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US-CHINA RELATIONS

JOE BIDEN IS ELECTED PRESIDENT AMID A PLUMMETING US-CHINA RELATIONSHIP

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In the final months of 2020, the Trump administration took a dizzying number of measures aimed at accelerating economic decoupling, curtailing Chinese Communist Party influence activities in the US, punishing Beijing for undermining Hong Kong's autonomy and carrying out human rights abuses in Xinjiang, and strengthening ties with Taiwan. The US even attempted to ban TikTok and WeChat from the US market. China took its time, but finally congratulated Joe Biden and Kamala Harris on their victory in the US presidential election. Both the US and China launched their COVID-19 vaccination campaigns. A new dialogue was launched between US and Chinese militaries on crisis communications, but the PLA later refused to attend an annual meeting of a longstanding mechanism on operational maritime safety.

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COVID-19 Vaccine Rollout

As countries raced to develop coronavirus vaccines, China began inoculating hundreds of thousands of its citizens over the summer. Early recipients were medical workers, border inspection officials, workers at state-owned companies, government officials, and vaccine company staff. The next group to get the vaccine included teachers, supermarket employees, and people traveling to countries with high infection rates. By mid-December, China said it had administered more than 1 million coronavirus vaccine doses to more than 650,000 people.

US vaccinations began on Dec. 14 after Pfizer received emergency authorization for a vaccine that the company said is 95% effective at preventing illness. A second COVID-19 vaccine with similar effectiveness, developed by Moderna, was authorized for emergency use several days later. On Dec. 27, the US Center for Disease Control reported that just under 2 million doses had been administered. On Dec. 30, Sinopharm, a state-run Chinese company, said that its vaccine had an efficacy rate of 79% in Phase 3 trials. Compared with vaccines developed by Western countries, however, Chinese companies made public less data on efficacy and safety from its late-stage human trials.

Chinese media depicted vaccine production as a race that China was determined to win. For example, an article published in the nationalist tabloid Global Times written by the paper's staff reporters described the contest as a "fierce competition...where the countries' supply chains and technological prowess will be on test." A Global Times editorial maintained "China has performed well on both the antiepidemic and economic fronts and will maintain such positive momentum. The advantages of the Chinese system and the country's economic and technological strength have interacted with each other, unleashing tremendous power this year. The bigger the challenge, the stronger and calmer we become."

Meanwhile, President Trump relentlessly pinned blame on China for the pandemic. In his speech at the United Nations General Assembly in September he <u>called</u> for the international community to "hold China accountable" for "unleash(ing) this plague onto the world." Even in late December, as the administering of

vaccinations raised hope that the end of the pandemic was near, Trump reminded the world in a <u>tweet</u> that "it was China's fault." The US also accused China of attempting to hack into overseas vaccine research data. John Ratcliffe, director of national intelligence, <u>alleged</u> that China "has attempted to steal our research" on COVID-19 vaccines.



Figure 1 A coronavirus vaccine candidate is displayed at the 2020 China International Fair for Trade in Services in Beijing. Photo: Lintao Zhang/Getty Images AsiaPac

China Reacts Slowly to Biden's Victory

As US election day came and went without the emergence of a clear winner, it was no surprise that Beijing kept mum about the outcome. By the weekend, however, after major US media outlets declared Joe Biden and Kamala Harris the victors, China's silence was noted as a leaders stream of world provided congratulations on social media and in formal statements. Asked about China's position at a press conference on Nov. 9, a foreign ministry spokesperson said that he "noticed that Mr. Biden has declared victory," adding that "We understand that the presidential election result will be determined following US laws and procedures." It wasn't until Nov. 13 that the foreign ministry spokesman congratulated President-elect Biden, saying that China "respect(s) the choice of the American people and extend(s) our congratulations to Mr. Biden and Ms. Harris."

Another 12 days passed before China's leader Xi Jinping offered his personal congratulations to President-elect Biden. *Xinhua* news agency reported that Xi <u>called</u> Biden on Nov. 25 to express his hope that China and the US will "uphold the spirit of non-conflict, non-confrontation, mutual respect and win-win

cooperation." Biden and his team undoubtedly recognized that Xi's vision for the bilateral relationship comprises the Chinese leader's concept of "a new model of great power relations," which was seriously considered but later rejected by President Barack Obama. On the same day, Chinese Vice President Wang Qishan also sent congratulations to US Sen. Kamala Harris on her election as US vice president. The only major world leader who held out longer than Xi was Russian President Vladimir Putin, who waited until Dec. 15, the day after the Electoral College confirmed Biden as the next president of the United States.

As China awaited the power transition in Washington, leading Chinese voices debated the likely future course of US-China relations. Writing in the pages of The New York Times, Fu Ying, a former ambassador and vice foreign minister, and now a vice chairwoman of the Foreign Affairs Committee of the National People's Congress, presented her case for a US-China relationship of "coopetition" (cooperation and competition). Both countries should address each other's concerns, Fu wrote, abide by rules and laws in the fields of technology, economics and shoulder responsibilities for ensuring regional peace, and convene talks between their militaries to avoid misunderstandings and establish mechanisms to effectively manage potential crises.

Adopting a realist position, Professor Yan Xuetong, dean of the Institute of International Relations at Tsinghua University, argued at the PLA's Xiangshan Forum that fierce rivalry would persist between the US and China despite the departure of President Trump from office. He called for Beijing to stop its "wishful thinking" about the incoming Biden administration and accept "unpredictability, uncertainty will still be the basic characteristic of the coming years. ... The world will definitely become more chaotic."

US Senior Officials Rant on China in Speeches

In a string of speeches during the fall, the Trump administration continued to warn Americans and the rest of the world about the dangers posed by China and its ruling Communist Party. Speaking virtually to the United Nations General Assembly (UNGA) in mid-September, Trump opened by referring to global struggle against the "China virus." In addition to blaming Beijing for spreading the

virus around the world, he condemned China's environmental record and trade abuses. In his UNGA speech, Xi Jinping focused on COVID-19 and <u>urged</u> governments to embrace his vision of a "community with a shared future in which everyone is bound together."

