



The ICAS Bulletin

Institute for China America Studies

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

November 3, 2021

What's Going On? ↓

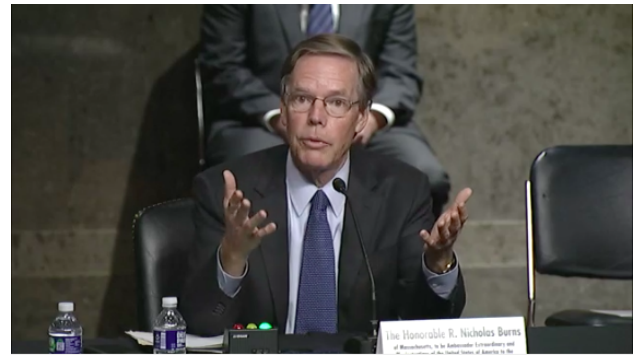
In Beijing's Absence, Multilateral Forums See Cooperation Against China



President Biden participates in the 9th US-ASEAN Summit on October 26
(Source: ASEAN Summit Host Photo/Handout)

- On November 1, President Xi Jinping delivered a written statement to the COP26 climate conference where he urged all parties to “jointly tackle the climate challenge” but made no mention of a pledge from China. The lack of a Chinese commitment disappointed Western leaders such as France’s Emmanuel Macron, who had asked Xi for a “decisive signal” on climate on a call the week previous.
- On October 31, the U.S. and EU ended a dispute over steel and aluminum tariffs on the sidelines of the G20, agreeing to remove mutual trade barriers, instituted during the Trump administration, and to cooperate on drafting global standards against ‘dirty’ steel in China and elsewhere.
- On October 26, President Biden announced \$100m in aid to ASEAN member states to expand the U.S. “strategic partnership” with the bloc. However, ASEAN announced on October 28 that the bloc agreed to upgrade its ties with Australia and China to a “comprehensive strategic partnership” as well, maintaining its neutrality.
- On October 22, the G7 member states agreed to a new set of “Digital Trade Principles” which struck a middle ground between the highly-regulated data protection rules in Europe and the more liberal U.S. approach.

U.S. Officials Address China in Top-Level Meetings and Hearings



Nicholas Burns testifies during his confirmation hearing to be Ambassador to China on October 20 (Source: Senate Committee on Foreign Relations)

- On October 31, Secretary of State Blinken met with China’s Wang Yi on the sidelines of the G20. Blinken chastized Wang over Chinese threats to the cross-straits status quo while Wang pointed to U.S. “connivance” and “support” for Taiwan as the cause of this instability.
- On October 21, U.S. officials reported that they “are still planning details of the virtual [Biden-Xi] meeting” as Biden has yet to consult with allies at the G7 summit.
- On October 21, Defense Secretary Austin attended a meeting of NATO defense ministers to formulate a new strategic concept post-Afghanistan. While China is on the agenda, Austin refused to comment on a potential attack on Taiwan when probed in a press conference.
- On October 20, Nicholas Burns, Biden’s nominee for Ambassador to China, testified during his confirmation hearing before the Senate Foreign Relations Committee about the advantage that allies gave the U.S. against China and the continued efficacy of the “One-China policy” and strategic ambiguity regarding Taiwan. Rahm Emmanuel, Biden’s nominee for Ambassador to Japan, followed Burns in arguing for the need to deepen U.S.-Japan ties to thwart “Chin[ese] aims to conquer through division.”

Associated News Sources:

["Xi Jinping makes no major climate pledges in written Cop26 address,"](#) *The Guardian*, November 1
["EU and U.S. end clash over steel and aluminium, take aim at China's 'dirty' steel,"](#) *Reuters*, October 31 [Paywall]
["ASEAN upgrades ties with China, calls Myanmar part of 'family',"](#) *Reuters*, October 28 [Paywall]
["Biden Expands US-ASEAN 'Strategic Partnership',"](#) *Voice of America*, October 26
["Biden joins U.S.-ASEAN summit Trump skipped after 2017,"](#) *Reuters*, October 26 [Paywall]
["France's Macron asks China's Xi Jinping for signal ahead of COP26,"](#) *Reuters*, October 26 [Paywall]
["G7 countries reach breakthrough on digital trade and data,"](#) *Reuters*, October 22 [Paywall]

Associated News Sources:

["Blinken and Wang warn against fuelling Taiwan tensions,"](#) *Reuters*, October 31 [Paywall]
["With Xi-Biden meeting, U.S. aims to show responsible handling of China ties,"](#) *Reuters*, October 22 [Paywall]
["Strategic ambiguity on Taiwan works: U.S. envoy pick for China,"](#) *Nikkei Asia*, October 21 [Paywall]
["Austin at NATO to discuss China and Afghanistan, as defense ministers reimagine the alliance's goals,"](#) *The Washington Post*, October 21 [Paywall]
["U.S. envoy to Japan nominee vows to deepen ties amid China challenge,"](#) *The Japan Times*, October 21
["U.S. China ambassador nominee Burns takes tough line on dealings with Beijing,"](#) *Reuters*, October 20 [Paywall]

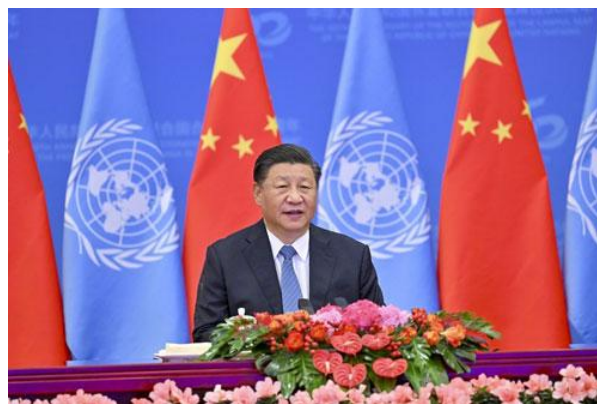
U.S. Troubled by Chinese Threats to Technology and Military Security



The USS Milius and the JMSDF destroyer JS Akizuki transit the South China Sea in a joint exercise on October 19 (Source: U.S. Navy via Flickr)

- On October 28, FBI Director Chris Wray urged members of the Economic Club of New York to work more closely with law enforcement to stop Chinese hacking.
- On October 27, in the wake of the 16th East Asia Summit, the U.S. and Japan struck a similar note in opposing China's activities in the East and South China Seas. These comments came alongside joint U.S.-Japanese naval exercises in the South China Sea.
- On October 27, Gen. Mark Milley called China's recent test of a hypersonic missile "very close to" a 'Sputnik moment' that caught "all of our attention," alluding to the USSR's early edge in the space race. These comments followed a report by the US Navy on October 21 that announced the completion of a test flight campaign with "high operational tempo for hypersonics."
- On October 27, the FCC revoked China Telecom's license to do business in the U.S., arguing that the company is "subject to exploitation, influence, and control by the Chinese government." This action followed an October 25 letter from House Republicans to Secretary Raimondo

U.S. and Allies Squabble with China over the Status of Taiwan



Xi Jinping speaks at an event on October 25, the 50th anniversary of the PRC's recognition in the United Nations (Source: Chinese Ministry of Foreign Affairs)

- On October 29, Sandra Oudkirk, the new director of the American Institute in Taiwan, stated in her first press conference that the U.S. is "committed to deepening [its] ties with Taiwan." These comments came after Tsai Ing-wen confirmed the U.S. troop presence in Taiwan in an interview with *CNN* and argued the presence is necessary to bolster "people that believe in [democratic] values."
- On October 27, it was reported that a delegation from the European Parliament will visit Taiwan the following week to push for closer political and economic ties.
- On October 27, President Biden called China's recent actions in the Taiwan Straits "coercive" in his remarks to fellow leaders at the 16th East Asia Summit.
- On October 25, President Xi delivered a speech at an event commemorating the 50th anniversary of the PRC's recognition in the United Nations where he defended multilateralism saying "international rules should be drawn up jointly by all 193 UN members, instead of being decided by certain countries...[and be] followed by all 193

urging the Department of Commerce to limit foreign operations and strengthen export controls in key industries to prevent critical data and technology from falling into Beijing's hands.
 - On October 22, the National Counterintelligence and Security Center issued a warning to American tech firms on the dangers of losing a competitive edge to China in the critical fields of artificial intelligence, quantum computing, bioscience, semiconductors, and autonomous systems.

