

International Trade Training for Journalists in Asia

The Center for China and Globalization (CCG)



Analysis of CCG on the US-China trade war and how the trade war is likely to develop over coming months and years

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**A Timeline:
The US-China Trade War**

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ONE

PART /01

A Timeline: The US-China Trade War

August 2017

US: President Trump authorized a USTR probe into China's intellectual property under Section 301 of the Trade Act of 1974.



March 2018

US: A list of 1,333 Chinese high-tech products worth USD 50 billion subject to a 25% punitive tariff was released.



April 2018

CN: China imposed tariffs (ranging 15-25 percent) on 128 products (worth \$3 billion) in retaliation to the US' steel and aluminum tariffs.

CN: China reacted to USTR's initial list, and proposed 25 percent tariffs to be applied on 106 products (worth US\$50 billion) (list revised on June 16).



June 2018

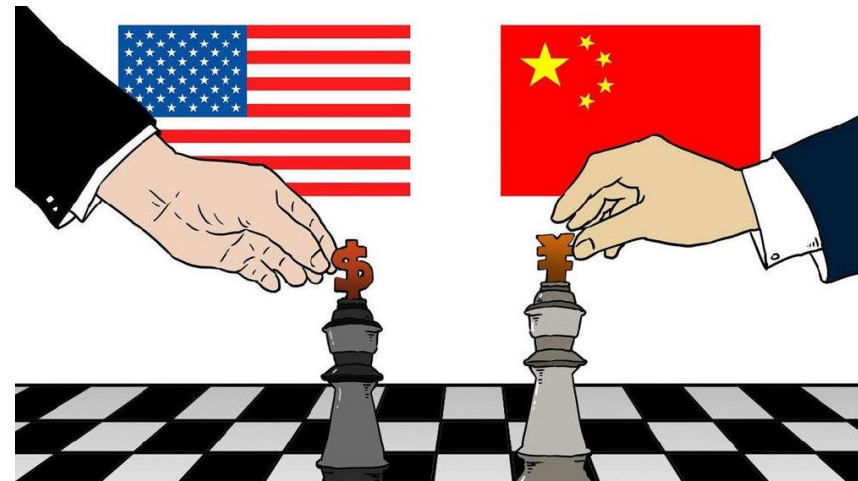
US: Trump requested the USTR to identify USD 200 billion worth of Chinese goods for additional tariffs of 10% and the list of products was published on July 10.

CN: released a rebuttal in response and made an additional charge to the WTO against the US' s unilateral tariff actions.

CN: stopped purchasing US-produced soybeans in retaliation to US-tariffs on Chinese imports. ↓

August 2018

CN: proposed a range of additional tariffs of 5% to 25% on American exports to China worth USD 60 billion in reaction to a 25% rate increase on the USD 200 billion proposed by President Trump.



September 2018

US: the 10% duty on the USD 200 billion worth Chinese goods was confirmed by the White House with a 25% rate to follow in 2019. President Trump has also threatened to add an additional USD 267 billion goods to be taxed.

CN: released a White Paper, laying out the government's official position on the US-China trade relationship.

November 9, 2018

US and China resumed trade talks: The US and China reportedly resume trade talks, via a phone call between US Treasury Secretary Steve Mnuchin and Chinese Vice Premier Liu He.

December 2, 2018

US and China agreed to a 90-day truce



December 14, 2018

CN: temporarily lower tariffs on US autos
and resume buying US soybean exports



January & February 2019

US and China hold several trade talks both
in Washington and Beijing



March 2019

CN: extends the suspension of additional
tariffs on US autos and auto parts



May 10, 2019

US: increases tariffs on \$200 billion worth of Chinese goods (List 3) from 10 percent to 25 percent

CN: releases a statement announcing that it “deeply regrets” the tariffs and that “necessary countermeasures” will be taken.



May 13, 2019

CN: announces tariff hikes on US products: China announces that it will increase tariffs on US\$60 billion worth of US goods from June 1, 2019.



May 16, 2019

US: places Huawei on its ‘entity list’, banning it from purchasing from US companies.



May 31, 2019

CN: established its very own
'unreliable entities' list



June 1, 2019

CN: Tariffs of 25 percent, 20 percent,
and 10 percent, which were first
announced on May 13, 2019 are now in
effect on US\$60 billion worth of
American goods exported to China.



June 2, 2019

CN: issued white paper titled,
'China' s Position on the China-US
Economic and Trade Consultations'



Friday, June 14 2019

Walmart Inc, Target Corp and more than 600 other companies urged U.S. President Donald Trump in a letter on Thursday to resolve the trade dispute with China, saying tariffs hurt American businesses and consumers.