Secretary of State Mike Pompeo delivered several speeches on China beginning with an address to the Wisconsin State Legislature in which he warned of PRC influence in US state and local governments. Xi knows that the US federal government is pushing back against the Chinese Communist Party's (CCP) malign influence, Pompeo claimed, and therefore is trying to "use subnational entities to circumvent America's sovereignty."

On Nov. 10, Pompeo gave a virtual speech entitled "The Promise of America" to the Ronald Reagan Institute marking the inauguration of its Center for Freedom and Democracy. He criticized China's coercion and co-optation of US businesses, its use of consulates for spying, its stealing of intellectual property, its human rights violations in Xinjiang and Tibet, and its illegal claims in the South China Sea. Pompeo maintained that "the free world and sovereign nations are beginning to wake up" to the "CCP's nature and its intentions."

In his final speech on China in 2020 to the Georgia Institute of Technology on Dec. 9, Pompeo warned against the influence of the CCP in the US education system. He characterized the CCP as a "tyrannical regime" that seeks "to steal our stuff, to build their military might ... brainwash our peoples" and "buy off our institutions." Pompeo called on universities to close Confucius institutes, investigate student groups backed by CCP money, and be vigilant against PRC-directed theft.

Deputy National Security Adviser Matt Pottinger delivered a speech on Oct. 23 to the Londonentitled Policy Exchange based Importance of Beijing Candid." It was the second address that Pottinger gave in perfect Mandarin Chinese, and he acknowledged that by doing so he hoped "friends in China" would join the conversation about China's relationship with the rest of the world. He praised Chinese doctors who tried to warn of the risks of the virus when the outbreak began in Wuhan in late 2019 and later were reprimanded. Enumerating the CCP's human rights abuses in Xinjiang and

its digital surveillance, Pottinger implored democratic nations to speak out with "reciprocity and candor."

Trump Seeks to Further Economic Decoupling

In the final months of 2020, the Trump administration took more steps aimed at "decoupling" the US and Chinese economies. Beijing continued to embrace economic integration and globalization, but also pushed for accelerating self-reliance.

Speaking at the 2020 China International Fair for Trade and Services on September 5, Xi stated that "human history shows that the world economy thrives in openness and withers in seclusion." He pledged that China would "remain steadfast in opening up wider to the world." But Trump remained keen to push the separation of the two countries' economies. Just a few days after Xi's remarks, Trump told reporters that the US was losing billions of dollars and would avoid those losses if it stopped doing business with China. He also promised to reward US companies that pull their operations out of China and to punish those who "desert America to create jobs in China and other countries."

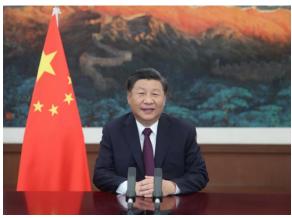


Figure 2 President Xi Jinping provides a virtual address to the Global Trade in Services Summit at the 2020 China International Fair for Trade in Services. Photo: Xinhua

The US president's talk of economic decoupling and possible new tariffs caused jitters in many world capitals. Xi seized on the opportunity to present China as willing to work with other countries, including by signing more free trade agreements. In a mid-November address to the Asia-Pacific Economic Cooperation CEO Dialogues via video, Xi explicitly rejected economic decoupling: "we will not seek to

'decouple' or create closed and exclusive 'small circles," Xi was quoted as saying.

China's words were accompanied by deeds. Just a few days earlier, China joined the world's largest trade bloc with 14 other Asia-Pacific countries through the Regional Comprehensive Economic Partnership Agreement (RCEP). The US Chamber of Commerce voiced concern that US absence from accelerating regional economic integration would be harmful to US exports, though it did not call for the US to join RCEP. The Chamber warned in a statement that the US was falling behind, while "China has become the most important trading partner for most of the Asia-Pacific, and its central role in the RCEP will only cement this position."

In yet another action to advance economic decoupling, Trump <u>signed</u> into law "The Holding Foreign Companies Accountable Act," which bars securities of foreign companies from being listed on any US exchange if they have failed to comply with the US Public Accounting Oversight Board's audits for three years in a row. The legislation had been supported by a large majority in Congress.

China's Communist Party Central Committee held its Fifth Plenum in late October and approved the 14th Five Year Plan which covers 2021–25. The <u>communique</u> summarizing the plan's objectives emphasized innovation as essential for China's development and called for "making technological self-reliance a strategic support for national development."

The US took a blow regarding trade in the international arena on Sept. 15 when a World Trade Organization (WTO) panel ruled that in 2018, the US broke global regulations in imposing tariffs on Chinese goods. In launching the case, Beijing argued that US tariffs violated the WTO's most-favored nation treatment provision since the punitive measures were not applied equally to all WTO members. China also maintained that the US had gone against WTO rules by imposing the duties without first seeking consultations within the WTO. The Chinese called for the US side to fully respect the ruling. Trump later <u>appealed</u> on Oct. 26, which effectively prevents a final resolution due to the US refusal to allow the appointment of new judges to the WTO appellate body.

An additional move to loosen linkages between the US and Chinese economies was taken in mid-November when the Trump administration released an Executive Order banning US investments in companies with suspected ties to the PLA. A debate ensued within the executive branch over whether the rules were sufficiently strict, with the Pentagon and the State Department pressing for tighter regulations. At the end of December the hawks won the debate. The US Treasury's Office of Foreign Assets Control announced on its website that the investment ban would apply not only to Chinese companies with connections to the Chinese military, but also to their subsidiaries.

As the end of the year approached, both the US China reiterated their respective commitments to the Phase One trade deal that was signed in January 2020. Chinese Foreign Minister Wang Yi told the US-China Business Council in a video conference on Dec. 6 that China would meet its commitments under the deal. According to the Peterson Institute of International Economics, between January and November, China <u>purchased</u> \$82 billion of US goods, which is 58 % of the targeted \$159 billion for the year. Since the Phase One deal is a twoyear agreement, Beijing has another year to increase its imports from the US. In an interview with CNBC in mid-December, US Trade Representative Robert Lighthizer urged the incoming Biden administration to keep pressing China to deliver on its promises. "I would hold their feet to the fire on phase one," he stated.

