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METRIX

101,500,000

That’s the number of people in China carrying the family name Wang. Wang is therefore the most common surname in China followed by Li, Zhang, Liu and Chen, according to a report by the Ministry of Public Security. The statistics show that 6,150 surnames were in use in China

in 2018. But almost one third of the population – 433 million people – shared the five most common family names.

TOPIC OF THE WEEK: CHINA REJECTS PUSH FOR NEW ARMS CONTROL TREATY

China defends multilateralism but rejects a new arms control treaty at MSC

China has rejected appeals to join a Cold-War-era arms control treaty while at the same time calling for multilateralism in international affairs. At the Munich Security Conference (MSC), which ended last weekend, China's top diplomat Yang Jiechi opposed the idea of a new global treaty to control intermediate nuclear missiles and insisted that Chinese missile capabilities were purely defensive.

The call for a global treaty had come from Germany's Chancellor Angela Merkel. Fearing a nuclear arms race after the collapse of the Intermediate-Range Nuclear Forces (INF) treaty, she **said at the conference** that "disarmament is something that concerns us all and we would of course be glad if such talks were held not just between the United States, Europe and Russia but also with China."

The INF Treaty was signed in 1987 between the United States and the Soviet Union and bans all ground-based missiles with ranges of 500 to 5,500 kilometers. The treaty does not cover air- or sea-launched missiles. The US announced in January that it would withdraw from the treaty later this year because of repeated Russian violations since 2014. Russia denies any wrongdoing.

Merkel's call for a new multilateral treaty is seen by many European diplomats at NATO as a potential way to save parts of the accord because a new treaty could address American concerns about a growing military threat from China and Russia. But speaking on a panel at the MSC, Yang Jiechi, a member of the CCP Politburo, immediately rejected the idea. "China develops its capabilities strictly according to its defensive needs and doesn't pose a threat to anybody else. So, we are opposed to the multilateralization of the INF," he said. He called on **Russia and the United States** to return to the treaty. In a speech earlier during the conference, Yang had called for multilateralism and "win-win cooperation".

China's rejection of a global arms control treaty is not unexpected. An INF-style treaty would cover the vast majority of China's missiles, which are mostly ground-based and intermediate-range. According to US estimates China has more than 2000 ballistic and cruise missiles. Under a treaty similar to the current INF regime, China would have to give up about 95 percent of them, including those directed at Taiwan and those that are seen as a deterrent against the United States.

Helena Legarda, research associate at MERICS: "China's swift rejection of a new multilateral INF treaty doesn't come as a surprise but makes Beijing's calls for more multilateralism ring somewhat hollow. The future of arms control is global and will at some stage have to include China's rapidly developing capabilities."

CHINA AND THE WORLD

China issues Turkey travel warning after Ankara criticizes treatment of Uighurs

China has warned its citizens traveling in Turkey to “be wary and pay attention to their personal safety” amid a row between the two countries over the treatment of the Uighur minority in Xinjiang. An estimated one million Uighurs are thought to be held in detention and re-education camps in the region as part of what Beijing describes as efforts to curb terrorism and extremism.

Turkey has called China's treatment of the Uighur minority a "great embarrassment for humanity", after it was reported that the poet and musician Abdurehim Heyit had died in detention. Beijing quickly described Ankara's comments as "vile." Chinese media released a short video to prove that Heyit was alive and in good health. The video's authenticity could not be independently confirmed.

Turkey is one of only a few countries with large Muslim populations that have openly criticized China over its treatment of the Uighurs. In recent years, Ankara and Beijing had developed closer relations, driven partly by Turkey's need to find new partners amid deteriorating relations with the European Union.

With the issuing of the travel alert, Turkey has become the third country being targeted by such a warning in the last six months. Beijing issued a travel alert for Canada after the arrest of Huawei CFO Meng Wanzhou and a similar warning for Sweden following accusations by some Chinese tourists that they had been mistreated by Swedish police.

News in brief

- Investment screening: EU lawmakers back scrutiny of foreign investment to protect strategic technologies and infrastructure in Europe.
- One-China policy: Air NZ plane forced to turn around after airline forgot to remove reference to Taiwan
- Eastern Europe: US pledges to fight Russia, China for “positive influence” in Nato's east
- Investigation: Swedish ambassador to China questioned over “bizarre” meeting with detained activist's daughter

POLITICS, SOCIETY AND MEDIA

Data leak exposes massive high-tech surveillance operation in Xinjiang

A data leak has shed more light on the close surveillance of people in the Xinjiang Uighur Autonomous Region (XUAR) in China's far West through sophisticated technology. The data leak, discovered by a Dutch internet expert, shows that a Shenzhen-based surveillance firm, SenseNets Technology, is tracking the daily movements of more than 2.5 million people. Victor Gevers, co-founder of the Netherlands-

based non-profit organization GDI.Foundation said the Chinese company had left its database containing names, ID card numbers, birth dates and location data unprotected for months. During a 24-hour-period a stream of nearly 6.7 million GPS coordinates were recorded, meaning the database was actively tracking people as they moved around.

