



CHINA REFORM MONITOR

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P.R.C. Government Actions and U.S. Policy

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Related Categories: Democracy and Governance; Human Rights and Humanitarian Issues; International Economics and Trade; China; Europe; Japan

AMAZON SPREADS CPC PROPAGANDA TO GAIN ACCESS IN CHINA

Tech giant Amazon tried to advance its China business by spreading CPC propaganda, according to a leaked 2018 briefing for Jay Carney, the company's head of lobbying and public-policy operations. The internal document shows how Amazon partnered with the China International Book Trading Corp. to create "China Books" – a portal offering more than 90,000 publications, including many that amplify the party line on Xinjiang and COVID-19, etc. The initiative was intended to win Beijing's support for Amazon's Kindle, cloud-computing and e-commerce businesses. "Kindle has been operating in China in a policy grey area" and "the key element to" obtaining a license to sell e-books "is the China books project," the document stated. According to a former company executive, Amazon could not secure all of the required approvals from Beijing, so its public-policy team came up with the China Books project "to get what we wanted on Kindle and other things. It was a wink and a nod." Despite these efforts, however, Chinese "regulators have since become very hostile," the document stated. (Reuters, December 17, 2021)

CHINA'S ECONOMIC GROWTH SLOWS SHARPLY – WORLD BANK

The World Bank cut its forecasts for China's economic growth in 2021 from 8.5% to 8%, and its 2022 forecast from 5.4% to 5.1%. "Downside risks to China's economic outlook have increased," wrote the bank's top China economist, Ibrahim Chowdhury. "A severe and prolonged downturn" in the property sector and "broad-based and longer-lasting" restrictions due to COVID-19 continue to cause economic disruptions. "China will need to rebalance its economy across several dimensions [and] shift to more private sector-led growth," said the report. It argues that the old playbook of boosting growth through infrastructure and real estate investment has "run its course" and instead calls for a more progressive tax system, better safety nets, and more green financing instruments. In December, China's central bank lowered the reserve requirement by half a point, unleashing \$188 billion in credit for business and households. (CNN, December 22, 2021)

CHINA FINES TOP INFLUENCER, TELLS CELEBS TO SELF-REPORT

Days after tax authorities in Hangzhou, Zhejiang fined China's "queen of livestreaming," Viya, 1.34 billion yuan (\$210 million) for tax evasion, China's cities and provinces, including Beijing, Shanghai, Guangdong, Zhejiang, and Jiangsu, posted notices ordering celebrities and livestreamers to report any tax-related crimes. "Before the end of 2021, correct tax-related issues and report them proactively to the tax bureau, (which) will lighten, mitigate or exempt tax penalties in accordance with the requirements of the notice," the official edict said. "If the self-inspection and self-correction are still refused or not thorough, the tax bureau will deal with it seriously in accordance with laws and regulations." China's State Taxation Administration announced in September that it would tighten oversight of income in the online entertainment sector. (Reuters, December 22, 2021)

GERMAN NAVY CHIEF SAYS CHINESE BUILDUP A CONCERN

China's growing naval power is "explosive" and a cause for concern, the German Chief of Navy, Vice Admiral Kay-Achim Schonbach, has said. Schonbach spoke as the frigate Bayern docked in Singapore as part of a six-month deployment to the region – Germany's first in nearly two decades. The Bayern will sail through the South China Sea. Schonbach called the deployment "a teaser" that signals his country's commitment to stepped up security and defense cooperation with Asian partners. "We're here for the first time after 19 years to check the battlefield. Last year, the government of Germany promulgated the guidelines for the Indo-Pacific. This is now the first step. The next step, probably, I hope that we can come on a regular basis – two or three years," he said. Last year, Berlin announced that conflicts in the region "adversely affect security and stability there, this has repercussions for Germany, too." (CNBC, December 22, 2021)

JAPAN'S EX-PM ABE WARNS CHINA: MILITARY "ADVENTURE" COULD BE "SUICIDAL"

Japan's Former Prime Minister, Shinzo Abe, a leader in the country's Liberal Democratic Party, has warned China that seeking territorial expansion could be "suicidal." "An adventure in military affairs, if pursued by such a huge economy like China could be suicidal to say the least. We must urge them not to pursue territorial expansion and restrain from provoking, often bullying, their neighbors because it should harm their own interests," Abe said. He added that "The U.S., Japan and other like-minded countries should work hard to bring Taiwan to international organizations of universal relevance. WHO comes on top of the list." On December 1st, Abe said an emergency over Taiwan would be an emergency for Japan and invoke its security alliance with the U.S. In response, Chinese Assistant Foreign Minister Hua Chunying said that Abe's comments "openly challenged China's sovereignty." (Al Jazeera, December 15, 2021)