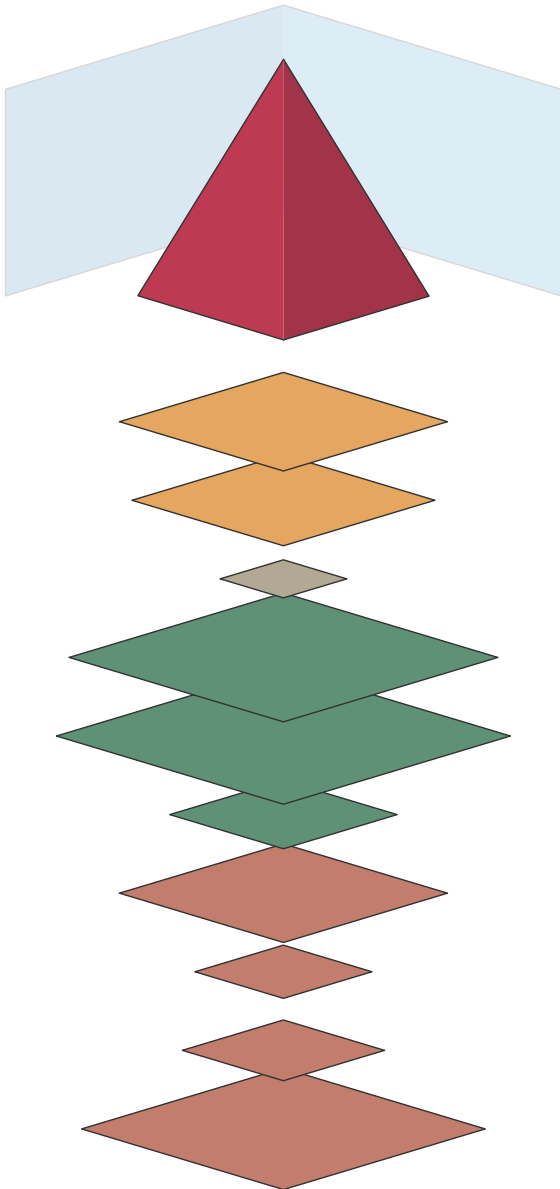




CHINA



6.01 CRIMINALITY SCORE

41st of 193 countries
14th of 46 Asian countries
1st of 5 Eastern Asian countries



CRIMINAL MARKETS 5.90

HUMAN TRAFFICKING	6.50
HUMAN SMUGGLING	6.00
ARMS TRAFFICKING	2.50
FLORA CRIMES	8.50
FAUNA CRIMES	9.00
NON-RENEWABLE RESOURCE CRIMES	4.50
HEROIN TRADE	6.50
COCAINE TRADE	3.50
CANNABIS TRADE	4.00
SYNTHETIC DRUG TRADE	8.00



CRIMINAL ACTORS 6.13

MAFIA-STYLE GROUPS	7.00
CRIMINAL NETWORKS	7.50
STATE-EMBEDDED ACTORS	7.00
FOREIGN ACTORS	3.00



5.46 RESILIENCE SCORE

60th of 193 countries
12th of 46 Asian countries
3rd of 5 Eastern Asian countries



