



The ICAS Bulletin

Institute for China America Studies

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

January 15, 2025

What's Going On? ↓

The U.S.-China Sanctions Game Heats Up



President Biden's Foreign Policy Address at the U.S. Department of State. (Source: State Department via Flickr)

- On January 6, the U.S. Department of Defense expanded its list of "Chinese military companies," targeting firms like Tencent and CATL to highlight their alleged ties to China's military-tech fusion strategy.
- On January 3, the U.S. Department of the Treasury sanctioned Integrity Technology Group for allegedly aiding the Chinese hacking group Flax Typhoon in cyberattacks on U.S. communications and global surveillance.
- The Biden administration is considering new rules to ban Chinese drones in the U.S. due to national security risks, such as concerns over cyberespionage and critical infrastructure vulnerabilities.
- On January 2, China announced punitive trade measures against 28 U.S. companies, including Raytheon and Lockheed Martin, for their arms sales to Taiwan.

Associated News Sources:
["Pentagon Labels More Chinese Companies As Military In Nature."](#) *The Wall Street Journal*, January 7

China's Military Reformation and the Intensified Arms Race in Asia-Pacific



The USS Bulkeley returns to a naval station. (Source: Marlin Dominguez for the U.S. Department of Defense, Public Domain)

- Japan, Australia, the Philippines, and Taiwan are expanding their amphibious capabilities to counter China's growing military presence.
- Experts suggest that China's first sixth-generation stealth fighter jet may have advanced stealth capabilities at hypersonic speeds, signaling that the PLA has surpassed global advanced standards.
- The Asia-Pacific arms race is intensifying as countries like Japan and the Philippines significantly increase defense budgets to counter China's growing military capabilities.
- On December 28, China launched its next-generation Type 076 amphibious assault ship, which features cutting-edge electromagnetic catapult technology. The launch marks a major step in its naval expansion to rival the United States.

Associated News Sources:
["Asia-Pacific Nations Boost Amphibious Naval Fleets To Repel China."](#) *Defense News*, January 8
["Is China's Mystery 6th-Gen Stealth Fighter Poised To](#)

[“Treasury Dept. Hits Chinese Tech Company With Sanctions After Breach,”](#) *The New York Times*, January 3
[“U.S. Weighs Ban On Chinese Drones, Citing National Security Concerns,”](#) *The New York Times*, January 3
[“China Hits Dozens Of U.S. Companies With Trade Controls,”](#) *The New York Times*, January 2

[“Be A Command Center For Combat Drones?”](#) *South China Morning Post*, January 5
[“China And Trump Factor Will Heat Up Asia-Pacific Arms Race, Observers Warn,”](#) *South China Morning Post*, January 5
[“China Launches New Amphibious Assault Ship In A Race To Rival Us Military,”](#) *CNN*, December 27

Market Turbulence Rises as Trade Relations Sour



TikTok users protesting outside the U.S. Supreme Court. (Source: Andrew Harnik via Getty Images)

- On January 10, the U.S. Supreme Court heard arguments on the constitutionality of a federal law banning TikTok, with justices appearing skeptical of TikTok’s case.
- The Pentagon’s blacklist has added Tencent and CATL and caused stock drops, while China condemned the U.S. move as “unjust” and vowed to defend its companies’ rights.
- On January 3, the Justice Department urged the Supreme Court to reject President-elect Donald Trump’s request to delay a law that requires TikTok to be sold or banned by January 19, while the President-elect remains publicly opposed to banning the platform.
- The Supreme Court is set to hear arguments in a high-stakes case regarding TikTok’s future in the U.S., while TikTok and its users argue the law violates First Amendment rights and would unjustly censor a popular social platform.
- American companies have largely muted their defense of trade ties with China, citing increased economic challenges, domestic competition, and restrictive policies in both countries.
- On December 27, China extended tariffs, sanctioning seven American firms over their increasing arms sales to Taiwan, and threatening to halt purchases of U.S.

