

China Briefs

U.S. Adds 33 Chinese Firms to ‘Unverified List’

The U.S. Commerce Department announced Feb. 7 that it was placing 33 more Chinese companies on the Unverified List, preventing the sale of products to these companies on alleged “national security grounds.” Among the newly listed Chinese high-tech enterprises is WuXi Biologics. WuXi had to stop trading on the Hong Kong exchange as its stock plummeted 32% after the U.S. announcement. WuXi Biologics provides technology platforms and solutions to manufacturers of biologic drugs. It also builds manufacturing facilities for other pharmaceutical and biotech companies. The Commerce Department’s measures are clearly aimed at China’s supply chain, particularly in the area of high-tech products.

The Unverified List is in addition to the notorious Entity List, which restricts access to U.S. exports unless the exporter secures a license. The Unverified List involves companies for which the “legitimacy and reliability” cannot be verified through end-use checks. WuXi said that it was fully prepared to allow full inspection in order to get off the list. Forty percent of its products are sold in the U.S. The bans, therefore, will not only have a possible effect on the health and well-being of the Chinese population, but also of the U.S. population.

Chinese Military Analyst: Bring Afghanistan Into the SCO

An article published in the Chinese-language *Observer* on Feb. 4 by former

Senior Colonel Zhou Bo, now an analyst at Tsinghua University, calls on the countries of the Shanghai Cooperation Organization (SCO) to bring Afghanistan in as a full member (it now has observer status). He also calls on Russia and China to pressure the U.S. to release to the Taliban government the Afghan funds currently held by the Federal Reserve Bank:

“The aspiration of the international community is that the Taliban-led Afghan government will be moderate, tolerant, and resolute in its fight against terrorism. Although this cannot be guaranteed, the Taliban has at least made a correct statement so far, promising to protect people’s lives and property and respect women’s rights. Presumably, the leaders of this government have learned some lessons from the Taliban that held power before 9/11.

“The international community should therefore give the Taliban a chance to deliver on their promises, especially since the Afghan people are suffering from the world’s worst humanitarian crisis, compounded by harsh winters, drought and lack of international aid. According to reports, more than half of the country’s 40 million inhabitants face food insufficiency.

“How can the SCO help? First, as the *de facto* leaders of the SCO and permanent members of the UN Security Council, China and Russia should urge the U.S. to lift unilateral sanctions and unfreeze Afghanistan’s more than \$9 billion in overseas central bank reserves as soon as possible. So far, the Biden administration has provided aid but has not dealt directly with the Taliban government it detests.

“However, this doesn’t work. Aid groups have warned that 1 million Afghan children could die this winter,

according to *The New York Times*. It may be alarmist, but even if 10,000 children died, it would be a crime, not just a shame. If the Afghan people die with their money in your hands, people can confidently say that you caused them to die.”

While this may take some time, Zhou Bo notes, as the Taliban government is not recognized as having fully lived up to its promises, the SCO could already begin to liaise with Afghanistan under the present arrangements with the SCO, with the view of gaining membership as soon as possible. He continues:

“The advantage of having Kabul as a member is that the SCO can play a key role in mitigating the worst. As a member state, whoever runs the Afghan government must prevent extremist movements from spreading to neighboring countries. Membership also integrates Afghanistan into the political and economic map of the region, which is critical to its future prosperity. After all, more than 60% of Afghanistan’s trade is with SCO countries.”

China Calls Biden Decision on Afghan Funds ‘Banditry’

China responded on Feb. 15 to President Biden’s decision to allot a significant share of the Afghan government funds held by the U.S. to pay off 9/11 victims. Foreign Ministry Spokesperson Wang Wenbin:

“Without the consent of the Afghan people, the U.S. willfully disposes of assets that belong to the Afghan people, even keeping them as its own. This is no different from the conduct of bandits. This latest example has once

again laid bare that the “rules-based order” the U.S. claims to champion is not the kind of rules and order to defend the weak and uphold justice, but to maintain its own hegemony.

