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## What's Been Happening

### 1 — Assessing Raimondo's Trip to China: Words v. Actions — 1

#### [In One Sentence]

- U.S. Secretary of Commerce Gina Raimondo visited China from August 27-30 to hold meetings with senior Chinese officials and U.S. business leaders.
- Echoing earlier statements from the Biden administration, Raimondo said that the U.S. does not seek “decoupling” or “hold China’s economy back,” but hopes to maintain a stable economic relationship with China while protecting U.S. national security.
- Raimondo and China’s Minister of Commerce Wang Wentao agreed that the U.S. and China will hold expert discussions to jointly strengthen the protection of trade secrets at administrative licensing proceedings.
- Raimondo also said she had “good discussions” to potentially cooperate with China on “guardrails and safety” concerning artificial intelligence.
- The two sides also agreed to launch an “export control enforcement information exchange” to “reduce misunderstanding of U.S. national security policies,” while Raimondo emphasized that the U.S. will not “compromise” or use the forum to negotiate “concessions” of U.S. export controls policy.

#### [Mark the Essentials]

- In an interview after her China visit, Raimondo said that the U.S. is in “fierce competition with China at every level,” but underscores the necessity to manage the competition and put concerns and differences “right on the table.” During the meetings in China, Raimondo expressed concerns about U.S. national security, fair and transparent treatment of U.S. companies, the lack of a level playing field for U.S. workers and businesses, as well as the recent discovery that Chinese hackers breached her emails.
- In the midst of Raimondo’s visit to China, long U.S.-sanctioned Chinese telecommunications company Huawei released a new smartphone with an advanced chip designed and manufactured in China, raising concerns about the effectiveness of U.S. export controls in semiconductor and other cutting-edge technologies.
- Having urged Raimondo against establishing new channels of communication with China before her visit, Republican lawmakers and Washington’s China hawks criticized Raimondo’s move to establish “information exchange” and “technical dialogues.” They argued that such moves would only enable China to better

circumvent U.S. policy, provide Beijing with a “propaganda tool,” and compromise U.S. national security and competitiveness.

- Meanwhile, business representatives have applauded the positive signals of Raimondo’s visit to China and marked it as a “first step” in clearing out some market uncertainties and addressing certain trade issues, such as Beijing taking possession of the Boeing 737 Max that it had previously purchased. Other analysts noted, however, that little progress has been made on longstanding and thorny trade issues and on softening general tensions in the bilateral relationship.

### [Expanded Reading]

- [360° View of Secretary Raimondo's Recent Visit to China](#), Wilson Center, September 5, 2023
- [A new Huawei phone has defeated US chip sanctions against China](#), Quartz, September 5, 2023
- [U.S. Commerce secretary says she ‘didn’t pull any punches’ during recent visit to China](#), CNBC, September 3, 2023
- [New phone sparks worry China has found a way around U.S. tech limits](#), *The Washington Post*, September 2, 2023 [Paywall]
- [Huawei's coy 5G breakthrough](#), *LightReading*, September 1, 2023
- [Raimondo's 'bold move' in China](#), *Politico*, August 31, 2023
- [US-China trade: market sees clouds clearing for Boeing after Raimondo visit elevates hope of an order frenzy](#), *South China Morning Post*, August 31, 2023 [Paywall]
- [Warm words but little ‘real action’ as US commerce secretary ends China visit](#), *CNN Business*, August 30, 2023
- [U.S. Does Not Want to ‘Decouple’ From China, Commerce Chief Says](#), *The New York Times*, August 29, 2023 [Paywall]
- [Commerce chief says US firms complain China is 'uninvestible'](#), *Reuters*, August 29, 2023 [Paywall]
- [U.S. Secretary of Commerce Gina Raimondo to Travel to the People’s Republic of China](#), U.S. Department of Commerce, August 22, 2023

