



# The ICAS Bulletin

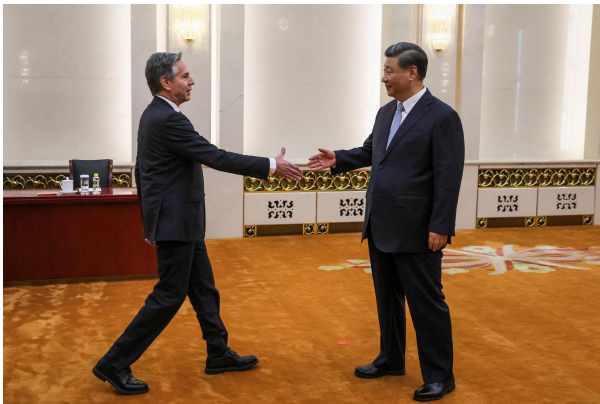
## Institute for China America Studies

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

June 21, 2023

#### What's Going On? ↓

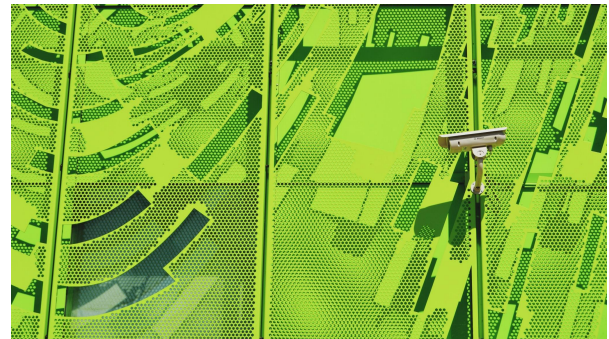
#### High Level Interactions Bring a Shift in Relational Course to Question



US Secretary of State Antony Blinken (L) shakes hands with China's President Xi Jinping in the Great Hall of the People in Beijing on June 19, 2023. (Photo by Leah MILLIS / POOL / AFP) (Photo by LEAH MILLIS/POOL/AFP via Getty Images)

- On June 19, in a first such in-person meeting since 2018, U.S. Secretary of State Antony Blinken and Chinese senior officials, including Chinese President Xi Jinping, agreed to attempt to stabilize the increasingly fraught bilateral relationship.
- Following Secretary Blinken's long-awaited trip, President Biden praised Secretary Blinken's work, saying that progress has "been made" and that "[w]e're on the right trail here" regarding U.S.-China relations.
- On June 16, Chinese President Xi Jinping met with Microsoft CEO Bill Gates in Beijing, marking the first time President Xi has met with a foreign private entrepreneur in years. Among other remarks, President Xing, and stated that he welcomed U.S. companies to bring AI technologies to China.
- Prior to Secretary Blinken's revived visit to Beijing, China's Foreign Minister Qin Gang stated that the responsibility for improving open lines of communication, and easing tensions, lies with the United States.
- Senior Biden administration officials have confirmed

#### Increased U.S. Scrutiny on Chinese Surveillance and Tensions Persist



White security camera on a green wall. (Source: Lucas Gallone via Unsplash)

- U.S. Secretary of State Antony Blinken stated that the former Trump administration did not do enough to counteract Chinese spy initiatives. Secretary Blinken also indicated that increased "diplomatic efforts" have "slowed down" the expansions of Chinese surveillance on the U.S.
- U.S. Cybersecurity and Infrastructure Security Agency Director Jen Easterly stated that Beijing is making large investments to increase Chinese hackers' abilities to sabotage critical American infrastructure.
- After news was released of Cuba to host a Chinese spy base, White House officials stated that the Biden administration had known about the Chinese operations in Cuba since they took office in 2021 despite previous denials of allegations that China had operations in Cuba.
- Following a string of statements on Chinese spy operations in Cuba, the Biden administration is reportedly contacting Cuban officials to stall the establishment of a new Chinese joint military training facility in Cuba.
- Secretary Blinken responded to allegations of a Chinese spy operation in Cuba as being part of a wider effort by Beijing to expand their "overseas logistics basing collection infrastructure." According to a former U.S. intelligence officer, the Chinese base in Cuba could also be used to give the Chinese military a clearer picture of sites

interest in talks with China on the usage of military AI in-order to lay out new international norms for artificial intelligence weapons usage.

