



The ICAS Bulletin

Institute for China America Studies

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

June 7, 2023

What's Going On? ↓

Private Sector Developments Flourish in China as Reopening Continues



An external view of a Louis Vuitton store in Beijing, China. (Source: Unsplash)

- Shein, the rapidly rising e-commerce and fast fashion brand, is seeking to diversify its supply chain amidst Washington's concerns about its Chinese ties.
- Bernard Anault, CEO of LVMH, is planning to visit China during June to discuss details of increasing sales for the international fashion conglomerate in China.
- Executives at ExxonMobil are moving forward with a multi-billion-dollar petrochemical plant in Huizhou, China despite increasing bilateral tensions between the U.S. and China.
- Applications from U.S. companies to export sensitive technologies to China dropped by 26.2% between 2021 and 2022, according to the U.S. Department of Commerce.
- U.S. billionaires Elon Musk and Jamie Dimon completed independent, high-level business trips to China which included multiple visits with senior government officials.
- Despite speculations and the business community's demands, Deputy USTR Sarah Bianchi stated that the U.S. will use analytical methods in its approach to keep tariffs on Chinese goods, and will not base the tariffs on "breakthroughs" in U.S.-China relations.
- Following U.S. and Japanese curbs on Chinese technology companies, Chinese stocks soared in an apparent act of 'patriotic purchasing' from local investors in China.

Tensions Increase Following Canceled Meetings and Conflict in Southeast Asia



Chinese Defense Minister Li Shangfu speaks at the Asia Security Summit, known as the Shangri-La Dialogue, in Singapore on June 4, 2023. (Photo by Kyodo News via Getty Images)

- At the annual Shangri-La Dialogue defense summit in Singapore, Chinese Minister of Defense Li Shangfu warned against "resurging" "cold war mentality," criticizing "some country" for intensifying arms race and interfering in other countries' internal affairs. Minister Li also said that "a severe conflict or confrontation between China and the U.S." would be "an unbearable disaster for the world."
- In separate addresses at the Shangri-La Dialogue, U.S. Secretary of Defense Lloyd Austin and U.S. National Security Advisor Jake Sullivan promised that the U.S. will continue patrolling the South China Sea and reaffirmed that the U.S. is seeking nuclear talks with China.
- Secretary Austin and Minister Li shook hands during the Shangri-La Dialogue but did not have a "substantive exchange," according to the Pentagon.
- As the defense summit was held in Singapore, the U.S. military said that a Chinese warship conducted "an unsafe maritime interaction" as a U.S.-Canadian fleet transited the international waters of the Taiwan Strait.
- U.S. Secretary of State Antony Blinken denounced

- Major U.S. biofirm Moderna Inc. has registered in Shanghai for a legal entity to operate business in China.
- The Chinese securities regulator will allow U.S. Morgan Stanley to create a Chinese futures company in Beijing.
- Jim Farley, CEO of Ford Motors, stated that Chinese electric vehicles (EVs) are the largest competitor for Ford's own EV products.
- U.S. controls on China investments face criticism within the European Union, as European officials raise questions on possible effects to EU security.

Associated News Sources:

- ["Shein tries to thread US-China needle," Reuters, June 4](#)
- ["Billionaire Arnault Plans to Visit China After Musk and Dimon," Bloomberg, June 1 \[Paywall\]](#)
- ["Exxon Bets on China Chemicals Growth Even as US Relations Sour," Bloomberg, June 1 \[Paywall\]](#)
- ["Fewer U.S. Companies Applied to Export Sensitive Technology to China Last Year," The Wall Street Journal, May 31 \[Paywall\]](#)
- ["JPMorgan's Dimon says US, China need 'real engagement'," Reuters, May 31](#)
- ["China Woos Dimon, Musk Amid Pressure on Xi to Boost Economy," Bloomberg, May 31 \[Paywall\]](#)
- ["Tesla CEO Elon Musk to meet Shanghai Communist Party boss Chen Jining amid talks of Gigafactory 3 expansion, sources say," South China Morning Post, May 31 \[Paywall\]](#)
- ["U.S. review of China tariffs won't depend on trade 'breakthrough,' deputy U.S. trade representative," CNBC News, May 28](#)
- ["Sanctioned China stocks win sudden boost from patriotic buyers," Reuters, May 26](#)
- ["Moderna looks for opportunities in China after registering legal entity," Reuters, May 26](#)
- ["China allows Morgan Stanley to set up China futures unit," Reuters, May 26](#)
- ["Ford CEO says China main EV rival, not GM, Toyota," Reuters, May 25](#)
- ["US Push for Controls on Investment in China Hits EU Resistance," Bloomberg, May 25 \[Paywall\]](#)

