China Global Security Tracker
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Helena Legarda
helena.legarda@merics.de

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Mercator Institute for China Studies (MERICS)
www.merics.org
Highlights

- Through its whole-of-government approach to promote innovation and access foreign technology, China is rapidly developing advanced dual-use technologies which will have a substantial impact on European interests.
- Civil-military integration remains a top priority for China, and is delivering results for the PLA.
- Beijing seeks to increase military exchanges and security and defense cooperation with the Pacific and Latin America.
- China takes on an increasingly aggressive posture on the South China Sea and Taiwan issues.
- China’s attempts to influence debates and positions at the UN yield mixed results.

Focus topic: China’s pursuit of dual-use technology dominance and implications for Europe

The current debate over the role of Chinese companies in building critical infrastructure in Europe has increased awareness about the security implications of Chinese commercial activities in Europe. However, the debate should well go beyond Chinese ICT investments in Europe and also look at the security aspects of European technology ending up in China. Recent years have seen a number of cases of technology transfers from Europe to China, many of which have ended contributing to the modernization of the People’s Liberation Army (PLA) due to their intrinsic dual-use nature. These cases are linked to Beijing’s strategy of civil-military integration (CMI) and its goal of developing advanced dual-use technologies that will allow China to become a global “science and tech superpower” (科技强国) and to build a strong military that can fight and win wars. Using various methods to promote indigenous innovation and to access foreign technology and know-how, China’s goal is to leapfrog over the United States and Europe and achieve dominance in these technologies, which will have major civilian and military implications in the future.

China’s whole-of-government approach gives Beijing an advantage over the West

China has a clear advantage in this process to achieve technological dominance. The one-party system allows Beijing to adopt a whole-of-government approach to close the technological gap with the West. Following a heavily organized, top-down process, China has been able to mobilize government, industry and society to pursue this goal, something that has proven difficult to do in Europe or the United States. While in China all major industries and technology companies have been quick to embrace the government’s CMI strategy, governments in the West have encountered more resistance. In the United States, for example, Google pulled out of the Department of Defense’s Project Maven (which uses AI to interpret videos and images) due to employee and public concerns over the potential military uses of this technology.
The Chinese authorities incentivize domestic innovation in these technologies through top-down industrial plans and specific targets, as well as through tax breaks, subsidies and preferential loans, among other means. Besides, they have also put in place protectionist policies to advance China’s domestic industries and national champions in competitive sectors. Simultaneously, industrial espionage, along with Chinese companies’ links to foreign companies and research centers, have allowed China to promote technology transfers that aid China’s pursuit of dominance in dual-use technologies. And this approach to developing national emerging technology industries has reaped some rewards, as Chinese industries have been catching up with their Western counterparts in several dual-use technologies, such as quantum, AI and space technology.

Europe is falling behind

Europe has become a major target of China’s push to acquire advanced foreign technologies and key components to support its own development of dual-use technologies. This is partly due to the fact that the EU still has a competitive advantage versus Chinese firms in engineering and the production of high-tech systems and components, especially in sectors such as robotics and cyber security. China has therefore come to see Europe as something akin to a “technology piggybank.” Beijing uses various methods to get access to European technologies that it needs for its own development, including investments into European companies, cooperation agreements with European organizations, cyber espionage, the acquisition of European talent and joint ventures with European firms wishing to operate in China, among others.

The European response to this development has been lacking. For instance, the EU does not have a clear policy or strategy on how to promote indigenous European innovation. Several existing documents at the EU level, such as the EU’s Digital Single Market Strategy, the AI for Europe Communication or the 2013 Cybersecurity Strategy, discuss Europe’s ambitions to become a leader in certain sectors, such as AI and cyber defense. Most of these policies, however, are generally aspirational and mostly set out vague goals. Furthermore, implementation is left to member states, which means that application of the policies varies widely between countries.

Europe also lacks strong, coordinated regulations to protect indigenous European research and technologies. While dual-use and arms exports are covered by various international and EU laws and regulations, they are also interpreted and implemented by national governments, resulting in different degrees of strictness and compliance. Besides, only 12 EU member states currently have investment screening mechanisms, although a few more are reportedly in the making, and these range widely in terms of type and range of thresholds to trigger screening and the definition of what is considered sensitive or dual-use technology. The EU is now finalizing a new EU-wide screening mechanism, but this will mostly just be a framework for information sharing between member states and the EU Commission, with member states retaining the last word. Given that industrial and economic policy considerations often influence export and investment decisions, in countries that are more export-dependent or more dependent on trade with China in general there are vested interests in keeping exports and investment as open as possible. This may limit the power of the new screening mechanism and of the EU’s export controls.
As a result of Beijing’s policies to achieve CMI and Europe’s patchwork regime to both innovate and protect innovation, China is either catching up to, or surpassing, European capabilities in many technological fields. In terms of unmanned systems, for example, China has managed to develop a very strong UAV industry that has occupied the lower end of the international market, while the United States still occupies the higher end and Europe buys American. Furthermore, the Beidou satellite navigation system will very soon surpass the EU’s Galileo system in terms of coverage and functionality, and Chinese advancements in quantum computing seem to be unmatched worldwide.