Tensions Mount Across the Taiwan Strait Following the Delivery of U.S. Arms



Two KH-6 Fast Attack Missile Boats sail in formation during a combat readiness exercise at the Zuoying Naval Base in Kaohsiung on January 9, 2025. (Source: I-HWA CHENG/AFP via Getty Images)

- Taiwan is investigating whether a Chinese-linked vessel damaged its undersea internet cable on January 3 and vows to pursue independent satellite resilience in potential crises.
- On January 7, Taiwan launched military drills to showcase its upgraded U.S.-supplied defense systems to bolster readiness against potential conflicts.
- On January 1, Taiwanese President Lai Ching-te, in his New Year’s address, vowed to bolster Taiwan’s defenses against advancing PRC’s capabilities, claiming the island’s role as a global “line of defense for democracy.”
- On December 22, China’s navy and coast guard conducted joint operations in December, which resembled a naval blockade in the Miyako Strait and near the Diaoyu/ Senkaku Islands, responding to the US arms sale of Abrams tanks to Taiwan.
- On December 16, Taiwan received its first batch of 38 advanced U.S.-made Abrams M1A2 tanks, demonstrating Taiwan’s efforts to modernize its defenses with U.S. arms.

Associated News Sources:

[“Taiwan Suspects A Chinese-Linked Ship Of Damaging An Internet Cable,”](#) *The New York Times*, January 7

semiconductors.

-On December 23, the Biden administration launched a trade investigation into China's production of legacy semiconductors, citing concerns over unfair subsidies and national security risks.

Associated News Sources:

["US Supreme Court Seems Likely To Uphold TikTok Ban-Or-Sale Law In Hearing,"](#) *The Guardian*, January 10

["Tencent Shares Decline After US Adds Company To Chinese Military Blacklist,"](#) *Bloomberg*, January 6

["Justice Department Urges Supreme Court To Reject Trump's Push To Pause TikTok Ban,"](#) *NBC News*, January 4

["TikTok And Government Clash In Last Round Of Supreme Court Briefs,"](#) *The New York Times*, January 3

["U.S. Companies Vouched For China During Trump's First Term. Not Anymore."](#) *The Wall Street Journal*, January 2

["China Firing Preemptive Trade War Shots At Trump,"](#) *Asia Times*, December 28

["U.S. Takes Aim At China's Production Of Essential Chips,"](#) *The New York Times*, December 23

["Taiwan Holds Military Drills As Concerns Rise Over Possible Defense Budget Cut,"](#) *ABC News*, January 7

["Taiwan President Vows To Boost The Island's Defense Budget As China Threats Rise,"](#) *AP News*, January 1

["China Conducts Naval Blockade Exercise In Miyako Strait; Ccg Ships Near Senkaku Islands Given Stronger Weapons,"](#) *The Japan News*, January 1

["Taiwan Receives First Batch Of Us-Made Abrams Tanks,"](#) *Voice of America*, December 16

China Prepares for Uncertainties Under Trump, but Biden's Legacy Persists



*U.S. President Joe Biden (L) shakes hands with Chinese President Xi Jinping on the sidelines of the Asia-Pacific Economic Cooperation (APEC) summit in Lima, Peru, November 16, 2024.
(Source: LEAH MILLIS/POOL/AFP via Getty Images)*

- On January 7, U.S. President-elect Donald Trump reiterated his hardline stance on China. He also cited China's presence in the Panama Canal and Greenland and refused to rule out military or economic actions to reclaim these strategic territories.

- On January 7, China has confirmed that President Xi Jinping has been communicating with U.S. President-elect Donald Trump, with Chinese officials emphasizing the importance of these discussions.

- In Other News -



*A photo of the United States Treasury Building.
(Source: Rchuon24, Wikicommons, CC3.0)*

["U.S. To Ban Chinese, Russian Components In Connected Vehicles,"](#) *The Wall Street Journal*, January 14

["Taiwan Nuclear Exit Paves Way For More Gas, Says GE Vernova,"](#) *Bloomberg*, January 6

["Antony Blinken: 'china Has Been Trying To Have It Both Ways,'"](#) *Financial Times*, January 3

["Treasury's Sanctions Office Hacked By Chinese Government, Officials Say,"](#) *The Washington Post*,

- On January 7, a virtual discussion between Chinese Vice-Premier He Lifeng and U.S. officials addressed Beijing's concerns over recent 301 trade investigations, highlighting tensions as Trump prepares to take a firm stance on tariffs.

