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IS A TRADE DEAL IMMINENT?

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Intense trade talks in the first four months of 2019 made progress, raising hopes that a deal will be reached in May, and signed by Presidents Donald Trump and Xi Jinping soon thereafter. Remaining sticking points include the enforcement mechanism, which is a key US demand, and a schedule for lifting the tariffs, which is a Chinese priority. The US Department of Justice unsealed an indictment charging Huawei and its CFO Meng Wanzhou with financial fraud, money laundering, obstruction of justice, sanctions violations, and other crimes. Tensions increased over Taiwan as the Trump administration took steps to strengthen ties with Taipei and warn Beijing to back off its coercive and destabilizing policies. President Trump welcomed China's decision to add fentanyl-related substances to a supplementary list of controlled drugs and substances beginning May 1. Growing US concerns about Chinese espionage were highlighted publicly in speeches by senior Trump administration officials.

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Trade negotiations continue

2019 brought a fresh series of intense trade talks between the US and China, with serious negotiations to address long-standing problems in the bilateral economic relationship. A deputy-level delegation traveled to China in early January for the first meeting since both sides agreed last December to a 90-day ceasefire while negotiations commenced. The talks centered on “China’s pledge to purchase a substantial amount of agricultural, energy, manufactured goods, and other products and services from the United States,” [according](#) to the post-mortem statement from the Office of the US Trade Representative. In what would be a recurring theme, President Trump [tweeted](#) both during and after the negotiations that “talks with China are going very well.”

Additional negotiations in Beijing scheduled for Jan. 22 were [reportedly](#) cancelled by the White House due to disagreements over intellectual property policy enforcement. However, things picked back up in Washington at the end of January with two days of talks led by Chinese Vice Premier Liu He, where he [told](#) Trump of President Xi Jinping’s commitment to buy 5 million tons of US soybeans. Trump’s assertions of positive progress in the trade talks continued throughout January and February, including a [tweet](#) on Jan. 31 that there was “good intent and spirit on both sides.”

After a delay related to the US government shutdown and tensions between Trump and the Democrats in Congress, Trump delivered his State of the Union Address on Feb. 5. He criticized previous trade policies that hurt US economic interests and lauded his administration’s tariffs, [boasting](#) that “[the US Department of] Treasury is receiving billions of dollars a month from a country that never gave us a dime.” He underscored his “great respect for President Xi,” though offered little in the way of specifics on trade talks outcomes. While Trump previously alluded to his intention to meet with Xi “very soon,” he [told](#) reporters on Feb. 7 that they would not be meeting before the 90-day period of negotiations was slated to end on March 1.

Deputy-level negotiations resumed on Feb. 11 in Beijing, in advance of principal-level meetings a few days later led by USTR Robert Lighthizer and US Department of Treasury Secretary Steven Mnuchin. Trump spoke to reporters on Feb. 12

about the March 1 deadline, [declaring](#) for the first time that “if we’re close to a deal where we think we can make a real deal and it’s going to get done, I could see myself letting that slide for a little while.” This was a surprising about-face after previous tough language from Trump and other US government officials, including Lighthizer’s own [insistence](#) back in December that “as far as I’m concerned, it’s a hard deadline.”

Negotiations relocated to Washington on Feb. 19, with the White House still [mentioning](#) the 90-day timeframe in its statement from the press secretary announcing the talks. US Department of Agriculture Secretary Sonny Perdue [confirmed](#) that as part of an agreement, China would buy an additional 10 million tons of soybeans from the United States. As the cameras were rolling in the Oval Office meeting with the US and Chinese trade delegations present, President Trump grilled his lead negotiator Lighthizer about the progress of the talks. At one point, Trump denounced the use of Memorandums of Understanding (MOUs), which he [described](#) as “not a contract to the extent that we want.” According to a Feb. 20 *Reuters* report, [six](#) MOUs were being drafted as part of a potential agreement on what the US views as fundamental structural issues in the US-China relationship. After a back-and-forth exchange in the Oval Office in front of Vice Premier Liu He, Chinese Ambassador to the US Cui Tiankai, and the American people in which Lighthizer attempted to persuade Trump that MOUs are legally binding, they settled on scrapping the term “MOU” in favor of “trade agreement.” Listening to the exchange between Trump and Lighthizer, Liu He [guffawed](#), reflecting his dismay with the interaction and the US decision-making process.

During the late February round of talks, Mnuchin [confirmed](#) that an agreement on China’s currency devaluation had been reached, though he did not offer specifics. Furthermore, Trump followed through on his earlier prediction that the March 1 tariff hike deadline would be postponed. On Feb. 24, he [announced](#) that he would delay the planned tariff increase as a direct result of the productive negotiations – though he gave no indication of when (or if) a new deadline might be set. China’s Ministry of Commerce echoed the US assessment in its read-out of the Feb. 24-26 talks, the seventh round since the beginning of the trade war, and [noted](#) particularly substantial progress in

discussions surrounding intellectual property (IP) protection, technology transfer, services, currency, agriculture, and non-tariff barriers to trade.



Figure 1 US and Chinese trade negotiators meet with President Trump in the Oval Office. Photo: Reuters

On Feb. 27, Lighthizer testified before the House of Representatives Committee on Ways and Means in a hearing on “US-China Trade.” He [described](#) the ongoing talks as “very intense, extremely serious, and very specific,” but added that “much still needs to be done both before an agreement is reached and, more importantly, after it is reached, if one is reached.”

