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Related Categories: Energy Security; International Economics and Trade; Military Innovation; China

December 17:

In just the latest sign of deepening economic ties between energy-hungry China and oil suppliers in the Middle East, Saudi Arabia recently agreed to boost crude exports to the China by 38 percent over the coming year. According to Reuters, the majority of the increase will go to the state-run Sinopec Corporation which, as China's top refiner, has plans underway to vastly increase the country's refining capacity. To this end, Sinopec intends to open two new installations capable of processing over 350,000 barrels daily apiece. One of these facilities will be partly owned by Saudi Arabia's state-run Aramco oil giant.

December 24:

The Agence France Presse reports that China and India have successfully completed their first joint military exercise: a five-day drill targeting mock terrorist kidnappers along the joint border between the two nations. Roughly one hundred troops from each country took part in the operation, which Lieutenant General Susheel Gupta, deputy chief of India's Army Staff, has deemed a "momentous occasion." Although relatively small by joint-operations standards, the operation is significant in light of the decades of hostility between the two Asian powers – not least over a still-unresolved border issue which brought them to war in the 1960s.

December 26:

As it stretches out across the globe in search of resources to fuel its thriving economy, China is taking extra steps to reassure world powers that its hunt for energy will not "disrupt sensitive international markets" or "pose any threat to the world's energy security." The *Washington Post* reports that a new "White Paper" issued by the Chinese government reiterates Beijing's commitment to developing renewable energy resources. However, the study also admits the country will remain heavily dependent on coal – of which it holds the world's second largest reserves – despite the heavy costs to the environment. Also restated is China's long-running insistence that it not be subject to binding greenhouse gas limitations, despite estimations that it has, or soon will, overtake the United States as the world's heaviest emitter.

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The Chinese government's unexpected refusal to allow the USS Kitty Hawk to dock in Hong Kong in late November marks the latest sign of a new, more assertive international profile being adopted by the PRC, according to one China expert. "Deng Xiaoping, who turned China away from Maoist revolution, believed that the country should 'bide time' and keep a low profile in international affairs," writes author Gordon Chang in the *Wall Street Journal*. "Deng's successor, Jiang Zemin, followed this general approach even though he wanted Beijing to pursue his 'big country' ambitions." But "Hu Jintao has shifted China in a new direction," one built around "actively work[ing] to restructure the international system to be more to Beijing's liking."

The implications, writes Chang, are far-reaching. "In the past, [the Kitty Hawk incident] would have merely been the product of petulance. Today, it is another indication of a change in China's approach to the world." "Now," Chang concludes, "the challenge for the U. S. is to recognize that Chinese attitudes have turned a corner, and to craft new policies in response."