## 2 — U.S.-China Trade Tit-for-Tat Accusations and Unveil Measures — 2

### [In One Sentence]

- U.S. President Joe Biden signed a new executive order to start creating a regulatory mechanism to restrict U.S. investment in certain dual-use semiconductor, quantum information and artificial intelligence technologies in China.
- China’s Ministry of Commerce said it is assessing the impact of the United States’ new outbound investment restriction mechanism and will “take necessary countermeasures” based on the mechanism’s actual impacts.
- Amidst continuing concerns about China’s domestic economy and business environment, China’s State Council released a new guideline to help ministries and local governments attract more foreign investment.
- Biden signed into law a bill that provides congressional approval for the first trade agreement negotiated under the United States-Taiwan Initiative on 21st-Century Trade.
- China’s Ministry of Commerce released a new report that criticizes U.S. compliance of WTO rules, arguing that the United States is undermining the multilateral trade system with its actions related to national security, agricultural subsidies, unilateral tariffs, export controls, and paralysis of the WTO Appellate Body.
- The U.S. Bureau of Industry and Security (BIS) expanded the export controls of certain nuclear-related dual-use items to China, citing national security and foreign policy concerns.

- The U.S. BIS is seeking public comments on the exclusion process of Section 232 tariffs on steel and aluminum, aiming to streamline and “finalize” relevant rules.
- At a roundtable in Wisconsin featuring U.S. businesses, the bipartisan leaders of the House China Committee argued for further tightening of U.S. trade tools and tariff enforcement to counter China’s “unfair” business practices.

### [Mark the Essentials]

- The Office of the U.S Trade Representative has extended some of the tariff exclusions related to the Section 301 tariffs on Chinese goods in order to allow time for “further consideration” of the overall Section 301 tariffs. USTR’s four-year review of the tariffs began last year and was expected to be finished this fall.
- A bipartisan pair of House lawmakers have reintroduced a bill to require congressional review before the President introduces new tariffs and other new actions under Section 232. The issue of trade authority also came into question during the recently passed Taiwan trade bill, where the White House and Congress disagreed whether certain “non-binding” trade agreements require congressional approval.
- A WTO dispute panel ruled that China’s decision to increase tariffs in response to U.S. Section 232 tariffs on steel and aluminum did not constitute “legal retaliation” under WTO rules. China argued that its tariff increase was a “safeguard” measure against U.S. actions and consequent harm to Chinese domestic producers.
- In a recent interview on China’s economy, Peterson Institute for International Economics senior fellow Chad Bown cautioned that a slowdown in the Chinese economy could mean significant pressure on the global trading system if China tries to export its way out of its economic problems. Meanwhile, advising against U.S. actions to deliberately worsen China’s economic problems, analysts at a U.S.-China Economic and Security Review Commission hearing warned that moves to worsen China’s economy or isolate China from the global economy could have serious repercussions and would make it “far more difficult” to align with allies and partners on China.
- As the United States turns to further reduce carbon emission of its transportation sector, U.S. renewable diesel makers are importing an increasing amount of animal and vegetable oil and fats from China to produce low-carbon alternatives to petroleum-based fuels.

### [Expanded Reading]

- [US extends tariff exclusions on some Chinese categories till end of 2023](#), Reuters, September 6, 2023 [Paywall]
- [Bown: China’s economic slowdown could test the world trading system’s resilience](#), Inside U.S. Trade, August 29, 2023 [Paywall]
- [The WTO Panel Report on Chinese Tariffs: Consequences of a Broken Appellate Body](#), Center for Strategic & International Studies, August 25, 2023
- [China’s economic slump gives US a chance to gain clout with countries indebted to Beijing: analysts](#), South China Morning Post, August 22, 2023 [Paywall]
- [US Expands Nuclear Export Controls on China](#), Skadden, August 17, 2023
- [President Biden Orders Establishment of New Program to Restrict US Outbound Investment in Certain Tech Sectors in China](#), White & Case, August 16, 2023
- [How Biden’s New Outbound Investment Executive Order Will Impact U.S.-China Relations](#), Carnegie Endowment for International Peace, August 15, 2023
- [Wilson Center Experts’ Analysis of Outbound Investment Executive Order](#), Wilson Center, August 15, 2023
- [China issues report on US violation of WTO rules](#), ChinaDaily, August 11, 2023

