



The ICAS Bulletin

Institute for China America Studies

A Survey of Scholarship on U.S.-China Relations

October 20, 2021

What's Going On? ↓

Progress Towards a Biden-Xi Meeting



U.S. Vice President Joe Biden and Chinese Vice President Xi Jinping shake hands before an expanded bilateral meeting at the White House February 14, 2012 (Photo by Chip Somodevilla/Getty Images)

- On October 16, Chinese officials said it is “unlikely” that Xi Jinping will attend the COP26 climate summit in Glasgow this November, eliminating a possible liaison with President Biden. This news followed an October 6 announcement that Xi will not attend the G20 summit in Rome on October 30, citing COVID-19 measures.
- On October 13, Chinese Vice Foreign Minister Le Yucheng stated that the US-China working group, set up in advance of an expected virtual meeting between Biden and Xi later this year, has already “made some progress.”
- On October 8, National Security Advisor Jake Sullivan called the US-China relationship an “intense competition” that needs to be “responsibly managed.” This debrief of his meeting with Yang Jiechi in Switzerland followed comments from former Obama advisor Evan Medeiros that nothing but top-level meetings has “as great a chance of working” in managing the US-China relationship.
- On October 7, President Biden and President Xi agreed to hold a virtual meeting before the end of the year.

Associated News Sources:
[“Experts Split on Biden-Xi Role in Easing US-China Tensions,”](#) *Voice of America*, October 18

Cross-Strait Tensions Increase



Tsai Ing-wen reviewed the Second Battalion of the 99th and Ninth Marine Brigade of the Marine Corps during the 2020 Military Exercise (Source: Taiwan Presidential Office via Flickr)

- On October 13, Harvard University announced that it was moving its summer Chinese language program—the Harvard Beijing Academy—from Beijing to Taipei due to “a wide array of operational factors.”
- On October 9, President Xi Jinping called for a “peaceful reunification” of the mainland with Taiwan in his remarks commemorating the 110th anniversary of the Xinhai Revolution. Tsai Ing-wen replied the next day by decrying China’s record-breaking incursion into Taiwan’s air defense identification zone (ADIZ) the previous week and underscoring Taiwan’s resolve to defend itself.
- On October 7, it was reported that US special operations and Marine units have been secretly deployed in Taiwan for at least a year training local forces.
- On October 6, President Biden confirmed that he and President Xi agreed on their phone call last month to maintain the policies towards Taiwan outlined in the states’ joint communiqués from the 1970s and 1980s.

Associated News Sources:
[“Amid U.S.-China Chill, Harvard Moves a Top Language Program to Taiwan,”](#) *The New York Times*, October 13 [Paywall]

[“COP26: China's Xi Jinping unlikely to attend, UK PM told.”](#) BBC, October 16
[“China Reports Progress on U.S. Disputes Before Biden-Xi Summit.”](#) Bloomberg, October 13 [Paywall]
[“U.S., China must manage 'intense competition', top Biden adviser says.”](#) Reuters, October 8 [Paywall]
[“Biden and Chinese President Xi agree in principle to hold virtual meeting.”](#) CNN, October 7
[“G20 summit: China's President Xi Jinping 'will not be in Rome'.”](#) South China Morning Post, October 6 [Paywall]

[“China's Xi Emphasizes 'Peaceful Reunification' With Taiwan, Days After Record Show of Force.”](#) The Wall Street Journal, October 10 [Paywall]
[“Taiwan won't be forced to bow to China, president says.”](#) Reuters, October 10 [Paywall]
[“China playing with fire, Tsai says”](#) Taipei Times, October 7
[“U.S. Troops Have Been Deployed in Taiwan for at Least a Year.”](#) The Wall Street Journal, October 7 [Paywall]
[“Biden Says He and China's Xi Will Stick to 'Taiwan Agreement'.”](#) Bloomberg, October 6 [Paywall]