A deal in sight?

A one-month break in face-to-face negotiations coincided with China’s “two sessions,” an annual series of plenary meetings in Beijing for the National People’s Congress and the National Committee of the Chinese People’s Political Consultative Conference. March 28-29 saw talks resume in Beijing, quickly followed by China’s decision to [suspend](#) the scheduled tariff increase on US automobiles and auto parts. The ninth round of talks, with Trump and Liu He back at the helm, culminated with remarks from the Oval Office on April 4 where Trump [estimated](#) that a deal-or-no-deal outcome would be clear within the next four weeks.

On April 30, Lighthizer and Mnuchin traveled to Beijing to commence further negotiations, to be followed by a visit by Liu He to Washington on May 8 for continued discussions and possible [completion](#) of a deal. Mnuchin confirmed as much in the days before his trip to Beijing, [asserting](#) that talks were “getting into the final laps.” A White House [statement](#) implied that the US would not back away from insisting on major commitments from China to address long-

standing problems in US-China trade, saying that “discussions remain focused toward making substantial progress on important structural issues and rebalancing the US-China trade relationship.”

Both sides have held firm on several remaining issues yet to be resolved ahead of any agreement. Among the most contentious issues are a mechanism to ensure enforcement of the deal and a schedule for lifting the tariffs, which, [according](#) to Vice President Pence, are linked. The US has reportedly [demanded](#) that China agree to a non-retaliation clause if the US punishes China for noncompliance by increasing or adding tariffs, which has faced strong objections from China. Meanwhile, Beijing is resisting the US push for structural changes to its economic practices over concerns that sudden changes might have a devastating effect on China’s economy. On May 3, Pence [told](#) CNBC “Forced technology transfers, intellectual property theft are a reality. President Trump has made it clear that things have to change with China on the structural issues as well as the trade imbalance and we’ll continue to stand firm on those.” Upcoming talks might finally indicate if these sticking points can be resolved, and if they’ll be incorporated into any sort of agreement that may (or may not) be approaching.

WTO wins for the US

The Office of the USTR [released](#) its annual report on China’s World Trade Organization compliance in early February. The 175-page document criticized China’s poor record of compliance with WTO rules and regulations, the harm China’s membership has caused other WTO members, and the policies and practices that China’s “non-market economic system” employs to harm US companies. The complaints resembled many of the issues flagged by the US in trade discussions, including breaking commitments to curb forced technology transfer and offering unfair subsidies to its domestic companies.

On Feb. 27, a long-standing WTO case against China was [resolved](#) in favor of the US, which argued that China provided illegal farm subsidies that hurt US farmers. The US [notched](#) a second win against China in mid-April on unfair import quotas for agricultural products. The wins underscored Trump’s ongoing pledge to help US farmers and was likely welcomed by

the US administration despite Trump's disdain for the WTO. US grievances with the organization's dispute resolution policies have [escalated](#) into blocking appointments to the WTO appellate body, which is down to the minimum three members to continue hearing rulings. With less than three members, the organization would be unable to function, and these two ruled-upon cases would likely fall in what is described as "legal limbo," thus undermining the wins.

The Huawei Case



Figure 2 Courtroom sketch of Meng Wanzhou at British Columbia Supreme Court on Dec. 7. Source: AP

Following the December 2018 arrest in Canada of Huawei Technologies Chief Financial Officer Meng Wanzhou, the US Department of Justice unsealed its 13-count indictment on Jan. 28 that [charged](#) Huawei and Meng with financial fraud, money laundering, obstruction of justice, sanctions violations, and other crimes. China's Ministry of Foreign Affairs quickly [called](#) for the US to withdraw its arrest warrant for Meng and to not pursue an extradition request to Canada, with spokesperson Geng Shuang also urging the US to "stop its unreasonable bashing on Chinese companies."

In the on-the-record Oval Office meeting with the US and Chinese trade negotiating teams in February, Trump surprisingly and ill-advisedly [alluded](#) to the possibility of including Huawei in the pending bilateral trade agreement. This harkened back to his previous intervention on behalf of ZTE, a company that he also implied could be factored into the negotiations. However, Trump's comments were devoid of specifics and it remained unclear whether the president would intervene in the judicial process, perhaps in an attempt to use the Meng

and the Huawei case to extract trade concessions from China.

The US issued a formal extradition request to Ottawa on Jan. 29, which was authorized on March 1. Chinese Foreign Ministry Spokesperson Lu Kang strongly condemned the act, [accusing](#) both the US and Canada of "abus[ing] their bilateral extradition agreement and arbitrarily tak[ing] compulsory measures" against a Chinese citizen. A brief court appearance on March 6 scheduled Meng's first extradition hearing for May 8, the same day the tenth round of trade negotiations were slated to begin.

Tensions rise over Taiwan

Friction between the US and China over Taiwan continued to increase in the first four months of 2019. In a speech [delivered](#) on Jan. 2 marking 40 years since the start of improving ties between the two sides of the Strait, Xi Jinping reiterated that unification is "an inevitable requirement for the great rejuvenation of the Chinese nation" and insisted that foreign interference in the process is intolerable. Xi also noted that Beijing reserved the option to use all necessary measures, including use of force against forces that interfere with peaceful unification. Although that threat was not new, it had not been included in speeches delivered by prior Chinese leaders marking the anniversary of the 1979 "Message to Taiwan Compatriots." Some observers of Beijing's policy toward Taiwan interpreted the speech as a hardening of China's position that would not bode well for the preservation of cross-strait peace.

