



China Reform Monitor No. 1433

September 17, 2020 **Joshua Eisenman**

Related Categories: Democracy and Governance; Human Rights and Humanitarian Issues; International Economics and Trade; Australia; China

CHINA'S SEMICONDUCTOR TRADE BOOMS...

China is on track to import \$300 billion-worth of semiconductors from the U.S. for the third straight year, as its semiconductor developers continue to rely on American-made chip design tools, patents, and critical manufacturing technologies. China bought \$184 billion of foreign semiconductors in the first seven months of the year, 12% more than last year. Since May, the Trump administration has cut off China's access to semiconductors, barring shipments of virtually all chips to its largest corporation, Huawei. (Bloomberg, August 26, 2020)

...AS BEIJING LOOKS TO DOMINATE PRODUCTION

A series of research, education and financing initiatives aimed at building China's 3rd generation semiconductor industry for the next five years have been added to the 14th 5-year plan, and will be reviewed next month. Third-generation semiconductors are chipsets made of special materials that can operate at high frequency and in higher power and temperature environments. They are used in 5th generation radio frequency chips, military-grade radars and electric vehicles. Since no single country now dominates third-generation chip technology, China is gambling that its corporations will become dominant if they get in now. Tsinghua Unigroup is building a \$22 billion memory chip plant in Wuhan, while Huawei's HiSilicon is designing processors for most of its high-end devices. "This is a sector about to see explosive growth," says Alan Zhou, managing partner of Fujian-based chip investment fund An Xin Capital Co. (Bloomberg, September 3, 2020)

AUSTRALIAN JOURNALISTS FLEE CHINA

At midnight on Wednesday September 2, six police officers visited the apartment of Bill Birtles, the Beijing correspondent of the Australian Broadcasting Corp. They did not detain Birtles, but warned him not leave the country because he was involved in a "national security investigation" and they would call him the next afternoon. The next morning, Birtles moved into the Australian embassy where he stayed for four days while officials negotiated his departure. Ultimately, police interviewed him in the presence of Australian ambassador Graham Fletcher. Meanwhile, Shanghai police visited the Shanghai correspondent of the *Australian Financial Review*, Mike Smith, prompting him to go to the Australian consulate there. The pair were both allowed to leave the country after police questioned them about Cheng Lei, an Australian journalist for China's state media who has detained last month on suspicion of "criminal activity endangering China's national security." (BBC, September 8, 2020)

CHINA'S BULLYING "WON'T BE TOLERATED" – CANBERRA

China refers to non-interference in the internal affairs of other countries but "what we have seen, particularly in the past five years, are actions that don't really match those words," said Frances Adamson, head of Australia's Department of Foreign Affairs & Trade (DFAT) and a former ambassador to China. "We've seen China seeking to assert itself in this region... in ways that suit its interests but don't suit the interests of countries like Australia. When influence builds into interference, that is something we don't want to see, our government won't tolerate and I think most Australians are broadly supportive of that." Australia, she said, is "standing up for its interests because if we don't we are on a very slippery slope. The institutions we take for granted – our parliament, our democracy, our legal system, our freedom of speech and association – they really are at stake now. We need to make sure our institutions are strong and that we can defend ourselves." Adamson's comments come amid clashes with China over interference at Australian universities, banning Huawei from 5G, Canberra's call for an inquiry into the origins of COVID-19, and China's militarism in the South China Sea. (The Australian, September 11, 2020)

DISNEY'S MULAN FILMED IN XINJIANG AMID UIGHUR GENOCIDE

Scenes from Disney's *Mulan* remake were filmed in Xinjiang amid a campaign of genocide against indigenous minorities. In the film's credits, Disney thanks several Xinjiang government entities directly involved in the operation or promotion of mass internment camps that analysts estimate are holding one million or more ethnic minorities prisoner. One of those entities is the CPC propaganda commission of Xinjiang, which produces disinformation about the camps, and another is the Xinjiang public security bureau, which operates them. The filming and production team is said to have "spent months in and around the northwest province of Xinjiang to do legwork research before the cameras rolled." The film itself does not feature any Uighur characters, and refers to Xinjiang as "northwest China." (Axios, September 8, 2020)

