



The ICAS Bulletin

Institute for China America Studies

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

July 6, 2022

What's Going On? ↓

U.S.-Led Alliances Countering China are Increasing in Number



G7 leaders cooperated on foreign and security policy in Germany on June 26
(Source: European Council)

- On June 29, NATO leaders declared China a “strategic challenge” and outlined plans to deploy thousands of new troops in eight countries on its eastern flank. China’s ambassador to the United Nations Zhang Jun condemned the move, saying “now Nato has extended its tentacles to the Asia-Pacific.”
- On June 27, Taiwan’s top trade negotiator, John Deng, met with deputy U.S. trade representative Sarah Bianchi to discuss the US-Taiwan Initiative on supporting Taiwanese agriculture and digital economy, which has lost consumers in mainland China over political disputes.
- South Korea joined the US-led Minerals Security Partnership to satisfy needs on rare earth reserves and to cut its dependency on China for key resources.
- On June 26, G7 leaders launched the Partnership for Global Infrastructure with \$600 billion to strengthen partnerships with developing countries, countering China's Belt and Road Initiative.
- U.S. President Biden announced that the U.S. would mobilize \$200 billion in the next five years via grants, federal financing, and leveraging private sector investments, in collaboration with the Commerce Department, Export-Import Bank, USAID, and other relevant stakeholders.

Trade Dilemmas as China Shows Support for Russia



BRICS leaders convened at the 14th Summit virtually on June 23 (Source: Ministry of Foreign Affairs of the People's Republic of China)

- On June 29, the Chinese Ministry of Finance announced an extension of tariff exemptions on some imported products from the United States until Feb. 15 next year.
- On June 26, the U.S. Commerce Department added five Chinese companies to a trade blacklist for allegedly supporting Russia's military and defense industrial base. Chinese foreign ministry spokesman Zhao Lijian neither confirmed nor denied the accusations, but repeated China's opposition to U.S. sanctions on Russia on the following day.
- People’s Bank of China pledged to extend currency trading hours and vowed to further open up the financial market as part of its internationalization push to increase global investor participation in onshore currency trading.
- Despite the West’s efforts to isolate Russia and upending the global oil markets, China and India continue to buy Russian crude oil with the demand from their enormous domestic markets and the supplies from their vast refineries.
- Chinese leader Xi Jinping criticized sanctions as "weaponizing" the global economy and urged countries to "embrace solidarity and coordination" while touting China's new development and security initiatives as blueprints.

Associated News Sources:

[“U.S., Key Allies Close Ranks Against China”, *The Wall Street Journal*, June 30 \[Paywall\]](#)
[“US-Taiwan trade talks rattle mainland China as ‘inevitable’ deal seen pulling island into US orbit”, *South China Morning Post*, June 30 \[Paywall\]](#)
[“A More Muscular NATO Emerges as West Confronts Russia and China”, *The New York Times*, June 29 \[Paywall\]](#)
[“US-led rare earths pact satisfies South Korea’s ‘definite need’ to cut China dependency”, *Yahoo! News*, June 27 \[Paywall\]](#)
[“G7 unveils \\$600B plan to combat China’s Belt and Road”, *Politico*, June 26](#)
[“FACT SHEET: President Biden and G7 Leaders Formally Launch the Partnership for Global Infrastructure and Investment”, *The White House*, June 26](#)

Associated News Sources:

[“China to extend tariff exemptions on some U.S. products”, *Reuters*, June 29 \[Paywall\]](#)
[“U.S. accuses five firms in China of supporting Russia’s military”, *Reuters*, June 29 \[Paywall\]](#)
[“China to extend yuan trading hours in bid to boost global use of its currency”, *South China Morning Post*, June 27 \[Paywall\]](#)
[“In Russia’s War, China and India Emerge as Financiers”, *The New York Times*, June 24 \[Paywall\]](#)
[“Western sanctions are ‘weaponizing’ world economy, China’s Xi Jinping says ahead of BRICS summit”, *CNN*, June 23](#)

Conflicting Parties at Play in the South Pacific



Aerial panorama of the sunset over Waya Island, part of Yasawa, in Fiji in the South Pacific Ocean. (Source: Getty Images, Royalty-Free)

- On July 3, Chinese Foreign Minister Wang Yi pledged to continue fostering friendly ties and bolster economic relations while meeting Myanmar's Foreign Minister U Wunna Maung Lwin, who showed firm support for China's positions on Taiwan, Hong Kong, Tibet, and Xinjiang.
- The U.S. and Australia, along with three countries, launched the Partners in the Blue Pacific with \$2.1 billion to assist Pacific Island countries in tackling issues such as climate change, illegal fishing, and forge closer diplomatic relations, as efforts to counter China's rising influence and maritime aggression in the region.
- Pacific Islands Forum leaders looked to exclude the United States, China and several other major countries from its upcoming mid-July meeting in Suva to avoid geostrategic competition buffeting the region.

