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“PHASE ONE” TRADE DEAL REACHED, BUT UNLIKELY TO DEFUSE TENSIONS

BONNIE S. GLASER, CSIS
KELLY FLAHERTY, CSIS

The US and China reached a “phase one” trade deal that includes low-hanging fruit and postpones contentious issues. Sources of friction in the bilateral relationship included President Donald Trump’s signing into law the Hong Kong Human Rights and Democracy Act, US Navy operations enforcing freedom of navigation in the South China Sea, US support for Taiwan, and China’s arbitrary detention of Xinjiang Uighurs in internment camps. A tweet by the NBA’s Houston Rockets general manager supporting protesters in Hong Kong triggered an unexpected controversy. Top US and Chinese defense leaders met on the margins of the ASEAN Defense Minister’s Meeting-Plus in Bangkok and a joint humanitarian rescue and disaster relief exercise took place in Hawaii. The US continued to take measures to crack down on Chinese espionage.

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“Phase one” comes to fruition

The US and China reached a “phase one” trade deal in October after several rounds of talks. While both sides came to an agreement on the low-hanging fruit, the most contentious issues in the trade relationship were tabled for future negotiations, including Chinese government subsidies to Chinese businesses.

September began with lingering uncertainty around the status of the talks, following back-and-forth retaliatory tariffs and [heated](#) accusations from both sides in late August. However, a Sept. 5 [phone call](#) between US Trade Representative (USTR) Robert Lighthizer, US Treasury Secretary Steven Mnuchin, and Chinese Vice Premier Liu He smoothed things over and put the 13th round of negotiations back on track for early October in Washington. Less than one week later, President Trump [announced](#) on Twitter that the tariff increase of 5% on \$250 billion of Chinese goods, originally scheduled for Oct. 1, would be delayed until Oct. 15 “as a gesture of good will” in light of the PRC’s 70th anniversary on the original date. China reciprocated this conciliatory measure with one of its own on Sept. 11, [rolling out](#) an exemption list of US goods that would not face additional Section 301 retaliatory tariffs. The following day, while taking questions from reporters on the South Lawn, Trump [voiced](#) his preference for finalizing one comprehensive trade deal versus a piecemeal approach. “Look, if we’re going to do the deal, let’s get it done,” he said.

On Sept. 19 and 20, a large Chinese delegation led by Chinese Vice Minister of Finance Liao Min [came](#) to DC to participate in deputy-level consultations ahead of the principal-level talks scheduled for October. Afterward, the office of the USTR briefly characterized the meetings as “productive,” though the real interest was in what did not happen: a [reportedly](#) scheduled trip to the Midwest to meet with US farmers. Sources later [clarified](#) that the US side requested the farm visits to be cancelled for “domestic reasons,” and the USTR’s office was not even aware of the planned visits until after they were confirmed. While the timing created speculation that the trade discussions had soured, that narrative was seemingly dispelled three days later, when Chinese importers [bought](#) approximately 600,000 metric tons of US soybeans. Trump later [lauded](#) China’s recent “big purchases of ag” for making US farmers

and ranchers “very happy.” At the United Nations General Assembly in New York on Sept. 27, Chinese State Councilor and Minister of Foreign Affairs Wang Yi [underscored](#) China’s commitment to “resolve [trade frictions and differences] in a calm, rational and cooperative manner, and...demonstrate utmost patience and goodwill.”

Concurrently, there were [whispers](#) that the Trump administration was considering delisting Chinese companies from US stock exchanges. Though these conversations were reportedly in the early stages, the stock market still took a hit from the perceived negative consequences that could arise. The next day, a spokesperson for the US Department of Treasury [refuted](#) the reports, asserting that “the administration is not contemplating blocking Chinese companies from listing shares on the US stock exchanges at this time.” Director of the White House Office of Trade and Manufacturing Policy Peter Navarro subsequently [slammed](#) the reports as “fake news” and “full of inaccuracies.”

In a simultaneously antagonistic and friendly tweet on Sept. 30, Trump [warned](#) that China “should not have broken the deal we had with them” while wishing the country a happy birthday in advance of the PRC’s 70th anniversary on Oct. 1. By early October, US-China trade took a backseat to other, more explosive controversies in the bilateral relationship, including the NBA drama and Xinjiang. However, the focus was back on trade negotiations on Oct. 10, which marked the start of round 13 in Washington, DC. Though Trump initially [played coy](#) on Twitter as the talks began (“They want to make a deal, but do I?”), his attitude brightened 24 hours later when he [tweeted](#), “Good things are happening at China Trade Talk Meeting. Warmer feelings than in recent past...I will be meeting with the Vice Premier today. All would like to see something significant happen!”

At the conclusion of the highly anticipated meeting, Trump [announced](#) to reporters in the Oval Office that both sides had “come to a very substantial phase one deal...subject to getting it written,” with a vague estimate that “it’ll take probably three weeks, four weeks, or five weeks” to finalize the agreement. Liu He’s comments, while in translation, were markedly less committal, characterizing the outcomes as “very good communication” and “substantial

progress in many fields.” The Chinese Ministry of Commerce [echoed](#) this guarded tone, foregoing Trump’s “phase one trade deal” vocabulary and instead commenting on the “substantive progress on agriculture, intellectual property, exchange rate and financial services, expanding trade cooperation, technology transfer and disputes settlement” and agreement to “make joint efforts to achieve the final agreement.”



Figure 1 Liu He and Robert Lighthizer before a meeting at the Office of the U.S. Trade Representative in Washington, D.C. Photo: Bloomberg

Meanwhile, Trump’s bombastic tweets [continued](#) to celebrate what he declared to be “by far, the greatest and biggest deal ever made for our Great Patriot Farmers in the history of our Country.” He also [noted](#) that the 5% tariff hike scheduled for Oct. 15 would be postponed and negotiations for “phase two” of the deal would start immediately after phase one, which he said “can be finalized & signed soon!” Trump ended his Oct. 13 Twitter updates with a flourish, enthusiastically [exclaiming](#) that “CHINA HAS ALREADY BEGUN AGRICULTURAL PURCHASES FROM OUR GREAT PATRIOTS FARMERS & RANCHERS!”

The next day in an interview with CNBC, Mnuchin [reaffirmed](#) that a “fundamental agreement” had been reached and, though he emphasized the need to work out the wording and specifics, dismissed any notion that an “actual deal” was not imminent. While Trump emphasized the agricultural purchases in the phase one deal, Navarro played up the agreement over intellectual property. In an Oct. 24 interview with Fox Business Network, he [claimed](#) that the deal “adopted virtually the entire chapter in the deal last May that [China] reneged on for IP,” referencing the 150-page draft from May that the Chinese backed out of. In this phase one deal, Navarro explained that Beijing agreed that “if they steal our IP we’ll be

able to take retaliatory action without them retaliating.”

On Oct. 25, Lighthizer, Mnuchin, and Liu He [took part](#) in a phone call to continue finalizing the trade agreement. The USTR read-out of the conversation was light on specifics, simply [stating](#) that both sides “are close to finalizing some sections of the agreement” and a principal-level call would occur “in the near future.” Trump echoed this hazy timeline in a press conference on Oct. 28, [maintaining](#) that a finalized agreement was “a little bit ahead of schedule, maybe a lot ahead of schedule” and that “probably, we’ll sign it” at the upcoming Asia-Pacific Economic Cooperation (APEC) summit in Chile, which both Trump and Xi were slated to attend in mid-November. However, the summit was abruptly [cancelled](#) by the Chilean government due to widespread protests. Trump [offered](#) reassurance on Twitter that “China and the USA are working on selecting a new site for the signing of Phase One of Trade Agreement.” The Chinese Ministry of Commerce spokesperson [issued](#) a statement on November 1 confirming that both sides had continued progress and consultations, though it still stopped short of calling it a deal. Several days later, spokesperson Gao Feng [revealed](#) that an “important precondition for the agreement” is the “simultaneous and proportionate removal of existing additional tariffs.”