On March 31, two Chinese *J-11* fighter jets [crossed](#) the centerline south of the Taiwan Strait and flew 43 nm for a total of 12 minutes before veering off. Although the centerline is not a legal maritime boundary line, the two sides have generally abided by a tacit agreement to avoid deliberate provocations and keep their military assets on their respective side of the dividing line. The last time that Chinese jets purposely flew across the centerline to send a political signal was 1999 when then-President Lee Teng-hui described cross-strait relations as being "special state-to-state" in nature.

The action prompted an unusual [tweet](#) by National Security Adviser John Bolton. "Chinese military provocations won't win any hearts or minds in Taiwan, but they will strengthen the resolve of people everywhere who value

democracy. The Taiwan Relations Act and our commitment are clear,” he tweeted. A US State Department spokesperson also [condemned](#) China’s crossing of the centerline, noting US opposition “to unilateral actions by any party that are aimed at altering the status quo, including anything related to force or coercion.” The spokesperson called on Beijing to stop its coercive behavior and resume dialogue with the democratically elected administration in Taipei.

It wasn’t immediately clear what triggered Beijing’s provocation. Chinese scholars privately speculated on the reasons but admitted that they did not know for certain. One expert said that China was angered by Washington’s decision to allow Taiwan’s President Tsai Ing-wen to deliver a speech while transiting Hawaii on March 27 that was broadcast via videoconference at the Heritage Foundation in Washington DC. Another expert cited the Trump administration’s willingness to engage publicly with officials from Taiwan, including a meeting between National Security Council Senior Director Matt Pottinger and Taiwan’s Deputy Foreign Minister Hsu Szu-chien in the Solomon Islands in early March. Other Chinese scholars mentioned reports that the US plans to sell 66 F-16 Viper fighter jets to Taiwan.

Yet another reason posited by Chinese experts for Beijing’s increased military pressure on Taiwan is the perception in China that there is an ongoing strengthening of US-Taiwan military ties and US military activities in support of Taiwan. One example is the uptick in frequency of transits through the Taiwan Strait by US Navy ships, which have reportedly taken place every month since last October. Prior to October, there had been only one Taiwan Strait transit by US naval vessels reported in more than a year, which took place in July. US Navy ships sailed through the Taiwan Strait in January, February, March and April, prompting a Chinese protest each time. In March, a US Coast Guard vessel accompanied a US Navy ship for the first time. Statements released by the Defense Department [noted](#) that US transits demonstrate the US commitment to a free and open Indo-Pacific.

US policy toward Taiwan, including its military components, was apparently discussed between Chief of US Naval Operations Adm. John Richardson and his Chinese counterparts when he visited China in January. After departing Beijing, Richardson [told](#) reporters in Tokyo that

he had insisted that all foreign ships should be able to pass safely through the Taiwan Strait as well as the South China Sea. Richardson did not rule out the possibility that the US would dispatch an aircraft carrier through the Taiwan Strait. “We don’t see any kind of limitation on whatever type of ship could pass through those waters,” he said. The last time that a US aircraft carrier sailed through the Taiwan Strait was 2007.



Figure 3 Adm. Richardson visits China. Photo: US Navy

In mid-April, the US State Department approved the possible sale to Taiwan of a pilot training program along with a maintenance and logistics support package for its F-16 fighter aircraft stationed at Luke Air Force Base, Arizona at an estimated cost of \$500 million. The approval further confirmed the Trump administration’s determination to normalize the decision-making regarding arms sales to Taiwan and maintain its security commitments under the Taiwan Relations Act (TRA).

As the US and Taiwan marked the 40th anniversary of the TRA, a bipartisan group of senators introduced the Taiwan Assurance Act (TAA) in March. The sponsors included Tom Cotton (R-AR), Robert Menendez (D-NJ), Marco Rubio (R-FL), Ted Cruz (R-TX), Catherine Cortez Masto (D-NV), and Chris Coons (D-DE). Non-binding language in the TAA calls for resumption of trade and investment talks “with the goal of reaching a bilateral free trade agreement,” and US efforts to ensure Taiwan’s meaningful participation in international organizations. In a departure from prior legislation, the TAA includes binding language requiring the secretary of defense to “make efforts to include Taiwanese forces in bilateral and multilateral military exercises.”

Progress on fentanyl



Figure 4 Chinese officials announce ban on all variants of fentanyl. Photo: Reuters

On April 1, Liu Yuejin, China's vice commissioner of the National Narcotics Control Commission, announced that China will add fentanyl-related substances to a supplementary list of controlled drugs and substances beginning May 1. The move came in response to strong pressure from the Trump administration to regulate all fentanyl-related drugs as controlled substances. Prior to the decision, Chinese authorities regulated 25 variants of fentanyl, but some Chinese manufacturers were evading controls by introducing slight changes to the molecular structure of their drugs. This enabled them to manufacture and export fentanyl-type drugs before the Chinese government was able to assess the products for safety and medical use.

Nevertheless, Beijing continued to deny that China is a major contributor to the US opioid crisis, which Liu Yuejin insisted stems from domestic causes. China agreed to take action to address US concerns largely because it sought to identify an issue on which it could cooperate with the US, and President Trump personally asked Xi Jinping to help solve the problem of Chinese exports of fentanyl to the United States.

When President Trump met Chinese Vice Premier Liu He on April 4, he [characterized](#) China's decision to reclassify fentanyl and impose criminal penalties as a "very big, big step" that is "a terrific thing for the United States" and said that he really appreciated it.

