



# The ICAS Bulletin

## Institute for China America Studies

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

October 6, 2021

## What's Going On? ↓

### U.S. Develops Strategy on China Trade



Tai, Raimondo, and Blinken at the U.S.-EU TTC (Source: Department of State)

- On October 4, U.S. Trade Representative Katherine Tai unveiled the results of a month-long review of China trade policy, revealing that the U.S. would exclude only some Chinese imports from existing tariffs and will push for a top-level meeting to address China's failure to comply with measures of the 2020 'Phase 1' trade deal.
- On September 29, the first U.S.-EU Trade and Technology Council was held in Pittsburgh where top officials pledged to coordinate policy on market rules, standards, and enforcement actions against unfair trade practices.
- On September 24, Commerce Secretary Gina Raimondo stated that the Biden administration will continue to support U.S. market access and business ties to China despite Washington's increasing concern over U.S.-China technology and trade exchanges.

#### Associated News Sources:

- ["Fact Sheet: The Biden-Harris Administration's New Approach to the U.S. - China Trade Relationship."](#) Office of the U.S. Trade Representative, October 4
- ["U.S. Wants New Trade Talks With China, but Will Keep Tariffs."](#) *The Wall Street Journal*, October 4 [Paywall]
- ["U.S.-EU officials pledge more coordination on tech and trade at Pittsburgh meeting."](#) *Politico*, September 29
- ["Commerce Secretary Gina Raimondo Aims to Strengthen Business Ties With China,"](#) *The Wall Street Journal*, September 24 [Paywall]

### U.S. and China Exchange Detainees



Meng Wanzhou waves at onlookers after landing in Shenzhen (Source: CCTV)

- On September 28, China released American siblings Victor and Cynthia Liu – the children of Liu Changming, a fugitive wanted in China on fraud charges who was formerly the top party official at the Guangzhou branch of China's state-owned Bank of Communications – from a three-year ban on exiting the country.
- On September 24, Huawei's CFO Meng Wanzhou left her three-year house arrest in Vancouver and returned to China after reaching a deferred prosecution agreement with the U.S. Justice Department in her fraud case. China reciprocated within hours, releasing detained Canadians Michael Spavor and Michael Kovrig who were being held on espionage charges.

#### Associated News Sources:

- ["China Releases Two U.S. Citizens Blocked From Leaving Since 2018,"](#) *The Wall Street Journal*, September 28 [Paywall]
- ["U.S. Agrees to Release Huawei Executive in Case That Strained Ties With China,"](#) *The New York Times*, September 24 [Paywall]
- ["EXCLUSIVE Huawei CFO Meng to appear in court, expected to reach agreement with U.S. - source,"](#) *Reuters*, September 24 [Paywall]

## U.S. Starts Countdown on Delisting Non-Compliant Chinese Companies



The New York Stock Exchange (Source: Josh Hallett via Flickr)

- On October 2, Securities and Exchange Commission chair Gary Gensler stated that a three-year countdown has started on delisting Chinese companies that refuse to have their audit records reviewed by U.S. regulators. The statement came after the Public Company Accounting Oversight Board adopted a framework to more quickly assess the legality of reviewing public audits in China, which prohibits foreign audits of its business entities without prior approval.
- On September 28, David Lipton – senior counselor to Treasury Secretary Janet Yellen – participated in a roundtable meeting with the Governor of the People’s Bank of China and several representatives of the U.S. business community.
- On September 21, Alan Estevez – Biden’s nominee to serve as Under-Secretary of Commerce for Industry and Security – testified before the Senate that he views Huawei as a national security threat and that he would expect to keep the firm blacklisted unless “things change.”

*Associated News Sources:*

- [“Countdown Starts on Chinese Company Delistings After Long U.S.-China Audit Fight.”](#) Bloomberg, October 2 [Paywall]
- [“Treasury’s Lipton Joined PBOC Boss, Investors in U.S.-China Meeting.”](#) Bloomberg, September 28 [Paywall]
- [“U.S. Audit Watchdog Adopts Rule to Help Implement New Trading Ban.”](#) The Wall Street Journal, September 22 [Paywall]
- [“Biden nominee for key China export post expects Huawei to remain blacklisted.”](#) Reuters, September 21 [Paywall]

## China’s Business Environment Tightens as U.S. Companies Seek Increased Trade



A skyline of Beijing at night (Source: Getty Images)

- On October 1, China’s Ministry of Industry and Information Technology announced a new system of data categorization that would bar all industrial and telecoms data deemed ‘core’ from leaving China.
- From September 26–30, several Apple and Tesla chip and circuit suppliers in China suspended operations to comply with tightening carbon energy consumption standards.
- On September 24, the People’s Bank of China stated that all domestic and overseas cryptocurrency-related activities were illegal for Chinese financial institutions to process.
- On September 24, a research paper indicated that the U.S. tariffs on Chinese products implemented in mid-2018 did little to bring U.S. companies home or change Chinese economic policy.
- On September 23, a survey conducted by the American Chamber of Commerce in Shanghai showed that U.S. companies’ optimism about conducting business in China reached a three-year high.