- China's refusal to hold talks with senior U.S. defense officials following a close midair encounter in the South China Sea. The Chinese Foreign Ministry called upon the U.S. to cease their "dangerous provocations" within the South China Sea.
- Following a request from the U.S. for joint high-level defense talks with China in late May, the Chinese Foreign Ministry stated that Chinese senior defense officials would not meet with their U.S. counterparts at the Shangri-La Dialogue and that the U.S. must "correct its mistaken actions" before a high-level meeting can occur.
- Microsoft and the Five Eyes alliance of western spy agencies released a report stating that Chinese hackers used malware to attack critical infrastructure on the U.S. island of Guam, and was one of the largest cyberattack campaigns ever launched against the U.S. The Five Eyes and Microsoft group also warned of Chinese hacker groups, such as Volt Typhoon, laying the groundwork for future attacks and disruptions.

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- ["China says clash with US would be 'unbearable disaster'," Reuters, June 4](#)
- ["Chinese warship cuts off US Navy ship, marking 2nd military provocation in week," ABC News, June 4](#)
- ["U.S. Vows to Continue Patrols Near China and Urges Nuclear Talks," The New York Times, June 3 \[Paywall\]](#)
- ["U.S., China defense chiefs shake hands at security summit, but no 'substantive exchange'," Reuters, June 2](#)
- ["U.S. scolds China for refusing to talk after midair military encounter," The Washington Post, May 31 \[Paywall\]](#)
- ["China responds to US complaint over plane intercept with demand for end to surveillance flights," AP News, May 31](#)
- ["Beijing says no meeting between US, Chinese defense chiefs at Singapore gathering," AP News, May 30](#)
- ["China says US must 'correct its mistaken actions' before top defence chiefs can meet," South China Morning Post, May 30 \[Paywall\]](#)
- ["China Rebuffs Pentagon Chief, Blunting Push for Rapprochement," The Wall Street Journal, May 30 \[Paywall\]](#)
- ["The ball is in their court': China silent on US request for defence chief talks, senior official says," South China Morning Post, May 26 \[Paywall\]](#)
- ["Microsoft: Chinese hackers hit key US bases on Guam," BBC News, May 25](#)
- ["Volt Typhoon and other Chinese groups accused of hacking the US and others," Reuters, May 25](#)
- ["Microsoft: State-sponsored Chinese hackers could be laying groundwork for disruption," AP News, May 24](#)

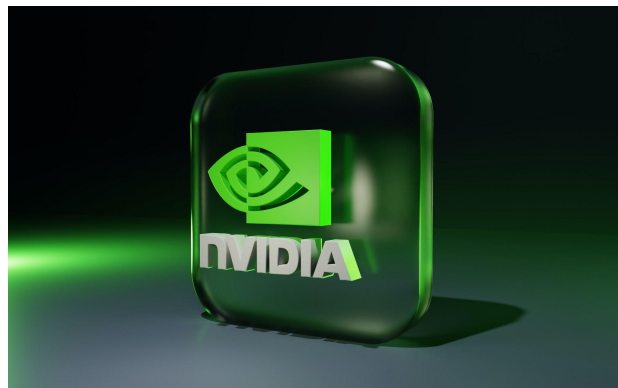
APEC Meeting and Senior Officials Create Signs of Successful Diplomacy