US espionage concerns spike

Growing US concerns about Chinese espionage were revealed publicly by senior Trump

administration officials several times in the first few months of 2019. Speaking at the Council on Foreign Relations on April 26, FBI Director Christopher Wray [called](#) for a "whole-of-society" response to economic espionage threats, highlighting China as the primary culprit. He described threats targeting universities and private companies. "No country poses a broader, more severe intelligence collection threat than China," Wray said, adding that "China has pioneered a societal approach to stealing innovation." He said the FBI has economic espionage investigations that "almost invariably lead back to China" in all of its 56 field offices, "spanning almost every industry." Wray acknowledged, however, that the US has to "balance the apparent concerns of the national security agencies with our fundamental nature as open, welcoming institutions."

Two days earlier Adam Hickey, the US deputy assistant attorney-general, detailed espionage threats from China in a [speech](#) to the Fifth National Conference on CFIUS and Team Telecom. Explaining the purpose of the "China Initiative" that was stood up at the Justice Department in November 2018, Hickey called attention to the need to raise awareness of the threats from China, to devote resources to counter those threats, and to improve the FBI's response to them, especially to "newer challenges."

According to Hickey, since 2011, more than 90% of the Department's economic espionage prosecutions involve China and more than two-thirds of all federal trade secret theft cases during that period "have had at least a geographical nexus to China." He claimed that there is ample evidence that Beijing is "using its intelligence services and their tradecraft to target our private sector's intellectual property." Hickey cited the alleged theft of chip technology from a US semiconductor firm, Idaho-based Micron, that has since been sued in China and is also the subject of a government antitrust investigation there. He also charged that China is failing to honor its commitments or to respect the rule of law and legal process more generally.

Next steps

If a US-China trade deal is reached in the coming weeks or months, observers will watch closely its impact on the broader bilateral relationship. Without a doubt, Xi Jinping hopes that a trade

agreement will defuse tensions and introduce greater stability and predictability in the US-China relationship. President Trump's policy approach is uncertain, however. He may initially celebrate the deal as an unprecedented victory and seek to tamp down friction in the relationship as part of a broader reelection campaign strategy that touts his success in dealing with China. But if evidence is forthcoming that China is not complying with the deal during the coming year, which is likely, Trump may see it as in his political interest to return to China bashing in the run up to the November 2020 election. Rising concern about a range of Chinese domestic and foreign policies in Congress and elsewhere in the Trump administration will weigh in favor of maintaining a tough policy aimed at enhancing US competitiveness against China.

CHRONOLOGY OF US-CHINA RELATIONS

JANUARY – APRIL 2019

Jan 2, 2019: President Xi Jinping [writes](#) in a letter to the White House that as the 40th anniversary of the establishment of diplomatic ties approaches, US-China relations are “at a vital stage” and “that history has proved cooperation is the best choice for both sides.”

Jan. 3, 2019: Donald Trump [tweets](#), “The United States Treasury has taken in MANY billions of dollars from the Tariffs we are charging China and other countries that have not treated us fairly. In the meantime, we are doing well in various Trade Negotiations currently going on. At some point this had to be done!”

Jan. 3, 2019: Trump [tweets](#), “Michael Pillsbury interviewed by @cvpayne: ‘They have the motive of making the President look bad – instead of President Trump being portrayed as a HERO. The first President to take China on, it’s 20 years overdue....’”

Jan. 3, 2019: US State Department [issues](#) a warning to US citizens traveling in China, renewing the call to exercise increased caution due to arbitrary enforcement of local laws and noting extra security checks and increased police presence in Xinjiang and Tibet.

Jan. 7-8, 2019: Deputy US Trade Representative Jeffrey Gerrish [leads](#) a US working group to visit China for discussions with Chinese counterparts.

Jan. 7, 2019: US Navy’s [Arleigh Burke-class](#) guided-missile destroyer *USS McCampbell* conducts a freedom of navigation operation, sailing within 12 nm of the Paracel Islands.

Jan. 8, 2019: Trump [tweets](#), “Talks with China are going very well!”

Jan. 9, 2019: [Three days](#) of working-level US-China trade talks end in Beijing.

Jan. 13-16, 2019: [Chief of Naval](#) Operations Adm. John Richardson visits China at the invitation of Central Military Commission leadership and People's Liberation Army Navy Commander Vice Adm. Shen Jinlong.

Jan. 14, 2019: “We’re doing very well with China,” President Trump [tells](#) reporters at the White House. “I think that we are going to be able to do a deal with China. China wants to negotiate.”

Jan. 14, 2019: US Secretary of State’s Special Representative for Afghanistan Reconciliation, Ambassador Khalilzad, [arrives](#) in Beijing on a tour that included Afghanistan, Pakistan, and India.

Jan. 15, 2019: US Defense Intelligence Agency releases a [report](#) entitled “China Military Power: Modernizing a Force to Fight and Win.”

Jan. 16, 2019: Speaking at the Global Chief of Missions conference in Washington DC, Vice President Mike Pence [says](#) that “too often in recent years China has chosen a path of disregard of the laws and norms that have kept the world safe and prosperous for more than half a century and the days of the United States looking the other way are over.”

Jan. 21, 2019: Trump [tweets](#), “China posts slowest economic numbers since 1990 due to U.S. trade tensions and new policies. Makes so much sense for China to finally do a Real Deal, and stop playing around!”