- In formal comments given on June 14, Kurt Campbell, the White House national security coordinator for the Indo-Pacific, called upon Beijing to assist in establishing formal lines of communication with Washington.
- On June 7, Citigroup CEO Jane Fraser visited Beijing, joining a long list of other American business magnates in apparent attempts to mend cross-border relations between the U.S. and China.

*Associated News Sources:*

- ["Blinken meets Xi during pivotal China trip to salvage frosty ties," Reuters, June 19](#)
- ["Biden: US-China relations on the 'right trail,'" Reuters, June 19](#)
- ["Blinken says he and Chinese leaders agreed on need to 'stabilize' US-China relationship," CNN News, June 19](#)
- ["Xi Jinping tells Bill Gates he welcomes U.S. AI tech in China," Reuters, June 16](#)
- ["China's Foreign Minister Tells Blinken It's Up to the U.S. to Ease Tensions," The Wall Street Journal, June 14 \[Paywall\]](#)
- ["US-China relations: Secretary of State Antony Blinken's visit confirmed after phone call with China's Qin Gang," South China Morning Post, June 14 \[Paywall\]](#)
- ["U.S. seeks talks with China on military AI amid tensions," Nikkei Asia, June 14](#)
- ["China should set up US communication channels like it offered other countries, top Biden aide says," South China Morning Post, June 8 \[Paywall\]](#)
- ["Citigroup CEO Visits China as Wall Street Seeks Closer Ties," Bloomberg, June 7 \[Paywall\]](#)

to strike during a conflict.

- Despite a large series of high level talks between the U.S. and China, many experts have still come to the conclusion that the two rivals need to come up with a more comprehensive plan to avoid conflict.
- U.S. Ambassador to China Nicholas Burns stated that the increased scrutiny on American firms from the Chinese government should be seen as politically motivated and unfair.

*Associated News Sources:*

- ["Beijing Plans a New Training Facility in Cuba, Raising Prospect of Chinese Troops on America's Doorstep," The Wall Street Journal, June 20 \[Paywall\]](#)
- ["Trump Didn't Do Enough to Counter Chinese Spying, Blinken Says," Bloomberg, June 13 \[Paywall\]](#)
- ["U.S. diplomacy has slowed China's expansion of spying: Blinken," Nikkei Asia, June 13](#)
- ["Americans should prepare for cyber sabotage from Chinese hackers, US official warns," Reuters, June 13](#)
- ["Blinken hails US progress on China spying after Cuba revelations," Al Jazeera, June 12](#)
- ["China has been spying on the U.S. from Cuba for years, Biden administration official says," CNBC News, June 11](#)
- ["White House Denies Report That China Is Building a Spy Base on Cuba," Bloomberg, June 9 \[Paywall\]](#)
- ["Stalemate in US-China Ties Appears Likely to Continue Despite Talks," VOA News, June 9](#)
- ["Cuba Base Would Help China Identify Strike Targets in U.S.," The Wall Street Journal, June 9 \[Paywall\]](#)
- ["China's Targeting of US Firms Politically Motivated, US Ambassador Says," VOA News, June 7](#)

## Bilateral Checks on Imports and Companies Persist, Sparking Reroutes



U.S. Treasury Building, Washington, D.C. (Source: Photo by Ken Lund, CC2.0 via Flickr)

- Chinese companies such as Shein, TikTok and JinkoSolar are progressively moving their headquarters and deregistering out of China following increased backlash

## Ideas of Competition, Caution and Coexistence in the Technology Sector



OpenAI's ChatGPT icon on a smartphone. (Source: Photo by Focal Foto, CC2.0 via Flickr)

- U.S. lawmakers have planned to introduce a bill to eliminate tariff exemptions widely utilized by e-commerce to send goods from China to the U.S., which allows for



from American lawmakers for their connections with the Chinese government.

