



The ICAS Bulletin

Institute for China America Studies

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

August 27, 2025

What's Going On?

U.S.-China Trade Tensions Simmers on



(Photo by Scott Olson/Getty Images)

- On August 23, China's ambassador to the U.S., Xie Feng, criticized U.S. protectionism as new farmland and tariff restrictions cut farm exports, arguing agriculture should not suffer from trade disputes. Agriculture is becoming the central front in the U.S.-China tensions.
- On August 19, U.S. soybean farmers, who are facing plunging prices and rising costs, urged President Trump to strike a trade deal with China that guarantees major soybean purchases, warning that continued Chinese reliance on Brazilian supplies could cost American farmers billions and threaten their long-term survival.
- U.S. scrap copper exporters are rerouting shipments through third countries to sidestep China's 10% tariffs. U.S. transshipment, which is risky in practice, is especially concerning given the Trump administration's dedication to stamping out tariff evasion.
- Treasury Secretary Scott Bessent signaled on August 19 that the U.S. is content with the current tariff setup with China, reflecting a pause in tensions ahead of a possible Trump-Xi summit, though qualms remain for U.S. farmers and industries.
- On August 19, the U.S. raised tariffs on more than 400 steel and aluminum related products, aiming to strengthen domestic industries but likely increasing

Geopolitical Tensions Complicates Global Power Balances



US President Donald Trump shakes hands with President of South Korea Lee Jae Myung in the Oval Office of the White House on Monday August 25, 2025. (Photo by Demetrius Freeman/The Washington Post via Getty Images)

- As of August 24, China criticized Australia for hosting the U.S. Dark Eagle hypersonic missile during Exercise Talisman Sabre in July 2025, a move that underscored intensifying military competition in the Indo-Pacific even as Canberra seeks to steady ties with Beijing.
- South Korea's president Lee Jae-myung met with Trump on August 25 over a \$150 billion "Make America Shipbuilding Great Again" package to boost U.S. shipyards and Navy support, a move that underscores Seoul's effort to strengthen its U.S. alliance while carefully managing ties with China and North Korea.
- Venezuelan President Nicolás Maduro highlighted support from China as U.S. pressure grows, but Beijing's response stayed limited to statements, reflecting its focus on protecting economic interests rather than deepening involvement.
- Ahead of the Shanghai Cooperation Organization (SCO) summit in Tianjin on August 31 to September 1, China criticized the U.S. for "threatening world peace" while positioning the SCO as a cooperative alternative

costs for manufacturers and supply chains dependent on imports.

- On the same day, the U.S. expanded forced-labor scrutiny to Chinese steel, copper, and lithium under the Uyghur Forced Labor Prevention Act, underscoring the link between human rights concerns and trade tension with Beijing.

- A report published on August 19 demonstrated that President Trump's tariff war has pushed China to deepen trade with the Global South. Its exports have doubled over the past decade, strengthening South-South ties and Chinese influence, though officials face pushback from industries worried about cheap imports.

- Senior Chinese trade negotiator Li Chenggang is set to travel to Washington for the first direct talks in the U.S. capital during the extended tariff truce before the end of August. Discussions are expected to focus on soybean purchases, tariff rollbacks, and easing export restrictions, as both sides seek to establish regular communication and explore a potential Trump–Xi summit.

Associated News Sources:

["Top Chinese Trade Negotiator Set To Head To U.S. As Talks Resume,"](#) *The Wall Street Journal*, August 25

["China Says 'Rampant' US Protectionism Threatens Agricultural Ties,"](#) *Reuters*, August 24

["Scrap-Copper Traders Redirect Metal To Sidestep China Levies,"](#) *Bloomberg*, August 22

["Bessent Says China Tariff Status Quo 'Working Pretty Well',"](#) *Bloomberg*, August 20

["US Hikes Steel, Aluminum Tariffs On Imported Appliances, Railcars, EV Parts,"](#) *Reuters*, August 19

["US Targets Chinese Steel And Lithium For Forced-Labor Scrutiny,"](#) *Bloomberg*, August 19

["US Soybean Farmers Urge Trump to Make Purchase Deal With China,"](#) *Reuters*, August 19

["Trump Tariffs Seen Fostering New China-Global South Trade Order,"](#) *Bloomberg*, August 18

to Western blocs. With leaders including Putin, Modi, and Erdoğan attending, Beijing aims to showcase its diplomatic clout and announce initiatives.

