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CHINA'S INCURSIONS NEAR TAIWAN SEEN AS "INTIMIDATION AND COERCION"

China has sent 25 aircraft, including fighters and nuclear-capable bombers, near Taiwan for what it described as "combat drills" and announced that such incursions will become routine. Some of the exercises are "access denial" maneuvers designed to prevent the U.S. and Japan from coming to Taipei's defense. Last week, China sailed an aircraft carrier group near Taiwan and its air force simulated attacks on U.S. ships, while the PLA's almost-daily anti-submarine aircraft flights are intended to show that it can take out U.S. subs. A senior U.S. administration official said Beijing's incursions amounted to the "intimidation and coercion" of Taiwan: "I don't think an increased pace of U.S. military operations are necessarily driving what Beijing is doing. That feels a little bit like an excuse." The U.S. Navy has been carrying out regular transits through the Taiwan Strait, which separates the island from China. (*U.S. News & World Report*, April 16, 2021)

BIDEN AND SUGA STAND TOGETHER

"Prime Minister Suga and I affirmed our ironclad support for the U.S.-Japanese alliance and for our shared security. We committed to working together to take on the challenges from China and on issues like the East China Sea, the South China Sea, as well as North Korea, to ensure a future of a free and open Indo Pacific," President Joe Biden said in the White House Rose Garden after meeting with the Japanese premier. The leaders "agreed recognition over the importance of peace and stability of the Taiwan Strait between Japan and the U.S.," Suga said. The two leaders "share serious concerns" about human rights abuses in Hong Kong and Xinjiang, and will invest together in artificial intelligence, quantum computing, genomics and semiconductors. The U.S. committed \$2.5 billion and Japan \$2 billion to strengthen their respective 5G digital networks. (Reuters, April 17, 2021)

U.S., CHINA AGREE TO CLIMATE COOPERATION

The U.S. and China, the world's two biggest polluters, have agreed to cooperate on climate change following two days of talks in Shanghai between U.S. special climate envoy John Kerry and his Chinese counterpart, Xie Zhenhua. In the resulting bilateral agreement, which came just before President Joe Biden is set to host a two-day virtual summit on the issue with 40 world leaders, the two sides pledged to enhance "their respective actions and cooperating in multilateral processes, including the UN Framework Convention on Climate Change and the Paris Agreement." Kerry said the two countries had agreed on "critical elements on where we have to go," but cautioned that, "We all need to see what happens." During a video call last week with German and French leaders, Xi Jinping said climate change "should not become a geopolitical chip, a target for attacking other countries or an excuse for trade barriers." (NPR, April 18, 2021)

CHINA FINES ALIBABA RECORD \$2.75 BILLION

The State Administration for Market Regulation (SAMR), China's antitrust regulator, has fined e-commerce giant Alibaba a record \$2.75 billion (18 billion yuan) for abusing its dominant market position. SAMR said the fine, about 4% of Alibaba's 2019 domestic revenue, was levied because the firm had been "abusing market dominance" since 2015 by preventing its merchants from using other online platforms. Besides imposing the fine, China's highest ever, the regulator ordered Alibaba to make "thorough rectifications" to strengthen internal compliance and protect consumer rights. "What comes after Alibaba's fine is the likelihood that there will be damage to China's other internet giants," said Francis Lun of GEO Securities Hong Kong. (Reuters, April 12 2021)

BEIJING CRACKS DOWN ON TECH SECTOR, FORCES MA TO DIVEST

China has launched investigations and expanded regulations across its tech sector. The clampdown was sparked by Ant Group founder Jack Ma's public criticism of government regulators in a speech last October. Now Beijing is forcing Ma to fully divest his stake in the e-commerce platform Alibaba and its internet finance arm, Ant Group, before they green light its \$37 billion IPO. In November, Ma met with regulators and offered to hand over a part of Ant to Beijing. Between January and March, he met again with regulators who called for him to divest completely. Ma cannot sell his stake to an entity or individual close to him, and instead must transfer it to a Beijing-backed investor. "Divestment of Mr. Ma's stake in Ant Group has never been the subject of discussions with anyone," said an Ant spokesman. (Yahoo Finance, April 17, 2021)