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Note from Head of CS3

Dear All,

We are happy to publish the 16th issue of the Sinometer: The China Strategic Monitor, a monthly newsletter by the Centre for Strategic Studies and Simulation (CS3), USI.

The significance of China within the global and regional spheres is continually transforming, and this transition is evident in the domains of geopolitics and geo-economics. The growing interest in Chinese security, economy, and political relations has sparked numerous debates, establishing it as a central focus in global affairs. The purpose of this magazine is to provide a glimpse into significant events in China and their repercussions on the international stage.

The newsletter begins by analyzing What Saudi Arabia's inclusion as dialogue partner in Shanghai Cooperation Organisation means for China's influence in Middle East, Chinese premier talks with Malaysian PM, ASEAN secretary-general appeal for more dialogue, consultations in addressing challenges, China's challenges to rules-based order in Indo-Pacific: China support for Putin's new foreign policy.

This issue aims to give a holistic perspective of China in the backdrop of China's internal challenges and a growing relationship with West Asian countries. We hope that budding China Watchers find the newsletter useful. Happy reading!

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Analysis

What Saudi Arabia's SCO Decision Means for China's Influence in Middle East

Saudi Arabia has recently made the decision to acquire the status of a dialogue partner within the Shanghai Cooperation Organisation (SCO), an organization led by China. This move has the potential to augment China's influence in the Middle East; however, experts caution against overestimating the significance of this development. The decision by Saudi Arabia is primarily driven by economic considerations, given that China holds the position of its largest trading partner. While dialogue partners occupy a peripheral position within the SCO, China perceives this move as an opportunity to enhance cooperation with Saudi Arabia in the realms of regional security and stability. Nevertheless, it is important to note that the SCO's role within the global security landscape remains relatively limited, and the organization may not significantly interfere in Middle Eastern affairs at present. The move also highlights China's appeal in offering an alternative to the West's influence in the Middle East.¹

Chinese Premier Holds Talk with Malaysian PM

A meeting between Chinese Premier Li Qiang and Malaysia's Prime Minister Datuk Seri Anwar Ibrahim took place in Beijing, where both leaders reached a consensus on the establishment of a China-Malaysia community with a shared future. During the talks, Premier Li emphasized the importance of pursuing higher-quality bilateral cooperation to enhance the well-being of both nations and their peoples, as well as contribute to regional and global peace, stability, development, and prosperity. Recognizing their shared status as developing countries and emerging economies, Premier Li and Prime Minister Anwar underscored the necessity of leveraging their respective comparative advantages to advance cooperation in the next phase. Consequently, Premier Li called for concerted efforts to align the two countries' development strategies, foster integrated development, intensify cooperation in emerging industries, and strengthen friendship and mutual trust. Furthermore, Premier Li conveyed China's willingness to collaborate with Malaysia and other ASEAN countries to expedite consultations on the Code of Conduct in the South China Sea. This collaborative effort aims to jointly maintain peace and stability in the region. In response, Prime Minister Anwar expressed the new Malaysian

¹ <https://www.scmp.com/news/china/diplomacy/article/3215442/what-saudi-arabias-shanghai-cooperation-organisation-decision-means-chinas-influence-middle-east>

government's prioritization of the development of bilateral relations and firm commitment to the one-China policy. He also expressed Malaysia's support for China's Global Development Initiative, Global Security Initiative, and Global Civilization Initiative. Additionally, Prime Minister Anwar conveyed Malaysia's eagerness to deepen cooperation with China under the Belt and Road Initiative. Specifically, he highlighted the importance of advancing cooperation in the automotive, energy, culture and tourism, agriculture, and digital economy sectors, as well as promoting personnel exchanges. The meeting concluded with both leaders witnessing the signing of several bilateral cooperation documents encompassing areas such as economy, trade, agriculture, and customs. Li and Anwar also called on their countries to defend multilateralism, safeguard the common interests of developing countries and emerging economies, and contribute to improving the global governance system.²

ASEAN Secretary-General Urges for More Dialogue, Consultations in Addressing Challenges

During his initial official trip to Thailand, ASEAN Secretary-General Kao Kim Hourn emphasized the necessity for increased dialogue and consultations to tackle prevailing challenges in the region. To facilitate this process, ASEAN actively advocates for the implementation of the Treaty on the Southeast Asia nuclear weapon-Free Zone, with the aim of mitigating tensions. Kao Kim Hourn underlined the significance of maintaining peace, stability, and security within the region, as it allows for greater concentration on advancing the prosperity agenda and enhancing the well-being of the populace. He also stressed that ASEAN is committed to maintaining its central position and playing a leading role in mechanisms initiated by the Organisation.³

