

The China–Taiwan Weekly Update



China-Taiwan Weekly Update, January 30, 2025

Authors: Matthew Sperzel, Daniel Shats, Alison O’Neil, Karina Wugang, and Frank Mattimoe of the Institute for the Study of War;

Alexis Turek and Yeji Chung of the American Enterprise Institute

Editors: Dan Blumenthal and Frederick W. Kagan of the American Enterprise Institute

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The China–Taiwan Weekly Update is a joint product from the Institute for the Study of War and the American Enterprise Institute. The update supports the ISW–AEI Coalition Defense of Taiwan project, which assesses Chinese campaigns against Taiwan, examines alternative strategies for the United States and its allies to deter the Chinese Communist Party’s (CCP) aggression, and—if necessary—defeat the People’s Liberation Army (PLA). The update focuses on the Chinese Communist Party’s paths to controlling Taiwan and cross–Taiwan Strait developments.

Key Takeaways

- **New restrictions on Taiwan’s Constitutional Court procedures went into effect without a constitutional review after President William Lai Ching-te signed them into law. The amendments will paralyze the court’s ability to review laws until the Legislative Yuan (LY) approves new judicial nominees to fill vacant seats.**
- **Constituents and political organizers in Taiwan have begun recall campaigns for 35 KMT legislators and 4 DPP legislators amid rising discord within the LY. Mass recalls of KMT legislators are unlikely to give the DPP control of the LY but could increase partisan infighting and anti-DPP sentiment in the opposition.**
- **Taiwan indicted retired Lieutenant General Kao An-kuo and five others for organizing an armed group in collaboration with the CCP to aid the PLA in the event of an invasion against Taiwan. Kao is Taiwan’s highest-ranked former military officer to be accused of espionage.**
- **The Chinese Coast Guard and Philippines Coast Guard continued their standoff in the Philippine Exclusive Economic Zone for the 4th week as the People’s Republic of China (PRC) “allowed” a resupply mission to Second Thomas Shoal and prevented Philippines fisheries bureau vessels from collecting sand samples at Sandy Cay for scientific research.**
- **Anonymous security officials from two Western countries said that two Iranian-flagged cargo vessels will deliver over 1,000 tons of sodium perchlorate, a key ingredient in missile propellant, from the PRC to Iran in the next few weeks.**

Cross-Strait Relations

Taiwan

New restrictions on Taiwan’s Constitutional Court procedures went into effect without a constitutional review after President William Lai Ching-te signed them into law. The amendments will paralyze the court’s ability to review laws until the Legislative Yuan (LY) approves new judicial nominees to fill vacant seats. Republic of China (ROC - Taiwan) President Lai signed amendments to the Constitutional Court Procedure Act (CCPA) into law on January 23. The law went into effect on January 25, though Lai and his Democratic Progressive Party (DPP) requested a constitutional review and an injunction.[1] The new law requires at least 10 justices (out of a total of 15 seats on the court) to be present to hear a case, and at least nine of them to vote a law unconstitutional. The current court has only eight sitting justices, since the terms of seven justices expired in October. The LY rejected all of Lai’s nominees to fill the vacancies in December. The law will thus impede the court from striking down any legislation that the LY passes until the LY approves at least two new justices, removing the DPP’s last recourse for preventing the implementation of laws passed by the opposition-controlled legislature.

The Constitutional Court said that it was handling the case “in accordance with the law” and had not made a ruling as of January 24. “In accordance with the law” may mean that the court will not hear the case until it has at least 10 justices; the court did not clearly state this, however. A constitutional review of the new CCPA amendments without the requisite 10 justices would violate the new law and trigger a constitutional crisis in Taiwan.[2] The court can strike down the law in the future when it does have at least 10 justices, however. The current eight justices are all DPP appointees. The Kuomintang (KMT) and Taiwan People’s Party (TPP) thus have an incentive to continue blocking Lai’s judicial nominees as long as possible if they wish to remove the court as an obstacle to their legislative agenda, such as the large budget cuts they passed on January 21 – including to the defense budget – and the recall procedure amendments. Lai has yet to nominate replacement candidates for the court.

Both the paralysis of the court and the constitutional crisis that will ensue if it violates the law to make a ruling will increase the dysfunction in Taiwan’s government to the benefit of the People’s Republic of China (PRC). The paralysis of the court will make the Lai administration unable to block major budget cuts and other obstacles to executive power that will hamper Taiwan’s ability to fund and operate its military, coast guard, and various civil defense initiatives which it uses to resist PRC coercion and infiltration. A constitutional crisis, on the other hand, will worsen the deep divisions between the ruling and opposition parties and further the impression that Taiwan’s government cannot function properly, an impression that will reduce the faith that the Taiwanese people and Taiwan’s international partners have in the Lai administration.

