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Related Categories: Democracy and Governance; Economic Sanctions; Human Rights and Humanitarian Issues; International Economics and Trade; China; Europe; India

BMW'S CHINESE PARTNER EMBEZZLED \$1.2 BILLION

Automotive giant BMW's joint venture partner, Brilliance China Automotive Holdings Ltd., embezzled \$1.2 billion (8.3 billion yuan) using illegal 'ghost' transaction schemes that involved its parent company and collaborating banks, according to an internal investigation by the Chinese carmaker. It found executives at a Brilliance subsidiary, Huachen Automotive Group Holdings Co. Ltd., bypassed the board of its Hong Kong-listed subsidiary, broke rules, and damaged investors' interests. (Caixin, September 6, 2022)

POPE SOUGHT MEETING WITH XI, BUT WAS REBUFFED

The Vatican told China that Pope Francis was willing to meet Xi Jinping while both leaders were in Nur-Sultan, Kazakhstan, but China demurred. A Vatican source said the Holy See made "an expression of availability," but the Chinese side said while they "appreciated the gesture" there was no time on Xi's schedule. Xi was there for a meeting of the Shanghai Cooperation Organization, and the Pope was there to attend a congress of world religious leaders. When asked whether he would go to China, Pope Francis responded: "I am always ready to go to China." The Pope has tried to improve relations between Beijing and the Holy See, and hopes to renew a secret and controversial agreement on the appointment of Catholic bishops in China. (Reuters, September 15, 2022)

INDIA, FRANCE SHARE CHINA CONCERNS

French Foreign Minister Catherine Colonna, who is on a three-day visit to India, told her Indian counterpart, Subrahmanyam Jaishankar, that the two countries share the same concern about China's expanding role in the region. 'We spoke a lot about the general situation in the Indo-Pacific and the many challenges that have emerged because of China. We have basically the same analysis, we also share the same concerns, because we know the role the Chinese are playing and we want to make sure that there is no imbalance in the Indo-Pacific,' Colonna said. Jaishankar said that it was important for like-minded countries to work together in the region to ensure peace, security and prosperity. 'We consider France an Indo-Pacific player,' he added. (Associated Press, September 14, 2022)

GERMANY VOWS 'NO MORE NAIVETY' IN ITS CHINA POLICY

Germany's Economy Minister, Robert Habeck, has said Berlin is working on a new tougher trade policy toward China. Germany has been considering various new measures to make business with China less attractive, but this is the first time the minister said the tougher line was being implemented. Habeck did not outline new measures, but said they would include closer examination of Chinese investments in European infrastructure. 'There is no more naivety,' he added. Habeck signaled his opposition to China's Cosco buying stake in Germany's Hafen Hamburg port. Germany should not allow Beijing's protectionism to distort competition or curtail its criticism of China's human rights violations, he said. "We cannot allow ourselves to be blackmailed." China has been Germany's biggest trade partner for the past six years, with the value of bilateral commerce reaching more than \$246 billion in 2021. (Reuters, September 13, 2022)

BIDEN EXECUTIVE ORDER BLOCKS CHINESE INVESTMENT IN U.S. TECH

President Biden has signed an executive order to enhance the government's power to block China's investments in U.S. technology and limit its access to the private data of U.S. citizens. The new order directs the Committee on Foreign Investments in the U.S. (CFIUS) to consider whether a deal would involve the purchase of a business with access to sensitive data, and whether a foreign government could exploit that information. It also directs CFIUS to concentrate on transactions that would give access to 'microelectronics, artificial intelligence, biotechnology and biomanufacturing, quantum computing, advanced clean energy and climate adaptation technologies.' The order authorizes CFIUS to block any deal that 'erodes U.S. cybersecurity,' and it urges review of 'incremental investments over time in a sector or technology' that could 'cede, part-by-part, domestic development or control in that sector or technology.' (New York Times, September 15, 2022)