U.S. Trade Representative Katherine Tai and Chinese Minister of Commerce Wang Wentao together at the APEC 2023 in Detroit, Michigan on May 26, 2023. (Source: U.S. Embassy & Consulates in China, Public Domain)

- At an in-person meeting in Beijing on June 5, senior U.S. and Chinese officials had “candid, constructive and fruitful communication on promoting the improvement of China-U.S. relations and properly managing differences.”
- U.S. CIA Director William Burns made a secret trip to China in May in an effort to keep communication between the two countries stable, according to U.S. officials.
- China and U.S. ally Singapore agreed to establish bilateral defense hotlines to allow for high-level defense communications.
- Military attachés from the U.S. and Australia toured a Chinese garrison in Beijing, China; the first tour of its kind since the beginning of the pandemic.
- The U.S. and 13 other Pacific nations agreed to sign a new trade pact—a pact including policies to strengthen U.S. alliances with “friendly” countries—which is a part of the larger U.S. Indo-Pacific Economic Framework (IPEF).
- The Chinese Minister of Commerce Wang Wentao met with the USTR Katherine Tai in Detroit, Michigan, which followed Minister Wentao’s meeting with U.S. Secretary of Commerce Gina Raimondo in Washington, D.C.
- During the APEC conference in Detroit, Michigan, U.S. Trade Representative Katherine Tai urged trade ministers to “think creatively” on ways to overcome large global challenges around international trade.
- United Auto Workers President Shawn Fain spoke at the APEC conference, stating that “we’re anti-trade (when) it’s a one-sided affair” in calls for a more “balanced” trade relationship with China.
- In their in-person meeting in Washington, D.C., U.S. Secretary of Commerce Gina Raimondo and her Chinese counterpart Wang Wentao shared concerns regarding their respective countries’ trade restrictions and promised to continue exchanges on trade issues.
- U.S. lawmakers have called into question whether or not the Biden administration’s proposed executive order,

Decoupling in the Tech Sector Persists as U.S. Firms Attempt Reconciliation



A stylized, 3-D logo of Nvidia, a U.S. technology and software company. (Source: Unsplash)

- American and European officials came together in Sweden to develop guidelines for AI and new technologies, but remained largely split on policies regarding technology trade with China.
- Chinese technology developers are looking to ‘de-China’ in-order to expand into the U.S. due to increasing restrictions on Chinese technology firms who want to operate within the U.S.
- Nvidia’s CEO Jensen Huang is looking to travel to China in-order to meet with executives in the world’s largest chip market, despite growing U.S. curbs on microchip trading.
- The Chinese State Administration for Market Regulation has approved Microsoft’s Activision’s bid to purchase gaming company Blizzard, despite facing large antitrust scrutiny in the U.S.
- Chinese Minister of Commerce Wang Wentao condemned semiconductor controls on China from the U.S. and allies while denouncing Japan’s G7 “smears.”
- Despite large controversies involving China-owned apps and controversies surrounding Bytedance’s TikTok, Chinese apps remain extremely popular in U.S. markets.
- South Korean technology companies will avoid capitalizing on the U.S.-China competition following Beijing’s banishment of U.S. chip manufacturer Micron.
- Renewable energy manufacturer Siemens Gamesa will cut reliance on Chinese suppliers of rare earth metals and permanent magnets, despite the company being nearly 100% dependent on Chinese metals and magnets.
- Ongoing trade restrictions between the U.S. and China on microchip and technology trading poses “enormous damage” to U.S. technology companies, according to Nvidia CEO Jensen Huang.

Associated News Sources:

[“US and EU officials developing guidelines for AI and other new tech but split over China threat.”](#) *South China*

which would screen billions of dollars from U.S. firms looking to invest in China, would be effective.

