

The bilateral talks have come at a time when China is battling increasing hostility from the major democracies due to its role in COVID-19 pandemic. It is an ideal opportunity for India to lure major manufacturers from China in order to boost the indigenous eco-system and reap long term technology benefits.

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US-China Relations

US Ambassador Designate to China Talks Tough on China

US President Joe Biden's nominee to be the ambassador to China, Nicholas Burns took a tough line on dealings with China at his Congressional confirmation hearing on 20 Oct 21, citing its “genocide in Xinjiang” and the need to better support Taiwan and countries such as Australia and Lithuania subjected to “bullying” and “intimidation campaigns”.

Burns, calling China the United States' "most dangerous competitor", said Beijing is "blasting past" its pledge to maintain only a minimum nuclear deterrent, and added that Washington should work with allies in Europe and elsewhere to build economic leverage. "The PRC's genocide in Xinjiang, its abuses in Tibet, its smothering of Hong Kong's autonomy and freedom, and its bullying of Taiwan are unjust and must stop," Burns said, using the acronym for the People's Republic of China.

"Beijing has been an aggressor against India along their Himalayan Border; against Vietnam, the Philippines, and others in the South China Sea; and has launched an intimidation campaign against Australia," Burns told the Senate foreign relations committee in an unusually blunt terms for a nominated envoy. He also emphasized the importance of maintaining US military presence in Asia, including in Japan and Korea, as a means to deter Chinese aggression.

Nicholas Burns, who was on the team that worked out the US-India Nuclear Deal, is seen in the diplomatic circles as a friend of India. His words could be music to the ears of India, that is locked in a bitter border tussle with China since April 2020.

Disagreements over international norms, geopolitical control, intellectual property and national sovereignty have regularly set China and the U.S. at odds on the world stage. Additionally, the American establishment has frequently blamed China for the onset of the COVID-19 pandemic - a sentiment that led to a demonstrable increase in anti-China sentiments in the United States.

EU Parliament Supports Closer Ties with Taiwan

The European Parliament passed a resolution on 20 Oct 21 aimed at enhancing the ties between the European Union and Taiwan, including calling on the EU to begin preparing for the possible signing of a Bilateral Investment Agreement (BIA) with Taiwan and to change the name of the EU representative office in Taipei. The EU-Taiwan Political Relations and Cooperation report was approved by 580 votes in favour and 26 against.

Europe parliamentarians hailed Taiwan as a "key EU partner and democratic ally" in the Indo-Pacific," one that contributes to maintaining a rules-based order amid an "intensifying rivalry between

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12 [https://www.reuters.com/2021/10/21/us-China](https://www.reuters.com/2021/10/21/us-China) ambassador nominee takes tough line on dealings with China/Patricia Zengerle and Michael Martina/
13 [https://www.scmp.com/2021/10/21/US ambassador to China nominee takes tough line on Beijing, cites 'genocide in Xinjiang' and need to support Taiwan/Mark Magnier](https://www.scmp.com/2021/10/21/US ambassador to China nominee takes tough line on Beijing, cites 'genocide in Xinjiang' and need to support Taiwan/Mark Magnier)
14 [https://www.reuters.com/op.cit](https://www.reuters.com/op.cit)
15 Ibid.
17 The Times of India, New Delhi, 22 Oct 21.
the major geopolitical actors in the region.\textsuperscript{19} To enhance closer cooperation, the resolution stressed the need to launch an "impact assessment, public consultation and scoping exercise\textsuperscript{20} for an EU-Taiwan BIA.

The Europe parliamentarians highlighted the importance of trade and economic relations between the EU and Taiwan, including on matters relating to multilateralism and the World Trade Organization, technology such as 5G, public health, and essential cooperation on critical supplies like semiconductors.\textsuperscript{21}

The adoption of the resolution is of great significance to the EU-Taiwan relations, for this is the first-ever EU Parliament resolution on the comprehensive relations between the EU and Taiwan. It not only examines the current cooperation on a wide scope of areas, it also sets forward-looking objectives for the EU and Taiwan to pursue.

**Chinese FM Meets Afghanistan’s Acting Dy PM**

Chinese State Councillor and Foreign Minister Wang Yi met with Mullah Abdul Ghani Baradar, the acting deputy prime minister of the Afghan Taliban's interim government, in the Qatari capital of Doha on 25 Oct 21\textsuperscript{22}. During the meeting, Wang said that Afghanistan, now standing at a critical stage of transforming from chaos to governance, is currently facing a historic opportunity to truly master its own destiny, achieve reconciliation and tolerance, and advance national reconstruction\textsuperscript{23}.

At the same time, Afghanistan is facing quadruple challenges, namely the humanitarian crisis, economic chaos, terrorist threats and governance difficulties, said Wang, adding that overcoming these challenges requires more understanding and support from the international community.