- Turkey is building infrastructure for the U.S.-negotiated "Trump Route" through Armenia and Azerbaijan, aimed at boosting China-Europe trade. U.S. control of the corridor enhances its influence in the Caucasus, though its impact hinges on whether major exporters use it.

- A CSIS report on August 20 revealed a secret North Korean missile based near China's border housing nuclear-capable ICBMs, posing a potential threat to East Asia and the U.S., while complicating any strike due to its proximity to Chinese territory.

- As of August 20, the commander of the U.S. Strategic Command, General Anthony Cotton, warned that China has expanded its nuclear arsenal, with about 600 warheads, 350 new silos, and hundreds of launchers capable of reaching the U.S. The Pentagon projects the stockpile could surpass 1000 by 2030.

- On August 15, President Trump claimed President Xi Jinping told him China would not invade Taiwan during his presidency, though Beijing reiterated Taiwan remains its "most important" issue in the U.S. China ties.

Associated News Sources:

["China Blasts Australia As a 'US Tool' After Hosting Secret Dark Eagle Hypersonic Missiles In War Games,"](#) *The Economic Times*, August 25

["South Korea's Proposal To Win Over Trump: 'Make America Shipbuilding Great Again!'"](#) *NBC News*, August 25

["Maduro Calls On China As US Mounts Pressure On Venezuela. Will It Answer?,"](#) *CNN*, August 23

["China Makes Veiled Jab at US Before Hosting Modi, Putin, Erdogan,"](#) *Bloomberg*, August 22

["Trump Route In Caucasus Can Boost Trade From China If US Allows,"](#) *Bloomberg*, August 22

["North Korea Has A Secret Missile Base That Poses A 'Potential Nuclear Threat' To The US, New Report Says,"](#) *CNN*, August 21

["China's Growing Nuclear Arsenal,"](#) *Reuters*, August 19

["Trump Says Xi Told Him China Will Not Invade Taiwan While He Is US President,"](#) *Reuters*, August 16

China-India Ties Thaw amid U.S.-India Relations Tension



Indian Prime Minister Narendra Modi meets with visiting Chinese Foreign Minister Wang Yi in New Delhi, India, on Aug. 19, 2025.
(Photo by Javed Dar/Xinhua via Getty Images)

- Chinese Foreign Minister Wang Yi began his two-day visit to India on August 18, which is expected to set the stage for Modi's visit to attend the SCO (Shanghai Cooperation Organization) Summit and meeting with Xi in China later on September 1.
- During the meeting, both sides emphasized a shift from confrontation toward partnership, with China promising to loosen its export restrictions on rare earths and both sides agreeing to resume direct flight since their relationship froze in 2020. The rapprochement comes as India's ties with the U.S. worsen due to President Trump's escalating tariffs and criticism of India's ties with Russia and China.
- Post meeting, Indian Prime Minister Narendra Modi said India-China ties have advanced since his last meeting with Chinese President Xi Jinping in October, adding that he looks forward to meeting Xi again and stressing that stable, constructive relations will benefit regional and global peace and prosperity.
- On August 21, China's ambassador to India, Xu Feihong, condemned that the U.S. tariffs of 50% on Indian goods as "bullying" and vowed Beijing would "firmly oppose" them, while urging closer India-China cooperation, inviting Indian investment in China and calling both countries "double engines" of Asia's growth.