China Poses Challenge to Rules-Based Order In Indo-Pacific: German Envoy

According to recent remarks made by the German Ambassador to India, Philipp Ackermann, the Indo-Pacific region is progressively assuming greater significance on the European agenda, potentially serving as the locus for the most substantial challenge pertaining to China. Ackermann affirmed that India would be the preferred partner for Europe in addressing this challenge, as there exists a keen interest in fostering closer ties with India. The envoy also

² <https://english.news.cn/20230401/f2ab87e13dfa418c8a108bda8763b6d2/c.html>

³ <http://en.people.cn/n3/2023/0401/c90000-20000111.html>

expressed apprehensions regarding acts of aggression observed in the Indo-Pacific region, drawing attention to the situation in Ukraine as an illustrative example. He underscored the imperative of upholding the international rules-based order within the region, emphasizing the need for a collaborative and consultative approach between India and the European Union to effectively address the prevailing regional challenges. The envoy also released a report jointly authored by Rajeshwari Krishnamurthy and Richard Ghiasy, which noted the limited capabilities of India and the EU to de-escalate tensions between the US and China but emphasized the need for a co-operative approach to temper the ordering process in the region.⁴

China Backs Putin's New Foreign Policy, Says Ready to Boost Ties With Russia, India

China has responded favourably to Russia's recent foreign policy concept, highlighting the emergence of Beijing, Moscow, and New Delhi as influential "major powers." China is prepared to bolster its relationships with Russia and India and convey a positive message to the international community in light of complex global changes. Russia's new foreign policy concept prioritizes strengthening and deepening ties with China and India as key diplomatic objectives. President Putin signed the new Foreign Policy Concept on March 31, 2023. Within Eurasia, Russia aims to enhance its strategic partnership and trade connections with India while ensuring their resilience against the "destructive actions" of unfriendly nations and their alliances. Despite growing concerns in many Western countries, India's import of Russian crude oil has notably increased in recent months. China and Russia are committed to fostering a new paradigm of major country relations characterized by mutual respect, peaceful coexistence, and mutually beneficial cooperation. This bilateral relationship does not target or affect any third party.⁵

⁴ <https://www.thehindu.com/news/national/indo-pacific-may-be-the-area-where-the-biggest-challenge-with-china-materialises-german-envoy/article66684542.ece>

⁵ <https://www.indiatoday.in/world/story/china-backs-putin-new-foreign-policy-ready-boost-ties-with-russia-india-2355359-2023-04-04>

China Focus: Major China-Nepal Land Port Resumes Passenger Clearance

Passenger clearance at Gyirong port, one of the largest land ports connecting China and Nepal in the Tibet Autonomous Region, has recommenced following the lifting of COVID-19 restrictions that had previously halted the movement of people and goods. The resumption of personnel exchanges indicates that the port has fully reinstated passenger and cargo services. Since cargo transport resumed in December 2022, a total of 9,800 Tonnes of goods valued at 413 million yuan have been exported from China via Gyirong. Additionally, 600 Tonnes of goods worth 17 million yuan have been imported into China through the same port. Tsering, the owner of a Nepali restaurant in Gyirong, expressed great delight upon hearing the news and has made preparations to welcome his guests with an authentic Nepali meal. Initially designated as a second-class land port in 1972, Gyirong port was subsequently upgraded to a first-class land port in 1987. In 2017, it obtained international port status, allowing entry for individuals from countries other than China and Nepal. The planning and construction of the Gyirong border economic cooperation zone are currently underway, leveraging the region's advantageous geographical position to foster closer ties with South Asia. The zone's development will primarily focus on modern logistics, culture and tourism, international business and trade, and other distinct industries. The town of Gyirong is actively improving infrastructure construction at the port and further optimizing and upgrading the port's business environment.⁶

China-Russia Cooperation in Africa and the Middle East

China and Russia have adopted distinct approaches in their engagement with Africa, but their ultimate objective remains consistent: to bolster authoritarian regimes and diminish the influence of the United States and Europe on the continent. China's approach involves multilateral strategies such as the Belt and Road Initiative, Global Development Initiative, and Global Security Initiative. These initiatives allow China to expand its infrastructure investments, capacity-building efforts, and regional security engagements. Moreover, they serve as platforms for

promoting China's governance model, particularly its Global South model, across Africa and the Middle East. Conversely, Russia's strategy in Africa primarily focuses on military involvement, energy cooperation, and arms sales to authoritarian governments. Both China and Russia seek to expedite a shift in Africa's gravitational center of influence from the West to the East, leveraging economic, financial, and military engagements. Additionally, China and Russia employ both hard and soft power approaches to engage with Africa's 54 nations, which collectively form the most influential voting bloc in the United Nations General Assembly.⁷

