



The ICAS Bulletin

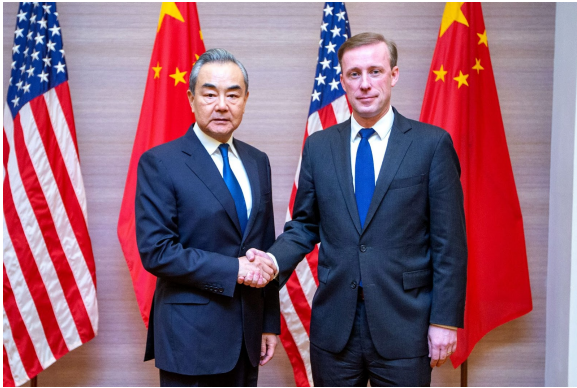
Institute for China America Studies

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

January 31, 2024

What's Going On? ↓

Following Up On Presidential Promises of Cooperation



Wang Yi, a member of the Political Bureau of the Communist Party of China CPC Central Committee and director of the Office of the Foreign Affairs Commission of the CPC Central Committee, holds talks with U.S. National Security Advisor Jake Sullivan in Bangkok, Thailand, January 26, 2024. (Photo by Wang Teng/Xinhua via Getty Images)

- After over a year of pause in counternarcotics cooperation, on January 30, the U.S. and China held formal talks in Beijing to discuss the fentanyl crisis.
- From January 25-26, U.S. National Security Advisor Jake Sullivan and Chinese Foreign Minister Wang Yi held a new round of talks in Bangkok, Thailand.
- Among other issues, Jake Sullivan and Wang Yi discussed scheduling a spring call between presidents Joe Biden and Xi Jinping and properly managing sensitive issues, all aligned with the promises made between the two leaders last fall in San Francisco and aimed at improving U.S.-China relations.
- U.S. and Chinese officials concluded the third meeting of a financial working group, discussing issues like financial stability and anti-money laundering, continuing efforts to ease tensions since the Biden-Xi meeting in November 2023.

Cross-Border Private Sector Activities



(Source: Getty Images, Royalty-Free)

- Two-thirds of the respondents of an annual survey for U.S. companies in Hong Kong say that they want Hong Kong to stop talking about national security, a change which they believe would help improve relations.
- Shares of WuXi AppTec continue to decline despite the company's denial of U.S. draft bill findings, claiming it does not pose a security threat and complies with laws in all operating countries, including China and the U.S.
- Chinese investors, seeking to move their money out of the country, are buying U.S. and Japanese stock ETFs at big premiums, contributing to record trading volumes.
- According to White House National Economic Council Director Lael Brainard, China's lackluster economic recovery has not significantly impacted the U.S. economy, which has diversified its supply chains for recent years.
- In 2023, U.S. hedge funds like Bridgewater and Two Sigma significantly outperformed their Chinese counterparts in the challenging Chinese market, with substantial asset growth and strong returns despite economic downturns and geopolitical tensions.
- U.S. Congress committees are investigating Swiss engineering group ABB's operations in China, focusing on cybersecurity risks and supply chain vulnerabilities related to its relationship with a Chinese state-owned company.

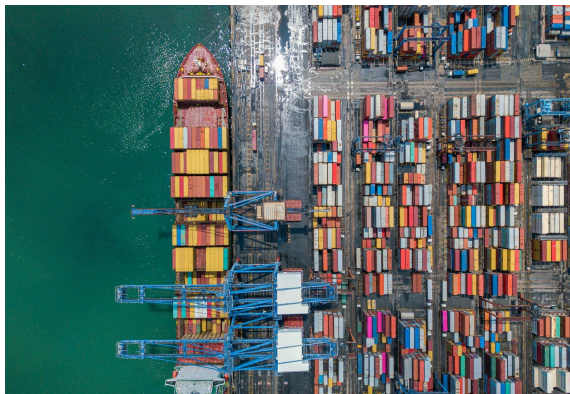
Associated News Sources:

["U.S. and China Talk Fentanyl in Latest Sign of Thawing Ties,"](#) *The Wall Street Journal*, January 30 [Paywall]
["Top US, China Officials Discussed Setting Up Next Biden-Xi Call,"](#) *Bloomberg*, January 27 [Paywall]
["US national security adviser will meet Chinese foreign minister as the rivals seek better ties,"](#) *AP*, January 26
["US, China Officials Conclude Meeting on Financial Issues,"](#) *Voice of America*, January 20

Associated News Sources:

["US Firms Want Hong Kong to Stop Talking About National Security,"](#) *Bloomberg*, January 30 [Paywall]
["WuXi AppTec Shares Continue Slide After Company Calls U.S. Draft Bill Findings Inaccurate,"](#) *The Wall Street Journal*, January 28 [Paywall]
["Desperate Chinese Investors Are Pouring Into the U.S., Japan,"](#) *The Wall Street Journal*, January 25 [Paywall]
["China's 'lackluster recovery' not having strong effect on US economy -Brainard,"](#) *Reuters*, January 22
["US hedge funds far outperformed local rivals in China in 2023,"](#) *Hedge Week*, January 22
["ABB's China operations under investigation by US Congress,"](#) *Reuters*, January 19

Intensified Trade Measures and Shifting Dynamics in Soybean Markets



An aerial view of a container cargo ship in a terminal port.
 (Source: Getty Images, Royalty-Free)

- A U.S. House of Representatives committee is intensifying efforts to combat trade fraud by Chinese companies, citing concerns about tariff evasion impacting American manufacturers, following a federal raid on Chinese-owned Harco Manufacturing Group in Ohio.
- The bipartisan leaders of the U.S. congressional committee are pressing the Biden administration to intensify actions against imports associated with forced labor in China, suggesting enhanced criminal legal actions and tackling a loophole used by e-commerce firms such as Shein and Temu.
- In 2023, China's soybean imports from Brazil increased by 29%, boosting Brazil's market share to 70% and reducing the U.S. share to 24%, thus intensifying competition in the world's largest soybean market.
- The U.S. Department of Agriculture confirmed the transaction of 297,000 metric tons of U.S. soybeans to China, marking the first major soybean sale to the world's top buyer since mid-December 2023. The announcement was made one day after U.S. Agriculture Secretary Tom Vilsack met with China's Minister of Agriculture and Rural Affairs, Tang Renjian.

U.S. Tech Defense Strategy and China's Growing Semiconductor Presence



(Source: Getty Images, Royalty-Free)

- The Biden administration proposes that U.S. cloud companies verify foreign users' identities to prevent entities like China from using U.S. technology, particularly in AI training, as part of wider national security measures.
- Despite a secret U.S.-Netherlands agreement to restrict the delivery of ASML Holding NV's semiconductor manufacturing equipment to China, ASML experienced a significant increase in sales within China, making it their largest market in 2023.
- Apple's iPhone series became the top-selling smartphone in China for the first time in 2023, outperforming domestic rivals despite challenges and increasing competition from companies like Huawei.
- In 2023, China's imports of chipmaking machinery increased by 14% to nearly \$40 billion, a near-record amount, as firms increased investment to counter U.S.-led export controls on semiconductor technology.
- In the first 10 days of its public use, the U.S. topped the user list for Origin Wukong, a Chinese, independently-developed quantum computer, which has seen over 350,000 remote accesses globally since becoming accessible on January 6.

Associated News Sources:

["US House panel renews push to punish trade fraud by Chinese companies, warning of 'catastrophic impact' on manufacturing."](#) *South China Morning Post*, January 25
["Enforcement of China Forced-Labor Import Ban Needs to Be Much Tougher, Say U.S. Lawmakers."](#) *The Wall Street Journal*, January 22 [Paywall]
["China 2023 soybean imports from Brazil rise 29%, US share shrinks."](#) *Nasdaq*, January 21
["USDA confirms first big US soy sale to China since mid-December."](#) *Reuters*, January 19

Associated News Sources:

["Eying China, US proposes 'know your customer' cloud computing requirements."](#) *Reuters*, January 26
["ASML's China Sales Surged Despite Secret Dutch Deal With US."](#) *Bloomberg*, January 25 [Paywall]
["Apple Grabs the Top Spot in the Smartphone Market in 2023 along with Record High Market Share Despite the Overall Market Dropping 3.2%, According to IDC Tracker."](#) *IDC*, January 24
["China Buys Near-Record \\$40 Billion of Chip Gear to Beat US Curbs."](#) *Bloomberg*, January 22 [Paywall]
["US Tops User List For China's Quantum Computer, Origin Wukong."](#) *The Quantum Insider*, January 17

Interplay Between Defense and International Relations



An MH-60S Sea Hawk approaches the flight deck of the aircraft carrier USS Nimitz in the Pacific Ocean. (Source: Hannah Kantner via Flickr/Attribution-ShareAlike 2.0 Generic, Public Domain)

- Aiming to counter China's influence in Africa, the U.S. committed one billion dollars to renovate the Lobito Atlantic Railway in Angola, representing its most substantial infrastructure investment in the region in decades.
- On the same day that high-level U.S.-China talks officially resumed, Beijing heightened its military stance against Taiwan by deploying dozens of military aircraft and naval ships towards the island, thereby increasing regional tensions.
- China accused the U.S. of "abusing" international law due to its military maneuvers in the Taiwan Strait and South China Sea, amid ongoing tensions.
- On January 25, a bipartisan U.S. congressional delegation visited Taiwan, reinforcing their support for the island after the recent presidential election, amidst ongoing tensions with China.
- The U.S. has requested China to pressure Iran to control the Yemen-based, Iran-backed Houthi rebels' attacks on commercial ships in the Red Sea, amid recent U.S. military strikes in Yemen targeting Houthi capabilities.

- In Other News -



(Source: Getty Images, Royalty-Free)

- ["US disabled Chinese hacking network targeting critical infrastructure."](#) *Reuters*, January 30
- ["China is protesting interrogations and deportations of its students at US entry points."](#) *ABC News*, January 29
- ["US Spies Want AI as Tool Against China If Tech Can Be Trusted."](#) *Bloomberg*, January 26 [Paywall]
- ["China Added More Solar Panels in 2023 Than US Did In Its Entire History."](#) *Bloomberg*, January 26 [Paywall]
- ["White House science chief signals US-China co-operation on AI safety."](#) *Financial*, January 25 [Paywall]
- ["China unlikely to invade Taiwan in next 5 years: survey."](#) *Radio Free Asia*, January 23
- ["Chinese music student faces US trial for alleged threats to activist."](#) *Reuters*, January 22
- ["Donald Trump's Taiwan Remarks Spark Fury and Concern."](#) *Newsweek*, January 21
- ["Number of foreign visitors to China in 2023 down more than 60% from pre-pandemic levels."](#) *CNN*, January 18
- ["Before the Coronavirus Pandemic, Overlooked Clues From Chinese Scientists."](#) *The New York Times*, January 18 [Paywall]
- ["A second Donald Trump presidency could lead US allies to pursue 'more independent policies': analysts."](#) *South China Morning Post*, January 17 [Paywall]

Associated News Sources:

["To challenge China's influence in Africa, US borrows from belt and road playbook,"](#) *South China Morning Post*, January 29 [Paywall]
["Beijing intensifies military pressure on Taiwan as U.S.-China talks resume,"](#) *CNBC*, January 27
["China accuses US of 'abusing' international law by sailing in Taiwan Strait and South China Sea,"](#) *AP*, January 25
["US Delegation Affirms Bipartisan Support for Taiwan During Visit,"](#) *Voice of America*, January 25
["US asks China to urge Iran to curb Red Sea attacks by Houthis -FT,"](#) *Reuters*, January 24

