



EXECUTIVE SUMMARY

Military and Security Developments Involving the People's Republic of China 2020

UNDERSTANDING CHINA'S STRATEGY

China's National Strategy

- > The People's Republic of China's (PRC's) strategy aims to achieve “the great rejuvenation of the Chinese nation” by 2049. China's strategy can be characterized as a determined pursuit of political and social modernity that includes far-ranging efforts to expand China's national power, perfect its governance systems, and revise the international order.
- > The Chinese Communist Party (CCP) frames this strategy as an effort to realize long-held nationalist aspirations to “return” China to a position of strength, prosperity, and leadership on the world stage.
- > The CCP's leadership has long viewed China as embroiled in a major international strategic competition with other states, including, and in particular, the United States.
- > In 2019, China intensified its efforts to advance its overall development including steadying its economic growth, strengthening its armed forces, and taking a more active role in global affairs.

Foreign Policy

- > The PRC's foreign policy seeks to revise aspects of the international order on the Party's terms and in accordance with ideas and principles it views as essential to forging an external environment conducive to China's national rejuvenation.
- > In 2019, the PRC recognized that its armed forces should take a more active role in advancing its foreign policy, highlighting the increasingly global character that Beijing ascribes to its military power.

Economic Policy

- > The CCP prioritizes economic development as the “central task” and the force that drives China's modernization across all areas, including its armed forces.
- > China's economic development supports its military modernization not only by providing the means for larger defense budgets, but through deliberate Party-led initiatives such as OBOR and Made in China 2025, as well as the systemic benefits of China's growing national industrial and technological base.

Military-Civil Fusion (MCF) Development Strategy

- > The PRC pursues its MCF Development Strategy to “fuse” its economic and social development strategies with its security strategies to build an integrated national strategic system and capabilities in support of China's national rejuvenation goals.
- > MCF encompasses six interrelated efforts: (1) fusing the China's defense industrial base and its civilian technology and industrial base; (2) integrating and leveraging science and technology innovations across military and civilian sectors; (3) cultivating talent and blending military and civilian expertise and knowledge; (4) building military requirements into civilian infrastructure and leveraging civilian construction for military purposes; (5) leveraging civilian service and logistics capabilities for military purposes; and, (6) expanding and deepening China's national defense mobilization system to include all relevant aspects of its society and economy for use in competition and war.
- > While MCF has broader purposes than acquiring foreign technology, in practice, MCF means there is not a clear line between the PRC's civilian and military economies, raising due diligence costs for U.S. and global entities that do not desire to contribute to the PRC's military modernization.

Defense Policy & Military Strategy

- > The PRC has stated its defense policy aims to safeguard its sovereignty, security, and development interests. China's military strategy remains based on the concept of “active defense.”
- > In 2019, the PLA remained primarily oriented towards longstanding regional threats while emphasizing a greater global role for itself in accordance with China's defense policy and military strategy.
- > China's leaders stress the imperative of meeting key military transformation markers set in 2020 and 2035. These milestones seek to align the PLA's transformation with China's overall national modernization so that by the end of 2049, China will field a “world-class” military.
- > The CCP has not defined what it means by its ambition to have a “world-class” military. Within the context of China's national strategy, however, it is likely that China will aim to develop a military by mid-century that is equal to—or in some cases superior to—the U.S. military, or that of any other great power that China views as a threat to its sovereignty, security, and development interests.

MISSIONS, TASKS, & MODERNIZATION OF CHINA'S ARMED FORCES IN THE "NEW ERA"

- > The PRC's strategy includes advancing a comprehensive military modernization program that aims to "basically" complete military modernization by 2035 and transform the PLA into a "world-class" military by the end of 2049.
- > The PLA's evolving capabilities and concepts continue to strengthen the PRC's ability to counter an intervention by an adversary in the Indo-Pacific region and project power globally.
- > In 2019, the PLA continued to make progress implementing major structural reforms, fielding modern indigenous systems, building readiness, and strengthening its competency to conduct joint operations.
- > China has already achieved parity with—or even exceeded—the United States in several military modernization areas, including:
 - **Shipbuilding:** The PRC has the largest navy in the world, with an overall battle force of approximately 350 ships and submarines including over 130 major surface combatants. In comparison, the U.S. Navy's battle force is approximately 293 ships as of early 2020. China is the top ship-producing nation in the world by tonnage and is increasing its shipbuilding capacity and capability for all naval classes.
 - **Land-based conventional ballistic and cruise missiles:** The PRC has developed its conventional missile forces unrestrained by any international agreements. The PRC has more than 1,250 ground-launched ballistic missiles (GLBMs) and ground-launched cruise missiles (GLCMs) with ranges between 500 and 5,500 kilometers. The United States currently fields one type of conventional GLBM with a range of 70 to 300 kilometers and no GLCMs.
 - **Integrated air defense systems:** The PRC has one of the world's largest forces of advanced long-range surface-to-air systems—including Russian-built S-400s, S-300s, and domestically produced systems—that constitute part of its robust and redundant integrated air defense system (IADS) architecture.