Pressure and Negotiation in US-China Trade and Markets Persist



USTR Katherine Tai signing an order in her office. (Source: Office of the United States Trade Representative, 2021)

- On October 18, the China Securities Regulatory Commission approved Goldman Sachs' bid to take full control of its joint venture in China.
- On October 13, reports surfaced that China was considering elevating the antitrust bureau of the State Administration for Market Regulation (SAMR) to the deputy-ministerial level, which would increase its personnel by more than double.
- On October 9, China revealed that it pressed the US to eliminate extant tariffs on Chinese goods in talks between Vice Premier Liu He and USTR Katherine Tai last month.
- On October 5, it was reported that the US Nuclear Regulatory Commission banned the shipment of radioactive materials and hydrogen isotopes to the state-owned China General Nuclear Power Group.

Associated News Sources:

[“Goldman Sachs Cleared to Own All of China Unit,”](#) The Wall Street Journal, October 18 [Paywall]
[“China readies plan to elevate status of antitrust unit - sources,”](#) Reuters, October 13 [Paywall]
[“China presses U.S. to cancel tariffs in test of bilateral engagement.”](#) Reuters via CNBC, October 9
[“U.S. suspends authority to ship nuclear materials to China's CGN,”](#) Reuters, October 5 [Paywall]

Covert Activities Surface Prompting Public Denials



Sgt. Maj. Jonathan Morris rides in a landing craft headed for USS New Orleans anchored off the coast of Cambodia (Source: U.S. Marines via Flickr)

- On October 16, it was reported that China tested a hypersonic missile in August that left US intelligence with “no idea how [China] did this.” China denied testing a weapon, calling the test a “routine spacecraft experiment.”
- On October 13, the CIA announced the formation of a new China Mission Center intended to “address the global challenge posed by the People's Republic of China.”
- On October 13, the US stated that China's construction projects at Cambodia's Ream Naval Base raise “concerns [over the] intended use of the naval facility” after satellite images released by CSIS appeared to show a new road and three new buildings with unclear purposes.
- On October 12, the Pentagon denied China's accusations that the US is attempting to “cover up” the collision of one of its submarines in the South China Sea by waiting five days to release news of the crash in a press conference.

Associated News Sources:

[“China tests new space capability with hypersonic missile,”](#) Financial Times, October 16 [Paywall]
[“CIA launches new China-focused unit,”](#) Politico, October 13
[“U.S. calls Cambodia opaque over Chinese activity at navy base,”](#) Reuters, October 13 [Paywall]
[“Pentagon Denies Chinese Accusation of Cover-Up in Nuclear Attack Submarine Crash,”](#) USNI News, October 12

Military Leaders Clamour to Counter China's Buildup



Pre-ministerial press conference by the NATO Secretary-General Jens Stoltenberg (Source: NATO via Flickr)

- On October 18, NATO Secretary-General Jens Stoltenberg stated in an interview that “China is coming closer to us [in] Arctic...cyberspace...[and] critical infrastructure in our countries,” noting that countering China will likely be added to NATO’s next strategic concept slated for 2022.
- On October 14, Admiral John Aquilino – US Indo-Pacific Command Chief – stated that the US wants “to increase the complexity and scope” of its military drills with the Philippines with the UK, Australia and Japan mentioned as “like-minded” countries who could join as observers.
- On October 13, Admiral Mike Gilday – US Chief of Naval Operations – responded to a question on China’s increasing military capabilities, posed during a media call in India, by saying “[w]e are not going to outspend China...[so] the key piece here is allies and partners.”