*Associated News Sources:*

- [“China to block ‘core’ industrial, telecoms data from leaving the country.”](#) South China Morning Post, October 1 [Paywall]
- [“Some Apple, Tesla suppliers suspend production in China amid power pinch.”](#) Reuters, September 27 [Paywall]
- [“China’s central bank says all cryptocurrency-related activities are illegal, vows harsh crackdown.”](#) CNBC, September 24
- [“US-China trade war did not bring American firms home, research finds.”](#) South China Morning Post, September 24 [Paywall]
- [“U.S. business optimism in China rebounds to pre-trade war levels -survey.”](#) Reuters, September 23 [Paywall]

## Allegations of Security Provocations in the Indo-Pacific and Taiwan Strait



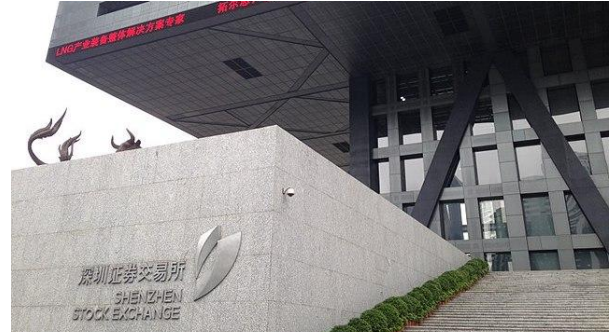
An abandoned bunker on Kinmen island (Source: Getty Images)

- On October 5, it was reported that National Security Advisor Jake Sullivan plans to meet with Yang Jiechi – China’s top diplomat on the Politburo Standing Committee – this week to address rising tensions between the two states over issues of Taiwan and trade policy.
- On October 3, the U.S. accused China of “provocative military activity” after it flew an unprecedented number of military planes near Taiwan’s airspace amid its National Day celebrations. The following day, White House Press Secretary Jen Psaki urged China to “cease its military, diplomatic, and economic pressure and coercion against Taiwan” in a press conference.
- On September 24, the first in-person meeting of the Quad concluded with members pledging to pursue a free and open Indo-Pacific region “undaunted by coercion.”
- On September 22, Malaysia stated that it would consult China before formulating a policy towards AUKUS.

### Associated News Sources:

- [“China, US eye further talks with Yang Jiechi set to meet Jake Sullivan.”](#) *South China Morning Post*, October 5 [Paywall]
- [“White House puts China on notice.”](#) *The Hill*, October 4
- [“U.S. accuses China of 'provocative' activity after warplanes enter Taiwan's defense zone.”](#) *NBC*, October 3
- [“Quad leaders press for 'free' Indo-Pacific amid China tensions.”](#) *Al Jazeera*, September 24
- [“Malaysia to seek China's view on Australia's nuclear sub pact.”](#) *Reuters*, September 22 [Paywall]

## - In Other News -



(Source: そらみみ via Wikimedia Commons)

- [“Share Trading Suspended as Debt Test Looms: Evergrande Update.”](#) *Bloomberg*, October 4 [Paywall]
- [“Top UAE Official Warns on Risk of ‘Cold War’ Between China, U.S.”](#) *Bloomberg*, October 2 [Paywall]
- [“No timetable for Hong Kong anti-sanctions law, finance chief Paul Chan says.”](#) *South China Morning Post*, October 1 [Paywall]
- [“Biden Pulls Back on Infrastructure Bill, Tying It to Social Policy Measure.”](#) *The New York Times*, October 1 [Paywall]
- [“Sen. Tom Cotton: A Cold War with China, whether we seek one or not.”](#) *Fox News*, September 28
- [“Bank of China, HSBC Among First to Trade on New Bond Link.”](#) *Bloomberg*, September 23 [Paywall]
- [“China opposes U.S. sanctions on Ethiopia and Afghanistan as humanitarian crises worsen.”](#) *SupChina*, September 23