Associated News Sources:

- ["FBI Chief Seeks More Help From Companies to Fight Chinese Hacking,"](#) *Bloomberg*, October 29 [Paywall]
- ["U.S., Japan square off with China on maritime security amid tensions,"](#) *Kyodo News*, October 28
- ["Top U.S. general calls China's hypersonic weapon test very close to a 'Sputnik moment',"](#) *The Washington Post*, October 27 [Paywall]
- ["U.S. Bans China Telecom Over National Security Concerns,"](#) *The Wall Street Journal*, October 27 [Paywall]
- ["House Republicans Call for Tougher Controls to Keep U.S. Tech From China,"](#) *The Wall Street Journal*, October 25 [Paywall]
- ["US intelligence warns American firms to protect 5 key technologies from China,"](#) *South China Morning Post*, October 23 [Paywall]
- ["US intel warns China could dominate AI, gain military edge,"](#) *Al Jazeera*, October 22
- ["After Chinese Missile Test, U.S. Navy Speeds Up Hypersonic Research,"](#) *The Maritime Executive*, October 21

UN members." His comments defending the status quo were widely seen as repudiating an October 22 meeting between American and Taiwanese officials exploring the potential expansion of Taiwan's participation at the UN.
 - On October 22, President Biden told a CNN town hall that the U.S. has "a commitment" to defending Taiwan against a military threat. However, the White House walked back Biden's comments the day after saying "the president...has [not] made a decision to change our policy [which remains] guided by the Taiwan Relations Act."

Associated News Sources:

- ["US to deepen relations with Taiwan in face of China tensions,"](#) *Associated Press*, October 29
- ["Taiwan confirms U.S. military presence, says defending island is vital for democracy,"](#) *The Washington Post*, October 28 [Paywall]
- ["European lawmakers to visit Taiwan next week to meet with Taipei officials,"](#) *South China Morning Post*, October 27 [Paywall]
- ["Biden calls out China's Taiwan actions as 'coercive',"](#) *Associated Press*, October 27
- ["China's 50 years at UN: Xi Jinping says international rules and order must not be dominated by one power,"](#) *South China Morning Post*, October 25 [Paywall]
- ["Xi attacks U.S. attempts to expand Taiwan's UN involvement,"](#) *Nikkei Asia*, October 25 [Paywall]
- ["Strategic Ambiguity' on Taiwan Apparent as White House Walks Back Biden Comments,"](#) *Voice of America*, October 23
- ["Biden says United States would come to Taiwan's defense,"](#) *Reuters*, October 22 [Paywall]

Oscillation in U.S.-China Trade Prospects



One of TSMC's factories in Taichung's Central Taiwan Science Park (Source: Briáxis F. Mendes via Wikimedia Commons)

- Data released on October 28th demonstrated that, between November 9th 2020 and April 20th 2021, the Department of Commerce issued over \$100b in export licenses for semiconductors to blacklisted Chinese companies such as Huawei, meaning that these Chinese

- In Other News -



Half-court of the Boston Celtics, whose games were pulled by Tencent after controversial comments by player Enes Kanter (Source: Jeff Cutler via Flickr)

- ["Yahoo Pulls Out of China, Ending Tumultuous Two-Decade Relationship,"](#) *The Wall Street Journal*, November 2 [Paywall]
- ["China, Russia revive push to lift U.N. sanctions on North Korea,"](#) *Reuters*, November 1 [Paywall]
- ["China Evergrande Makes Overdue Interest Payment on Dollar Bonds, State Media Says,"](#) *The Wall Street Journal*,

suppliers have had continued access to U.S. technology despite their alleged threat to national security.

- On October 25th, it was reported that the U.S. Innovation and Competition Act, which contains a key bipartisan measure to appropriate \$52b towards the domestic manufacture of semiconductors, has idled in the House since its approval by the Senate in June, prompting concerns over this time-sensitive provision.
- On October 25th, Taiwan Semiconductor Manufacturing Co. agreed to provide the U.S. with information related to companies in the global microchip supply chain, raising concerns in Beijing that the U.S. could use this information to sanction Chinese semiconductor firms.
- On October 20th, David Bisbee, *chargé d'affaires* at the U.S. mission to the WTO in Geneva, criticised China's trade policy and accused Beijing of undermining the WTO's market-oriented approach by systematically "skew[ing] the playing field against imported goods and services" and employing economic coercion against smaller nations.
- On October 19th, President Xi gave a speech emphasizing the importance of the digital economy to China's continued growth and development, saying that China must "take autonomy of the digital economy firmly in [its] own hands" while also striking a balance between "regulation and promotion" of the industry.