- International investors have moved away from Chinese public offerings and investment banks are backing out of new potential listings as international opinions of the Chinese market continue to sour.
- Chinese e-shopping brand Temu was found to be in breach of a U.S. ban which does not allow for manufactured goods from the Chinese region of Xinjiang, according to a global supply chain verification firm.
- China has begun to invest heavily in Mexico and increase their influence over Mexican supply chains in-order to undercut U.S. trade caps on China and enter goods into the U.S. market.
- Apple Inc. announced extensive new supply chain changes as their suppliers have begun to hire new employees and begun to relocate to Vietnam and Thailand.
- American firms in China continue to face uncertainty despite being nearly six-months after the end of China's 'zero-covid' policies, with many continuing to face raids from Chinese authorities and increasingly unpredictable behavior from the Chinese government.
- Despite increases in restrictive policies for companies looking to operate within the Chinese market, high ranking American CEOs are still visiting China in attempts to keep business channels open.
- The U.S. Senate has approved measures to strip China of its status as a "developing nation" after the Foreign Relations Committee approved the "Ending China's Developing Nation Status Act."
- The U.S. Department of Homeland Security has blocked the importation of goods from Chinese company Ninestar, a majority owner of U.S. Company Lexmark International, after citing that the company utilized forced labor.
- Recent customs data shows that China's exports to Southeast Asia fell by nearly 16% in May compared to 2022, which coincided with the decrease of 18% in exports to the U.S. market.
- The U.S. and five allied states have condemned the utilization of economic coercion in international trade, which many analysts believe was pointed towards China.

*Associated News Sources:*

- ["As Ties to China Turn Toxic, Even Chinese Companies Are Breaking Them,"](#) *The New York Times*, June 15 [Paywall]
- ["American Investment Banks Give Up Some China IPO Mandates,"](#) *The Wall Street Journal*, June 14 [Paywall]
- ["Temu Sells Products in US Linked to Forced Labor in China's Uyghur Region, Analysis Shows,"](#) *Bloomberg*, June 13 [Paywall]
- ["Shunned by US, China investors use Mexico to keep grip on North American market,"](#) *South China Morning Post*, June 12 [Paywall]

- goods less than US\$800 to be exempt from current tariffs.
- Chinese car manufacturer BYD Co.'s Stella Li announced that the Biden administration's Inflation Reduction Act makes it too costly for BYD and other foreign vehicle firms to sell in the U.S. market.
- U.S. Secretary of the Treasury Janet Yellen stated that the results would be "disastrous" if U.S. and American companies continue to try and "decouple" from China.
- American software companies Google and Microsoft have begun limiting Hong Kong citizens' access to their artificial intelligence chatbots as well as other individual content, citing that chatbots and content may violate the Chinese national security law.
- The Biden administration announced that the U.S. will not issue reprisals to South Korea and Taiwan in-response to the countries maintaining and expanding their existing microchip production in China.
- OpenAI CEO Sam Altman attended a conference in Beijing to emphasize the importance of cooperation between American and Chinese researchers in-order to mitigate possible risks posed by emerging AI products.
- Apple's AirDrop feature and similar file-sharing programs have come under intense scrutiny from the Chinese government following their usage within protests in mainland China and Hong Kong.
- U.S. Secretary of the Treasury Janet Yellen told top American CEOs that the United States desires to work alongside China on global challenges.
- Two American Senators sent a letter to TikTok's CEO accusing TikTok of misrepresenting how the company stores and utilizes American data.