From Reuters/KEVIN LAMARQUE Trump speaks at a fundraiser in Iowa

TWO

PART /02
Analysis

1. Misperceptions that Americans have about China today:

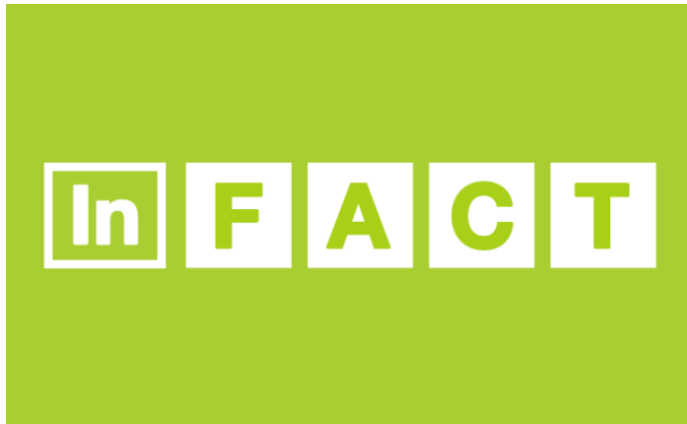
- Some Americans think China poses a threat to the U.S.

-It is not unusual for a dominant power to feel threatened by a rising power.
E.g. Trade friction between Japan and U.S. in 1980s

-The fact of the exceptional pace of China's growth and its achievements: the fastest train network, the biggest 5G network, and is set to overtake the US in terms of GDP over the next 10 to 15 years



- China is often viewed as a state-run economy that poses a risk to the liberal world order.



- 80% of the Chinese economy is private with 10% of that comprised of foreign multinationals in China
- China has lifted 800 million people out of poverty
- China is a substantial contributor to the world. It contributes over 30% of global GDP growth.

- China is one of the largest donors to the United Nations
- China is one of the largest donors to the United Nations.
- It is on the way to becoming the largest consumer market in the world. with its middle class of about 400mn people set to double within the next couple of decades.



REALITY

China is a supporter of the current world order!

2. Chinese views on the US-China trade war:

- Expect to make a win-win Trade Deal

➤ On 7 June, President Xi called President Donald Trump as friend and said he believed the United States was not interested in rupturing economic ties with China. And most Chinese people also think like that way and we're expecting to make a win-win Trade Deal.



- Whether we like it or not, the world is now bound together by global supply chains.

- China has tried to address U.S. concerns



China's new foreign investment law was approved during the National People's Congress. Photo: Xinhua

- China halted overt discussions of the China 2025 program.
- In March, China passed new foreign investment laws aimed directly at US concerns, forbidding forced technology transfers, protecting intellectual property, and demanding equal treatment between domestic and foreign telecom companies, among other measures.

- President Trump is losing some credibility for Chinese people.



- President Trump's drastic actions on tariffs and on China's technology companies have cultivated some negative feelings from Chinese people
- Completely changing the game at crucial moments—for example, by imposing tariffs on the eve of a final negotiation is difficult to handle, not only for China, but for the rest of the world
- If President Trump continues on this path, two countries will end up not only in a trade war, but also in a technology war and ultimately a global recession.

- Decoupling is basically impossible



- Walmart is a major importer of goods from China, which supplies thousands of stores and reduces inflation in the US economy
- GM and Ford sell more cars in China than in the US

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Decoupling would be catastrophic to the 70,000 US companies that generate \$700bn in revenues in China—far higher than even the mistakenly inflated trade deficit figures President Trump is so focused on.

3. China's concerns about Trade deal negotiations

- Little doubt that the US side's taunts that the deal was shaping up to be more favorable to the US soured the negotiations.
 - The mere fact that officials seemed to be unilaterally disclosing details of the deal was in itself viewed as a betrayal.
 - Tensions intensified when the US accused China of backpedaling on the agreement.
 - Negotiations were ongoing

- The white paper China recently released describes three occasions in which the US side changed its position.
- Distrust has grown on both sides
- President Trump's last-minute announcement of higher and new tariffs was viewed as unacceptable.



- Chinese officials have publicly outlined three red lines
 1. Tariffs must be lifted. From the Chinese perspective, tariffs are the primary cause of the trade war, and lifting of them is the whole reason for negotiations.
 2. There should be no expectation of any material increase in Chinese purchases of US goods beyond the level that President Trump and President Xi agreed in principle at the G20 summit in Argentina.
 3. That any agreement must look balanced. so if the US makes demands of China, the US must agree to reciprocal demands from China. All of those requests seem reasonable.

THREE

PART /03

CCG Works

2017

On Jan 20th, Donald trump was elected as the 45th President of the United States



CCG published “Trump’s Coming Era: Challenges, Opportunities and Policy”

CCG 研究报告

No. 2. 01. 2017

特朗普时代 挑战、机遇 与中国应对

Trump's Coming Era:
Challenges, Opportunities
and Policy Responses



摘要

2017年1月20日，唐纳德·特朗普将在白宫宣誓就职，成为第45任美国总统。这位具有强烈个性的候任总统在选举期间就因其“局外人”身份与反建制言论引发美国内外部的高度关注。各国观察人士普遍认为特朗普就任后对内、对外政策将与往届政府有很大不同，甚至开启“逆全球化”的过程。本报告通过观察特朗普当选以来的“推特治国”、充满争议的人事任命等一系列信号，从特朗普个人风格、内阁团队组成、中美经济关系的历史和现状等出发，提出了中美两国在“特朗普时代”的8大挑战与8大机遇，并给出中国与全球化智库（CCG）的10大建议与对策。