Jan. 22, 2019: [Speaking](#) at the World Economic Forum in Davos via video, Secretary of State Mike Pompeo says, “There are those who say that superpower conflict between our two countries (US-China) is inevitable. We don’t see it that way... but the course of the relationship will be determined by the principles that America stands by: free and open seas, the capacity for nations to take their goods around the world, fair and reciprocal trade agreements.”

Jan. 23, 2019: During a healthcare roundtable at the White House, President Trump [answers](#) a question on current trade negotiations with China saying, “China very much wants to make a deal... I like where we are right now... but as you know, fairly soon, that - the deal that I made with them will come off [by the March 1 deadline].”

Jan. 23, 2019: Special Representative for North Korea Policy Stephen Biegun and Chinese Vice Foreign Minister Kong Xuanyou [meet](#) in Washington to discuss North Korea.

Jan. 24, 2019: [Two](#) US Navy vessels, the *USS McCampbell* and the *USNS Walter S. Diehl*, sail through the Taiwan Strait. [US Pacific Fleet](#) spokesman Lt. Cmdr. Tim Gorman says, “[The vessels] conducted a routine Taiwan Strait Transit...in accordance with international law.”

Jan. 24, 2019: [Speaking about US-China trade negotiations] Commerce [Secretary Wilbur](#) Ross states that, “we’re miles and miles from getting a resolution.”

Jan 28, 2019: [US Justice Department](#) formally charges Huawei and Huawei CFO Meng Wanzhou with financial fraud, conspiracy, and sanctions violations.

Jan. 29, 2019: [Senate Armed](#) Services Committee (SASC) holds a hearing on China and Russia.

Jan. 29, 2019: Foreign Ministry Spokesperson Geng Shuang [urges](#) the US “to stop its unreasonable bashing on Chinese companies including Huawei and to immediately withdraw its arrest warrant for Ms. Meng Wanzhou.”

Jan. 30-31, 2019: US and Chinese officials, led by US Trade Representative Robert Lighthizer and Chinese Vice Premier Liu He, [meet](#) in Washington DC to negotiate a trade agreement. Jan. 31, 2019: At the signing of Executive Order, “Strengthening Buy-American Preferences for Infrastructure Projects,” President Trump [states](#), “China is having a very hard time with their economy... [speaking about the trade negotiations] Something will happen. It will be – if it does happen, it will be, by far, the largest trade deal ever made.”

Jan. 31, 2019: Trump [tweets](#), “China’s top trade negotiators are in the U.S. meeting with our representatives. Meetings are going well with good intent and spirit on both sides. China does not want an increase in Tariffs and feels they will do much better if they make a deal. They are correct. I will be.....”

Jan. 31, 2019: Trump [tweets](#), “...meeting with their top leaders and representatives today in the Oval Office. No final deal will be made until my friend President Xi, and I, meet in the near future to discuss and agree on some of the long standing and more difficult points. Very comprehensive transaction....”

Jan. 31, 2019: Trump [tweets](#), “...China’s representatives and I are trying to do a complete deal, leaving NOTHING unresolved on the table. All of the many problems are being discussed and will be hopefully resolved. Tariffs on China increase to 25% on March 1st, so all working hard to complete by that date!”

Jan. 31, 2019: Trump [tweets](#), “Looking for China to open their Markets not only to Financial Services, which they are now doing, but also to our Manufacturing, Farmers and other U.S. businesses and industries. Without this a deal would be unacceptable!”

Jan. 31, 2019: President Trump [meets](#) China’s top trade negotiator, Vice Premier Liu He, in the Oval Office.

Jan. 31, 2019: Assistant Foreign Minister Zhang Jun [meets](#) US Under Secretary of State Andrea Thompson in conjunction with her visit to China for the conference of the five nuclear-weapon states, to exchange views on the international strategic security situation, cooperation among the five nuclear-weapon states, non-proliferation and other topics.

Feb. 1, 2019: During a meeting on Human Trafficking, President Trump [states](#), “China has agreed to criminalize fentanyl. That’s going to have a huge impact on fentanyl coming into the country.” Additionally, President Trump states, “My relationship with President Xi is better, I guarantee, than any relationship of a President and a President.”

Feb. 1, 2019: US division of Chinese state-run media organization *China Global Television Network* [files](#) with the US Justice Department as a foreign agent. *CGTN America* states, “Nonetheless, CGTN America has elected to file this registration statement out of an abundance of caution and in the spirit of cooperation with US authorities.”

Feb. 2, 2019: Foreign Ministry Spokesperson Geng Shuang remarks on the US suspending its INF Treaty obligations, stating: “China is [opposed](#) to the US withdrawal and urges the US and Russia to properly resolve differences through constructive dialogue.”

Feb. 4, 2019: US Intellectual Property Enforcement Coordinator (IPEC), Vishal Amin, [issues](#) the Trump administration’s 2018 Annual Intellectual Property Report.

Feb. 4, 2019: Office of the US Trade Representative (USTR) [releases](#) its annual report on China’s World Trade Organization (WTO) compliance.

Feb. 5, 2019: White House [releases](#) the “Presidential Message in Celebration of the Lunar New Year.”

Feb. 5, 2019: During his State of the Union Address, President Trump [says](#) that any new trade deal with China “must include real, structural change to end unfair trade practices, reduce our chronic trade deficit and protect American jobs.”

Feb. 5, 2019: China’s Commerce Ministry opposes a report by the USTR on its WTO compliance, [claiming](#) that, “it is inconsistent with the facts. The report was based on U.S. domestic law rather than WTO agreements and multilateral rules.”