Taiwan’s Executive Yuan asked the LY to hold a revote on new legislation that would alter the requirements for recalling elected officials. DPP legislators criticized the KMT’s and TPP’s proposed legislation for making it much more difficult to recall elected officials.[3] The LY passed the KMT’s proposed changes to the Public Officials Election and Recall Act on December 20, with provisions requiring petitioners to submit copies of their IDs when initiating or signing a recall effort.[4] The DPP has widely criticized these new amendments for placing an undue burden on voters and making it more difficult to recall elected legislators. The KMT-led Legislative Yuan submitted the amendment to the Executive Yuan for deliberation just before the end of the workday on January 24, ahead of the week-long Lunar New Year holiday, an act that Taiwan Premier Cho Jung-tai called a “nakedly political calculation.” The Cabinet asked the Legislative Yuan to reconsider the legislation in a second vote. The LY is likely to pass the legislation again on a second vote, the request for which must first be approved by President Lai, as it can do so with a simple majority, after which President William Lai Ching-te will have to sign the amendments.[5]

Constituents and political organizers in Taiwan have begun recall campaigns for 35 KMT legislators and 4 DPP legislators amid rising discord within the LY. Mass recalls of KMT legislators are unlikely to give the DPP control of the LY but could increase partisan infighting and anti-DPP sentiment in the opposition.[6] DPP Legislative Minority leader Ker Chien-ming

proposed recalling all 41 KMT and KMT-aligned directly elected legislators on January 21 following the announcement of KMT-led budget cuts, though not all DPP legislators agree with widespread recalls of KMT legislators.[7] Various civic groups have initiated signature campaigns to recall 35 of the legislators across the country. The KMT has retaliated with recall petitions against four DPP legislators so far. Taiwanese law states that at least 1% of the total voters in a district need to sign proposals for recall to trigger a recall election. If a majority votes to recall the official and the number of “yes” votes is at least one-quarter of the total number of voters in the original election district, the official is removed from their position. A special election must be held within three months to fill the position.[8]

The LY currently has no clear majority party, with the DPP holding 51 seats, the KMT holding 54 (including two KMT-aligned independents), and the TPP holding 8 seats. The TPP has largely aligned with the KMT in the LY, thus giving the opposition a majority in practice. 13 KMT lawmakers, 13 DPP lawmakers, and all eight TPP lawmakers were appointed to their seats through proportional representation rather than direct election and thus have no direct constituency that can recall them. Not all of the 35 KMT legislators targeted by recall efforts so far live in politically competitive districts, so a mass recall of all KMT legislators is highly unlikely. The DPP could gain the 57 seats necessary for a majority if it can successfully recall six KMT legislators, win the special elections to replace them, and maintain all of its current seats, however. Recall group organizers have stated their desire to hold these votes as quickly as possible in order to initiate a recall before the KMT and TPP-proposed amendments come into effect and make such efforts more difficult.[9]

Taiwan indicted retired Lieutenant General Kao An-kuo and five others for organizing an armed group in collaboration with the CCP to aid the PLA in the event of an invasion against Taiwan. Kao is Taiwan's highest-ranked former military officer to be accused of espionage. The Taiwan High Prosecutors Office indicted retired Army Lieutenant General Kao An-kuo and five others for violating Articles Two and Seven of the National Security Act.[10] The Ministry of National Defense’s Political Warfare Bureau initially reported the group’s activities in 2022.[11] Kao allegedly formed and led the pro-unification group “Republic of China Taiwan Military Government” in 2018 in order to establish armed units and operational bases in Taiwan to assist the PLA in the event of an invasion of Taiwan.[12] The group allegedly also received funding from the CCP amounting to NT\$9.62 million (over a quarter million USD) and met with CCP intelligence officers in the PRC as cross-strait “exchanges.”[13] China Unification Promotion Party (CUPP) President Chang An-lo notably assisted the group’s travel between the PRC and Taiwan. The Ministry of the Interior is currently trying to forcibly disband the CUPP for interfering in Taiwanese politics on behalf of the CCP. [14]