*Associated News Sources:*

- ["China e-commerce shipments would lose US tariff exemption under proposed law,"](#) *Reuters*, June 14
- ["World's Hottest EV Maker Sees Biden's Climate Law as a Barrier,"](#) *Bloomberg*, June 13 [Paywall]
- ["Yellen Says Bid to Decouple From China Would Be 'Disastrous',"](#) *The New York Times*, June 13 [Paywall]
- ["American Tech Giants Are Slowly Cutting Off Hong Kong Internet Users,"](#) *The Wall Street Journal*, June 12 [Paywall]
- ["U.S. to Allow South Korean, Taiwan Chip Makers to Keep Operations in China,"](#) *The Wall Street Journal*, June 12 [Paywall]
- ["OpenAI CEO Calls for Collaboration With China to Counter AI Risks,"](#) *The Wall Street Journal*, June 10 [Paywall]
- ["Apple's AirDrop in the Crosshairs of China's National-Security Crackdown,"](#) *The Wall Street Journal*, June 8 [Paywall]
- ["Janet Yellen tells top CEOs the US wants to work with China to tackle urgent global challenges,"](#) *CNN News*, June 8
- ["Senators Say TikTok May Have Misled Congress on](#)

["Apple's supply chain in China evolves as Foxconn hires, Compal invests in Vietnam and MacBook production relocates to Thailand,"](#) *South China Morning Post*, June 12

["Six months after 'zero Covid,' U.S. firms in China still face 'uncertainty on top of uncertainty',"](#) *CNBC News*, June 10

["Musk and Dimon are not alone in sticking with China, despite tensions,"](#) *The Washington Post*, June 10 [Paywall]

["US Senate panel approves measure to strip China of 'developing' status,"](#) *Reuters*, June 9

["U.S. Puts Chinese Company With Kentucky Ties on Forced Labor Ban List,"](#) *The Wall Street Journal*, June 9 [Paywall]

["China can't rely on Southeast Asian exports to offset a U.S. slowdown,"](#) *CNBC News*, June 9

["With eye on China, US and five allies condemn trade-related 'economic coercion',"](#) *Reuters*, June 9

["Handling of U.S. User Data,"](#) *The New York Times*, June 7 [Paywall]

## Taiwan Questions Continue Unanswered



Laura Rosenberger meets with the Taiwanese Vice President. (Source: Official Photo by Simon Liu/Office of the President of Taiwan, CC2.0 via Flickr)

- Analysts at the Council on Foreign Relations warned in an extensive report that China's increasingly sluggish economy "increases the risk of a conflict" in the Taiwan Strait.
- Following their long-awaited meeting in Beijing, U.S. Secretary of State Antony Blinken told Chinese President Xi that the U.S. does not support Taiwanese independence.
- Speaking in an interview with *Bloomberg*, former U.S. Secretary of State Henry Kissinger stated that if U.S.-China tensions continue in their current state regarding the Taiwan issue, "some military conflict is probable."
- Laura Rosenberger, the chair of the American Institute in Taiwan, questioned the Taiwanese opposition's presidential candidate on how he would navigate possible relations with Beijing if he were to win the election next year.
- The Chinese People's Liberation Army held live-fire drills North of Taiwan, including exercises from naval

## - In Other News -



View of the Eiffel Tower from the UNESCO Headquarters in Paris. (Source: Official Photo by Mark Garten/United Nations, CC2.0 via Flickr)

["China willing to work with U.S. to increase passenger flights, ministry says,"](#) *Reuters*, June 20

["The U.S. worries about private Chinese companies aiding Russia, Blinken says,"](#) *The New York Times*, June 19 [Paywall]

["US lawmakers to urge automakers to cut reliance on China,"](#) *Reuters*, June 19

["China's R&F property tycoon Zhang Li agrees to US extradition in California bribery case,"](#) *South China Morning Post*, June 16 [Paywall]

["Jury Weighs Case of Men Accused of Stalking U.S. Residents for China,"](#) *The New York Times*, June 15 [Paywall]

["State Department walks back Apec invitation for Hong Kong leader John Lee, says US 'has not made any commitments',"](#) *South China Morning Post*, June 14 [Paywall]

["Air-Bag Parts Maker Refusing U.S. Recall Request Had Workplace-Safety Woes,"](#) *The Wall Street Journal*, June 11 [Paywall]

warships, as a quadrilateral naval exercise involving the U.S. was held in the Philippine Sea.