Associated News Sources:

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- ["China, US ally Singapore agree to establish defense hotline," The Hill, June 1](#)
- ["US-China tensions expected to dominate Asia security meeting," Reuters, June 1](#)
- ["US, Australian military staff tour China's Beijing garrison despite freeze on top brass talks," South China Morning Post, May 29 \[Paywall\]](#)
- ["U.S. Delivers Early Win in Asia Trade Pact, but Rifts Surface," The Wall Street Journal, May 27 \[Paywall\]](#)
- ["US-China relations continue to thaw at meeting between trade officials in Detroit," South China Morning Post, May 26 \[Paywall\]](#)
- ["US trade chief seeks new thinking on global challenges as APEC ministers meet," Reuters, May 25](#)
- ["At APEC trade meeting, union leaders call for new 'balance' with China," Reuters, May 25](#)
- ["US, Chinese trade officials express concern about each other's restrictions," AP News, May 25](#)
- ["House panel chair seeks info on proposed U.S. order for China investment," Reuters, May 25](#)

- [Morning Post, June 1 \[Paywall\]](#)
- ["Chinese tech entrepreneurs keen to 'de-China' as tensions with US soar," Reuters, May 31](#)
- ["Nvidia's CEO Plans Trip to Meet China Executives Despite US Curbs," Bloomberg, May 31 \[Paywall\]](#)
- ["China approves Microsoft's Activision Blizzard acquisition as it still faces hurdles in the US and UK," South China Morning Post, May 30 \[Paywall\]](#)
- ["On Apec sidelines, China's commerce minister Wang Wentao condemns semiconductor controls and Japan's G7 'smears'," South China Morning Post, May 29 \[Paywall\]](#)
- ["Chinese apps remain hugely popular in the U.S. despite efforts to ban TikTok," CNBC News, May 29](#)
- ["South Korea to avoid US-China rivalry, will not capitalise on Beijing's chip maker ban," South China Morning Post, May 28 \[Paywall\]](#)
- ["Siemens Gamesa to cut reliance on China for rare earths, permanent magnets," Reuters, May 25](#)
- ["Chip wars with China risk 'enormous damage' to US tech, says Nvidia chief," Financial Times, May 23 \[Paywall\]](#)

New Economic Deals are Created with Taiwan, Disagreements Remain



A banner of U.S. and Taiwanese flags in Chinatown in Washington, D.C. (Credit: Photo Phiend via Flickr, CC BY-NC-ND 2.0)

- Laura Rosenberger, the chairwoman of the American Institute in Taiwan and de facto U.S. envoy to Taiwan, began a six-day trip to the island by urging Beijing to keep communication open between China and the U.S. in-order to avoid conflicts and "manage competition responsibly."
 - The U.S. and Chinese senior military officials offered different perspectives during the Shangri-La Dialogue, during which a U.S. and Chinese warship nearly collided

- In Other News -



Henry Kissinger speaking at a Citi Foundation Lecture in New York City on June 19, 2013. This event was part of the University of Michigan's Gerald R. Ford School of Public Policy's yearlong celebration of President Ford's 2013 centennial. (Source: Gerald R. Ford School of Public Policy University of Michigan via Flickr, CC2.0)

- ["Exclusive: China's state banks told to lower cap on dollar deposit rates -sources," Reuters, June 6](#)
- ["Chinese robotic assisted surgery system challenges U.S.'s da Vinci," Nikkei Asia, June 5 \[Paywall\]](#)
- ["Tiananmen museum to open in U.S. ahead of crackdown anniversary," Nikkei Asia, June 2 \[Paywall\]](#)
- ["How the U.S.-China clash is being felt on campus," CNBC](#)

in the Taiwan Strait.

- A senior Chinese general, Jing Jianfeng, lashed out at U.S. Secretary of Defense Lloyd Austin following his comments on Taiwanese sovereignty given during the Dialogue.
- JP Morgan CEO Jamie Dimon will visit Taiwan following the completion of his trip to mainland China to visit staff and clients on the island.
- The Chinese Minister of Defense told his Singaporean counterpart that China will “absolutely not” renounce the use of force on Taiwan, in what analysts call a warning to Washington.
- The U.S. and Taiwan have signed a new trade deal under the US-Taiwan Initiative on 21st Century Trade framework, which will strengthen economic ties between the two powers.
- Software problems delayed the delivery of over 60 new F-16 fighter jets to Taiwan from the U.S., but Taiwan still predicts delivery by 2026, according to Taiwanese Minister of Defense Chiu-Kuo Cheng.
- U.S. military experts joined the Taiwanese Ministry of Defense in performing war games to simulate a possible invasion of Taiwan from the Chinese PLA.
- The recent disputes on the U.S. national debt ceiling led the new U.S. House China committee to delay their trip to Taiwan.