**Europe needs a strategy to respond to China’s advances**

Some dual-use technologies may not be operationalized in a military context in the short to medium term. However, the inherently dual-use nature of all of these technologies means that, even if they turn out to be of little use for military purposes, they will have other civilian uses that will have a much broader impact on China, on Europe-China relations and on the global balance of power. China’s rapid advances, therefore, should be of concern to policymakers and industry in the European Union.

This, however, is neither a technological race nor a zero-sum game. China’s progress should not prevent the EU and its member states from investing in the development of their own dual-use technologies, nor should it lead to Europe trying to replicate China’s approach to R&D and civil-military integration. Instead, European states should leverage their own competitive advantages, and the EU should protect what it identifies as critical to member states’ future war-fighting capabilities and wider European security. Europe has, among other things, a highly educated talent pool, an innovative private sector, a competitive edge when it comes to engineering and the production of many high-tech components, as well as available funding and a number of pre-existing initiatives to promote innovation. Furthermore, coordinated European technology and industry initiatives, such as Airbus or the European Space Agency and its Galileo project, have been successful in the past and can serve as best practices for future European initiatives to develop advanced, dual-use technologies. Some initiatives that aim to fill this gap are already emerging, such as the Joint European Disruptive Initiative (JEDI), modeled on the United States’ Defense Advanced Research Projects Agency (DARPA).

Where strategic, security or defense interests are not at risk, the European talent pool should seek opportunities to cooperate with China. Leveraging both China’s and the EU’s resources, talent pools and R&D infrastructure could ultimately assist the EU, its member states and China in finding solutions to common problems related to climate change, space exploration and an ageing workforce, for example. In the end, political will, vision and investment will determine whether the EU is able to identify what the strategic no-go areas of collaborative innovation with China are, and how it maintains its innovation edge in these sectors.

For Europe, the incentive to keep up with China is therefore one with military, but also commercial and economic, imperatives. And at a time when China is increasing its commitment to this process of developing advanced dual-use technologies, it is high time for Europe to think strategically and take action.

*This is adapted from the China Security Project report “Emerging technology dominance: what China’s pursuit of advanced dual-use technologies means for the future of Europe’s economy and defence innovation” by Meia Nouwens (IISS) and Helena Legarda (MERICS).*
Domestic developments

Foreign and security policy

- **China’s new EU policy paper published.** In December, China issued its third policy paper on the European Union. The text is remarkable for the assertive tone of its demands to the EU, such as that the EU explicitly opposes “Taiwan independence” in any form and does not interfere with Hong Kong affairs or support anti-China separatism. The stronger language reflects China’s more assertive foreign policy posture under president Xi Jinping.

- **FOCAC Summit confirms Africa a foreign policy priority.** A declaration and an action plan (2019 – 2021) were adopted at the 2018 Forum on China-Africa Cooperation (FOCAC), held in Beijing in September. “Win-win development,” “common development” and “shared future” remain the key guiding principles of China-Africa relations. President Xi Jinping also pledged 60 billion USD in aid and loans to the continent, while remaining vague about details.

- **China-Arab States Ministerial Meeting, Qatar attends.** The 8th Ministerial Meeting of the China-Arab States Cooperation Forum, held in July, confirmed China’s intention to step up its engagement with the Middle East. Regional peace and stability were among the main topics discussed. Xi called for the two sides to “strengthen strategic trust” and “fight terrorism,” and expressed hope for the continuation of Israel-Palestine peace talks. Notably, Qatar was invited to join the meeting despite being currently isolated by other countries in the bloc, as China looks to boost its energy and economic ties with Doha.

- **New cybersecurity rules heighten foreign corporate concerns.** In October, the Ministry of Public Security (MPS) released new regulations that will grant Chinese authorities more power to inspect foreign companies’ networks and proprietary information in search for potential threats to China’s “national security, public safety and social order.” Since the Cybersecurity Law entered into force in 2017, tighter cybersecurity requirements have given Beijing growing discretionary power to access sensitive corporate secrets of foreign businesses operating in the country.

- **Terrorism concerns: failed attack on Chinese consulate in Karachi.** China’s diplomatic mission in Karachi was assaulted in November, leaving seven dead as a suicide bomber detonated an explosive while unsuccessfully trying to break into the building. Pakistan’s Prime Minister Imran Khan said the attack was a reaction to the latest trade deals signed between Pakistan and China. This is not the first attack against Chinese targets in the country, where China is financing infrastructure projects valued at about 60 billion USD as part of the Belt and Road Initiative (BRI).
Force development and capabilities

- **Army newspaper claims PLA is infiltrated by “peace disease.”** The People’s Liberation Army (PLA) Daily warned in an editorial on July 2 that the Chinese military is affected by a “peace disease” and lacks combat readiness, following years spent without fighting any wars. The rebuke came after some PLA commanders were found to have falsified information and overreported military drills in order to attract funding and promotions.

