



## China Reform Monitor No. 1477

September 10, 2021 **Joshua Eisenman**

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### POPE DEFENDS DEAL WITH CHINA

Pope Francis has defended the Vatican's deal with Beijing on the appointment of Catholic bishops, saying an uneasy dialogue is better than no dialogue at all. The pope said: "China is not easy, but I am convinced that we should not give up dialogue. What has been achieved so far in China was at least dialogue some concrete things like the appointment of new bishops, slowly but these are also steps that can be questionable. You can be deceived in dialogue, you can make mistakes, all that but it is the way. Closed-mindedness is never the way." He likened relations with Beijing to the "small steps" policy carried out in the 1960s by Cardinal Agostino Casaroli with Soviet bloc countries. "Slowly, he (Casaroli) was achieving reserves of diplomatic relations which in the end meant appointing new bishops and taking care of God's faithful people," Francis said. (Reuters, September 1, 2021)

### CHINA SHUTS AMERICAN CHAMBER OF COMMERCE IN CHENGDU

China has ordered the closure of the American Chamber of Commerce in Chengdu, Sichuan. The group has notified members that, in accordance with China's regulations, it can "no longer carry out any activities," but did not give a specific reason for the order. "You have a heavier intrusion of politics," Kenneth Jarrett, who served as president of the American Chamber of Commerce in Shanghai for five years, told the Forbes U.S.-China Business Forum. "The landscape is shaped largely by worries about U.S.-China relations. That's No. 1 on the mind of most companies because it has created a degree of political uncertainty that we haven't seen for a long time." China closed the U.S. Consulate in Chengdu in July 2020, after Washington ordered the shuttering of China's consulate in Houston. (Forbes, August 31, 2021)

### BEIJING TO ESTABLISH A STOCK EXCHANGE FOR SMALL BUSINESSES: XI

China will set up a new stock exchange in Beijing to raise capital for "innovation-oriented" small- and medium-sized private enterprises (SMEs), Xi Jinping told the China International Fair for Trade in Services in Beijing. Although he did not say when the exchange will open, the Chinese leader said support for SMEs will also come from reforms at the National Equities Exchange and Quotations (NEEQ), also known as the New Third Board. The PRC already has three major stock exchanges in Hong Kong, Shenzhen, and Shanghai, and some large companies have raised billions on overseas exchanges, including the NYSE. Beijing has enhanced scrutiny of foreign-listed Chinese companies, citing anti-competitive behavior, pay inequality and security risks. (*Business Insider*, September 2, 2021)

### MICRONESIA REJECTS CHINESE FUNDING FOR PACIFIC UNDERSEA CABLE

The Federated States of Micronesia has rejected a Chinese company's proposal to construct a Pacific undersea data communications cable due to security concerns, and instead will receive U.S. support for the venture. The U.S.-funded cable would likely connect to the HANTRU-1 undersea cable, a line primarily used to connect securely with Guam. While Micronesia has close ties with Washington, it also maintains warm diplomatic and trade relations with China. (*Indian Express*, September 3, 2021)

### CRACKDOWN ON SHOWBIZ FOR 'POLLUTING' SOCIETY

Amid Beijing's widening crackdown on the entertainment industry, broadcasters have been ordered to create a patriotic atmosphere and prohibit artists with "incorrect political positions" and "effeminate" styles. Penalties will be increased for actors who have engaged in illegal or unethical behavior, and agencies which condone such behavior will be promptly punished, said the notice from the Propaganda authorities. The ideological and moral education of children should be beefed up and they should be forbidden from joining activities of "idol" groups, party cadres at all levels should "deeply recognize" the importance of "molding" future generations, it added. Programs portraying "effeminate" behavior and other content deemed "warped" should be stopped, along with shows built around scandals, ostentatious wealth and "vulgar" internet celebrities. Unhealthy fan culture should be deterred, the notice outlined. (CNBC, September 2, 2021)