

News Reference Material on the "2019 Fourth Quarter Report on the Situation in Mainland China" by the Mainland Affairs Council

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The Mainland Affairs Council (MAC) issued a written report on the situation in mainland China in the fourth quarter of 2019. The key points of the report are summarized as follows:

(1) Internal Situation

In the political sphere, the fourth plenary session of the 19th Central Committee of the Chinese Communist Party (CCP) emphasized upholding and perfecting the system of socialism with Chinese characteristics. It also pushed for modernization of China's governance systems and capacity. It further stressed the Party's leadership and the "two maintenances." It called for the bolstering of political indoctrination at all levels of education, concluding "never forget your original mind and keep your mission in mind" as the education theme. Party and government organs were instructed to emphasize building a moderately prosperous society in all respects. The Central Commission for Discipline Inspection (CCDI) was tasked with fully implementing political oversight. During the COVID-19 outbreak in Wuhan in late January 2020, the CCP established a leading group for epidemic prevention and control to avoid an impact on social stability.

In the economic sphere, mainland China's economy grew by 6.1% in 2019, marking the lowest growth in 30 years. The Central Economic Work Conference "prioritized stability" to ensure the economy maintains steady growth toward sound development. The US and China signed the "Phase One" trade agreement

despite mounting tension over technology-related issues. Prior to the COVID-19 pandemic, most international institutions had forecast a 5.6% to 6.1% growth of the economy in 2020, which have since been revised downward in light of the virus outbreak.

In the social sphere, Beijing and Inner Mongolia reported cases of bubonic plague. Some local governments forcibly demolished residential houses for redevelopment. Numerous universities amended their charter to strengthen ideological control. African swine fever (ASF) spurred inflation. Poverty issues remained unresolved. The CCP continued financial assistance to Xinjiang and tightened controls over Uighur life and culture. It also tore down Tibetan temples and promoted patriotic education in Tibet. Mainland Chinese netizens expressed indignation over the death of Dr. Li Wenliang and called for freedom of speech and the right to know.

(2) Situation in Hong Kong and Macao

The Hong Kong Government officially withdrew the draft amendments to the Fugitive Offenders Ordinance. Pro-democrats won major victories in Hong Kong's District Council elections. Hong Kong's economy contracted by 2.9% in the third quarter and forecasts for economic growth were revised to a lower rate. Human rights issues in Hong Kong remained in the spotlight. The US passed the Hong Kong Human Rights and Democracy Act and PROTECT Hong Kong Act. Ho Iat Seng assumed office as Macao's Chief Executive. Macao's economy maintained a downward trajectory in 2019. The city continued to advance mutual judicial assistance, anti-money laundering, and other joint international programs. However, the Cybersecurity Law raised fears over infringement of communication and privacy. The fourth plenary session of the 19th Central Committee of the CCP emphasized the establishment and strengthening of legal mechanisms to defend national security in the special administrative regions.

(3) Military Development and Regional Security

The CCP launched a grand parade to showcase the command and management systems of its military at the 70th anniversary of the founding of the People's Republic of China. It highlighted joint operations, unmanned combat systems, missiles, and other weaponry. The CCP activated the reform of a rank-centered military office system and continued to strictly combat corruption. It also broke the norm of promotional frequency of generals. The homemade aircraft carrier *Shandong* set out for exercises, ushering the PLA into the phase of "two aircraft carriers." Russia said it would help the CCP build an early warning system for missile attacks. The CCP conducted joint exercises with Russia and several other countries. It also continued to conduct joint humanitarian rescue and disaster relief exercise with the US military.

(4) Foreign Relations

Xi Jinping visited Greece. Xi also participated in the BRICS Summit held in Brazil, where he reiterated opposition to protectionism. In meetings with the leaders of Japan and South Korea, he emphasized the proper handling of sensitive issues, consolidating political foundations, and resolving the North Korea nuclear issue through dialogue and negotiation. He also interacted with politicians from numerous countries at the second China International Import Expo and other occasions. An Australian think tank claimed that China has surpassed the US in the number of its diplomatic posts. US Vice President Mike Pence presented a speech condemning the CCP and voicing support for Taiwan. The US Senate and House of Representatives Foreign Affairs Committees successively approved similar versions of the Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act. The World Health Organization (WHO) declared the COVID-19 pandemic a "Public Health Emergency of International Concern (PHEIC)." Many countries have tightened

quarantine measures against mainland China and supported Taiwan's participation in the WHO.

(5) Taiwan Work

At the fourth plenary session of the 19th CCP Central Committee, the CCP proposed to uphold and perfect the "one country, two systems" while advancing the peaceful reunification of the motherland. The Taiwan Affairs Office (TAO), National Development and Reform Commission (NDRC), and other agencies announced the measures to further promote economic and cultural exchanges and cooperation across the Taiwan Strait on top of implementing the "new small four links" with Kinmen and Matsu respectively. At the New Year's Tea Reception of the Chinese People's Political Consultative Conference (CPPCC), Xi Jinping reiterated principles including the "one China" principle, "1992 Consensus," and opposition to "Taiwan independence." TAO Director Liu Jieyi and Association for Relations Across the Taiwan Straits (ARATS) Chairman Zhang Zhijun issued New Year messages restating the "Xi's five points." The TAO declared its policy position after the elections in Taiwan. Mainland China's Ministry of Foreign Affairs lodged protests against countries congratulating Taiwan on the election outcome. At the Working Conference on Taiwan Affairs, Wang Yang emphasized the execution of the "Xi's five points" and provision of targeted benefits for Taiwan compatriots. Additionally, the CCP falsely claimed that Taiwan had full access to information on the COVID-19 pandemic. It also blocked Taiwan's participation in the WHO. The TAO berated Taiwan for "using the pandemic to seek independence" and for preventing Taiwanese compatriots in Hubei from returning home through political manipulation. Moreover, the CCP tried to obtain approval for the "one country, two systems" in the international arena. The TAO hit out at Taiwan's Vice President-elect Lai Ching-te's visit to the US as a tactic of pursuing "Taiwan independence." Recently, the CCP has been sending military aircrafts circling around Taiwan and crossing the median line of the Taiwan Strait in an attempt to step up its pressuring.