Associated News Sources:

["Frustration builds over stalled China competition bill," Politico, October 25](#)

["Semiconductor giant TSMC's decision to cooperate with Washington's chip data request fuels anger in China," South China Morning Post, October 25 \[Paywall\]](#)

["U.S. Issued \\$100 Billion in Export Licenses to Suppliers of Huawei, SMIC," The Wall Street Journal, October 21 \[Paywall\]](#)

["Xi calls for smarter regulation of digital economy and highlights its key role in future national development," South China Morning Post, October 21 \[Paywall\]](#)

["U.S. Blasts China's Harmful Industrial Policies in WTO Review," Bloomberg, October 20 \[Paywall\]](#)

["U.S., trading partners urge China to liberalise further," Reuters, October 20 \[Paywall\]](#)

October 22 [Paywall]

["Amnesty to shut Hong Kong offices given national security law risks," Reuters, October 21 \[Paywall\]](#)

["Chinese media removes Boston Celtics games after center Enes Kanter's 'Free Tibet' statements," ESPN News Services, October 21](#)

["NBA's Enes Kanter Calls for a Free Tibet, Sparks Chinese Backlash," The Wall Street Journal, October 21 \[Paywall\]](#)

["China lights Olympic flame ahead of 2022 Beijing Games," Al Jazeera, October 20](#)

What Are We Reading?

- War on the Rocks: [“China’s Hypersonic Weapons Tests Don’t Have to be a Sputnik Moment”](#) by Sanne Verschuren (October 29, 2021)
- World Politics Review: [“Don’t Turn China’s Hypersonic Missile Test Into a ‘Sputnik Moment’”](#) by Benjamin H. Friedman (October 28, 2021) [Paywall]
- Mercator Institute for China Studies: [“MERICS China Essentials: Climate + China’s 50th UN anniversary + Property tax”](#) by MERICS Staff (October 28, 2021) [Paywall]
- The Heritage Foundation: [“China’s Maritime Resource Grab Creates an Opening for the United States”](#) by Jordan McGillis and Anthony B. Kim (October 27, 2021)
- *Washington Examiner*: [“As Taiwan goes, so goes the world”](#) by Robert Wilkie (October 27, 2021)
- *Nikkei Asia*: [“Back to America: Pakistan pitches China’s Belt and Road to U.S.”](#) by Wajahat Khan (October 27, 2021) [Paywall]
- *NPR*: [“How China spreads misinformation around the world: A look at ‘The Facebook Papers’”](#) by Scott Tong and Robin Young (October 25, 2021)
- *CNBC*: [“China is pushing to develop its own chips — but the country can’t do without foreign tech”](#) by Arjun Kharpal (October 25, 2021)
- *Al Jazeera*: [“Taiwan taps on United Nations’ door, 50 years after departure”](#) by Erin Hale (October 25, 2021)
- *BBC*: [“Will Apple be the last US tech giant left in China?”](#) by James Clayton (October 23, 2021)
- *Voice of America*: [“AUKUS, China Sea Tensions Put Indonesia in Tight Spot, Analysts Say”](#) by Bronwyn Curran (October 23, 2021)
- Asia Maritime Transparency Initiative: [“There and Back Again: Chinese Militia at Iroquois Reef and Union Banks”](#) by AMTI Staff (October 22, 2021)
- *The New York Times*: [“Is China in Big Trouble?”](#) by Paul Krugman (October 22, 2021) [Paywall]
- Carnegie Endowment: [“China’s Tests Are No Sputnik Moment”](#) by James M. Acton (October 21, 2021)
- SupChina: [“The U.S.-China tariff failure of 2019”](#) by Kaiser Kuo (October 21, 2021)

What’s Happening Around Town?

- Past Events -

- [Schieffer Series: AUKUS and its Impacts](#)
October 21 hosted by Center for Strategic and International Studies
- [Xi Jinping’s New Policy Framework](#)
October 28 hosted by Center for Strategic and International Studies
- [Australia, China, and the Indo-Pacific: A Discussion with Tony Abbott, 28th Prime Minister of Australia](#)
October 29 hosted by Wilson Center
- [Panel Discussion: Overcoming Challenges in the Research Environment in China](#)
November 1 hosted by Fairbank Center
- [Looking Ahead: The Quad’s Strategic Approach to China, Taiwan, and the Indo-Pacific](#)
November 2 hosted by Center for Strategic and International Studies

- Upcoming Events -

- [How Sustainable Is the China Innovation Juggernaut?](#)
November 3 hosted by Duke Law
- [Taking Control: the United States & Canada Respond to China’s Supply Chain Challenge](#)
November 4 hosted by Wilson Center
- [Asia Forward: Leading the Way Towards a New Multilateralism](#)
November 10 hosted by Asia Global Institute
- [NEXTChina Conference '21: Navigating Competitive Interdependence](#)
November 10-11 hosted by SupChina
- [The 14th Polar Law Symposium 2021](#)
November 21-23 co-hosted by Polar Cooperation Research Centre, Polar Law Institute, University of Lapland, and University of the Arctic