Feb. 6, 2019: Speaking to media at the White House, US Treasury Secretary Steven Mnuchin [says](#), “Ambassador Lighthizer and myself and a large team are on our way to Beijing next week. We are committed to continue these [trade] talks.”

Feb. 6, 2019: US Senate Committee on Commerce, Science, and Transportation [holds](#) a hearing titled “Winning the Race to 5G and the Next Era of Technology Innovation in the US.”

Feb. 7, 2019: US-China Economic and Security Review Commission [holds](#) a hearing titled “What Keeps Xi up at Night: Beijing’s Internal and External Challenges.”

Feb. 7, 2019: Speaking at the reception for the 40th anniversary of US-China diplomatic relations and Chinese New Year, Chinese Ambassador to the US Cui Tiankai [states](#), “New global challenges keep coming up. More than ever before, the world needs China and the United States to work together.”

Feb. 7, 2019: Speaking to reporters, President Trump [confirms](#) that he will not meet with President Xi Jinping before the March 2 trade deal deadline.

Feb. 11, 2019: The [guided-missile](#) destroyers *USS Spruance* and *USS Preble* conduct freedom of navigation operations in the South China Sea and sail within 12 nm of the Mischief Reef.

Feb. 11, 2019: Deputy-level trade negotiations [commence](#) in Beijing led by Deputy United States Trade Representative Jeffrey Gerrish.

Feb. 12, 2019: In [testimony](#) before the Senate Armed Services Committee, Adm. Phil Davidson, Commander, US Indo-Pacific Command, says China represents the greatest long-term strategic threat to a free and open Indo-Pacific and to the United States.

Feb. 12, 2019: China’s Development Research Centre of the State Council (DRC) [releases](#) a report predicting the US will remain the sole economic superpower until 2035.

Feb. 12, 2019: Speaking to reporters, President Trump [says](#) that “he could let the March 1 deadline for a trade agreement with China slide for a little while [but I would prefer not to].”

Feb. 12, 2019: During a Cabinet meeting at the White House, President Trump [states](#), “China wants to make a deal badly. We’ve gone up tremendously in value as a country, in economic value. Larry [Kudlow] we’ve gone up \$11 trillion, \$14 trillion? And China has gone down close to \$20 trillion since we’ve started this whole... China [currently] is the worst performing stock market in the world.”

Feb. 13, 2019: After meeting the Chinese trade delegation in Beijing, Treasury Secretary Mnuchin [says](#) talks with China are “so far, so good,” and that he hopes the talks will continue to be “productive.”

Feb. 13, 2019: Sen. Marco Rubio (R-FL), chairman of the Senate Committee on Small Business and Entrepreneurship, [releases](#) a report titled “Made in China 2025 and the Future of American Industry.”

Feb. 13-15, 2019: Principal-level trade negotiations take place in Beijing [led](#) by USTR Lighthizer and Treasury Secretary Mnuchin, and Chinese Vice Premier Liu He.

Feb. 17, 2019: *Xinhua* [reports](#) that Yang Jiechi, a member of the Political Bureau of the Communist Party of China Central Committee hopes the US and China will implement advancing bilateral ties based on coordination, cooperation, and stability.

Feb. 18, 2019: President Trump [announces](#) that the US will welcome an official delegation from China for a series of meeting beginning Feb. 19. Principal-level meetings will begin Feb. 21.

Feb. 21-22, 2019: Principal-level trade negotiations take place in Washington [led](#) by USTR Lighthizer, and Vice Premier Liu He.

Feb. 22, 2019: USDA Secretary Sonny Perdue [tweets](#), “In Oval Office meeting today, the Chinese committed to buy an additional 10 million metric tons of US soybeans. Hats off to [@POTUS](#) for bringing China to the table. Strategy is working. Show of good faith by the Chinese. Also indications of more good news to come.”

Feb. 22, 2019: President Trump and Vice Premier Liu He of China, along with the entire US and Chinese delegations, [meet](#) in the Oval Office to discuss trade agreement negotiations.

Feb. 24, 2019: Trump [tweets](#), “Very productive talks yesterday with China on Trade. Will continue today! I will be leaving for Hanoi, Vietnam, early tomorrow for a Summit with Kim Jong Un of North Korea, where we both expect a continuation of the progress made at first Summit in Singapore. Denuclearization?”

Feb. 24, 2019: Trump [tweets](#), “President Xi of China has been very helpful in his support of my meeting with Kim Jong Un. The last thing China wants are large scale nuclear weapons right next door. Sanctions placed on the border by China and Russia have been very helpful. Great relationship with Chairman Kim!”

Feb. 24, 2019: Trump [tweets](#), “I am pleased to report that the U.S. has made substantial progress in our trade talks with China on important structural issues including intellectual property protection, technology transfer, agriculture, services, currency, and many other issues. As a result of these very.....”

Feb. 24, 2019: Trump [tweets](#), “....productive talks, I will be delaying the U.S. increase in tariffs now scheduled for March 1. Assuming both sides make additional progress, we will be planning a Summit for President Xi and myself, at Mar-a-Lago, to conclude an agreement. A very good weekend for U.S. & China!”

Feb. 25, 2019: US Navy destroyer *Stethem* and cargo and ammunition ship *Cesar Chavez* [sail](#) through the Taiwan Strait.

