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SPECIAL FEATURE

- 5 Xi Jinping Starts His Second Term with Prospect of Ruling for Life
by CHEN Gang

No heir apparent was installed at the 19th Party congress, leading to speculation that Xi may continue to serve after 2022. In February 2018, the Chinese Communist Party proposed to remove a constitutional clause limiting presidential service.

- 15 China's Economy 2018: Stabilising Slowdown to Gear up for a New
Mode of Growth by John WONG

China's 6.9% growth in 2017 was a rebound that was partly due to the successful outcome of macroeconomic rebalancing towards domestic demand-driven growth based on rising consumption. To fulfil his "China Dream", Xi Jinping has a three-stage economic roadmap for the long-term development of China's economy.

- 32 Chinese Society in 2017: Addressing Unbalanced Development by
ZHAO Litao

Socially, China did well in 2017 creating jobs, controlling inflation and promoting income growth. The single most important event in 2017 was the 19th National Congress where "people's ever-growing need for a better life versus unbalanced and inadequate development" was given emphasis.

- 47 Social Control in China: Towards a "Smart" and Sophisticated
System by SHAN Wei

With sophisticated internet censorship and artificial intelligence and big data technology, social control mechanism in China has become "smarter", more effective and more successful in reducing social unrest. In the long term, however, it may face challenges due to value changes in society.

- 56 Seizing the "Trump Opportunity" and Engaging the World: Chinese
Foreign Policies in 2017 by Lance L P GORE

In 2017 China capitalised on the Trump administration's "America-first" foreign policy to reinforce its foreign policy. US-China relations turned out unexpectedly well. However, much has to be done on the North Korean issue and China-India relations.

- 68 Hong Kong Politics in 2017 by LIM Tai Wei

Hong Kong is playing up its "super-connector" role in the Belt and Road Initiative. Beijing will be augmenting Hong Kong's economic position. Many expect the central government's policies towards Hong Kong to remain unchanged.

78 Strong Domestic Consumption Key to Hong Kong's Robust Economic Growth in 2017 by ZHANG Yang and Sarah Y TONG

Private consumption, supported by buoyant property and stock markets are the main drivers behind Hong Kong's robust economy in 2017. Economic tie with the Mainland further strengthened and financial markets of the two more integrated. Hong Kong has to capitalise on the Greater Bay Area development and the Belt and Road Initiatives.

92 Taiwan's Economy in 2017: Boosted by Apple's Great Appetite by CHIANG Min-Hua

Taiwan's economy was boosted by the strong global demand for new information and communication technology devices. Taiwan's future economic outlook hinges on its technological capability vis-à-vis other regional peers, close production relations with global multinational firms and adaptation to other new consumption products.

105 Cross-Strait Relations in 2017: Political Confrontation and Social Economic Integration by QI Dongtao

While Taipei continued to consolidate Taiwan's de facto independence through desinicisation in various fields, Beijing gradually exerted pressure in the political, international, jurisdictional and military fields on Taipei. The Chinese government has also improved policies to attract more Taiwanese capital and people.

115 Japan in 2017: Successes and Scandals by LAM Peng Er

Despite two personal scandals, Prime Minister Abe Shinzo won the October Lower House Election thanks to the North Korean nuclear "threat" and a fragmented political opposition. Both China and Japan now have strong and powerful top leaders who could have a freer hand to broker deals. Sino-Japanese relations might well be on the mend.

123 South Korean Politics and Foreign Policy in 2017 and 2018 by CHOO Jaewoo

The election of Moon Jae-in in South Korea signals a shift to a more conciliatory approach towards North Korea. Moon's basic strategy emphasises a "dual-track" policy of seeking North Korea's denuclearisation while calling for dialogue to facilitate inter-Korean summit and not North Korea's denuclearisation.

135 The North Korean Nuclear Crisis in 2017: New Challenges and Risks by KIM Sung Chull

Given that North Korea is unlikely to give up its nuclear weapons and a military option against it may be unworkable, deterrence becomes a realistic recourse to cope with the crisis. The most challenging issues are the North's pursuit of more missile technologies and unknown aspects of nuclear command and control in Pyongyang.