Associated News Sources:

U.S. Sanctions on China on the Discussion Board



(Source: Getty Images, Royalty-Free)

- On July 5, Chinese Vice Premier Liu He and U.S. Treasury Secretary Janet Yellen held a virtual meeting to discuss the American tariffs on Chinese goods and the stability of global supply chains.
- U.S. Trade Representative Katherine Tai claimed tariffs on Chinese goods as “a significant piece of leverage” and removing them has “a limited effect on short-term inflation.”
- On June 21, the U.S. banned all goods produced in China’s western Xinjiang region under the Uyghur Forced Labor Prevention Act to condemn human rights abuses towards Uyghurs and other ethnic and religious minorities. The Chinese Ministry of Commerce called it a “typical example of economic coercion” that “gravely hurts the interests of companies and consumers in both countries.”
- Compliance experts and companies will now need to take a multipronged approach to abide by the Uyghur Forced Labor Prevention Act, such as sourcing products

[“Wang Yi Holds Talks with Myanmar's Foreign Minister U Wunna Maung Lwin”](#), Ministry of Foreign Affairs of the People's Republic of China, July 3

[“China tells UN expansion of Nato, or a Nato-like body, into the Asia-Pacific will stir up conflict”](#), *South China Morning Post*, June 29 [Paywall]

[“US and allies launch initiative to help Pacific Island nations”](#), *Financial Times*, June 25 [Paywall]

[“Statement by Australia, Japan, New Zealand, the United Kingdom, and the United States on the Establishment of the Partners in the Blue Pacific \(PBP\)”](#), The White House, June 24

[“United States and China set to be excluded from Pacific Islands Forum meeting to avoid 'distraction'”](#), *ABC News*, June 23

from other countries and visiting Chinese suppliers for spot checks.

Associated News Sources:

[“READOUT: Secretary of the Treasury Janet L. Yellen’s Virtual Meeting with Vice Premier of the People’s Republic of China \(PRC\) Liu He”](#), U.S. Department of the Treasury, July 4

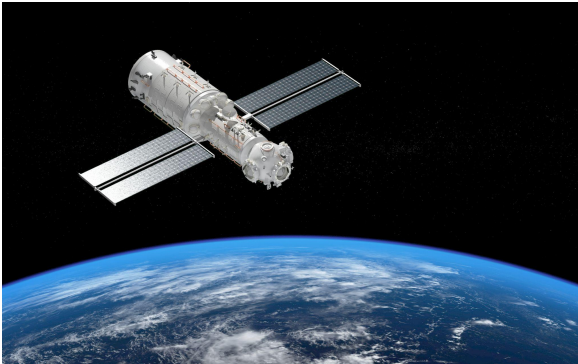
[“Companies Face Compliance Challenges Under U.S. Forced-Labor Law Targeting China”](#), *The Wall Street Journal*, June 29 [Paywall]

[“US-China relations: Beijing has own ‘trade weapons’ to counter Xinjiang ‘forced labour’ law”](#), *South China Morning Post*, June 22 [Paywall]

[“USTR Tai calls U.S. tariffs on Chinese goods 'significant' leverage”](#), *Financial Post*, June 22

[“US bans imports from China’s Xinjiang region over forced labor concerns”](#), *CNN*, June 21

Bilateral Technology Concerns Hover in the Background



Core module of Chinese space station Tianhe in orbit. (Source: Getty Images, Royalty-Free)

- The U.S. Commerce Department’s Bureau of Industry and Security enforced regulations to keep sensitive U.S. technology out of the hands of geopolitical rivals by imposing bigger fines on companies that mishandle restricted technology and pouring resources into investigating the most serious violations.

- Chinese satellites have demonstrated the capability to evade and monitor a U.S. surveillance satellite, causing experts to advocate for new norms as the space powers increasingly play cat-and-mouse games in orbit.

- On June 23, a bipartisan group of U.S. senators introduced legislation to protect Americans’ sensitive personal information from being sold or transferred to high-risk foreign countries, including China, for national security concerns.

