



CHINA'S NEW CYBERSECURITY REGULATIONS AND ITS POTENTIAL EFFECTS

Being the largest digital market in the world in terms of digital payments, mobile services with the largest number of internet users, China has been working on reinforcing its cybersecurity. In line with President Xi Jinping's vision of data-driven governance that recognizes in 2020 the data as the fifth "factor of production" along with labor, technology, land, and capital, the year 2021 introduced a number of new regulations on the management of data storage, data transmission, and privacy of personal data. The Chinese government, by intensifying efforts in developing regulations in the cybersphere, aspires to achieve breakthroughs in cybersecurity technologies by 2023 in virtue of boosting the promotion of integration of cybersecurity and emerging technologies.

Specifically, in July 2021, China's Ministry of Industry and Information Technology released a draft plan for the cybersecurity sector for 2021-2023 years with the intention to push the cybersecurity industry to 250 billion yuan (\$38.6 billion) by 2023 with an expected 15% annual growth. The plan prioritizes energy, finance, transport, health, and education sectors and aims to strengthen the network security of its 5G, AI, big data and cloud computing technologies through building up research and application of data security technologies. To achieve this, Chinese authorities aspire to boost investments in cybersecurity and advance its data protection technologies. Noteworthy, China's cybersecurity market exceeds 170 billion yuan (\$26.6 billion) that is twice more than in 2015, with over 3000 enterprises involved in cybersecurity in 2020.

The draft policy emerged when Chinese authorities were preparing a new Data Security Law, which was passed during the 29th session of the Standing Committee of the 13th National People's Congress in June and in force since September 1, 2021. The new Law, while emphasizing data security among the top priorities, focuses on data processing activities, including data storage, usage, transfer, and trading, along with the research and development of data technologies. The document pursues strengthening the data se-

curity supervision, which primarily implies localization of data i.e all data generated in China must be kept in China. Large international companies are required to store their generated data within the country and be subject to control by relevant regulators, otherwise could be fined no less than 100,000 yuan (\$15,660) but no more than one million yuan (\$156,934). However, in some cases, penalties can be as high as 10 million yuan (\$1.56 billion) up to the revocation of a business license.

In addition to the Data Security Law and a draft plan for the cybersecurity sector, the Personal Information Protection Law (PIPL) was adopted by the Standing Committee of the National People's Congress in August, which came into effect in November 2021. The PIPL specifies regulations for the protection of personal information for Chinese citizens both inside and outside China. The Law expanded personal information processing regulations, included new provisions on collecting images and personal identification information in response to possible social issues, and distinguished personal information rights and procedures. Personal information to the point is determined as "all kinds of information, recorded by electronic or other means, related to identified or identifiable natural persons".

As seen, all three documents are developed as part of a national comprehensive framework for cyberspace, which is focused on preserving all data-generating processes within China. The adopted frameworks, besides requiring data storage in China, reserve the right to request any necessary information, including personal information of consumers that must be provided at the request of law enforcement. The imposed regulations hence impact foreign and local large enterprises, causing severe challenges for the protection of the personal data of users and hampering their operation and the financial markets in general. Furthermore, the Chinese government published a draft revision for cybersecurity law, particularly related to Chinese companies applying for initial public offerings (IPOs) in foreign markets, which requires companies with

over 1 million users to proceed with a regulatory review prior to filing an IPO overseas application.

In retrospect, China's grand strategy for cybersecurity was outlined during the speech of President Xi in December 2015. Following techno-nationalist and technoglobalist thinking, the Chinese government introduced the first 'National Cyberspace Security Strategy' (NCSS) in 2016, which clarified China's vision of the management of cyberspace. The strategy includes measures to safeguard China's interests in cyberspace, including economic, political, social, and cultural security. In 2017, China also issued the "International Strategy of Cooperation on Cyberspace", which further clarified China's role in shaping the global cyber order. China sees itself as a leading power in global cyberspace and aspires to participate in the design of the global institutional architecture of cyberspace.

The new regulations presented lately demonstrate that China is working on advancing its cybersecurity regulations through boosting its control and supervision of data-related procedures. Authorities attempt to curb potential risks to national security arising from the generation of big data from users. Based on the developments of cybersecurity, some call "China is becoming a data empire unto itself", whilst others see the confirmation of China as a "techno-authoritarian superpower". Either way, the Chinese government, by tightening cybersecurity regulations in order to build centralized and authoritative mechanisms, is advancing and strengthening the capacity of its cyberspace.

