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October 26, 2018 **Joshua Eisenman**

Related Categories: Democracy and Governance; Europe Military; Human Rights and Humanitarian Issues; Intelligence and Counterintelligence; International Economics and Trade; Military Innovation; South Asia; Southeast Asia

EDITOR'S NOTE: Beginning with this issue, the China Reform Monitor will transition to a thematic, rather than date-based, format. This change is intended to bring the CRM in line with AFPC's other e-bulletins, as well as to provide more timely analysis of trends in Chinese domestic politics and foreign policy. As always, past issues are archived online at www.afpc.org.]

THE POLITBURO EXPANDS ITS HORIZONS

After meeting on September 21st, the Politburo has issued a statement calling for strengthening and expanding the party's role in places where it previously had had only a symbolic presence. "To cement the organizational foundation of the party's long-serving reign... the building of party cells should not only be strengthened in traditional sectors but also be extended to new areas [and their] coverage continuously expand," the statement said. Last year, a clause was added to the party charter requiring all private firms and foreign joint ventures to establish party cells. At the end of 2016, about 70 percent of joint ventures and private businesses had done so. "Grassroots party branches are the endpoint of the party's tentacles into society. It's the way the party moves society in the direction that it wants it to go," notes David Zweig at the Hong Kong University of Science and Technology. (*South China Morning Post*, September 30, 2018)

A NEW MILITARY PARTNERSHIP WITH PAKISTAN

China has agreed to produce military drones with Pakistan. The state-run Pakistan Aeronautical Complex company and China's state-owned Chengdu Aircraft Industry Group will "jointly produce" 48 units of the Wing Loong II UCAV, an unmanned combat aerial vehicle roughly equivalent to the U.S. MQ-9 Reaper. The reconnaissance and strike multirole endurance drone is 36 feet long, 13 feet high, has a wingspan of more than 62 feet, can reach a maximum altitude of 5.6 miles and a speed of about 211 mph. (*Newsweek*, October 9, 2018)

A NEW CHINESE SPY SCANDAL...

Last month, Ji Chaoqun, 27, a PRC citizen living in Chicago, was accused by law enforcement authorities of passing the background check data for eight Americans to China's intelligence officers for recruitment. Ji targeted naturalized U.S. citizens born in Taiwan or China and working in the science and technology sectors at U.S. defense contractors. According to the relevant affidavit issued by the FBI: "By collecting this information for an arm of the Chinese government while in the United States, Ji knowingly and unlawfully acted as an agent of a foreign power." Ji arrived in the U.S. in 2013 to study at the Illinois Institute of Technology, and in 2016 enlisted in the U.S. Army Reserve under a program to recruit skilled immigrants in return for expedited U.S. citizenship. Ji hails from the Jiangsu Province Bureau Ministry of State Security (MSS), and it is unusual for provincial level bureaus "to run an operative in the United States," notes the *New York Times*. (*New York Times*, September 25, 2018)

...AND ANOTHER...

For the first time, a Chinese spy has been extradited to the U.S. for stealing technology secrets. Federal agents lured Xu Yanjun, a deputy division director with the MSS Jiangsu Bureau, to Belgium where authorities apprehended and transferred him to the U.S. to face charges of conspiring to steal trade secrets from multiple aviation and aerospace companies. According to the indictment, Xu recruited experts to deliver presentations at Nanjing University of Aeronautics and Astronautics, where he claimed to be an official at the Jiangsu Science and Technology Promotion Association. In March 2017, he began corresponding with an engineer at GE Aviation, and a few months later brought him to China for an "exchange." Xu then proposed meeting the engineer in Belgium asked him to "dump" sensitive material onto a thumb drive. (*Washington Post*, October 10, 2018)

...AS "FIVE EYES" GIRD AGAINST CHINESE SPYING

The Five Eyes intelligence-sharing network – Australia, Britain, Canada, New Zealand and the United States – has begun sharing information on China's foreign activities with like-minded countries, including Germany, France and Japan. The "flurry of consultations" is being led by Washington, which is coordinating on the investment side, and Canberra, which is raising awareness about China's political interference. Instead of convincing countries to move closer to China, Beijing's influence campaigns have caused a backlash and created a broad international front against them. In December, citing Chinese interference, Australia unveiled new laws tightening restrictions on foreign lobbying and political donations, and broadened the definition of treason and espionage. Last year, after the foiled takeover of German semiconductor firm Aixtron, Berlin tightened rules on foreign investments and launched an inter-ministerial review of China's clandestine activities. (CBC, October 12, 2018)