Associated News Sources:

- ["Beijing Opposes 'Bully' US For 50% Tariffs On India,"](#) BBC, August 22
- ["India PM Modi to Visit China for SCO Summit,"](#) Reuters, August 22
- ["India And China Hail Warming Ties Amid Trump-Induced Geopolitical Shake-Up,"](#) The Guardian, August 20
- ["India, China To Resume Flight Connections Between The Countries,"](#) Reuters, August 19

China Keeps its Firm Grip on Supply Chains



(Photo by Nick Oxford for The Washington Post via Getty Images)

- China announced new rules on August 22 based on proposals first released in June 2024 to tighten its control over rare earth supply by including imported raw materials in its quota system, further restricting access to the critical minerals essential for energy transition in response to U.S. tariff hikes.
- In July, China's rare earth and magnets exports increased 69% to their highest since January after Beijing eased earlier curbs as part of a trade truce with the U.S.
- President Trump said the U.S. holds stronger leverage than China in their trade dispute as preparations for the Trump-Xi meeting is near, citing airplane parts as a counter to Beijing's rare earth restrictions, while hinting at tariffs of up to 200% if needed.
- It was reported on August 18 that Chinese electric car companies are increasingly shifting their investment abroad to counter home competition and U.S. tariffs while navigating regulatory risks and Beijing's concerns over technology leakage, with overseas spending on factories and battery plants surpassing domestic investment for the first time in 2024.
- Similarly, China's Lenovo announced plans to establish a regional headquarters and a PC, laptop, smartphone, and server manufacturing facility in Saudi Arabia by 2026, as part of its push to expand in the Middle East amid rising global demand for AI infrastructure.
- Earlier on August 6, China opposed the ongoing U.S. Commerce Department Section 232 investigations into imports of polysilicon and drone imports, calling the scope of the probe "too broad and ambiguous."

Associated News Sources:

- ["Trump Says US Has Much Bigger Leverage Over China On Magnets,"](#) Bloomberg, August 26
- ["China's Rare Earths Companies Rally After Beijing Tightens Grip,"](#) Bloomberg, August 25
- ["China Tightens Grip over Rare Earth Supply Quotas,"](#)

["China And India Should Be Partners, Not Adversaries, Says Foreign Minister Wang Yi," BBC, August 19](#)
["India-China Ties Have Made Steady Progress, PM Modi Says," Reuters, August 19](#)
["China Pledges To Address India's Rare Earth Needs, Indian Source Says," Reuters, August 19](#)

Reuters, August 22
["Chinese PC Maker Lenovo To Set Up Regional Headquarters In Saudi Arabia," Reuters, August 19](#)
["China Ramps Up Rare Earth Exports After Fright For Global Buyers," Bloomberg, August 18](#)
["China's EV Industry Is Spending More on Factories Abroad Than At Home For The First Time," CNBC, August 18](#)
["Trump Says No Imminent Plans To Penalize China For Buying Russian Oil," Reuters, August 15](#)
["Comments by the Government of the People's Republic of China to the Bureau of Industry and Security, Office of Strategic Industries and Economic Security, U.S. Department of Commerce," Regulations.gov, August 6](#)

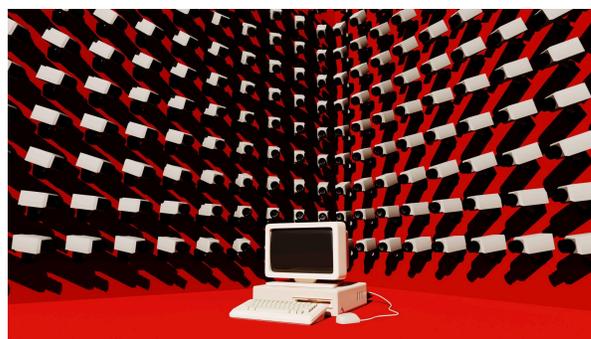
Push and Pull Persists in the Tech Battlefield



(Photo illustration by Cheng Xin/Getty Images)

- 2 weeks after demanding Intel CEO to step down, President Trump announced on August 22 that the U.S. will hold 10% of Intel's share by converting government funding.
- Following the deal with Intel, President Trump said on August 25 that the government's new stake in Intel will become more prevalent and is part of a broader strategy to create a sovereign wealth fund.
- On August 19, Nvidia began developing a new China focused AI chip based on its Blackwell architecture, expected to surpass the H20 but still pending U.S. regulatory approval, with samples targeted for release next month.
- Weeks after OpenAI released its GPT-5, China's DeepSeek rolled out its V3.1 on August 19. It is an enhanced version of its older V3 AI model with a longer context window for improved conversation and recall, underscoring the Chinese startup's rapid progress in challenging U.S. rivals.
- On August 18, OpenAI CEO Sam Altman said the U.S. may be underestimating China's AI progress, noting that export controls alone are unlikely to slow advances in open source models and inference capacity.