What Are We Reading? ↓

- *The Washington Post*: ["Tired of hostile Washington, China courts Indiana and Minnesota"](#) by Lily Kuo and Cate Cadell (January 30, 2024) [Paywall]
- *Business Insider*: ["A retired admiral says the US needs to start building boats fast because China's going to outpace the US Navy in no time"](#) by Kwan Wei Kevin Tan (January 29, 2024)
- *The Wire China*: ["The Rising Cost of the Climate Crisis"](#) by Aaron Mc Nicholas (January 28, 2024) [Paywall]
- *The Wire China*: ["U.S. Technologies and the Emboldening of China"](#) by Steve Coonen (January 28, 2024) [Paywall]
- *Financial Times*: ["Western nations need a plan for when China floods the chip market"](#) by Chris Miller (January 28, 2024) [Paywall]
- *Business Insider*: ["China surrounding Taiwan would be enough to drag the US into military conflict, said the majority of 52 US experts"](#) by Matthew Loh (January 28, 2024)
- *The Washington Post*: ["The U.S.-China relationship is back on track. Let's hope it stays that way."](#) by Fareed Zakaria (January 27, 2024) [Paywall]
- *The New York Times*: ["Visiting the Most Important Company in the World"](#) by Nicholas Kristof (January 24, 2024) [Paywall]
- Brookings: ["Tibet, Taiwan, and the India-China-US triangle"](#) by Ryan Hass and Tanvi Madan (January 24, 2024)
- Center for Strategic & International Studies: ["Morocco, an Unexpected Winner of China's Strategy to Circumvent the U.S. Inflation Reduction Act"](#) by Christian Géraud Neema Byamungu (January 23, 2024)
- *Foreign Policy*: ["Why Washington Wants Americans to Care About Taiwan"](#) by Ravi Agrawal (January 23, 2024) [Paywall]
- *Foreign Policy*: ["Another Trump Presidency Won't Much Change U.S. Foreign Policy"](#) by Stephen M. Walt (January 22, 2024) [Paywall]
- *Foreign Policy*: ["America's Strategy of Ambiguity Is Ending Now"](#) by James Crabtree (January 22, 2024) [Paywall]
- *Forbes*: ["China's Economy Has Picked Up Traits Reminiscent Of The Great Depression."](#) by Milton Ezrati (January 22, 2024)
- *The Economist*: ["Why politicians are obsessed with mythical Chinese land grabs"](#) (January 22, 2024) [Paywall]
- *The Washington Post*: ["Rumors of China's decline are premature and dangerous"](#) by Richard Fontaine (January 22, 2024) [Paywall]
- *Defense News*: ["Corruption in China's military is no excuse for American complacency"](#) by Alex Velez-Green (January 22, 2024)
- *Business Insider*: ["25 experts calculated the scenarios they think could play out in the US-China relationship. All the results are bleak."](#) by Matthew Loh (January 22, 2024)

- Center for Strategic & International Studies: [“Surveying the Experts: U.S. and Taiwan Views on China’s Approach to Taiwan”](#) by Bonny Lin, Brian Hart, Chen Ming-Chi, Shen Ming-Shih, Samantha Lu, Truly Tinsley and Yu-Jie (Grace) Liao (January 22, 2024)
- *China-US Focus*: [“China Risks Scaring Away Western and Chinese Investors”](#) by Doug Bandow (January 22, 2024)
- *The Economist*: [“Why America’s controls on sales of AI tech to China are so leaky”](#) (January 21, 2024) [Paywall]
- *The Wall Street Journal*: [“How the U.S. Is Derailing China’s Influence in Africa”](#) by Michael M. Phillips (January 21, 2024) [Paywall]
- *The Wire China*: [“Michael Rogers on China’s Cyber Threat”](#) by Bob Davis (January 21, 2024) [Paywall]
- *The New York Times*: [“Taiwan’s Doubts About America Are Growing. That Could Be Dangerous.”](#) by Damien Cave and Amy Chang Chien (January 20, 2024) [Paywall]
- *Bloomberg*: [“China Is Buying Up US Farmland, But How Much Isn’t Clear”](#) by Kim Chipman (January 18, 2024) [Paywall]
- *Foreign Policy*: [“Washington Is Exaggerating China’s Military Budgets”](#) by William D. Hartung (January 17, 2024) [Paywall]
- *South China Morning Post*: [“‘Big Chip’: China is building a wafer-sized processor to beat US sanctions on supercomputers and AI”](#) by Zhang Tong (January 16, 2024) [Paywall]