Wang expressed hope that the Afghan Taliban will further demonstrate openness and tolerance, unite all ethnic groups and factions in Afghanistan to work together for peaceful reconstruction, and effectively protect the rights and interests of women and children.

The Chinese official also urged the Taliban to adopt a friendly policy toward its neighbouring countries, and build a modern country that conforms to the wishes of the people as well as the trend of the times. He expressed China's willingness to continue to provide humanitarian aid to Afghanistan within its capacity and work with the international community to help Afghanistan alleviate temporary difficulties and realize economic reconstruction as well as independent development.

Wang emphasized that the "East Turkestan Islamic Movement" (ETIM), an international terrorist organization listed by the UN Security Council, not only poses a real threat to China's national security and territorial integrity, but also jeopardizes the domestic stability and long-term stability in Afghanistan. He said that he hopes and believes that the Afghan Taliban will make a clean break with the ETIM and other terrorist organizations, and take effective measures to resolutely crack down on them.

For his part, Baradar briefed Wang on the current situation in Afghanistan, which he said is under control and improving, with the governments at all levels being gradually established and government decrees being carried out effectively.

Baradar expressed the hope that China and the international community will increase assistance to Afghanistan to help it overcome the humanitarian crisis and return to the right track of development. He also expressed thanks to China, an important neighbour of Afghanistan, for its respect and friendliness shown to Afghanistan during the difficult times. The Afghan Taliban, which attaches great importance to China’s security concerns, will resolutely honour its promise and never allow anyone or any force to use the Afghan territory to harm China, Baradar added.

\textsuperscript{19} Ibid.
\textsuperscript{20} Ibid.
\textsuperscript{21} Ibid.
\textsuperscript{22} \url{https://www.xinhuanet.com/Chinese FM meets Acting Deputy PM of Afghan Taliban’s Interim Govt, 25 Oct 21.}
\textsuperscript{23} Ibid.
China Passes Land Border Law Amidst Stand-off with India

China's top legislature voted on 23 Oct 21 to adopt a new law on the protection and exploitation of the country's land border areas, which will take effect on Jan. 1, 2022. Lawmakers approved the law at the closing meeting of a legislative session of the Standing Committee of the National People's Congress24.

The law stipulates that the State shall take measures to safeguard territorial integrity and land boundaries and guard against and combat any act that undermines territorial sovereignty and land boundaries25.

The law also stipulates that the State shall take measures to strengthen border defence, support economic and social development as well as opening-up in border areas, improve public services and infrastructure in such areas, encourage and support people's life and work there, and promote coordination between border defence and social, economic development in border areas26. The State shall, following the principle of equality, mutual trust, and friendly consultation, handle land border related-affairs with neighbouring countries through negotiations to properly resolve disputes and longstanding border issues27.

The development comes a few days after China signed a memorandum of understanding with Bhutan. The MoU speaks of a three-step roadmap for a settlement of the China-Bhutan boundary dispute.

Coming amid the ongoing border stand-off between India and China in the Eastern Ladakh sector since April 2020, the new law is aimed specifically at protecting its sovereignty. The last round of military commanders' talks between the two nations broke down, though both sides agreed to meet again at an unspecified time.

Former ambassador to China Gautam Bambawale does not read too much into the new laws. "It does not change anything on the ground. If this was meant to send a message to India, it has fallen flat. After all, every country talks about protecting its borders and its sovereignty. China does it, so does India. What is of concern is bringing in troops and soldiers to our borders and making incursions, not a Border Law."28

Confucius Institutes- Censorship in Germany

The issue involves hybrid interference from the Chinese Communist Party (CCP), which is increasingly using state and non-state agents under its control to threaten academic freedom in Germany. The Confucius institutes run by the Chinese Ministry of Education in promoting the academic and cultural activities but in reality the Confucius institutes are run under the party direction. They partner with reputable universities to give themselves a veneer of academic seriousness. But their political character became once again apparent, when it became public that the two German journalists Stefan Aust and Adrian Geiges were denied permission to deliver talk at German Confucius Institutes about their new biography of China's president, Xi Jinping: The Most Powerful Man in the World. The withdrawal of invitation came at the behest of the Chinese consul general in Düsseldorf. Since 200429, the People's Republic of China has been opening its educational

25 Ibid.
26 Ibid.
27 Ibid.
Institutes around the world. In Germany, there are currently 19 such Confucius Institutes. With their official goal of promoting Chinese language and culture, they are comparable to cultural institutes such as Germany’s Goethe Institutes or the British Council. However, Confucius institutes have been accused of censoring the information and promoting the Chinese propaganda. United States have already closed 27 Confucius institutes in the United States. There are several other countries like - Australia, Canada, France and Sweden considering closure of such institutes.