- U.S. Representative Raja Krishnamoorthi noted that China cannot prevent the usage of the Taiwan Strait for transits.

- Chinese Ambassador to the U.S. Xie Feng stated that Taiwan is “the biggest risk” to the U.S.-China relations and that China “has always been open to dialogue.”

- According to the European Council on Foreign Relations, nearly 43% of European citizens view China as a necessary partner to cooperate with and indicated that the majority of Europeans would prefer to remain neutral if there were to be conflict surrounding Taiwan.

*Associated News Sources:*

[“China's economic slowdown makes Taiwan crisis more likely: report,”](#) *NikkeiAsia*, June 20

[“Blinken Tells Xi Jinping U.S. Does Not Support Taiwanese Independence, After Meeting To Quell Tensions,”](#) *Forbes*, June 19

[“Kissinger Sees War Over Taiwan Likely Unless US, China Back Down,”](#) *Bloomberg*, June 16 [Paywall]

[“US Presses Taiwan Opposition Candidate Over China Policies,”](#) *Bloomberg*, June 15 [Paywall]

[“China holds live-fire drills in East China Sea north of Taiwan,”](#) *Reuters*, June 13

[“China can't prevent Taiwan Strait transits: U.S. lawmaker,”](#) *Nikkei Asia*, June 11 [Paywall]

[“Taiwan question is ‘biggest risk’ to US-China relations, must be brought ‘under control’, Beijing’s top envoy to US says,”](#) *South China Morning Post*, June 8 [Paywall]

[“Most Europeans would want to stay neutral in a US-China war over Taiwan, study finds,”](#) *South China Morning Post*, June 7 [Paywall]

[“China concerns prompt US move to rejoin Unesco,”](#) *The Guardian*, June 12

[“Flight Training for Chinese Military Pilots Targeted in Latest US Export Crackdown,”](#) *VOA News*, June 12

[“China-US rivalry worries people in Singapore, South Korea, Philippines,”](#) *South China Morning Post*, June 12 [Paywall]

[“South Korea summons China envoy over US ties remarks,”](#) *Al Jazeera*, June 9



