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G-7 UNVEILS \$600B PLAN TO COMBAT CHINA'S BELT AND ROAD INITIATIVE

President Joe Biden joined the other G-7 leaders in unveiling a \$600 billion global infrastructure initiative designed to counter China's Belt and Road Initiative. Over the next five years, the U.S. has promised to contribute \$200 billion for the program through a combination of federal financing and private sector investments, while European members have pledged €300 billion. Biden declared that "our nation and the world stand at a genuine inflection point in our history." When "democracies do all that we can offer," they will triumph over autocracies. "We're offering better options for people around the world." European Commission President Ursula von der Leyen said the aim was to create a "positive powerful investment impulse to the world to show our partners in the developing world that they have a choice." (Politico, June 26, 2022)

[EDITOR'S NOTE: Using the BRI as a vehicle, China has tried to strengthen ties with the developing world, especially in Asia and Africa, by offering debt financing for large-scale projects such as roads, railways and ports. The G-7 plan was first unveiled a year ago, at last year's G7 in Britain, but little progress was made and the program has been renamed. In 2021, it was dubbed "Build Back Better World" after Biden's legislative push, but the implosion of his domestic agenda has led to a new moniker: the "Partnership for Global Infrastructure." However, the funding behind the new plan appears aspirational, and is likely to fall short of its goals.]

TIKTOK'S CHINA-BASED EMPLOYEES ACCESS U.S. USER DATA

Leaked audio from more than 80 internal TikTok meetings reveal that China-based employees of the app's owner, ByteDance, have regular access to the data of American TikTok users. The recordings contain 14 statements from nine TikTok employees explain that U.S. staff cannot access the data on their own and have to ask engineers in China about U.S. user data. "Everything is seen in China," said a TikTok employee. Another referred to one Beijing-based engineer as a "Master Admin" who "has access to everything." In October 2021, a TikTok executive gave sworn testimony that a U.S.-based security team decides who gets access. The recordings show the company misled lawmakers, its users, and the public by downplaying how data stored in the U.S. could still be accessed in China. (Buzzfeed, June 17, 2022)

WHO CHIEF BELIEVES COVID PROBABLY LEAKED FROM WUHAN LAB

World Health Organization Director-general Tedros Adhanom Ghebreyesus has told a senior European official that he believes the most likely explanation for COVID is an accident at the Wuhan Institute of Virology. Western intelligence services are also increasingly convinced that the virus originated at the lab, where scientists were manipulating coronaviruses sampled from bats from caves nearly 1000 miles away. In the absence of any compelling evidence of zoonotic spread – the process by which a virus leaps from animals to humans – Tedros admitted that "[w]e do not yet have the answers as to where it came from or how it entered the human population." (Daily Mail, June 18, 2022)

CHINA ORDERS FOREIGN FINANCIAL COMPANIES TO SET UP CPC UNITS

The China Securities Regulatory Commission will require all foreign financial management companies operating in China to set up an internal CPC supervision unit. The new rules are meant to bring stricter party oversight to the investment sector and convene the latest messages from the CPC central leadership to non-party members and gain their support. They reflect Beijing's desire to use party members and party cells to enhance political control over the private sector. (American Military News, June 17, 2022)

ONE IN FOUR EUROPEAN FIRMS CONSIDERING RELOCATING OUT OF CHINA

One in four European companies in China (23%) are considering shifting their business out of the country due to ongoing COVID outbreaks and lockdowns, the highest percentage in a decade, according to a survey by the European Union Chamber of Commerce in China. Almost 60% of respondents said they downgraded revenue projections, while 78% reported that China's business environment has become less attractive. "Everyone is waiting for an exit strategy in China for Covid restrictions. We will have to wait to see if the government of China will decide to align itself with the rest of the world," said EU Ambassador Nicolas Chapuis. Of the firms considering leaving China, 16% said they were looking at relocating to Southeast Asia, 18% said they were looking elsewhere in Asia, 19% said Europe, 12% said North America and 11% said South Asia. (Bloomberg, June 20, 2022)