## What Are We Reading? ↓

- *The Guardian*: [“The US must avoid war with China over Taiwan at all costs”](#) by Lt Col Daniel Davis (ret.) (October 5, 2021)
- *The National Interest*: [“There Will Be a U.S.-China Cold War”](#) by Paul Heer (October 3, 2021)
- *The Wall Street Journal*: [“U.S. and Chinese Regulators Are in a Bind Over a Three-Letter Acronym”](#) by Jing Yang (September 30, 2021) [Paywall]
- Center for Strategic and International Studies: [“China Is Exploiting the Pandemic to Advance Its Interests, with Mixed Results”](#) by Bonny Lin, Matthew P. Funaiolo, Brian Hart, and Hannah Price (September 30, 2021)
- *Financial Times*: [“US-China business: the necessary reinvention of Huawei”](#) by Kathrin Hille, Eleanor Olcott, and James Kynge (September 29, 2021) [Paywall]
- *Foreign Policy*: [“Afghanistan Is No Treasure Trove for China”](#) by Matthew P. Funaiolo and Brian Hart (September 28, 2021) [Paywall]
- Reconnecting Asia: [“The Quad’s Strategic Infrastructure Play”](#) by Jonathan E. Hillman (September 27, 2021)
- *The Wall Street Journal*: [“China Wields New Legal Weapon to Fight Claims of Intellectual Property Theft”](#) by Josh Zumbrun (September 26, 2021) [Paywall]
- *The Washington Post*: [“Opinion: Biden’s strategy to stabilize U.S.-China relations isn’t working”](#) by Josh Rogin (September 23, 2021) [Paywall]
- *Time Magazine*: [“The U.S. Is Losing the Global Race to Decide the Future of Money—and It Could Doom the Almighty Dollar”](#) by Dion Rabouin (September 21, 2021) [Paywall]
- Polar Institute: [“Legal Considerations Regarding Indigenous Peoples of the Russian Arctic”](#) by Antonina Gorbunova (No. 7, September, 2021)

## What’s Happening Around Town? ↓

### - Past Events -

- [What Does Evergrande Meltdown Mean for China?](#)  
September 20 hosted by Carnegie Endowment for International Peace
- [Beijing Suffers Major Loss from Its Hostage Diplomacy](#)  
September 20 hosted by Center for Strategic and International Studies
- [Partnerships and Business Innovation to Rein in Plastic Waste in the US and China](#)  
September 29 hosted by Wilson Center
- [Mapping the China Playbook in Europe](#)  
September 29 hosted by German Marshall Fund
- [Mapping the Changing Climate in the Polar Regions](#)  
October 4 hosted by Wilson Center
- [A Conversation with Ambassador Katherine Tai, U.S. Trade Representative](#)  
October 4 hosted by Center for Strategic and International Studies
- [China Pathfinder Launch](#)  
October 5 hosted by Atlantic Council

### - Upcoming 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: Session Four](#)  
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
- [Implications of the New U.S.-China Trade Policy for U.S. Business](#)  
October 21 hosted by SupChina
- [Taking Control: the United States & Canada Respond to China’s Supply Chain Challenge](#)  
November 4 hosted by Wilson Center

# What ICAS Is Up To

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

**Tuesday, September 28, 2021**  
10:00am - 11:45am EDT  
Virtual (Zoom)

### Security, Strategy, and Military Dynamics in the South China Sea: Cross-National Perspectives

~Book Talk~

**Introduction by**  
**Jia WANG**  
Interim Director, China Institute  
University of Alberta

**Moderated by**  
**Dr. Gordon HOULDEN**  
Director Emeritus, China Institute  
University of Alberta

**Speakers**

**Nong HONG**  
Executive Director  
Institute for China-America Studies

**John CALLAHAN**  
Dean, School of Graduate and Professional Studies  
New England College, USA

**Stein TØNNESSON**  
Researcher Professor  
Peace Research Institute Oslo (PRIO)

**Rommel C. BANLAOI**  
President  
Philippine Association for Chinese Studies

**Scott ROMANIUK**  
Postdoctoral Fellow, China Institute,  
University of Alberta

**YANG LI**  
Assistant President  
National Institute for South China Sea Studies, China

**Sourabh GUPTA**  
Senior Fellow  
Institute for China-America Studies

**Yann-huei SONG**  
Board Member  
Chinese (Taiwan) Society of International Law, Taipei

RSVP: [https://us06web.zoom.us/join/register/WN\\_1StnyibxQoyo9Ka2lJu5w](https://us06web.zoom.us/join/register/WN_1StnyibxQoyo9Ka2lJu5w)

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### Security, Strategy, and Military Dynamics in the South China Sea: Cross-National Perspectives ~Book Talk~

Tuesday, September 28, 2021  
10:00am - 11:45am EDT

Last Tuesday, ICAS partnered with the China Institute at the University of Alberta to host a discussion with the various co-authors of a newly published book on the South China Sea. A summary and a video recording of the event will be available online soon from the [event page](#).