In a move sure to please American farmers, China [announced](#) on Nov. 14 that it would lift a ban on poultry imports from the US, which had been in place since January 2015 because of an avian influenza outbreak. Lighthizer and US Department of Agriculture Secretary Sonny Perdue hailed the move as “great news for both America’s farmers and China’s consumers” that would see over \$1 billion of poultry exports to China annually. More phone calls between Liu, Lighthizer, and Mnuchin [occurred](#) on Nov. 17 and Nov. 25 to further [solidify](#) the phase one deal.

On Dec. 13, after weeks of phone calls, tweets, meetings, and statements, USTR [announced](#) that the US and China finally reached an official “Phase One trade deal.” The deal was [said](#) to include enforceable and structural changes to China’s economic system, with specific chapters on intellectual property, technology transfer, agriculture, financial services, currency, expanding trade, and dispute resolution. To appease US demands, China agreed to make

“substantial additional purchases of US goods and services in the coming years.” In Xinhua’s reporting, emphasis was [placed](#) on the US’ agreement “to phase out its additional tariffs on Chinese projects.” Trump predictably took to Twitter to share the news, [confirming](#) that the Dec. 15 tariffs would not be rolled out, and phase two negotiations would begin right away.

Trump and Xi spoke the following week by phone. While Trump [portrayed](#) the primary goal of the call as discussing “our giant Trade Deal,” Xinhua [reported](#) that Xi expressed concerns over “negative words and deeds” by the US regarding China’s internal affairs. Nevertheless, Trump closed out the year with a tweet on Dec. 31 [confirming](#) that the phase one deal would be officially signed in Washington on Jan. 15. All in all, the months of negotiations finally seemed to have amounted to a tangible result; it fell short of the comprehensive, all-encompassing deal that both sides once aspired to, but it was something.

WTO Battles Rage On

Outside the trade war, US-China economic sparring continued to unfold in the World Trade Organization (WTO) in September. China [lodged](#) a complaint against the US over its tariffs levied on Chinese goods, marking the third WTO complaint from China against the Trump administration’s tariffs.

In his Oct. 30 speech at the Hudson Institute, US Secretary of State Mike Pompeo [lamented](#) previous US support for China’s admission to the WTO, accusing China of failing to follow through on its commitments to the organization. The very next day, the WTO [handed](#) down a ruling six years in the making, allowing China to impose tariffs on \$3.6 billion of US goods. The US previously imposed anti-dumping penalties on certain Chinese goods, some of which were judged to be outside WTO-approved practices.

Chinese Tech as a National Security Threat

In early November, sources [reported](#) that the Committee on Foreign Investment in the United States (CFIUS), which is [designed](#) to review foreign investment in the US that might have national security implications, launched an investigation into Beijing ByteDance Technology Co.’s 2017 acquisition of US app Musical.ly. In this \$1 billion acquisition,

ByteDance secured ownership of TikTok, an extremely popular social media app primarily marketed to US teens. The investigation came at the request of members of the US Congress, who voiced concerns over how TikTok stores user data and Chinese censorship of content. A hearing at the US Senate Judiciary Committee soon [followed](#), focused on “How Corporations and Big Tech Leave Our Data Exposed to Criminals, China, and Other Bad Actors.” ByteDance was quick to [respond](#) by offering reassurance that TikTok stored data solely in the US and operated independently of its Chinese parent company. The US military, however, was not reassured. [Calling](#) the app “a cyber threat,” the US Army banned it in late December from government phones owned by soldiers.

The US Department of Commerce [announced](#) on Nov. 18 that it would extend the Temporary General License allowing US firms to conduct certain business with Huawei Technologies, China’s controversial telecommunications company on the US Entity List because of its potential threat to US national security. US legislators were quick to [criticize](#) the move in a letter to Trump signed by 15 US senators, which said the extension posed “a serious threat to US telecommunications infrastructure and national security more broadly.” Though the Commerce Department seemed to take a soft approach to Huawei, reports [surfaced](#) in early December that the US International Development Finance Corporation planned to pour money into a concerted effort to steer other countries and companies away from using Chinese telecommunications equipment, specifically Huawei and ZTE. Though at one point Huawei seemed like it might be used as a bargaining chip in a trade war deal, that idea was dropped from the rhetoric over the past few months.

A Crackdown on Chinese Espionage

In an interview in late September, US Deputy Assistant Attorney General Adam Hickey [warned](#) US companies to be vigilant against economic espionage, noting an increase in cases traced back to China. The US Department of Justice subsequently reported two instances of trade secrets theft. In the first, a Chinese national [pleaded](#) guilty to charges of theft, unauthorized transmission, and unauthorized possession of a trade secret obtained from his employer, a US oil company. The second case was the arrest of a former Monsanto employee,

[indicted](#) on multiple counts of economic espionage and theft of trade secrets. Both instances offered fuel to the Trump administration's criticisms of Chinese intellectual property theft, which subsequently became a central tenet of the phase one trade deal.

In December, sources [revealed](#) a September incident, kept quiet by both the US and China, that ended with the expulsion of two Chinese diplomats on the grounds of suspected espionage. This marked the first time in over 30 years that Washington expelled Chinese officials from the US. The diplomats, Chinese Embassy officials, allegedly drove onto a sensitive military base in Norfolk and disobeyed an order to turn around. While they claimed to have misunderstood instructions by the security guard, US officials saw the incident as a test of the security measures around the base to potentially organize further intelligence gathering had security been lax. Though the Chinese Embassy voiced private complaints about the incident to the Department of State, there were no apparent retaliatory measures against US diplomats in China.

South China Sea FONOPs

In the closing four months of 2019, the US Navy conducted three freedom of navigation operations (FONOPs) in the South China Sea. On Sept. 13, the *USS Wayne E. Meyer*, an *Arleigh Burke*-class destroyer, [sailed](#) near Chinese-occupied islands in the Paracels. The operation took place only two weeks after the same vessel sailed within 12 nautical miles of Fiery Cross Reef and Mischief Reef in the Spratlys. A spokeswoman for the Navy's 7th Fleet said the FONOP demonstrated that the waters inside China's illegally drawn baselines around the entire Paracel Islands group cannot be claimed as internal waters or territorial seas under international law and challenged Beijing's requirement that foreign military vessels must obtain permission or provide notification to sail through the waters.

In a message that was undoubtedly not missed by the Chinese, in the intervening weeks between the two FONOPs the *Wayne E. Meyer* participated in the first-ever joint naval exercises between the US and the nations of ASEAN. The exercise was hosted by Thailand and took place in the Gulf of Thailand, on the

western side of the Indochinese peninsula from the South China Sea.

The People's Liberation Army (PLA) Navy deployed ships to monitor the US operation and, according to a statement issued by the Chinese Defense Ministry, the ships [demanded](#) that the US Navy vessels leave the area because they were "trespassing in China's territorial waters...without permission from the Chinese government." In a separate statement, China's PLA Southern Theater Command reaffirmed China's "irrefutable" sovereignty over the islands in the South China Sea and their nearby waters and accused the US of threatening China's sovereignty under the name of freedom of navigation.

In what may be an unprecedented action, the US Navy [conducted](#) back-to-back FONOPs in November. On Nov. 20, the littoral combat ship *USS Gabrielle Giffords* sailed within 12 nautical miles of Mischief Reef, a low-tide elevation that China transformed into a larger feature with military installations. The following day, the *USS Wayne E. Meyer* conducted another challenge of Chinese restrictions on innocent passage in the Paracel Islands. The two FONOPs took place just days after US Defense Secretary Mark Esper met with Chinese Defense Minister Wei Fenghe in Bangkok. China's Southern Theater Command spokesman [urged](#) the US "to stop such provocative acts immediately so as to avoid unexpected incidents." A statement by US 7th Fleet spokesperson reiterated that the US will fly, sail, and operate wherever international law allows.