- **Xi inspects 79th army, calls for strengthening ability to win wars.** While inspecting the 79th Group Army of the PLA in Shenyang ahead of National Day (October 1), Xi emphasized the importance of achieving combat readiness with the aim to win wars. Xi has been stressing real time training of the military since he assumed power in 2012.

- **Loyalty to the Party remains top priority.** At a meeting of the Central Military Commission (CMC) in November, Xi spoke about the urgent need to reform military policies and institutions in order to enable the PLA to win wars. Xi also reiterated the centrality of the CCP’s “absolute leadership” over the military. Other developments include:
  - **Xi calls for military loyalty on CCTV.** In August, China Central Television (CCTV) broadcasted a meeting between Xi Jinping and senior PLA officers, including CMC members, in which he underlined military loyalty to the CCP. The media coverage was widely interpreted as a message that Xi is firmly in control of the PLA, particularly as veterans across the country protest for welfare benefits.
  - **New regulations to further strengthen party supervision over the military.** In August, the CMC issued new regulations aimed at increasing intra-party supervision, discipline and accountability at all levels in the military.
  - **Military issues new document on strengthening party building.** In September, the CMC issued a decision on strengthening party building in the army, reinforcing the idea that party leadership is a precondition for the development of a military that can prepare for conflict and curb corruption.

- **No new generals promoted during PLA anniversary.** Breaking with tradition, Xi did not promote any new generals on August 1, a sign that he might be shifting towards a promotion system based on merit and political needs, rather than offering regular promotions aimed at boosting soldiers’ morale.

- **Anti-corruption campaign continues.** A sweeping anti-corruption campaign keeps targeting senior PLA commanders. Fang Fenghui, former head of the Joint Staff Department, and Zhang Yang, former head of the Political Work Department who took his life in 2017, were stripped of rank and party membership on October 16 over serious corruption claims. The former was accused of being involved in a 1.4 million USD corruption case, while the latter had been associated with former disgraced CMC vice-chairmen Guo Boxiong and Xu Caihou.
CSIC deputy head may face death penalty for espionage. Sun Bo, deputy head of aircraft carrier builder China Shipbuilding Industry Corporation (CSIC), may be sentenced to death following allegations that he disclosed confidential information about the Liaoning, China’s first aircraft carrier, to foreign intelligence agents. Naval vessels are crucial to the CCP’s push to modernize the military and turn China into a maritime superpower.

Further developments in Civil-Military Integration (CMI):

- **Xi urges deeper CMI.** Presiding over the second session of the Central Commission for Integrated Military and Civilian Development in October, which he heads, Xi called for deeper CMI based on stronger rule of law and more coordinated technological innovation. Participants called for fairer procurement, opening-up of the state-owned military industrial complex and greater participation of civilian and private enterprises.

- **Military-civilian high-tech equipment exhibition.** Military and private firms signed a total of 154 deals worth over 289 million USD during the fourth military-civilian high-tech equipment exhibition, held in Beijing in October. Similar events are being held all around China, as CMI takes an unprecedented role in the country’s defense modernization, as well as economic upgrading strategies.

- **PLA scientists hunt for technologies in Western universities.** A study published by the Australian Strategic Policy Institute in October found that the Chinese military has sent more than 2,500 scientists on study tours to universities in Western countries, including the United Kingdom, Germany and other EU member states. Often hiding their affiliation, these researchers are reportedly tasked with extracting know-how in key dual-use technologies, which can help drive the PLA’s modernization.

- **Beijing’s civil-military integration worries Washington.** China’s strategy of CMI has triggered growing concerns in Washington. In October, US vice-president Mike Pence accused the Chinese government of stealing “cutting-edge military blueprints” and developing “capabilities to erode America’s military advantages on land, at sea, in the air and in space.” The Trump administration is attempting to limit the transfer of dual-use emerging technologies to Chinese private firms. In August, the administration began reforming the US export control regime so that it would eventually cover technologies such as AI, quantum computing, and advanced surveillance technologies.

- **PLA unveils new equipment and capabilities:**
  
  - The PLA Navy (PLAN) launched two new Type 055 destroyers and commissioned a new Type 054 frigate, which will join the South Sea fleet. Official Chinese media also reported in November that work on China’s third aircraft carrier has already started. In October, China’s Navy Air Force acquired four Xi’an-H-6J anti-ship cruise missile-carrying bombers, according to satellite images. And in December, the PLAN tested a JL-3 missile, an intercontinental ballistic missile designed for nuclear-powered submarines.
The PLA Air Force (PLAAF) reported in August that its new J-16 advanced fighter jet is almost ready for combat, and announced that it plans to launch the new H-20 stealth bomber in 2019. The PLAAF also successfully tested two new aircraft: the first domestically made large amphibious aircraft AG600 successfully made its first water-based test flight in October and the homegrown FTC-2000G versatile aircraft successfully conducted its maiden flight in September.

