

**CHINA'S FOREIGN POLICY IN 2014: THE
UNVEILING OF PRESIDENT XI JINPING'S
GRAND STRATEGY**

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EAI Background Brief No. 984

Date of Publication: 23 December 2014

Executive Summary

1. China in 2014 appears to have formulated a grand foreign policy strategy under the leadership of President Xi Jinping and is in the midst of carrying this out. Xi has called on China to develop a distinctive diplomatic approach befitting its role as a major country.
2. Such an approach calls for China to form partnerships (as opposed to alliances) with other countries for mutual benefit. China perceives that other countries would want to subscribe to this joint effort to pursue what it calls a community of common destiny.
3. China has been proactive in seizing the initiative and even setting the regional, if not global, agenda. Chinese leaders while visiting Europe and Asia have stressed the benefits of the China-proposed Silk Road Economic Belt and the 21st Century Maritime Silk Road or the “One Belt and One Road” initiative.
4. For its “One Belt and One Road” initiative, China has announced a US\$40 billion Silk Road Fund. The Asian Infrastructure Investment Bank, another China initiative, is slated to be launched by end 2015.
5. China, the world’s biggest socialist country, has led the call for a Free Trade Area of the Asia-Pacific at a time when other developed western countries are lukewarm to this concept. It also reached free trade deals with South Korea and Australia.
6. Beyond economics, China is also attempting to reshape the regional security architecture. It has suggested expanding the Conference on Interaction and Confidence Building Measures in Asia into a new regional security cooperation framework.
7. China has elevated the Xiangshan Forum it hosted from a largely academic platform to a high-level defence and security platform. It appears to be promoting the forum as an alternative to the Shangri-La Dialogue.

8. China has attempted to build a new model of major power relations that again emphasises cooperation for mutual benefit. China and the United States jointly announced targets on greenhouse gas emissions, while China and Russia signed further deals on natural gas supply.
9. Although the developing countries in Africa and Latin America do not fall under the “One Belt and One Road” initiative, China has stressed the synergies of their relationship especially in industrial development and infrastructure connectivity.
10. In 2015, China will seek to undertake concrete projects related to the “One Belt and One Road” initiative. Such projects will help to reinforce the mutually beneficial message that China seeks to convey.
11. To promote joint participation and ownership, it is in China’s interest to allow other countries a role in implementing projects related to the “One Belt and One Road” initiative and not to be seen as dominating the entire process.
12. With major powers, China can be expected to stress the importance of mutual respect and win-win cooperation. China is looking at working with Russia to commemorate the anniversary of the end of World War II. Such celebrations will serve an added purpose of pressurising Japan to be more accommodative of China’s interests.