United States and the other countries are looking for better alternative to Chinese Confucius institutes. Taiwan, which has been looking for projecting its soft power influence through such cultural and language centres, can be considered as a viable alternate. The Harvard University is already establishing language training centre with Taiwan government. In future it is likely that Taiwan Mandarin language centers will replace the Chinese Confucius institutes.

**Taiwan’s Greater Participation in the UN System**

US Secretary of State Antony Blinken’s statement extending support for Taiwan membership in the United Nations system and its organizations has raised a lot of eyebrows in the Chinese circle. He called on all United Nations member States to support Taiwan's "robust" participation in the U.N. system, contesting ongoing pressure from China to block the self-ruled island's access to international organizations. Taiwan held the Chinese U.N. seat until 25 Oct 1971, when it was voted out as representative of the country in favour of the People’s Republic of China, which had won a civil war in 1949 and forced the republican government to flee to Taiwan. Secretary of State Antony Blinken stated ambiguously that State department policy is consistent with one China policy on the basis of Taiwan’s Relations Act.

Antony Blinken stressed that the global community is losing great deal due to lack of Taiwan membership in the UN and related organizations. The international community is losing Taiwan’s expertise and best practices in multiple fields, for example the Taiwan’s best response to global pandemic Covid – 19. Taiwan needs to actively participate in all UN bodies to benefit the international community and shares its best practices. It is in this context Antony Blinken mentioned the Taiwan participation in the UN system is more pragmatic than a political move. Beijing has been opposing this agenda throughout, claiming Taiwan to be a province of China and not a sovereign State. China’s permanent representative to UN opposing this claim said that it is violation of one China principle.

China’s provocative action of scrambling 150 aircrafts violating Taiwan’s air defense zone has been viewed by Taiwanese President Tsai – in Wen as a gesture of danger for the Taiwan’s independence. It is taken as a contestation between democratic values and authoritarian system and greater threat to the peace and stability in the East Asia.

**White Paper on “Biodiversity Conservation in China”**

A virtual conference of the parties (Cop15) Meet on convention on Biological diversity was held wef 11 - 15 October at Kunming. Rapid industrialization and urbanization has resulted in ecological degradation, leading to many wild life species on the brink of extinction. The extinction of biodiversity is difficult to reverse, and leads to risk of spreading the highly contagious diseases like Covid 19.

The New York Times recently carried out an article based on US National Counter Intelligence report highlighting China’s efforts to dominate the bio economy. It claimed that Chinese firms are collecting the genetic data around the world, to build the largest bio data base. The American intelligence has noticed inter linkage of technology, genetic and biological research for the purpose of carrying out espionage activities.

China’s achievement in bio technology has made significant scientific advancement and has...
established a seed vault for preservation at a height of about 6,200 mtrs on mount Qomolangma. Another Germplasm bank of wild species (GBWS) is located in the city of Kunming. China has been preserving Seed pool, DNA bank, Microbial bank, Germplasm resources bank. These have great application in biological industry.

As per the white paper, China will share its practices with the global community. It plans to engage with multilateral organizations to strengthen the conservation efforts of biodiversity worldwide. China plans to implement the concept of ecological red lines to protect the vulnerable ecological areas and avert any ecological crisis.

**Xinjiang – Human Rights record of China**

The China’s human rights record in relations to treatment of ethnic minorities especially the Uyghur Muslim population of Xinjiang is under intense scrutiny. The UN General Assembly, the UN Human Rights Council and 43 countries are exerting pressure on China against Human rights violations reported in Xinjiang province, concerning one Million Uyghur Muslims who are illegally detained and put in various concentration camps. Xinjiang region has become inaccessible to various International Rights groups. There are reports of inhuman treatment, forced sterilization, separation of Children and slow form of ethnic cleansing within the region. Earlier in 2019 and 2020, United States and other countries had accused China to have committed genocide in Xinjiang region. Chinese Ambassador to the UN denied permission to carry out independent inquiry by UN Human rights commission and the international human rights groups. Australian strategic policy institute data provides clear evidence of rights violations in the Xinjiang region.

**Taiwan urges Beijing to ‘renounce hostility’**

Taiwan’s top official in charge of cross-strait relations called on Beijing to renounce hostility towards the island and said Taipei would consider relaxing restrictions on exchange with mainland China after the Covid-19 pandemic. But the comments by Chiu Tai-san, head of Taiwan’s Mainland Affairs Council, were rejected by Beijing, which called it a “deception tactic”. 30

Taiwan’s defence ministry said 52 mainland Chinese fighter jets flew to the self-rulled island’s Southwest air defence identification zone on Monday. The island said it had also scrambled jets and deployed missiles to warn off the mainland military aircraft, including 34 J-16 fighter jets, 12 H-6 bombers and two Su-30 jets. 31

It came after Beijing sent 38 warplanes to Taiwan’s air defence zone, followed by 55 towards the beginning of October. 32

Analysts warned that conflicts between Taiwan and mainland China could surface if the People’s Liberation Army made entries to the island’s southeast ADIZ – a major point of access to Taiwan’s eastern military zone – “a new normal”. 33

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31 Ibid.
**China at Glasgow Summit**

Developed countries should offer more help to the developing world in coping with climate change, China said ahead of the United Nations Climate Change Conference in Glasgow.