## What Are We Reading?

- *The New York Times*: [“Business Lessons From Blinken’s Trip to China”](#) by Andrew Ross Sorkin, Ravi Mattu, Bernhard Warner, Sarah Kessler, Michael J. de la Merced, Lauren Hirsch and Ephrat Livni (June 20, 2023) [Paywall]
- *The New York Times*: [“Blinken Visit Reveals Chasm in How U.S. and China Perceive Rivalry”](#) by David Pierson and Edward Wong (June 20, 2023) [Paywall]
- *Foreign Affairs*: [“China Is Ready for a World of Disorder. America Is Not”](#) by Mark Leonard (June 20, 2023) [Paywall]
- *The Wall Street Journal*: [“China Accepts the New Indo-Pacific Reality”](#) by Walter Russell Mead (June 19, 2023) [Paywall]
- *Bloomberg*: [“China and US Hit Pause — For Now — on Tensions”](#) by Rosalind Mathieson (June 19, 2023) [Paywall]
- *Reuters*: [“Factbox: Top US-China exchanges since Biden took office”](#) (June 18, 2023)
- *NBC News*: [“Better ties with the U.S. may be about one thing: China’s struggling economy”](#) by Larissa Gao and Jennifer Jett (June 17, 2023)
- *The Washington Post*: [“Biden wants a ‘thaw’ with China. What would that take?”](#) by Bates Gill, Nikki Haley, Zongyuan Zoe Liu, Michael Mazza, Andrew Browne, Christopher Wood and Emily de La Bruyère (June 16, 2023) [Paywall]
- *The Washington Post*: [“What a three-part diplomatic push reveals about U.S. strategy on Asia”](#) by David Ignatus (June 15, 2023) [Paywall]
- *Foreign Affairs*: [“What It Will Take to Deter China in the Taiwan Strait”](#) by David Sacks and Ivan Kanapathy (June 15, 2023) [Paywall]
- *Reuters*: [“China’s efforts to catch up in global electronic spying race.”](#) by Greg Torode (June 14, 2023)
- *The Wall Street Journal*: [“Watering Down China Chip Restrictions Sometimes Makes Sense”](#) by Jacky Wong (June 14, 2023) [Paywall]
- *Financial Times*: [“Investors face a stark choice: are they on the side of the US or of China?”](#) by Diana Choyleva (June 14, 2023) [Paywall]
- *Asia News Network*: [“US-China relationship — confrontation or coexistence?”](#) by Maleeha Lodhi (June 13, 2023)
- *South China Morning Post*: [“As US-China ties hit new lows, are diplomatic backchannels still effective?”](#) by Shi Jiangtao (June 13, 2023) [Paywall]
- Center for Strategic and International Studies: [“Sunk Costs: The Difficulty of Using Sanctions to Deter China in a Taiwan Crisis”](#) by Gerard DiPippo and Jude Blanchette (June 12, 2023)
- *The Wall Street Journal*: [“Xi Prepares China for ‘Extreme’ Scenarios, Including Conflict with the West”](#) by Lingling Wei (June 12, 2023) [Paywall]
- *The Guardian*: [“US and China take steps towards thaw as Blinken prepares to visit Beijing. but mistrust remains”](#) by Amy Hawkins (June 12, 2023)
- *The Washington Post*: [“If the United States can spy on China, why can’t China spy on the U.S.?”](#) by Max Boot (June 12, 2023) [Paywall]
- *The Wall Street Journal*: [“Russia, China and Iran in America’s Backyard”](#) by Walter Russell Mead (June 12, 2023) [Paywall]
- *The Economist*: [“China’s influence in South-East Asia has grown. America’s has waned”](#) (June 12, 2023) [Paywall]
- *Bloomberg*: [“China’s Plane Shortage Is Good News for Boeing”](#) by Julie Johnsson (June 11, 2023) [Paywall]
- The China Project: [“Spilling the Tea on the SLD”](#) by Josh Cartin (June 11, 2023)
- *South China Morning Post*: [“Can warmer ties overcome the deepening divide in US-China relations?”](#) by Orange Wang (June 11, 2023) [Paywall]
- *South China Morning Post*: [“Is this the hoped-for thaw in US-China relations or a new era of managing differences?”](#) by Orange Wang (June 10, 2023) [Paywall]
- *Vox News*: [“The ‘bystander effect’ of the US-China trade war”](#) by Pablo Fajgelbaum, Pinelopi Goldberg, Patrick Kennedy, Amit Khandelwal, and Daria Taglioni (June 10, 2023)



- *The Wall Street Journal*: [“What Does China Really Spend on Defense?”](#) by The Editorial Board (June 9, 2023) [Paywall]
- *The Hill*: [“What Taiwan’s high-stakes election means for the US-China rivalry”](#) by Laura Kelly (June 9, 2023)
- *The Washington Post*: [“The rest of the world doesn’t see China the same way we do”](#) by Fareed Zakaria (June 9, 2023) [Paywall]
- *POLITICO*: [“The Pentagon Is Freaking Out About a Potential War With China”](#) by Micheal Hirsh (June 9, 2023)
- *Financial Times*: [“How US-China tensions shattered Sequoia’s venture capital empire”](#) by George Hammond, Ryan McMorrow, Kaye Wiggins and Eleanor Olcott (June 8, 2023) [Paywall]
- *The Atlantic*: [“China and the West Are Coming Apart. Can China’s Economy Continue to Rise?”](#) by Micheal Schuman (June 8, 2023) [Paywall]
- *The Washington Post*: [“China isn’t acting like it wants to improve relations with the U.S.”](#) by Josh Rogin (June 7, 2023) [Paywall]
- The China Project: [“U.S. drug shortages highlight dependence on China, gray supply chains”](#) by Eduardo Jaramillo (June 7, 2023)
- European Council on Foreign Relations: [“Keeping America close, Russia down, and China far away: How Europeans navigate a competitive world”](#) by Jana Pugerlin and Pawel Zerka (June 7, 2023)
- *Foreign Policy*: [“How to Read Xi Jinping”](#) by John Culver; John Pomfret and Matt Pottinger (June 6, 2023) [Paywall]