- In Other News -



(Photo illustration by J Studios/Getty Images)

["China Lodges Complaint over Japan Urging Countries Not to Attend Parade," Reuters, August 26](#)
["German Prosecutors Charge American with Attempted Spying for China," The New York Times, August 25](#)
["US Sanctions Greek Shipper, China Ports in Push Against Iran Oil," Bloomberg, August 22](#)
["U.S. Navy Sailor Convicted of Selling Secrets to China," CBS News, August 21](#)
["China, Afghanistan Hold Talks on Mining, Belt and Road Participation," Reuters, August 20](#)
["Trump Says U.S. Will Not Approve Solar or Wind Power Projects," CNBC, August 20](#)
["China Snaps up Russian Oil as Indian Demand Drops Following Trump Tariffs," CNN, August 20](#)
["India's Russian Oil Imports Dip in July, Skips Latam Supply, Data Shows," Reuters, August 19](#)
["China's July Refined Oil Yearly Exports up 7.1%, Hit 13-Month High," Reuters, August 19](#)
["US Treasury Chief Bessent Accuses India of Profiteering on Russian Oil Purchases," Reuters, August 19](#)
["China Set to Tackle Petrochemicals Overcapacity With Overhaul," Bloomberg, August 19](#)
["Exclusive: China Buys First Australian Canola Cargo Since 2020, Traders Say," Reuters, August 18](#)
["China Extends Probe into EU Dairy Products as Trade Tussle Goes on," Reuters, August 18](#)

- It was reported on August 13 that the U.S. authorities have secretly embedded location trackers in select shipments of advanced chips and servers to detect illegal diversions to China and reinforce the export restrictions, even as the Trump administration seeks to ease curbs.

Associated News Sources:

["Trump Says Government Will Make Deals Like Intel Stake 'All Day Long'." CNBC, August 25](#)

["Temu-Owner PDD Fares Better Than Feared After China Stimulus." Bloomberg, August 25](#)

["US to Take 10% Equity Stake in Intel, in Trump's Latest Corporate Move." Reuters, August 22](#)

["Nvidia CEO in Taipei To Visit TSMC. Says In Talks With Us Over New China Chip." Reuters, August 22](#)

["Exclusive: Nvidia Working On New AI Chip For China That Outperforms The H20, Sources Say." Reuters, August 19](#)

["China's DeepSeek Releases V3.1, Boosting AI Model's Capabilities." Bloomberg, August 19](#)

["OpenAI's Altman Warns The U.S. Is Underestimating China's Next-Gen AI Threat." CNBC, August 18](#)

["Exclusive: US Embeds Trackers In AI Chip Shipments To Catch Diversions To China, Sources Say." Reuters, August](#)

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["Fewer Fake Firs, Higher Prices: China Tariff Delay Does Little To Save The Holidays." Reuters, August 18](#)