US Steps Up Support for Taiwan

Continuing a practice that has been ongoing for more than a decade, US Navy vessels sailed through the Taiwan Strait in September and December. In keeping with the pattern of prior such transits under the Trump administration, both operations were made public. On Sept. 20, the same day Taipei announced that it was severing its diplomatic relations with the Pacific Island nation of Kiribati—because it had established diplomatic ties with the People's Republic of China—the *USS Antietam*, a US Navy guided-missile cruiser, [sailed](#) through the Taiwan Strait.

On Nov. 12, the guided-missile cruiser *USS Chancellorsville* [conducted](#) another Taiwan Strait transit. The two Taiwan Strait passages marked

the eighth and ninth sails by US Navy vessels through the Taiwan Strait this year. In every instance, China lodged protests with the US.

China's first domestically built aircraft carrier *Shandong*, along with escort ships [entered](#) the Taiwan Strait from the south, sailing northward, on Dec. 26. According to Taiwan's Ministry of Defense records, this was the [sixth](#) time a Chinese aircraft carrier has transited through the Taiwan Strait since 2017. The last passage took place in mid-November, one day before Esper and Wei met in Bangkok on the sidelines of a multilateral meeting of regional defense chiefs. A US State Department official told the media on background that the US urged China "to abstain from coercion that would jeopardize the security, or the social or economic system, of the people of Taiwan."



Figure 2 The *Shandong* is China's first domestically-built aircraft carrier. Photo: Xinhua

On Oct. 29, the US Senate unanimously [passed](#) the Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act, which calls for stronger engagement with countries that strengthen ties with Taiwan and punitive actions against countries that reduce their economic, security, and diplomatic engagements with Taiwan. At the end of the year, Trump signed the US National Defense Authorization Act (NDAA) for fiscal year 2020, which contained several Taiwan-related provisions. The new law requires the Director of National Intelligence to provide a report to Congress on Chinese influence operations in the runup to Taiwan's January 2020 elections, as well as US efforts to prevent such interference. The NDAA also mandates that the DoD provide a report on US-Taiwan engagement in cybersecurity and assess the feasibility of establishing a bilateral "high-level, interagency" working group.

A spokesperson for the Foreign Affairs Committee of China's National People's Congress [voiced](#) "strong dissatisfaction" with several provisions of the NDAA, including those pertaining to Taiwan. He maintained that the Taiwan portion of the law undermined peace and stability across the Strait.

As Taiwan's presidential and legislative elections neared, Chinese experts appeared to be losing confidence in the prospects for peaceful unification of Taiwan and mainland China. In a speech delivered at the Chinese Cultural Forum at Beijing University in mid-November, former Taiwan Affairs Office Deputy Director Wang Zaixi outlined four big challenges facing cross-Strait relations. Two of the four challenges pertained to the DPP and one of the challenges involved US policy. The remaining challenge Wang identified was that "Taiwan's public sentiment, especially the younger generation is still developing in a direction that is not conducive to reunification." In the conclusion of his article, Wang warned that the resolution of the Taiwan issue has been postponed for 70 years, and "time is running out."

US-China Mil-Mil Ties

Despite ongoing tensions in US-China relations, some bilateral military exchanges continued. For 10 days in November, the PLA's Eastern Theater Command and the US Army Pacific (USARPAC) participated in a joint humanitarian rescue and disaster relief [exercise](#) in Hawaii. Over 200 officers and soldiers from both sides participated in the drill, intended to provide an opportunity for the two militaries to share experiences in humanitarian rescue and disaster relief. This event marked the 15th iteration of the annual exercise, which rotates annually between China and the United States.

The refocusing of the DoD on risk reduction and prevention and crisis communication under Trump is a central reason for the reduction in US-China military exchanges in the past few years. Occasional phone calls and meetings between defense leaders are among the exchanges remaining on the agenda. In early November, Esper took part in a video call with Wei. The DoD [readout](#) of the call said that the two discussed priorities for the US-China defense relationship "with emphasis on stability, frank and open communication, and enhancing cooperation on areas of common interest." Esper underscored the need to build a

“results-oriented relationship to prevent and manage crises, reduce risk of misunderstanding or miscalculation, and enhance overall cooperation.” According to China’s [readout](#), Wei presented China’s positions on the South China Sea, Taiwan, Hong Kong, and Xinjiang, and said that “win-win cooperation is the only correct choice for China and the US.”

The following week, Esper and Wei met for the first time on the margins of the ASEAN Defense Minister’s Meeting-Plus in Bangkok, Thailand. Wei had briefly met Esper’s predecessor, Acting Defense Secretary Patrick Shanahan, five months earlier at the Shangri-La Dialogue where the acting Pentagon chief gave him a “gift”—a 32-page book of photos and satellite images of North Korean ships illegally receiving and delivering shipments of oil and coal. At the meeting in Bangkok, Esper and Wei [reached](#) “a consensus to deepen mutual trust so as to make bilateral military relations a stabilizer for the China-US relationship,” according to Xinhua. Wei reportedly asked the US side to handle the Taiwan issue with caution and stop flexing muscles in the South China Sea. Esper reportedly [used](#) the meeting to emphasize his priority of crisis prevention and management.

In early December, Chairman of the Joint Chiefs of Staff Gen. Mark Milley spoke with the PLA Chief of the Joint Staff Department Gen. Li Zuocheng by phone. The call took place one day after China announced that it was suspending US military ship and aircraft visits to Hong Kong in retaliation for the signing into law of the Hong Kong Human Rights and Democracy Act. The US [statement](#) released after the phone call said that the two military leaders “both agreed on the value of a productive dialogue, effectively managing differences, and cooperation on areas of common ground.”

When Milley [spoke](#) to reporters in Tokyo after his November meetings with Japanese counterparts, he called China a strategic competitor and charged that China and Russia are trying to alter the rules-based international order. At the same time, he insisted that China doesn’t have to become an enemy and engagement with China is necessary. The following month, Esper offered similar assessments of China in a [speech](#) at the Council on Foreign Relations in New York. He maintained that China is the top priority at the Pentagon, with Russia now the number two concern. “There’s no need for them to be an

enemy,” Esper said, adding “I think the more we can build bridges to China, whether it’s economically, diplomatically,” or military to military, the better.

Hong Kong Bill Becomes Law

Protests in Hong Kong that began in June against an extradition bill continued throughout the second half of 2019, with clashes between police and activists becoming increasingly violent. In Trump’s mind, the significance of the unrest in Hong Kong lay in their potential impact on the trade negotiations. In an [interview](#) with “Fox and Friends” on Nov. 22, Trump said that he had told Xi not to send soldiers into Hong Kong because it would “make a tremendous negative impact on the trade deal.” Trump claimed that if he hadn’t issued the warning to Xi, “Hong Kong would’ve been obliterated in 14 minutes.”

A week earlier, [speaking](#) at Rice university, Secretary of State Pompeo said that the US encourages Beijing and the protesters to engage in dialogue and supports protection of “one country, two systems” in Hong Kong. Asked whether Trump might consider using force in Hong Kong, Pompeo refused to rule out such an option, saying “I just never foreclose any possibility for how Trump might think about how we should appropriately respond.”

On Nov. 27, Trump signed the Hong Kong Human Rights and Democracy Act. In a signing statement, Trump said that he signed the bill “out of respect for President Xi, China and the people of Hong Kong. They are being enacted in the hope that Leaders and Representatives of China and Hong Kong will be able to amicably settle their differences leading to long term peace and prosperity for all.” In addition, he reserved the right to implement the bill as he sees fit, claiming that some aspects of the bill would “interfere” with his “constitutional authority” over foreign policy.

Beijing condemned the legislation as illegal interference in its domestic affairs. In retaliation, China suspended visits to Hong by US warships and aircraft, and said it would impose sanctions on five US-based nongovernmental organizations that allegedly “encouraged” the protesters “to engage in extreme violent criminal acts.”