- U.S. Defense Innovation Unit chief Michael Brown

- In Other News -



Sunrise over Victoria Harbor in Hong Kong. (Source: Getty Images, Royalty-Free)

[“China Says US Must Face Climate Duties Despite Court Ruling”](#), *Asia Financial*, July 1

[“China marks Hong Kong handover anniversary as doubts hang over city”](#), *The Washington Post*, June 30 [Paywall]

[“China throws media shield around Xi’s visit to Hong Kong”](#), *CNN*, June 29

[“Biden aims at China in new illegal fishing policy framework”](#), *AP News*, June 28

[“China inflation: Li Keqiang says ‘prudent’ economic policy, bumper wheat harvest leaves room to tackle risks”](#), *South China Morning Post*, June 22 [Paywall]

[“Taiwan’s GlobalWafers to Build \\$5 Billion Chip Plant in Texas”](#), *Bloomberg*, June 27 [Paywall]

addressed the need to introduce much more cutting-edge, off-the-shelf commercial technology to keep up with the growing threat from China.

Associated News Sources:

[“U.S. Promises Bigger Fines, Stepped Up Enforcement of Sensitive-Technology Restrictions”](#), *The Wall Street Journal*, June 30 [Paywall]

[“Chinese satellites evade US surveillance probe, then stare back, according to report”](#), *South China Morning Post*, June 24 [Paywall]

[“U.S. lawmakers unveil bill barring U.S. data flows to high-risk countries”](#), *Reuters*, June 23 [Paywall]

[“To keep up with China, Pentagon must cut red tape and embrace latest technology, top US official says”](#), *South China Morning Post*, June 23 [Paywall]

[“China inflation: Li Keqiang says ‘prudent’ economic policy, bumper wheat harvest leaves room to tackle risks”](#), *South China Morning Post*, June 22 [Paywall]

[“China analyst urges possible attacks on Elon Musk’s Starlink satellites”](#), *New York Post*, June 22

[“COP15: Canada to replace China as venue for UN biodiversity summit”](#), *New Scientist*, June 20

What Are We Reading?

- *Foreign Affairs*: [“The Balance of Soft Power”](#) by Maria Repnikova (July/August) [Paywall]
- *The Wall Street Journal*: [“U.S.-China Competition Zeroes In on Growth”](#) by Lingling Wei (July 1) [Paywall]
- *Nikkei Asia*: [“Analysis: New carrier’s name, Fujian, mirrors Xi’s Taiwan obsession”](#) by Katsuji Nakazawa (June 30) [Paywall]
- Center for a New American Security: [“Operationalizing the Quad”](#) by Lisa Curtis, Jacob Stokes, Joshua Fitt and CDR Andrew J. Adams (June 30)
- *The Washington Post*: [“What Is the ‘Special Debt’ China Uses to Spur Its Economy?”](#) by Bloomberg News (June 29) [Paywall]
- *South China Morning Post*: [“Why China has more to lose from decoupling than the US”](#) by George Magnus (June 29) [Paywall]
- *South China Morning Post*: [“How an expanded BRICS could lead the world instead of the waning West”](#) by Abishur Prakash (June 28) [Paywall]
- *South China Morning Post*: [“How China can protect its economy – and the world’s – amid US recession headwinds”](#) by Fang Zihao (June 27) [Paywall]
- *The Wire China*: [“Peace with Chinese Characteristics”](#) by Garrett O’Brien (June 26)
- *CNN*: [“Never mind China’s new aircraft carrier, these are the ships the US should worry about”](#) by Brad Lendon (June 26)
- *The Wire China*: [“Matthew Pottinger on Flipping the U.S.-China Paradigm on its Head”](#) by Bob Davis (June 26) [Paywall]
- *The New York Times*: [“‘An Invisible Cage’: How China Is Policing the Future”](#) by Paul Mozur, Muye Xiao and John Liu (June 25) [Paywall]
- *South China Morning Post*: [“Why China should brace itself for a Pacific rebuff”](#) by Emanuele Scimia (June 24) [Paywall]
- *Financial Times*: [“The corporate feud over satellites that pitted the west against China”](#) by Eleanor Olcott (June 22) [Paywall]
- *The New York Times*: [“First Pineapples, Now Fish: To Pressure Taiwan, China Flexes Economic Muscle”](#) by Amy Chang Chien (June 22) [Paywall]
- *South China Morning Post*: [“US democracy vs Chinese-style development: the real ideological clash”](#) by Alex Lo (June 22) [Paywall]
- *The Hill*: [“A glimmer of hope for improved US-China trade relations”](#) by Wendy Cutler (June 22)

- *The Diplomat*: "[China's Growing 'Twiplomacy' in Indonesia](#)" by Muhammad Zulfikar Rakhmat (June 22) [Paywall]
- *Foreign Affairs*: "[America Shouldn't Copy China's Belt and Road Initiative](#)" by Charles Kenny and Scott Morris (June 22) [Paywall]
- *The Hill*: "[Is it time to scrap the China-US 'Three Communiques'?](#)" by Joseph Bosco (June 21) [Paywall]
- *South China Morning Post*: "[Rights and wrongs of US-China dispute over the Taiwan Strait](#)" by Mark J. Valencia (June 20) [Paywall]

What's Happening Around Town?