China’s defense industry announces, showcases new developments:

- **China displays anti-ship ballistic missile, intelligence radar to deter rivals.** At the Zhuhai Airshow in November, China Aerospace Science and Industry Corporation (CASIC) unveiled a new type of short-range, hypersonic anti-ship ballistic missile, the CM-401. The weapon is on sale to other countries, but it could also arm China’s Type 055 destroyers. Also on display was the new 609 intelligence radar, which is able to detect stealth aircrafts, tactical ballistic missiles, and targets close to space.

- **China’s unveils latest stealth drone.** The CH-7, China’s latest stealth drone, was on display at the Zhuhai Airshow. Developed by a subsidiary of China Aerospace Science and Technology Corporation (CASTC), the drone is expected to conduct its maiden flight this year, before coming on the market in 2022.

- **New mobile SHORAD system presented.** CASIC presented a new mobile short-range air-defense (SHORAD) system at the Zhuhai Airshow, the FM-2000, which is designed to provide protection for armored units and important facilities against aerial attacks.

- **China claims to have developed quantum radar prototype.** The Nanjing Research Institute of Electronics Technology, a major state-owned defense contractor, claims to have developed and built a quantum radar that is able to detect and track targets as far as 100 kilometers away. Still in the prototype phase, the radar would eventually be able to detect stealth aircrafts at long ranges. Chinese researchers have previously made similar announcements, but they are hard to verify.

China’s successes and setbacks in arms trade:

- **Serbia to buy, produce drones from China.** In September, Serbian politicians declared during state visits to China that their country is looking to manufacture and acquire Chinese military technology, including new-generation combat drones, as part of a military-technological cooperation agreement with Beijing aimed at upgrading and diversifying Belgrade’s equipment.

- **Pakistan-China to build Chinese drones.** The Pakistani Air Force announced that Pakistan and China will jointly manufacture 48 Chinese Wing Loong II drones, in what would be China’s largest drones export deal to date.

- **UK to sell radar equipment, technology to China.** A special export license agreement will allow a British defense manufacturer to sell an unlimited amount of equipment to the PLA Air Force, including hardware and software for airborne military radar systems.

- **United States sanctions PLA unit for Russian equipment purchase, China retaliates.** The PLA’s Equipment Development Department (EDD) and its director, Li Shangfu, were hit by US
State Department sanctions following the acquisition of Russian Su-35 jets and advanced S-400 surface-to-air missiles, which violated sanctions imposed on Russia in 2017. The move will prevent the EDD from obtaining export licenses within US jurisdiction and from participating in the US financial system. In response, Beijing cancelled planned military talks with US military officials.
Security diplomacy

Defense diplomacy

High-level meetings

- **CMC members meet high-ranking foreign defense officials.** Between July and December, CMC members met with officials from about 38 countries, both in Beijing and abroad. Most of these countries are located along China’s Belt and Road Initiative.

- **Wei Fenghe stresses cooperation at ASEAN Defense Ministers’ Meeting-Plus.** At the 5th ADMM-Plus in Singapore in October, China’s Defense Minister Wei Fenghe emphasized cooperation as a way to solve severe regional challenges such as terrorism, stressing the constructive role the Chinese military plays in building trust and safeguarding stability.

- **Defense Minister tough on United States, Taiwan at Xiangshan Forum.** During the annual Xiangshan Forum in October, Defense Minister Wei Fenghe made clear that the Chinese military will “pay any price” to prevent Taiwan from formally declaring independence and called US interference with Chinese interests in the island “very dangerous.”

- **China-Latin America High-level Defense Forum.** Beijing hosted the fourth High-level Defense Forum between China and Latin America, gathering military representatives from Bolivia, Uruguay, Costa Rica and other countries. China has proactively sought to increase military exchanges, as well as security and defense cooperation, with the region.

- **China, US fail to make progress at 2nd Diplomatic and Security Dialogue.** As bilateral relations hit a historic low amidst tensions over trade, Taiwan and the South China Sea, senior Chinese and US officials met in Beijing in November for the delayed second round of the bilateral Diplomatic and Security Dialogue. Politburo member Yang Jiechi, Defense Minister Wei Fenghe, US Secretary of State Mike Pompeo and then-Secretary of Defense James Mattis took part in the meeting. No substantial progress was made.
Military aid and training

- **UN Senior National Planners Course on Peacekeeping held in China.** The United Nations Senior National Planners Course on Peacekeeping for the first time took place in Beijing in November, co-hosted by the UN and China’s Ministry of Defense. Representatives from 26 countries and international organizations took part in the training.