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 and view the recording after the event:

<https://chinaus-icas.org/event/fintech-big-tech-and-the-investment-implications-of-chinas-regulatory-storm-what-gives/>

---ICAS Journal Article---

Weighing the Sources of International Law: The Arctic, Antarctica and the South China Sea

*By Nong Hong
October 19, 2021*

There is a long-standing debate on the weight or preference given to different sources of international law in jurisprudence. This article aims to discuss the interplay of three pairs of sources of international law; namely between old treaties and new treaties, treaties and customs, and existing treaties and emerging treaties in the context of three regions which are featured with typical maritime related issues. In the Arctic region, the 1925 Svalbard Treaty and the 1982 United Nations Convention on the Law of the Sea (unclos) become the sources of conflicts or different legal positions between Norway and some other States who are parties to both treaties. In the South China Sea, the major legal issue, among many other important ones such as island regime, is the relationship between unclos as a treaty law and historic rights as a customary international law. The Antarctic Treaty System (ATS) may be influenced by the new instrumental arrangements made by Biodiversity Beyond National Jurisdiction (BBNJ) negotiation, reflecting the importance of ensuring the emerging treaty will not interrupt the jurisdiction of established treaties...

Link to Article: <https://chinaus-icas.org/research/weighing-the-sources-of-international-law/>

This article was [originally published](#) by Brill–Nijhoff in the Asia-Pacific Journal of Ocean Law and Policy on October 19, 2021.

---ICAS TnT Issue Brief---

China’s Regulatory Clampdown on Big Tech: Motivations and the American Response

*By Dr. Sara Hsu
November 1, 2021*

China’s technology-enabled digital sector has been a hotbed of activity over the past decade-and-a-half. Backed by a billion or so consumers, dynamic players such as Alibaba (ecommerce), Tencent (social media), Huawei (telecommunications), Baidu (search), and Hikvision (AI), among others, have blazed a trail of innovation and dynamism. In the financial services sector, two large Big Tech firms—Alibaba and Tencent—today account for the vast majority of the domestic mobile payments market as well as host of other services, such as digital credit. The rapid growth, size, and disruptive presence of China’s digital sector has also invited the attention of the Party as well as regulators of late, with the two aiming to balance competing public policy objectives such as innovation and efficiency with social control, market stability, data privacy and consumer protection...

Link to Issue Brief: <https://chinaus-icas.org/research/chinas-regulatory-clampdown-on-big-tech/>

---ICAS Commentary---

Old Wine in New Bottle: Biden’s Emerging China Trade Policy

*By Sourabh Gupta
October 26, 2021*

On October 4, in an eagerly anticipated speech, United States Trade Representative (USTR) Katherine Tai unveiled the outlines of the Biden administration’s “new approach” on U.S.-China trade and tariff policy. The speech was preceded by a months-long, USTR-led interagency review of China trade policy – the first such China policy review in a decade-and-a-half. Truth be told however, the “new approach” is not terribly different from that of the previous administration’s agenda. Despite castigating the Trump team’s failure to “meaningfully address the fundamental concerns that [Washington has] with China’s trade practices and their harmful impacts on the U.S. economy,” USTR Tai’s approach by-and-large sticks to the failed “paradigm” of her predecessor’s approach...

Link to Commentary: <https://chinaus-icas.org/research/old-wine-in-new-bottle-bidens-emerging-china-trade-policy/>

This commentary was [originally published](#) on the China-US Focus website on October 26, 2021.

---ICAS In the News---



Xi Jinping at the Great Hall of the People in Beijing (Source: Public Domain/Voice of America)

On Monday, **November 1, 2021**, Senior Fellow Sourabh Gupta was quoted in the *South China Morning Post* regarding the conditions for success of Wang Yi's meetings with EU leaders on the sidelines of the G20 summit.

- Read the Quote: <https://bit.ly/3nTa6n8>

On Sunday, **October 31, 2021**, Senior Fellow Sourabh Gupta was quoted in *The Star* on the implications of the AUKUS security pact on ASEAN's centrality in the Indo-Pacific region.

- Read the Quote: <https://www.thestar.com.my/news/focus/2021/10/31/whither-asean-centrality>

On Tuesday, **October 26, 2021**, Senior Fellow Sourabh Gupta was quoted in the *South China Morning Post* discussing potential reasons for Xi Jinping's absence from the G20 and COP26 meetings.

- Read the Quote: <https://bit.ly/3mtdOEF>