



## China Reform Monitor No. 1450

January 13, 2021 **Joshua Eisenman**

**Related Categories:** Human Rights and Humanitarian Issues; Intelligence and Counterintelligence; International Economics and Trade; Afghanistan; China; Hong Kong; Russia; Taiwan

### KABUL RELEASES TEN CHINESE SPIES

After 23 days in detention, Afghanistan has allowed the 10 PRC nationals caught on December 10th for operating a terror cell in Kabul to leave the country on a chartered Chinese government plane. Afghanistan had offered to pardon the individuals on the condition that Beijing apologize for deploying the agents, who are thought to be from the Ministry of State Security. Although the spies left after receiving clearance from President Ashraf Ghani, the terms of their release remain unknown. It seems, however, that they were in Afghanistan to create a fake cell of the East Turkestan Islamic Movement in order to entrap Uighur separatists. (*Hindustan Times*, January 4, 2021)

### BEIJING TURNS UP THE HEAT ON HONG KONG CATHOLICS

Beijing is extending its control over the Catholic Church's Hong Kong diocese. Clergy members say China is applying to Hong Kong the same agreement with the Holy See that gives it say over the appointment of mainland clergy. Vatican officials claim Hong Kong was never part of the deal, but the church's autonomy has shrunk apace with Beijing's expanding control over the city. In October, a statement on Sino-Vatican relations by the diocese's Justice and Peace Commission, a human rights body that champions political and religious liberty, was censored by Cardinal John Tong, the acting head of the local Church. A reference was removed to James Su Zhimin, the Bishop of Baoding, who was detained two decades ago. In May, two of the diocese's Chinese nuns were detained for three weeks in Hebei, then released into house arrest without being charged. Tong has instructed his priests not to deliver political sermons and to avoid causing "social disorder." Beijing now seeks to select the city's next bishop. "We are at the bottom of the pit – there is no freedom of expression anymore. All these things are normal in mainland China. We are becoming like any other city in China," said Cardinal Joseph Zen, the former Bishop of Hong Kong. (Reuters, December 30, 2020)

### NYSE REVERSES ITSELF AGAIN, DELISTS PRC TELECOMS

The New York Stock Exchange (NYSE) will follow through and delist three PRC telecom companies – China Telecom, China Mobile, and China Unicom Hong Kong. The move, which was originally prompted by an executive order from President Trump, is intended to stop U.S. money from flowing into the PLA via the companies. The NYSE first said it would delist the firms but then reversed course on January 5th and said it would not delist the companies in question. The next day, however, Treasury Secretary Steven Mnuchin called NYSE Group Inc. President Stacey Cunningham to criticize the change. The NYSE then returned to its original position, citing new guidance from the Treasury Department. There are 217 PRC companies, including 13 national-level state-owned enterprises, listed on U.S. stock exchanges with a combined total market capitalization of approximately \$2.2 trillion. (NPR, January 6, 2021)

### CHINA SHIFTS FROM RUSSIAN TO HOME-GROWN ENGINES

China will use its own engines rather than Russian-built ones for the J-20 stealth fighter. Aircraft engineers say the WS-10C, a version of the WS-10 engine used in the J-10, J-11, J-15 and J-16 aircraft, is as good as Russia's AL-31F. "The use of WS-10C to replace Russian engines was caused by the failure of WS-15 to pass its final evaluation in 2019. The air force is not happy with the final results, demanding that engine technicians modify it until it matches the F119 engine used by the Americans' F-22 Raptor. It's impossible for China to rely on the Russian engine, because Russia asked China to purchase more Su-35 fighter jets in exchange for the AL-31F engine deals. The key problem is – except for its longer combat range advantage – the radar, navigation system and other electronic components on the Su-35s are inferior to Chinese aircraft like the J-16 strike fighter," said an anonymous source. (*South China Morning Post*, January 8, 2021)

## **STATE LIFTS RESTRICTIONS ON CONTACTS WITH TAIWAN**

U.S. Secretary of State Michael Pompeo has announced the lifting all of "self-imposed restrictions" on contacts with Taiwan: "Executive branch agencies should consider all 'contact guidelines' regarding relations with Taiwan previously issued by the Department of State under authorities delegated to the Secretary of State to be null and void. Additionally, any and all sections of the Foreign Affairs Manual or Foreign Affairs Handbook that convey authorities or otherwise purport to regulate executive branch engagement with Taiwan via any entity other than the American Institute in Taiwan are also hereby voided," the Secretary said in a formal announcement. Pompeo has also announced that Kelly Craft, the U.S. ambassador to the United Nations, will visit Taipei just before the U.S. inauguration on January 20th. He also condemned the CPC for the mass arrest of 53 pro-democracy politicians, activists and academics in Hong Kong earlier in the week. (Associated Press, January 8, 2021; U.S. Department of State, January 9, 2021)