“As the culprit of the Afghan crisis, the U.S. should not exacerbate the suffering of the Afghan people. It should unfreeze their assets, lift unilateral sanctions on Afghanistan as soon as possible, and assume its due responsibility to ease the humanitarian crisis in the country.”

Again on Feb. 16, Wang Wenbin was asked about the U.S.-Canadian Declaration Against the Use of Arbitrary Detention in State-to-State Relations, which was clearly aimed at alleged detentions of Uyghurs in Xinjiang. Wang pointed to the obvious miscarriage of this “declaration” in the case of the forcible detention of Meng Wenzhou for over a year in Canada, but also the “detention” of Afghan government funds:

“How ironic it is that the U.S. and Canada issued statements one year after the Declaration Against the Use of Arbitrary Detention in State-to-State Relations was published on the grounds of human rights protection, when the U.S. is keeping Afghan people’s assets as its own. This gives us a vivid example revealing the hypocrisy and double standard of the U.S. and Canada, and helps the international community see the following facts even clearer.”

Xi Jinping to Hong Kong: Get Control of the COVID Outbreak

A major outbreak of COVID in Hong Kong has caused great concern in Beijing, which has largely succeeded in controlling the COVID-19 pandemic in the rest of the country.

There were over 6,000 new cases reported on Feb. 16, and over 14,000 confirmed cases since the fifth wave of COVID began in December. Hong Kong Chief Executive Carrie Lam has not made a decision to lock the island down, but is taking stringent measures to carry out testing and vaccinations. Many who tested positive were drivers coming into Hong Kong delivering food and other goods, so the outbreak is also affecting the food supply.

President Xi Jinping said that Hong Kong authorities should do everything to overcome the pandemic and that the resources of the entire nation would be available to help. He also said that Beijing will upgrade oversight by establishing a top-level coordinating group to ensure effective anti-pandemic work, led by the State Council’s Hong Kong and Macau Affairs Office and the National Health Commission.

The municipal government of Guangzhou, the mainland city closest to Hong Kong, is working overtime to send COVID antigen detection kits and construct new testing facilities in Hong Kong. It is also working to speed up production to cover the food shortages. Beijing has authorized an expert team to go to Hong Kong to help in the efforts.

China-France Agreement for Cooperation in Third-Country Projects

The government of China announced on Feb. 14 that the National Development and Reform Commission (NDRC), China’s economics ministry, had reached an agreement with the French Ministry of Economy and Finance to cooperate in third-country projects. The agreement originated in

June 2015, during an official visit to France by Chinese Prime Minister Li Keqiang. On that occasion, the two countries issued a joint statement on cooperation in third-party markets. But since then, French diplomats have complained that nothing has moved forward, that Beijing had continued to work alone, especially in Africa, as part of its BRI.

The France-China cooperation agreement concerns seven projects worth more than \$1.7 billion, “covering, among other things, infrastructure, environmental protection and new energies.” The projects include these, among others:

- Wastewater treatment in Dakar, a project supported by the French Development Agency and the China Development Bank.
- Three hydroelectric projects in Gabon, on which the Chinese company Sinohydro and the French companies Meridiam and Eranove will work.
- Port modernization in Côte d’Ivoire, thanks to cooperation between the Chinese company China Harbor and Cacib (the investment bank of Crédit Agricole Corporate and Investment Bank).
- Road improvements in Guinea by the China Road and Bridge Corporation (CRBC) and the French company Egis.
- A wind farm in Greece, on which China Energy Investment and Électricité de France (EDF) will cooperate.

The official silence from France suggests that Paris did not necessarily want to highlight this cooperation on the eve of the EU-African Union summit being held Feb. 17-18, whose “objective is to launch an ambitious Africa-Europe investment package,” at a time when the EU wants to compete with the Chinese BRI project by launching its own “Global Gateway” initiative.