## What’s Happening Around Town?

### - Past Events -

- [Tensions Beyond the Strait](#)  
June 21 hosted by *Foreign Policy*
- [China’s blueprint for the new world order](#)  
June 21 hosted by Atlantic Council
- [Book Talk | Cooperating for the Climate with Joanna Lewis](#)  
June 20 hosted by Wilson Center
- [A Fireside Discussion with U.S. Ambassador to China Nicholas Burns](#)  
June 16 hosted by Center for Strategic and International Studies
- [US-China lessons from Ukraine: Fueling more dangerous Taiwan tensions](#)  
June 16 hosted by *Atlantic Council*
- [Europe, the United States, and Relations with China: Convergence or Divergence?](#)  
June 15 hearing by U.S.-China Economic and Security Review Commission
- [U.S.-Indo-Pacific Conference 2023](#)  
June 14 hosted by Center for Strategic and International Studies
- [Building a Networked Security Architecture in the Indo-Pacific with Ely Ratner](#)  
June 8 hosted by Center for a New American Security
- [Why Taiwan Matters](#)  
June 8 hosted by Center for Strategic and International Studies

### - Upcoming Events -

- [Sanctioning China in a Taiwan crisis: Scenarios and risks](#)  
June 22 hosted by Atlantic Council
- [The state of LGBTQ in China](#)  
June 23 hosted by The China Project
- [Book Launch | Tripolar Instability: Nuclear Competition Among The United States, Russia, And China](#)  
June 27 hosted by Wilson Center
- [Tech race with China: Toward a comprehensive strategy](#)  
June 27 hosted by Atlantic Council
- [Thirteenth Annual South China Sea Conference](#)  
June 28 hosted by Center for Strategic and International Studies

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Restricting China or

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# What ICAS Is Up To

## ---ICAS Report---

### **Restricting China or Repairing Loopholes: Washington's Incomplete Efforts to Protect Data**

*By Yilun Zhang, Amanda (Yue) Jin, Alec Caruana*

*June 2, 2023*

#### **Executive Summary:**

As the United States moves into the third decade of the 21st Century, policymakers and lawmakers have come to realize, and, accordingly, panic about the imminent need to reform the existing data governance regime. However, efforts to patch up, and thereafter, roll out a sophisticated data governance system is troubled by continuous imbalance and, to some extent, skewed prioritization of policy. Washington failed to seek a way out of the pickle that it set for itself: to compete with China and address its challenges while, at the same time, to enact a consistent, long-term systematic data governance structure. Similar to much of the policy-making in recent years, security concerns over threats posed by China have dominated the minds of policymakers and legislators. The efforts to protect data have therefore been distracted and misled dramatically by the, sometimes hysterical, sense of insecurity about China. The work is incomplete and the prospect for completion is becoming increasingly concerning.

The genuine concern over U.S. data governance reform can be traced back to the early days of the tech industry boom. The fact that the United States had adopted a laissez-faire model to inspire its tech industry to expand into 'no man's land' brought both tremendous opportunities for U.S. businesses to trailblaze globally, alongside enormous challenges to regulate this rapidly inflating market. Under such a laissez-faire model, government actions were only responding to imminent needs for top-down intervention instead of building a long-term consistent system. The loopholes therefore lurked and grew as the market continued to evolve and eclipse the old 'patchwork' of reactive policies...

[Link to Full Post](#)

## ---Commentary---

### **Track 2 dialogue can help improve Sino-US ties**

*By Wu Shicun*

*June 18, 2023*

There have been some positive developments, of late, in Sino-US relations including meetings at different levels and between some Chinese and US government departments, which have raised hopes that bilateral tensions could be defused.