One might say the Chinese government is not the only country tightening its cybersecurity. For instance, the US and other digital giants are also attempting to establish top-down coordination of their data security. Along with advancing cyber technologies, the security of sophisticated threats is essential for maintaining the operation of cyberspace. Either way, in times when there is no universal law for cybersecurity, China has all chances to become a model of such cyber regulations.

Politics, Foreign Affairs, and Security

- The President of Kazakhstan Kassym-Jomart Tokayev had a meeting with the President of the European Council Charles Michel. The parties discussed the state and prospects for strategic partnership between Kazakhstan and the EU with a focus on political, trade and economic cooperation. Moreover, the politicians considered the international and regional agenda, including the situation in Afghanistan. President Tokayev noted that for the past three years Kazakhstan and the EU have built strong relations, based on trust, mutual respect and common priorities (Kazinform, 26.11.2021).
- The Minister of Foreign Affairs of Kyrgyzstan Ruslan Kazakbaev had a meeting with his Turkmen counterpart Rashid Meredov in Ashgabat. The parties stressed the importance of further deepening of the political dialogue and expanding trade and economic cooperation. The Ministers discussed the progress in the implementation of previously reached agreements, including the creation of the Kyrgyz-Turkmen development fund and the construction of the Turkmenistan business center in Bishkek. They also considered the issues of the Organization for Economic Cooperation (Kabar, 28.11.2021).
- Azerbaijani President Ilham Aliyev, Armenian Prime Minister Nikol Pashinyan, and Russian President Vladimir Putin had a meeting in Sochi, where they signed a statement. The Presidents discussed the implementation of the previous statements on a complete ceasefire and on the unblocking of all economic and transport communications. Reaffirming their commitment to the further consistent implementation of the statements, the parties agreed to take steps to increase stability and security on the Azerbaijan-Armenia border (AzerNews, 27.11.2021).
- Dushanbe hosted the seventeenth meeting of the foreign ministers of the countries of Central Asia and the EU. During the meeting, the parties discussed issues of further fruitful cooperation between the countries of Central Asia and the EU in strengthening cooperation between the regions in the political, trade, economic, water, and energy fields. The participants, paying special attention to the situation in Afghanistan, emphasized the importance of protecting the borders between the countries of the region and Afghanistan. (Avesta.tj, 22.11.2021).
- The Ambassador of Iran to Turkey Mohammad Farazmand confirmed Iran's support for the 3+3 format in the Caucasus. The 3+3 format, which was raised by Turkey's President Recep Tayyip Erdogan in November 2020, comprises three Caucasian states – Armenia, Azerbaijan, and Georgia, alongside three major regional powers – Iran, Russia and Turkey. The Ambassador emphasized that the three neighboring countries of the Caucasus, Iran, Russia and Turkey have earlier had a successful experience in reducing tension and stopping the bloodshed in Syria in 2011 (Anadolü Agency, 23.11.2021).
- The President of Turkey Recep Tayyip Erdogan visited Turkmenistan, where he held a meeting with his Turkmen counterpart Gurbanguly Berdimuhamedov. During the meeting, the Presidents discussed a wide range of issues related to bilateral cooperation and important international issues of common interest. Following the talks, the sides signed a nine-point joint statement that summarized the main areas of cooperation between Turkey and Turkmenistan (Dailysabah.com, 27.11.2021).

