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NATURAL GAS SHORTAGES HIT CHINA AS TEMPERATURES PLUNGE

After years of spending on costly "zero-Covid" measures, local governments are now unable to afford adequate gas supplies, prompting a shortage amid freezing temperatures. The shortage of gas, which is used to heat homes and businesses, has angered tens of millions of people and exposed systemic weaknesses in China's energy regulations and infrastructure. Cash-strapped provincial and municipal governments have cut the gas subsidies that had eased residents' heating bills. Beijing has instructed local governments to provide gas, but has not given them money to pay for it. Thus, gas is being rationed, with households receiving enough for cooking but little for heat. (*New York Times*, January 25, 2023)

[EDITOR'S NOTE: This is the third energy crisis to hit China in the last five years. In 2017, to reduce air pollution, Beijing banned coal-fired boilers across much of northern China in favor of gas ones, but there wasn't enough gas for the new boilers. Then, in 2021, coal prices jumped higher than the regulated price that utilities sell electricity, prompting utilities to pause power production and leading to blackouts.]

U.S. JAILS CHINESE ENGINEER FOR SPYING

A Chinese engineer has been jailed for eight years for trying to steal aviation secrets. According to the U.S. Department of Justice, Ji Chaoqun identified scientists and engineers for recruitment, and lied so he could enlist in the U.S. Army. Ji worked for the Jiangsu Ministry of State Security to recruit about eight people, all naturalized U.S. citizens from China or Taiwan, some working for U.S. defense contractors. Ji enlisted in the U.S. Army Reserves in 2016 under a program that recruits highly-skilled foreign nationals. He was arrested in September 2018 after he met with an undercover U.S. agent posing as a representative of China's Ministry of State Security. In September Ji was convicted of espionage and making false statements to the U.S. Army. (*BBC*, January 26, 2023)

EU ANNOUNCES 70 PROJECTS TO RIVAL CHINA'S BRI

Europe's Global Gateway infrastructure financing program aims to give developing countries an alternative to China's Belt and Road Initiative. By 2027, Brussels will mobilize up to 300 billion euros in public and private funds to finance overseas infrastructure projects. Among the Global Gateway's first 70 projects are a digital cable under the Black Sea, a submarine optical fiber cable to connect the Mediterranean and Northern African countries, and a dam and hydroelectric plant in Cameroon. The list also has some projects with geopolitical implications, including an energy transition partnership with Indonesia, a digital connectivity project in the Philippines, a hydrogen project in Kazakhstan, a transport link in Central Asia, two projects in Mongolia and a hydro-power plant in Tajikistan. "Global Gateway is becoming concrete. Now we mean business. There is no political messaging behind this," a senior EU official said of the list. China, by comparison, has lent \$2.3 trillion to finance nearly 4,000 overseas investment and construction projects since 2005 - of which some \$370 billion are BRI projects. (*Politico*, January 23, 2023)

WASHINGTON TARGETS CHINESE FIRM FOR HELPING RUSSIA'S WAGNER

The U.S. has sanctioned a Chinese company for providing satellite imagery to Wagner Group mercenaries in Ukraine. The Treasury Department said Spacety China and its Luxembourg subsidiary sent "satellite imagery orders over locations in Ukraine" to a Russian technology company, thereby enabling Wagner combat operations. Wagner is a Kremlin-aligned Russian paramilitary organization that has tens of thousands of its own fighters in Ukraine. Spacety, a.k.a. Changsha Tianyi Space Science and Technology Research Institute Co. Ltd., describes itself as a "private space company" that makes "low-cost nano/micro/small satellites." (*South China Morning Post*, January 27, 2023)

SATELLITES REVEAL ANTI-AIRCRAFT MISSILES ON SCS ISLANDS

Satellite imagery has revealed anti-aircraft missiles hidden on China's "non-militarized" islands in the South China Sea. Beijing insists that its installations on the Spratly and Paracel Islands are only for search-and-rescue outposts, but the photos show runways, hangars, barracks and gun emplacements. A recent image of Woody Island shows a row of four tall concrete buildings, each with a retractable roof concealing the surface-to-air missile (SAM) launchers inside them. China has built similar structures on the Subi, Mischief and Fiery Cross reefs. The HQ-9 SAM system has a 200km range and can hit high altitude targets. (*news.com.au*, January 28, 2023)