What Are We Reading? ↓

- The New York Times: [“As South Korea’s Leader Meets With Trump, China Looms Large”](#) by Choe Sang-Hun (August 24)
- Fox News: [“Trump Learns A Lesson Grounded In Faith, How Best To Stand Tough On Trade With China”](#) by Mitchell A. Silk (August 24)
- Global Times: [“Building US-China Trade Ties Step By Step On Mutual Benefit, Not Ideology”](#) by Carl F. Fey (August 22)
- The Economic Times: [“Is India The Lever That Keeps China In Check For Washington?”](#) by Anand Singha (August 22)
- George W. Bush Presidential Center: [“The U.S. Needs A Comprehensive Policy On Technology Sales To China”](#) by Igor Khrestin (August 21)
- BBC: [“The Race For The Two Miles-A-Second Super Weapons That Putin Says Turn Targets To Dust”](#) by Frank Gardner (August 21)
- Bloomberg: [“US And China Are Thwarting India’s Shot At \\$7 Trillion Solar Prize”](#) by Andy Lin, Rajesh Kumar Singh, and Shruti Srivastava (August 21)
- Hudson Institute: [“Facing China on Two Fronts, the US Needs Strategic Focus”](#) by Patrick M. Cronin (August 20)
- Hudson Institute: [“To Counter China, Rebuild US-India Relationship”](#) by Nikki R. Haley & Bill Drexel (August 20)
- The New York Times: [“American Businesses In ‘Survival Mode’ As Trump Tariffs Pile Up”](#) by Daisuke Wakabayashi (August 20)
- Foreign Affairs: [“The Real China Model: Beijing’s Enduring Formula For Wealth And Power”](#) by Dan Wang and Arthur Kroeber (August 19)
- Foreign Affairs: [“The New Economic Geography: Who Profits In A Post-American World?”](#) by Adam S. Posen (August 19)
- Foreign Affairs: [“The Weaponized World Economy: Surviving The New Age Of Economic Coercion”](#) by Henry Farrell and Abraham Newman (August 19)
- The New York Times: [“Why Can’t The U.S. Build 5-Minute E.V. Chargers?”](#) by Claire Brown (August 19)
- S&P Global: [“China Inc. heads to Global South in the Age of Tariffs”](#) By Charles Chang, Andrew Wood, Claire Yuan, and Chris Rogers (August 19)
- Hudson Institute: [“America Hands China An AI Advantage”](#) by Michael Sobolik (August 18)
- South China Morning Post: [“US Negotiators Face Tough Task To Secure Trade Deal With China”](#) by Wendy Cutler (August 18)
- Foreign Policy: [“China Can’t Unify Its Own Markets”](#) by Lizzie C. Lee (August 18)
- The Guardian: [“Trump Hiked Tariffs On US Imports. Now He’s Looking At Exports – Sparking Fears Of ‘Dangerous Precedent’”](#) by Lauren Aratani (August 17)
- Brookings Institute: [“How Overly Aggressive Bans On AI Chip Exports To China Can Backfire”](#) by John Villasenor (August 15)
- RAND: [“America Should Rent, Not Sell, AI Chips To China”](#) by Janet Egan and Lennart Heim (August 15)
- RAND: [“China, Smart Cities, And The Middle East”](#) by Howard J. Shatz, Lev Navarre Chao, Maggie Habib, and Oluwatimilehin Sotubo (August 14)
- Foreign Policy: [“Trump’s Trade Tactics Come For Chip Controls”](#) by Keith Johnson and Rishi Iyengar (August 13)

What's Happening Around Town? ↓

- Past Events -

- [Winning The Biotechnology Competition](#)
August 18 by Hoover Institution
- [Bridging Generations of U.S.-China Education Exchange: Chinese Scholars to America](#)
August 19 by US-China Education Trust
- [Risk Analysis For An Uncertain Age: A Number-Free Introduction To The Method](#)
August 13 by Hoover Institution

- Upcoming Events -

- [Apple In China](#)
September 4 by Georgetown University
- [The Digital Front Line: Building A Cyber-Resilient Taiwan](#)
September 4 by Hudson Institute
- [China Connections – Chinese Encounters With America: Profiles Of Changemakers Who Shaped China](#)
September 9 by US-China Education Trust
- [US-China Trade Wars: A Conversation With Michael Froman](#)
September 12 by Brookings Institution
- [China's Influence In The Pacific Islands: Overstatement Or Underestimation?](#)
September 16 by Brookings Institute
- [By Air and by Sea: PRC Coercion of Taiwan from Trump I to Trump II](#)
September 18 by Foreign Policy Research Institute

What ICAS Is Up To ↓

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

L.E.A.D. Legislative Brief: The 119th Congress's Emerging Legislative Blueprint on China

By Yilun Zhang
August 25, 2025



Since the opening of the 119th Congress in January, lawmakers have introduced a total of 12,624 pieces of legislation and resolutions as of August 8. Of these, 564 include China-related references, and 247 contain substantive China-related content with potential policy impact. Unsurprisingly, with Republicans controlling both chambers, Republican members have sponsored the overwhelming majority of these bills—199 compared to just 48 from Democrats.