President-elect Biden provided a few hints about his administration's plans for dealing with China on trade after he takes office on Jan. 21. In an interview with The New York Times in early December. Biden revealed that he would not immediately cancel the Phase One trade deal nor begin to remove tariffs on Chinese goods. "I'm not going to prejudice my options," Biden said, though he stressed that he would implement actions to stop China's stealing of intellectual property, providing illegal subsidies to state-run companies, forcing technology transfer from US companies to Chinese counterparts, and dumping products.

Some voices in China suggested that once Biden is inaugurated, Beijing will seek to renegotiate the Phase One deal. Shi Yinhong, an adviser to China's State Council, <u>told</u> The South China Morning Post on Nov. 9 that the agreement

signed with the US under the Trump administration would probably not survive. "Biden will sooner or later launch a renegotiation of the trade deal, as the current deal is unrealistic," Shi said, adding that "A renegotiation is also in line with China's wishes."

US-China Defense Ties and FONOPs

On Sept. 1, the US Department of Defense issued its annual report on "Military and Security Developments Involving the People's Republic of China." Covering developments through the year's end οf 2019, this 170-page congressionally mandated report focused on China's national strategy, developments in the PLA's modernization and reform, the Chinese military's growing global presence, resources, and technology for force modernization, as well as defense contacts and exchanges between the US and Chinese militaries.

In a Pentagon press briefing, Deputy Assistant Secretary of Defense for China Chad Sbragia said that although the Chinese Communist Party hasn't defined concretely what its 2049 goal of having a world-class military entails, "it is likely that China will aim to develop a military ... that is equal to, and in many cases superior to, the United States' military or that of any other great power that the Chinese view as a threat." China's Ministry of Defense spokesman Wu Qian dismissed the DoD report as a "pure act of hegemony" and typical of US promotion of the "China military threat theory." The report, he maintained, has "seriously damaged relations between the two countries and their militaries."

Nevertheless, exchanges between the US and Chinese defense establishments continued to be held. On Oct. 28-29, US and Chinese defense convened officials the first Communications Working Group. Due to COVID-19, the exchange took place by video teleconference. On the US side, participants included representatives from the Office of the Secretary of Defense, the Joint Staff, and the United States Indo-Pacific Command. The Chinese delegation included representatives of the Central Military Commission's (CMC) Office for International Military Cooperation, the CMC Joint Staff Department, and the PLA Southern Theater Command. According to the Pentagon's readout of the discussions, "The two sides agreed on the importance of establishing mechanisms for timely communication during a crisis, as well as the need to maintain regular communication channels to prevent crisis and conduct post-crisis assessment."

The exchange was indeed timely, as rumors circulated in China that the United States was planning to provoke a military conflict with China, possibly by launching an attack on one of the Chinese-occupied islands in the South China Sea. In addition debunking the rumors in the talks on crisis communications, US Secretary of Defense Mark Esper reportedly informed the PLA through the defense link that the US had no intention to incite a military confrontation.

In mid-November, the two militaries <u>conducted</u> the 16th seminar on humanitarian assistance and disaster relief. The seminar was held via video link between Nanjing and Hawaii. The three-day exchange focused on military participation in typhoon prevention, COVID-19 epidemic prevention and control, flood response, and civilian-military cooperation.

Despite efforts to tamp down tensions and sustain bilateral defense engagements, the year ended with a quarrel that resulted in the PLA's refusal to participate in a virtual meeting of the Military Maritime Consultative Agreement (MMCA) and a Flag Office Plenary session scheduled for Dec. 14-16. The MMCA dialogue has taken place regularly since 1998 to discuss unsafe military incidents that have occurred between US and PLA forces and enhance maritime and aviation safety. The tiff appeared to stem from the Chinese side's demand that the talks focus on principles and policy, while the US side held firm to adhering to the MMCA's charter and purpose as an operational safety mechanism.

The PLA Navy maintained that the US side tried to impose an agenda on the Chinese side and take other steps aimed at "changing the nature of the annual meeting," which it deemed "unprofessional, unfriendly, and unconstructive." Adm. Phil Davidson. commander of the Indo-Pacific Command, described the PLA's no-show as "another example that China does not honor its agreements." Both the US and Chinese militaries held out the possibility that the MMCA dialogue would take place at a future date. "We remain committed to the MMCA," Davidson said. A Chinese navy spokesman also stated that China was willing to maintain communication with the US and discuss holding the meeting at a later date.

Between Sept. 1 and Dec. 31, the US Navy conducted three freedom of navigation operations (FONOPs) in the South China Sea. On Oct. 9, the guided-missile destroyer USS John S. McCain sailed in close proximity to the Paracel Islands, prompting charges of trespassing in China's territorial waters from the PLA's Southern Theater Command spokesman. The USS John S. McCain conducted two more FONOPs in December, sailing in the Spratly Islands on Dec. 22, and near the Con Dao Islands occupied by Vietnam on Dec. 24. The US operations challenged excessive maritime claims and, like all FONOPS, were aimed at preserving access and navigational freedoms consistent with international law. US Navy destroyers also conducted four Taiwan Strait transits on Oct. 14, Nov. 21, Dec. 18, and Dec. 31.

China Bristles as US Strengthens Ties with Taiwan

China was still reeling from the August visit by US Health and Human Services Secretary Alex Azar to Taiwan when the Trump administration dispatched another senior official to Taipei. Keith Krach, Under Secretary of State for Economic Growth, Energy, and the Environment, traveled to Taiwan in mid-September to attend the memorial service for former Taiwan President Lee Teng-hui and to discuss coronavirus prevention measures. China's Ministry of Foreign Affairs spokesman Wang Wenbin insisted that the US and Taiwan "immediately stop" their official exchanges. An editorial in Global Times displayed a cartoon of Uncle Sam, wearing a blindfold, leading blindfolded President Tsai Ing-wen into a hole. The editorial said, "An increasing number of people are worried that the Taiwan Straits will be the most likely powder keg in the US-China competition."

To demonstrate its indignation, China's Eastern Theater Command conducted naval and air exercises in the vicinity of Taiwan during which it flew 18 military aircraft over the Taiwan Strait. China's defense ministry spokesman accused Washington and Taipei of increasing their "collusion" and making trouble. He warned that the Trump administration's effort to use Taiwan to contain China "is destined to be a dead end." China's military pressure on

Taiwan continued after Krach's departure. On Sept. 25, Taiwan's Ministry of Defense said that PRC planes had entered Taiwan's air defense identification zone 46 times in the prior nine days.

