

China Politics Weekly

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Dear friends and colleagues,

The leadership has been in Beidaihe for the past two weeks, meaning that the black box of Chinese politics has been particularly opaque of late. There have been no public appearances since July 30th by any Standing Committee members except for Liu Yunshan's visit to experts vacationing at Beidaihe on August 5th. Everybody should be getting back to work this week.

I have been in Beijing and Tangshan doing research, working and catching up with friends. A few quick impressions:

- Everybody is focused on the 19th Party Congress. There are quite a few rumors about who might get promoted (or sidelined), but nothing that is particularly credible, or worth repeating. Expect more and more chatter (and another tiger takedown?) as we get closer to the congress.
- Despite (or perhaps because of) the focus on politics, it feels like there is an increasing urgency around economic policy. The supply-side agenda has become more fleshed out, and there is movement on overcapacity and SOE reform. Measures still do not go far enough, but it would be incorrect to say that nothing is happening. There is still no plan to deal with the debt, but in this area too there is a lot of discussion and debate.
- Unfortunately, despite an increased focus on economic policy, there is still a lot of confusion and local officials are unsure of what to do. In many areas, central policy seems to pull in different directions. Should authorities shut down polluting factories? Or maintain economic growth? Should SOEs be "bigger, better, stronger"? Or should they be streamlined? These are only a few of many examples that I have heard in the past two weeks. Personally, I think there is a way to square these circles, but it shouldn't be me that has to explain China's policies...
- Sentiment regarding Xi Jinping's leadership has changed with each passing year. Year one was characterized by hope that he would be a transformative leader. Year two, following from the Third Plenum, was full of excitement at the ambitious reform agenda. Year three was one of growing anxiety and disappointment as Xi's conservative political tendencies became more apparent. Now in year four, the anxiety seems to have morphed into resignation.

I'm still here for another two weeks, so more thoughts to come...

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PBSC Week in Review

Xi Jinping

Party General Secretary; PRC President; Chairman of Central Military Commission

Aug 11

Xi appointed new ambassadors.
Syria and Trinidad and Tobago.

Aug 10

Xi offered condolences to Pakistani President Mamnoon Hussain over the terrorist attack in Quetta.

Li Keqiang

Premier

Aug 10

Li offered condolences to Pakistani Prime Minister Nawaz Sharif over the terrorist attack in Quetta.

Zhang Dejiang

Chair of the National People's Congress

Yu Zhengsheng

Chair of the Chinese People's Political Consultative Conference

Aug 12-13

Yu went on inspection tour to Tibet.

According to Xinhua, Yu "called on religious figures in Tibet to resist the influence of foreign forces, to ensure stability in the autonomous region...Yu urged religious figures in Tibet to carry forward their patriotic traditions and guide their followers in the region to safeguard national and ethnic unity."

Liu Yunshan

Head of Party Secretariat; Head of Propaganda

Aug 5

Liu met with scientists and experts attending a state-sponsored vacation in Beidaihe, Hebei.

Wang Qishan

Secretary of the Central Commission for Discipline Inspection

Zhang Gaoli

Executive Vice Premier

About CPW

China Politics Weekly aims to keep business leaders, investors, diplomats, scholars and other China hands up to date on important trends in China. It is produced by Trey McArver, a London-based consultant providing advice and intelligence to firms and investors engaged in China and the region. You can find out more about Trey and CPW in [this interview](#).

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