- **China helps Afghanistan fight terrorism while denying military presence.** Worried about al-Qaeda and Islamic State militants on the border with its Xinjiang region, China will train Afghan troops and supply Kabul with combat helicopters to support its fight against the Taliban insurgency. Although it denies sending PLA troops to the ground, China is reportedly funding and helping Kabul build a mountain brigade in the Wakhan Corridor.

- **China pledges to provide aid to Nepalese, Cameroonian militaries.** Nepal’s Deputy Prime Minister and Defense Minister Ishwar Pokhrel announced on October 30, upon his return from a state visit to China, that Beijing has committed to providing 22 million USD in assistance to the Nepalese army for the procurement of humanitarian and disaster relief equipment. On July 18, China and Cameroon signed a military assistance agreement that will see Beijing provide Yaounde with over seven million USD in military equipment.

- **Sri Lanka, Philippines, other countries receive Chinese military aid.** In a bid to expand Chinese influence in the Indo-Pacific while boosting its own shipbuilding industry, the PLA will donate warships to Sri Lanka, Fiji and the Philippines. Bolivia, the Central African Republic and Argentina have also received Chinese military aid during this period, mostly in the form of military vehicles.

Port calls and joint exercises

- **PLAN visits the Pacific, Latin America.** On its way back from the Gulf of Aden, the 28th escort task force visited several strategically important countries, including South Africa and Indonesia. During these six months, the PLA’s hospital ship Peace Ark also embarked on its Harmonious Mission 2018 tour.

- **PLA participates in about 24 joint drills and exercises.** Between July and December, the PLA participated in several drills and exercises, with a strong focus on counter-terrorism. Most notably, the first China-ASEAN joint maritime exercise took place in October, and the PLA also participated in the Vostok 2018 joint exercise with Russia, which was the largest military exercise held in Russia since 1981. All of these exercises were noticeably combat-oriented, and they are supposed to contribute to turning the PLA into a military that can “fight and win wars.”

- **China, disinvited from RIMPAC, sends spy ship.** After the United States disinvited China from the 2018 edition of its biennial Rim of the Pacific Exercise in response to Beijing’s militarization of the South China Sea, the PLAN sent a general intelligence ship to Hawaii. The move could have been aimed at gathering intel about tactics, procedures and radar systems of the participating navies, a former US Pacific Command director of operations told the Honolulu Star-Advertiser.
Leadership in regional security frameworks

- **China highlights role of CICA.** At a meeting in New York, Chinese Foreign Minister Wang Yi highlighted the constructive role of the Conference on Interaction and Confidence-Building Measures in Asia (CICA) in promoting regional security and development. He called CICA the most representative forum for security cooperation in Asia and urged members to deepen cooperation, engage other countries and organizations, and confront unilateralism, protectionism and hegemony, an implicit criticism of US foreign policy.

Conflict prevention and resolution

- **China and India intensify exchanges in hope to ease border tensions.** Following Wei Fenghe’s visit to India in August, China and India agreed to set up a mil-to-mil hotline between their defense ministries and militaries along the un-demarcated border. Meetings also took place in order to discuss bilateral border issues. The Working Mechanism for Consultation and Coordination on India-China Border Affairs, which has been in place since 2012, held a meeting in September in Chengdu, China. The Chinese and Indian special representatives on boundary issues met in November for their 21st round of talks, the first after the Doklam border standoff. A high-level PLA delegation also visited India during this period.

- **China, ASEAN make progress on South China Sea code of conduct.** After over a decade of talks, ASEAN and China in August agreed on a draft code of conduct that should lay the foundation for negotiations over the disputed South China Sea. Chinese Minister of Foreign Affairs Wang Yi expressed confidence that the outcome will speed up negotiations over a binding agreement. The consensus marks an encouraging development amidst growing regional tensions caused by China’s increased maritime assertiveness.

- **Palestine-Israel conflict: China calls for two-state solution.** Shortly after the eruption of new, violent clashes on the Israel-Gaza border, China’s Permanent Representative to the United Nations, Ma Zhaoxu, called for international efforts to help ease tensions, resume peace talks and promote the two-state solution with the establishment of an independent Palestinian state. China has repeatedly advocated this solution within the UNSC as a precondition to peace and stability in the Middle East. In July, Ma had announced an additional two million USD humanitarian aid package for Palestinian refugees. China’s vice-president Wang Qishan also visited the region in October, where he met with Israeli and Palestinian officials.

- **Afghan, Pakistani, Chinese officials meet in Beijing to discuss Afghan peace.** In December, Beijing hosted a new round of the trilateral meetings between Afghan, Pakistani and Chinese vice foreign ministers, launched by China in 2015 to facilitate dialogue and a peace process in war-torn Afghanistan. Chinese officials have reportedly met the Taliban several times in the past year to persuade them to negotiate. Regional stability is essential for the development of the Belt and Road Initiative.
Law enforcement cooperation

- **Interpol chief Meng Hongwei detained in China.** The Chinese National Supervisory Commission (NSC, China's anti-corruption watchdog) confirmed that Interpol chief and Chinese deputy public security minister Meng Hongwei was detained over unspecified bribery allegations, after the official was reported missing in late September. The opaque circumstances of Meng's arrest raised new concerns over the CCP's law enforcement practices.