NBA Controversy

An unexpected clash was triggered on Oct. 4 when Houston Rockets General Manager Daryl Morey tweeted his support for Hong Kong. The tweet was later deleted, but its removal did not assuage China's rage. In a statement released two days later, the Chinese Consulate in Houston said it was "deeply shocked by the erroneous comments on Hong Kong" by Morey, noting that it had lodged representations and urged the Houston Rockets to "correct the error and take immediate concrete measures to eliminate the adverse impact."



Figure 3 At an NBA pre-season game in Shanghai, a fan covers the NBA logo with the Chinese flag. Photo: WSJ

NBA Commissioner Adam Silver revealed that the Chinese government was asking the league to fire Morey, adding that there was no possibility that the NBA would do so and that it would not even discipline him. In one [interview](#), Silver said "I think as a values-based organization that I want to make it clear ... that Daryl Morey is supported in terms of his ability to exercise his freedom of expression."

The episode prompted 12 of the NBA's 25 sponsors in China to announce they were halting cooperation with the league and several sportswear companies suspended contracts with the NBA. Chinese state television suspended broadcast of the NBA's preseason games in China. Tencent, which owns the digital streaming rights for NBA in China, also announced that it would "temporarily suspend" the preseason broadcast arrangements. A few weeks later, live broadcasts of NBA preseason games resumed, but no matches with the Houston Rockets were aired. When the Rockets played their opening game of the season, Chinese viewers were shown a day-old event from the Military World Games that pitted the

PLA against soldiers from Brazil. According to media reports, tens of millions of Chinese basketball fans watched the opening Rockets game on websites that live-streamed the event using satellite broadcasts.

In a blistering [speech](#) on China hosted by the Woodrow Wilson Center in late October, Vice President Mike Pence lashed out at the NBA and Nike Inc., accusing both of prioritizing business interests over American values. He accused the basketball league of "siding with the Chinese Communist Party and silencing free speech" and acting "like a wholly owned subsidiary of the authoritarian regime" in China.

Mutually Recriminatory Rhetoric

Senior US and Chinese officials exchanged barbs in the closing months of 2019. In back-to-back speeches on China in October, Pence and Pompeo distinguished between the people of China, with whom the US maintains a valued friendship, and the CCP, that is the root cause of bilateral friction. Acknowledging that the US had been slow to see the risk that divergent systems and ideologies pose to American national security, Pompeo [asserted](#) Washington now recognizes these challenges and is confronting them head-on: "Today, we're finally realizing the degree to which the CCP is hostile to the United States and our values." Pompeo charged that the CCP is "focused on struggle and international domination."

Pence [excoriated](#) numerous Chinese policies, including repressive practices against minorities, theft of intellectual property (IP), strong-armed tactics against foreign fishermen, militarization of the South China Sea, and use of the Belt and Road Initiative (BRI) to gain a military foothold in ports around the world. Nevertheless, Pence insisted that Washington would seek a better relationship with Beijing and highlighted North Korea, arms control, and the enforcement of sanctions in the Persian Gulf as potential areas of cooperation. Beijing launched a campaign to counter US criticisms of Chinese policies. Speaking to an annual [symposium](#) in Beijing in mid-December, Chinese State Councilor and Foreign Minister Wang Yi blasted the US for its "paranoid" behavior. Implicitly contrasting US and Chinese policies, he attributed extant global challenges to "conflicts between multilateralism and unilateralism, integration and isolation, and power politics and bullying."

In an end-of-the-year [interview](#) with CCTV, Wang criticized US policy on several fronts. He denounced interference by the US and other Western countries in Hong Kong, Taiwan, and Xinjiang, insisting that their efforts were “doomed to fail.” Speaking about the bilateral relationship, Wang lamented that the 40th anniversary of the establishment of diplomatic ties between the US and China had been tarnished by US restrictive policies toward China on trade, science, and technology, as well as US challenges to China’s sovereignty.

A phone call between Xi and Trump in December after the trade deal was announced indicated increased friction was also evident at the highest level. According to Xinhua, Xi voiced concern about “the negative words and deeds” of the US on matters related to Hong Kong, Taiwan, Xinjiang and Tibet. “These actions have interfered in China’s internal affairs, harmed China’s interests and undermined mutual trust and cooperation between the two sides,” Xi reportedly said to Trump. He also reminded Trump of “the important consensus” that the two had reached in their last meeting in Osaka and asked that the US “pay close attention to and attach importance to China’s concerns, and prevent the interference of bilateral relations and the important agenda.” Following the call, Trump tweeted that he “Had a very good talk with President Xi of China,” adding that Beijing had already started large-scale purchases of US products.

Xinjiang

Ahead of a meeting with the foreign ministers of the Central Asian states on the margins of the United Nations General Assembly in New York in mid-September, Secretary of State Pompeo publicly [called](#) on all countries to resist Beijing’s demands to repatriate ethnic Uighurs. Rejecting China’s claim that its campaign in Xinjiang is to combat terrorism, he charged that China seeks to “erase its own citizens.”

As evidence mounted that up to 2 million Uighurs were being detained against their will in Xinjiang amid a campaign to repress the practice of Islam, Pompeo [announced](#) Oct. 8 that the US was imposing visa restrictions on Chinese officials involved the repression and human rights abuses. Pompeo’s statement called on the PRC to “immediately end its campaign of repression in Xinjiang, release all those arbitrarily detained, and cease efforts to

coerce members of Chinese Muslim minority groups residing abroad to return to China to face an uncertain fate.” The US did not provide details about how many or which officials would be implicated.

The Commerce Department also blacklisted 28 Chinese companies, government offices, and security bureaus over their alleged role in enabling human rights abuses in the Xinjiang region. The Chinese embassy criticized both actions as interference in China’s internal affairs and serious violations of the basic norms governing international relations. A few days later, [speaking](#) at an American Association of Christian Counselors event in Nashville, Tennessee, Pompeo likened the Chinese crackdown in Xinjiang to George Orwell’s 1984.

Major leaks regarding the decision making surrounding the establishment of the Xinjiang camps and the implementation of the campaign against the Uighurs bolstered the US case. On Nov. 16, *The New York Times* published an [article](#) based on 403 pages of internal documents shared by an anonymous CCP official, which it claimed “confirm the coercive nature of the crackdown in the words and orders of the very officials who conceived and orchestrated it.” A week later, the International Consortium of Investigative Journalists [reported](#) that it had obtained the operations manual for running the mass detention camps in Xinjiang, revealing guidelines for operating the camps and the role of massive data collection and analysis in the campaign against Uighurs.

In mid-December Mesut Özil, a midfielder for the Arsenal Football Club who is a German Muslim of Turkish origin, criticized China’s treatment of ethnic Uighur Muslims, prompting Chinese broadcaster CCTV to censor Arsenal’s Premier League game. The action led Pompeo to voice his support for Özil. “China’s Communist Party propaganda outlets can censor Mesut Özil and Arsenal’s game all season long, but the truth will prevail,” Pompeo tweeted. “The CCP can’t hide its gross human rights violations perpetrated against Uighurs and other religious faiths from the world.”

Just a few days before 2019 came to a close, Pompeo condemned China’s violations of religious freedom again. He tweeted: “From [#Tibet](#) to [#Xinjiang](#), the Chinese Communist Party’s repressive campaigns are not about combating terrorism. The [#CCP](#) is attempting to

erase its own citizens' faiths and cultures. All societies must respect and protect religious freedom."