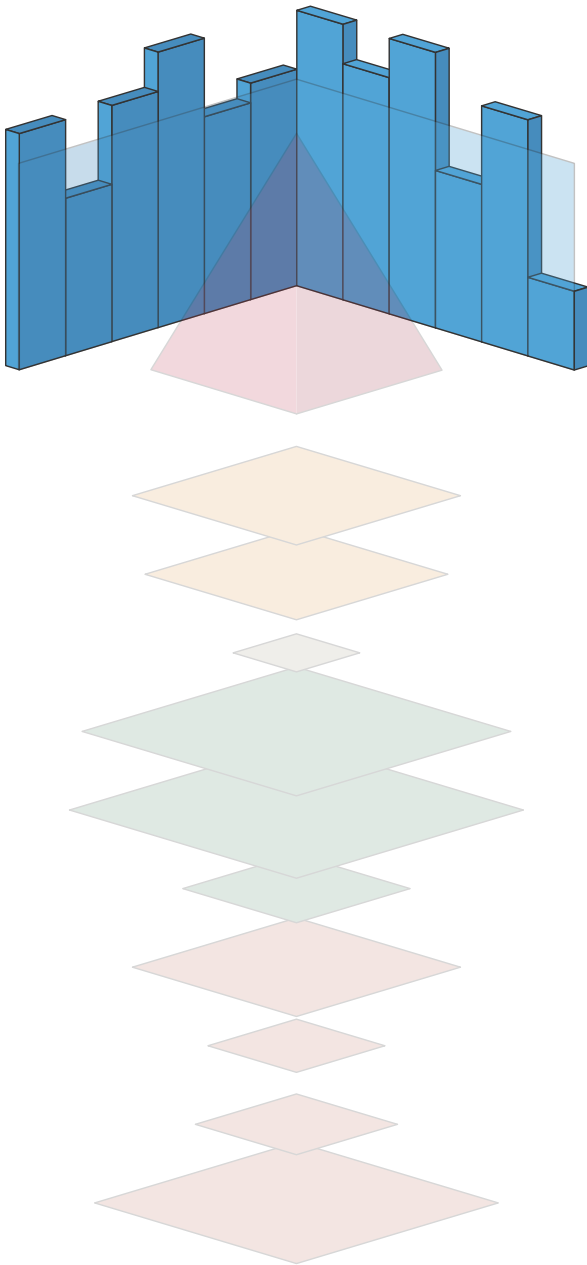
Funding provided by the United States Government.



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CHINA



5.46

RESILIENCE SCORE

60th of 193 countries
12th of 46 Asian countries
3rd of 5 Eastern Asian countries

POLITICAL LEADERSHIP AND GOVERNANCE	6.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	4.00
INTERNATIONAL COOPERATION	6.00
NATIONAL POLICIES AND LAWS	7.00
JUDICIAL SYSTEM AND DETENTION	5.00
LAW ENFORCEMENT	5.50
TERRITORIAL INTEGRITY	7.00
ANTI-MONEY LAUNDERING	6.00
ECONOMIC REGULATORY CAPACITY	7.00
VICTIM AND WITNESS SUPPORT	4.00
PREVENTION	6.00
NON-STATE ACTORS	2.00



6.01

CRIMINALITY SCORE

41st of 193 countries
14th of 46 Asian countries
1st of 5 Eastern Asian countries



CRIMINAL MARKETS 5.90



CRIMINAL ACTORS 6.13



CRIMINALITY

CRIMINAL MARKETS

PEOPLE

China's human trafficking market is flourishing. Women and girls, primarily, are trafficked into forced marriage, and children are trafficked into illicit adoptions. Trafficking victims have been forced to engage in street performance, begging and theft. Organ trafficking has emerged as a lucrative source of revenue for crime groups. Crime syndicates, local gangs and independent traffickers traffic Chinese women and girls internally for sexual exploitation. Chinese traffickers subject women and children from neighbouring countries, Africa and the Americas into forced labour and sexual exploitation. Foreign trafficking victims are moved through China to elsewhere in Asia. Overall, given China's enormous population size, the country is home to among the largest number of victims of modern slavery worldwide, a notable example being the exploitation of Uyghur Muslims in state-sponsored forced labour camps in the Xinjiang region. While Uyghurs and other ethnic minorities are paid, they are nonetheless compelled to take on jobs, both in and outside Xinjiang, that they would not otherwise engage in.

China's human smuggling market also poses a significant issue. Chinese migrants are smuggled to South-eastern Asia, and onwards to North America and Europe. Migrants from neighbouring countries, as well as from South-eastern Asia, are smuggled into China. The Fujian and Zhejiang provinces are major human smuggling hubs, although many other areas are now emerging as human smuggling hotspots, and Hong Kong and Macau serve as primary destination and transit points. Most smuggled individuals in China are seeking better economic opportunities abroad, including individuals who do not live in poverty. Migrants pay considerably more to be transported abroad, rendering the market a lucrative source of revenue for smugglers. The majority of smuggled migrants are adult men seeking transport to the UK or the US. Smuggled individuals are vulnerable to exploitation along the journey and are often promised fraudulent opportunities or are exploited once abroad.

TRADE

Although the arms trafficking market in China is extremely limited, insofar as it exists, China is a source and destination country. Illicit arms manufacturing and sales occur domestically and arms are trafficked into China from other countries. However, the arms trafficking market is not associated with high levels of violence and is arguably quite small, given the country's strict gun laws. Most cases of arms trafficking involve individuals and crime gangs

that operate domestically or Chinese nationals based abroad. The issue of deactivated guns being packaged and exported has arisen recently, but overall, the arms trafficking market is limited.

