

Implications of China's New Law on Foreign Relations

Introduction

The People's Republic of China recently passed the '*Law on Foreign Relations*', which marked a modification in the nation's foreign policy and global engagement. This law, which took effect on July 1, 2023, gives President Xi Jinping more authority to shape the foreign policy while providing a legal framework to protect China's sovereignty, security, and prosperity. This law provides legal cover to China's essential diplomatic principles by providing a legal foundation for dealing with issues like external sanctions and interventions. Without defining the precise limits of these acts, it gives China the authority to prevent or restrict actions that harm its essential interests. This open-ended phrasing allows China on the one hand, to respond to threats and, on the other hand, creates uncertainty for foreign entities operating within China.[\[1\]](#)

Implications for Foreign Entities

The new law allows China to punish private companies that engage in actions seen as 'harmful' to China's interests. This means that foreign businesses operating in China will have to be careful and more sensitive to China's interests, which could affect private companies' operating style. The problem is that the law is unclear about what foreign companies should avoid doing in order to uphold Chinese interests, as there is room for different interpretations of the law. Therefore, the law can be misused by the Chinese Communist Party (CCP) to preserve its power.

Implications for India

Several sections of the law have implications for India. For instance, Article 6 implies that different organisations, such as state institutions, armed forces, political parties, businesses, and citizens, must protect China's sovereignty and national security during international exchanges and cooperation.[\[2\]](#) Through this law, the Chinese Government may target foreign businesses that are operating in China, as well as Chinese businesses operating worldwide, to adhere to protect China's national security and sovereignty. As a result, the Chinese Government can now legally request critical data from any private company owned by Chinese citizens, and further, the ambiguity in the law may be construed that they can also ask foreign companies operating within China to also share the data. For example, Chinese smartphone companies operating in India, such as BBK Electronics, which owns smartphone brands like OnePlus, Xiaomi, Oppo, and Vivo, are now legally obliged to provide sensitive data to the Chinese Government of Indians, who are using their smartphones, if requested by China. This data can include confidential information of any Indian user, whether that Indian is a general citizen or someone working in the Indian Military/Indian Government. Similarly, the Chinese Government can also request confidential data of Indians from Indian companies operating in China. Thus, China, through a codified legal framework as a countermeasure, uses raids and inquiries aimed at foreign companies, to pressurise these companies, not to criticise them and to follow China's instructions. Additionally, Article 8 states that those involved in international exchanges who harm China's national interests and break the law shall be held accountable.[\[3\]](#) Therefore, it can also be construed that if any company which is owned by any Chinese citizen or operating in China does not provide confidential data to the Chinese

Government, then legal actions can be taken against that company. Article 18 emphasises the importance of developing relationships with adjacent countries based on friendship, partnership, amity, sincerity, and mutual benefit.^[4] As a result, China aims to further improve its relations with its neighbouring countries like Nepal, Bhutan, Pakistan, and Myanmar, which happen to be India's neighbours as well. Therefore, through this law, the Chinese Government may legally force or encourage its private companies to establish their businesses in neighbouring countries and promote Chinese influence and presence.

Article 31 says that treaties and agreements should not be implemented or applied in a way that harms China's sovereignty, national security, or public interests.^[5] This provision of protecting China's sovereignty might impact future negotiations in signing agreements with India to settle border disputes as China considers many parts of Indian territory as its sovereign. In other case, if a foreign non-governmental organisation (NGO) working in China or elsewhere expresses concerns about the environmental impact of infrastructural development near Chinese borders, it may be regarded or perceived under this law as an NGO working against China's national interests. Therefore, the Chinese Government can legally take action against that NGO. Under Article 33, the Government has the authority to conduct countermeasures in response to acts that threaten China's sovereignty, security, and development interests or violate core principles of international law.^[6] However, because the law doesn't specify what constitutes activities against China's national interests, Chinese authorities have a lot of leverage in deciding how to apply the law. Therefore, Xi Jinping can use the law to protect its interests and uphold power. Article 26 states that China is still committed to safeguarding and promoting Belt and Road Initiative (BRI) and will continue encouraging external economic cooperation, including investing in various countries.^[7] Therefore, China may continue to use the strategy of providing financial incentives to countries to gain influence in various regions leading to a debt trap. This could pose security challenges for India, as seen in the case of Sri Lanka leasing its port to China due to falling into the Chinese debt trap.