Associated News Sources:

- [“Nato to expand focus to counter rising China,”](#) *Financial Times*, October 18 [Paywall]
- [“U.S., Philippines Eye Return to Full Military Drills in 2022,”](#) *Bloomberg*, October 14 [Paywall]
- [“CNO Gilday: U.S. Must Leverage Allies Like India to Counter China in Indo-Pacific,”](#) *USNI News*, October 13

- In Other News -



(Source: Flickr)

- [“In Tackling China’s Real-Estate Bubble, Xi Jinping Faces Resistance to Property-Tax Plan,”](#) *The Wall Street Journal*, October 19 [Paywall]
- [“China, Russia send warships past Japan as they extend show of cooperation,”](#) *South China Morning Post*, October 19 [Paywall]
- [“US and China urged to find way to work together before Cop26,”](#) *The Guardian*, October 18
- [“LinkedIn to Shut Down Service in China, Citing ‘Challenging’ Environment,”](#) *The New York Times*, October 14 [Paywall]
- [“WHO unveils new 26-member panel to restart study of the pandemic’s origins,”](#) *Science*, October 13
- [“US overtakes China as biggest bitcoin mining hub after Beijing ban,”](#) *Financial Times*, October 13 [Paywall]
- [“India made unreasonable demands, China says after border talks fail,”](#) *South China Morning Post*, October 11 [Paywall]

What Are We Reading?

- *South China Morning Post*: [“Good or evil? The world is divided on China”](#) by Alex Lo (October 17, 2021) [Paywall]
- *The Diplomat*: [“The Shift in China-US Competition”](#) by Hoang Vu and Thuc D Pham (October 13, 2021)
- War on the Rocks: [“Don't Sweat the Small Stuff: Getting Force Design Right in the Next National Defense Strategy”](#) by Stacie L. Pettyjohn and Becca Wasser (October 12, 2021)
- *The Wall Street Journal*: [“Xi Jinping Scrutinizes Chinese Financial Institutions' Ties With Private Firms”](#) by Lingling Wei (October 11, 2021) [Paywall]
- *Bloomberg*: [“China's Response to U.S. Trade Talks Shows Gap Between Two”](#) by Bloomberg Staff (October 11, 2021) [Paywall]
- *The Washington Post*: [“In U.S.-China clash, Taiwan takes center stage”](#) by Ishaan Tharoor (October 11, 2021) [Paywall]
- *The New York Times*: [“‘Starting a Fire’: U.S. and China Enter Dangerous Territory Over Taiwan”](#) by Chris Buckley and Steven Lee Myers (October 9, 2021) [Paywall]
- *Business Insider*: [“The supply-chain disaster that is eating Christmas is being driven by a Biden-Xi conflict that many are overlooking”](#) by Hillary Hoffower, Ben Winck, and Andy Kiersz (October 9, 2021)
- *NPR*: [“Is China a threat or an opportunity? Depends which Americans you ask”](#) by Greg Myer and John Rutwich (October 8, 2021)
- Congressional Research Service: [“China Naval Modernization: Implications for U.S. Navy Capabilities—Background and Issues for Congress”](#) by Sam LaGrone, U.S. Naval Institute (October 7, 2021)
- Congressional Research Service: [“Renewed Great Power Competition: Implications for Defense—Issues for Congress”](#) by Sam LaGrone, U.S. Naval Institute (October 7, 2021)
- World Politics Review: [“Biden Aims to Challenge China in Latin America With B3W”](#) by Frida Ghitis (October 7, 2021) [Paywall]
- *Foreign Affairs*: [“Taiwan and the Fight for Democracy”](#) by Tsai Ing-wen (November/December 2021) [Paywall]
- *Foreign Policy*: [“Belt and Road Meets Build Back Better”](#) by Keith Johnson (October 4, 2021) [Paywall]

What's Happening Around Town?