Summing Up the Year and Looking to 2020

Developments in US-China relations in 2019 confirmed that the downturn in bilateral ties is unlike prior dips triggered by specific events, such as the 1989 crackdown in Tiananmen Square, the 1999 US bombing of the Chinese embassy in Belgrade, and the 2001 aircraft collision near Hainan. Current tensions in US-China relations are the result of structural shifts, including a narrowing in the gap between US and Chinese power. They are also a consequence of policies adopted by both sides that have intensified strategic competition. The "phase one" trade deal, if it holds, will at best provide a temporary respite. It will not be enough to defuse friction in the relationship because the agreement doesn't begin to address the underlying causes.

With 2020 being a presidential election year in the US, there is likely to be much discussion about China, with the Democratic candidates all condemning Chinese economic and foreign policies that damage US interests. Successful negotiation of a "phase two" trade deal would help tamp down friction, but prospects for reaching such an agreement are slim. Discord will continue across an array of issues, including defense matters such as space and cyber, the South China Sea, development financing and China's BRI, Taiwan, Hong Kong, Xinjiang, and Tibet. Competition may increase in the ideological sphere and the contest may intensify over whether capitalist or socialist systems are superior in delivering governance to their people. US observers will be on guard against Chinese interference in the US election next November.

CHRONOLOGY OF US-CHINA RELATIONS

SEPTEMBER – DECEMBER 2019

Sept. 2, 2019: China [files](#) a WTO complaint against the US for imposing 15% tariffs on Chinese goods, marking the third lawsuit China has brought to the WTO regarding Trump's China-specific tariffs.

Sept. 2, 2019: China's top legislator Li Zhanshu [meets](#) a US congressional delegation in Beijing led by US Senators Steve Daines and David Perdue.

Sept. 3, 2019: President Donald Trump [tweets](#): "We are doing very well in our negotiations with China. While I am sure they would love to be dealing with a new administration so they could continue their practice of "ripoff USA"(\$600 B/year),16 months PLUS is a long time to be hemorrhaging jobs and companies on a long-shot...."

Sept. 3, 2019: Trump [tweets](#): "...And then, think what happens to China when I win. Deal would get MUCH TOUGHER! In the meantime, China's Supply Chain will crumble and businesses, jobs and money will be gone!"

Sept. 4, 2019: Trump unleashes a [tweet storm](#) about climate change: "Which country has the largest carbon emission reduction? AMERICA! Who has dumped the most carbon into the air? CHINA!"

Sept. 5, 2019: China and the US [agree](#) to hold the 13th round of trade talks in early October during phone [consultations](#) in mid-September between China's Vice Premier Liu He, US Trade Representative Robert Lighthizer, and US Treasury Secretary Steven Mnuchin.

Sept. 6, 2019: Trump [tweets](#) "'China is eating the Tariffs.' Billions pouring into USA. Targeted Patriot Farmers getting massive Dollars from the incoming Tariffs! Good Jobs Numbers, No Inflation(Fed). China having worst year in decades. Talks happening, good for all!"

Sept. 11, 2019: Trump [announces](#) delay of increased tariffs in a tweet: "At the request of the Vice Premier of China, Liu He, and due to the fact that the People's Republic of China will be celebrating their 70th Anniversary on Oct. 1st, we have agreed, as a gesture of good will, to move the increased Tariffs on 250 Billion Dollars worth of goods (25% to 30%), from Oct. 1st to Oct. 15th."

Sept. 11, 2019: China's Tariff Commission of the State Council [releases](#) two lists [exempting](#) US goods, including pork and soybean, from additional tariffs on \$75 billion worth of US goods.

Sept. 12, 2019: Trump [tweets](#): "It is expected that China will be buying large amounts of our agricultural products!"

Sept. 12, 2019: Trump [says](#) he would consider an interim trade deal with China.

Sept. 13, 2019: *Arleigh Burke*-class destroyer USS *Wayne E. Meyer* [conducts](#) a FONOP, sailing near Chinese-held islands in the Paracel Islands in the South China Sea.

Sept. 16, 2019: Trump [tweets](#): "Producer prices in China shrank most in 3 years due to China's big devaluation of their currency, coupled with monetary stimulus. Federal Reserve not watching? Will Fed ever get into the game? Dollar strongest EVER! Really bad for exports. No Inflation...Highest Interest Rates..."

Sept. 17, 2019: Chinese Vice Minister for Finance Liao Min [heads](#) to the US for trade negotiations on Sept. 18th to set the agenda for the 13th round of trade talks in October.

Sept. 19-20, 2019: Delegation of 30 Chinese officials, led by Liao, [meet](#) US counterparts at US Trade Representative's office for trade discussions in preparation for 13th round of trade talks in October.

Sept. 20, 2019: Trump discusses relations with China in a [press conference](#) with Australian Prime Minister Scott Morrison, saying “Obviously, China is a threat to the world in a sense, because they’re building a military faster than anybody. ... right now I’m thinking about trade. But, you know, trade equals military. Because if we allow China to take \$500 billion out of the hide of the United States, that money goes into military and other things.”

Sept. 20, 2019: Chinese trade delegation in the US [cancels](#) visit to farms in Nebraska and Montana, changing their travel schedule, reportedly on advice from the US side to avoid becoming embroiled in US politics.

Sept. 20, 2019: On the day Taiwan announced diplomatic relations with the Pacific island nation of Kiribati were ending, a US Navy guided missile cruiser [sails](#) through the Taiwan Strait.

Sept. 22, 2019: On the margins of meetings at the UN General Assembly in New York, Secretary of State Mike Pompeo [condemns](#) China’s repression of Uighurs and calls on all countries to resist China’s demands to repatriate them to China.

Sept. 22, 2019: Jim Carroll, director of National Drug Control Policy, accompanied by Acting Commissioner for US Customs and Border Protection Mark Morgan and Chief Postal Inspector Gary Barksdale travels to Beijing with a delegation “to underscore the importance of keeping fentanyl and other synthetic opioids from coming into the United States.”

Sept. 23, 2019: China [buys](#) 10 cargoes of US soybeans after trade talks.

Sept. 23, 2019: China’s State Councilor and Minister of Foreign Affairs Wang Yi [says](#) in a speech at the UN Climate Action Summit that “China has no intention to play the ‘game of thrones’ on the world stage.”

Sept. 24, 2019: Wang delivers [speech](#) at event hosted by the National Committee on US-China Relations in New York.

Sept. 24, 2019: US Deputy Secretary of State John Sullivan [hosts](#) event at the UN on the human rights crisis in Xinjiang.

Sept. 25, 2019: Trump [addresses](#) UN General Assembly. In his speech, he spends four and a half minutes on China, focusing on “America’s new approach on trade” and the situation in Hong Kong.

Sept. 25, 2019: Pompeo [announces](#) new sanctions against Chinese companies that transported Iranian oil.

Sept. 25, 2019: At bilateral meeting with Japan’s Prime Minister Abe Shinzo in Osaka, Trump [says](#) “China is going to buy more pork than they’ve ever bought by far.”

Sept. 25, 2019: Trump [tells](#) reporters a US-China trade deal agreement “could happen sooner than you think.”

Sept. 25, 2019: China’s Foreign Ministry spokesperson Geng Shuang [criticizes](#) new US sanctions over China’s Iran oil deals: “We always oppose the so-called long arm jurisdiction and unilateral sanctions. We also oppose the bullying practice of the US”

Sept. 25, 2019: House Foreign Affairs and Senate Foreign Relations committees unanimously [approve](#) the Hong Kong Human Rights and Democracy Act of 2019.

Sept. 26, 2019: China’s Foreign Ministry spokesman Geng Shuang [says](#) the Hong Kong bill “confuses black and white in disregard of facts...grossly interferes in China’s internal affairs, which fully reveals the ill intentions of some people in the United States to mess up Hong Kong and contain China’s development.”

Sept. 26, 2019: China’s Ministry of Commerce spokesperson Gao Feng, [says](#) “We wish the US and China can meet halfway, and on a foundation of equality and mutual respect, find a win-win solution via negotiations. This will benefit China, the US, and the whole world.”

