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

U.S. JUSTICE DEPARTMENT ENDS ITS CHINA INITIATIVE

After completing an internal review, the Justice Department has ended its China Initiative – a program launched in 2018 to combat Beijing's campaign to steal U.S. secrets, technology and research. "While I remain focused on the evolving, significant threat that the government of China poses, I have concluded that this initiative is not the right approach. Make no mistake, we will be relentless in defending our country from China. The department will continue to prioritize and aggressively counter the actions of the PRC government that harm our people and our institutions," said Assistant Attorney General Matthew Olsen, head of the National Security Division. "China will continue to present an aggressive and relentless threat to U.S. economic and national security interests. But the Justice Department can prioritize countering that threat without the need for an inflammatory moniker," said David Laufman, the former chief of counterintelligence at Justice. (NPR, February 23, 2022)

[EDITOR'S NOTE: Last month, FBI Director Christopher Wray said the Bureau has more than 2000 active China-related cases, and opens a new China-related case every 12 hours. "There is just no country that presents a broader threat to our ideas, our innovation and our economic security than China," he noted.]

ANTI-GRAFT AGENCY CRITICIZES CHINA'S TOP 25 BANKS

Following an investigation into corruption and unacceptable financial risks which began in October, the Central Commission for Discipline Inspection (CCDI), Beijing's top anti-graft body, has criticized 25 state banks, regulators, insurers and bad-debt managers, including the People's Bank of China, the Shanghai and Shenzhen stock exchanges, bad-debt manager China Huarong Asset Management, and the China Banking and Insurance Regulatory Commission for their "formalism, bureaucracy and extravagance." A CCDI statement identified the banks' "many outstanding problems" implementing Beijing's strategy, including a lack of awareness and mechanisms to guard against financial risk, serious corruption concerns, and a dearth of "political responsibility." The investigation comes amid a crackdown on technology and education, and a debt crisis in the real estate sector. (Agence France-Presse, February 25, 2022)

CHINA'S BANKS RESTRICT RUSSIAN USD CREDIT FOR COMMODITY DEALS

Amid Russia's large-scale invasion of Ukraine, the Bank of China and the Industrial & Commercial Bank of China have stopped issuing U.S. dollar-denominated credit for Russian commodity purchases, but continue to offer RMB-denominated loans. Over the years, China's biggest banks have purchased tens of billions of dollars in assets in Russia – one of China's top suppliers of energy and other commodities. (Fox News, February 25, 2022)

MONGOLIA "CLEANS UP" ANTI-CHINA ACTIVISTS

Mongolia's security service, the General Intelligence Agency, has launched a campaign to "clean up" Beijing's critics in the country. The agency has arrested Munkhbayer Chuluundorj, a prominent anti-China activist, on suspicion of "receiving instructions and funds from a foreign intelligence group" and "engaging in illegal cooperation activities," but gave no more details. In Facebook posts, Chuluundorj had called for the Mongolian prime minister to resign due to his close relationship with Beijing, saying the "nation's independence will be lost and all citizens of Mongolia will become slaves of China." He is being denied visitation, and a closed-door trial is scheduled. Mongolia is dependent on mineral exports to China, which has ramped up pressure to deport ethnic Mongolian Chinese citizens who are political refugees. (MSN, February 21, 2022)

[EDITOR'S NOTE: In Inner Mongolia, China authorities are forcing a Chinese-language curriculum on an estimated 4.5 million ethnic Mongolians. The language policy has prompted protests in Ulaanbaatar, which were met with a police crackdown.]

CHINA INVESTS NEARLY \$4 BILLION IN THREE NEW COAL MINES

China's National Development and Reform Commission has approved a total investment of 24.1 billion yuan (\$3.8 billion) in three massive coal mine projects – two in Shaanxi and another in Inner Mongolia – which will produce 19 million metric tons of coal per year. All three projects will rely primarily on financing from banks, a sharp divergence from Beijing's pledge to stop financing overseas coal projects. The approvals follow a massive surge in mine activity late last year when China boosted coal production to record levels after an energy shortage fears sent prices skyrocketing. China has announced ambitious long-term climate goals and is a leader in renewable technologies, but continues to prioritize energy security and has vowed to continue supporting coal, which generates about 60% of its electricity. (Bloomberg, February 21, 2022)