The data leak illustrates the extent of surveillance in the Xinjiang region, home to the Muslim Uighur minority. Facial recognition technology and GPS tracking are only some of the technologies used in the region. Other measures include the mandatory installation of spyware in personal electronic devices and the collection of biometric data of all residents. Critics say these measures are all part of efforts by the Chinese government to establish almost complete control and surveillance. The leak also highlights the risks of public-private partnerships where governments outsource surveillance to private companies.

MERICs analysis: [Podcast with Adrian Zenz on re-education camps in Xinjiang.](#)

Digital “little red book” tops app stores in China

A propaganda tool teaching “Xi Jinping Thought” is trending as the most downloaded item in Chinese app stores. The app, “Xuexi Qianguo” (学习强国), which roughly translates as “Study (a) Strong Country with Xi” offers a collection of speeches, videos and learning materials about Xi Jinping’s take on how to make China a strong nation. The app, which was designed by the Central Propaganda Department of the CCP and reportedly by the internet giant Alibaba, is linked to the website xuexi.cn and is aimed at party cadres and the general public. A Beijing-based consultancy firm estimates that the app has been downloaded 43.7 million times since its launch at the beginning of the year.

The app requires real name registration and can track users’ activities. Users also receive points for completing certain studying tasks. These points accumulate and can be used as a point of reference for their employers and ultimately the Communist Party. The app is part of the CCP’s efforts to link propaganda and everyday politics and penetrate deep into all layers of society.

The app has been widely promoted by local governments and ministries across China. There have also been reports that some work units require employees to reach certain scores. Media reports quoted one woman from Shandong province who said she had to earn 66 points per day – which according to a screenshot of the learning record she posted took around two hours.

Social Credit System: millions banned from taking planes or trains

As the implementation of China’s ambitious Social Credit System accelerates, new data show the system’s teeth. As of the end of 2018 China had banned “discredited” people from taking more than 17.46 million flight trips and 5.47 million high-speed train trips.

The 2018 annual report released by the National Development and Reform Commission (NDRC) also shows that over 3.59 million Chinese enterprises were added to the official blacklist last year, banning

them from activities such as bidding for projects, accessing security markets or taking part in land auctions. Other measures for “untrustworthy” people include preventing them from buying premium insurance or shaming them by exposing their information in public.

The Chinese government promotes the blacklisting of individuals and companies under the slogan “dishonest in one area, restricted in all areas”. Once debt has been repaid, names can be removed from these lists. According to the [annual report](#) a total of 3.51 million so-called untrustworthy individuals and entities repaid their debts or paid off taxes and fines last year due to pressure from the system.

While some of the goals of the system such as enforcing court orders to repay debt are legitimate, critics consider the measures taken by the Chinese authorities as intrusive and in breach of privacy rights. The Chinese government has brushed off such objections and is beginning [to promote](#) parts of its Social Credit System internationally as a model for the swift and effective enforcement of court orders.

News in brief

- Advertising: [pictures of Chinese model's freckles cause heated debate over beauty standards](#)
- Hong Kong: [government proposes case-by-case extradition treaty with Taiwan, Macao and mainland China](#)
- Tibet: [foreign tourists banned ahead of 60th anniversary of uprising](#)

ECONOMY, FINANCE AND TECHNOLOGY

„Greater Bay Area“: Hong Kong and Macau to further integrate with Chinese mainland

The Chinese government has published a blueprint for the further integration of Hong Kong and Macau with Guangdong province. The development plan for what is called “The Greater Bay Area” was published on Monday and calls for close cooperation between the two special administrative zones and nine cities, including Guangdong’s capital Guangzhou and the special economic zone of Shenzhen.

The blueprint received mixed responses in Hong Kong. The city’s Chief Executive Carrie Lam welcomed the plan, saying it offered many new opportunities. Her positive assessment was echoed by leading Hong Kong business representatives and pro-Beijing politicians. Yet the leader of the pro-democracy Civic Party, Alvin Yeung, [condemned the plan](#) for failing to safeguard Hong Kong’s legal system and the principle of “one country, two systems.”

The proposed “Greater Bay Area”, home to about 70 million people, is an economic power house with an annual GDP of 1.6 billion USD – that is roughly the GDP of South Korea. The success of the region is therefore of strategic interest to Beijing. Highlighting these interests are provisions in the development plan that explicitly link the region to central government projects like the Belt and Road Initiative (BRI).

The moniker “Greater Bay Area” is by no means a coincidence. Officials are trying to emulate the San Francisco Bay Area, including Silicon Valley, and want innovation to be the driving force in the region.

