



## China Reform Monitor No. 1473

August 11, 2021 Joshua Eisenman

**Related Categories:** Cybersecurity and Cyberwarfare; Democracy and Governance; Economic Sanctions; Human Rights and Humanitarian Issues; Intelligence and Counterintelligence; International Economics and Trade; China; Europe

### **XI ATTACKS TECHNOLOGY BLOCKADES**

In a speech to leaders of "leftist" political parties from more than 100 countries, Xi Jinping attacked calls in the U.S. and its allies to limit their dependency on Chinese technology suppliers and block the sharing of their technologies with Chinese companies. "We must jointly oppose anyone engaging in technological blockades, technological division and decoupling of development," Xi told the group. He added that the CPC has raised the country from poverty and created a new model of development that should be shared with others. His speech comes after Xi recently delivered an address at the Communist Party's centenary saying that China will not be bullied and will punish anyone who tries. (Associated Press, July 6, 2021)

### **UK, EU, NATO: CHINA RESPONSIBLE FOR MICROSOFT HACK AND RANSOMWARE**

The United Kingdom, European Union and NATO have all blamed China for a "pattern of irresponsible behavior in cyberspace," including a massive hack of Microsoft's Exchange email server software that compromised tens of thousands of computers around the world, as well as the hiring of criminal hackers to plant ransomware and conduct other illicit cyber operations. The Microsoft Exchange cyberattack "by Chinese state-backed groups was a reckless but familiar pattern of behavior," said British Foreign Secretary Dominic Raab. EU foreign policy chief Josep Borrell said the Microsoft hack was "conducted from China for the purpose of intellectual property theft and espionage." He condemned China's malicious cyber activities against European governments, political organizations and industries. In a first, NATO also called on China to "act responsibly in the international system, including in cyberspace," and vowed to "actively deter, defend against and counter the full spectrum of cyber threats." (Associated Press, July 19, 2021)

### **U.S. CHARGES FOUR CHINESE IN GLOBAL HACKING CAMPAIGN**

The Justice Department has charged four PRC nationals in a hacking campaign that stole trade secrets and confidential business information from dozens of companies, universities and governments. According to the indictment, China's Ministry of State Security and the Hainan State Security Department used a front company, the Hainan Xiandun Technology Development Co., to hide their role in the theft of trade secrets from a range of industries, including aviation, defense, education, government, health care, and biopharmaceutical. Victims of the exploitation effort are located in Austria, Cambodia, Canada, Germany, Indonesia, Malaysia, Norway, Saudi Arabia, South Africa, Switzerland, the UK and the U.S. "China continues to use cyber-enabled attacks to steal what other countries make, in flagrant disregard of its bilateral and multilateral commitments," Deputy U.S. Attorney General Lisa Monaco has laid out. (Reuters, July 19, 2021)

### **CHINA FINES TECH GIANTS FOR CONTENT EXPLOITING CHILDREN**

China's Cyberspace Administration has fined a range of online platforms – including Alibaba's marketplace, Taobao, Tencent's QQ messaging service, live-streaming site Kuaishou, and microblogging platform Sina Weibo, among others – for using sexually suggestive content involving children such as stickers or short videos to sell products. "With regards to the infringement of the legal rights and interests of minors, a 'zero tolerance' attitude will be adopted and enforced to clean up the online problems that endanger the physical and mental health of minors," read the official statement. The campaign targets live-streaming platforms, pornographic and violent content in education platforms, and animations with violent or inappropriate horror themes. China's regulators are also investigating the anti-competitive and data-sharing practices of tech companies. (ABC News, July 21, 2021)

### **BEIJING COUNTER-SANCTIONS SEVEN AMERICANS**

China has imposed sanctions on former U.S. commerce secretary Wilbur Ross and six other Americans, including Carolyn Bartholomew, chair of the U.S.-China Economic and Security Review Commission, Sophie Richardson, China director at Human Rights Watch, and researchers at the National Democratic Institute, the International Republican Institute, and the Hong Kong Democratic Council. Beijing said the sanctions were levied in response to Washington's decision to sanction seven Hong Kong-based PRC officials but did not specify what they entailed. This is the first time China has employed a new counter-sanctions law that allows it to target individuals or groups that help foreign countries enforce sanctions on China. (*Financial Times*, July 23, 2021)