“Environment vice-minister Ye Min on Wednesday highlighted that at previous summits, developing countries were disappointed that the finance and climate adaptation issues that concerned them could not be taken seriously and effectively. "This has become the biggest obstacle [in negotiations]."

Climate finance will be central issue for discussions during the Glasgow summit, also known as COP-26. Ye’s comments came after the UK presidency of COP26 on Monday published the Climate Finance Delivery Plan, under which developed countries pledged to provide US$100 billion a year in climate finance to support developing countries by 2023, three years later than originally planned.

However, the Chinese environmental officials did not mention any targets of boosting efforts to limit global warming to 1.5 degrees Celsius (2.7 degrees Fahrenheit) above the pre-industrial level by the end of the century. Some developing countries disagreed on the 1.5 degrees target, along with a call for all countries to adopt net-zero targets by 2050. Chinese climate envoy Xie Zhenhua said at a meeting last week that countries should form a consensus based on the targets set in the Paris climate accord and “common but differentiated responsibilities”.

But current commitments to cut greenhouse gas emissions will put the planet on track for at least 2.7 degrees Celsius temperature rise this century, according to a United Nations report that was released on towards the end of October. The report found that countries’ updated pledges and other commitments made for 2030 but not yet officially submitted would lead to an additional 7.5 per cent reduction in annual greenhouse gas emissions in 2030, compared with their previous commitments.

Reductions of 30 per cent is needed to stay on the pathway for 2 degrees Celsius, and 55% would be needed to achieve 1.5 degrees. China and India, which together are responsible for about 30 per cent of global emissions, have not yet made enhanced pledges.

**China Outlines Strategy to Meet Economic Challenges**

China’s campaign to “curb the disorderly expansion of capital” across several sectors of the economy is on track and to ease out the government has shifted focus toward bolstering growth,

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36 Ibid.
37 https://www.globaltimes.cn/page/202111/1238712.shtml
38 https://www.google.com/search?q=United+Nations+report+that+was+released+on+Tuesday.+climate+change&oq=United+Nations+report+that+was+released+on+Tuesday.+climate+change&aqs=chrome..69i57.6344j0j9&sourceid=chrome&ie=UTF-8
according to a tone-setting commentary issued by state media.\textsuperscript{40} The report from the official Xinhua News Agency, which was republished by major newspapers including Securities Times and People’s Daily, outlined how the government was managing the 10 most pressing challenges facing the world’s No 2 economy.\textsuperscript{41}

It also hints at the policy direction of China’s top leadership ahead of a series of high-profile meetings, including the sixth plenary session of the 19th Central Committee early next month and the Central Economic Work Conference. The commentary comes on the heels of weaker-than-expected growth in the third quarter of 4.9 per cent, down from 7.9 per cent in the second quarter and 18.3 per cent in the first. The latest quarterly economic data could partly be explained by fading low-base effects, but was still stronger than many economies around the world.\textsuperscript{42}

The report, which was based on interviews with relevant departments and experts, said the government would wean the economy off its dependence on the property sector and debt. It would also step up oversight of industrial sectors prone to overproduction and high fossil fuel emissions. Among the 10 major issues facing China’s economy were short-term challenges like power cuts and the Evergrande crisis, as well as longer-term matters such as “common prosperity”.\textsuperscript{43} The government would soon implement a series of policies to boost private consumption in big cities like Shanghai and Beijing, in rural areas and in the catering sector, the report said. In addition, Beijing will “strengthen adjustments” in tax collection to boost revenue and reform the country’s income distribution. However, it would be done in a targeted way, as part of efforts to achieve long-term “common prosperity”.

\textsuperscript{40} https://www.scmp.com/economy/china-economy/article/3153630/china-outlines-strategy-meet-economic-challenges-power-crisis
\textsuperscript{41} http://finance.people.com.cn/n1/2021/1025/c1004-32262679.html
\textsuperscript{42} Ibid.
## LINK FEST

<table>
<thead>
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<th>Link</th>
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<td>India</td>
<td>Website</td>
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<td>A reading list catered to Sino-Indian relations</td>
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<td>People’s daily</td>
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<td>Newspaper</td>
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