- **Fugitive repatriated from United States.** The United States extradited another fugitive to China in November, as part of the bilateral law enforcement cooperation agreed upon by Xi Jinping and US President Donald Trump during their 2017 summit in Mar-a-Lago. The suspect is accused of misappropriating company funds in China.

- **China, Australia sign MoU on anti-corruption law enforcement cooperation.** China’s NSC and the Australian Federal Police signed a MoU in December to strengthen bilateral anti-corruption law enforcement cooperation. The NSC’s website claimed that this was the first time a Western country signed such an agreement with China, whereas the Australian police’s website reported that the document was "re-signed," thus suggesting that it had been inked and, perhaps, suspended before. It is unclear whether the agreement covers extradition to China.
Force projection

Military operations other than war

Peacekeeping operations

- **Chinese participation in UN peacekeeping continues.** Between July and December, China continued its participation in eight existing UN peacekeeping operations. Total deployment remained broadly stable, with 2,515 personnel deployed at the end of December. China's largest single ongoing participation in a UN peacekeeping mission remains in South Sudan.

- **China assembles standby force.** China's Ministry of Defense said in November that it has finished assembling a standby force of 8,000 peacekeepers, thus fulfilling a pledge Xi Jinping made at the UN in 2015. China is currently the largest contributor of peacekeepers to UN operations among the permanent members of the UN Security Council.

Counter-piracy

- **China continues participation in counter-piracy operations in Gulf of Aden.** The PLA Navy's 29th and 30th escort task forces continued counter-piracy operations in the Gulf of Aden, including escorting and protecting commercial shipping.

Humanitarian assistance/disaster relief

- **43 Chinese military medical teams are deployed in Africa.** As of late August, the medical teams were providing healthcare services across Africa, the Global Times reported. China has sent over 20,000 medical workers to the continent since 1963. Besides financial aid and medical personnel, Beijing is also providing medical training to local workers.

- **PLAN Peace Ark hospital ship on world tour.** On June 29, the hospital ship began its seven-month Harmonious Mission 2018 humanitarian world tour. This is the PLAN's seventh such tour since the first one in 2010, and it took the Peace Ark to 12 countries where Chinese troops provided free medical assistance to the local population. With port calls in Papua New Guinea, Vanuatu, Fiji, Tonga, Venezuela, Grenada, Dominica, Antigua and Barbuda, Dominican Republic, Ecuador and Chile, plus a technical stop-over in French Polynesia, this year's mission has focused on countries in the Pacific and Latin America.
Troop deployments and counter-terrorism

- **Coast Guard patrols Diaoyu/Senkaku islands under PLA command.** For the first time after it was placed under the CMC’s command in July, the China Coast Guard patrolled waters surrounding the Diaoyu/Senkaku islands. Although Xinhua reported that the Coast Guard's responsibilities will revolve around search and rescue and maritime law enforcement, it seems likely that it will now play a greater role in advancing China’s territorial claims in the East and South China Seas.

- **PLA resumes patrols around Taiwan, United States challenges China’s claims.** PLA aircraft, including H-6K bombers, flew through the Bashi Strait in December, marking the first time in six months that the PLA Air Force circumnavigated the island, after a cessation of such activities since June. Just a month before, in November, two US Navy ships had sailed through the Taiwan Strait for the third time in 2018 in order to challenge Beijing’s claims and protect freedom of navigation in the region. These actions come at a time of increasingly close US-Taiwan relations. US officials have repeatedly made statements in support of the status quo and the Trump administration continues to sell military equipment to Taipei.

- **China denies military presence in Syria.** Media reports in August claimed that Beijing had deployed special counterterrorism forces to Syria, in order to fight against Uighur rebels with Chinese nationality who are fighting with the Islamic State and other extremist groups. Besides, pro-Assad newspaper Al-Watan also reported that the Chinese ambassador to Syria had expressed the Chinese military’s willingness to play a more active role in the conflict. The Chinese special envoy on the Syrian issue promptly rejected the rumors, stressing that, “there is no Chinese military presence.”

Out-of-area logistics

- **China continues militarization of South China Sea.** In July, China for the first time sent a search-and-rescue ship to be permanently stationed at one of its artificially built islands in the disputed Spratly Islands. Speaking at a press conference on the sidelines of the ASEAN Plus Three meeting in August, Foreign Minister Wang Yi defended China’s military buildup in the South China Sea, calling it "self-defense" and “self-preservation” in response to pressures from the United States and other non-regional countries. He stressed that China is abiding by international obligations to uphold freedom of navigation in the region.