Developments in the PLA's Modernization and Reform

- > **The People's Liberation Army Army (PLAA)** is the largest standing ground force in the world. In 2019, the PLAA continued to transition into a modern, mobile, and lethal ground force by fielding upgraded combat systems and communications equipment and enhancing its ability to conduct and manage complex combined-arms and joint operations.
- > **The People's Liberation Army Navy (PLAN)**—the largest navy in the world—is an increasingly modern and flexible force that has focused on replacing previous generations of platforms with limited capabilities in favor of larger, modern multi-role combatants. As of 2019, the PLAN is largely composed of modern multi-role platforms featuring advanced anti-ship, anti-air, and anti-submarine weapons and sensors.
 - **Naval Shipbuilding and Modernization:** The PLAN remains engaged in a robust shipbuilding and modernization program that includes submarines, surface combatants, amphibious warfare ships, aircraft carriers, and auxiliary ships as well as developing and fielding advanced weapons, sensors, and command and control capabilities.
- > **The People's Liberation Army Air Force (PLAAF)** and PLAN Aviation together constitute the largest aviation forces in the region and the third largest in the world, with over 2,500 total aircraft and approximately 2,000 combat aircraft. The PLAAF is rapidly catching up to Western air forces across a broad range of capabilities and competencies.
- > **The People's Liberation Army Rocket Force (PLARF)** is responsible for the PRC's strategic land-based nuclear and conventional missile forces. The PLARF develops and fields a wide variety of conventional mobile ground-launched ballistic missiles and cruise missiles. The PRC is developing new intercontinental ballistic missiles (ICBMs) that will significantly improve its nuclear-capable missile forces. The number of warheads on the PRC's land-based ICBMs capable of threatening the United States is expected to grow to roughly 200 in the next five years.
 - The PRC is expanding its inventory of the multi-role DF-26, a mobile, ground-launched intermediate-range ballistic missile system capable of rapidly swapping conventional and nuclear warheads.
 - The PRC's robust ground-based conventional missile forces compliment the growing size and capabilities of its air- and sea-based precision strike capabilities.
- > **The PLA Strategic Support Force (SSF)** is a theater command-level organization established to centralize the PLA's strategic space, cyber, electronic, and psychological warfare missions and capabilities. The SSF Network Systems Department is responsible for cyberwarfare, technical reconnaissance, electronic warfare, and psychological warfare. Its current major target is the United States.
 - **The PRC's Space Enterprise.** The PRC's space enterprise continues to mature rapidly. Beijing has devoted significant resources to growing all aspects of its space program, from military space applications to civil applications such as profit-generating launches, scientific endeavors, and space exploration.
 - The PLA has historically managed the PRC's space program. The SSF Space Systems Department is responsible for nearly all PLA space operations.

- In 2019, the PRC described space as a “critical domain in international strategic competition” and stated the security of space provided strategic assurance to the country’s national and social development.
- > **Military Readiness:** In recent years, CCP leaders have directed the PLA to improve its combat readiness. This guidance is increasingly evident in the intensity of the PLA’s training and the complexity and scale of its exercises.

Capabilities for Counter Intervention and Power Projection

- > The PLA is developing capabilities to provide options for the PRC to dissuade, deter, or, if ordered, defeat third-party intervention during a large-scale, theater campaign such as a Taiwan contingency.
- > The PLA’s anti-access/area-denial (A2/AD) capabilities are currently the most robust within the First Island Chain, although the PRC aims to strengthen its capabilities to reach farther into the Pacific Ocean.
- > The PRC also continues to increase its military capabilities to achieve regional and global security objectives beyond a Taiwan contingency.
- > The PLA is developing the capabilities and operational concepts to conduct offensive operations within the Second Island Chain, in the Pacific and Indian Oceans, and in some cases, globally. In addition to strike, air and missile defense, anti-surface and anti-submarine capabilities improvements, China is focusing on information, cyber, and space and counterspace operations.

Nuclear Deterrence

- > China’s strategic ambitions, evolving view of the security landscape, and concerns over survivability are driving significant changes to the size, capabilities, and readiness of its nuclear forces.
- > China’s nuclear forces will significantly evolve over the next decade as it modernizes, diversifies, and increases the number of its land-, sea-, and air-based nuclear delivery platforms.
- > Over the next decade, China’s nuclear warhead stockpile—currently estimated to be in the low-200s—is projected to at least double in size as China expands and modernizes its nuclear forces.
- > China is pursuing a “nuclear triad” with the development of a nuclear capable air-launched ballistic missile (ALBM) and improving its ground and sea-based nuclear capabilities.
- > New developments in 2019 further suggest that China intends to increase the peacetime readiness of its nuclear forces by moving to a launch-on-warning (LOW) posture with an expanded silo-based force.