- Past Events -

- [Reading the Red New Deal: Part 1 – How does Evergrande fit in?](#)
October 7 hosted by SupChina
- [“Chinese State Capitalism: Diagnosis and Prognosis” Report Launch](#)
October 7 hosted by Center for Strategic and International Studies
- [Eleventh Annual South China Sea Conference](#)
October 8 hosted by Center for Strategic and International Studies
- [U.S.-China Relations: Trends and Implications for U.S. Business](#)
October 12 hosted by Washington State China Relations Council
- [U.S. Trade Priorities in the Indo-Pacific](#)
October 12 hosted by National Bureau of Asian Research

- Upcoming Events -

- [Schieffer Series: AUKUS and its Impacts](#)
October 21 hosted by Center for Strategic and International Studies
- [China's Impact on Strategic Regions](#)
October 21 hosted by Carnegie Endowment for International Peace
- [China's Painful Transition to a Clean Energy Future](#)
October 26 hosted by the Wilson Center
- [China's Leaders: From Mao to Now](#)
October 27 hosted by Wilson Center
- [How Sustainable Is the China Innovation Juggernaut?](#)
November 3 hosted by Duke Law
- [NEXTChina Conference '21: Navigating Competitive Interdependence](#)
November 10-11 hosted by SupChina

What ICAS Is Up To

---ICAS Events and Co-sponsored Events---

Wednesday, November 3, 2021
9:30 - 10:50am EDT
Virtual (Zoom)

Fintech, Big Tech, and the Investment Implications of China's Regulatory Storm: What Gives?

~Roundtable~

Panelists

Zennon KAPRON
Founder and Director
Kapronasia

Sara HSU
Visiting Scholar
Fudan University

Martin CHORZEMPA
Senior Fellow
Peterson Institute for International
Economics

Moderated by

Denis SIMON
Senior Advisor to the President
for China Affairs, Professor
Duke University

Welcome Remarks by

Nong HONG
Executive Director, Institute for
China-America Studies

Concluding Remarks by

Yawei LIU
Director, China Program
Carter Center

ICAS | THE CARTER CENTER

Fintech, Big Tech, and the Investment Implications of China's Regulatory Storm: What Gives?

Wednesday, November 3, 2021
9:30am - 10:50am EDT

As U.S-China relations have broken down, the Chinese state has rushed through stringent new laws and guidelines to strengthen data protection, deter monopolistic behavior as well as the security of network products and services linked to the cross-border flow of data. The zeal to limit foreign listing of key information infrastructure and core data from being maliciously exploited by an adversary is matched by an equal determination within the Beltway to shield the sensitive personal data of Americans from Chinese bidders of questionable transparency, as well as de-list Chinese companies from major U.S. stock exchanges for a host of reasons ranging from national security risk to their failure to abide by standard audit disclosure requirements. As data and capital markets across the Pacific decouple, a number of high-profile Chinese companies, as well as American investors, have been caught in the crossfire.

In the context of these fast-moving developments, the event will discuss (a) the heady innovation in the fintech space in China and Asia, (b) the motivating factors behind the regulatory storm unleashed by the Chinese Communist Party on its home-grown Big Tech pioneers, (c) the investment implications of these stark Chinese technology regulations for American investors, and (d) the depth of sentiment against China on Capitol Hill as U.S. agencies set about bringing Chinese companies to heel on complying with U.S. legislative and regulatory requirements.

RSVP today: https://us06web.zoom.us/webinar/register/WN_UQLuvTlvTrqVjudKhQ-LQw

Download and share the event poster poster:
<https://chinaus-icas.org/wp-content/uploads/2021/10/11-3-2021-TnT-Event-Poster-Final.pdf>

Click on the event link to learn more about our speakers:
<https://chinaus-icas.org/event/fintech-big-tech-and-the-investment-implications-of-chinas-regulatory-storm-what-gives/>

---ICAS Issue Brief---**The Biden Administration's Emerging "New Approach" on U.S.-China Trade and Tariffs***By Sourabh Gupta**October 19, 2021*

On October 4, following a months-long inter-agency China policy review, United States Trade Representative (USTR) Katherine Tai unveiled the outlines of the administration's [emerging "new approach" on trade policy towards China](#) in an eagerly anticipated speech in Washington, D.C. The USTR-led China policy review was the first of its kind in more than 15 years.