- **US, UK anger China with operations in South China Sea.** In September, on the eve of Xi Jinping's first-ever visit to the Philippines, the US Air Force flew bombers in “routine training missions” near the contested waters of the East and South China Sea. Shortly after, a US Navy ship had a near-collision with a Chinese destroyer that came too close while it conducted a freedom of navigation operation (FONOP) in the Spratly’s. China’s Ministry of Defense confirmed that the destroyer was deployed to identify the US vessel and expel it from waters around its man-made islands. Also in September, the British Royal Navy exercised its freedom of navigation rights as it passed near the Paracel Islands on.
its way to Vietnam. The US Navy conducted another FONOP in the region ahead of the Xi-Trump meeting on the sidelines of the G20 Summit in November, triggering protests from Beijing.

- **Steady buildup on Djibouti base.** New satellite imagery seen by India’s online media outlet *The Print* in July shows that China’s Djibouti base is expanding at a rapid pace. Recent signs of activity include a Type 71 Landing Platform Dock (LPD) unloading undefined military vehicles at the port and a newly built pier of 100 meters in length.

- **China to build Antarctic airport.** China announced in November that it would start building its first airport in the Antarctica. Keji Daily, a newspaper run by China’s Ministry of Science and Technology, reported that Chinese scientists have begun preparatory surveys for the facility, which will ultimately support the landing of large-scale aircraft and an air fleet. China maintains that scientific aims guide its presence in Antarctica, but experts have warned that its ground research stations could be used to control weapons systems, relay signals intelligence and use remote sensing for strategic purposes.

- **Cambodia denies reports of Chinese base in Gulf of Thailand.** Following a concerned letter by US Vice-President Mike Pence, Prime Minister Hun Sen publicly dismissed rumors that a Chinese naval base was under construction on Cambodia’s southwest coast.

### Cyber and space capabilities

- **US indicts Chinese spies for theft of trade secrets.** Amid a trade war with China, the US Department of Justice indicted ten Chinese intelligence agents in October. The Ministry of State Security (MSS)-affiliated hackers were accused of infiltrating the computer systems of US and French commercial aviation companies to steal trade and technology secrets. The indictment, the third in less than two months, signaled an escalating effort by US law enforcement authorities to crack down on cyber-espionage allegedly orchestrated by China. A previous instance of these efforts includes the extradition on October 9 of an MSS intelligence official from Belgium for attempting to steal trade secrets from GE Aviation and other US aviation and aerospace companies.

- **US, UK accuse China of massive cyber espionage.** In December, UK and US authorities accused China’s MSS of orchestrating one of the widest-ranging corporate espionage campaigns against the West and its allies uncovered to date. Two Chinese hackers were indicted in the two countries in the latest among repeated cybercrime cases attributed to the Chinese government. The attack, which would have been perpetrated for two years by a Chinese hacking group known as APT-10, targeted tech companies and government agencies in at least a dozen countries in order to steal trade secrets and technologies related to a host of industries, including aviation, satellites, factory automation, finance, consumer electronics, and others. China’s Foreign Ministry dismissed the claims as “fabricated.”

- **Chinese hackers target Australian organizations.** The website of the Lowy Institute, Australia’s leading foreign affairs think tank, has been subjected to repeated “watering hole” attacks launched by Chinese hackers in a likely attempt to spy on the institute’s extensive network of Australian government officials.
and visiting leaders. In October, an unknown source also stole sensitive data related to key national defense programs by hacking a Department of Defense subcontractor. A senior cybersecurity official told The Sidney Morning Herald that the attack may have been directed by China-sponsored hackers.

- **Report denounces unprecedented hardware hack, claims remain unconfirmed.** On October 4, a Bloomberg investigation citing unidentified sources denounced a major hardware hack allegedly perpetrated by PLA intelligence agents against almost 30 US tech companies. According to the report, which was dismissed by many of these companies, hackers would have inserted tiny microchips in server motherboards manufactured in China by US hardware maker Super Micro Computer, which supplies major tech giants. The malicious chips would have then made it to servers used by, among others, the US Department of Defense and the CIA. A hardware backdoor attack of this kind, if confirmed, would be unprecedented in scale and impact. The truthfulness of the report was disputed, but it nonetheless stirred a global debate on the security of supply chains in the face of increased cyber threats originating from China.

- **Security concerns mount over Huawei, CFO detained.** In August, Australia banned Chinese company Huawei – the world’s biggest producer of telecoms equipment – from providing 5G technology to its networks, citing major national security concerns. New Zealand and Japan followed suit, as US allies felt increasingly unable to verify the safety of having the Shenzhen-based firm supply equipment and software to their critical infrastructure. US government contractors were forbidden to deal with Huawei in the summer. On December 1, Huawei’s CFO Meng Wanzhou was arrested in Canada at the request of the United States for allegedly breaching US-imposed sanctions on Iran, committing financial fraud and conspiring to steal trade secrets from T-Mobile, among other charges. The arrest came shortly before Britain’s BT stripped Huawei from its core networks after the UK’s secret service chief had publicly warned of the security threats posed by the company, as well as by Beijing’s dominance of emerging technologies. Like any Chinese company, Huawei is required by law to collect data on behalf of its government whenever it is asked to do so, which reinforces claims that its technology poses major network security risks. The company has denied allegations that it facilitates espionage.