Pompeo went beyond longstanding US policy toward Taiwan in a radio interview on Nov. 12, saying "Taiwan has not been a part of China." He implied that the Reagan administration had reinterpreted the US policy of acknowledging but not accepting the Chinese position that Taiwan is part of China. Beijing's responded with a personal snipe at Pompeo. "We solemnly tell Pompeo and his ilk that any behavior that undermines China's core interests and interferes with China's domestic affairs will be met with a resolute counterattack by China," China's foreign ministry spokesman said.

In late November, Reuters and local Taiwan media reported the visit to Taipei by Rear Adm. Michael Studeman, director of intelligence at United States Indo-Pacific Command. Taiwan's foreign ministry confirmed the arrival of a US official, but demurred from identifying the visitor. The US Defense Department also refused to confirm the reported trip. Under the Trump administration, visits to Taiwan by flag officers were taking place more frequently than in the past but were kept under wraps. China's foreign ministry spokesman Zhao Lijian condemned the visit and warned that Beijing would make "a legitimate and necessary response" based on "how the situation develops."

In the last three months of the year, the US approved the sale of several weapons systems to Taiwan, including precision-guided cruise missiles, mobile light rocket launchers, Harpoon coastal defense systems, drones, and field information communications systems, totaling over \$5 billion.

Hong Kong's Autonomy Imperiled

Following Beijing's passage of the Hong Kong National Security Law in late June, and the subsequent tit-for-tat sanctions implemented by the US and China, the world watched anxiously to see how the new law would be implemented. They didn't have to wait long.

On Oct. 1, China's National Day, Hong Kong police <u>arrested</u> at least 86 people on "suspicion of participating in an unauthorized assembly or committing other offences." One day later, the

Trump administration <u>announced</u> that it would expedite applications from Hong Kong citizens seeking asylum in the United States. Further action was taken in mid-October when the US Department of State submitted a <u>report</u> to Congress that identified 10 PRC and Hong Kong officials who the US deemed were complicit in undermining Hong Kong's autonomy.

Tensions spiked again on Oct. 27, when three pro-democracy activists who attempted to seek asylum at the US Consulate in Hong Kong were detained by Hong Kong police. They were accused of publishing content on a social media platform that "allegedly incited and abetted others to commit secession under the national security law." A Hong Kong government spokesman opposed the activists' actions, saying "[t]here is no justification for any socialled 'political asylum' for people in Hong Kong."

The US <u>imposed additional sanctions</u> on Nov. 9 on four PRC and Hong Kong officials believed to be instrumental in implementing the National Security Law. The State Department's press statement emphasized that the designations "underscore US resolve to hold accountable key figures that are actively eviscerating the freedoms of the people of Hong Kong and undermining Hong Kong's autonomy." At the end of the month, China retaliated by imposing sanctions on four Americans from National Democratic Institute (NDI) and National Endowment for Democracy (NED) who it claimed had "behaved badly on Hong Kongrelated issues." In the first multilateral action, the US, joined Australia, Canada, New Zealand, and the UK, in a joint statement on Nov. 18 expressing "serious concern regarding China's imposition of new rules to disqualify elected legislators in Hong Kong."

The situation in Hong Kong took a more negative turn in early December with the sentencing of three leading democracy activists—Joshua Wong, Agnes Chow, and Ivan Lam. The three received jail sentences for their involvement in mass protests in 2019. The same day, media tycoon Jimmy Lai was arrested. He was later charged with endangering national security by colluding with a foreign country. US Secretary of State Pompeo issued a statement against political persecution of democratic advocates in Hong Kong, pledging that "[t]he United States will continue ... to

champion the rights and freedoms of the people of Hong Kong."

On Dec. 7, Washington announced sanctions against 14 vice chairpersons of the standing committee of the National People's Congress due to their support for the Hong Kong National Security Law. China's foreign ministry spokeswoman <u>expressed</u> the "strong indignation" of the Chinese government and people and "strongly condemn(ed) outrageous, unscrupulous, crazy and vile act of the US side." In a tit-for-tat, countermeasure China imposed travel restrictions on US officials traveling to Hong Kong, restricting visa-free visits to Macau and Hong Kong for holders of US diplomatic passports.

Harsh sentences were imposed on 10 Hong Kong prodemocracy activists by a court on the Chinese mainland at the end of December. The activists had been intercepted on Aug. 23 by Hong Kong's coast guard. Two of the given ringleaders were the toughest punishment. Tang Kai-yin and Quinn Moon were given jail sentences of three and two years, respectively, along with a fine of up to \$3,000. Ahead of the trial, the US State Department called on Beijing to release the 12 accused immediately and allow them to leave the country. "Their so-called crime was to flee tyranny," the State Department said.

Actions Against Human Rights Abuses in Xinjiang

China's policies in Xinjiang remained a source of contention in the US-China relationship. The US argued relentlessly that human rights abuses were being carried out against China's Uyghur minority in Xinjiang, while Beijing repeatedly denied the accusations and asserted China's right to act freely within its own borders.

On Sept. 3, the Department of State published a website detailing Beijing's human rights violations in Xinjiang. Then, in a move likely to affect US companies sourcing textiles that originate from Xinjiang, the Department of Homeland Security (DHS) published five Withhold Release Orders on Sept. 14, prohibiting the import of certain products from Xinjiang. The House of Representatives weighed in on Sept. 22, passing H.R.6210, the Uyghur Forced Labor Prevention Act, which banned specific Xinjiang sanctions imports from and

individuals contributing to human rights violations in Xinjiang.

The DHS Customs and Border Protection (CBP) took additional steps on Dec. 2 to prohibit the import of cotton and cotton products made by the Xinjiang Production and Construction Corps. DHS Acting Deputy Secretary Ken Cuccinelli cited "slave labor" as a cause of the ban. "'Made in China' is not just a country of origin it is a warning label," he stated. The ban marked the sixth enforcement action that the CBP has taken against goods allegedly made by forced labor in Xinjiang in a three month period.