Economy, Finance, and Energy

- Since the beginning of 2021, bilateral trade between Kazakhstan and Belgium has exceeded \$300 million. Exports of Kazakhstan vary from non-ferrous metals to chemical products, while its imports include machinery, electrical equipment, optical instruments, and goods of the chemical industry. Businesspeople of the two countries intend to reach agreements on the export of flax to Kazakhstan and to open an enterprise for the processing of this raw material in Kazakhstan and supply it to China (Qazaq TV, 25.11.2021).
- Uzbekistan has successfully ratified 27 key international conventions on human rights, labor standards, and the environment. As a result, the country became the first beneficiary of the United Kingdom's Extended Scheme of Generalized System of Preferences. Thus, more than 7800 types of goods produced in Uzbekistan will be imported into the UK at zero import duty. The United Kingdom, in turn, will have access to Uzbekistan's unique textiles, agricultural and other products (UzReport, 23.11.2021).
- Uzbekistan continues to develop its renewable energy sector. Recently, the country's President Shavkat Mirziyoyev set a goal to increase the capacity of solar and wind power plants to 8000 MW by 2026. According to estimates, nearly \$6 billion worth of components and materials will be needed to build new solar and wind power stations. In 2022, five solar power plants with a total capacity of 900 MW will be built in different regions of the country (UzReport, 23.11.2021).
- According to the Minister of Economy and Commerce of Kyrgyzstan Daniyar Amangeldiev, the working-age population continues to leave the country. During 2016-2020, migrant remittances were equal to an average of 30% of GDP. This volume exceeds the budget expenditures of the entire country, equaling \$2.1 billion. Moreover, the remittances are substantially higher than foreign direct investments in Kyrgyzstan. The Minister proposed to create jobs in the country by opening new enterprises and introducing additional agricultural areas (Kabar, 26.11.2021).
- The Turkmen-Chinese Cooperation Committee recently had an online meeting, which was chaired by the Deputy Prime Minister of Turkmenistan Serdar Berdimuhamedov and the Deputy Prime Minister of China Han Zheng. The parties proposed to strengthen cooperation in the digital economy, financial and banking sectors, low-carbon development, and agriculture and resource conservation. The sides also discussed the implementation of the agreements on the fuel and energy complex and signed a number of bilateral documents. (Orient, 23.11.2021).
- The bilateral trade between Iran and Azerbaijan is increasing. During the first seven months of the current Iranian year (March 21, 2021), the trade turnover increased by 14%. Iran exported 466 thousand tons of goods worth about \$273 million to Azerbaijan in 7 months. During the same period, Iran imported from Azerbaijan 15 thousand tons of goods worth \$27 million. In 2021, Azerbaijan ranked 12th in Iran's total exports for 7 months, while 39th in Iran's total imports (AzerNews, 24.11.2021).

Society and Culture

- The Minister of Education and Kyrgyzstan Bolotbek Kupeshev met with the Ambassador of China to Kyrgyzstan Du Dwen. The sides discussed current issues of the Kyrgyz-Chinese cooperation in education and science focusing on providing scholarships and support for Kyrgyz students studying in the PRC. The parties agreed to make joint efforts in order to carry out comprehensive work for the implementation of the agreements reached during the meeting (Kabar, 25.11.2021).
- The Government of Japan awarded Tajikistan a grant worth \$244,443 for the improvement of hospitals. The grant contracts were signed by the Ambassador Extraordinary and Plenipotentiary of Japan to Tajikistan Takayuki Miyashita and the representatives of the recipient authorities. In 2021, the Japanese government handed over some 21 projects and signed grant contracts for 20 new projects in Tajikistan. The Government of Japan will continue its support for creating a better society for all people and is committed to working together with the people of Tajikistan (ASIA-Plus, 25.11.2021).
- According to the statement made by the Ambassador of Turkmenistan to Kazakhstan, Batyr Rejepov, "Turkmenistan Culture Days" will be held in Kazakhstan in 2022. Batyr Rejepov announced that the recent state visit of the President of Kazakhstan to Turkmenistan became the impetus for this initiative. The event will coincide with the jubilee year of the establishment of diplomatic relations between Turkmenistan and Kazakhstan (Turkmenportal.com, 24.11.2021).
- The EU and the United Nations Development Programme in Kazakhstan launched a new platform on Sustainable Development Goals (SDGs) for Central Asian countries. The SDGs Platform will work with governments and civil society of Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan, and Turkmenistan to achieve SDGs. The SDG Platform will play an important role in integrating country-level efforts at the regional scale, mobilizing all endeavors for the solution of regional sustainability challenges (Undp.org, 22.11.2021).
- Representatives of the CIS countries took part in the third forum of scientists of the CIS held in Minsk. The participants of the forum discussed the mechanisms and forms of expanding scientific and educational cooperation in the CIS. Following the results of the forum, the representatives adopted a declaration, which indicated the main goals and directions of the relationship, as well as the conduct of modern research. These joint actions will be based on the principles of mutually beneficial cooperation (Centralasia.news, 27.11.2021).
- Uzbek delegation headed by the Commissioner for Human Rights at the Legislative Chamber of Uzbekistan Feruza Eshmatova visited Turkey where they held a meeting with the Ombudsman of Turkey, Seref Malkoc. During the meeting, the Ombudsman of Turkey and Uzbekistan signed a memorandum of understanding and cooperation. The Document is expected to enhance the joint work of the institutions of the two countries and contribute to ongoing research in the legal field between the two Turkic states (Anadolü Agency, 22.11.2021).