In her remarks, USTR Katherine Tai made several overarching points....

Overall, USTR Katherine Tai's advertised "new approach" on China trade policy is not terribly different from the broken "paradigm" of the previous administration's approach. This is arguable despite her castigation of the Trump team for its failure to "meaningfully address the fundamental concerns that [Washington has] with China's trade practices and their harmful impacts on the U.S. economy." Just as before, tariffs are to be leveraged to elicit changes in China's behavior (despite ample evidence of the self-defeating nature of Trump's Section 301 tariffs). Unilateralism is not jettisoned but is to be leavened with a more "allies first" approach. And, just as before, adherence to multilateral trade law is to be approached with an a la carte attitude—picked, chosen and harped upon when convenient to advance American economic interests; kicked into the long grass when politically inconvenient.

The remainder of this Issue Brief is drawn up in the context of USTR Katherine Tai's unveiling of the outlines of the administration's emerging trade and tariff policy approach vis-à-vis China. In Section I, the Issue Brief carries a prescient *Insider Interview* with the President of the U.S.-China Business Council, Craig Allen, on all matters China trade and tariff policy considered. The Issue Brief concludes in Section II with a summarized backstory of how Washington and Beijing arrived at their current dismal state of trade policy affairs, levying self-damaging tit-for-tat tariffs across a wide range of goods. If the "durable coexistence" that USTR Tai alluded to in her delivered remarks is to take hold in U.S.-China relations, it is as important to look backwards at this recent history as it is important to look ahead and chart a path forward...

Link to Issue Brief:

<https://chinaus-icas.org/research/the-biden-administrations-emerging-new-approach-on-u-s--china-trade-and-tariffs/>

---ICAS Commentary---**An Emerging Trend Towards Building Back Better U.S.-China Relations: Key Takeaways from the Yang-Sullivan Meeting***By Yilun Zhang and Amanda Jin**October 7, 2021*

The bilateral relationship between China and the United States has finally begun to show solid signs of improvement in recent weeks. The September 9 phone call between leaders of the two countries reaffirmed Beijing's and Washington's intention to prevent conflict and seek avenues for cooperation. The release of Huawei CFO Meng Wanzhou, which coincided with the release of Canada's "two Michaels" and American citizens Victor and Cynthia Liu, became the first diplomatic thawing produced under the Biden administration. National Security Advisor Jake Sullivan's meeting with his Chinese counterpart, Yang Jiechi, in Zurich yesterday follows this trend and reassures the world that conflict and open hostility is undesirable for both Beijing and Washington. The meeting showed an emerging trend towards 'building back better' U.S.-China relations through revitalized, professional senior-level diplomatic engagement after a volatile four years under the Trump administration. It also revealed various challenges and differences in the policy orientations of the U.S. and China – differences that will require continuous dialogue in order to keep both parties operating off the same page...

Link to Article: <https://chinaus-icas.org/research/an-emerging-trend-towards-building-back-better-u-s-china-relations/>

---ICAS Commentary---

Quad's India Problem: No Different From Beijing

By Sourabh Gupta

October 7, 2021

The Quad, which held its first in-person leader-level summit meeting at the White House, aims to champion the role of international law in the maritime domain. Australia, Japan and the US should first get New Delhi to revise its UNCLOS-related rules and regulations, which bear far greater similarity with Beijing's than that of its Quad partners...

Link to Article: <https://chinaus-icas.org/research/quads-india-problem-no-different-from-beijing/>

This commentary was [originally released](#) by S. Rajaratnam School of International Studies (RSIS) at Nanyang Technological University.

---ICAS In the News---



On Monday, **October 11, 2021**, Senior Fellow Sourabh Gupta discussed the U.S. nuclear submarine espionage row on *RT America's In Question*.

- Watch the Discussion: <https://www.youtube.com/watch?v=9BAbVt2GtHc&t=291s>