



CHINA REFORM MONITOR

The American Foreign Policy Council's Review of  
P.R.C. Government Actions and U.S. Policy

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May 28, 2020 Joshua Eisenman

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## APPLE WILL MOVE A THIRD OF AIRPOD PRODUCTION TO VIETNAM

In an effort to shift production out of China, Apple will produce between 3-4 million classic AirPods, about 30% of total production, in Vietnam. Hanoi gave special permits to allow Apple to bring in engineers to aid production during the COVID19 lockdown. The company has gradually completed its production supply chain in northern Vietnam, where it has long sourced wired headphones. "In terms of the tech supply chain, China really has the best infrastructure, transportation, skilled workers and logistics. But we will see more diversification in the coming years, certainly for the electronics industry. These big companies will look for China plus one, China plus two other countries, or even China plus three in the longer term," said Willy Shih of the Harvard Business School. Most AirPods, iPhones, and MacBooks are currently made in China. (*Nikkei Review*, May 8, 2020)

## INDONESIA PRESSES CHINA TO ANSWER BOAT ABUSE CLAIMS

Indonesia's Foreign Minister, Retno Marsudi, has called Chinese Ambassador to Indonesia Xiao Qian to express her concern that many Indonesian crewmembers working on Chinese fishing boats have not received wages and are working in terrible conditions. "We asked the Chinese government to assist us in fulfilling rights of Indonesian crews," Marsudi has confirmed. She also demanded clarification regarding the alleged abuse and of several Indonesian crew members who died on Chinese fishing vessels and were thrown into the sea. Based on an initial investigation, the men were forced to drink desalinated sea water while the Chinese crew drank bottled water. China's ambassador said he would convey Indonesia's request to Beijing and ensure Chinese fishing companies fulfilled their legal responsibilities. (*aa.com.tr*, May 9, 2020)

## CHINA MICRO-MANAGING NEPALI POLITICS?

Hectic behind-the-scenes meetings between China's Ambassador to Nepal, Hou Yanqi, and senior Nepali leaders played a significant role in mediating among leaders within the Nepalese Communist Party (NCP). Senior NCP leaders publicly called on the Prime Minister to resign and retire, but he was prepared to split the party rather than step down. Beijing helped broker the deal that prevented the NCP from splitting, which would have led to a new general election. Although Ambassador Hou's back-to-back meetings with Nepal's top leaders were officially about the country's coronavirus response, their timing, coming just a day before the NCP settlement was reached, is significant. The content of President Xi Jinping's call with Nepalese President Bhandari has not been revealed. "We are seeing a new Chinese move towards micro-management of Nepali politics to further its overall foreign policy goals. It is reminiscent of the role New Delhi used to play," said Lokraj Baral, Nepal's former Ambassador to India. (*Nepal Times*, May 5, 2020)

## NEW ZEALAND SAYS IT BACKS WHO ROLE FOR TAIWAN

"Taiwan has something to offer at the WHO right at the moment. They have been an observer at the WHO in the past and I think in this time of the post Covid-19 crisis, there is room for them to be there again," New Zealand's Finance Minister, Grant Robertson, has said. Taiwan's exclusion from the UN body due Beijing's objections has infuriated Taiwan's government, which used early detection and prevention to keep its cases below many other Asian neighbors. Taiwan attended the World Health Assembly as an observer from 2009-16, when cross-Strait relations were warmer. (*rthk.hk*, May 7, 2020)

## CHINESE SHIPS CHASE JAPANESE FISHING BOAT NEAR SENKAKU ISLANDS

Two China Coast Guard ships have approached and chased a Japanese fishing boat in waters around the disputed Diaoyu (Senkaku) Islands in the East China Sea. Japan's Coast Guard ordered the Chinese vessels to leave the waters and deployed a patrol ship to safeguard the Japanese fishing boat. In all, four Chinese Coast Guard ships were near the Japanese-administered islets for a period of about two hours. Beijing has been sending official vessels close to the islands as part of its ongoing efforts to assert control over them. (*Japan Times*, May 8, 2020)