Party Leadership and Xi Jinping's Power

According to the BBC, one significant feature of the law is that it emphasises President Xi Jinping's growing power and influence in formulating and shaping foreign policy. This aligns with President Xi Jinping's efforts and objectives to uphold his influence within the party and further marginalise the role of the government in international affairs. The law recognises the party's centralised and unifying leadership and highlights Xi's ideology, increasing hold on power and his desire to mould China's overseas engagement in line with his ideological goals.^[8] For instance, Article 3 of the law states explicitly that China will conduct its international relations in accordance with Xi Jinping's Thoughts, Mao Zedong, Deng Xiaoping, and Marxism-Leninism's political ideologies, as well as uphold its socialist system with Chinese characteristics, protecting its sovereignty, advance economic and social development.^[9] This ideological dimension highlights that China will align foreign policy with China's domestic political goals and reinforces the role of ideology in guiding China's global interactions. The law may restrict open discourse and disagreements on foreign policy issues within CCP since it strives to enhance centralised and unifying leadership, the increased power of Xi Jinping for international policy formulation. Due to the implementation of ideological components in the law, the

emphasis on party leadership and the ideological foundation of China's international relations may deter alternative opinions and may inhibit productive debates within China.

China's Aggressive Diplomacy

The Law on Foreign Relations reflects China's increasingly assertive approach to diplomacy. Dr Chong Ja-lan, a scholar at Carnegie China, states that this law signifies a more proactive pursuit of China's interests through coercion, pressure, and countermeasures.^[10] This aligns with China's growing confidence on the global stage and its desire to assert itself as a significant player in shaping international norms and systems by engaging proactively in international multilateral institutions, as stated in Articles 18, 26 and 39.^[11]

Conclusion

China's Foreign Relations Law is a significant step forward in President Xi Jinping's consolidation of power and China's assertive foreign policy stance. This law offers a legal foundation for China's responses to foreign acts, and the use of this legal framework is a tool to justify their actions and an attempt to showcase that China operates inside the framework of law and order. However, its broad language and ideological overtones cause uncertainty for foreign businesses and further raise concerns about the limitation of open debate on foreign policy issues. The law seems to help Xi Jinping in controlling private businesses operating in China and Chinese businesses operating elsewhere, a hint to private businesses not to act against his interests. The actual impact of the law will be determined by its interpretation and enforcement with punitive measures. As China seeks to balance its pursuit of economic development and national security, the tensions between attracting foreign investment and asserting its interests might rise.

ENDNOTES

[1] "The Law on Foreign Relations of the People's Republic of China," *China Today*, June 29, 2023, http://www.chinatoday.com.cn/ctenglish/2018/zdtj/202306/t20230629_8003

[35399.html](#)

[2] Ibid.

[3] Ibid.

[4] Ibid.

[5] Ibid.

[6] Ibid.

[7] Ibid.

[8] Kelly Ng, "China tightens Xi Jinping's powers against the West with new law," *BBC*, July, 02, 2023, <https://www.bbc.com/news/world-asia-china-66050926>

[9] "The Law on Foreign Relations of the People's Republic of China," *China Today*, June 29, 2023, http://www.chinatoday.com.cn/ctenglish/2018/zdtj/202306/t20230629_800335399.html

[10] Kelly Ng, "China tightens Xi Jinping's powers against the West with new law," *BBC*, July, 02, 2023, <https://www.bbc.com/news/world-asia-china-66050926>

[11] "The Law on Foreign Relations of the People's Republic of China," *China Today*, June 29, 2023, http://www.chinatoday.com.cn/ctenglish/2018/zdtj/202306/t20230629_800335399.html

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Article uploaded: 20-07-2023

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