

## **China Political Injects**

(ADMIN USE ONLY – read to executive team (ONLY) in their room at the start of each turn. Note that there are different injects depending on the path taken by the situation)

### **Turn 1:**

- China's Hang Seng index falls 1500 points immediately upon the opening of the Hong Kong Stock Exchange. The New York Stock Exchange opens and the Dow immediately falls 500 points with business analysts expressing concern over impacts of a potential China conflict on world trade. World-wide stock exchanges around the world fall overnight.
- Tens of thousands of Chinese spontaneously attend demonstrations supporting the recent actions and condemning Japan at 10 major Chinese eastern seaboard cities
- Massive online discussions erupt on internet bulletin boards and social media praising the PLA-Navy for demonstrating the new strength that has “erased a Century of Shame and Foreign Domination”

### **Turn 2:**

#### **Regardless of Chinese Actions:**

- The director of the Hong Kong Stock Exchange contacts the PRC's Central Committee and informs them that she is closing the exchange because of concerns that panic selling will collapse it with extremely negative impacts on the Chinese economy and Chinese individual savings. The Dow falls another 750 points with business analysts expressing concern with impacts of a potential China conflict on world trade. Average prices of world-wide stock exchanges around the world continue to fall.

#### **If the China has not become involved in direct military action on Turn 1:**

- Anti-Japanese demonstrations expand to most major cities throughout China
- Online discussion board abound with questions as to why further action to punish Japanese aggression have not taken place.
- Several former Central Committee leaders meet with the current government and express concern with the failure of the current government to act decisively in this crisis.

#### **If China has become involved in direct military action on Turn 1:**

- Several former Central Committee leaders meet with the current government and express concern with the risk that the current PRC government is taking with decades of careful nurturing of the Chinese economy.
- Family leaders of several Central Committee leaders highly placed in leading industries meet privately with their family members on the Central Committee to express concern with the potential for extreme damage to the PRC's export-driven economy by the current crisis.

### **Turn 3:**

- The Hong Kong Stock Exchange remains closed. Foreign direct investors in the closing phases of new ventures of China are beginning to cite this as a justified trigger of the catastrophic event clauses in their contracts, placing \$7.2 billion in international transactions in jeopardy (out of \$1.32 trillion projected for 2018).

**If China is involved in direct military action:**

- A group of highly connected business leaders with close ties to Central Committee members meets privately with the Central Committee and demands the PRC reduce hostilities or face major economic destabilization.
- A former President and several current members of the Chinese Communist Party meet with the Central Committee and express concern that potential economic downturns resulting from continuing military action could risk serious internal instability and threaten party control.

**If China is NOT involved in direct military action:**

- Demonstrations continue across China. In Shanghai, Hong Kong, and Guangzhou city, however, demonstrators change from protesting Japan to protesting corruption in local government and poor housing conditions. The large numbers of protestors require military support for local police to contain riots in Hong Kong and Shanghai.
- Online discussion board conversations begin to question why further action to punish Japanese aggression have not taken place. Censors begin to shut down popular discussion boards.

**Turn 4:**

- The unprecedented 3-day closure of the Hong Kong Stock Exchange convinces foreign investors that China is either at war or about to be in one. More than 90% of foreign firms in the process of closing deals in China are pulling out citing catastrophic event clauses at a loss of a further \$78 billion to the Chinese economy in a single day. The Dow lost a further 1,000 points, causing analysts to recall the post September 11<sup>th</sup>, 2001 plunge and stirring rumors of an impending NYSE closure.

**If China is involved in direct military action:**

- The Central Committee is preparing for a special election for General Secretary. There are two possible outcomes: one is that the President would lose his/her dual status as General Secretary of the Communist Party and President of the People's Republic of China. This is unlikely, and would represent a historic catastrophe that would rock China's governmental power politics with devastating and uncertain outcomes. The more likely outcome is that the President would win re-election as General Secretary, but the mere fact that such a vote was held would seriously erode his/her power and credibility within and without China.

**If China is NOT involved in direct military action:**

- While some demonstrations continue to call for harsher action against Japan, these have become indistinguishable from large-scale protests against government corruption. Municipalities have begun cracking down both on protests and on foreign press attempts to cover them as their local crisis plans are triggered into action.
- Censor shutdown of discussion boards has supplanted action against Japan as the most prominent topic online. Both the Central Committee and various offices of the PRC are experiencing persistent online service outages that bear the hallmark of Denial of Service cyber attacks.