- **Two more Beidou satellites in orbit as China hits launch record.** In September, China launched two more Beidou-3 navigation satellites into orbit, setting a new annual launch record with its 23rd launch of the year. Beijing plans to complete the system of 35 active Beidou satellites by 2020 to provide coverage around the globe, rivaling the US’ GPS. The system offers a worldwide location service with an accuracy of five meters in the Asia-Pacific region and ten meters in other parts of the world. Despite its reportedly civilian aims, Beidou was originally conceived as an air defense program and is poised to provide the PLA with better weapon guidance and other advantages.

- **Boeing cancels China-backed satellite order.** In December, Boeing announced that it had canceled a GiSAT-1 satellite order from a US-based startup, which was suspected of being a front for the Chinese government, the Wall Street Journal revealed. US law prevents any US company from selling satellites or certain related technologies directly to the Chinese government or companies based in China.
Global security architecture

Influence in the UN

- **BRI language removed from UN documents.** Explicit references to the BRI were removed from a UN General Assembly resolution on the situation in Afghanistan, dated December 6, following what seems to be a concerted effort by a coalition of Indian, US and European diplomats to push back against China’s attempts to include its foreign policy concepts in UN documents.

- **China fails to stop UN briefing on Myanmar.** A UN Security Council briefing accusing Myanmar of genocide against Rohingya Muslims and urging the Council to take action was held in September, despite Chinese attempts to prevent the session.

- **Rohingya issue is between Myanmar and Bangladesh, says China.** During a UN summit meeting, China’s Foreign Minister Wang Yi said that the Rohingya issue "is in essence an issue between Myanmar and Bangladesh," as the UN prepares to set up a body that would investigate human rights abuses in Myanmar. Consistent with its traditional support for the Myanmar government, China voted against the Human Rights Council resolution on establishing the panel.

Non-proliferation

- **Beijing joins efforts to defend Iran nuclear deal.** After Washington’s withdrawal from the Joint Comprehensive Plan of Action (JCPOA), the 2015 landmark deal that lifted sanctions on Iran in exchange for the suspension of its nuclear weapons program, Chinese Foreign Minister Wang Yi joined counterparts from Britain, France, Germany, Iran and Russia at a first meeting, held in July, to discuss how to salvage the deal.

- **China pledges support for DPRK denuclearization.** At a meeting with his North Korean counterpart Ri Yong Ho during the UN General Assembly, Foreign Minister Wang Yi underlined China’s support for the process of denuclearization in North Korea, as well as for the improvement of ties between Pyongyang and Seoul. The pledge was renewed during Ri’s visit to Beijing in December, when Ri stressed his country’s commitment to halt the construction of its nuclear arsenal.

- **Chinese missiles would violate international treaty.** NATO Secretary-General Jens Stoltenberg said that Chinese medium-range missiles would violate the 1987 Intermediate-Range Nuclear Forces Treaty, were China to sign such agreement. “We support expanding this treaty so that China is also bound by it,” he said. His remarks came a month after US president Donald Trump threatened to pull out of the accord in response to Russia’s deployment of a missile system that Washington says breaches the accord, something that he eventually did in February 2019. The deputy director of the China Institute of Contemporary International Relations (CICIR, a Ministry of State Security-linked institute,) observed that Trump’s plan targeted Beijing. The US’ withdrawal could encourage a further escalation of China’s military buildup, particularly in the field of ballistic missiles.
Global cyber governance

- Tech giants shun Chinese internet conference in Wuzhen. While previous editions had hit headlines with the participation of Chinese top leaders alongside prominent US tech executives, the 5th World Internet Conference in Wuzhen was unusually low-profile, with many Chinese and foreign tech giants staying away. Notably, no prominent CCP leaders took part in the event. The apparent downplaying of the main platform aimed at showcasing China’s internet governance model, which is centered on China’s interpretation of “cyber sovereignty,” may reflect the government’s awareness of growing global as well as domestic criticism of China’s restrictive cybersecurity policies, particularly its pervasive censorship.
YOUR CONTACT FOR THIS ISSUE
Claudia Wessling, Head of Publications, MERICS
claudia.wessling@merics.de

EDITOR
Sabine Muscat
Claudia Wessling

PUBLISHER
MERICS | Mercator Institute for China Studies
Klosterstraße 64
10179 Berlin
Tel.: +49 30 3440 999 0
Mail: info@merics.de
www.merics.org

DESIGN
Iextract GmbH