



CHINA REFORM MONITOR

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May 1, 2019 **Joshua Eisenman**

Related Categories: Democracy and Governance; Human Rights and Humanitarian Issues; Intelligence and Counterintelligence; Science and Technology; China; South Asia

CHINA SEEKS STOLEN CAR TECH

For the second time in a year, electric car manufacturer Tesla is accusing a former employee of stealing intellectual property worth hundreds of millions of dollars for Xiaopeng Motors, a Chinese electric vehicle startup. The electric car maker filed a lawsuit in the U.S. alleging that engineer Cao Guangzhi uploaded more than 300,000 files and copies of the company's self-driving source code to his personal Apple iCloud account. Tesla accuses XMotors, Xiaopeng's U.S. subsidiary, of "transparently imitated Tesla's design, technology, and even its business model." XMotors currently employs at least five of Tesla's former autopilot employees, including Cao. Xiaopeng's "XPeng G3 is in a lot of ways a poor man's Tesla Model X," said Tu Le of Sino Auto Insights.

Tesla, moreover, is not the only target of automotive espionage from China. Just before boarding a flight to China earlier this year, Chen Jizhong was arrested and charged with stealing elements of Apple's self-driving car project. In a complaint filed in a California district court, Apple said that the material's release would have been "enormously damaging." More than 2000 files containing confidential information were found on Chen's personal computer, including a diagram showing how sensors interact with other parts of the car to make it drive autonomously and an assembly drawing of a wire harness for a self-driving car. According to the complaint, Chen said he downloaded the data onto his personal hard drive as an "insurance policy" in case he was fired. In July of 2018, another engineer, Zhang Xiaolang, was also arrested and charged with stealing trade secrets from Apple's self-driving project. After leaving Apple, Zhang joined China's Xiaopeng Motors. (CNN, January 31, 2019 and March 22, 2019)

CHINA, BANGLADESH TIGHTEN POLITICAL TIES

Song Tao, Minister of the International Department of the CPC, and Prime Minister Sheikh Hasina, who leads Bangladesh's Awami League, met in Dhaka to ink the two parties' first-ever MoU. They discussed Chinese financing for Bangladeshi infrastructure, energy and agriculture, and Hasina announced he was allocating 700 acres in southern Chittagong district to China to establish a special economic zone. "Awami League, by signing this MoU, wants to give a message to the business community that it is business friendly. Awami League, at the same time, wants to lessen its dependence on the United States in terms of foreign policy," said Hasan Tareque, a member of the Communist Party of Bangladesh. (Radio Free Asia, March 22, 2019)

CHINA'S ELDER POPULATION CONTINUES TO GROW

Despite the official abolition of the one-child policy in 2015, last year China's birth rate was just 10.94 per thousand, down from 12.43 per thousand in 2017, and the lowest since the CPC took power in 1949. In 2018, 15.23 million babies were born – two million fewer than the year before. For instance, in Qingdao, Shandong, between January and November births fell by 21 percent over the previous year, to just over 81,000. Meanwhile, China's workforce is aging rapidly. The number of Chinese between 16 and 59, was 897.3 million last year, a 4.7 million drop from 2017. By 2050, the workforce will decline by as much as 23 percent. In 2015, there were about 222 million people in China aged 60 years or older, about 17 percent of the nation's entire population. China's changing demographics have practical policy effects; as the population ages, China will need to divert vast resources to care for the elderly. (*International Policy Digest*, March 27, 2019)

U.S. UNIVERSITIES STEER CLEAR OF CHINESE TELECOMS

MIT, Stanford University, the University of California, Berkeley, the University of Texas at Austin, and the University of Minnesota are among the schools that have cut all research collaborations with Huawei and ZTE due to ongoing U.S. federal probes. In a letter released by MIT, the university launched an "elevated-risk" review process that will pay special attention to "intellectual property, export controls, data security and access, economic competitiveness, national security, and political, civil and human rights." (CNBC, April 4, 2019)