



## China Reform Monitor: No. 1268

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**Related Categories:** China

### January 9:

A People's Liberation Army Navy (PLAN) submarine and escort visited a naval base in Kota Kinabalu, Malaysia to resupply. Chinese warships have visited Malaysia before, but this is the first time a PLAN submarine has docked in Malaysia. The submarine's visit underscores the PLAN's ability to operate submarines in open waters, Hong Kong Economic Journal reports. Malaysia's approval for a Chinese submarine to sail in its waters shows Kuala Lumpur's "deepening trust" with Beijing. The docking came after a month of patrols and exercises by China's aircraft carrier, the Liaoning, in the South and East China Seas.

### January 10:

During a meeting between the Chinese ambassador to Turkey, Yu Hongyang, and the Kyrgyz ambassador to Turkey, Ibragim Junusov, it was revealed those suspected of organizing and committing terrorist attacks on the Chinese embassy in the Kyrgyz capital Bishkek are hiding in Turkey. On August 30, a car driving at high speeds drove into a gate of the Chinese embassy and exploded, killing only the attacker. Bishkek has identified the organizers of the terrorist attack as the Uighur independence group Turkestan Islamic Party, which is operating in Syria and is affiliated with the Jabhat an-Nusra terrorist organization, the official AKIpress news agency reports. On January 16, the consular division of the Chinese embassy in Kyrgyzstan resumed work as usual, Kyrgyz official AKIpress news agency reports.

### January 12:

Chinese authorities have cracked down on Bitcoin trading platforms for alleged wrongdoing and "misconduct," such as offering loans and providing wiring services without permits. *Hong Kong Economic Journal* reports that the authorities are planning to establish a third-party regulator for the virtual currency after the recent crackdown – a claim that Caixin denies. The crackdown, which includes recent spot checks on operators, is likely part of a wider effort to reduce capital outflows through the shadow financial system.

Taiwan's Ministry of National Defense (MND) scrambled F-16 and IDF fighter jets, P-3C surveillance aircraft, and naval frigates to monitor the Chinese aircraft carrier Liaoning, which led a PLA Navy fleet through the Taiwan Strait. On its way back to China after training exercises in the South China Sea, the fleet passed through seas off the coast of Shantou, Guangdong and sailed north along the Taiwan Strait back to Qingdao, the *China Post* reports. It marks the completion of a two-stage circumnavigation of Taiwan by the Chinese fleet. The Liaoning previously sailed south in the Pacific off Taiwan's eastern coast on December 26 before entering the South China Sea for a training mission earlier this month. The passage marks the third time the aircraft carrier has transited the Taiwan Strait since its commission in September 2012. The previous two times occurred in November and December 2013.

### January 17:

As China's deserts expand thanks to poor farming practices, drought, and climate change, land acquisitions across the border in Russia's sparsely populated Far East have become increasingly attractive, the *Wall Street Journal* reports. Russia is racing to cultivate its arable land in the region to benefit land-poor China. By 2020, it hopes to increase cultivable land in the region by nearly 50%, to some seven million acres, said Petr Shelakhaev, head of the Russian government's Far East Investment and Export Agency. Russia is considering more long-term land leases to Chinese businesses of the sort seen in the eastern Zabaikalsky region, where 284,000 acres of Russian land is being rented to a Chinese agricultural firm for \$30 per acre a year over 49 years. Chinese pressure for more Russian farmland is expected to increase. "We're becoming a desert country," Lu Jianzhong, chairman of the nongovernmental Silk Road Chamber of International Commerce, said in Moscow late last year. "Russian agriculture can help."