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CHINA'S THREAT IS "MORE BRAZEN" THAN EVER – FBI DIRECTOR

China's threat has "reached a new level – more brazen, more damaging, than ever before, and it's vital, vital, that all of us focus on that threat together," according to FBI Director Christopher Wray, who has accused China of stealing U.S. innovations and launching massive hacking operations. "When we tally up what we see in our investigations, over 2000 of which are focused on the Chinese government trying to steal our information or technology, there's just no country that presents a broader threat to our ideas, innovation, and economic security than China," Wray said. The bureau is opening new cases to counter China's intelligence operations every 12 hours or so, with its hackers pilfering more personal and corporate data than all other countries combined, Wray said. (National Public Radio, January 31, 2022)

TECH "DECOUPLING" HURTS CHINA MORE THAN THE U.S.

The Peking University (PKU) Institute of International and Strategic Studies posted – then a week later removed – an 8-page abridged version of an interim report titled China-US Strategic Competition in Technology: Analysis and Prospects. The bold appraisal of both countries' technological prowess was led by the renowned PKU Professor Wang Jisi. After assessing both country's strength in three areas – artificial intelligence (AI), information technologies, and aerospace – researchers found that China lagged behind the U.S. in three key technologies: high-end semiconductors, operating systems and software, and aerospace. The PKU team found that "China still has a long way to go from being a quantitatively strong country in science and technology to being a qualitatively strong country in science and technology;" and that it "still lags far behind the U.S. in terms of the number of highly cited papers and in paper originality." "Both China and the U.S. face losses from decoupling, both at the technical and industrial levels, but China's losses may be greater at present," it concludes. (*Science*, February 8, 2022)

HOUSE PASSES SWEEPING CHINA COMPETITION BILL

The U.S. House of Representatives has passed (222 to 210) a multibillion-dollar bill aimed at increasing U.S. competitiveness with China and boosting domestic semiconductor manufacturing. The Democratic-controlled chamber passed the "America COMPETES Act of 2022" with only one Republican vote. The Senate version, the "U.S. Innovation and Competition Act," passed last June with the support of 18 GOP lawmakers. The bill's passage in the House sets up negotiations with the Senate on a compromise version of the legislation, which must pass both chambers before it can be signed by the President. The House bill includes more than 60 smaller measures that Republicans had cosponsored including some pro-Taiwan provisions. Among other things, it would authorize \$300 billion for R&D, including \$52 billion to subsidize research into manufacturing semiconductors and other key components, earmark \$45 billion over six years to ease supply chain problems, and strengthening U.S. trade policies to offset China's market distorting trade practices. (*Taipei Times*, February 6, 2022)

U.S., UK, AUSTRALIA, AND TAIWAN JOIN EU-CHINA WTO CHALLENGE

The U.S., Britain, Australia, and Taiwan are backing the EU's WTO trade case against China over its trade restrictions on Lithuanian products. Last month, the EU launched a challenge at the WTO accusing China of discriminatory trade practices against Lithuania that it says threaten the integrity of the EU market. Lithuania is under pressure from China to reverse its decision to allow Taiwan to open a representative office under its own name. China has downgraded diplomatic ties with the Baltic nation. The WTO challenge affords the parties 60 days to reach a settlement, but if they do not the EU can file a formal dispute with the WTO which would then create a panel to study the matter. U.S. Trade Representative spokesman Adam Hodge said Washington is "deeply concerned" by China's discriminatory trade practices against Lithuanian goods. (*Taipei Times*, February 9, 2022)

PENTAGON APPROVES \$100 MILLION IN TAIWAN MISSILE UPGRADES

The Pentagon has approved the sale of \$100 million in equipment and services to Taiwan to "sustain, maintain, and improve" its Patriot missile defense system. A statement from the U.S. Defense Security Cooperation Agency said that, following State Department approval, it had notified Congress of the sale, which was requested by Taiwan's de facto embassy. "In the face of China's continued military expansion and provocative actions, our country will maintain its national security with a solid defense, and continue to deepen the close security partnership between Taiwan and the U.S. This proposed sale serves U.S. national, economic, and security interests by supporting the recipient's continuing efforts to modernize its armed forces and to maintain a credible defensive capability," the statement read. The news has elicited an outcry from Beijing, with Foreign Ministry spokesperson Zhao Lijian replying that "China will take appropriate and forceful measures to firmly safeguard its sovereignty and security interests... wait and see." (Reuters, February 8, 2022)

[EDITOR'S NOTE: Dong's case is the latest of several corruption verdicts in recent weeks. Wang Fuyu, former deputy party chief of Guizhou, also received a suspended death sentence for taking 450 million yuan in bribes. Zhou Jianyong, the former party chief of Hangzhou, Zhejiang was also found to have taken bribes. He Xingxiang, a former vice-president of China Development Bank, was expelled from the party for "serious" law violations, including the misuse of financial approval rights, resulting in huge financial losses for the state.]