In a surprise move, the US removed the East Turkestan Islamic Movement (ETIM) from its list of terrorist organizations on Nov. 5. Eighteen years earlier, the George W. Bush administration had designated ETIM as a foreign terrorist organization, but evidence of the group's continued existence was scant. China's Foreign Ministry Spokesman Wang Wenbin charged that the US was acting hypocritically, stating "[t]he US backtracking on its designation shows double standards they are using the terrorist organization to promote their own interests and holding back international cooperation counterterrorism."

US Attempts to Ban TikTok and WeChat

Technology tensions have featured prominently in US-China strategic competition, beginning with actions against Chinese telecommunication companies Huawei and ZTE. In early August, President Trump opened a new front in the tech war by issuing executive orders aimed at banning two major Chinese apps-TikTok and WeChat—from the US market. The US argued that the apps threaten national security and could pass user data to China. The Chinese government and the apps' parent companies Bytedance and Tencent denied the allegations.

On Sept. 18, the US Department of Commerce announced that it would prohibit people in the US from downloading the messaging and videosharing apps, effective on Sept. 20 for WeChat and Nov. 12 for TikTok. The next day Secretary of Commerce Wilbur Ross delayed the prohibition of TikTok, but only for one week. Meanwhile, China's Department of Commerce retaliated by issuing rules that would allow

China to blacklist companies it deemed a risk to Chinese national security.

China raised its objections to US actions against Chinese mobile apps at a closed-door meeting of the WTO on Oct. 5. A Chinese official reportedly argued that the US measures were "inconsistent with WTO rules, restrict cross-border trading services, and violate the basic principles and objectives of the multilateral trading system."

In a victory for TikTok on Oct. 23, a US appeals court in San Francisco rejected a request from the US Justice Department to reverse a prior ruling that Apple and Google continue to allow users to download TikTok and WeChat. In addition, on Nov. 13, the Department of Commerce announced that it would not enact the ban on TikTok and WeChat and a federal appeals court would extend the deadline to submit documents against the ban until Dec. 14.

Although the Trump administration originally ordered TikTok to be sold by Nov. 12, on Nov. 13, the Committee on Foreign Investment in the United States (CFIUS) extended the deadline to Nov. 27. On Nov. 25, CFIUS extended the Nov. 27 deadline to Dec. 4. On Dec. 4 the US Treasury told Bytedance that it would receive no punishment for missing the Dec. 4 deadline for selling the application due to ongoing negotiations over the sale.

A US District Court in Washington <u>ruled</u> on Dec. 7 that the Department of Commerce could not ban US platforms from hosting TikTok. The Trump administration later <u>appealed</u> the ruling on Dec. 28. The dispute over the Chinese apps seemed unlikely to be resolved before Donald Trump leaves office on Jan. 20.

Miscellaneous Trump Administration Actions Against China

The Trump administration imposed a slew of measures against China between Sept. 1 and Dec. 31. The actions below are in addition to those covered in the above analysis. These measures appeared intended to curtail Chinese influence in the United States and to punish CCP officials for various malign activities within China and abroad, while also tying the hands of the incoming Biden administration regarding China policy.

Objective	Date	Action
Chinese influence	Sept. 2, 2020	US Secretary of State Michael Pompeo
activities		<u>announced</u> that senior
in the US		Chinese diplomats in the
		US would require the US Department of State's
		approval to visit US
		university campuses and to
		meet with local
		government officials.
	Oct. 2,	US Citizen and Immigration Services
	2020	Immigration Services issued <u>new rules</u> to prevent
		members of the CCP from
		obtaining permanent
		residency or citizenship in the US.
	Oct. 9,	Pompeo and US Secretary
	2020	of Education Betsy DeVos issued a joint letter
		warning the American
		public against the
		Confucius Classrooms
		found in many US
	Oct. 21,	universities and colleges. The US Department of State
	2020	designated US-based
		operations of six entities as
		foreign missions of China.
	Oct. 28,	A federal court in Brooklyn,
	2020	New York <u>charged</u> eight individuals with conspiring
		to act as illegal agents of
		China.
	Dec. 2,	The US <u>announced</u> visa
	2020	restrictions for members of the Chinese Communist
		Party and their families.
	Dec. 4,	The US <u>halted</u> five cultural
	2020	exchange programs with
		China which have been
	Dec. 4,	ongoing since 1961. The US imposed <u>sanctions</u>
	2020	on Chinese Communist
		Party officials who
		participated in coercive influence activities.
Iran and North	Oct. 19,	Sanctioned Hong Kong and Chinese individuals and
North Korea	2020	Chinese individuals and entities for actions
Tiolea		supporting the Islamic
		Republic of Iran Shipping
		Lines (IRISL).
	Nov.	The US <u>imposed</u> sanctions
	25, 2020	on Chinese firms allegedly promoting Iran's missile
	2020	program.
	Dec. 5,	The US <u>sanctioned</u> shipping
	2020	companies (many of which
		operate in China) that
		export North Korean coal,

		citing violations of UN
		sanctions as the cause.
Human	Oct. 1,	President Trump
Rights	2020	determined that China, in
		addition to other countries,
		would not receive
		nonhumanitarian and
		nontrade-related
		assistance until it met the
		minimum standards for
		human trafficking.
	Dec. 18,	The US <u>announced</u>
	2020	sanctions on CCP members
		engaged in "malign activities," including
		activities," including
		actions related to mass
		surveillance, military
		modernization, human
		rights abuses, and coercion
		in the South China Sea.
	Dec. 21,	The US <u>slapped</u> visa
	2020	restrictions on PRC officials
		believed to be complicit in
		"repressing religious and
		spiritual practitioners,
		members of ethnic
		minority groups,
		dissidents, human rights
		defenders, journalists,
		labor organizers, civil
		society organizers, and
		peaceful protestors."

Recapping 2020 and Looking Forward to 2021

Recognizing that the spread of COVID-19 to the United States in early 2020 threatened his reelection, Trump quickly did his utmost to pin responsibility for the pandemic on China. Once the Phase One deal was signed, there was no longer any need to worry about undermining the trade negotiations. Trump gave up the pretense that Xi was his best friend. With no compelling reasons to refrain from taking actions against Chinese policies in Xinjiang and Hong Kong, Trump signed legislation and swiftly implemented sanctions. Steps were taken to further strengthen US ties with Taiwan. New limits were imposed on visas for Chinese journalists. Dozens of Chinese companies were added to the Department of Commerce's Entity List. Scores of additional measures were taken to loosen the tightly intertwined ties between the United States and China. As it became clear that Trump would lose the election, administration China hawks sought to tie the hands of Joe Biden and his team.