Kao and his group allegedly attempted to recruit active-duty military personnel to gather classified information and surveil strategic deployments. They also allegedly used drones to practice surveillance operations on mobile military radar vehicles and over combat exercises.[15] Kao’s indicted co-conspirators included his girlfriend Liu Yi-chen, Taiwan military spokesman Hou Shao-kang, retired Army Command Logistics Department Major Chang Sheng-hao, retired Army Lieutenant Chiu Rong-hung, and an individual named Chen Jing-huai.[16] A spokesperson from the Ministry of National Defense said that no active-duty personnel are involved in the case and there have not been significant leakages of national defense information.[17] Kao had previously attended a forum in Xiamen, PRC, in 2014 with other retired generals to call on the Taiwanese army to not prevent the PLA from attacking Taiwan, and he also published a highly controversial YouTube video calling for the military to overthrow the DPP-led government in 2021.[18] Taiwan's National Security Bureau report on January 12 highlighted that PRC intelligence operatives have actively attempted to recruit retired and active-duty military officers, as noted in previous ISW coverage, and that two-thirds of spies had a ROC military affiliation.[19] This particular case differs from typical espionage cases in that Kao is the highest-ranked former military official charged with espionage in Taiwanese history, and he was allegedly actively organizing and training armed collaborators on behalf of the CCP. [20]

KMT legislator Jessica Chen Yu-jen from Kinmen met with the Director of the PRC Taiwan Affairs Office (TAO) Song Tao at a PRC-organized Lunar New Year ball in Fujian and called on Taiwan’s Mainland Affairs Council (MAC) to allow PRC tourists to visit Taiwan. Chen stated that Beijing already allowed tour groups from Shanghai and Fujian Province to visit Taipei, though Taipei has not yet approved the applications for any PRC tour groups. She called for the MAC to continue to welcome tourists and restart issuing visas for trips to Kinmen.[21] Taiwan’s Kinmen County, an archipelago located just two miles from the PRC, holds broadly pro-KMT and PRC-friendly views. Local KMT politicians have expressed support for a free trade zone with the PRC and the construction of a bridge between Kinmen and Xiamen, a nearby PRC city.[22]

Chen has previously been active in negotiations and ties with the PRC. She joined a delegation of KMT legislators visiting Beijing in April 2024 as part of a trip to “break the ice” between Taiwan and the PRC before President Lai’s inauguration and participated in negotiations to release a Taiwanese fisherman who had been held in the PRC for nearly five months.[23] Secretary-general of the DPP Legislative Yuan Caucus Rosalia Wu Szu-yao criticized Chen for attending the TAO-organized ball. She criticized the lawmaker’s efforts to cut the Ministry of Culture’s public television budget and then go to a TAO-organized event “to please China.[24]

The PRC has sought to expand economic integration between its Fujian province and Taiwan, particularly in the last few months. Chairman of the Chinese People’s Political Consultative Conference (CPPCC) Wang Huning, the CCP’s top-ranked official responsible for Taiwan Affairs, unveiled a plan for the “integrated development” of Taiwan with the PRC in 2023 to make Fujian “into a model region for attracting Taiwanese businesspeople and youthful immigrants.”[25] Fujian’s efforts to increase cross-strait integration include measures to make it easier for Taiwanese nationals, especially from the offshore islands of Kinmen and Matsu, to live, work, study, and travel in Fujian. Measures have included issuing PRC ID cards to Taiwanese residents of Fujian and recruiting Taiwanese officials in local governments.[26] The PRC has likely de-emphasized coercive measures against Kinmen that it began in early 2024, including incursions into Kinmen’s prohibited waters, military exercises near Kinmen, and aggressive law enforcement against Kinmen fishermen, to avoid alienating Kinmen residents and politicians as it promotes policies of “peaceful integration.”