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- [“JPMorgan’s Dimon visits Taiwan to meet staff, clients,”](#) *Reuters*, June 2
- [“Shangri-La Dialogue: Chinese general hits out at US Defence Secretary Lloyd Austin over Taiwan,”](#) *South China Morning Post*, June 3 [Paywall]
- [“China defence chief’s hard line on Taiwan ‘a message for the region’,”](#) *South China Morning Post*, June 2 [Paywall]
- [“US-Taiwan relations: New trade deal signed as China tensions rise,”](#) *BBC News*, June 2
- [“Taiwan says software problems delaying new F-16 deliveries,”](#) *Reuters*, May 25
- [“US experts joined review of Taiwan’s latest war games simulating PLA attack,”](#) *South China Morning Post*, May 30 [Paywall]
- [“Debt ceiling dispute delays US congressional Taiwan trip,”](#) *Reuters*, May 25

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- [“China Crosses a Flying Milestone but Remains in the Boeing-Airbus Grip,”](#) *The New York Times*, June 1 [Paywall]
- [“Newly approved US flights by Chinese airlines avoid Russian airspace,”](#) *Reuters*, June 1
- [“China Investing in Open-Source Intelligence Collection on the U.S.,”](#) *The New York Times*, June 1 [Paywall]
- [“Apple Plans Major Retail Push With New Stores Across China, US,”](#) *Bloomberg*, June 1 [Paywall]
- [“Chinese agent or private eye? Ex-NY cop’s ‘Fox Hunt’ trial kicks off,”](#) *Reuters*, May 31
- [“Very few U.S.-China flights are back despite the end of Covid,”](#) *CNBC News*, May 30
- [“Antony Blinken, in Europe, Sees Alignment on China,”](#) *The Wall Street Journal*, May 30 [Paywall]
- [“US Sanctions Chinese Firms Over Pill-Pressing Machines,”](#) *Bloomberg*, May 30 [Paywall]
- [“China Jet to Rival Airbus, Boeing Makes First Commercial Flight,”](#) *Bloomberg*, May 28 [Paywall]
- [“China’s envoy to US Xie Feng congratulates Henry Kissinger on 100th birthday,”](#) *South China Morning Post*, May 27 [Paywall]
- [“US-sanctioned Russian bank CEO hails yuan use while decrying US dollar weaponisation,”](#) *South China Morning Post*, May 26 [Paywall]
- [“U.S. warns China could hack infrastructure, including pipelines, rail systems,”](#) *Reuters*, May 26