Biden's statements during the campaign suggest that he will place greater emphasis on alliances to pressure China to change its objectionable policies; attach more importance to human rights; and cooperate with China on climate change. It is unlikely that the Biden administration will pursue a strategy aimed at containing China's rise. For at least his first year in office, Biden's priorities will be fighting the pandemic and rejuvenating the US economy. In an interview with 60 Minutes just over one week before the presidential election, Biden said that Russia poses the greatest threat to the United States. He notably eschewed calling China a threat or a rival, instead describing China as the US' "biggest competitor."

Beijing appears to have low expectations for a reset of US-China relations after the Trump presidency ends. Chinese experts say that their leaders understand that US views of the bilateral relationship have changed fundamentally. Nevertheless, China hopes to put a floor under the relationship, reduce tensions, and find areas of cooperation.

At the end of 2020, official PRC documents depict the world as entering a period of turbulent change and maintain that many challenges lie ahead, but nevertheless see the balance of power is trending in China's favor. The Chinese economy is rebounding from the pandemic faster than any other major country. New research from the UK estimates that China will overtake the United States as the world's largest economy by 2028, five years earlier than previously forecast. Chinese speeches and writings suggest that the CCP has concluded that the pandemic has presented Beijing with new opportunities and accelerated China's emergence as a great power, while hastening US decline. One of the noteworthy assessments of the international situation and China's future was published in the People's Daily in early December. He Yiting, executive vice president of the Central Party School, wrote, "The profound adjustment of the international balance of power, especially that 'the East is rising, the West is declining' is the main direction for the development of the major changes."

CHRONOLOGY OF US-CHINA RELATIONS

SEPTEMBER - DECEMBER 2020

- **Sept. 1, 2020:** US Department of Defense releases annual report to Congress entitled "Military and Security Developments Involving the People's Republic of China 2020."
- **Sept. 2, 2020:** US Secretary of State Mike Pompeo <u>announces</u> that the State Department will require senior PRC diplomats in the US to receive approval to visit US university campuses and to meet with local government officials.
- **Sept. 3, 2020:** Department of State <u>publishes</u> website entitled "The Chinese Communist Party's Human Rights Abuses in Xinjiang" detailing aspects of alleged violations of human rights in Xinjiang.
- **Sept. 7, 2020:** In remarks at a press conference, President Trump <u>says</u> "there's been no country anywhere, at any time, that's ripped us off like China has" and "If Biden wins, China wins, because China will own this country."
- **Sept. 8, 2020:** Department of State <u>revokes</u> more than 1,000 visas of PRC nationals following a May 29 <u>proclamation</u> by Trump in response to China's curbs on democracy in Hong Kong.
- **Sept. 8, 2020:** Trump <u>tells reporters</u>, "Whether it's decoupling, or putting in massive tariffs like I've been doing already, we will end our reliance in China, because we can't rely on China." **Sept. 8, 2020:** Chinese Ministry of Foreign
- **Sept. 8, 2020:** Chinese Ministry of Foreign Affairs <u>announces</u> their Global Initiative on Data Security, an eight-part framework to improve global standards around data security.
- **Sept. 9, 2020:** US-China Security Commission holds a hearing on US-China relations in 2020.
- **Sept. 11, 2020:** China <u>announces</u> new restrictions on the activities of US diplomats in Hong Kong and China in response to new US rules requiring Chinese diplomats receive approval when visiting US university campuses and meeting with local government officials.

- **Sept. 14, 2020:** Department of Homeland Security <u>issues</u> five Withhold Release Orders (WRO) on goods produced by state-sponsored forced labor in Xinjiang.
- **Sept. 15, 2020**: World Trade Organization (WTO) panel <u>says</u> that the US broke global regulations in imposing tariffs on Chinese goods in 2018.
- **Sept. 15, 2020:** United States <u>imposes</u> sanctions on Chinese state-owned enterprise Union Development Group, Ltd., citing corrupt practices in Cambodia and alleging that a coastal development project at Dara Sakor may be used to host PRC military assets.
- **Sept. 17, 2020:** Subcommittee of the Ways and Means Committee of the House of Representatives <u>conducts</u> a hearing entitled "Enforcing the Ban on Imports Produced by Forced Labor in Xinjiang."
- **Sept. 17, 2020:** Senate Foreign Relations Committee <u>holds</u> a hearing entitled "Advancing US Engagement and Countering China in the Indo-Pacific and Beyond" at which Assistant US Secretary of State, Bureau of East Asian and Pacific Affairs David Stilwell <u>testifies</u>.
- **Sept. 18, 2020:** Department of Commerce <u>announces</u> prohibitions on transactions relating to mobile apps WeChat and TikTok to take effect Sept. 20 and Nov. 12 for WeChat and TikTok respectively in response to President Trump's Aug. 6 executive orders.
- **Sept. 18, 2020:** US Under Secretary of State for Economic Growth, Energy, and the Environment Keith Krach <u>arrives</u> in Taiwan for a visit.
- **Sept. 19, 2020:** Department of Commerce <u>delays</u> TikTok-related prohibition in US app stores from Sept. 20 to Sept. 27.
- **Sept. 19, 2020:** PRC Ministry of Commerce <u>issues</u> rules that could allow it to halt exports, imports and investments by businesses accused of endangering national security in response to the ban of TikTok and WeChat on US app stores.