Month	Exchange, Integration, and Conciliatory Measures	Coercive Measures
January 2024	<ul style="list-style-type: none"> Fujian announces new measures to advance the Fujian Cross-Strait Integration Pilot Zone, which debuted in 2023. Measures are meant to encourage Taiwanese to live, work, invest, study, and travel in the PRC by providing PRC resident cards, healthcare and social security, various financial incentives, and other benefits. 	
February 2024		<ul style="list-style-type: none"> PRC begins “law enforcement patrols” into waters around Kinmen after two PRC fishermen die fleeing Taiwanese coast guard. It denies the existence of Taiwanese jurisdiction in these waters. It normalizes 3-4 CCG patrols in Kinmen’s restricted waters every month afterwards.
March 2024		<ul style="list-style-type: none"> CCG boards and inspects a Taiwanese tourist boat near Kinmen CCG rescues two Kinmen fishermen and detains one after discovering he is a soldier CCG carries out patrols in Kinmen’s restricted and prohibited waters
April 2024	<ul style="list-style-type: none"> PRC hosts KMT delegations including former president Ma Ying-jeou, legislative caucus whip Fu Kun-chi, and legislator from Kinmen Jessica Chen. Ma meets with Xi Jinping Chen negotiates the return of one fisherman detained in March 	<ul style="list-style-type: none"> CCG carries out patrols in Kinmen’s restricted waters and possibly also prohibited waters
May 2024		<ul style="list-style-type: none"> PLA Joint Sword-2024A exercise after President Lai’s inauguration includes CCG incursions around Kinmen and Matsu CCG carries out a record 8 patrols in Kinmen waters and 2 in Matsu waters in one month, most entering prohibited waters. PRC fisheries ships join one CCG patrol around Kinmen Two PLA supply ships enter Kinmen’s restricted waters A PLA drone hovering 5 nautical miles from the Matsu airport disrupts civilian flights. CCG carries out patrols in Kinmen’s restricted waters
June 2024		<ul style="list-style-type: none"> CCG carries out patrols in Kinmen’s restricted waters
July 2024	<ul style="list-style-type: none"> PRC and Taiwan resolve negotiations over February Kinmen incident 	<ul style="list-style-type: none"> PRC detains Taiwanese fishing boat near Kinmen for illegal fishing in PRC waters for the first time in 17 years CCG carries out patrols in Kinmen’s restricted waters CCG carries out patrols in Kinmen’s restricted waters
August 2024	<ul style="list-style-type: none"> PRC resumes tourism to Kinmen and Matsu PRC releases the Kinmen fishermen it detained in March PRC releases crew of the fishing boat detained in July, but continues to hold the captain 	
September 2024		<ul style="list-style-type: none"> CCG carries out patrols in Kinmen’s restricted waters
October 2024	<ul style="list-style-type: none"> Fujian announces new measures for cross-strait integration zone 	<ul style="list-style-type: none"> PLA Joint Sword 2024B exercise includes incursions around Matsu but not Kinmen CCG carries out patrols in Kinmen’s restricted waters CCG carries out patrols in Kinmen’s restricted waters
November 2024	<ul style="list-style-type: none"> PRC releases detained Taiwanese fishing captain 	
December 2024	<ul style="list-style-type: none"> PRC hosts former ROC president Ma Ying-jeou 	<ul style="list-style-type: none"> Unannounced PLA exercise around Taiwan excludes Kinmen and Matsu CCG carries out patrols in Kinmen’s restricted waters CCG carries out patrols in Kinmen’s restricted waters
January 2025	<ul style="list-style-type: none"> Fujian announces new cross-strait integration measures TAO hosts Lunar New Year celebration and invites Kinmen politicians 	<ul style="list-style-type: none"> CCG carries out patrols in Kinmen’s restricted waters

The Taiwanese government has created a blacklist of 52 PRC-owned ships that warrant greater scrutiny to keep track of the PRC’s growing “shadow fleet” of ostensibly commercial vessels that act on behalf of the PRC.[27] The Tokyo Memorandum of Understanding (MOU), an inter-governmental co-operative organization in the Asia-Pacific devoted to ensuring effective port state control, passed on a list of “problematic” ships to Taiwan, which the Taiwanese government later narrowed down to certain ships owned by PRC individuals or entities. The list focuses on cargo ships that are registered in Cameroon, Tanzania, Mongolia, Togo, and Sierra Leone. These five countries have the largest number of ships with problematic documentation, violations of maritime safety and labor regulations, or evasion of sanctions, according to Tokyo MOU.[28]

Taiwan’s creation of the list follows an incident on January 3 in which the PRC-owned, Tanzania-flagged cargo ship *Xing Shun 39* severed an undersea cable off the coast of Taiwan, in what the Taiwanese Coast Guard noted was a possible act of PRC sabotage. The ship was also registered in Cameroon as the *Shun Xing 39*. Public ship tracking data revealed the vessel’s erratic voyage path off the northern coast of Taiwan coast for several months, during which time it switched its

automatic identification system (AIS) code to display different names and countries of registration over a dozen times.[29] The ship departed the area for Busan, South Korea, after the cable damage occurred, prompting the Taiwanese Coast Guard to ask South Korean authorities to question the captain and crew of seven PRC nationals when the ship arrived at its destination. The Taiwanese Coast Guard Administration (CGA) stated on January 7 that its parent agency, the Ocean Affairs Council, convened an interagency meeting to create contingency plans for responding to and investigating future undersea cable damage incidents.[30] Taiwan's Ministry of National Defense (MND) announced on January 15 that it would strengthen maritime surveillance by the coast guard and navy in four areas around Taiwan where undersea cables are located.[31]