To begin with, Wang Yi, China's top diplomat, held in-depth talks with US National Security Advisor Jake Sullivan in Vienna, Austria, in May. Later that month, while attending the APEC Ministers Responsible for Trade meeting in the US, Minister of Commerce Wang Wentao met with US Commerce Secretary Gina Raimondo and US Trade Representative Katherine Tai. And early this month, Daniel Kritenbrink, US Assistant Secretary of State for East Asian and Pacific Affairs, and Sarah Beran, White House National Security Council's senior director for China, visited China and met with Foreign Ministry officials.

More important, the visit of Secretary of State Antony Blinken to China from Sunday to Monday could be a good omen for what till now appeared to be foundering China-US ties...

[Link to Full Post](#)

This piece was [originally released](#) on *China Daily* on June 18, 2023

## ---Commentary---

### **US-China ties need principled 'guardrails'**

*By Sourabh Gupta*

*June 5, 2023*



The US-China relationship, the most consequential bilateral relationship in the world, stands at a delicate juncture. After two years of false starts under the Joe Biden administration, including due to a wayward balloon that blew ties off course, the two countries are finally in sight of an opportunity to begin stabilizing their rocky relationship.

Washington and Beijing must not pass up this opportunity. They must begin erecting the “guardrails” that President Joe Biden and President Xi Jinping had envisaged at their meeting in Bali, Indonesia, on the sidelines of the G20 Summit in November 2022. For these guardrails to be durable and long-lasting though, they must abide by certain broad common understandings...

[Link to Full Post](#)

This piece was [originally released](#) on *China Daily* on June 5, 2023 as one of three expert opinions regarding the need for the U.S. and China to strengthen cooperation and establish a peaceful coexistence.

### ---ICAS In the News---

On Wednesday, June 14, 2023, Senior Fellow Sourabh Gupta [quoted](#) in the *South China Morning Post* previewing Secretary of State Antony Blinken's visit to Beijing.

- “There may be rough talking by both sides publicly, and more likely to emanate from Beijing’s side for domestic political audiences, but ... what they privately communicate will hold value to both sides,”
- “Biden wants to begin locking down some of the promised ‘guardrails’ so as to devolve a modicum of predictability and balance to ties, Instability or uncontrollable tensions in ties would hand his harder-line Republican opponents a handy beating stick. If he can dilute the salience of China in the 2024 cycle, without appearing to go ‘soft on China’, it stands to Biden’s benefit.”

On Tuesday, June 13, 2023, Senior Fellow Sourabh Gupta [quoted](#) by *South China Morning Post* on the role and (in)effectiveness of diplomatic backchannels.

- “hope was for the most part given up”
- “While these dialogues have contributed mightily in the past to narrow conceptual gaps between the two sides and build understanding, they have lost their vitality and utility as bilateral relations have nosedived over the past five years.”
- “To the extent that backchannel diplomacy is conducted by interlocutors who are known by the other side to be very close to senior decision-makers, such engagement will continue to have utility,”

On Friday, June 9, 2023, Senior Fellow Sourabh Gupta [quoted](#) in *China Daily* on the role of the U.S. dollar in the international monetary system and currency diversification.

- "Many major countries and emerging markets are questioning the outsized role of the dollar in the international financial system."
- "So, the idea is not to eliminate or significantly reduce the role of the dollar, because that is a very long-term process. But the process of shrinking the salience, the footprint of the dollar, is an ongoing one, and it has been supercharged this year, or in the last two years, by US' weaponization of its currency."
- "They are worried because almost every country maintains a fairly significant amount of its hard currency reserves in dollars at the Federal Reserve Bank ... and if these dollars are suddenly not obtainable, their assets are frozen. It has significant implications in terms of financial, monetary and economic management. The countries are trying to diversify out of the dollar because the US has not been a responsible stakeholder in managing the dollar to the benefit of all as a public good."
- "So, perhaps an ideal balance would be about two or three competitive and stable currencies in the international system, and we may be getting to that point, maybe in one decade, or probably two decades, where we might have the US dollar still having a very significant role, but with the RMB also playing a much more important role, as the euro, hopefully, also keeps growing in terms of its role as an international currency."