Sept. 26, 2019: On the sidelines of the UN General Assembly meeting, Wang [says](#) “we are willing to buy more products that are needed by the Chinese market.”

Sept. 27, 2019: Wang [addresses](#) the US-China trade war at the UN General Assembly: “Regarding economic and trade frictions and differences, China is committed to resolve them in a calm, rational and cooperative manner, and is willing to demonstrate utmost patience and goodwill. Should the other side act in bad faith or show no respect for equal status or rules in negotiations, we will have to make necessary responses to safeguard our legitimate rights and interests, and to uphold international justice.”

Sept. 27, 2019: Trump reportedly [considers](#) delisting Chinese companies from the US stock exchange.

Sept. 29, 2019: Wang Shouwen, vice-commerce minister and key member of China's trade negotiation team, [holds](#) a press briefing after talks in Washington DC and announces the next trade talks will take place Oct. 10-11: “We hope, in the 13th round of trade negotiations, both countries can meet each other halfway based on equality and mutual respect, and can take care of each other's concerns, to resolve conflict through discussion in a calm and rational manner.”

Sept. 30, 2019: Trump [tweets](#) “We are winning, and we will win. They should not have broken the deal we had with them. Happy Birthday China!”

Sept. 30, 2019: White House trade adviser Peter Navarro [calls](#) the Trump threat to delist Chinese companies from US stock exchanges “fake news.”

Sept. 30, 2019: Indiana Gov. Eric Holcomb [concludes](#) a trip to China where he met Chinese government and business leaders in Shanghai. He also traveled to Japan, South Korea, and India.

Oct. 6, 2019: Trump [unleashes](#) a tweet storm about the Biden family, saying Hunter Biden “separately got 1.5 Billion Dollars from China despite no experience and for no apparent reason. There is NO WAY these can be legitimate transactions?”

Oct. 6, 2019: Trump [tweets](#) “@60Minutes ‘forgot’ to report that we are helping the great farmers of the USA to the tune of 28 Billion Dollars, for the last two years, paid for out of Tariffs paid to the United States by China for targeting the farmer. They devalued their currency, therefore paying the cost!”

Oct. 6, 2019: Houston Rockets general manager [tweets](#) about freedom for Hong Kong, igniting controversy with the NBA and China over freedom of speech.

Oct. 7, 2019: US Department of Commerce Bureau of Industry and Security [adds](#) 28 Chinese governmental and commercial organizations to the Entity List for entities implicated in human rights violations in China's campaign targeting Uighurs in Xinjiang.

Oct. 7, 2019: At the [signing](#) of the US-Japan Trade Agreement and the US-Japan Digital Trade Agreement, Trump says “As to whether or not we make a deal, I don't know. But there's certainly a good possibility. ... We think there's a chance we could do something very substantial. I would much prefer a big deal and I think that's what we're shooting for.”

Oct. 8, 2019: The US Department of State [announces](#) visa restrictions on Chinese officials “who are believed to be responsible for, or complicit in, the detention or abuse of Uighurs, Kazakhs, or other members of Muslim minority groups in Xinjiang, China.”

Oct. 9, 2019: The Chinese Ministry of Commerce spokesperson [responds](#) to the US Department of Commerce sanctioning of 28 Chinese entities by saying the US “took the opportunity to smear China's policies in governing Xinjiang....We strongly urge the US to stop pointing fingers on Xinjiang-related affairs, halt the wrong practice of interfering China's internal affairs, and remove the Chinese entities from the list as soon as possible.”

Oct. 9, 2019: Secretary of Commerce Wilbur Ross [speaks](#) at American Chamber of Commerce in Sydney, Australia: “We do not love tariffs, in fact we would prefer not to use them, but after years of discussions and no action, tariffs are finally forcing China to pay attention to our concerns.”

Oct. 9, 2019: Pompeo [tells](#) PBS NewsHour “It may seem that it makes profits in the short run, but the reputational costs ... will prove to be higher and higher as Beijing’s long arm reaches out to them and destroys their capacity for them, their employees – in the NBA’s case, team members and general managers – to speak freely about their political opinion.”

Oct. 10, 2019: US-China trade negotiations [resume](#) at the USTR in Washington DC and Trump [tweets](#) “Big day of negotiations with China. They want to make a deal, but do I? I meet with the Vice Premier tomorrow at The White House.”

Oct. 11, 2019: Trump [tweets](#) “Good things are happening at China Trade Talk Meeting. Warmer feelings than in recent past, more like the Old Days. I will be meeting with the Vice Premier today. All would like to see something significant happen!”

Oct. 11, 2019: Trump and Chinese Vice Premier Liu He [meet](#) at the USTR in DC, where they gave videotaped [remarks](#) announcing a phase one deal that reportedly includes a large purchase by China of US agricultural goods and a currency agreement.

Oct. 11, 2019: On the South Lawn, Trump [remarks](#) “So, we just made what, I guess, is one of the biggest deals that’s been made in a long time, with China. The Vice Premier has just left my office. We have a great deal. We’re papering it now. Over the next three or four or five weeks, hopefully it’ll get finished. A tremendous benefit to our farmers, technology, and many other things—the banking industry, financial services.”

Oct. 11, 2019: At American Association of Christian Counselors event in Nashville, Tenn., Pompeo [says](#) “The Chinese Communist Party is detaining and abusing more than 1 million Uighur Muslims in internment camps in the Xinjiang region of China. The pages of George Orwell’s 1984 are coming to life there. I wish the NBA would acknowledge that.”

Oct. 12, 2019: Trump [tweets](#) “The deal I just made with China is, by far, the greatest and biggest deal ever made for our Great Patriot Farmers in the history of our Country. In fact, there is a question as to whether or not this much product can be produced? Our farmers will figure it out. Thank you China!”

Oct. 13, 2019: Trump [tweets](#) “My deal with China is that they will IMMEDIATELY start buying very large quantities of our Agricultural Product, not wait until the deal is signed over the next 3 or 4 weeks. THEY HAVE ALREADY STARTED! Likewise financial services and other deal aspects, start preparing ...”

Oct. 13, 2019: Trump [tweets](#): “...I agreed not to increase Tariffs from 25% to 30% on Oct. 15th. They will remain at 25%. The relationship with China is very good. We will finish out the large Phase One part of the deal, then head directly into Phase Two. The Phase One Deal can be finalized & signed soon!”

Oct. 13, 2019: Trump [tweets](#) “CHINA HAS ALREADY BEGUN AGRICULTURAL PURCHASES FROM OUR GREAT PATRIOT FARMERS & RANCHERS!”

Oct. 14, 2019: When asked about the round of tariffs scheduled for Dec. 15 in an [interview](#) with CNBC, Mnuchin says “I have every expectation if there’s not a deal those tariffs would go in place. But I expect we’ll have a deal.”

Oct. 15, 2019: Ross [speaks](#) at the Federalist Society about the Trump administration’s trade policy and long term goals for the US.

Oct. 16, 2019: US Assistant Secretary of the Bureau of East Asian and Pacific Affairs David Stilwell [testifies](#) before the Senate Foreign Relations Committee Subcommittee on East Asia, the Pacific, and International Cybersecurity Policy to discuss US policy in the Indo-Pacific region and implementation of the Asia Reassurance Initiative Act of 2018 (ARIA).

Oct. 18, 2019: Defense Secretary Mark Esper and Chinese Defense Minister Wei Fenghe have a [phone call](#) in which they “reached consensus on maintaining stable and healthy bilateral military ties.”

Oct. 22, 2019: At a press briefing in Bern, Switzerland, Chinese Foreign Minister Wang Yi [says](#) the US has forced an unwanted trade war on China and Beijing must take necessary countermeasures to protect its interests.

Oct. 23, 2019: US Navy Secretary Richard Spencer delivers a [speech](#) at Brookings Institution on naval modernization and challenges posed by great power rivals to US maritime forces, including China and Russia.