The Taiwanese Coast Guard also boarded the Mongolia-flagged, PRC-owned freighter Bao Shun on January 23. Taiwan's blacklist designates the ship as a medium threat.[32] The Taiwanese Coast Guard instructed the ship to leave Taiwanese waters after it had lingered off the coast for two months near areas with a high density of undersea cables.

Chief Executive Officer Ho Cheng-hui of the Taiwanese non-profit civil defense organization Kuma Academy characterized the cable-cutting incident on January 3 as a test by the PRC to gauge international tolerance for its gray zone activities against Taiwan.[33] Ho noted that PRC sabotage against Taiwanese infrastructure has created a strategic imperative for Taiwan to increase its telecommunications resilience with low and medium Earth orbit satellites. An AEI-ISW report from May 2024 on PRC short-of-war coercion against Taiwan highlighted the high likelihood that the PRC would attempt to informationally isolate the island in a concerted coercion campaign through undersea cable-cutting and other forms of sabotage and electronic warfare.[34]

ROC legislative speaker Han Kuo-yu and his delegation met with US officials to discuss opportunities for US-ROC cooperation following US President Donald Trump's inauguration in Washington, DC. The ROC delegation met with 24 members of the US Congress including House Foreign Affairs Committee chairman Michael McCaul and Senate Committee on Commerce, Science, and Transportation chairman Ted Cruz on January 21.[35] The Taiwanese group also met with US think tanks. Discussions focused on US-Taiwan relations, culture, education, technology, and commerce as well as ROC security.[36] Taiwanese delegates discussed the pharmaceutical industry and maritime patrols as potential areas for US-ROC cooperation. The delegation was united in its stance against double taxation.[37]

Han said that he was impressed with the "strength of cross-party support for Taiwan in the U.S. Congress." [38] Han's tripartisan delegation of legislators from the KMT, DPP, and TPP were in Washington to attend Donald Trump's inauguration but were initially unable to attend it in person after the event was moved indoors. Han told Taiwanese media, however, that he and Taiwan's representative to the United States Alexander Yui Tah-ray ultimately were able to view the inauguration from Emancipation Hall at the Capitol Visitor Center, a short distance from Trump.[39]

The Trump administration has given early signals of its intent to maintain informal defense ties with Taiwan despite maintaining a hardline stance economically. Trump's first administration increased the frequency of US naval transits through the Taiwan Strait while presiding over lower levels of arms sales to Taiwan than the Obama administration.[40] Trump reportedly called Taiwan "a major issue for world peace" and signaled his administration's intent to address the situation in Taiwan in a meeting with former Japanese first lady Akie Abe in December 2024.[41] ROC National Security Council deputy secretaries-general Lin Fei-fan and Hsu Szu-chien traveled to Washington, DC, to meet with "people connected to President-elect Donald Trump's transition team" in December 2024.[42] Trump announced new tariffs against Taiwanese steel, pharmaceuticals, and semiconductors on January 27.[43] ROC Economic Affairs Minister Kuo Jyh-huei said that he anticipated that Trump's tariffs would have little economic impact. The Ministry said that it would "cooperate between the two sides to ensure that Taiwan's and US' industries and national interests can develop in a mutually beneficial way in the face of global challenges." [44] The Trump administration has yet to appoint new officials to lead the American Institute in Taiwan (AIT), the de facto US embassy in Taiwan, at time of writing.[45]

China

PRC Foreign Minister Wang Yi held a phone call with US Secretary of State Marco Rubio to discuss the direction of US-PRC relations during President Donald Trump's second term. Secretary Rubio told Wang that the United States does not support Taiwanese independence. Secretary Rubio called for cross-strait issues to be resolved peacefully and said that the United States would speak frankly and properly handle differences between both sides.[46] Wang asked the United States to respect Beijing's position on Taiwan. He also told Rubio to "comport [him]self well" (好自为之).[47] The PRC sanctioned then-Senator Rubio twice over his comments, bills, and other actions that were critical of the PRC's human rights record.[48] The PRC has not clarified whether it would lift the sanctions on Rubio now that he is the US Secretary of State. US State Department spokeswoman Tammy Bruce gave a statement after Rubio's phone call in which she expressed serious concern over the PRC's coercive actions against Taiwan and in the South China Sea and stated that the United States would support allies and partners in the Indo-Pacific.[49] Secretary Rubio expressed the same sentiments about the South China Sea when speaking with Vietnamese Deputy Prime Minister and Foreign Minister Bui Thanh Son before the call with Wang.[50]

