



CHINA REFORM MONITOR

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

China Reform Monitor No. 1455

March 2, 2021 **Joshua Eisenman**

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

NEW LAW EXPANDS POWERS OF CHINA'S COAST GUARD

China has enacted a new law giving the China Coast Guard (CCG) authorization to use force to protect the country's "jurisdictional waters" and conduct law enforcement operations. The new law calls for the "integration of political, military and civilian resources to support the CCG," and instructs the State Council, local governments and the military to "strengthen collaboration with the CCG (Article 8)" and support its "law enforcement, training and facilities (Article 53)." To protect sovereign rights, the CCG can now expropriate vessels owned by civilian organizations or individuals (Article 54). The CCG can also forcibly expel foreign vessels that violate China's laws (Article 21) and if they do not comply with requests to board and inspect them the CCG can use "hand-held firearms and other measures" to enlist their compliance (Article 47). When handling "serious violent incidents," the CCG can now use shipborne or airborne firearms (Article 48). (*Maritime Executive*, February 25, 2021)

WHITE HOUSE CHALLENGES CHINA, WHO ON COVID

A WHO research team recently concluded its visit to Wuhan and presented its initial findings that the outbreak almost certainly did not start in a Chinese lab or at the Huanan Seafood Market, and that its path from animals to humans needs further investigation. "The market is not the whole story. The market has been one of those spreading events but there also was circulation outside of, aside from the market," said Dutch virologist Marion Koopmans, a team member. Those conclusions, however, are meeting a skeptical reception in Washington. "We do not believe that China has made available sufficient original data into how this pandemic began to spread, both in China and then eventually around the world," National Security Advisor Jake Sullivan has said. "And we believe that both the WHO and China should step up on this matter." For his part, President Biden "raised the issue of COVID-19 and the need for all countries to shoulder responsibility" during his recent call with Xi Jinping. (NPR, February 21, 2021)

MORE INTERNATIONAL OUTCRY OVER CHINA'S XINJIANG ABUSES

Britain's foreign secretary, Dominic Raab, has denounced the abuse of Muslim Uighurs taking place on an "industrial scale" in Xinjiang. "The situation in Xinjiang is beyond the pale," Raab told the UN Human Rights Council. "The reported abuses – which include torture, forced labor and forced sterilization of women – are extreme and they are extensive. They are taking place on an industrial scale." Raab called for the UN High Commissioner for Human Rights to be given "urgent and unfettered access" to Xinjiang.

Meanwhile, Canada has become the second country after the U.S. to describe China's mistreatment of the Uighurs as a "genocide," and a dozen Japanese companies have announced they would end deals with Chinese firms that are using forced labor in Xinjiang. In response, China termed accusations of "genocide" and "forced labor" in Xinjiang to be the "lies of the century," and accused the U.S. of genocide against native Americans. (Channel News Asia, February 22, 2021; *Republic World*, February 25, 2021)

CHINESE COVID-19 VACCINES ARRIVING IN AFRICA

China's COVID-19 vaccines have arrived in Zimbabwe and Equatorial Guinea, and will eventually reach at least twenty African countries, Foreign Ministry spokesperson Wang Wenbin told the Munich Security Conference. More than one million doses of China's COVID-19 inoculations are now moving through Ethiopia via a partnership between Chinese tech giant Alibaba Group Holding Ltd. and Ethiopian Airlines. At stake is the goodwill of politicians and people across Africa and other developing regions, as well as the prestige of being seen as a leader in global public health. Wang said the aid is a "manifestation of the China-Africa traditional friendship," adding that China will continue to provide Africa with support and assistance. (*Wall Street Journal*, February 21, 2021; Xinhua, February 22, 2021)

FORMER FINANCE MINISTER WARNS OF FISCAL RISKS

China's fiscal situation is "extremely severe with risks and challenges," said Lou Jiwei, who served as China's finance minister from 2013-2016. "According to a rough calculation, about a quarter of the provinces will use more than half of their fiscal revenue to repay capital with interest," he said. Lou warned that the country's fiscal revenue would be stuck at "a low level" in the coming five years, with no way for the government to cut spend. "The fiscal difficulties are not only a near-term or short-term issue, but also will be serious in the medium term," he said. Lou's comments were made in December, but published this month – just before China's leaders' annual legislative session. They will consider whether or not to cut fiscal stimulus and focus on managing rising debt risk. Lou attributed China's fiscal woes to "the financial burden of elderly care which has put pressure on government finances," mounting domestic local government debt, and aggressive U.S. stimulus policies. (*South China Morning Post*, February 28, 2021)