

**CHINA'S FOREIGN POLICY IN AN
EVENTFUL 2010: FACING MULTIPLE
CHALLENGES IN A DETERIORATING
EXTERNAL ENVIRONMENT**

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Executive Summary

1. The year 2010 has been particularly challenging for China. Beijing's relations with the US were rocky. It also faced a deteriorating regional environment. The situation on the Korean Peninsula has worsened. Territorial disputes over the Diaoyudao (or Senkaku Islands) and South China Sea (SCS) came to the fore.
2. State Councilor Dai Bingguo, a leading figure in China's foreign policy, said in a recent commentary that China is committed to pursuing peace, development and cooperation in its external relations. Separately, Chinese Foreign Minister Yang Jiechi reiterated China's stand of harmonious co-existence and win-win progress with other countries.
3. The assurances by China's top foreign policy makers are timely in view of rising tensions and uncertainty in the region. More importantly, the assurances are intended to set things in context in light of Beijing's perceived greater assertiveness in standing up for its interests.
4. Regional territorial disputes have become a focal point, allowing greater involvement of third parties such as the US. China reacted firmly when US Secretary of State Hillary Clinton said that the US has a national interest in ensuring the freedom of navigation in the SCS.
5. Relations with Japan have deteriorated. The world saw how China mounted intense pressure on Japan to release a ship captain detained near the disputed Diaoyudao. Other countries were given a stark reminder of China's likely response if they were to trample on China's core interests.
6. North Korea's artillery barrage on Yeonpyeong raised tensions in the region. Much to China's displeasure, the US, Japan and South Korea closed ranks. The foreign ministers of the three countries met in Washington without China.

They wanted China to hold North Korea responsible for its provocative actions.

7. China was upset with the decision by the Norwegian Nobel Committee to award the Nobel Peace Prize to Chinese dissident Liu Xiaobo. Beijing saw it as a deliberate ploy to trip up China, and pressured other governments to avoid the award ceremony. This was seen in some quarters as China over-reacting.
8. Amidst these uncertainties, cross-strait relations have continued to improve. The Economic Cooperation Framework Agreement was signed. Other cross-strait exchanges were also stepped up. Yet, Ma Ying-jeou and his Kuomintang do not seem to be able to fully reap the benefits of closer cross-strait ties.
9. China wants to stabilize and improve China-US relations in 2011 as Hu Jintao embarks on his State Visit to the US. Hu is expected to urge the US to look long-term by expanding common grounds and minimizing differences. He is also likely to stress the importance of mutual respect in the relationship.
10. China will work to ensure a deepening of the reform of the international system to lend greater voice to emerging and developing countries. On the environment, China will continue to play a part to fight global warming and climate change. It can be expected to do more on this on the domestic front.
11. While China looks forward to working with other countries to address common concerns, China will not take it lying down if actions by other countries infringe its core interests. There is also a firm message in Dai Bingguo's commentary. He said that "we (China) respect others but do not allow others to bully us".