

China Reform Monitor No. 1530

December 9, 2022 Joshua Eisenman

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SUSPECTS CHARGED WITH SUPPLYING CHINA WITH DOD INFO

Three people and a business have been charged in a U.S. federal court in Kentucky with illegally exporting data to China and defrauding the Defense Department. The defendants, Phil and Monica Pascoe, Scott Tubbs, and Quadrant Magnetics LLC, a magnetic-technology company based in Louisville, are charged with violating the Arms Export Control Act, wire fraud, and smuggling. They are accused of sending drawings to China that had data about Department of Defense (DoD) equipment from 2012 to 2018 and importing rare earth magnets from China and selling them to two U.S. companies which subsequently included them in components sold to the DoD. (Associated Press, November 10, 2022)

CHINA SELLS RADAR SYSTEM THAT CAN DETECT U.S. SATELLITES

China is selling its SLC-18 radar system, which can detect and track multiple low-orbiting satellites at the same time and forecast their paths to "friendly countries." The 10-metre-tall SLC-18 active electronically scanned array radar is on display at the China International Aviation and Aerospace Exhibition in Zhuhai, Guangdong. Its manufacturer, state-owned China Electronics Technology Group Corporation (CETC), said the high-power low-frequency P-band radar works in any weather and has a large search range. "This radar provides relatively economical ground-based monitoring of space targets to serve friendly countries. It offers situational awareness capabilities against low-orbiting satellites to balance the battlefield posture," says CETC deputy manager Sun Rui. Sun said the system can detect the hundreds of low-orbit surveillance satellites deployed by the U.S. (South China Morning Post, November 11, 2022)

LOCALS IN GUANGZHOU PROTEST COVID CURBS

Anger over strict zero-COVID restrictions have boiled over in Guangzhou. Amid the city's worst COVID outbreak to date, its residents have been placed under a stay-at-home order. Migrant workers in Haizhu District, who are not paid if they cannot work and are facing food shortages and skyrocketing prices, tore down control barriers to escape lockdown and clashed with police. For several nights, they had scuffled with the white-clad COVID prevention enforcement officers, until the clashes exploded into mass defiance. Unsubstantiated rumors have fed the unrest, with stories proliferating that COVID testing companies are faking positive results in order to make more money. (BBC, November 15, 2022)

HONG KONG PROTEST SONG PLAYED BEFORE RUGBY MATCH IN KOREA

Last weekend, as Hong Kong rugby players stood shoulder-to-shoulder on the field just before a match in Incheon, South Korea, the stadium speakers blared "Glory to Hong Kong," the anthem of pro-democracy protesters, instead of China's national anthem, "March of the Volunteers." The Hong Kong government immediately demanded "a full and in-depth investigation." The organizers said the mistake was caused "by human error of a junior staff," and that the Hong Kong team coach had submitted the correct song. (*New York Times*, November 14, 2022)

CHINA'S ELITE SEEKING TO EMIGRATE

According to lawyers, immigration experts and consultants working with wealthy individuals, after October's Communist Party Congress the number of Chinese elites seeking to emigrate has jumped. "If there is hope of change [after Xi] I'll consider going back. Until then, I'm seeking opportunities in other countries," said one graduate of a top Chinese university, who left this summer for the Middle East. "My parents are 'too old' to leave, but they are happy I got out." But attempting to evade China's strict border and capital controls carries serious risks, and even those who are successful remain exposed to Chinese extralegal security forces operating overseas. "In China, they play for keeps. If you're going to pull the trigger on this, and you screw it up, that's it. We're talking exit bans, seizures, money disappearing," says David Lesperance, who assists wealthy families leaving China. (*Financial Times*, November 11, 2022)