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BELATEDLY, SOME NEW ATTENTION TO XI'S PARTY LINE

On April 1st, the Communist Party of China's (CPC) flagship publication, *Qiushi*, republished excerpts from Party Chairman Xi Jinping's famous January 5, 2013 speech, entitled "A few issues on upholding and developing socialism with Chinese characteristics." Xi gave the speech to about 300 new members of the CPC Central Committee in the auditorium of the Central Party School. This was the first time Xi advanced the new party line that the Reform and Opening Up period should not be used to negate the Maoist period, or vice versa. He also warned that the collapse of the Soviet Union came about because the Soviet Communist Party lost its ideological moorings. Xi declared that "The eventual demise of capitalism and the ultimate victory of socialism must be a long historical process," and called on the CPC to "conscientiously prepare for all aspects of long-term cooperation and battles between the two social systems." (*Qiushi*, April 1, 2019; *South China Morning Post*, April 6, 2019)

INDIA BACKS OUT OF THE SCS ENERGY GAME...

India's ONGC Videsh Ltd (OVL), the overseas arm of India's state-owned Oil and Natural Gas Corp. Ltd, wants to swap its stake in Vietnam's hydrocarbon block No.128 for another block. China, which also claims sovereignty over a portion of block 128, has long objected to OVL's surveying. The move weakens Vietnam's case in its territorial dispute with China in the South China Sea. OVL, which has invested \$56 million in block 128 but has yet to find significant hydrocarbon deposits, is also requesting that Vietnam's national oil company PetroVietnam, forgive the \$15 million fine for not completing the work. "There is no hydrocarbon found in that block. We have been present there because the Vietnamese government had asked us to be there," said an anonymous Indian government official. (*LiveMint*, March 4, 2019)

...WHILE BEIJING DEEPENS ITS STAKE THERE

China National Offshore Oil Corporation's (CNOOC) controversial offshore drilling platform Haiyang Shiyu 981 has restarted deep water operations in the South China Sea to acquire liquefied natural gas (LNG). The sixth-generation ultra-deepwater rig will pump LNG from the 4660 meter well to the company's terminal in Zhuhai, Guangdong, from where it will supply energy to a population of 70 million. CNOOC's placement of the platform in waters disputed with Vietnam caused a bilateral crisis in 2014, and almost precipitated another when it subsequently tried to move the platform into disputed waters in 2016. This time, Vietnam's Foreign Ministry has asked Beijing to clarify its intentions regarding the rig's redeployment. (*The Week*, April 11, 2019; *Vietnam News*, April 12, 2019; *South China Morning Post*, April 13, 2019)

THE HIGH PRICE OF VETERAN PROTESTS

Courts in Shandong and Jiangsu have sentenced 47 military veterans to prison sentences of up to six years for disrupting social order. China has seen repeated demonstrations by veterans who say they have not been adequately compensated for their service and are left with meager pensions. Those convicted were involved in last year's protests outside assorted government offices, including the Ministry of Defense in Beijing. In Zhenjiang, Jiangsu, more than 1000 veterans from around the country descended on government offices and occupied the plaza for four days, demanding answers about fellow a veteran who was beaten by government-hired thugs for petitioning for better benefits. Paramilitary police and armored vehicles quashed the protests. Unrest of this type has been ongoing in China despite the country's creation last year of a dedicated Ministry of Veterans Affairs. (*New York Times*, April 19, 2019)

MALAYSIA TO REVIVE MAJOR CHINA-LINKED PROPERTY PROJECT

Malaysian Prime Minister Mahathir Mohamad has said Malaysia will resume the \$33.8 billion Bandar Malaysia property and transportation project in Kuala Lumpur – an initiative involving Malaysian developer Iskandar Waterfront Holdings and the China Railway Engineering Corp. The 202-hectare project, which is 40% owned by the Malaysian government, will serve as a global finance hub for tech and startup firms, Mohamad said. The revived project will include 10,000 affordable homes, a park, and prioritize local construction material. Mahathir's government previously ceased work on the high-speed rail line connecting Singapore to Kuala Lumpur, but left "sufficient room for the station" if the government decides to build it later. Last week, Malaysia also resumed a China-backed rail project after the Chinese contractor cut the price by a third to \$10.6 billion. "These two major projects will also be a significant contribution to the Belt and Road Initiative which Malaysia expects to be able to tap on and exploit its multiplier effects along the value chain," Mahathir said. (*Associated Press*, April 19, 2019)