Oct. 24, 2019: In an interview with *Fox Business Network*, Navarro [says](#) “The good news about this phase one ... is it adopted virtually the entire chapter in the deal last May that they reneged on for IP. ... Practically it means, if they steal our IP we’ll be able to take retaliatory action without them retaliating.”

Oct. 25, 2019: Vice President Mike Pence gives a [speech](#) at the Wilson Center on the future of the US-China relationship.

Oct. 25, 2019: Foreign Ministry spokesperson Hua Chunying [responds](#) to Pence’s speech at the Wilson Center saying “A handful of US politicians headed by Mr. Pence are distorting facts with wanton accusations and slanders to meddle in China’s internal affairs with an attempt to disrupt China’s stability and development.”

Oct. 25, 2019: Trump [remarks](#) “We’re doing very well with China. We’re moving along nicely. We’re dealing with them right now. And a lot of good things are happening with China. They want to make a deal very badly.”

Oct. 25, 2019: Lighthizer, Mnuchin, and Liu hold a [phone call](#) to finalize an interim agreement to ease trade tensions.

Oct. 25, 2019: At a meeting in Moscow, governments of the US, Russia, China, and Pakistan sign [a Joint Statement](#) on Peace in Afghanistan.

Oct. 28, 2019: Before departing on Air Force One from Joint Base Andrews, Trump [says](#) “We are looking probably to be ahead of schedule to sign a very big portion of the China deal. And we’ll call it ‘phase one,’ but it’s a very big portion. That would take care of the farmers. It would take care of some of the other things. It’ll also take care of a lot of the banking needs.”

Oct. 29, 2019: US Senate unanimously [passes](#) the Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act which calls for stronger engagement with countries that strengthen ties with Taiwan and punitive actions against countries whose actions undermine Taiwan.

Oct. 30, 2019: Pompeo gives a [speech](#) on China at the Hudson Institute in New York.

Oct. 30, 2019: Ninth China-US Dialogue on Rule of Law and Human Rights [takes place](#) in New York, discussing increased exchanges between NGOs and the safeguarding of basic human rights of ethnic groups in Xinjiang.

Oct. 30, 2019: State Department Assistant Secretary of the Bureau of Consular Affairs Carl Risch and China’s Director of the Department of Consular Affairs of the Ministry of Foreign Affairs, Cui Aimin, [hold](#) 13th round of consular consultations between the US and China in Washington.

Oct. 31, 2019: Trump [tweets](#) “China and the USA are working on selecting a new site for signing of Phase One of Trade Agreement, about 60% of total deal, after APEC in Chile was canceled due to unrelated circumstances. The new location will be announced soon. President Xi and Trump will do signing!”

Oct. 31, 2019: The Senate Homeland Security and Governmental Affairs Committee examines US wireless security infrastructure and global competitiveness with China in a [hearing](#).

Nov. 1, 2019: Lighthizer and Mnuchin conduct a [phone call](#) with Liu He about an interim trade agreement and arrangements for the next round of talks.

Nov. 1, 2019: The World Trade Organization [authorizes](#) China to impose \$3.6 billion per year on American goods after US anti-dumping practices on steel and other products.

Nov. 1, 2019: The Committee on Foreign Investment in the US (CFIUS) [opens](#) a national security investigation into TikTok, owned by Beijing ByteDance Technology Co.

Nov. 5, 2019: Sen. Josh Hawley of Missouri brings attention to TikTok in a Senate Judiciary Subcommittee on Crime and Terrorism [hearing](#) on data security: “A company compromised by the Chinese Communist Party knows where your children are, knows what they look like, what their voices sound like, what they’re watching, and what they share with each other.”

Nov. 5, 2019: Esper gives a [speech](#) at the National Security Commission on Artificial Intelligence in DC: “The NDS [National Defense Strategy] prioritizes China first and Russia second as we transition into this era of great power competition. Beijing has made it abundantly clear that it intends to be the world leader in AI by 2030.”

Nov. 5, 2019: Esper and Wei have a [video conference](#) during which they discuss priorities regarding the US-China defense relationship, including Hong Kong, Taiwan, and the South China Sea.

Nov. 6, 2019: China’s Ministry of Commerce spokesperson Gao Feng [says](#) tariffs on both countries will be cancelled in stages.

Nov. 7, 2019: The US Department of Commerce [announces](#) an affirmative preliminary determination in antidumping case of imports of ceramic tile from China.

Nov. 7, 2019: Nine fentanyl traffickers are [sentenced](#) in a Chinese court, in a case involving Chinese and US law enforcement collaboration.

Nov. 12, 2019: The *USS Chancellorville* [conducts](#) a Taiwan Strait transit to demonstrate the US commitment to a free and open Indo-Pacific. The US Navy tweets it “will continue to operate anywhere international law allows. #NavyReadiness.”

Nov. 12, 2019: Trump gives a [speech](#) at the Economic Club of New York, commenting on China in the WTO, confronting China’s trade abuses, China’s currency devaluation, and trade deficits with China.

Nov. 12, 2019: According to the US Department of Justice, a Chinese national [pleads](#) guilty to stealing trade secrets and intellectual property from his employer, Phillips 66.

Nov. 13, 2019: Speaking to reporters in Tokyo after his meetings with Japanese counterparts, Chairman of the Joint Chiefs of Staff Gen. Mark Milley [calls](#) China a strategic competitor and says that China and Russia are trying to alter the rules-based international order.

Nov. 14-24, 2019: Over 200 officers from Chinese and US militaries take part in a joint disaster relief training [exercise](#) in Hawaii.

Nov. 14, 2019: The US-China Economic and Security Review Commission [releases](#) an annual report to Congress on topics including trade tensions, US reliance on Chinese pharmaceuticals, global military ambitions, and competition in emerging technologies.

Nov. 14, 2019: USTR [announces](#) China’s lift of a ban on US poultry imports, estimating the US will now be able to export more than \$1 billion worth of products each year to China.

Nov. 17, 2019: Trump [tweets](#) “Our great Farmers will receive another major round of ‘cash,’ compliments of China Tariffs, prior to Thanksgiving. The smaller farms and farmers will be big beneficiaries. In the meantime, and as you may have noticed, China is starting to buy big again. Japan deal DONE. Enjoy!”

Nov. 17, 2019: Liu, Lighthizer, and Mnuchin hold a [phone call](#) to discuss concerns on the phase one trade deal.

Nov. 18, 2019: Esper and Wei [meet](#) at the ASEAN Defense Minister’s Meeting-Plus in Bangkok, Thailand to discuss the US-China defense relationship.

Nov. 18, 2019: US Department of Commerce [announces](#) it will extend the temporary general license for US firms to do business with Huawei for 90 days.

Nov. 19, 2019: The US Senate [passes](#) a [bill](#) to support Hong Kong protestors by imposing sanctions on Chinese and Hong Kong officials responsible for human rights abuses in HK.

Nov. 19, 2019: Homeland Security and Government Affairs Permanent Subcommittee on Investigations hold a [hearing](#) on “Securing the US Research Enterprise from China’s Talent Recruitment Plans,” covering the national security and economic threat from Chinese talent plans for research and innovation.

Nov. 20, 2019: US House of Representatives [passes](#) the Hong Kong bill, sending the legislation to Trump.

Nov. 20, 2019: The US Navy littoral combat ship *Gabrielle Giffords* conducts a FONOP, [sailing](#) within 12 nautical miles of Mischief Reef. China’s military says it tracked the passage of the ship through contested waters in the South China Sea.

Nov. 21, 2019: The US Navy destroyer *Wayne E. Meyer* [sails](#) through the Paracel Islands.

Nov. 21, 2019: In a [letter](#) to Trump, a bipartisan group of 15 senators urges the Department of Commerce to suspend issuing licenses to US firms that conduct business with Huawei, citing national security concerns.

Nov. 21, 2019: US Department of Justice [indicts](#) a Chinese national who worked for Monsanto before it was purchased by Bayer AG on economic espionage charges and theft of trade secrets.