Feb. 25, 2019: Trump [tweets](#), “China Trade Deal (and more) in advanced stages. Relationship between our two Countries is very strong. I have therefore agreed to delay U.S. tariff hikes. Let’s see what happens?”

Feb. 25, 2019: Trump [tweets](#), “If a deal is made with China, our great American Farmers will be treated better than they have ever been treated before!”

Feb. 26, 2019: US House Permanent Select Committee on Intelligence [holds](#) committee hearing titled “National Security Implications of the Rise of Authoritarianism Around the World.”

Feb. 27, 2019: Trump [tweets](#), “All false reporting (guessing) on my intentions with respect to North Korea. Kim Jong Un and I will try very hard to work something out on Denuclearization & then making North Korea an Economic Powerhouse. I believe that China, Russia, Japan & South Korea will be very helpful!”

Feb. 27, 2019: US House Committee on Ways and Means [holds](#) a hearing on US-China trade, with USTR Lighthizer serving as a witness.

Feb. 27, 2019: US Senate’s Permanent Subcommittee on Investigations [release](#) a report saying that Chinese Confucius Institutes have acted as tightly controlled propaganda arms for Beijing and should be changed or shut down.

Feb. 27, 2019: US Senate Committee on Small Business and Entrepreneurship [holds](#) a hearing titled “Made in China 2025 and the Future of American Industry.”

Feb. 28, 2019: US Senate’s Permanent Subcommittee on Investigations [holds](#) a hearing in Washington on “China’s Impact on the US Education System.”

Feb. 28, 2019: WTO releases a [report](#) and [rules](#) that Beijing provided farm subsidies in excess of its international trade commitments.

Feb. 28, 2019: USTR Lighthizer [states](#), “The United States proved that China for years provided government support for its grain producers far in excess of the levels China agreed to when it joined the WTO. China’s excessive support limits opportunities for U.S. farmers to export their world-class products to China. We expect China to quickly come into compliance with its WTO obligations.”

Feb 28, 2019: US-China Economic and Security Review Commission [holds](#) a hearing titled “Risks, Rewards, and Results: U.S. Companies in China and Chinese Companies in the United States.”

Feb. 28, 2019: While speaking at a press conference in Hanoi after his two-day summit with Kim Jong Un, President Trump [states](#), “China has been very helpful. President Xi is a great leader. He is a highly respected leader all over the world. Could he be more helpful [in encouraging Pyongyang to give up its pursuit of nuclear weapons]? Probably.”

Feb. 28, 2019: US Senate Permanent Subcommittee on Investigations [holds](#) a hearing titled “China’s Impact on the U.S. Education System.”

Feb 28, 2019: China’s Ministry of Commerce [states](#) that the Feb. 24-26 meeting between Vice Premier Liu He and USTR Lighthizer and Treasury Secretary Mnuchin made “substantial progress with respects to technology transfer, IPR protection, non-tariff barriers, service industry, agriculture and foreign exchange rates.”

March 1, 2019: Trump [tweets](#), “I have asked China to immediately remove all Tariffs on our agricultural products (including beef, pork, etc.) based on the fact that we are moving along nicely with Trade discussions....”

March 1, 2019: Trump [tweets](#), “...and I did not increase their second tranch of Tariffs to 25% on March 1st. This is very important for our great farmers – and me!”

March 1, 2019: Yang Jiechi, a member of the Political Bureau of the Communist Party of China Central Committee, [holds](#) a phone conversation with Secretary of State Mike Pompeo.

March 4, 2019: In a letter to Secretary Pompeo, members of the US House Foreign Affairs Committee [urge](#) the Trump administration to take decisive action condemning China’s human rights abuses perpetrated against Uyghur citizens in China’s Xinjiang province.

March 6, 2019: US House Committee on Science, Space, and Technology [holds](#) a hearing titled “Maintaining US Leadership in Science and Technology.”

March 7, 2019: US Senate Commerce, Science, and Transportation Subcommittee on Security [holds](#) a hearing titled “China: Challenges for U.S. Commerce.”

March 11, 2019: United States Attorney Sherri Lyndon [hosts](#) a discussion titled, “China’s Threat to Our National Security: An Economic and Private Sector Perspective.”

March 12, 2019: Vice Premier Liu He [discusses](#) trade deal text over the phone with USTR Lighthizer and Treasury Secretary Mnuchin.

March 12, 2019: Secretary of State Pompeo [accuses](#) Beijing of “illegal island-building in international waterways” in order to block other claimants to the South China Sea “from accessing more than \$2.5 trillion in recoverable energy reserves.”

March 13, 2019: US Senate Committee on Foreign Relations [holds](#) committee hearing titled “A New Approach for an Era of US-China Competition.”

March 13, 2019: Chinese Foreign Ministry spokesperson, Lu Kang, [rebukes](#) Secretary of State Pompeo's claims that China is blocking access to energy beneath the South China Sea, calling the claims "irresponsible."

March 13, 2019: Secretary of State Pompeo remarks on the release of the 2018 Country Reports on Human Rights Practices [stating](#) that China is "in a league of its own when it comes to human rights violations."

March 13, 2019: Two US Air Force *B-52H Stratofortress* bombers [conduct](#) a routine training mission over the contested waters of the South China Sea.

March 14, 2019: China's State Council Information Office [publishes](#) a document titled "Chronology of Human Rights Violations of the United States in 2018."

March 16, 2019: Trump [tweets](#), "Google is helping China and their military, but not the U.S. Terrible! The good news is that they helped Crooked Hillary Clinton, and not Trump....and how did that turn out?"