THE PLA’S GROWING GLOBAL PRESENCE

- > CCP leaders believe that the PRC’s global activities, including the PLA’s growing global presence, are necessary to create a “favorable” international environment for China’s national rejuvenation.
- > The CCP has tasked the PLA to develop the capability to project power outside China’s borders and immediate periphery to secure the PRC’s growing overseas interests and advance its foreign policy goals.

China’s Global Military Activities

- > The PRC has increasingly recognized that its armed forces should take a more active role in advancing its foreign policy goals.
- > As the PRC’s overseas interests have grown over the past two decades, the Party’s leaders have increasingly pushed the PLA to think about how it will operate beyond China’s borders and its immediate periphery to advance and defend these interests.
- > In 2019, the PLA continued to expand its participation in bilateral and multilateral military exercises, normalize its presence overseas, and build closer ties to foreign militaries.

PLA Overseas Basing and Access

- > The PRC is seeking to establish a more robust overseas logistics and basing infrastructure to allow the PLA to project and sustain military power at greater distances.
- > Beyond its current base in Djibouti, the PRC is very likely already considering and planning for additional overseas military logistics facilities to support naval, air, and ground forces. The PRC has likely considered locations for PLA military logistics facilities in Myanmar, Thailand, Singapore, Indonesia, Pakistan, Sri Lanka, United Arab Emirates, Kenya, Seychelles, Tanzania, Angola, and Tajikistan. The PRC and Cambodia have publicly denied having signed an agreement to provide the PLAN with access to Cambodia’s Ream Naval Base.
- > A global PLA military logistics network could interfere with U.S. military operations and provide flexibility to support offensive operations against the United States.

The PRC's Influence Operations

- > The PRC conducts influence operations to achieve outcomes favorable to its strategic objectives by targeting cultural institutions, media organizations, business, academic, and policy communities in the United States, other countries, and international institutions.
- > The CCP seeks to condition domestic, foreign, and multilateral political establishments and public opinion to accept Beijing's narratives.
- > CCP leaders probably consider open democracies, including the United States, as more susceptible to influence operations than other types of governments.

RESOURCES AND TECHNOLOGY FOR FORCE MODERNIZATION

- > The PRC's long-term goal is to create an entirely self-reliant defense-industrial sector—fused with a strong civilian industrial and technology sector—that can meet the PLA's needs for modern military capabilities.
- > The PRC has mobilized vast resources in support of its defense modernization, including the implementation of its MCF Development Strategy, as well as espionage activities to acquire sensitive, dual-use, and military-grade equipment.
- > In 2019, the PRC announced its annual military budget would increase by 6.2 percent, continuing more than 20 years of annual defense spending increases and sustaining its position as the second-largest military spender in the world. The PRC's published military budget omits several major categories of expenditures and its actual military-related spending is higher than what it states in its official budget.

Science and Technology Goals Supporting Military Modernization

- > China seeks to become a leader in key technologies with military potential, such as AI, autonomous systems, advanced computing, quantum information sciences, biotechnology, and advanced materials and manufacturing.
- > China has invested significant resources to fund research and subsidize companies involved in strategic S&T fields while pressing private firms, universities, and provincial governments to cooperate with the military in developing advanced technologies.
- > China continues to undermine the integrity of the U.S. science and technology research enterprise through a variety of actions such as hidden diversions of research, resources, and intellectual property.

Foreign Technology Acquisition

- > The PRC pursues many vectors to acquire foreign technologies, including both licit and illicit means. The PRC's efforts include a range of practices and methods to acquire sensitive and dual-use technologies and military-grade equipment to advance its military modernization goals.
- > The PRC leverages foreign investments, commercial joint ventures, mergers and acquisitions, and state-sponsored industrial and technical espionage, and the manipulation of export controls for the illicit diversion of dual-use technologies to increase the level of technologies and expertise available to support military research, development, and acquisition.
- > In 2019, the PRC's efforts included efforts to acquire dynamic random access memory, aviation, and anti-submarine warfare technologies.

U.S.-CHINA DEFENSE CONTACTS AND EXCHANGES IN 2019

- > U.S. defense contacts and exchanges conducted in 2019 supported overall U.S. policy and strategy toward China, were focused on reducing risk and preventing misunderstanding in times of crisis, and were conducted in accordance with the statutory limitations of the National Defense Authorization Act for Fiscal Year 2000, as amended.
- > Pursuit of a constructive results-oriented relationship with China is an important part of U.S. strategy in the Indo-Pacific region. The 2018 *National Defense Strategy* seeks areas of cooperation with China from positions of U.S. strength, with a long-term aim to set the military-to-military relationship on a path of strategic transparency and non-aggression, and to encourage China to act in a manner consistent with the free and open international order.