⁶ <https://english.news.cn/20230402/75cbb98a8d3e42979216e5b43b20563c/c.html>

⁷ <https://thediplomat.com/2023/04/china-russia-cooperation-in-africa-and-the-middle-east/>

Nepal, China Meeting Silent Over BRI, GSI; Other Projects Discussed

Senior officials from Nepal and China recently held the 15th meeting of the Bilateral Diplomatic Consultation Mechanism in Beijing to discuss various aspects of their bilateral relationship. However, it was not mentioned whether the Belt and Road Initiative (BRI) and Global Security Initiative (GSI) were discussed during the meeting. Although Nepal and China signed the BRI agreement six years ago, it has not made any significant progress since then. China has also recently proposed a new security architecture named GSI and is urging Nepal to support it, but Nepal has yet to respond.

During the meeting, the two sides reviewed their existing bilateral relations and cooperation and discussed ways to expand and consolidate cooperation in various areas, including the exchange of bilateral visits, economic cooperation, trade, investment, tourism, connectivity, and cooperation in agriculture, education, culture, and people-to-people relations. They also discussed promoting people-to-people contacts and cultural cooperation, increasing the number of scholarships to Nepali students and professionals, and capacity development of technical experts.

The meeting also reviewed the progress of different infrastructure development projects under China's grant assistance and Chinese-contracted projects and agreed to expedite their implementation. Nepal's Foreign Secretary proposed preferential treatment to Nepali primary products to reduce trade deficits, and the Chinese side agreed to encourage Chinese investors to invest in mutually beneficial areas.

Both sides also reviewed their cooperation in multilateral forums, including the U.N., and exchanged mutual support for each other's candidatures. They also discussed the importance of implementing the U.N. Sustainable Development Goals and the GDI's usefulness in promoting the SDG agenda.

During the meeting, Nepal's Foreign Secretary appreciated China for enlisting Nepal as one of the outbound destination countries for group tourism. The Vice Minister of China admired Nepal's consistent adherence to the one-China policy and respect for the five principles of peaceful coexistence. Finally, the Foreign Secretary of Nepal appreciated China's policy of

non-interference and respect for Nepal's sovereignty, territorial integrity, and political independence.⁸

China Urges US to Live Up to Afghanistan Commitment As Qin Gang Continues Central Asia Push on Uzbekistan Visit

China has called on the United States to refrain from pursuing geopolitical objectives through the establishment of military installations near Afghanistan, emphasizing the importance of honoring commitments. In a recently released position paper, China accused the U.S. of impeding humanitarian progress by seizing Afghanistan's overseas assets and unilaterally imposing sanctions. The paper further highlighted the adverse effects of external military interference and attempts at democratic transformation experienced by Afghanistan over the past two decades. These statements were made by Chinese Foreign Minister Qin Gang during his inaugural visit to Uzbekistan, where he engaged in discussions with counterparts from six regional countries to address the situation in Afghanistan.⁹

Pakistan's Arrest of Anti-China Militant Felt From Beijing To Tehran

The Pakistani government has made an official announcement regarding the apprehension of Gulzar Imam, a prominent leader of the Baloch separatist militant group known for its anti-Chinese stance. This development is seen as a measure to safeguard Beijing's interests in Pakistan. Given China's substantial investments in the country under the Belt and Road Initiative, separatist and Islamist militant groups have targeted Chinese interests as a means to disrupt development and complicate Pakistan's relations with its crucial economic partner. The arrest of Gulzar Imam is also anticipated to have implications for Pakistan's diplomacy with Iran. It is believed that Pakistan aims to leverage China's influence to exert pressure on Iran regarding the issue of supporting Baloch militancy, capitalizing on China's recent role as a peace broker. However, experts caution that despite the significance of Imam's arrest, it is unlikely to bring an end to the Baloch separatist insurgency. Pakistan has recently experienced a sharp rise in terrorist attacks, and the government has announced a new "all-out comprehensive operation with the entire nation

⁸ <https://www.sentinelassam.com/international/nepal-china-meeting-silent-over-bri-gsi-other-projects-discussed-644820>

⁹ <https://www.scmp.com/news/china/diplomacy/article/3216707/qin-gang-visit-uzbekistan-attend-talks-afghanistan-china-continues-diplomatic-push-central-asia>

and the government, which will rid the country of the menace of terrorism with renewed vigour and determination." ¹⁰

¹⁰ <https://asia.nikkei.com/Politics/Terrorism/Pakistan-s-arrest-of-anti-China-militant-felt-from-Beijing-to-Tehran>

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