



China Reform Monitor No. 1416

May 14, 2020 Joshua Eisenman

Related Categories: Cybersecurity and Cyberwarfare; Democracy and Governance; Human Rights and Humanitarian Issues; International Economics and Trade; Global Health; Australia; China; Southeast Asia

VIETNAM HACKS CHINA TO OBTAIN INFO ON COVID-19

Acting on Vietnam's behalf, the cyber hacking group APT32 has hacked the email accounts of staff at China's Ministry of Emergency Management and the Wuhan city government. Seeking information on the COVID19 virus, APT32 targeted a small group of people via emails containing malicious attachments that, when opened, gave the hackers access to their victims' computers. Vietnam acted quickly; its earliest hack predated the first known COVID19 infection in that country by a week. Hanoi also sealed off its border with China, and implemented aggressive contact tracing and quarantine programs. "These attacks speak to the virus being an intelligence priority - everyone is throwing everything they've got at it," said Ben Read at the cybersecurity firm FireEye. "It shows a distrust about Chinese government announcements," said Adam Segal at the Council on Foreign Relations. (Reuters, April 22, 2020)

CHINA'S FTC-2000G COMBAT AIRCRAFT BAGS FIRST EXPORT CONTRACT

Guizhou Aviation Industry Corp., a subsidiary of the state-owned Aviation Industry Corp of China (AVIC), has secured its first export contract with an undisclosed Southeast Asian country for its FTC-2000G combat aircraft. Aircraft deliveries will begin in early 2021. Senior military officers from 16 Asian and African countries visited Guizhou to evaluate the FTC-2000G since its maiden flight in September 2018 and its public debut at the 2018 Airshow China in Zhuhai, Guangdong. "Two years for the FTC-2000G from its test to signing its first export contract is an unprecedented speed in the history of AVIC's made-for-export warplane development," Wang Wenfei, chairman of the Guizhou Aviation Industry Corp., has said. (*Global Times*, April 19, 2020)

AUSTRALIA'S CALL FOR CORONAVIRUS INVESTIGATION DRAWS CHINA'S IRE

The official *People's Daily* has said that Australian Prime Minister Scott Morrison deserves "a slap in the face for blaming China for the COVID19 pandemic. "The deeply troubled Morrison government is anxious to find an outlet for the domestic public's anger. They are using an old trick to try and blame China," the paper said in a house editorial. The CPC mouthpiece warned that pushing for an independent inquiry into the virus' origins will spark a travel and trade boycott. Another editorial in the official *Global Times* read: "The Morrison administration is spearheading this malicious campaign to frame and incriminate China with groundless conjecture and outlandish fabrications." *Global Times* editor Hu Xijin piled to the criticism, calling Morrison's statement "an all-out crusade against China and Chinese culture, led by Australia."

"Australia is always there, making trouble. It is a bit like chewing gum stuck on the sole of China's shoes," Hu declared. "Sometimes you have to find a stone to rub it off." Subsequently, when Australia's Foreign Secretary Frances Adamson called in China's ambassador to the country in order to protest the public attacks, Beijing leaked the exchange. (news.com.au, April 29, 2020)

FCC MOVES TO REVOKE LICENSES OF FOUR CHINESE TELECOM FIRMS

The Federal Communications Commission (FCC) has given the American units of China's four state-owned telecoms operators – China Telecom Corp., China Unicom, Pacific Networks Corp. and ComNet LLC – 30 days to explain why it shouldn't withdraw permission for them to operate in the United States. In a statement, the FCC said the orders "give the companies the opportunity to demonstrate that they are not subject to the influence and control of the Chinese government." FCC Chairman Ajit Pai explained: "[The orders] reflect our deep concern—one shared by the U.S. Departments of Commerce, Defense, Homeland Security, Justice and State and the U.S. Trade Representative—about these companies' vulnerability to the exploitation, influence and control of the CPC, given that they are subsidiaries of Chinese state-owned entities." A representative for China Telecom said the firm will be "sharing information with the FCC that speaks to our role as a responsible telecom company." The moves follow a finding by the Senate Permanent Subcommittee on Investigations that FCC regulators have exercised poor oversight of the Chinese carriers. Last year, the FCC denied state-owned China Mobile Ltd.'s application to operate in the U.S. (*Wall Street Journal*, April 24, 2020)

U.S. IMPOSES NEW RESTRICTIONS ON EXPORTS TO CHINA

The U.S. will henceforth require licenses for American companies to sell certain items, including civil aircraft components, items related to semiconductors, certain telecom equipment, radar and high-end computers, to military entities in China, even if they are for civilian use. The new rules do away with a civilian exception that had allowed the U.S. technologies to be exported without a license to a non-military entity. Another rule change would force foreign companies shipping certain American goods to China to seek approval from both their own government and the United States. "It is important to consider the ramifications of doing business with countries that have histories of diverting goods purchased from U.S. companies for military applications," Commerce Secretary Wilbur Ross has said. (Reuters, April 28, 2020)