ENVIRONMENT

China has one of the world's largest wildlife trafficking markets. Wildlife is trafficked into China from various destinations, such as Africa, South-eastern Asia and Southern Asia. Wildlife parts and products are traded for consumption and medicinal purposes. Poachers primarily target species such as pangolins, bears, tigers, sea horses and sharks. Ivory, rhino horns, big-cat skins, claws and canines are trafficked into China for decorative purposes. Although ivory trafficking has declined significantly since the government implemented a domestic trade ban on ivory in 2017, ivory continues to be smuggled into China from South-eastern Asia, especially by tourists. Other illicit goods, such as rhino horns, are trafficked into China from African countries and sold in retail outlets or through online trading platforms. Live animals, including a number of species of birds, reptiles and mammals, are traded in exotic-pet markets. Transnational crime groups, foreign criminals and independent traffickers all engage in the wildlife-trafficking market and Chinese government officials have been implicated. Although the market is not associated with high levels of violence, it has had an extremely negative effect on biodiversity and the ecological balance.

China's illicit logging and timber trafficking markets are also among the largest worldwide. Timber is smuggled into China from South-eastern Asia, Africa and Latin America, and often sourced by Chinese logging companies abroad. China plays an especially large role in the global illicit rosewood trade, accounting for the majority of global demand. Chinese crime networks abroad have bribed government officials and committed fraud and tax evasion to source and traffic illicit timber into China. The Chinese traditional medicine market generates a high demand for illicitly harvested plants, such as wild American ginseng, which are trafficked into China from the US. Criminals engage in illicit orchid harvesting in China and abroad. Although non-renewable-resource crimes are less pervasive, crime groups and independent criminals engage in the illicit extraction, theft and smuggling of minerals. Some reports suggest that minerals are trafficked into China from Africa and that gold is trafficked into China from the Philippines.

DRUGS

China's methamphetamine market is among the world's largest, and users account for at least half of the total number of people who use drugs in the country. In recent years,

methamphetamine surpassed heroin as the country's most consumed drug. Crystalline methamphetamine seizures, in particular, are on the rise, especially in Yunnan Province. Ketamine abuse is common. China has traditionally been a crucial supplier of synthetic drugs to multiple foreign markets, although many clandestine methamphetamine labs have been dismantled in recent years and the country's role in the global synthetic drug trade has diminished. However, producers in China remain a primary source of fentanyl for the US. A wide range of actors, including independent traffickers and transnational organized crime groups, are involved in China's synthetic drug trade.

Heroin is among the most abused substances in the country and the heroin trade is among the largest globally, generating billions of dollars annually. Most heroin is trafficked into China from the Golden Triangle and, to a lesser extent, the Golden Crescent. Most heroin trafficked out of Myanmar in particular is destined for China. The heroin trade constitutes a major source of revenue for domestic and foreign organized criminals. Nigerian criminal groups operate in Guangzhou, and foreign engagement in the drug trade is fairly unique in the Chinese context as most criminal markets do not feature foreign organized criminal groups.

Cannabis cultivation is legal for industrial use in China, although marijuana is strictly forbidden. Rising local demand for marijuana has led to an increase in cannabis trafficking between North America and China. Cannabis is trafficked into China from abroad through international delivery services and often by foreign students or Chinese citizens who have studied or worked abroad. Criminals cultivate cannabis domestically. Cannabis addiction is on the rise in China, especially among foreigners, Chinese citizens who have lived abroad and figures in the entertainment industry. Overall, however, cannabis demand is still far lower than the demand for other drugs such as heroin, and its popularity is specific to only certain segments of the wider population in China.

Cocaine consumption is less pervasive, although China is becoming an increasingly important transit node for cocaine trafficking between South America and Oceania. Furthermore, there is a sizeable cocaine trade between China and Mexico, as Chinese organized criminal groups export precursor chemicals for methamphetamine to Mexico and, in return, Mexican drug cartels export cocaine to China.