What’s Happening Around Town? ↓

- Past Events -

- [The Future of U.S.-China Relations](#)
January 30 hosted by Council on Foreign Relations
- [Carnegie Global Dialogue: China and the Pacific Islands](#)
January 23 hosted by Carnegie Endowment for International Peace
- [A Look at Taiwan’s Election Results](#)
January 23 hosted by Hudson Institute
- [China’s Use of Armed Coercion: To Win Without Fighting](#)
January 23 hosted by Stimson Center
- [Surveying U.S. and Taiwan Experts: What to Expect for Cross-Strait Dynamics in 2024 and Beyond](#)
January 22 hosted by Center for Strategic & International Studies
- [What Taiwan’s Elections Mean for the U.S.—and the World](#)
January 22 hosted by *Foreign Policy*
- [Navigating the uncertainties of US-China relations over the next decade](#)
January 19 hosted by Brookings
- [The Importance of US-China Science and Technology Cooperation](#)
January 18 hosted by U.S.-China Business Council
- [Taiwan’s Elections: Results, Takeaways, and Implications for Regional Geopolitics](#)
January 18 hosted by US-Asia Institute

- Upcoming Events -

- [China’s Approach to the Middle East](#)
January 31 hosted by Center for Strategic & International Studies
- [Reality Check: Chinese Military Spending in Context and Alternatives to a Bloated U.S. Defense Budget](#)
January 31 hosted by The Quincy Institute
- [How to Deter China Economically with Representative Frank Lucas](#)
February 5 hosted by Hudson Institute
- [US Outbound Investment in China: Implications and Possible Congressional Action](#)
February 13 hosted by American Enterprise Institute
- [China’s Gambit: The Calculus of Coercion](#)
March 1 hosted by Cato Institute
- [Book Launch: The Return of Great Power Rivalry](#)
March 21 hosted by Georgetown University
- [Made in China: When US-China Interests Converged to Transform Global Trade](#)
May 6 hosted by Wilson Center

What ICAS Is Up To ↓

---Annual Publication---

ICAS 2023 Annual Report

Now approaching the 10-year anniversary of its founding, ICAS has established itself as a fresh voice in the Washington, D.C. think tank community. The team at ICAS is delighted to provide you with a concise overview of our achievements throughout 2023, produced while committedly observing the intricate and dynamic bilateral relationship between the United States and China.

ICAS is committed to maintaining our ongoing engagement with the global community, dedicated to conducting timely and relevant analyses of the U.S.-China relationship. We are excited about the potential achievements that lie ahead and sincerely appreciate your continued support.

[Explore & Share the ICAS 2023 Annual Report](#)



---L.E.A.D. Project Brief---



Biden-Xi Woodside Summit and the Slow Rehabilitation of US-PRC Ties

January 22, 2024

By Sourabh Gupta

The “guardrails” that President Biden and President Xi envisaged in Bali in November 2022 began to be emplaced at their November 2023 summit in Woodside, California. In-person, leader-led communication was deepened, reassurances exchanged, and practical—albeit modest—“deliverables” locked down on several fronts, including restarting mil-mil communications, cracking down on fentanyl precursors, addressing the national security harms of artificial intelligence (AI), and increased people-to-people exchanges. The establishment of numerous bilateral working groups will ensure an almost full plate of across-the-board consultations in 2024 as well as the means to troubleshoot

irritants on short notice. As stabilizing as the Woodside summit was, it failed to deflect the US-PRC relationship from its larger overall trajectory of “selective decoupling” across a range of advanced technologies and frontier industries (microelectronics; quantum; AI; biomanufacturing; clean energy). Strategic trade controls and other competitive actions were doubled down upon. With a pivotal US presidential election looming in 2024, questions abound on the longer-term durability of a rehabilitating US-PRC relationship.

[View the L.E.A.D. Brief](#)

[Learn More About the L.E.A.D. Project](#)

---BCCC Commentary---

Navigating U.S.-China Maritime Relations

By Nong Hong

January 22, 2024

At the start of 2024, the outlook for U.S.-China maritime relations continues to be marked by complex dynamics and ongoing tensions, particularly within the Indo-Pacific region...the essence of the South China Sea disputes has evolved from the territorial and maritime disputes of the claimant states to a strategic competition that is now between China as a coastal state and the United States as a user state...