The PRC's Central Commission for Discipline Inspection (CCDI) placed Xue Jianguo, a former executive for China North Industries Corporation (Norinco), one of the PRC's largest defense contractors, under investigation for corruption. The CCDI reported that Xue was placed under investigation for suspected "serious violations of discipline and law," though specific details on the nature of Xue's actions have not yet been released.[51] Xue was the chairman and Communist Party Secretary of Harbin First Machinery Group, a Norinco subsidiary, until 2010. Xue continued to work with Norinco from 2010-2015, primarily working to promote the use of the PRC GPS system Beidou and overseeing the commercial and civilian applications of the system. In 2015 Xue was appointed chairman and party secretary of a Norinco financial subsidiary based in Shanghai. Norinco Group is one of the world's largest defense contractors producing a wide variety of military equipment including artillery, air defense and anti-missile systems, anti-tank missiles, precision-guided missiles, and armored vehicles, among others. Norinco Group has hundreds of subsidiaries and affiliated research institutes within the PRC and internationally.[52]

The PRC has announced numerous corruption investigations over the last few years of individuals connected with defense contracting and equipment procurement for the People's Liberation Army (PLA). Mid-2023 to early 2024 saw a wave of purges and corruption investigations among high-ranking PLA officers associated with defense acquisitions, especially for the PLA Rocket Force, and civilian leaders of the PRC's defense industry.[53] This series of purges, which included former PRC Defense Minister Li Shangfu and former PLA Rocket Force commander Li Yuchao, resulted in significant speculation regarding PLA capabilities and leadership.[54] A more recent series of PLA purges including the removal of top PLA political commissar Miao Hua appeared to be centered around ideological alignment. Xue's corruption charges are more likely an indication of additional corrupt elements within the PRC defense sector rather than of ideological disloyalty, however.

Northeast Asia

North Korea

The US Department of Justice indicted two North Koreans and foreign facilitators for generating revenue for the Democratic People's Republic of Korea (DPRK) by securing remote information technology (IT) work with US companies on January 23. The North Koreans allegedly used a Chinese bank account to launder the proceeds. [55] Federal Bureau of Investigation (FBI) Cyber Division Assistant Director Bryan Vorndran described the case as "a years-long plot to install North Korean IT workers as remote employees," generating funds for the DPRK regime while evading sanctions. The indicted individuals, Jin Sung-il and Pak Jin-Song, and their co-conspirators allegedly worked with at least 64 US companies between April 2018 and August 2024, generating over \$866,255, which was laundered through "a Chinese bank account."

US nationals Erick Ntekereze Prince and Emanuel Ashtor allegedly helped facilitate the scheme by operating a “laptop farm” to deceive companies into thinking they hired US-based workers. The operation involved wire and mail fraud and the theft of sensitive data. The FBI issued a public advisory on January 23 and warned about the North Korean IT workers engaged in cybercrime, including extorting companies by holding stolen data hostage for ransom.[56] Estimates from a UN Panel of Experts report suggest that around 3,000 North Korean IT workers generate about \$250 million to \$600 million annually, with funds supporting North Korea’s weapons programs and Russia’s invasion of Ukraine.[57] Research from the Center for Strategic and International Studies (CSIS) indicates that the PRC not only assisted DPRK IT workers by providing technical training and job opportunities but also hosts DPRK cyber units in Shenyang and Dandong. Dandong is on the PRC-DPRK border while Shenyang is the capital of the same province, Liaoning.[58] The recent indictment highlights the PRC’s continued role in facilitating illicit North Korean cyber operations.

