

# **The 55<sup>th</sup> MAC Advisory Committee Meeting: Highlights and Key Points of Discussion by Committee Members\***

News Reference Material

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The Mainland Affairs Council recently held its 55<sup>th</sup> Advisory Committee Meeting on the topic of “Observations on the ‘Two Sessions’ of the Chinese Communist Party (CCP).” Key points from the introductory remarks and discussions by the attending committee members are as follows:

I. The scholar’s introductory report identified the most significant changes at the CCP’s “Two Sessions” this year as the cancellation of the Premier’s press conference in break with a 30-year tradition, and the amendments to the “Organic Law of the State Council,” which aim to reinforce a “strong party, weak government” structure. The Government Work Report emphasized developing “new quality productive forces,” expanding domestic demand, guarding against financial risks, and promoting safety and stability to address significant internal challenges. While China’s policy stance on Taiwan remains largely unchanged, there was a marked emphasis on intensifying efforts to “oppose Taiwan independence,” “promote integration,” and “promote unification.”

II. Some committee members believe that Xi Jinping’s demonstration of power consolidation during the “Two Sessions” failed to resolve issues such as capital flight and stock market declines, leading instead to a vicious

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\*The MAC Advisory Committee Meeting is formed of experts and scholars in related fields. The views and opinions expressed in the meetings or excerpted in this article belong solely to the speakers.

cycle. The cancellation of the Premier's press conference will only lead to greater opacity and insularity of the CCP regime, and history has indicated that China only resorts to isolation and tightening internal control when it lacks confidence and seeks to avoid external interference.

III. Some committee members provided analysis that the heated debate on the topic of "new quality productive forces" during the CCP's "Two Sessions" is centered around "innovation-led" strategies. This is primarily meant to address the US-China tech war, aiming to disrupt the US-Japanese dominance of supply chains in new energy and materials sectors, and to compel Taiwanese businesses to choose sides. Committee members recommended that future focus should be directed towards the impact of "new quality productive forces" on the united-front economic initiatives targeting Taiwan. Furthermore, some committee members pointed out that China's military budget continues to reach new highs to meet the goals set for the People's Liberation Army (PLA) to achieve by 2027 (its centenary), namely developing high-tech weaponry, cultivating high-quality talent, enhancing "new quality combat capabilities," and boosting strategic capacities in emerging fields such as maritime, aerospace, cyberspace, and AI technology. However, issues such as internal corruption and "fake combat capabilities" will continue to affect the development of China's military strength.

IV. Some committee members observed that despite the CCP's claims of maintaining a deficit ratio of 3%, interest payments on debt have surged by 11.9%, representing the biggest increase in expenditures. This indicates that government spending is stretched thin, and that priority must be given to addressing local government debt issues and coping with financial risks in real estate and banking. These factors are expected to dampen the

momentum of China's economic development.

V. Some committee members pointed out that with the current robust US-China and US-Taiwan communication channels, Xi Jinping harbors hopes for the patriotic and pro-unification forces within Taiwan and sees no reason for military action; however, members cautioned against the risk of “unintended incidents.” In terms of legal warfare, there is a need to monitor the CCP’s actions around internalizing the Taiwan Strait and its use of grey-zone tactics to intensify law enforcement, both aimed at gradually shifting the cross-Strait status quo.

VI. Minister Chiu stated during the meeting that relevant reports and statements from the CCP’s “Two Sessions” reveal that maintaining internal stability continues to be the primary focus of China’s governance; he also stressed that our government’s cross-Strait team operates prudently, and that the committee's expert advice will serve as valuable input for relevant authorities in policy formulation.