



## China Reform Monitor No. 1487

December 20, 2021 **Joshua Eisenman**

**Related Categories:** Cybersecurity and Cyberwarfare; Democracy and Governance; Human Rights and Humanitarian Issues; International Economics and Trade; China; Pakistan; Southeast Asia

### U.S. LEADS DIPLOMATIC BOYCOTT OF BEIJING OLYMPIC GAMES

U.S. officials will not attend the 2022 Olympic games in Beijing, the White House has confirmed. The decision is a response to China's humanitarian abuses against Uighur Muslims in Xinjiang, its crackdown on Hong Kong, and its heightened military campaign targeting Taiwan. "I'm glad the Biden Administration will not send officials to the Beijing games. But we must do more to protect Olympians and deny the propaganda value of this event for the CCP," said Rep. Mike McCaul (R-TX). Canada, the UK, Australia and Lithuania will also boycott the games.

The response to the news out of Beijing has been defiant. "Only super narcissistic people will regard their absence as a powerful boycott. Most of those U.S. govt officials are close contacts of the COVID-19 patients according to China's standard, moreover picky and pretentious. You are the people that Beijing residents least want to see," said Hu Xijin, editor-in-chief of the Global Times. (*U.S. News & World Report*, December 6, 2021)

### CHINA'S HACKERS TARGET ASIAN GOVERNMENTS AND MILITARY OFFICES

A group of hackers with "links to known Chinese state-sponsored activity" known as Threat Activity Group 16, or TAG-16, are using malware to target governments and militaries across Southeast Asia. Malaysia, Indonesia, Vietnam, Myanmar, the Philippines, Laos, Thailand, Singapore and Cambodia have all faced intrusions. Targets include the Thai army and prime minister's office, the Indonesian and Philippine navies, Vietnam's national assembly and the Communist Party of Vietnam, and Malaysia's Ministry of Defense. The cyber firm Insikt Group, which detected the more than 400 intrusions, found evidence "that TAG-16 shares custom capabilities with the PLA-linked activity group RedFoxtrot." (*Nikkei Asia*, December 9, 2021)

### NICARAGUA BREAKS TIES WITH TAIPEI, RECOGNIZES BEIJING

Nicaragua has broken off relations with the Republic of China (Taiwan), and established diplomatic ties to Beijing. The shift leaves Taipei with just 14 formal diplomatic allies, most of them in Latin America. China's UN ambassador, Zhang Jun, congratulated Nicaragua: "We highly commend the right decision made by the Government of Nicaragua, which is in line with the prevailing trend of the time and people's aspiration. The One-China principle is a consensus widely accepted by the international community." The break with Taiwan follows the disintegration of ties between Nicaraguan President Daniel Ortega and the Biden administration, and comes the day after Washington sanctioned Ortega's national security adviser, Nestor Moncada Lau, for a fraud scheme. (*Japan Times*, December 10, 2021)

[EDITOR'S NOTE: Nicaragua's loss follows threats by Honduras' incoming President, Xiomara Castro, to break with Taipei. After the Honduran election last month, however, Castro walked back that position. In September 2019, the Solomon Islands and Kiribati recognized Beijing.]

### UK SPY CHIEF CONCERNED ABOUT CHINA'S DIGITAL RENMINBI

Beijing is now the "biggest strategic issue" facing the UK, and is expanding its espionage and control of digital infrastructure, said Jeremy Fleming, the director of UK signals intelligence agency GCHQ. "If wrongly implemented, [China's digital renminbi] gives a hostile state the ability to surveil transactions to exercise control over what is conducted on those digital currencies. China is investing very heavily, overtly and covertly, and that's because it is starting to exercise real influence on the way in which the rules of the road are going to operate in a technology and digital context," Fleming said. According to Beijing, 140 million individuals and businesses already signed up to use the digital renminbi, which is being promoted heavily ahead of the winter Olympics. (*Financial Times*, December 10, 2021)

## **CHINA FORCES PAKISTAN TO PULL OUT OF BIDEN'S DEMOCRACY SUMMIT**

Pakistan's last-minute decision not to attend President Biden's "Summit for Democracy," despite a months-long campaign for an invitation, was due to intense pressure from China. China's officials told Islamabad that participating in the two-day virtual summit would damage relations because Taiwan was also invited. "They view this summit as a real poke in the eye to China, meant to try to create two spheres of politics in the world – one meant to be led by America and the rest is anyone else not in the U.S. camp," said an anonymous source. Addressing the delegates, Taiwan's Digital Minister, Audrey Tang, said: "Although Taiwan is a young democracy, it's standing firm on the front lines of the global struggle with authoritarianism." (*U.S. News & World Report*, December 10, 2021)