SPECIAL FEATURE

5 China’s Foreign Policy: A More Confident and Assertive China Amidst Global Uncertainties by LYE Liang Fook

China has called for a free, open and inclusive multilateral order and supports a multilateral trading regime, a Free Trade Area of the Asia-Pacific and the Regional Comprehensive Economic Partnership. It has launched the Asian Infrastructure Investment Bank and is pushing for a new regional security architecture. While shaping the international order, China is upholding its sovereign claims over the South China Sea and Taiwan.

21 China’s Economy 2016/17: Seeking Growth with Stability Amidst External Uncertainty by John WONG

China achieved 6.7% growth in 2016, a gradual growth deceleration attained mainly by the government’s pro-growth policy intervention through expansionary fiscal and monetary policies. The government is emphasising supply-side structural reforms, giving priority to reducing over-capacity and de-leveraging. For 2017, growth is expected to slow to 6.5% due to great uncertainties including the potentially hostile US economic policies of President Trump.

39 Rebuilding the Leninist Party in 2016 by Lance L P GORE

Chinese President Xi elevated himself to the “core” of the top leadership, and strengthened intra-party supervision and Mao’s intra-party norms and traditions of intra-party political life. He also worked towards rebuilding ideological orthodoxy to restore the integrity and discipline of the Leninist party. The difficulties in applying Marxism to today’s reality led him to mainly resort to tightening ideological control.

50 China’s Politics 2016: Xi Jinping As “Core Leader” and Massive Personnel Reshuffles by CHEN Gang

In 2016, Xi Jinping had been consolidating his power over local affairs and preparing for the next round of power transfer at the 19th Party Congress in 2017. Xi Jinping and Li Keqiang are expected to retain their seats in the Politburo Standing Committee, while Wang Qishan may stay on due to his role in the anti-corruption campaign.
On the social front, the year 2016 was a relatively peaceful year for China. Although social problems continued to prevail, the authorities had strengthened their capacity to maintain social stability. The government has tightened its control of non-governmental organisations and public opinion on the internet.

The two-thirds majority in both houses of parliament allows Abe to revise the country’s post-war pacifist constitution and paves the way for Japan to become a “normal” state. Donald Trump’s surprise presidential victory posed great uncertainty to Japan’s alliance with the United States.

In 2016, the Japanese economy grew steadily, while household consumption remained weak and inflation far below the 2% target. Japan remains an affluent society, with a large amount of liquid assets and relatively low debts. Japanese overseas assets have risen significantly and is a major source of national income.

Taiwanese President Tsai Ing-wen adopted a least provocative China policy. However, cross-strait relations remained cool. The main opposition party Kuomintang has been beset by an unpopular pro-China leader, open internal conflicts, lack of financial sources and low popularity.

A scandal that involved President Park Geun-hye and her confidante shook the country in 2016. Confidence in Park’s leadership began to waver when she closed the chapter on ‘comfort women’ issue with Japan in December 2015 and sealed the agreement with the United States to deploy Thermal High Altitude Area Defence.

South Korea’s exports, its mainstay, continued to wane in 2016. Growth was moderate at 2.7% in 2016, 0.1% more than in 2015. The impact of President Park Geun-hye’s political scandal on the domestic economy has been constrained so far. The strong opposition from society to some chaebols’ involvement in Park-Choi corruption cases may weaken government-chaebols ties in developing the economy in the future.