- **Sept. 22, 2020:** Trump <u>delivers</u> address at the UN General Assembly in which he says "We must hold accountable the nation which has unleashed this plague onto the world: China."
- **Sept. 22, 2020:** House of Representatives <u>passes</u> H.R.6210 Uyghur Forced Labor Prevention Act, which bans certain imports from Xinjiang and sanctioned individuals contributing to the human rights violations in Xinjiang.
- **Sept. 23, 2020:** Pompeo <u>delivers</u> a speech in Madison entitled "State Legislatures and the China Challenge" in which he warns of PRC influence in US state and local governments.
- **Sept. 25, 2020:** US State Department <u>publishes</u> a fact sheet on China's environmental abuses.
- **Sept. 27, 2020:** District Court for District of Columbia grants nationwide preliminary injunction against the implementation of President Trump's executive orders against TikTok/ByteDance.
- **Sept. 30, 2020:** Trump <u>issues</u> an Executive Order requiring the Secretary of the Interior to identify critical minerals and reduce reliance on critical minerals from "foreign adversaries."
- **Sept. 30, 2020:** H.R.6270 Uyghur Forced Labor Disclosure Act of 2020 <u>is passed</u> in the US House of Representatives.
- Oct. 1, 2020: Trump <u>determines</u> that China will be among countries not to receive nonhumanitarian, nontrade-related assistance until the countries bring themselves into compliance with minimum standards regarding trafficking in persons.
- Oct. 2, 2020: US Citizen and Immigration Services (USCIS) <u>updates</u> rules to prevent members of "the Communist Party or any other totalitarian party" from being issued permanent residence or citizenship in the United States.
- **Oct. 6, 2020:** A Pew Research survey <u>finds</u> that negative views of China have increased nearly 20 percentage points since Trump took office and 13 points since 2019.

- **Oct. 9, 2020:** Pompeo and US Secretary of Education Betsy DeVos <u>publish</u> a joint letter to state commissioners of education warning about the threat posed by Confucius Classrooms.
- **Oct. 9, 2020:** USS John McCain <u>sails</u> close to Paracel Islands as part of a Freedom of Navigation Operation.
- **Oct. 13, 2020:** Pompeo <u>requests</u> that think tanks and other foreign policy organizations publish foreign funding that they receive on their websites and says that disclosure will be considered in determining whether the State Department engages with those organizations.
- **Oct. 14, 2020:** Bureau of East Asian and Pacific Affairs in the State Department <u>releases</u> a list of Hong Kong, Macau, and PRC officials it says have contributed to undermining of autonomy in Hong Kong.
- **Oct. 14, 2020:** Guided-missile destroyer *USS Barry* transits the Taiwan Strait, the first time for a US warship since Aug. 31.
- **Oct. 17, 2020:** China <u>threatens</u> to detain US citizens if the Justice Department proceeds with prosecutions of arrested scholars who are members of Chinese military.
- **Oct. 19, 2020:** US <u>imposes</u> sanctions on Chinese and Hong Kong persons for doing business with the Islamic Republic of Iran Shipping Lines (IRISL), which the US alleges has transported proliferation-sensitive items intended for Iran's ballistic missile and military programs.
- **Oct. 21, 2020:** Department of State <u>designates</u> US operations of six entities as foreign missions of the PRC.
- **Oct. 21, 2020:** State Department <u>approves</u> the sale of an arms package totaling \$1.8 billion to Taiwan, including 135 precision–guided cruise missiles and mobile light rocket launchers.
- Oct. 23, 2020: Deputy National Security Advisory Matt Pottinger gives remarks on "The Importance of Being Candid" (贵在坦诚) in Mandarin.

- **Oct. 23, 2020:** US National Security Advisor Robert O'Brien <u>characterizes</u> the United States as a Pacific power and says that PRC fishing operations in the EEZ of other countries in the Indo-Pacific "threatens [US] sovereignty, the sovereignty of [the US's] Pacific neighbors and endangers regional stability."
- Oct. 23, 2020: US appeals court in San Francisco, CA <u>rejects</u> a request from the Justice Department to reverse a prior ruling that Apple and Google continue to allow users to download TikTok and WeChat.
- Oct. 26, 2020: State Department <u>approves</u> sale of 100 Harpoon Coastal Defense Systems (HCDS) to Taiwan in a package worth \$2.37 billion.
- **Oct. 26, 2020**: United States <u>lodges</u> an appeal against a World Trade Organization ruling that some of Trump's trade war tariffs on China were unlawful.
- **Oct. 27, 2020:** Three pro-democracy activists are arrested by Hong Kong police after briefly <u>entering</u> the US consulate in the city in an apparent bid to seek asylum.
- **Oct. 28, 2020:** Eight individuals are <u>charged</u> with conspiring to act as illegal agents of the PRC in a federal court in Brooklyn.
- **Oct. 28, 2020:** Department of State <u>designates</u> the National Association for China's Peaceful Unification (NACPU) as a foreign mission of the PRC.
- **Oct. 28, 2020:** Department of Defense <u>hosts a crisis</u> communications working group with PLA to discuss concepts of crisis communications, crisis prevention, and crisis management.
- **Oct. 29, 2020:** Pompeo <u>issues</u> a statement condemning the arrest and detention of three student activists in Hong Kong under the National Security Law.
- **Oct. 30, 2020:** Stilwell <u>delivers</u> virtual remarks at Hoover Institution webinar on "Covert, Coercive, and Corrupting: Countering the Chinese Communist Party's Malign Influence in Free Societies."
- **Nov. 2, 2020:** White House <u>publishes</u> compilation of Trump administration remarks into document entitled "Trump on China: Putting America First."

- Nov. 3, 2020: State Department <u>approves</u> a \$600 million sale of four Weapons-Ready MQ-9B Remotely Piloted Aircraft to Taiwan.
- **Nov. 5, 2020:** US <u>removes</u> the designation of the Uighur-founded group the Eastern Turkistan Islamic Movement (ETIM) as a terrorist organization.
- **Nov. 9, 2020:** US <u>imposes</u> sanctions on 4 additional PRC and Hong Kong officials over the Hong Kong National Security Law.
- **Nov. 10, 2020:** Pompeo <u>delivers</u> remarks at the Reagan Institute Center for Freedom and Democracy.
- **Nov. 11, 2020:** US and Chinese militaries <u>begin</u> a three-day-long video seminar on humanitarian assistance and disaster relief.
- **Nov. 12, 2020:** Trump <u>signs</u> an executive order prohibiting Americans from investing in Chinese firms the administration says are owned or controlled by the Chinese military.
- **Nov. 12, 2020:** Secretary of State Pompeo <u>says</u> on a US radio interview that "Taiwan has not been a part of China."
- **Nov. 13, 2020:** China's MFA spokesman congratulates Joe Biden on his election as president of the United States after staying silent for 10 days following the election on Nov. 3.
- **Nov. 13, 2020**: Department of Commerce <u>announces</u> that it will not enact the ban of TikTok and WeChat, and a federal appeals court will extend the deadline to submit documents against the ban until Dec. 14.
- **Nov. 13, 2020:** Committee on Foreign Investment in the United States (CFIUS) <u>extends</u> the deadline for the sale of TikTok to November 27.
- **Nov. 16, 2020**: Department of Justice <u>publishes</u> a review of its China Initiative to deter national security threats posed by the PRC, calling the initiative a "success."
- **Nov. 18, 2020:** US military <u>sends</u> two longrange bombers into China's air defense identification zone.