CRIMINAL ACTORS

Although thousands of mafia-style groups operate across China, no large or prominent, well-known groups operate in mainland China. However, several Triad groups with defined leadership operate in Hong Kong, including notorious groups such as the 14K, Sun Yee On and Wo Shing Wo Triads. Although membership numbers are low in mafia-style groups that operate in mainland China, membership

of Triad groups in Hong Kong is much higher. Hundreds of thousands of Triad members have been identified in recent years. Mafia-style groups engage in all of China's criminal markets but are especially active in drug trafficking markets. Although most mafia-style groups focus on one crime market, the Triad groups in Hong Kong engage in multiple markets. Extortion is common among mafia-style groups. Nevertheless, they exert low control over territory in China. China's mafia-style groups have limited access to weapons, such as knives and guns, and their members do not usually carry arms openly. Lethal violence is limited, although threats and soft violence occur.

Although the Chinese government is rarely directly involved in carrying out illicit activity, the protective umbrella provided to mafia-style groups in mainland China (a benefit not extended to the Triads in Hong Kong) by the authorities is crucial in allowing these groups the freedom to operate with impunity. It is important to note that there has been a certain symbiosis between the interests of local authorities and those of the mafia groups for many years, with the latter being used by the former to gather information and disrupt demonstrations, most recently pro-democracy protests in Hong Kong, for example. Furthermore, local politicians and police officers often turn a blind eye to various criminal markets. Corruption is key to understanding state-embedded actors in China. While most cases are relatively small-scale and involve individual actors, there are other cases where the web of corruption is extensive and extends to the upper echelons of the regional state apparatus.

Transnational criminal networks operate in some regions of China in a range of crimes, from human trafficking to human smuggling, wildlife and drug trafficking. Chinese-led crime networks that participated in ivory trafficking before the 2017 ivory trade ban have shifted towards pangolin trafficking. Foreign nationals and locals cooperate in many of China's crime markets, especially in transnational markets, such as the human, wildlife and drug trafficking markets, as well as in establishing major transnational money laundering networks. Foreign actors involved in the drug trade are especially active in south-west China. However, no foreign actors exert significant control over Chinese crime markets.

RESILIENCE

LEADERSHIP AND GOVERNANCE

The Chinese Communist Party (CCP) exerts strong political leadership and has exhibited determination to fight organized crime at the central government level, but at local levels political leadership is weak. Furthermore, the Chinese government exhibits strong authoritarianism and has committed numerous human rights abuses, in particular in the context of the persecution of Uyghur Muslims. Anti-organized crime legislation and regulation have been followed by effective law enforcement efforts. The government launched an ongoing three-year campaign against drug trafficking, prostitution and fraud in 2018, targeting both organized criminals and corrupt state-embedded actors.

However, the massive anti-corruption drive launched by President Xi is precisely because of the extremely high levels of corruption at lower levels of government. Furthermore, the anti-corruption campaign also serves a dual purpose, as policy decisions taken by the government purportedly in the interest of tackling criminality are first and foremost made in the pursuit of political goals. Indeed, anti-corruption measures are often used to target dissidents, political opponents or businesspeople who are critical of the government. The National Supervisory Commission was created in 2018 and given the task of handling anti-corruption efforts. It also investigates government employees. Corruption still remains a concern, however, and there are no non-state or international oversight mechanisms in place to monitor Chinese governance. Although the government's budget, revenue, expenditure and procurement contracts are published on a regular basis, access to information in China is poor.

China has ratified all relevant international conventions and treaties related to organized crime, with the exception of the Arms Trade Treaty. The country participates in and actively promotes international collaboration efforts against organized crime with countries in the region, namely South-eastern Asian states, but cooperation on matters pertaining to organized crime with Western countries is very limited. However, amid the controversy surrounding the Hong Kong National Security Law, many countries, including the UK, the US and Germany, suspended extradition treaties with China. Domestically, however, the government has implemented legislation related to all crime markets and Chinese laws are among the strictest worldwide. They are, however, often implemented with political objectives in mind in the interests of the Chinese government. While the COVID-19 pandemic brought about notable changes to illegal wildlife policy in China in the short term, only time will tell whether the global health crisis whose origin is thought to have links to the illegal wildlife trade (IWT) will have a lasting impact on the IWT.