- Past Events -

- [Global China: US-China relations through the lens of great power competition](#)
June 23 hosted by the Brookings Institution
- [The Economic and Security Consequences of Great-Power Competition](#)
June 27 hosted by American Enterprise Institute
- [Decarbonization in China: Opportunities, Challenges, & the Launch of the USCBC Decarbonization Working Group](#)
June 30 hosted by the US-China Business Council
- [China's Industrial Policy Spending: A Conversation with CSIS Experts](#)
June 30 hosted by the US-China Business Council

- Upcoming Events -

- [China's role in Russian energy: What's changed since Feb 24th?](#)
July 8 hosted by the Atlantic Council
- [Book Talk on "Dispatches from the South China Sea"](#)
July 14 hosted by China Institute, University of Alberta
- [Xi's New Global Security Initiative](#)
July 14 hosted by the Center for Strategic and International Studies
- [Is China's Military Logistics Better than the Russian Military's?](#)
July 19 hosted by the Center for Strategic and International Studies
- [How to Navigate Opposing Views: A Conversation with Andrew Sheng](#)
July 21 hosted by SupChina

What ICAS Is Up To

---ICAS Academic Engagement---

Sourabh Gupta speaks at the 19th China-U.S. Young Leaders Dialogue

On June 28-29, Senior Fellow Sourabh Gupta appeared at the CIIS' 19th China-U.S. Young Leaders Dialogue in Session I: 50 Years since China-U.S. Breaking the Ice. The topic of his presentation was the Shanghai Communique's relevance in the age of U.S.-China strategic competition.



中國國際問題研究院
CHINA INSTITUTE OF INTERNATIONAL STUDIES

THE 19TH CHINA-U.S. YOUNG LEADERS DIALOGUE

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---ICAS Academic Engagement---

The 8th Ocean Dialogue: 40th Anniversary of UNCLOS: Promoting Maritime Cooperation in Southeast Asia

Tuesday, June 29, 2022
8:30am – 5:10pm Hanoi

On June 29, 2022, ICAS Executive Director Dr. Nong Hong participated in the 8th Ocean Dialogue- 40th Anniversary of UNCLOS: Promoting Maritime Cooperation in Southeast Asia. She spoke about the BBNJ Negotiation in the Context of the South China Sea and shared her research findings on regional and state practices of area-based management.



Learn more about the event and the other speakers through the embedded link below.

[View Event Page](#)

---ICAS Internships Now Available---

The Institute for China-America Studies is looking for an intern!

ICAS will accept rolling applications through July 24. This is a part-time, 20-hour per week internship for a current student based in the Washington, D.C area. The internship will be conducted in a hybrid environment, with the intern coming into the office located near Dupont Circle at least once a week. We are looking for problem solvers who can think on their feet and anticipate tasks ahead of time.

This is an excellent opportunity for young professionals interested in U.S.-China relations. We offer all our research interns the opportunity to support the research of our scholars. We also offer our interns the opportunity to publish their own research and opinions in the form of commentaries and blog posts.

Learn about about qualifications, duties, and benefits of the internship and apply to the position on our website!

 <https://chinaus-icas.org/about-icas/careers-internships/internships/>

[Learn More & Apply](#)

---ICAS In the News---



On Tuesday, July 5, 2022, Senior Fellow Sourabh Gupta was [quoted](#) by *China Daily* on the G7's Partnership for Global Infrastructure and Investment.

- "Of course, we have seen numerous such initiatives being announced by the West over the past couple of years, such as Build Back Better World, Global Gateway and the Blue Dot Initiative. None has made any visibly useful contribution so far to international development. So, one has to wonder if the PGII will be any better. The answer is probably no."
- "Global infrastructure development is not just about having deep pockets. It also requires patience, purpose and resolve over long time and project horizons. The West's global infrastructure development ambitions don't seem to embody these qualities."
- "Besides, these initiatives are too dependent on catalyzing or mobilizing private sector money and engagement which, at the end of the day, rarely seems to show up. The PGII has much to prove before it can be taken seriously,"

On Wednesday, June 29, 2022, Senior Fellow Sourabh Gupta discussed the G7's new infrastructure initiative on [CGTN's The Point with Liu Xin](#).

- "I don't think there is a need for an alternative or a choice. There is such a huge financing gap in the international infrastructure space that the Belt and Road and the G7's projects are most welcome to participate and enrich, and raise people from out of poverty. "
- "If it materializes, it will materialize in a very low key way and will materially not make much difference on the ground. But the real problem is they want to compete against China, but they don't have the will to commit to resources. That's why the expectations are already very low for PGII."