What Are We Reading? ↓

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- *The Wall Street Journal*: [“Big American Companies Wonder: When Will China Bounce Back?”](#) by Dan Strumpf (June 5, 2023) [Paywall]
- The Wire China: [“Nicholas Burns on Managing the Competition with China”](#) by Bob Davis and Nicholas Burns (June 4, 2023) [Paywall]
- *The Wall Street Journal*: [“What Engagement With China Has Meant for Me”](#) by Lingling Wei (June 3, 2023) [Paywall]
- *The Wall Street Journal*: [“China Wants U.S. to Feel Risk When Operating in Its Backyard”](#) by Austin Ramzy (June 2, 2023) [Paywall]
- *The New York Times*: [“Despite a Handshake, a ‘Thaw’ in U.S.-China Relations Seems Far From Reach”](#) by Nicole Hong (June 1, 2023) [Paywall]
- *Foreign Policy*: [“America Is Winning Against China in Oceania”](#) by Derek Grossman (June 1, 2023) [Paywall]
- *The Wall Street Journal*: [“China’s Missile Threat Drives New U.S. Approach in Asia”](#) by Alastair Gale (June 1, 2023) [Paywall]
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- *South China Morning Post*: [“Shangri-La Dialogue: why the US and Chinese defence ministers should meet – and what stands in their way”](#) by Minnie Chan (June 1, 2023) [Paywall]
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- *The New York Times*: [“I Went to China for the First Time in 3 Years, and I Saw Just How Formidable It Is”](#) by Steven Rattner (May 31, 2023) [Paywall]
- *The Washington Post*: [“How China Aims to Counter US ‘Containment’ Efforts in Tech”](#) (May 31, 2023) [Paywall]
- *The New York Times*: [“Worried about China, U.S. lays out ‘space diplomacy’ goals”](#) by Oliver Knox and Caroline Anders (May 31, 2023) [Paywall]
- *Reuters*: [“Elon Musk is Beijing’s ideal foreign investor”](#) by Pete Sweeney and Katrina Hamlin (May 31, 2023)
- *The New York Times*: [“Was an Ex-N.Y.P.D Sergeant a Chinese Agent or an Unwitting Pawn?”](#) by Karen Zraick (May 31, 2023) [Paywall]
- Center for Strategic and International Studies: [“Mapping the Semiconductor Supply Chain: The Critical Role of the Indo-Pacific Region”](#) by Akhil Thadani and Gregory C. Allen (May 30, 2023)
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- U.S. Indo-Pacific Command: [“USINDOPACOM Statement on Unprofessional Intercept of U.S. Aircraft over South China Sea”](#) (May 30, 2023)
- *South China Morning Post*: [“Intel inside? Chinese firm Powerleader’s ‘home-grown’ chip suspected of being a rebadged microprocessor from US giant, test results show”](#) by Che Pan (May 30, 2023) [Paywall]
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- *Financial Times*: [“De-risking trade with China is a risky business”](#) by Gideon Rachman (May 29, 2023) [Paywall]
- The Wire China: [“Commerce at the Center”](#) by Katrina Northrop (May 28, 2023)
- The Wire China: [“A New Architecture for U.S.-China Engagement”](#) by Stephen S. Roach (May 28, 2023)
- *South China Morning Post*: [“‘No need to exaggerate’: risk of imminent Taiwan conflict is overhyped, says cross-strait affairs expert”](#) by Amber Wang (May 27, 2023) [Paywall]
- *South China Morning Post*: [“At 100, Henry Kissinger still seen as influential ‘old friend’ in China despite ‘complicated’ legacy in US”](#) by Shi Jiangtao and Bochen Han (May 27, 2023) [Paywall]

- *South China Morning Post*: [“Dismissed US case shows divide within Tibetan diaspora – and the thin line Beijing makes it walk”](#) by Bochen Han (May 27, 2023) [Paywall]
- *The Seattle Times*: [“Breaking up is hard to do: Decoupling the West from China”](#) by Jon Talton (May 26, 2023) [Paywall]
- Center for Strategic and International Studies: [“What is Beijing’s Timeline for “Reunification” with Taiwan?”](#) by Jude Blanchette, Briana Boland and Lily McElwee (May 26, 2023)
- *NikkeiAsia*: “U.S. will come to regret holding back China at the IMF” by Zhou Xin (May 26, 2023) [Paywall]
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- *CNBC*: [“As China and the U.S. redefine geopolitics, Europe faces a win-win situation”](#) by Silvia Amaro (May 26, 2023)
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- *Foreign Policy*: [“Is the Biden Administration Going Soft on China?”](#) by Danielle Pletka (May 25, 2023) [Paywall]
- *The New York Times*: [“Like It or Not, America Needs Chinese Scientists”](#) by Dan Murphy (May 25, 2023) [Paywall]
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- *Foreign Affairs*: [“The U.S.-Chinese Economic Relationship Is Changing—But Not Vanishing”](#) by Jami Miscik, Peter Orszag, and Theodore Bunzel (May 24, 2023) [Paywall]
- *The New York Times*: [“Malware Discovered in Guam Raises a Question: Is China Prepping the Battlefield?”](#) by David E. Sanger (May 24, 2023) [Paywall]
- U.S. Library of Congress, Congressional Research Service: [“Great Power Competition: Implications for Defense—Issues for Congress”](#) by Ronald O'Rourke (May 16, 2023)

What’s Happening Around Town?

