



**Red Lantern
ANALYTICA**

Inside the Great Firewall.

This Fortnight's Focus:
16th - 31st July 2025

All
Things
China.



July 16: Chinese Spy Ship Intercepted, Revealing Beijing's Aggressive Maritime Posture



The Philippine Coast Guard intercepted a Chinese naval spy vessel operating within Manila's exclusive economic zone, raising fresh concerns over China's maritime espionage activities. Despite Beijing's claims of innocence and accusations of Philippine provocations, this incident highlights China's increasingly aggressive posture in disputed waters. Such confrontations underscore the ongoing tensions caused by China's disregard for international maritime law and territorial sovereignty.

July 16: Chinese Cyber Offensive Expands Dramatically Against U.S.

U.S. security agencies report that Chinese cyberattacks on American infrastructure, government agencies, and private entities have more than doubled, driven by Beijing's aggressive strategy of partnering with private hacking firms. These contractors discover vulnerabilities in widely-used software, exploit them, and sell access to multiple government agencies in China. This surge in attacks reveals the escalating scale and sophistication of Chinese cyber operations, highlighting Beijing's willingness to risk diplomatic fallout to gain strategic advantage.



July 17: China's Grand Urban Planning Reveals Deep-rooted Real Estate Crisis

At the Central Urban Work Conference, Xi Jinping called for a shift toward "urban renewal," emphasizing renovation over expansion, stricter control of skyscraper projects, and better infrastructure. However, beneath the optimistic rhetoric lies China's growing anxiety about its sluggish real estate market, declining home prices, and oversupply of housing. The move reflects Beijing's urgent attempt to fix deep-seated economic and infrastructure failures under the guise of modernization and sustainability.



July 18: Beijing Tightens Grip on Critical EV Battery Technology



The Chinese government introduced new export controls on key technologies related to electric vehicle (EV) battery production, specifically targeting battery cathode materials and lithium processing methods. By restricting foreign access to these vital technologies, Beijing aims to cement its dominance in the global EV supply chain, hindering international competition under the pretense of balancing development and security.

This move reveals China's ongoing strategy of weaponizing economic leverage to maintain technological superiority.

July 19: Beijing's Economic Plan Reflects Deepening Insecurity Amid Isolation



China's economic planning authority, the NDRC, emphasized accelerating a "new development pattern" focusing on domestic self-reliance, especially in critical technology areas like semiconductors, AI, and quantum computing. While couched in optimistic language, this shift underscores Beijing's deepening anxiety over international isolation and reliance on foreign technologies. The new strategy signals China's attempt to reduce vulnerability by controlling critical industries, though ironically revealing an admission of current weaknesses.

July 19: Beijing Strong-arms Panama Canal Port Deal

China is aggressively pushing to ensure that Cosco, its state-owned shipping giant, gains a stake in a critical ports deal that includes key facilities near the Panama Canal. Beijing has threatened to block the entire transaction involving BlackRock and MSC if its demands aren't met, highlighting how China leverages economic pressure to extend its strategic influence. U.S. lawmakers have expressed alarm, emphasizing that Cosco's involvement would create significant national security risks by giving Beijing leverage over essential maritime trade routes.



July 21: Chinese Military Intensifies Political Purge with New Cadre Rules

The Central Military Commission (CMC) issued strict new regulations targeting "toxic influences" among political officers, mandating unwavering political loyalty and purity within the ranks. This crackdown, described as vital for restoring authority and discipline, reflects deeper insecurities in the Communist Party about internal corruption, ideological dissent, and wavering loyalty within the military. The stringent rules are another indicator of Beijing's intensifying efforts to ensure total ideological control over its armed forces.



July 23: Massive Chinese Hack Hits U.S. Federal Agencies, Exposing Deep Vulnerabilities



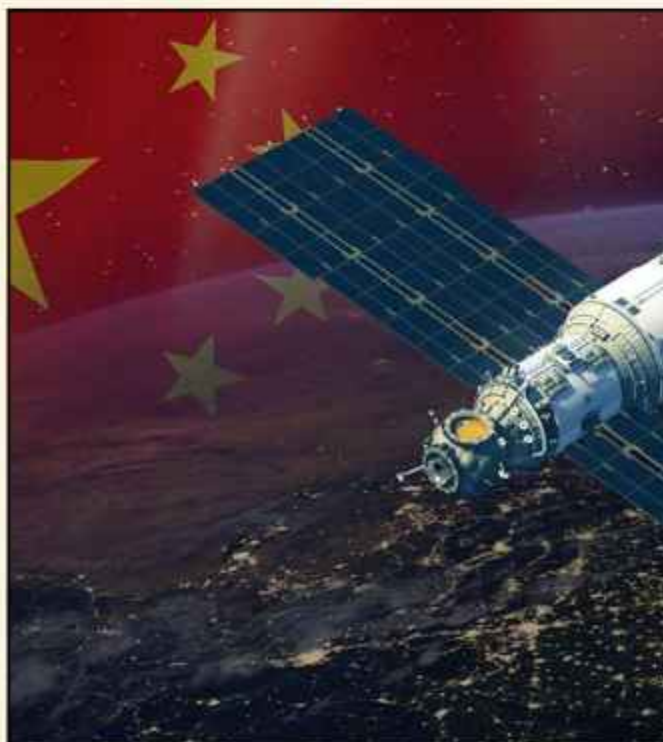
Microsoft confirmed that three Chinese state-sponsored hacking groups—Violet Typhoon, Linen Typhoon, and Storm-2603—exploited critical vulnerabilities in its SharePoint servers, compromising at least two U.S. federal agencies among nearly 100 other victims. This large-scale cyberattack, already seen as the most significant security incident of President Trump's second term, highlights China's intensifying cyber-offensive capabilities. It underscores persistent weaknesses in U.S. cybersecurity infrastructure, despite repeated warnings and previous breaches.

July 25: Rampant Smuggling of Nvidia Chips Exposes Flaws in U.S. Export Controls

A major smuggling network has funneled over \$1 billion worth of restricted Nvidia AI chips, including the powerful B200, into China despite U.S. export bans. This illicit trade thrives due to China's desperation to access advanced American technology, exposing severe weaknesses in U.S. sanctions enforcement. Allowing chips like Nvidia's H20 back into the Chinese market risks empowering Beijing's AI and military capabilities, potentially undermining American security and technological leadership.



July 26: China's Deep Space Ambitions: Scientific Quest or Strategic Expansion?



China announced ambitious new plans to explore distant "ice giants" such as Neptune, citing scientific curiosity about the origins of the solar system. While framed as purely scientific, this push into deep space exploration is also a strategic move, enhancing China's capabilities and influence in space technology. As Beijing seeks prestige through groundbreaking missions, observers caution that space advancements may also strengthen China's military and technological stature, raising concerns about potential dual-use applications.

July 26: China's Baby Bonus: Too Little, Too Late

Beijing will hand families \$500 per child under age 3 starting in 2025, aiming to ease fertility anxiety and boost births. The payouts, part of a broader childcare subsidy plan, are projected to cost 100 billion yuan annually. But critics say token cash won't fix the deeper economic, housing, and social barriers driving China's demographic crisis.



July 27: Beijing Courts US YouTubers to Polish Its Global Image

China is tapping influencers like MrBeast to boost its soft power, hosting them on local platforms like Kuaishou and Bilibili. But his first livestream ended abruptly due to language barriers. At the same time, Chinese scholars push for “Asian narratives” to counter what they call as “Western dominance”—part of a broader propaganda effort by the CCP to reshape global perceptions.



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