- [Biden's new outbound investment restrictions with China are a sensible compromise, but further tightening is likely](#), Peterson Institute for International Economics, August 10, 2023
- [BIS Proposes Changes to the Section 232 Steel and Aluminum Exclusion Process](#), Lexology, August 10, 2023
- [White House restricts U.S. investment in some Chinese tech, citing national security concerns](#), CNBC, August 9, 2023
- [Executive Order on Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern](#), The White House, August 9, 2023
- [Taiwan – U.S. 21st Century Trade Initiative, More Than Just A Trade Agreement. A Statement To Beijing Perhaps](#), Mondaq, August 8, 2023
- [Statement from President Joe Biden on H.R. 4004, the United States-Taiwan Initiative on 21st-Century Trade First Agreement Implementation Act](#), The White House, August 7, 2023

### 3 — U.S.-China Competition Goes Global— 3

#### [In One Sentence]

- At the closing ceremony of the 2023 Brazil-Russia-India-China-South Africa (BRICS) business forum, Beijing cautioned against the attempt of “some countries” to “wantonly contain and suppress emerging market countries and developing countries.”
- Following their trilateral leaders’ summit at Camp David, the United States, Japan and Korea agreed to launch a new supply chain early warning system, strengthen cooperation on “protection measures” and export controls of advanced technologies, and work together to develop standards for emerging technologies.
- U.S. Trade Representative Katherine Tai said that the U.S. and India are moving away from a “traditional, fully comprehensive liberalizing” trade agreement and are working on a “more strategic” “win-win” deal to strengthen security, resilience and growth.
- The G20 trade ministers called for more “constructive” work to advance “necessary” WTO reforms, and, in non-binding annex documents, recognized the need for more cooperation on global value chain resilience and trade digitalization.
- At an event on Germany's China strategy, Germany’s Ambassador to the U.S. Andreas Michaelis said that German businesses are increasingly looking at the U.S. market as China becomes less “promising” due to market shifts, structural challenges and other economic changes.

#### [Mark the Essentials]

- Prior to the business forum, trade ministers of China, India, Brazil, Russia and South Africa stressed their commitment to strengthen the multilateral trading system and constructively advance WTO reform and “clearly” condemned “some developed countries” for causing the “fragmentation of the global supply chain” by implementing “unilateral and discriminatory measures” such as tax incentives and carbon border adjustment mechanisms.
- In a recent interview, U.S. Trade Representative Katherine Tai reaffirmed that U.S. trade policy is “strongly rooted” in the shift away from tariff liberalization to building “structures and institutions and practices” at home and abroad to “reorient” globalization and strengthen middle classes and workers at home.
- During an earlier meeting with India’s Minister of Commerce and Industry Piyush Goyal, Tai expressed concerns about India’s import licensing requirements for technology goods amidst India’s continuing efforts

to increase domestic manufacturing of computers. The two sides agreed to explore the measure's impact on U.S. exports to India and "find a solution that addresses both countries' concerns."

### [Expanded Reading]

- [China slowdown 'mostly positive' for EU economy, says Bruegel economist](#), *Euractiv*, August 31, 2023
- [Tai: New, global approach to trade not a 'flash in the pan'](#), *Inside U.S. Trade*, August 31, 2023 [Paywall]
- [U.S. trade chief flags concerns over India's license mandate for laptop, tablet imports](#), *Reuters*, August 27, 2023 [Paywall]
- [What to Expect at India's G20 Summit](#), Center on Foreign Relations, September 5, 2023
- [U.S.-India relationship has reached new heights as the two align across policy areas, USTR says](#), *CNBC*, August 28, 2023
- [China's Trade and Development with BRICS: Analysis and Opportunities](#), *China Briefing*, August 23, 2023
- [China, Russia Deliver BroadSides Against the West at Brics Summit](#), *The Wall Street Journal*, August 23, 2023 [Paywall]
- [CNAS Responds: The Spirit of Camp David: Joint Statement of Japan, the Republic of Korea, and the United States](#), Center for a New American Security, August 18, 2023
- [FACT SHEET: The Trilateral Leaders' Summit at Camp David](#), White House, August 18, 2023
- [EU's China policy needs a revamp, but there's no one-size-fits all solution](#), *South China Morning Post*, August 17, 2023 [Paywall]