- Past Events -

- [IISS Shangri-La Dialogue](#)
June 2-4 hosted by The International Institute for Strategic Studies
- [The Belt and Road’s Impact on Partner States](#)
May 24 hosted by Wilson Center
- [Asia-Pacific Transitions featuring Eric Harwit](#)
May 24 hosted by Pew Research Center
- [How China Sees the World in 2023](#)
May 24 hosted by University of Alberta China Institute
- [The U.S. Role in Indo-Pacific Security: A Conversation with Ely Ratner and Siddharth Mohandas](#)
May 25 hosted by Center for Strategic and International Studies
- [What does the future hold for Taiwan?](#)
May 25 hosted by Brookings

- Upcoming Events -

- [Are America and Europe Aligned on China?](#)
June 7 hosted by *Foreign Policy*
- [CSDS-CSIS Transatlantic Dialogue on the Indo-Pacific](#)
June 7 hosted by Center for Strategic and International Studies
- [Why Taiwan Matters](#)
June 8 hosted by Center for Strategic and International Studies
- [U.S.-Indo-Pacific Conference 2023](#)
June 14 hosted by Center for Strategic and International Studies
- [Europe, the United States, and Relations with China: Convergence or Divergence?](#)
June 15 hearing by U.S.-China Economic and Security Review Commission
- [A Fireside Discussion with U.S. Ambassador to China Nicholas Burns](#)
June 16 hosted by Center for Strategic and International Studies
- [Tensions Beyond the Strait](#)
June 21 hosted by *Foreign Policy*

What ICAS Is Up To

---*ICAS Expert Voices Initiative*---

André Aquino On Cooperation Between Developed And Developing Countries On Blue Carbon Projects May 25, 2023

The Institute for China-America Studies (ICAS) Expert Voices Initiative (EVI) conducted an interview with **Mr. André Rodrigues de Aquino**, a Lead Environmental Specialist from the World Bank, on the theme of “Cooperation Between Developed and Developing Countries on Blue Carbon Projects.” The interview was hosted out of Washington, D.C. by **Zhangchen Wang**, ICAS Blue Carbon and Climate Change (BCCC) Program Research Assistant, while Mr. Aquino spoke remotely from Jakarta, Indonesia.

During the nearly one-hour interview, the host asked Aquino for his views and insights on issues regarding blue carbon damage and degradation in developing countries, challenges facing blue carbon protection, the sustainability of blue carbon development, and the future of blue carbon projects. Aquino responded to all the questions of interest that ICAS and its global audiences submitted while sharing his insightful assessments and valuable experiences. Through this interview, the audience can have a deeper understanding of the current status of blue carbon protection in developing countries, especially in Indonesia, where Aquino resides. Additionally, Aquino talked about the protection and development of blue carbon ecosystems in general, especially mangroves, in developing countries, the problems they are specifically facing, and potential solutions to those problems.

Aquino first described the conflicts of interest encountered in blue carbon ecosystem protection.

- The economic development needs of coastal residents often have a negative impact on the blue carbon ecosystem. For example, the shrimp farming that many coastal communities rely on could incidentally have devastating effects on mangrove forests.

Aquino then talked about the serious consequences of blue carbon degradation and proposed some solutions to reverse the situation.

- A number of coastal communities in northern Java, Indonesia, had to relocate their entire community further inland specifically because of the loss of local mangroves.

- Luckily, through the Mangroves for Coastal Resilience Projects and other similar programs, Aquino's team at the World Bank and many other working groups are gradually reversing the worsening trend of blue carbon ecosystem degradation.

Next, Aquino was asked about the challenges facing blue carbon protection and restoration projects. He divided challenges into three major categories: technical challenges, funding problems, and social issues.