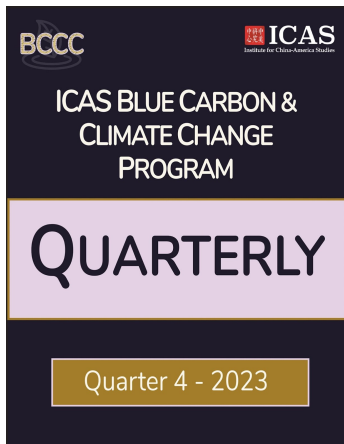
[Read the Commentary](#)

This commentary was [originally](#) released in *China-US Focus* on January 22, 2024

---Happy Lunar New Year From the ICAS Team---



---BCCC Quarterly Publication---



**Blue Carbon & Climate Change Quarterly:
2023 Q4 (Chinese)**

The first week of 2024, the ICAS Blue Carbon & Climate Change Program released its BCCC Quarterly newsletter for 2023 Q4. This issue features a ‘Theme of the Quarter’ on “Multinational Climate Engagements” and a ‘Blue Carbon Country Profile’ on ‘The United Kingdom.’

Released each quarter, the BCCC Quarterly records the most important trends and developments regarding blue carbon policies and regulations in China, the U.S., and other regions, as well as international regimes, such as under the United Nations framework. It also includes two special sections—the ‘Theme of the Quarter’ and the ‘Blue Carbon Country Profile’—that aim to bring a fresh and

applicable element to each issue. A condensed, Chinese-language is also regularly released soon after the full issue.



[Explore & Share the BCCC Quarterly 2023 Q4 Issue \[In Chinese\]](#)

[About the BCCC Quarterly & Past Issues](#)

[Explore the ICAS Blue Carbon & Climate Change Program](#)

---ICAS Book Release---

US-China Global Maritime Relations (Routledge, 2024)

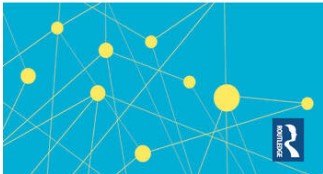
By Nong Hong

Release Date: January 1, 2024



US-CHINA GLOBAL MARITIME RELATIONS

Nong Hong



This book explores the U.S.-China global maritime relationship, examining the development and implementation of the maritime strategies of both the United States and China.

Delving into the U.S.-China maritime relationship within the global context, the book investigates six key maritime regions: the South China Sea, the Northeast Asia waters (the East China Sea, the Yellow Sea), the Indian Ocean, the South Pacific Ocean, as well as the Arctic and Antarctic regions. Its observations form a comprehensive exploration of these regions and their significance in shaping the dynamics between the two nations, and this analysis reveals that an expanded view is necessary to discover and clearly display the role that these maritime regions currently—and could potentially—play in overarching U.S.-China relations.

Examining both the ongoing conflicts and opportunities for cooperation in the global maritime domain between the United States and China, this book will be a valuable resource to students and scholars of international relations, Chinese and U.S. politics, strategic studies, and maritime studies.

[Learn More & Order a Copy with Code ESA33 for a 20% Discount](#)

---ICAS In the News---



On Saturday, January 27, 2024, Senior Fellow Sourabh Gupta [quoted](#) in *South China Morning Post* on speculation pertaining to Liu Jianchao's possible selection as China's next foreign minister.

- "the decision to schedule Liu's visit in conjunction with the outcome of the Taiwanese elections was 'a smart one'".

On Friday, January 26, 2024, Senior Fellow Sourabh Gupta [quoted](#) by *Xinhua* on the pessimism surrounding China's economy.

- "Western news outlets are more interested in dwelling on bad, scandalous or short-term news out of China rather than objectively assessing issues from a more considered or medium-term perspective."

On Tuesday, January 23, 2024, Senior Fellow Sourabh Gupta [discussed](#) the Global South's G77+China Summit on *CGTN America's The Heat*.

- "There is strength in numbers. It's important to translate that into strategies and don't be captive to extremist interests or western interests within this grouping, but try to have a broad consensus with which one can negotiate with the global north."