



CHINA REFORM MONITOR

The American Foreign Policy Council's Review of
P.R.C. Government Actions and U.S. Policy

China Policy Monitor No. 1578

December 18, 2023 Joshua Eisenman

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HONG KONG TO MAKE PRIMARY EDUCATION MORE "PATRIOTIC"

In accordance with national legislation, Hong Kong will introduce "patriotic" education curriculum in primary schools by 2025 in order to "systematically cultivate" a sense of national identity among schoolchildren. In three new modules on national identity, national history and national security, primary school students will learn about the nation's achievements under the CPC's leadership. They will study China's "century of humiliation," the CPC's conception of national security, and Japan's invasion of China. The objective is to "systematically cultivate students' sense of belonging to our country, national sentiments and sense of national identity from an early age," read an official announcement. (*The Guardian*, November 24, 2023)

MOODY'S DOWNGRADES EIGHT CHINESE BANKS AND HONG KONG

Moody's Investors Service has cut its outlook from stable to negative for eight Chinese banks, including the country's big four lenders: the Industrial and Commercial Bank of China, the Agricultural Bank of China, the China Construction Bank Corporation and the Bank of China. The ratings agency also slashed its outlook for 22 Chinese local government financing vehicles and downgraded Hong Kong's outlook to negative, citing the city's closer political, institutional, economic and financial linkages with China. The cuts, which reflect concerns over rising debt levels, came the day after Moody's downgraded China's sovereign credit ratings. (*CNBC*, December 7, 2023)

BEIJING WARNS LOCAL AUTHORITIES ABOUT FALSIFYING ECONOMIC DATA

The local government debt crisis has led county officials to falsify local economic data. This summer, inspection teams from the National Bureau of Statistics (NBS) visited Hebei, Heilongjiang, Henan, Hunan, Guizhou and Shaanxi to ensure economic data is coming from actual businesses and has not been inflated by officials. Inspections of another six provinces, the Ministry of Commerce, and the Ministry of Natural Resources took place last month. This week, the bureau called out county officials in Guizhou, Shaanxi, and Henan for manipulating local data and interrupting its collection. (*South China Morning Post*, December 1, 2023)

BANK BANS BEARISH RESEARCH, DISPLAYS OF WEALTH

As Beijing clamps down on bankers, the China International Capital Corp., one of China's largest investment banks, has warned its analysts not to offer any bearish reports about the Chinese market and to avoid lavish displays of wealth. According to an internal memo from the bank's research department, employees should not make negative comments in either public and private discussions, and should also avoid wearing luxury brands or discussing their compensation. (*Bloomberg*, November 29, 2023)

CHINESE SHIP DAMAGED BALTIC GAS PIPELINE, FINLAND AND ESTONIA SAY

The rupture of the Balticconnector, the 77km gas pipeline that connects Finland and Estonia beneath the Baltic Sea, occurred with China's knowledge, according to Finland's Minister of European Affairs, Anders Adlercreutz. "Everything indicates that it was intentional," Adlercreutz said. Estonian Defense Minister Hanno Pevkur agreed that while dragging the ship's anchor for more than 180 km, the captain must have known "there was something wrong." The two NATO allies have been investigating the damage to the pipeline, which occurred on October 7th or 8th. Near the site, investigators recovered the 6000 kg anchor of a Chinese container ship and they have asked Beijing to allow them to visit China to examine the vessel. (*Politico*, December 1, 2023)