- Regarding technical challenges, he mentioned that restoring the natural conditions in which mangroves and other blue carbon ecosystems can thrive is very difficult. Many developing countries do not yet have adequate technical support, and Aquino believes that technical problems can only be solved by attracting more funds to invest in blue carbon projects.
- To raise more funds, he believes that there must be more incentive policies to attract developed countries and countries with surplus funds and technology such as China to participate in these projects.
- On the question of whether a global financial institution like the World Bank is the best solution to the problems of funding, Aquino suggested that there is no one best solution and that money from different levels—international, national and private—should all be encouraged to participate as circumstances differ with each region.
- In terms of social issues, Aquino said that one of the biggest problems is that the need for mangrove protection often conflicts with the normal life of local communities since many communities sit within planned conservation areas.

Following that, Aquino was asked about his opinion on the role of sustainable development.

- He suggested that blue carbon must generate its own commercial value in the future. Only in this way, Aquino explains, can the blue carbon protection works get rid of external dependence and start to develop in a sustainable way.

Last, Aquino explained that he is generally optimistic about the future of blue carbon protection.

- He said that as more and more countries and people—especially the new generation of young people—start to pay attention to these issues, blue carbon development will definitely have a brighter future.

[Read the Full Summary & Transcript](#)

[Watch the Discussion](#)

[More About André Aquino](#)

[About the ICAS Expert Voices Initiative](#)

---ICAS In the News---



On Tuesday, May 30, 2023, Senior Fellow Sourabh Gupta was repeatedly [quoted](#) in the *South China Morning Post* on competing U.S.-China summit diplomacy.

- “This sense of cohesion within the G7 and the West on Russia will be long-lasting,”
- “On the other hand, I am skeptical that the China challenge will have a similar galvanizing effect or reinvigorate the G7 grouping in the same way over the medium or longer term,”
- “There are, in fact, important conceptual gaps among the parties in how they seek to engage, manage as well as deter China. These countries are no longer the facilitator of prosperity and motor of global economic growth that they used to be. Their ability to lead through power of attraction as well as endow valuable global public good is slowly fading, which will make it harder by the day to bring the rest, contrasted with the West, on board its agenda against Beijing.”
- “The Central Asia summit is a perfect platform for China to project to the Central Asian republics and to the world that China embodies a new type of international relations – one that is based on a shared interest in political stability and economic prosperity and not one based on sanctions, punishments and coercion,”
- “More than any other major player in today’s international relations, Beijing has the most to lose by having the system degenerate into a bloc-based format,”

On Saturday, May 27, 2023, Senior Fellow Sourabh Gupta [discussed](#) US-China trade relations and the APEC meeting on *CGTN America's World Today*.

- "This might not really signify too much, and we shouldn't look at this in-terms of something long lasting. It could be long lasting if the two parties can begin to trust each other but the problem at this point in time is not just what each other's sides asks are, but the entire question about what their intentions are behind making those asks. I think at this time that the level of trust is so low, even on the trade and economic discussions, that yes this is hopeful and yes this is useful, but we shouldn't be paying too much emphasis on placing too much faith in this conversation."
- "If the two sides can really transact business and solve problems then great, but even if they cannot do so to at least get the conversation going forward so that you can set the ground up for the two presidents to meet again, because just a presidential meeting itself is a stabilizing proposition and I think that's part of where they're leading towards but I still think there's a lot of ground to cover and they're not even scratched the surface in terms of the differences that they have and we'll have to see where this goes."

On Friday, May 26, 2023, Senior Fellow Sourabh Gupta [discussed](#) the expectations of the G7 Summit in Hiroshima on *CGTN's World Insight*.

- "Overall I think that the projection of unity is important for the G7 and they will project that particularly on the Ukraine issue and also with what it views as China's more assertive moves in the indo-pacific."
- "The G7 has some really hard issues to sort through on the economic front this year, we have financial crises, banking sector crises, and the potential recession that you talked about, and the G7 used to be very good about engendering and fostering prosperity 25 years back, but those days have passed. If there is going to be prosperity in the international system it will mostly have to now come from the new emerging markets which are pillars of growth."