- Treasury Secretary Janet Yellen raised "serious concerns" with China's Vice Premier He Lifeng about state-sponsored cyberattacks, including an alleged breach of Treasury Department computers on December 30, highlighting strained U.S.-China ties ahead of President-elect Donald Trump's inauguration.

- On January 6, during a visit to South Korea, Secretary of State Antony Blinken navigated tensions as North Korea tested another ballistic missile and South Korea grappled with political turmoil, highlighting U.S. efforts to maintain stability and alliances in the region.

Associated News Sources:

["Donald Trump Refuses To Rule Out Military Action Over Panama Canal And Greenland,"](#) *South China Morning Post*, January 7

South China Morning Post, January 7

["China Confirms Xi Jinping And Donald Trump Have Been In Touch Since US Election,"](#) *South China Morning Post*, January 7

["US-China Dialogue Touches On 'Candid' Concerns Before Trump Takes Office,"](#) *South China Morning Post*, January 7

["Yellen Tells China's Vice Premier Hacks Raise 'Serious Concern,'"](#) *Bloomberg*, January 6

["In South Korea, Blinken Affirms Alliance Amid Challenges Facing Democracies,"](#) *The New York Times*, January 6

January 1

["US Investors In China Venture Funds Race To Comply With New Tech Rules,"](#) *Financial Times*, January 1

["China Pays Tribute To Former US President Jimmy Carter, 'Promoter' Of Diplomatic Ties,"](#) *South China Morning Post*, December 30

What Are We Reading? ↓

- *Foreign Affairs*: ["America's China Strategy Is Incomplete"](#) by Elizabeth Economy and Melanie Hart (January 14)
- *The New York Times*: ["China's \\$1 Trillion Trade Surplus: What to Know as Trump Takes Office"](#) by Keith Bradsher (January 14)
- The Brookings Institution: ["How Do China And America Think About The Energy Transition?"](#) by Samantha Gross (January 13)
- *Bloomberg*: ["US-China Tech Breakup Is A Race To The Bottom"](#) by Catherine Thorbecke (January 8)
- *Truthdig*: ["Elbridge Colby And The Return Of Republican Realism"](#) by Alexander Zaitchik (January 8)

- *Foreign Affairs*: [“Know Your Rival, Know Yourself: Rightsizing the China Challenge”](#) by Jude Blanchette and Ryan Hass (January 7)
- *The Washington Post*: [“Carter Took Pride In Warming U.S.-China Ties — In A Very Different D.C.”](#) by Rachel Pannett and Vic Chiang (January 6)
- *The Wire China*: [“Does Washington Have China Groupthink?”](#) by Eliot Chen (January 5)
- *The Wall Street Journal*: [“Banning TikTok Would Violate America’s Free Speech Tradition”](#) by Jacob Mchangama and Jeff Kosseff (January 2)
- *The New York Times*: [“Trump’s Falsehoods Aside, China’s Influence Over Global Ports Raises Concerns”](#) by Ana Swanson (January 2)
- *Foreign Policy*: [“5 Predictions For China In 2025”](#) by James Palmer (December 31)
- *The Economist*: [“China Is Catching Up With America In Quantum Technology”](#) (December 31)
- *The Wall Street Journal*: [“U.S.’s Channels With China Have Gone Dark With Trump’s Return”](#) by Lingling Wei (December 28)
- *The Wall Street Journal*: [“What ‘Engagers’ Got Right About China”](#) by Holman W. Jenkins, Jr (December 27)

What’s Happening Around Town? ↓

- Past Events -

- [Reflecting on the Commerce Department’s Role in Protecting Critical Technology with Under Secretary of Commerce Alan Estevez](#)
January 14 hosted by Center for Strategic & International Studies
- [US-China climate relations: Innovation, competition, and global implications](#)
January 13 hosted by The Brookings Institution
- [How will artificial intelligence impact security relations between the United States and China? US and Chinese perspectives](#)
January 10 hosted by The Brookings Institution
- [What do people in Taiwan and the United States think about Taiwan’s security situation?](#)
January 9 hosted by The Brookings Institution
- [Distinguished Voices Series With H.R. McMaster](#)
January 8 hosted by Council on Foreign Relations
- [The U.S.-Japan Alliance for the Future](#)
January 8 hosted by Stimson Center