CRIMINAL JUSTICE AND SECURITY

The Chinese judiciary is adequately resourced and has proved effective in prosecuting organized crime, but the fairness of trials is regularly questioned. Furthermore, the judiciary lacks a specific unit dedicated to organized crime. Control over the prison system, as well as legislation pertaining to the country's penitentiaries, is adequate, although no external investigations have confirmed the status of prison conditions in relation to international standards due to restricted access to foreign observers. In addition to allegations around corrupt prison personnel, several allegations have been made regarding forced organ harvesting within prisons, and the unlawful detention of Uyghurs in camps, where victims are forced into labour and women are sterilized, has led to numerous countries accusing China of committing systematic human rights violations.

Law enforcement is adequately funded and highly effective against organized crime at the national level, but human rights abuses are regularly observed. An anti-organized crime unit exists and citizens are encouraged to share information about organized crime. A nationwide campaign against organized crime was launched in November 2019 and resulted in the capture of thousands of fugitives. Chinese law enforcement shares intelligence regarding organized crime with foreign governments. However, corruption within local police forces is pervasive, and police officers often turn a blind eye to a whole host of illicit economies operating throughout the country. At a local policing level, wages are low, which increases the incentives of officers to collaborate with organized criminal actors.

China's border infrastructure is adequate in terms of protecting the country against organized crime. Nevertheless, its borders are long and difficult to monitor, and cross-border smuggling and trafficking continue to occur. The Yunnan and Guangxi provinces are particularly vulnerable to drug trafficking, although authorities in these regions regularly check vehicles crossing the borders. Mountainous terrain and bodies of water along China's borders with Vietnam pose a challenge to border security, and numerous paths and trails along other portions of the country's borders increase pressure on border-control officials. Overall, China's law enforcement and border control capacities remain strong and customs officials take measures to control goods at airports and ports. However, as container shipping increased as a reliable alternative to land and air routes amid the COVID-19 pandemic, lockdowns and other restrictive measures affected border forces' ability to implement controls, which allowed for more trafficking to go undetected.

ECONOMIC AND FINANCIAL ENVIRONMENT

The government has increased its efforts to combat money laundering and financial terrorism. Banks are required to track capital sources and verify the background of shareholders and executives. These measures have been well enforced and fines have been administered for non-compliance. Nevertheless, China remains a major money laundering in relation to organized crime, both on the mainland and in Hong Kong. The opacity of the system undermines efforts to counter money laundering and a lack of cooperation and fragmented access to data in China's financial intelligence unit exacerbates the issue. Large scale underground banking networks also exist and, so far, the government does not have the capacity to tackle them.

However, legitimate businesses are generally protected from the influence of organized crime and are able to expand under fair-market competition. Organized crime groups do not dominate any specific sector of the economy, although some crime groups are known to provide financial services. Chinese law upholds land and property rights effectively. However, in practice, land rights are often breached by local authorities, for example by demolishing private property for the purpose of development or land speculation. Although industries and the private sector are not typically involved in reducing organized crime threats, some enterprises have been involved.

CIVIL SOCIETY AND SOCIAL PROTECTION

Victim protection and assistance is limited in China and existing services are administered arbitrarily. However, the government has shifted in recent years towards treating drug users as victims as much as they are treated as criminals. Furthermore, heroin use is no longer a primary driver of HIV infections in China, due to heavy state investment in antiretrovirals, methadone maintenance, and other forms of healthcare and harm reduction approaches. Witness protection measures are in place. The country cooperates with others to prevent organized crimes, such as human trafficking. Local communities and community policing initiatives have engaged in awareness-raising activities and other campaigns to combat various forms of crime, such as the so-called 'sweep away black' campaign. China's national office against organized crime has created a reporting website enabling citizens to share information and provide leads on organized crime activity. Many awareness programmes regarding the illicit wildlife trade are in place.

While there are tens of thousands of civil society groups registered with the state, including several that participate in drug treatment programmes or work to combat illicit wildlife trade, state controls on civil society, and in particular on civil society organizations' ability to operate freely, are deepening. Foreign non-governmental organizations are subject to close government scrutiny, as well as stringent registration and reporting requirements. China has one of the worst environments for media freedom worldwide

and the government exerts high levels of control of the media in the country. Online censorship and surveillance are widespread, although is for the most part conducted by private companies at the behest of the authorities, rather than by the state or law enforcement themselves. Many social media websites are banned and citizens could face fines, detention or prison for non-compliance with media and information laws. State-owned media outlets are controlled by the CCP and privately-owned media operate at the discretion of the party-state, in an environment in which editorial controls are tightening. Furthermore, foreign journalists encounter obstacles reporting in China.

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