



CHINA REFORM MONITOR

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May 27, 2022 Joshua Eisenman

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JOHN LEE WINS HONG KONG'S TOP JOB WITH 99% OF VOTES

John Lee, the sole candidate running, secured over 99% of the votes to become Hong Kong's next chief executive. Under Lee, police used tear gas, rubber bullets and mass arrests to quash protests. Before being promoted to chief secretary last June, Lee headed the Security Bureau since 2017, and prior to that spent five years as undersecretary for security. Lee played a key role in the push for an extradition bill that would have allowed for criminal suspects to be sent to China to face trial. "John Lee is just a machine executing orders, without emotions," said Ted Hui, who served in Hong Kong's Legislative Council between 2016 and 2020. "The EU regrets this violation of democratic principles and political pluralism, and sees this selection process as yet another step in the dismantling of the 'one country, two systems' principle," said EU foreign policy chief Josep Borrell. (*Straits Times*, May 9, 2022)

HONG KONG POLICE ARREST 90-YEAR-OLD CATHOLIC CLERIC

Police have arrested Cardinal Joseph Zen, the 90-year-old former archbishop of Hong Kong, on national security charges. Zen, a longtime critic of Beijing's control of religion, left the police station on bail following his arrest alongside other former trustees of the 612 Humanitarian Support Fund, which provides assistance to people arrested during 2019 anti-government protests. A police statement said they were accused of endangering national security by making requests to foreign countries or overseas agencies and calling for sanctions against Hong Kong. "The Communist government just wants the church to surrender, because they want complete control, not only of the Catholic Church but all the religions," Zen said in 2018. The Hong Kong Catholic Diocese issued a statement expressing "extreme concern" about Zen's condition and safety. (ABC News, May 12, 2022)

[EDITOR'S NOTE: China severed relations with the Holy See in 1951, soon after the party took power and established its own "patriotic" Catholic church. Foreign priests were expelled and many of their Chinese colleagues spent decades in labor camps. Under Pope Francis, the Vatican made a deal with Beijing on the appointment of bishops, which Zen has strongly opposed.]

BIDEN ACCUSES CHINA OF TRYING TO MEDDLE WITH SEMICONDUCTOR BILL

President Biden has accused China of interfering in congressional negotiations over a \$52 billion bill that would bolster domestic semiconductor manufacturing. "Fundamentally, this is a national security issue. This is one of the reasons why the CPC is lobbying folks to oppose this bill. And it's an issue that unites Democrats and Republicans. So, let's get it done," Biden said. China's Embassy in Washington has been seeking meetings with administration officials, congressional offices, think tanks and companies to gather information about the bill and its provisions. In March, a Foreign Ministry spokesperson said the legislation "exaggerates the 'China threat theory'" and urged its supporters to drop their "Cold War, zero-sum mentality." The Senate and House will soon begin the conference process, where they seek to reconcile their different versions of the bill. (Bloomberg, May 4, 2022)

CHINA TO BOOST TIES WITH RUSSIA IN MILITARY TECH, ENERGY AND SPACE

China will deepen cooperation with Russia on military technology, energy and space, Zhang Hanhui, China's Ambassador to Russia, has said. Energy had been the "most important, fruitful and extensive area of pragmatic cooperation between Russia and China," he said. The two sides will also enhance settlements in their national currencies and expressed hopes that trade would reach \$200 billion by 2024. "China will continue to support the further expansion of local currency settlements in bilateral trade, investment and credit, and give full play to the role of infrastructure organizations and financial institutions in both countries, including the Russian renminbi business clearing bank," Zhang said.

China will work with Russia "to promote military-technical cooperation between the two countries to a higher level and a broader field," he added. He also described the "great potential and broad prospects" for bilateral cooperation in areas including lunar and deep space exploration, human space flight, satellite navigation, earth observation, space technology and applications as "extensive and fruitful." In April, China's monthly imports of Russian products, including energy, hit a record high of \$8.89 billion, up 56.6% year-on-year and a 13.3% increase over March. (*South China Morning Post*, May 9, 2022)

CHINA'S HACKERS OBTAIN TRADE SECRETS IN U.S., EUROPE AND ASIA

Chinese government-linked hackers have been stealing sensitive data from more than three-dozen manufacturing and technology firms in the U.S., Europe and Asia. According to security firm Cybereason, since at least 2019 the hackers have been collecting blueprints for producing materials with broad applications to the pharmaceutical and aerospace sectors. "It's clearly industrial espionage, IP theft at the highest level," said Cybereason's lead researcher, Assaf Dahan. China "has a massive, sophisticated cyber theft program and it conducts more cyber intrusions than all other nations in the world combined," FBI Deputy Director Paul Abbate said in a recent speech to the American Hospital Association. (CNN, May 4, 2022)