Southeast Asia

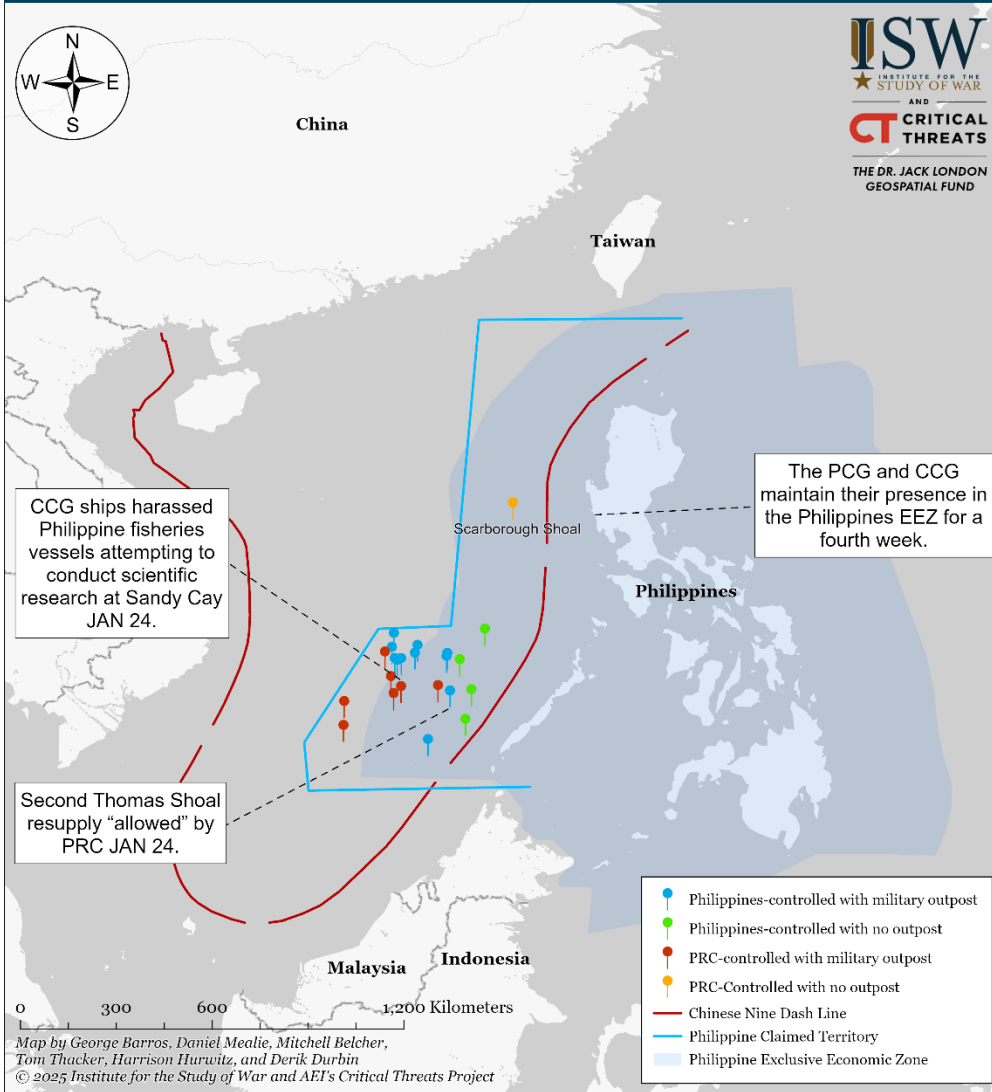
Philippines

The Chinese Coast Guard (CCG) and Philippines Coast Guard (PCG) continued their standoff in the Philippine EEZ for the 4th week as the PRC “allowed” a resupply mission to Second Thomas Shoal and prevented Philippines fisheries bureau vessels from collecting sand samples at Sandy Cay for scientific research. The PCG sent the *BRP Cabra* to prevent the CCG-3103 vessel from approaching the Zambales coastline. The CCG-3103 was lurking within 90 nautical miles of the coastline, and appears to have been relieved by the CCG-3104 on January 28.[59] PCG spokesperson for the West Philippine Sea Commodore Jay Tarriela stated that the Chinese Coast Guard also deployed the CCG 3304 to relieve the CCG-3103, and the CCG-5901 (the 12,000-ton “monster ship”) has also been in the vicinity.[60] The CCG incursion into waters near the Philippine islands has now lasted a fourth week as the PRC continues its gray zone operations to challenge Philippine maritime claims.

