

## Prospects of China's Situation as seen in Xi Jinping's New Year's Address in 2020

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Marking the start of 2020, President Xi Jinping gave his New Year's address to reflect on 2019 and presented a blueprint for the upcoming year. Some important domestic achievements during the year of 2019 are as follows: China's GDP edging close to 100 trillion yuan, with per capita figure reaching the level of 10,000 US dollars; significant progress made in the three tough battles (攻堅戰: preventing financial risk, protecting the environment, eradicating poverty); a total of 10 million people including those living in near 340 impoverished counties (縣) lifting out from poverty; coordinated development in the Beijing-Tianjin-Hebei region (京津冀協同發展), the Yangtze River Economic Belt (長江經濟帶發展), the Guangdong-Hong Kong-Macao Greater Bay Area (粵港澳大灣區建設), and the Yangtze River Delta (長三角一體化發展); the successful launch of the Chang'e-4 (嫦娥-4), Chinese lunar probe, and the Long March-5 Y3 (長征-5 Y3) rocket; departure of the Xuelong 2 (雪龍 2) icebreaker to Antarctic; construction of the global network of the BeiDou GPS Navigation Satellite System (北斗); acceleration of the commercial application of 5G technology; opening up of the Beijing Daxing (大興) International Airport; the commission of the first domestic aircraft carrier Shandong (山東艦). President Xi evaluated these achievements as demonstrations of Chinese splendor (風采) and Chinese strength (力量).

Furthermore, president Xi expressed his strong confidence in achieving the China Dream (中國夢) in his address. His words continued by listing the fact that China has successfully held a grand military parade celebrating the 70th anniversary of the establishment of the Navy and the Air Force, cut taxes and fees by more than 2 trillion yuan while raising the individual income tax threshold (基層減負年), expanded the Shanghai Pilot Free Trade Zone (上海自由貿易試驗區) and arranged low-carbon cities (雄安新區).

Premier Li Keqiang (李克強), who was in charge of reporting to the National People's Congress (全人代) in March 2019, expressed his concerns on the Chinese economy. Currently, China is maintaining mid-to-low economic growth as well as quality economic development (新常態). However, certain risk factors such as the US-China trade war and unstable finance, real estate environment have resulted in the country setting its economic growth target to 6.0-6.5%. Against this backdrop, president Xi has expressed his strong will to continue regional economic development focusing on areas of Beijing-Tianjin-Hebei, Yangtze River Delta, Guangdong-Hong Kong-Macao-Taiwan, as well as empower economic vitality to the Shanghai Pilot Free Trade Zone and carbon-free cities. Furthermore, at the fourth plenary session of the 19th Communist Party of China (CPC) Central Committee, President Xi emphasized China's governance system (治理體系) and its modernization and announced his plans to actively cope with various challenges facing the state by further streamlining and modernizing the system under the leadership of the Communist Party centered on Xi.

Meanwhile, President Xi expressed his will to strengthen China's ties with the international society by showing a civilized, open and inclusive China through communication and cooperation. In the year 2019, China hosted the second Belt and Road (一帶一路) Forum for International Cooperation, the Beijing International Horticultural Exhibition, the Conference on Dialogue of Asian Civilizations, and the Second China International Import Expo. The number of countries now maintaining diplomatic ties with China stands at 180. In particular, the Xi Jinping leadership intends to further expand the concept of a new form of international relations (新型國際關係) and a community with shared future for mankind (人類命運共同體). In addition, it is expected that the government will push for more aggressive foreign strategies, such as adhering to the Chinese-style system and thought process, protecting its core interests (核心利益), strengthening diplomatic and security ties, fostering a strong and modernized military (強軍), and extending the Belt and Road.

In 2020, China is expected to push for a new level of one-on-one cooperation with Russia as well as countries located in Central Asia, Southwest Asia, Middle East, Africa and Southeast Asia, in a bid to create new overseas markets and expand its state influence. In a show of this, China, Russia and Iran have officially announced their joint naval exercise scheduled to take place from 28th to 31st of December in the Northern Indian Ocean. Amid tensions, such as the US sanctions against Iran, the US-China trade war, deteriorating relations between the US and Russia, China is strengthening its ties with strategic partners, Russia and Iran. In the future, by strengthening its ties with Iran, China is expected to expand its influence in the Middle East and Africa, secure stable transportation routes for oil, natural gas and trade, and explore new consumer markets.

In fact, many factors still remain as challenges to China's internal and external stability for the upcoming year. The biggest challenge, even though it was not mentioned in the New Year's address, will be the deteriorated relationship with the US. The US-China relations began to decline rapidly last year when a full-fledged trade war broke out. During the first phase of the US-China trade talks, President Xi stated that "China did not start the trade war with the US, nor did we want to," and added, "if necessary, we will not hesitate to strick back." Furthermore, Xi Jinping leadership has shown considerable differences with the US by maintaining and stabilizing the Chinese style of socialist system in areas of thoughts, politics, and economy and refusing to accept the liberal democratic system. In addition, China and the US is clashing in issues related to Hong Kong's democratization and humanitarian issues of Xinjiang (新疆) Uygur. The conclusion of negotiations between the US and China is expected to be difficult.

Moreover, President Xi have stated that the liberal democratic system of the Western world cannot be applied the same to China. He emphasized that China will, by the year 2049, achieve China's characteristic socialist power. In contrast, the relation between the US and China is likely to further deteriorate as the US Congress unanimously passed the Hong Kong Human Rights Act in the wake of the mass protests happened in Hong Kong, and proposed a bill of the Xinjiang Uighur Human Rights Policy Act. In fact, the Hong Kong issue is directly related to the issue of whether China's one-country-two-systems (一國兩制) strategy will succeed. President Xi, during his speech, further highlighted a successful execution and achievement of the one-country-two-systems strategy by referring to the 20th anniversary of Macao's celebration. Thus, China's active intervention in the Hong Kong issue is expected to continue in the year 2020.

2020 is the year to achieve China's full-fledged realization of Xiaokang (小康) society and the first goal of the "two hundred years" (2021, the centennial of the founding of the Communist Party of China, and 2049, the centennial of the founding of the New China). President Xi expressed his strong will that China, by 2049, will lead its way in the international community as a communist party-led country through sufficient and balanced growth in all areas including economy, politics, culture, diplomacy, environment, science and technology. In particular, the party centering Xi as its leader is likely to further enhance its sphere of influence as President Xi is emphasizing the "four all-out ideas (四個全面)," which highlights the party's superiority and governing capacity in the state-party relations, as a blueprint for realizing the China Dream in 2049.

As such, strategic conflicts and confrontations between the US and China are likely to continue in 2020, as China is expected to take a more self-led and preemptive stance to address the country's internal and external challenges. Thus, it is imperative

that South Korea seek to pursue a self-led denuclearization and peace process on the Korean Peninsula, and eventually devote in creating and maintaining a multilateral peace and security system in Northeast Asia. ❖

※ *Translator's note: This is a summarized unofficial translation of the original paper which was written in Korean. All references should be made to the original paper.*

※ *This article is written based on the author's personal opinions and does not reflect the views of the Sejong Institute.*