- Upcoming Events -

- [Meeting DoD’s Innovation Challenge: Adapting and Scaling Cutting-Edge Technology to Enhance Modernization](#)
January 15 hosted by Center for Strategic & International Studies
- [The Japan-U.S. Alliance at a Pivotal Moment: Implications for the Global Partnership Under New Leaders](#)
January 15 hosted by Asia Society
- [2025 Future of U.S. and China Conference: Under Renewed Pressure](#)
January 16 hosted by Asia Society
- [China-Southeast Asia in a Changing World | Carnegie Endowment for International Peace](#)
January 16 hosted by Carnegie Endowment for International Peace

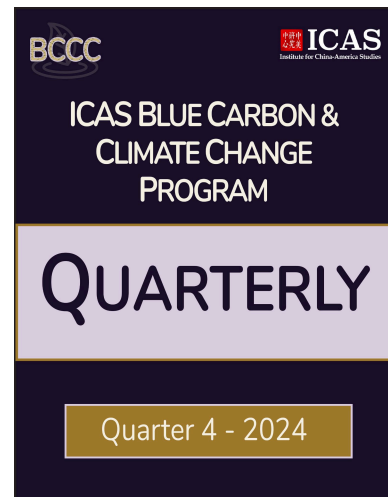
What ICAS Is Up To ↓

BCCC Quarterly Release

The 2024 Q4 issue of the ICAS Blue Carbon & Climate Change Program Quarterly has been released!

Released the first week of every new quarter, the BCCC Quarterly is a magazine-style newsletter that records the most important trends and developments regarding blue carbon and climate change policies and regulations in China, the U.S., and other regions, as well as international regimes such as the United Nations. It also includes two special sections – the ‘Theme of the Quarter’ and the ‘Blue Carbon Country Profile’ – that aim to bring a fresh element to each issue.

This quarter’s Theme is on “Mixed Results in Climate Cooperation” and the Country Profile is on “Saudi Arabia,” both researched and written by Research Assistant Zhangchen Wang.



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BCCC Quarterly (Q4 2024) - 25

Blue Carbon Country Profile: Saudi Arabia

A. Potential of Saudi Arabia in Blue Carbon Affairs

As a nation characterized by vast deserts and extensive coastlines along the Red Sea and the Arabian Gulf, Saudi Arabia views the protection and restoration of blue carbon ecosystems as critical not only for achieving carbon reduction targets but also for enhancing biodiversity and coastal resilience. Despite challenges such as habitat loss and environmental pressures, Saudi Arabia has implemented ambitious blue carbon strategies, including large-scale mangrove plantations and habitat restoration projects that are deeply integrated into its national climate goals and the framework of the Saudi Green Initiative (SGI). These efforts, coupled with increasing public awareness and private sector engagement, aim to restore and expand blue carbon ecosystems, ensuring that their contributions to carbon sequestration, biodiversity enhancement, coastal resilience, and coastal tourism are maximized.

- Amount of mangroves: 165.5 km² (2018)
- Amount of seagrass: 370 km² (2018)
- Key institutions of study on blue carbon: King Abdullah University of Science and Technology (KAUST)
- Key regions of interest: Farasan Islands; Al-Kharrar Lagoon; Jizan Region

⁴ In the field of blue carbon, Saudi Arabia stands out for its strong governmental focus and exceptional private sector engagement in blue carbon initiatives. For almost a decade, the government has made blue carbon an important component of its environmental strategies under Vision 2030, announced in April 2016, and the Saudi Green Initiative (SGI), launched in 2021, implementing measures such as national

⁴ Locations of the blue carbon ecosystems sampled along the Saudi coasts in the Central Red Sea (left) and Arabian Gulf (right). Image Source: “Role of vegetated coastal ecosystems as nitrogen and phosphorus filters and sinks in the coasts of Saudi Arabia”, Environmental Research Letters, March 2020.

