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EXPATS EXITING CHINA

The number of foreigners in Shanghai fell by more than 20%, from 208,000 in 2011 to about 163,000 in 2021, while in Beijing, the number of foreign residents declined 40% since 2010 to about 63,000 last year. The British Chamber of Commerce has estimated that next year international schools are on track to lose 40% of their staff. A new survey of expats revealed that 85% of the almost 1,000 respondents said they were considering leaving China. Foreign companies account for 20% of Shanghai's employment, 50% of its R&D, and 67% of the trade value of imports and exports. The ongoing effort to localize the senior business management and money flows has also caused an unprecedented outflow of foreign capital. According to a survey by the American Chamber of Commerce, most U.S. firms in China have frozen investment plans amid China's draconian COVID-19 lockdowns. (Al Jazeera, April 25, 2022)

CHINA'S LEADING FINANCIAL FIRMS SHUN RUSSIAN BANKS

UnionPay, China's largest bank card services provider, has halted talks over plans to issue UnionPay cards with Sberbank, Russia's largest bank, and other Russian banks targeted by sanctions. As of 2020, UnionPay made up only about 1% of Russian bank cards, but interest has surged since Visa and Mastercard halted services. "The U.S. is increasing scrutiny on Chinese financial institutions that step up business in Russia," said a source with China's State Council. Bank of China and the Industrial and Commercial Bank of China have both restricted financing for Russian commodities, and the China-led Asian Infrastructure Investment Bank froze all activity related to Russia and Belarus to "safeguard the financial integrity" of the institution. Sinopec Group has suspended talks with Russian petrochemical company Sibur on a joint investment in a new \$500 million petrochemical plant. (NikkeiAsia, April 29, 2022)

XI INTRODUCES A NEW "GLOBAL SECURITY INITIATIVE"

Xi Jinping's new Global Security Initiative seeks to counter the U.S. Indo-Pacific strategy and the Quad grouping, which includes India, U.S., Australia, and Japan. "China would like to propose a Global Security Initiative, that is, to stay committed to the vision of common, comprehensive, cooperative and sustainable security [to] oppose unilateralism, and say no to group politics and bloc confrontation," Xi said at the Boao Forum in China in late April. He warned against "hegemonism, power politics and bloc confrontation" and the "the wanton use of unilateral sanctions and long-arm jurisdiction," referring to Western sanctions. Subsequently, writing in the official People's Daily, Foreign Minister Wang Yi blamed "some countries" for "engaging in exclusive 'small circles' and 'small groups,'" said China's new security initiative would "oppose" what "the destruction of the international order under the banner of so-called 'rules' and the dragging of the world under the cloud of the 'new cold war,'" and would "build an Asian security model of mutual respect, openness and integration." (*The Hindu*, April 28, 2022)

WEB USERS TOLD TO REPORT ANTI-CPC "HISTORICAL NIHILISM"

China has intensified efforts to clean up online posts that contradict the CPC's official historical narrative. Two major media platforms, ByteDance Toutiao and Douyin, have issued notices urging users to report posts containing "historical nihilism" – a reference to comments that challenge its official version of history. Toutiao is an algorithm-driven news platform, while Douyin is China's version of TikTok, a video-sharing app also owned by Beijing-based ByteDance. The notices laid out five focuses for the clean-up: sensitive topics on the history of the party, country or military; criticism of Marxism, Mao Zedong Thought and theory of Deng Xiaoping; disputes over the party's evolutionary history and China's economic and open-door policies; content that vilifies the party and state leaders; and parodies of communist history or the whitewashing of "villains." The campaign also targets posts that discredit traditional Chinese culture, or socialist and revolutionary culture, and content that glorifies Western culture or history and foreign colonialism. (*South China Morning Post*, April 28, 2022)

CHINA, IRAN AGREE ADVANCE MILITARY TIES

China and Iran have agreed to "strengthen strategic communication at the top level of the two militaries and deepening practical cooperation in such areas as exchanges involving services and arms, joint exercises and training." The deal was reached during a meeting in Tehran between Iranian President Ebrahim Raisi and Chinese Defense Minister General Wei Fenghe. Raisi said that Iran opposes unilateralism, hegemonism and external interference, and firmly supports China's core interests. "Military-to-military cooperation between China and Iran has been expanding in recent years, and the Chinese military is willing to cooperate with the Iranian side to push it to a higher level," Wei said. He also met with the Chief of Staff of Iran's Armed Forces, Mohammad Bagheri, as well as Defense Minister Gharaei Ashtiani to discuss "the Iranian nuclear issue and the situation in Ukraine." (CGTN, April 28, 2022)