March 20, 2019: President Trump [tells](#) reporters at the White House that tariffs on China will remain in place to ensure that China complies with any potential trade deal.

March 21, 2019: US Treasury Department [sanctions](#) two Chinese shipping companies it says helped North Korea evade US and international sanctions. The action prohibits US dealings with the designated companies and freezes any assets they have in the United States.

March 21, 2019: US-China Economic and Security Review Commission [holds](#) a hearing titled "An Emerging China-Russia Axis? Implications for the United States in an Era of Strategic Competition."

March 22, 2019: Li Zhanshu, chairman of the Standing Committee of the National People's Congress, [meets](#) a "US-China Working Group" delegation of the United States House of Representatives.

March 25, 2019: United States [sends](#) a destroyer and a Coast guard cutter through the Taiwan Strait, noting that the action demonstrates the US commitment to a free and open Indo-Pacific.

March 25, 2019: Special Representative Stephen Biegun [arrives](#) in Beijing to discuss North Korea with Chinese counterparts.

March 26, 2019: Secretary Pompeo [meets](#) representatives of the Uighur community. Pompeo calls for "the end of repression" and the release of all those who had been "arbitrarily detained."

March 27, 2019: Trump [tweets](#), "Just met with @SundarPichai, President of @Google, who is obviously doing quite well. He stated strongly that he is totally committed to the U.S. Military, not the Chinese Military...."

March 28-29, 2019: China and the US [hold](#) eighth round of high-level economic and trade consultations in Beijing. USTR Lighthizer and Secretary Mnuchin meet Vice Premier Liu He.

March 29, 2019: Secretary Mnuchin [tweets](#), "@USTradeRep and I concluded constructive trade talks in Beijing. I look forward to welcoming China's Vice Premier Liu He to continue these important discussions in Washington next week."

April 1, 2019: China's Vice Commissioner of the National Narcotics Control Commission Liu Yuejin [announces](#) that China will add fentanyl-related substances to a supplementary list of controlled drugs and substances starting May 1, 2019.

April 1, 2019: John Bolton [tweets](#); Chinese military provocations won't win any hearts or minds in Taiwan, but they will strengthen the resolve of people everywhere who value democracy. The Taiwan Relations Act and our commitment are clear.

April 4, 2019: Trump [tweets](#), "Despite the unnecessary and destructive actions taken by the Fed, the Economy is looking very strong, the China and USMCA deals are moving along nicely, there is little or no inflation, and USA optimism is very high!"

April 4-5, 2019: President Trump [meets](#) China's Vice Premier Liu He after the ninth round of high-level US-China trade talks.

April 8, 2019: US Ambassador Alice Wells [meets](#) President of the World Uyghur Congress Dolkun Isa to discuss China's campaign of repression against Uighurs, ethnic Kazakhs, and members of other Muslim minority groups, and its impact on the security of people in South, Central, and SE Asia.

April 10, 2019: US Acting Defense Secretary Patrick Shanahan [states](#) that China is the top threat economic and diplomatic threat to U.S. security.

April 10, 2019: Secretary Pompeo [says](#) China plays a role in spreading disorder in Latin America through its economic projects and financial backing of President Nicolás Maduro's regime in Venezuela.

April 12, 2019: Vice President Pence [tweets](#): "In February, the U.S. introduced a resolution calling for the restoration of democracy in Venezuela & for aid be released into the country. Russia & China blocked it. They continue to obstruct at the @UN & rogue states like Iran and Cuba are doing all they can to prop up Maduro."

April 13, 2019: Treasury Secretary Mnuchin [says](#) that he believes the United States and China are nearing the final stage of trade negotiations.

April 14, 2019: Trump [tweets](#), "Chinese Telecom Giant Huawei hires former Obama Cyber Security Official as a lobbyist. This is not good, or acceptable! @FoxNews @SteveHiltonx"

April 18, 2019: WTO [sides](#) with the US in a dispute over whether Beijing unfairly blocks market access for US grains through restrictive use of tariff-rate quotas for wheat, rice and corn.

April 20, 2019: USS *Blue Ridge*, the US 7th Fleet's command ship, [arrives](#) in Hong Kong for a port call, with its commander vowing to "sail in accordance with international law."

April 24, 2019: President Trump [declares](#) that he will soon host President Xi at the White House.

April 24, 2019: Adam Hickey, US deputy assistant attorney-general, [delivers](#) a speech at the Fifth National Conference on CFIUS and Team Telecom. He says Beijing is "using its intelligence services and their tradecraft to target our private sector's intellectual property."

April 25, 2019: US-China Economic and Security Review Commission [holds](#) a hearing titled "China in Space: A Strategic Competition?"

April 26, 2019: Assistant Secretary of State for Western Hemisphere Affairs Kimberly Breier gives [remarks](#) on China's economic, technological, and political practices in Latin America at the AS/COA.

April 26, 2019: FBI Director Christopher Wray [delivers](#) a speech centered around China's "multilayered threat" to the US at the Council on Foreign Relations in Washington, DC.

April 28, 2019: US military [sends](#) two Navy destroyers, the *William P. Lawrence* and *Stethem*, through the Taiwan Strait.

April 30, 2019: Secretary Mnuchin and USTR Lighthizer [arrive](#) in Beijing to meet Vice Premier Liu He for the 10th round of US-China high-level economic and trade consultations.

Chronology by CSIS research intern Kevin Dong