The CCG claimed that it “allowed” the Philippines to conduct a resupply mission on January 24, to Second Thomas Shoal, where the Philippines has operated a small military outpost from the grounded warship BRP *Sierra Madre* since 1999.[61] CCG Spokesperson Liu Dejun said that the CCG gave permission and supervised the Philippines’ civilian ship delivering daily necessities to the warship grounded on the shoal, which serves as a Philippine military outpost.[62] This is the 5th resupply mission since the signing of the provisional agreement between the PRC and the Philippines in July 2024. The PRC attempted to stop several resupply missions to the shoal in 2024, including one incident that resulted in a violent clash between CCG and Philippine navy personnel, but has not interfered with resupply missions to the shoal since the agreement.[63] The PRC continued to act aggressively towards official Philippine vessels in other areas of the South China Sea, however, including an incident on December 4 in which a CCG ship blocked, sideswiped, and deployed a water cannon against a Philippine Bureau of Fisheries and Aquatic Resources (BFAR) vessel near Scarborough Shoal.[64]

Two Philippine BFAR vessels were harassed by three CCG ships and a PRC Navy helicopter on the same day, forcing them to stop their survey operations.[65] The Philippine ships intended to collect sand samples at Sandy Cay. The CCG claimed that the Philippine ships were attempting to “illegally land on the reef and collect sand samples.” Sandy Cay is an unoccupied reef that the Philippines, PRC, Taiwan, and Vietnam all claim. It is only a few miles away from Thitu Island in the Spratly Islands.[66] A similar incident also occurred on March 21, 2024, when CCG ships and a military helicopter attempted to block Philippine researchers from accessing Sandy Cay.[67] The PRC has tried to prevent the Philippines from establishing a presence on any currently unoccupied features in the South China Sea on several occasions, which led to confrontations near Sandy Cay and Sabina Shoal in 2024.

Events around the South China Sea (January 22-28)



Middle East

Iran

Anonymous security officials from two Western countries said that two Iranian-flagged cargo vessels will deliver over 1,000 tons of sodium perchlorate, a key ingredient in missile propellant, from the PRC to Iran in the next few weeks. The *Financial Times* reported that the officials said that the Iranian cargo vessel *Golbon* was loaded with 34 containers of sodium perchlorate at the port of Taicang, north of Shanghai. It departed the nearby island of Daishan on January 21, bound for the Iranian port of Bandar Abbas. The officials said that another ship, the *Jairan*, is expected to depart for Iran in early February with 22 containers of the chemical.[68] The *Jairan* is docked at the PRC island of Liuheng, near Ningbo, Zhejiang Province, as of January 27. [69] The officials said that the ships will deliver the chemical to Iran's Islamic Revolutionary Guard Corps (IRGC) after three weeks of sailing with no port calls.[70] The officials could not say whether

the PRC government was aware of the shipments. Spokesperson for the PRC's embassy in the United States Liu Pengyu stated that he was unfamiliar with the matter.[71]

Two of the officials said that the 1,000 tons of sodium perchlorate could produce 960 tons of ammonium perchlorate. Ammonium perchlorate comprises 70% of the propellant of solid-fuel missiles. They said that that amount of ammonium perchlorate could produce 1,300 tons of propellant, enough to fuel 260 Iranian mid-range or ballistic missiles.[72] Both ships are already under US sanctions and subject to secondary sanctions.[73]

PRC authorities are likely aware of the shipments despite their denial because Iran has negotiated with the PRC to acquire missile propellant. Politico cited unspecified diplomats in April 2023 who said that Iran was negotiating with both Russia and the PRC to acquire large quantities of ammonium perchlorate. The diplomats said at the time that Iran could use the chemical to produce missile propellant for missiles that it exports to Russia for the war in Ukraine.[74] Those negotiations took place before the outbreak of the Israel-Hamas war on October 7, 2023, however, and before Iran launched two major missile attacks on Israel on April 13 and October 1, 2024, cumulatively using up hundreds of ballistic and cruise missiles.[75] Israeli strikes on October 25 also seriously damaged Iranian missile production facilities, destroying “planetary mixers” used to produce solid fuel for ballistic missiles.[76] Iran thus is likely to use the missile propellant chemicals from the PRC to replenish its stocks.

The PRC has been a key lifeline for Iran's economy and at times has provided military or dual-use products to Iran, even though Beijing does not fully support Tehran's regional or nuclear ambitions. The PRC purchases around 90% of Iran's oil exports at a discount at a time when Iran is the target of heavy international sanctions. The PRC ramped up these oil purchases after helping to negotiate the Joint Comprehensive Plan of Action (JCPOA) in 2015 to restrict Iran's development of nuclear weapons. The United States sanctioned PRC and Iranian individuals and firms in 2023 for contributing components to Iran's drone and ballistic missiles programs.[77] The PRC has not been a significant supplier of arms to Iran since the imposition of UN sanctions on Iran in 2007, however.[78]

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