The comprehensive volume *Security, Strategy, and Military Dynamics in the South China Sea: Cross-National Perspectives* brings together the expertise and knowledge of more than a dozen academics and professionals, all of whom are leading experts in their respective areas. Engaging with individual states and core themes, this book collectively presents a robust and sweeping outlook on the current geography of security and potential conflict in the South China Sea.

Link to the Book: <https://bristoluniversitypress.co.uk/security-strategy-and-military-dynamics-in-the-south-china-sea>



Executive Director Dr. Nong Hong and Senior Fellow Sourabh Gupta participated in a virtual roundtable discussion on the book on September 28, 2021.

---ICAS Journal Article---

**China and the Antarctic: Presence, policy, perception, and public diplomacy**

*By Nong Hong  
September 25, 2021*

China has made significant investments in Antarctica and has become an active participant in Antarctic governance. Its activities in Antarctica in particular appear to be designed to ensure that China will not be left out should there be beneficial opportunities in Antarctica in the future. In some Western narratives, China has become a so-called ‘challenger’ due to their perception of China being ‘aggressive’ in the polar regions. However, this point has its own counter argument based on the common practice of states to actively join international institutions and subsequently update their domestic law-making process. China appears to have taken a two-fold approach in Antarctic governance—being generally both supportive of the Antarctic Treaty System (ATS) and also keen to make its own mark in shaping future development of the ATS in a manner that promotes China’s interests. The outcomes of China’s polar investments may well bring as much benefit to itself as to many other interested players. It is important that China continues to support current norms that promote cooperation and limit competition or challenge them.

Link to Article: <https://chinaus-icas.org/research/china-and-the-antarctic-presence-policy-perception-and-public-diplomacy/>

*This article was [originally released](#) on September 25, 2021 and is in pre-print for the December volume of the Marine Policy journal.*

---ICAS Commentary---

**Analyzing legal and political issues surrounding historic Arctic voyage**

*By Nong Hong  
September 30, 2021*

Renowned Chinese sailor Zhai Mo and two crew members embarked on a four-month voyage beginning at the end of June this year, attempting to circumnavigate the Arctic for the first time in human history. However, Canada stopped their sailboat in the Arctic Ocean near Lancaster Sound, a part of the Northwest Passage.

This voyage does not challenge Canada’s sovereignty or legal status over the Northwest Passage as claimed by a report on the Canadian Broadcasting Corporation (CBC). One of the issues that worry Canada the most is whether China will adopt the same legal position as the United States and the European Union: treating the Northwest Passage as a “strait for international use” in opposition to Canada’s claim to it as “internal waters.”

In its Arctic Policy White Paper in 2018, China maintains that all activities to explore and utilize the Arctic should be conducted in compliance with treaties such as the United Nations Convention on the Law of the Sea (UNCLOS) and the Svalbard Treaty, as well as with general international law. However, the white paper does not touch on the status of the Northwest Passage and other straits in the Arctic, focusing instead on the considerable opportunities and challenges posed by economic and environmental considerations. Hence, of the Arctic five (Canada, Denmark, Norway, Russia and the United States), Canada is the most concerned about the white paper’s implications, warning that China’s Arctic policy is attempting to tread a fine line between respecting the sovereignty of Arctic nations and leaving room to profit from disputes in international law...

Link to Article: <https://chinaus-icas.org/research/analyzing-legal-and-political-issues-surrounding-historic-arctic-voyage/>

*This commentary was [originally released](#) on the CGTN website on September 30, 2021.*

---ICAS In the News---



On Friday, **October 1, 2021**, Senior Fellow Sourabh Gupta discussed China's Air Force modernization and strategic competition with the U.S. in the context of the 2021 Zhuhai Air Show on *RT America's The News with Rick Sanchez*.

- Watch the Discussion: <https://www.youtube.com/watch?v=zjbP59scycv&t=398s>

On Wednesday, **September 29, 2021**, Senior Fellow Sourabh Gupta discussed U.S.-China relations in the context of Huawei CFO Meng Wanzhou's release on *CGTN's World Insight with Tian Wei*.

- Watch the Discussion: <https://www.youtube.com/watch?v=BIJR61XcC90&t=1101s>

On Saturday, **September 25, 2021**, Executive Director Dr. Nong Hong discussed the implications of China's growing navy on the *BBC World Service*.

- Listen to the Discussion: <https://www.bbc.co.uk/programmes/w3ct1hsz>