When grouped thematically, the China-related bills introduced so far in this Congress cluster around several recurring priorities: Taiwan, continued tech decoupling, shipbuilding, and various human rights-related legislations focusing on Xinjiang. In addition to these familiar

categories, 2025 has also seen new areas of legislative focus emerge, such as capital decoupling and investment

restrictions, rare earth supply chain security and higher education and visa oversight.

[Read the Full Brief](#)

In May 2023, the team at the Institute for China-America Studies (ICAS) launched the [U.S.-China Legislative and Executive Actions Directory \(L.E.A.D.\)](#) Project to track and summarize trending critical issues and developments on China, emanating from both the White House and Capitol Hill.

This is the seventh release of the [Legislative Actions Directory](#) and the second legislative release in 2024, summarizing recent U.S. legislative moves up to the October recess and with a special additional focus on the November congressional race.

---Commentary---

The CCP Will Not Be Your New Neighbor

By Rían Knighton
August 26, 2025



On August 18, 2025, Bloomberg published a piece warning about a surge of non U.S. citizens buying up available homes and ‘sidelining’ Americans. Albeit quickly, the piece notes that “foreigners account for only 2.5% of the existing U.S. real-estate market”, partially attributing foreign real estate capital flows to the home affordability crisis many Americans face today. The article details how many foreign investors frequently buy multiple homes for the purpose of ‘flipping’ them, multifamily homes for rental profit, or in strategic areas corporations are expanding into like the Midwest. Israel, Canada, and Mexico are named as countries with an uptick in interest, yet one demographic is curiously missing from those interviewed – China.

[Link to Full Post](#)

---TnT Commentary---

Can Xi and Trump Strike a Beautiful October Deal?

By Sourabh Gupta
August 22, 2025



The U.S. and China have come a long way from their tit-for-tat triple digit tariff impositions in the short space of a few months. Indeed, their bilateral trade negotiations appear to be on a stabilizing and constructive track.

On May 12, in Geneva, the Trump administration suspended 24 percentage points of its 34% reciprocal tariff on China for 90 days – in effect, bringing down the tariff rate on China to 30% (10% reciprocal tariffs + 20% fentanyl-related tariffs). Given pre-existing tariffs and exclusions, the average de facto tariff rate today is in the 45% range. For its part, China reduced its countermeasures tariff to 10% and promised to facilitate the flow of export-controlled rare earth elements (REE) and neodymium magnets.

[Link to Full Post](#)

---ICAS In the News---



On Monday, August 25, 2025, Senior Fellow Sourabh Gupta was [interviewed](#) by CGTN's America's *The Heat* on the new state of play on Trump's tariffs.

- "The meeting has gone well and South Korea has much to bring to the table and...now has a working relationship with Trump in a productive and constructive way..."

On Monday, August 25, 2025, Program & Communications Coordinator Rian Knighton was [interviewed](#) by CGTN's America's *Global Business* on the 'Lafufu' and the Labubu counterfeit market.

- "China is a known counterfeiting hub and its counterfeit networks extend into Vietnam, Bangladesh, Cambodia."

On Wednesday, August 20, 2025, Senior Fellow Sourabh Gupta was [quoted](#) by *South China Morning Post* on India-China cooperation on rare earths.

- "...optical standpoint, it is a golden opportunity for New Delhi to show that it is pushing back and has other relationship options."

On Sunday, August 17, 2025, Senior Fellow Sourabh Gupta was [quoted](#) by *China Daily* on U.S.-Russia meeting in Anchorage, Alaska.

- "Obviously, a lot was left unsaid at the press meet, including on a near-term ceasefire in Ukraine."

On Friday, August 15, 2025, Senior Fellow Sourabh Gupta was [interviewed](#) by CGTN's *Dialogue* on U.S.-China's tariff deadline extension.

- "...it's more than a phased easing. I think it is on a stabilization track and on a constructive track..."
- "...the useful thing is that if a significant can be reached...it can be a useful platform to stabilize the relationship and then build larger dialogue mechanisms that can take the political relationship forward for the next couple of years under Mr. Trump."