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BCCC Quarterly (Q4 2024) - 1

Theme of the Quarter: Mixed Results in Climate Cooperation

News on Mixed Results in Climate Cooperation
COP29 Is A Step Forward But Still Far From The Finish Line

The 29th Conference of the Parties (COP29) to the United Nations Framework Convention on Climate Change concluded in Baku, Azerbaijan on November 24, 2024, marking another important step in global climate negotiations. For over two weeks, representatives from nearly 200 nations wrestled with how to resolve the issues related to climate finance, carbon markets, and fossil fuel reductions. At the heart of COP29 was a landmark agreement to scale up climate finance for developing nations. Developed countries have pledged to lead the effort to mobilize an annual climate finance fund of US\$300 billion by 2035, significantly increasing from the longstanding annual target of US\$100 billion established at COP15 in 2009. The funds specifically aim to help vulnerable countries to both mitigate and adapt to climate impacts.

Delegates also reached consensus on operationalizing carbon markets under Article 6 of the Paris Agreement, allowing nations that have exceeded their emissions reduction targets to sell surplus reductions to others struggling to meet their goals. This mechanism incentivizes cost-effective emissions reductions and encourages private sector participation in climate action. At COP29, delegates finalized technical rules for these markets, ensuring transparency and preventing double-counting of emissions reductions. Experts estimate this could unlock billions of dollars in funding for climate projects, particularly in developing countries, while promoting investments in renewable energy and reforestation. Additionally, the summit extended its focus to new areas, such as gender and climate change, and provided support for the least developed countries (LDCs) to implement national adaptation plans.¹

Nevertheless, despite the agreement’s scale, many developing nations voiced strong dissatisfaction. The African Group of Negotiators and representatives from island states called the US\$300 billion pledge “too little, too late,” while experts and negotiators from the Global South have stated that at least US\$1.3

¹ COP29 Commonwealth Secretariat Side Event – Indigenous and Local Knowledge in Climate Action/ Building a Resilient Future for All in Collaboration with the Governments of Namibia and Seychelles and the UNFCCC. (Image Source: Photo by Commonwealth Secretariat via Flickr, CC BY-NC 2.0)

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MAP Commentary

Trump’s Greenland gambit spotlights geopolitical tussle over the Arctic

By Nong Hong
January 13, 2025



In August 2019, then US president Donald Trump made headlines with his surprising proposal to buy Greenland from Denmark. While the idea was met with scepticism and humour, it also reignited a historical debate and shed light on Greenland’s growing geopolitical significance.

As Trump prepares to re-enter the White House, his renewed interest in Greenland – and its implications for US foreign policy and Arctic governance – merits deeper examination. The idea is not new...

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This commentary was [originally](#) released by South China Morning Post on January 13, 2025.

BCCC Commentary

The Growing Wave of Climate Change Litigation: Trends and Impacts

By Nong Hong
January 10, 2025

Climate change litigation has emerged as a powerful tool in the global fight against the climate crisis. With its ability to hold states, corporations, and other stakeholders accountable, climate litigation is becoming a cornerstone of climate governance. Recent cases brought before international and regional legal institutions, such as the International Tribunal for the Law of the Sea (ITLOS) and the International Court of Justice (ICJ), underscore the transformative potential of legal actions in addressing climate-related challenges. The trends and impacts of climate litigation deserve careful examination, including how it reshapes legal principles, drives accountability, and influences policy.



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BCCC Commentary

Why Multilateral Development Banks Hold the Future of Climate Finance

By Zhangchen Wang
January 6, 2025



Climate finance refers to financial resources that are used to address the challenges posed by climate change. Climate financing supports three main objectives: mitigation, adaptation, and resilience-building. Mitigation focuses on reducing greenhouse gas emissions through efforts like developing renewable energy projects and enhancing energy efficiency. Adaptation brings about initiatives such as constructing disaster-resilient infrastructure and implementing agricultural practices that help communities adjust to the

effects of climate change. Resilience-building enhances the capacity of systems and societies to withstand and recover from climate-related shocks to ensure long-term sustainability in the face of climate risks. Generally speaking, climate finance is delivered through several key channels: multilateral and bilateral climate funds and aid, multilateral development banks (MDBs), and private sector investments...

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