



## China Reform Monitor No. 1438

October 15, 2020 **Joshua Eisenman**

**Related Categories:** Democracy and Governance; Human Rights and Humanitarian Issues; International Economics and Trade; China; Europe; Latin America; Southeast Asia

### **PARTY WANTS PRIVATE FIRMS TO AID UNITED FRONT WORK**

The CPC has begun calling upon private companies to enhance their role in United Front work – that is, serving the party. Young entrepreneurs in strategic technology sectors will be offered party membership and a place on formal advisory bodies, as well as promised more support and better treatment relative to their state-owned competitors. Under the new guidelines, party committees that previously wielded little power at private companies will play a role in important decisions such as personnel appointments. The committees represent the party within all companies in China – state-owned, private sector and foreign-invested. "What Xi really wants is an increasing share of the economy controlled by state-owned enterprises," said one anonymous official. "The party doesn't know what to do with wealthy and powerful entrepreneurs, especially given Xi's insistence that the party is still a Communist party and we must reduce social inequality. It's a very hard problem for the party." (*Financial Times*, September 28, 2020)

### **BERLIN BURIES INTERNAL REPORT ON CHINA'S INFLUENCE**

An unnamed "high-ranking German official" suppressed an intelligence report on China's growing influence in Germany out of fear that it would hurt business ties between the two countries. The highly sensitive report, completed in 2018, examined Beijing's attempts to influence German government, society and business at every level. German Chancellor Angela Merkel saw the report, which shed light on the intimate ties between German businesses and the CPC. But before it could be disseminated within the German government, as had been intended, the aforementioned "high-ranking official" intervened. (Axios, October 6, 2020)

### **CHILE EYES CHINESE FISHING FLEET ALONG SOUTH AMERICAN COAST**

Chile's Foreign Minister, Andres Allamand, said his country is closely monitoring the 300 or so vessel Chinese fishing fleet that is now moving down the Pacific coast of South America. He said Chile's long coastline, which offers an abundance of fish and shellfish, is a critical source of food and income for local communities throughout the country, and that Chile's navy would protect the country's "sovereignty" and its exclusive economic zone. Although the fleet includes ships that "have some connection with the state," Allamand said Chilean officials have yet to contact Beijing. Last month, the Chinese vessels, which were previously hunting giant squid and other rare marine life near the Galapagos Islands, angered Ecuadorian and Peruvian fishermen and sparked a Twitter fight between Washington and Beijing. (*Sydney Morning Herald*, October 9, 2020)

### **CHINA'S DIPLOMATIC OFFENSIVE IN SOUTHEAST ASIA**

China has launched a charm offensive in Southeast Asia. This week, foreign minister Wang Yi hosted the Indonesian president's special envoy, Luhut Binsar Panjaitan, and Philippine foreign minister Teodoro Locsin in China. Next week, Wang will visit Cambodia, Malaysia, Laos, Thailand and Singapore on a trip aimed at "demonstrating China's sincere willingness and resolution to deepen cooperation with ASEAN, uphold multilateralism and maintain peace and stability." In Thailand, Wang is expected to ink a deal for a 252-kilometer rail link between Bangkok and Nakhon Ratchasima that will form part of a high-speed line running from Kunming to Singapore. Professor Shi Yinhong at Renmin University said: "The Covid19 pandemic, tensions with the U.S. and disputes over the South China Sea have complicated China's relations with Southeast Asian countries. The intensive visits are positive signs but it is another question whether we can achieve any breakthrough." (*South China Morning Post*, October 9, 2020)

### **U.S. AGRICULTURAL EXPORTS TO CHINA SPIKE**

After a sluggish start to 2020, the value of U.S. agricultural exports to China spiked in August to \$2.15 billion, topping the monthly record set in 2012 by 19%. The biggest seller was American soybeans, which accounted for 41% of the total, but cotton exports to China hit a seven-and-a-half-year high in August and corn shipments set an all-time record. In August, U.S. farmers sold 2.45 million tons of soybeans to China worth \$881 million, 154,024 tons of cotton worth \$215 million, and 1.18 million tons of corn worth \$190 million. Early estimates of U.S. soybean shipments to China in September suggest they surpassed 4 million tons, another monthly record. Only U.S. pork exports to China lagged in August, down 14% from July to a 10-month low. (Nasdaq, October 6, 2020)