

TDI launched *China Watch* to help clients better understand the complex geopolitical and business landscapes in China, as well as PRC activities overseas. *China Watch* draws on the insights of TDI's China team and Chinese and English language open-source research. If you have questions or comments, please contact Ben Tsai at tsai@tdinternational.com.

CHINA: MILITARY PURGES WIDEN

Summary: The investigation into disgraced former PRC Defense Minister Li Shangfu has broadened to include over a dozen generals from multiple military branches and senior executives from three major state-owned defense companies. The scope reveals deep disciplinary problems within the senior ranks of the People's Liberation Army (PLA) that could ultimately reduce the PLA's wartime readiness. Li's replacement—Admiral Dong Jun—will lead the newly resumed military-to-military dialogue with the US, but he may show even less flexibility in his dealings with his US counterpart compared with his predecessors out of concerns that he could be a target of future purges.

In late December 2023, China's legislature and a political advisory body expelled nine PLA generals and three senior executives from state-owned defense companies, indicating that they are now under investigation, likely for corruption.¹ The removals are related to the firing of former PRC Defense Minister Li Shangfu in October, judging from the officials' previous positions. All of them had worked with Li directly or indirectly in China's rocket and space programs or in weapons procurement. Li was director of the Equipment Development Department (EDD) of the Central Military Commission (CMC) from September 2017 to March 2023, and before that he held senior positions in China's space and satellite program, which overlapped with rocket development.

The widening circle of purged officials suggests that Beijing has discovered a massive corruption or disciplinary scandal that spanned across multiple service branches and the defense industry. Past precedent indicates that corruption investigations often contain a political element, such as perceived disloyalty toward PRC leader Xi Jinping or his policy priorities. The officials under investigation include:

- **PLA Rocket Force:** former commanders Li Yuchao and Zhou Yaning; former deputy commander Li Chuanguang; and former director for equipment development Lu Hong.
- **EDD:** former deputy director Zhang Yulin (until 2018) and Rao Wenmin, who held senior positions in the EDD before 2023. Both worked directly under Li.
- **Joint Staff Department of the CMC:** deputy chief of staff Zhang Zhenzhong. Zhang was a deputy commander of the Rocket Force from 2016 to 2022, and he is under investigation likely for his tenure at the Rocket Force.

¹ As of 2 January, the three defense executives were still in their current positions in their respective companies, but they are likely to be removed soon. The late December announcement marked the removal from their positions in the Chinese People's Political Consultative Conference, an advisory body that includes executives from major state-owned companies.



- **PLA Air Force:** Ding Laihang, former commander (2017-2021). Ding likely worked with Li on equipment and aircraft procurement.
- **PLA Navy:** Ju Xinchun, former naval commander of the Southern Theater Command and former deputy director of the EDD. Ju worked under Li Shangfu from 2021 to 2022.
- **China Aerospace Science and Industry Corporation (CASIC) and Norinco Group :** Liu Shichuan and Wang Changqing. Liu served as CASIC's chairman and general manager from 2019 to 2022 and became the chairman of arms producer Norinco in May 2022. He had spent most of his career at CASIC, China's largest missile producer. Wang Changqing is the deputy general manager of CASIC. According to PRC media, Liu and Wang have been closely associated with China's cruise missile development, as Liu was known as the "father of China's supersonic cruise missiles." Wang recently ran CASIC's Third Research Institute, which specializes in cruise missiles.
- **China Aerospace Science and Technology Corporation (CASC):** Chairman Wu Yansheng. CASC is the main contractor for China's space program.

Although it is unclear how corruption or disciplinary problems would impact the PLA's capabilities, commentary in the military's official newspaper suggests that the Party leadership is concerned about the PLA's readiness and ideological commitment to potential wars in the Taiwan Strait and the South China Sea.

- In July and August 2023, the *PLA Daily* published a series of editorials citing Xi's statements that the PLA exists for the purposes of fighting and winning wars and serving the Communist Party. While Xi's statements were not new, the frequency with which the message was repeated within a short time in an authoritative opinion column signaled an uptick in the level of concern over the PLA's readiness and ideological fealty. The first wave of military purges began in late June, according to Hong Kong press.
- A 6 August editorial in the *PLA Daily* on readiness hinted that some PLA leaders were not sufficiently committed to fighting wars, warning that "ideological corrosion is more frightening than rusted weaponry." Some of the articles mentioned shortcomings in weapons and equipment procurement.

Beijing in late December also announced Li Shangfu's replacement—Admiral Dong Jun—as defense minister to try to project an image of "normalcy," but corruption investigations of this scale are unpredictable and may ensnare other senior officers. While Xi perceives continuous purges as a way to strengthen his control over the PLA, large-scale purges in the past have created discontent and morale problems, which create the need for more investigations and purges. Dong Jun will take the lead in resuming military-to-military dialogue with the US, but he is likely to exhibit even less flexibility in communicating with his US counterpart compared with his predecessors, out of concerns that he may be removed and investigated if he makes a mistake.