



Countering CCP Global Influence: China's Backyard & the Indo-Pacific

Bottom Line Up Front:

The Chinese Communist Party (CCP) is aggressively escalating its quest for regional hegemony in the Indo-Pacific, posing a significant threat to U.S. national security and our democratic allies.

- CCP Chairman Xi Jinping's objective is to [replace the U.S.-led international system with one dominated by Beijing](#). Under his rule, he has recommitted the CCP—ideologically & strategically—to expanding China's political dominion—even at the risk of deprivation at home or conflict abroad.
- The CCP views “re-unification” with independent Taiwan as [key to achieving “national rejuvenation”](#) and a centerpiece of Xi's political legacy. The People's Liberation Army (PLA) is actively preparing to subjugate Taipei by force—and could soon have the resources to achieve that goal.
- Beijing leverages Belt and Road Initiative (BRI) investments to [create economic dependency](#) among its neighbors, control strategic infrastructure, and project influence in the Indo-Pacific. Predatory economic practices have flourished in the absence of adequate American leadership & engagement.

Background:

Following decades of meteoric economic growth, the People's Republic of China (PRC) is now pursuing an ambitious plan for regional military and economic dominance—the first step in becoming the preeminent global power and exporting the CCP's authoritarian ideology abroad. Previous generations of CCP leaders have emphasized China's peaceful rise; however, current party chairman [Xi Jinping is a committed Marxist-Leninist](#) and has pursued a more aggressive foreign policy for China.

The PRC has used its economic weight to exert leverage over its neighbors, tying trade with countries like [Australia](#) and [Japan](#) to political aims. It has also invested heavily in its military—especially its navy—with the aim of projecting power throughout the region and against its neighbor Taiwan in particular.

American political leaders have moved quickly of late to counterbalance Beijing's predations. Enhancing military ties with Indo-Pacific allies, revitalizing the Quadrilateral Security Dialogue, and decoupling certain strategic industries from the Chinese economy have all been key steps.

Key Issues:

- **The Future of Taiwan:** Beijing is committed to re-unification with Taiwan [by 2049 at the latest](#). The PLA [continues to make extensive preparations](#) for an amphibious invasion, sustained blockade, and other means to subjugate the independent island. Geographically, Taiwan is the cork in the bottle that prevents the PRC from projecting unfettered military power across the Pacific Ocean.
- **Strengthening the PLA:** The CCP announced a 7.7 percent budget increase for the military in March, sharpening the PLA's military edge in the western Pacific. China's civil-military fusion strategy, hidden defense projects, and shady financial reporting suggest Beijing's real defense budget is much larger than the officially-reported number of [\\$292 billion](#)—it is likely [closer to \\$700 billion](#).
- **Control of the South China Sea:** China continues to assert its claims of sovereignty over the South China Sea by [constructing artificial islands, military installations, and airstrips](#) in its neighbors' territorial waters. These efforts have engendered tensions with Vietnam, the Philippines, Malaysia, Taiwan, and others. China's territorial claims violate longstanding norms regarding territorial waters and freedom of navigation. If left unchecked, control of the South China Sea would give the PRC leverage over [1/3rd of global shipping](#) passing through this critical maritime chokepoint.
- **The Balance of Trade in the Indo-Pacific:** China has sought to alter the Indo-Pacific's economic landscape through an assertive international commercial agenda. It aims to expand its Indo-Pacific influence through trade agreements like the [Regional Comprehensive Economic Partnership \(RCEP\)](#) and [the Comprehensive & Progressive Agreement for Trans-Pacific Partnership \(CPTPP\)](#). The United States has distanced itself from both trade pacts. The PRC has also come under scrutiny for violating trade norms and practicing economic coercion against smaller nations—developments that have cemented Beijing's reputation as a predatory power which violates its agreements.