Nov. 22, 2019: Trump [comments](#) on the Hong Kong Human Rights and Democracy Act: “We have to stand with Hong Kong, but I’m also standing with President Xi. He’s a friend of mine.”

Nov. 22, 2019: At the New Economy Forum in Beijing, Xi [tells](#) attendees: “We want to work for a ‘phase one’ agreement on the basis of mutual respect and equality.”

Nov. 23, 2019: On the sidelines of the G20 meeting in Japan, Wang [says](#): “The United States is broadly engaged in unilateralism and protectionism, and is damaging multilateralism and the multilateral trading system. It has already become the world's biggest destabilizing factor.”

Nov. 25, 2019: Top trade negotiators Liu, Lighthizer, and Mnuchin hold a [phone call](#) to discuss remaining issues on the phase one deal.

Nov. 26, 2019: Pompeo [addresses](#) Chinese documents regarding Xinjiang that were leaked to *The New York Times* as confirmation of the CCP’s human rights violations and abuses in a press conference at State.

Nov. 26, 2019: Trump [says](#) the US is in the “final throes” in the attempt to reach a trade deal with China, but also wants “to see it go well in Hong Kong.”

Nov. 28, 2019: The day after Trump signs the Hong Kong Human Rights and Democracy Act, China [summons](#) US Amb. Terry Branstad to demand the US stop interfering in its internal affairs.

Dec. 2, 2019: Retaliating against the US for the new Hong Kong law, China [suspends](#) US military vessels and aircraft visits to Hong Kong and announces sanctions against five US NGOs for supporting the protesters.

Dec. 2, 2019: Trump [tweets](#) “U.S. Markets are up as much as 21% since the announcement of Tariffs on 3/1/2018—and the U.S. is taking in massive amounts of money (and giving some to our farmers, who have been targeted by China)!”

Dec. 2, 2019: Stilwell gives a [speech](#) at the Brookings Institution on pluralism and the US and Chinese visions of the world and the Indo-Pacific region.

Dec. 3, 2019: Trump [suggests](#) to reporters in a meeting with the NATO secretary general in London that he could wait until after the 2020 presidential election for a trade deal with China: “I have no deadline. In some ways I like the idea of waiting until after the election for the China deal.”

Dec. 3, 2019: Chief Executive Officer of the US International Development Finance Corporation (DFC) Adam Boehler [shares](#) plans to use some of the new agency’s \$60 billion budget to ensure there is a viable alternative to Huawei and ZTE.

Dec. 3, 2019: US Senate Judiciary Subcommittee on Intellectual Property holds a [hearing](#) on fraudulent trademarks, viewed as economic warfare, and [points](#) to China as one of the primary offenders.

Dec. 3, 2019: Gen. Milley [speaks](#) by phone with the PLA’s Chief of the Joint Staff Department General Li Zuocheng.

Dec. 8, 2019: Trump [releases](#) tweet storm, including “Why is the World Bank loaning money to China? Can this be possible? China has plenty of money, and if they don’t, they create it. STOP!”

Dec. 9, 2019: Trump [says](#) the US is doing well with China in pursuing a trade deal.

Dec. 9, 2019: China's Assistant Commerce Minister Ren Hongbin [says](#) Beijing hopes to reach a trade agreement with the US: "...we wish that both sides can, on the foundation of equality and mutual respect, push forward negotiations, and in consideration of each others' core interests, reach an agreement that satisfies all sides as soon as possible."

Dec. 10, 2019: US House Committee on Foreign Affairs holds a [hearing](#) on "Authoritarianism with Chinese Characteristics: Political and Religious Human Rights Challenges in China."

Dec. 12, 2019: Trump [tweets](#) "Getting VERY close to a BIG DEAL with China. They want it, and so do we!"

Dec. 12, 2019: Stilwell gives [speech](#) on "US-China Bilateral Relations: The Lessons of History" at the Center for Strategic and International Studies:

Dec. 13, 2019: Esper delivers [speech](#) at the Council of Foreign Relations in New York in which he states: "We have entered a new era of great-power competition. China first and Russia second are now the department's top priorities."

Dec. 13, 2019: Wang delivers [speech](#) at the annual symposium on China's diplomacy and the international situation in Beijing.

Dec. 13, 2019: Trump [tweets](#): "We have agreed to a very large Phase One Deal with China. They have agreed to many structural changes and massive purchases of Agricultural Product, Energy, and Manufactured Goods, plus much more. The 25% Tariffs will remain as is, with 7 1/2% put on much of the remainder"

Dec. 13, 2019: Trump [tweets](#): "...The Penalty Tariffs set for December 15th will not be charged because of the fact that we made the deal. We will begin negotiations on the Phase Two Deal immediately, rather than waiting until after the 2020 Election. This is an amazing deal for all. Thank you!"

Dec. 13, 2019: The USTR [announces](#) a phase one trade agreement with China and publishes a [fact sheet](#) explaining the commitments made in the agreement.

Dec. 14, 2019: China's State Council's customs tariff commission [suspends](#) retaliatory tariffs [planned](#) to be implemented on Dec. 15.

Dec. 14, 2019: At the Doha Forum conference in Qatar, Mnuchin [comments](#) on the phase one deal: "We expect it will be fully executed in January. And then we get to phase two. The most important issue is – let's make sure we implement phase one with an enforceable agreement, which it is. And then we start negotiating phase two."

Dec. 15, 2019: Suspected of espionage, two Chinese embassy officials are [expelled](#) from the US after driving onto a sensitive military base in Virginia in September.

Dec. 16, 2019: China's National Bureau of Statistics spokesman Fu Linghui [says](#) China and the United States should continue bilateral trade talks and work toward removing all existing tariffs.

Dec. 16, 2019: China and Russia propose a draft UN resolution seeking partial sanctions relief, including the lifting of sanctions on North Korean exports of statues, seafood and textiles. The US [rejects](#) the resolution.

Dec. 17, 2019: In an [interview](#) with FOX Business, Lighthizer comments on the phase one trade agreement: "Is this agreement going to solve all the problems between the United States and China? No, for sure not, but it has real, real structural change."

Dec. 18, 2019: The State Department [re-designates](#) China, along with Burma, Eritrea, Iran, North Korea, Pakistan, Saudi Arabia, Tajikistan, and Turkmenistan as Countries of Particular Concern under the International Religious Freedom Act of 1998 for having engaged in or tolerated "systematic, ongoing, [and] egregious violations of religious freedom."

Dec. 19-20, 2019: US Special Representative for North Korea Stephen Beigun [visits](#) Beijing to discuss "the need to maintain international unity on North Korea" after China and Russia proposed lifting some UN sanctions.

Dec. 19, 2019: China's Customs Tariff Commission of the State Council [releases](#) a list of US products that will be exempted, including special synthetic resin, white oil, a food-grade petroleum wax, and types of polyethylene and polypropylene, the second exemption list since Sept. 17, 2019.

Dec. 19, 2019: Assistant Secretary of State for Arms Control and International Security Christopher Ford formally [invites](#) China to begin a strategic security dialogue on nuclear risk reduction and arms control.

Dec. 20, 2019: Trump and Xi hold a [phone](#) call. They discuss the trade deal, North Korea, and Hong Kong.

Dec. 20, 2019: Trump [tweets](#): "Had a very good talk with President Xi of China concerning our giant Trade Deal. China has already started large scale purchaes of agricultural product & more. Formal signing being arranged. Also talked about North Korea, where we are working with China, & Hong Kong (progress!)."

Dec. 31, 2019: Trump [tweets](#): "I will be signing our very large and comprehensive Phase One Trade Deal with China on January 15. The ceremony will take place at the White House. High level representatives of China will be present. At a later date I will be going to Beijing where talks will begin on Phase Two!"

Chronology by CSIS Research Intern Sloane Rice

