

FACT SHEET: Military and Security Developments Involving the People's Republic of China 2018

The Department of Defense's 2018 report to Congress on *Military and Security Developments Involving the People's Republic of China* fulfills reporting requirements of the National Defense Authorization Act. This year's report focuses on developments during 2017.

KEY FINDINGS:

China's strategy is to harness the initial two decades of the 21st century as a "period of strategic opportunity" to facilitate China's development and expand the country's "comprehensive national power," which includes improving its military, the People's Liberation Army (PLA).

- At the 19th Party Congress in October 2017, President Xi enumerated objectives for the "basic realization of socialist modernization" by 2035, which included China becoming one of the most "innovation-oriented" countries, significant enhancement of the country's soft power, and continued economic prosperity.
- Xi's speeches at the 19th Party Congress and the PLA's 90th anniversary highlighted recent progress "accelerating toward informatization" that will provide the PLA with a "great rise in strategic capability."
- China's military leaders want to achieve mechanization and make "major progress" toward informatization by 2020, reach a goal of "basic modernization" by 2035, and become a world-class military by the middle of this century.

China's leaders increasingly seek to **leverage China's growing economic, diplomatic, and military clout** to establish regional preeminence and expand the country's international influence.

- China uses the Belt and Road Initiative to develop strong ties with other countries to shape their interests to align with China's and deter confrontation or criticism of China's approach to sensitive issues.
- In July 2017, Sri Lanka and a Chinese-state owned enterprise signed a 99-year lease for Hambantota Port, following similar deals in Piraeus, Greece, and Darwin, Australia.
- In August 2017, China officially opened its first overseas base in Djibouti, deploying a company of marines and equipment to the base.

China does not want to jeopardize regional stability, which remains critical to its economic development, but is **willing to employ coercive measures** to advance its interests and mitigate other countries' opposition.

- In 2017, China used economic and diplomatic pressure, unsuccessfully, in an attempt to urge South Korea to reconsider its deployment of the Terminal High-Altitude Area Defense (THAAD) system.
- In August 2017, China conducted a coordinated PLA Navy (PLAN), China Coast Guard (CCG), and People's Armed Forces Maritime Militia patrol around Thitu Island and planted a flag on Sandy Cay, a sandbar within 12 nautical miles of Subi Reef and Thitu Island, possibly in response to the Philippines' reported plans to upgrade its runway on Thitu Island.
- In 2017, China continued building infrastructure at three large Spratly Islands outposts. China also made political and economic overtures to Southeast Asian countries to diminish regional concerns over its actions in the South China Sea.
- In 2017, China entered within 12 nautical miles of the Senkaku Islands on average once every 10 days with multiple CCG vessels.

- After a 70-day standoff near Doka La Pass, India and China agreed to withdraw their military forces, but both countries maintain a heightened military presence in the surrounding region. India halted another Chinese road construction effort in disputed territory in Arunachal Pradesh in December 2017.

China is **committed to building a more capable PLA** that can fight jointly; harness real-time, data-networked command and control and precision strike; and operate increasingly far away from China's shores.

- Highlights in 2017: cutting 300,000 personnel, flattening to a brigade structure, building expeditionary capability, and placing paramilitary forces solely under the control of the PLA.
- Notable 2017 exercise elements included air and ground operations coordination, incorporating multiple military services' intelligence, surveillance, and reconnaissance (ISR) data, and using joint air firepower guidance teams to provide targeting information to multiple services' assets.
- PLA Army reforms included disestablishment of five group army headquarters, reorganization of many divisions and regiments into combined arms brigades, and formation of some air assault brigades.
- The PLAN Marine Corps (PLANMC) is expanding. Previously consisting of 2 brigades, approximately 10,000 personnel, and limited in geography and mission, by 2020, the PLANMC will consist of 7 brigades, may exceed 30,000 personnel, and will have expanded its mission to include expeditionary operations.
- The PLAN conducted its longest goodwill tour in 2017, traveling to 20 countries in the Indo-Pacific region, Europe, Africa, and Oceania.
- In 2017, the PLAN launched an aircraft carrier and a cruiser, and three destroyers, additional surface combatants, support ships, and intelligence-collection ships entered service. The world's largest seaplane also completed its first flight in December 2017.
- The PLA Air Force (PLAAF) has been re-assigned a nuclear mission. The deployment and integration of nuclear-capable bombers would, for the first time, provide China with a nuclear "triad" of delivery systems dispersed across land, sea, and air.
- The Chinese Communist Party continued its vigorous efforts to root out armed forces corruption in 2017. In September 2017, two former Central Military Commission (CMC) members, the previous Joint Staff Department chief, Fang Fenghui, and previous Political Work Department director, Zhang Yang, were reportedly detained for questioning in an anti-graft probe, a first in decades for sitting CMC officers.
- Computer systems around the world, including those owned by the U.S. Government, continued to be targeted by China-based intrusions through 2017.

China also continues to **employ persuasion and coercion vis-à-vis Taiwan**.

- Taiwan lost an additional diplomatic partner in 2017 (Panama), and international fora denied participation or observership to Taiwan representatives.
- In 2017, the PLAAF significantly increased Taiwan circumnavigations, passing through both the Miyako Strait and the Bashi Channel in the same mission.
- In June 2017, the United States announced the sale of \$1.42 billion in defense articles and services to Taiwan, including MK-48 6AT Heavy-Weight Torpedoes, AGM-154 Joint Standoff Weapons, and AGM-88 High-Speed Anti-Radiation Missiles.

U.S.-China defense contacts support overall U.S. policy and strategy toward China.

- The *2017 National Defense Strategy*, the *2018 National Defense Strategy*, and the *2018 Nuclear Posture Review* recognize the growing trend of military competition in a dynamic security environment.
- The Department of Defense's objective is to set the military relationship between our two countries on a path of transparency and non-aggression.