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SPECIAL FEATURE

- 5 Constitutional Amendments and Party Power Centralisation in China *by CHEN Gang*
- The constitutional amendment in March 2018 allows Chinese President Xi Jinping to stay in power beyond his scheduled departure in 2023. Xi's power consolidation goes hand in hand with the Party's reinforced Leninist control of state apparatus at various levels, corporations and so on. Party-State reforms in 2018 were a reverse of Deng's advocacy of Party-State separation.*
- 14 Chinese Economy 2018: Transforming Economic Structures and Stabilising Growth *by QIAN Jiwei*
- China's supply-side structural reforms have made some achievements, but the China-US trade war and high debt level of corporations and local governments are the major uncertainties. Since mid-2018, the government has modified its policy priorities, from a strong emphasis on structural reforms to measures that safeguard growth.*
- 33 Chinese Society 2018: Stabilising Development Amid Uncertainties *by ZHAO Litao*
- The China-US trade war has necessitated the Chinese government to renew its emphasis on stabilising the economy and society. The year 2019 is set to be a more difficult year for the Chinese government and a serious test is forthcoming for the Xi leadership.*
- 44 A Watershed Year: Chinese Foreign Policy in 2018 *by Lance L P GORE*
- China had a watershed year in foreign relations in 2018. The trade war was fought at business, geopolitical and ideological levels. China and the United States are struggling to redefine their bilateral relations.*
- 59 Hong Kong in 2018: Relative Calm and Getting Down to Work *by LIM Tai Wei*
- Hong Kong enjoyed relative calm under the new Chief Executive in 2018. Infrastructure connectivity between Hong Kong and China has been strengthened and media freedom was a flashpoint in 2018 between foreign journalists and Beijing.*

67 Hong Kong's Economy Treading on Slippery Ground by ZHANG Yang and Sarah Y TONG

Hong Kong's relatively robust economic performance was sustained by healthy domestic demand and a steady growth in external demand. Economic ties with the Mainland continued to strengthen in 2018. For 2019, Hong Kong's economy faces new challenges due largely to the external environment.

80 Taiwan's Politics 2018: The Dilemma of the Movement Government by QI Dongtao

The structural dilemma of a movement government in Taiwan had significantly contributed to its rapidly declining public support. The government led by the Democratic Progressive Party had to keep a delicate balance by compromising on its promises to various social movement and progressive forces after it took power.

90 Japan in 2018: Abe Administration Surviving Scandals, Consolidating Power by LAM Peng Er

That Japanese Prime Minister Abe Shinzo won a third term despite two crony scandals indicates that Abe is likely to remain in power till 2021. He is set to hike consumption tax in 2019, organise the 2020 Tokyo Summer Olympics, raise defence spending and probably revise the constitution.

100 South Korea's Politics 2018: Unpredictable External Relations and a Slowing Economy by CHOO Jaewoo

South Korea faces the prospect of a collapse in its economic base due to the government's raising of minimum wage and tax rates on property and housing. The government will be diplomatically squeezed given its over-emphasis on inter-Korean relations, rising friction with Japan and China on Terminal High Altitude Area Defence.

111 South Korea's Economy 2018: Setbacks of Moon Jae-In's Reform by CHIANG Min-Hua

South Korea saw a slight dip of 2.7% in its economic growth rate from 3.1% in 2017. The government's stimulus measures and the country's moderate export expansion were offset by the slow progress of private consumption and plunge in domestic investment. The minimum wage hike resulted in greater unemployment.

121 North Korea in 2018: Nuclear Charm Offensives by YUAN Jingdong

It was a year of relative calm and active diplomacy and summitry in the Korean Peninsula, including a historic meeting between North Korean President Kim Jong-un and US President Donald Trump. Negotiations however have stalled due to different interpretations of the denuclearisation pledge and divergent priorities between the two sides.