



China Reform Monitor No. 1509

June 29, 2022 Joshua Eisenman

Related Categories: Military Innovation; China; Russia

THREE U.S. COMPANIES SANCTIONED FOR SENDING BLUEPRINTS TO CHINA

An 11-page Commerce Department order says the actions of three U.S. companies — Quicksilver Manufacturing Inc., Rapid Cut LLC, and U.S. Prototype Inc. — present “serious national security concerns.” The firms sent blueprints and technical drawings for satellite and rocket technology and other defense prototypes to China to cut costs. Commerce has used its most aggressive civil sanctions measure, the “temporary denial order,” to block the three from exporting items for 180 days. The companies, which provide 3-D printing for customers, including manufacturers of space and defense technology, secretly sent the blueprints and drawings that their customers wanted printed to China. These companies “saved a few bucks... at the collective expense of protecting U.S. military technology,” said assistant secretary of commerce Matthew Axelrod. (Associated Press, June 8, 2022)

WHO: CHINA STILL WITHHOLDING DATA ON COVID ORIGINS

The World Health Organization (WHO) has criticized China for refusing to provide data that would help identify COVID’s origins. Beijing’s lack of cooperation, comes amid warnings by WHO officials that delays will make it impossible to determine how the pandemic began. The report from the WHO’s Scientific Advisory Group for the Origins of Novel Pathogens identified significant “gaps in our knowledge” due to China’s unwillingness to fulfill information requests. WHO chief Tedros Adhanom Ghebreyesus wrote to China twice in February 2022 “requesting information on the status of studies” on COVID origins, including blood samples from the first human cases and the results of “traceback studies” exploring COVID’s spread in animals. “Key pieces of data are not yet available,” especially raw data from China, the WHO found. (*Telegraph*, June 9, 2022)

XI OFFERS PUTIN CLOSER COOPERATION

China’s “core leader,” Xi Jinping, has offered to deepen cooperation with Moscow in a phone call with Vladimir Putin, suggesting that Moscow’s invasion of Ukraine has not dented Xi’s commitment to their partnership. The call between the two leaders is their first since February. Since then, Beijing has enhanced ties with Moscow while claiming to be a peace broker in Ukraine. The Chinese Foreign Ministry’s summary of the call makes clear that Xi remains committed to close ties with Russia as a way to offset rising antagonism with the U.S. and its allies. (CNN, June 16, 2022)

THE RISE OF THE CHINESE FENTANYL INDUSTRY IN MEXICO

Chinese-made fentanyl — a synthetic opioid 50 times stronger than heroin — is flooding into the U.S. with the help of Mexican cartels. From 2016 to 2018, Mexico-based PRC national Gan Xianbing laundered between \$25 million and \$65 million in illicit funds stemming from the trade. The opaqueness of the Chinese banks involved makes it difficult for U.S. authorities to track the cash, which is one reason Washington has been unable to stop the deluge of Chinese fentanyl. Despite Beijing’s ban on the drug, fentanyl and its many chemical building blocks still, overwhelmingly, originate in China, and flow to the U.S. via Mexico, according to the U.S. Drug Enforcement Agency. (*The Wire China*, June 5, 2022)

PRC FIGHTER JETS CONDUCT “DANGEROUS” INTERCEPTIONS

On May 26th, a Shenyang J-16 fighter jet conducted a “very dangerous” intercept of a Royal Australian Air Force (RAAF) P-8A Poseidon. Australian Defense Minister Richard Marles said the J-16 flew alongside the P-8 and released flares before accelerating and cutting across the front of the RAAF aircraft and settling in front of it at “very close distance” and releasing “a bundle of chaff which contained small pieces of aluminum ingested into the engine of the P-8 aircraft.” The P-8A was intercepted while conducting “routine maritime surveillance” in international airspace over the South China Sea. The incident is hardly the only instance of such conduct by Chinese pilots. Last month, Canada accused China of intercepting its CP-140 Aurora maritime patrol aircraft, coming close enough to flip the Canadians the middle finger. (*Australian Defense Magazine*, June 6, 2022)