The Chinese government said that the framework for implementing the development plan will be set up within the next three years. By 2035 the markets within the area are expected to be highly connected. However, many experts believe that integrating the different economic and financial systems within that timeframe might prove difficult.

China's car sales tumble amid economic uncertainty

China's automobile sales fell for a seventh straight month in January, the country's top auto industry association said earlier this week, as demand slowed in the world's largest auto market.

The China Association of Automobile Manufacturers (CAAM) **reported** a drop in car sales of 15.8 percent (year-on-year) to 2.37 million vehicles in January. Yet sales in new-energy vehicles, albeit still a niche market, continued to buck the trend, totaling 95,700 last month. That is an increase of 140 percent compared to January 2018.

The declining sales figures in an important manufacturing sector highlight China's ongoing economic challenges, driven by sluggish demand, slowing growth, uncertainty due to the unresolved US-China trade dispute and slow financial sector reform.

The economic difficulties were also on the agenda at the annual gathering of the country's top economists last weekend. Speakers at the **Chinese Economist 50 Forum** acknowledged that slow structural reforms were putting pressure on the economy and were slow to generate tangible results. Yet there was no consensus among the experts on how to stabilize and stimulate the economy in the short run. The forum also noted that small and medium-sized companies faced difficulties, especially in securing bank loans, further squeezing private-sector activity.

News in brief

- Loans: **Chinese banks make record lending of 3.32 trillion RMB in January**
- Acquisition: **Ant Financial acquires UK money transfer company WorldFirst**
- EU-China: **5G research project proceeds despite concerns about Huawei**

THE EUROPEAN VIEW

Sino-British trade talks cancelled after controversial speech by UK defense secretary

A speech by UK defense secretary Gavin Williamson has apparently prompted China to cancel trade talks between the two nations in protest. The talks between Chinese vice premier Hu Chunhua and Britain's finance minister Philip Hammond had been scheduled for last weekend, **media reports** say, but were called off after the British defense secretary implicitly threatened to deploy an aircraft carrier in the South China Sea. Neither the talks nor the cancellation have been officially confirmed.

In his speech on Britain's post-Brexit defense and security policies, Williamson noted China's military modernization and the need to defend the international rules-based order. He also announced that the British navy's state-of-the-art aircraft carrier, the HMS Queen Elizabeth, would sail to the Mediterranean and the Pacific on her first operational mission in 2021 – this was widely interpreted as including a Freedom of Navigation Operation (FONOP) in the South China Sea. The announcement angered China but also **provoked criticism** in the UK.

The apparent cancellation of the talks comes at a difficult time for the UK as it struggles to navigate the Brexit process and its wider implications. The UK needs deeper trade relations with countries like China to recoup likely losses of the departure from the EU Single Market and Customs Union and deliver a central promise of the Leave campaign: sealing bilateral free-trade agreements. The economic goals, however, must be balanced with the UK's growing contribution to US-led FONOPs countering Chinese influence in the contested waters of the South China Sea.

PROFILE: Ambassador Shi Mingde

Experienced diplomat leaves Germany

He has helped shape bilateral relations between China and Germany for almost four decades: Shi Mingde, the 64-year old career diplomat who is leaving his post next week to return to China. His successor is Wu Ken, currently ambassador to the Netherlands.

Germany has been the focus of Shi Mingde's professional life. He started to learn German as a nine-year old boy in 1964 and visited East Germany for the first time as a young man. He returned to the communist GDR as a student in 1972 and took up his first posting as a diplomat in the Chinese Embassy in East Berlin in 1976.

After the fall of the Berlin Wall, Shi held various positions in the Chinese embassy in the united Germany, first in Bonn, later in Berlin, and was appointed Chinese ambassador to Germany in 2012. His language skills and his comprehensive knowledge of Germany made him the perfect choice for the job, as one **German newspaper** noted at the time. Shi's whole family – including his daughter-in-law - speak German. His wife has translated German-language books into Chinese – including novels by Nobel Literature laureates Heinrich Böll and Elfriede Jelinek and biographies of former German Chancellor Gerhard Schröder and current head of government Angela Merkel.

Similar to other Chinese diplomats, Shi Mingde's attitude and tone as ambassador have changed over the years, reflecting China's growing confidence on the international stage. He has repeatedly challenged Germany – despite the two countries deepening economic and political ties. Amid debates about Chinese investments in Europe last May, **he criticized** what he called growing protectionism in Germany. He also complained about German media coverage of China and accused one broadsheet, **Süddeutsche Zeitung**, of violating the one-China policy, after the newspaper published an interview with Taiwan's foreign minister. He took his criticism one step further when, in November 2018, he wrote to

the German parliament, the Bundestag, complaining about a debate on human rights violations in Xinjiang. The parliament had proceeded with its debate **despite Chinese objections**, Shi said. On other occasions, he has **emphasized** that China's relations with Germany were closer than with any other European country.

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