Nov. 18, 2020: Governments of the United States, Australia, Canada, New Zealand, and the United Kingdom <u>release</u> a joint statement expressing "serious concern regarding China's imposition of new rules to disqualify elected legislators in Hong Kong."

Nov. 21, 2020: USS Barry <u>transits</u> Taiwan Strait in a Freedom of Navigation Operation.

Nov. 25, 2020: US <u>imposes</u> sanctions against Chinese firms allegedly promoting Iran's missile program.

Nov. 25, 2020: Chinese President Xi Jinping congratulates Biden on his election as president of the United States 12 days after China's initial congratulations.

Nov. 25, 2020: Chinese Vice President Wang Qishan <u>sends</u> message to Kamala Harris to congratulate her on her election as vice president of the United States.

Nov. 25, 2020: CFIUS <u>extends</u> the deadline for the sale of TikTok to Dec. 4.

Nov. 30, 2020: China <u>announces</u> sanctions against National Democratic Institute (NDI) and National Endowment for Democracy (NED) personnel in a tit-for-tat measure against US sanctions on Chinese and Hong Kong officials.

Dec. 2, 2020: Department of Homeland Security <u>announces</u> a ban on cotton products made in whole or in part by the Xinjiang Production and Constructions Corps, alleging that its products are made using slave labor.

Dec. 2, 2020: Trump administration <u>issues</u> rules limiting the duration of travel visas to the US from a maximum of 10 years to a maximum of one month for members of the Chinese Communist Party (CCP) and their families.

Dec. 3, 2020: Director of National Intelligence John Ratcliffe <u>publishes</u> op-ed in *The Wall Street Journal* entitled, "China Is National Security Threat No. 1."

Dec. 3, 2020: Department of Defense <u>adds</u> four Chinese companies, including SMIC and CNOOC, to its original blacklist published in June 2020.

Dec. 3, 2020: Pompeo <u>releases</u> statement condemning the Hong Kong government's political persecution of the city's courageous pro-democracy advocates.

Dec. 4, 2020: State Department <u>terminates</u> five cultural exchange programs with China after calling them "soft power propaganda tools."

Dec. 4, 2020: State Department <u>announces</u> sanctions that would restrict visa access to PRC and CCP officials engaged in "coercive influence activities."

Dec. 7, 2020: State Department <u>approves</u> sale of a Field Information Communications System (FICS) to Taiwan for an estimated US\$280 million.

Dec. 7, 2020: Treasury Department imposes financial sanctions and a travel ban on 14 members of China's National People's Congress over their role in Beijing's disqualification of pro-democracy legislators in Hong Kong.

Dec. 7, 2020: District Court in Washington <u>rules</u> that the Department of Commerce cannot ban US platforms from hosting TikTok.

Dec. 8, 2020: Speaking to the US-China Business Council, Chinese Foreign Minister, Wang Yi, <u>pledges</u> to uphold the Phase 1 trade deal with the United States under the Biden administration.

Dec. 9, 2020: Pompeo <u>delivers</u> speech entitled "The Chinese Communist Party on the American Campus," which warns against the influence of the CCP in the American education system.

Dec. 10, 2020: Beijing <u>revokes</u> visa-free visits to Hong Kong and Macau for holders of US diplomatic passports in retaliation for US restrictions on the movement of 14 members of China's National People's Congress.

Dec. 14, 2020: China's navy fails to participate in a <u>planned</u> three-day annual high-level virtual meeting of the Military Maritime Consultative Agreement.

Dec. 16, 2020: Treasury Department imposes sanctions on two Chinese companies for their role in supporting the sale of Iranian petrochemicals.

Dec. 18, 2020: Chinese FM Wang Yi gives address to the Asia Society about US-China relations.

Dec. 18, 2020: Commerce Department <u>adds</u> China's Semiconductor Manufacturing International Corporation to the entity list restricting access to US technology.

Dec. 18, 2020: *USS Mustin* <u>transits</u> the Taiwan Strait, conducting a Freedom-of-Navigation operation.

Dec. 18, 2020: Trump <u>signs</u> into law "The Holding Foreign Companies Accountable Act," which bars securities of foreign companies from being listed on a US exchange if they have failed to comply with the US Public Accounting Oversight Board's audits for three consecutive years.

Dec. 18, 2020: US <u>imposes</u> sanctions on members of the Chinese Communist Party engaged in "malign activities," including actions related to mass surveillance, military modernization, human rights abuses, and coercion in the South China Sea.

Dec. 21, 2020: Pompeo <u>announces</u> additional restrictions for issuing visas to Chinese officials believed to be complicit in human rights abuses.

Dec. 22, 2020: Tibet Policy and Support Act of 2020 is passed by Congress as an amendment to the US\$1.4 trillion government spending bill.

Dec. 22, 2020: US guided-missile destroyer USS John S. McCain conducts a FONOP near the Spratly Islands in the South China Sea.

Dec. 24, 2020: USS John S. McCain (DDG 56) <u>asserts</u> navigational rights and freedoms near Vietnam in the vicinity of the Con Dao Islands in the South China Sea.

Dec. 27, 2020: Trump signs into law a \$2.3 trillion government spending <u>package</u> that includes the Taiwan Assurance Act of 2020 and the Tibetan Policy and Support Act of 2020.

Dec. 28, 2020: Treasury <u>clarifies</u> on its website that the executive order signed by President Trump in November banning investments in Chinese companies with suspected ties to the PLA applies to subsidiaries.

Dec. 31, 2020: Arleigh Burke-class guided missile destroyers *USS John S. McCain* (DDG 56) and *USS Curtis Wilbur* (DDG 54) conduct a routine Taiwan Strait transit.

Chronology by CSIS Research Intern Benjamin Parker