“美国优先”政策下的“特朗普冲击波”对中国主要有以下**8大挑战**：

1. 特朗普宣布退出 TPP，反对 NAFTA 和 WTO 等国际及区域自由贸易体制。
2. 指责中国为汇率操纵国，声称对中国征收 45% 的惩罚性关税。
3. 采取大幅减税政策及其他措施吸引资金回流。
4. 在台湾问题上挑战“一个中国”政策与三个中美联合公报。
5. 取消对页岩气和石油煤生产的限制，考虑退出巴黎气候协定。
6. 在朝鲜问题上加大对中国施压。
7. 暗示将允许日本、韩国发展核武器。
8. 不再为无明显短期利益或他国能“搭顺风车”的“公共产品”买单。

事实上，中美两国经贸、人文交往非常紧密，任何一方都不可能毫不自损地切断这层联系。中美两国都应该明确认识到，在特朗普政府任内中美关系依然要延续过去近 40 年的互惠、共赢、共生，并且合作还将继续深化，中美依然充满巨大共同利益。本报告发现，在特朗普就任后，中美之间可以化挑战为**8大合作机遇**：

2017

Jan, 27th, Trump signed 'Muslim ban' after taking office



CCG Published “*Adopt More Open Policies to Attract International Talent*”

CCG 研究报告

No.4. 02.2017

抓住美国移民收紧机遇
更加开放国际人才政策

Adopt a More Open Policy to Attract Global Talents

摘要

特朗普此前签署的“禁穆令”虽遭联邦法官封禁，他仍坚持收紧美国移民政策，可能继续颁布“禁穆令”。再加上意将改革 H-1B 签证制度等风声，这一系列举措或将大量国际高端人才拒之门外，而这些人才无论是作为中国应对老龄化的“人口红利”，还是作为中国创新发展的“人才红利”，都是宝贵的财富。

与此同时，中国正加快移民签证制度改革，推进一系列外籍人才引进试点工作。可以说，美国移民政策收紧实则为主动对外开放、招纳全球人才的中国创造了一个重大机遇。中国可抓住这个机遇，快马加鞭出台更为开放、友好的人才利好政策，吸纳世界英才。

中国与全球化智库（CCG）基于长期跟踪研究，针对性地提出以下十项建议，旨在建立更加开放、包容和灵活的国际揽才机制，实现我国在国际人才竞争中的后起超越。

1. 进一步放宽永久居留申请条件。扩大在华永久居留申请者聘雇单位类型范围，降低保持在华永久居留资格的最低时限要求，扩大永久居留申请材料出具单位范围。

2. 进一步提前“绿卡”发放时间。允许有意向来华发展的外籍高层次人才直接在海外申请在华永久居留，免去先来中国住满一定期限的要求。

3. 建立永久居留转入籍制度。建议已获得永久居留资格的外籍创新创业人员，符合在华满一定年限等条件者，可批准其加入中国国籍，并探索研究外籍华人申请双重国籍制度。



2017

On April 6, the presidents of China and the United States met at Mar-a-Lago



CCG Published “Infrastructure Cooperation – New Opportunities for US-

CCG 研究报告
No. 6. 04. 2017

中美基础设施 领域合作前景 广阔， 为中美关系提 供新机遇

Infrastructure
Cooperation – New
Opportunities for
US-China Relations



摘要

4月6日国家主席习近平应邀在美国佛罗里达州海湖庄园首次会见美国新任总统特朗普，本次习特会意义非凡。如何在摩擦中的中美关系中找到合作共赢的新支点，是中国经济和外交的艰巨任务。CCG今年1月发布的《特朗普时代—挑战、机遇与中国应对》报告预测了基础设施建设将成为中美未来合作新亮点。本报告认为，中美在基建领域存在优势互补，有广阔的合作共赢空间。

本报告指出，有七大机遇支持中美在基建领域达成合作：

- 一、中美基建合作有助特朗普政府实现经济目标；
- 二、中美基建工程企业有望受益基建热潮；
- 三、轨道交通企业深化全方位产能合作；
- 四、工程机械设备企业积极布局美国市场；
- 五、高新科技企业参与美国最前沿基建项目；
- 六、中美基建合作符合金融资本进入基础设施投资领域的趋势；
- 七、美国公私合营 (Public-Private Partnership, PPP) 模式发展前景看好。

报告同时指出，中资参与美国基础设施建设可能受到美国本土竞争、PPP项目落地操作和地方政府博弈等因素所制约，并由此提出七大建议：

- 一、中国企业深入地方，提升本地化；
- 二、金融资本组团，联合布局美国基建；
- 三、持续推动经济外交，邀请美国参与“一带一路”基建合作；
- 四、加强投资外宣，建立中国基建合作促进机制；
- 五、加强两国省州级政府互动，共同推动省州级基建项目合作；
- 六、发挥中美智库在公共外交作用，为稳定中美关系建言献策；
- 七、进一步拓宽二轨通道，加强有利中国投资的国际公共关系。

报告期待中美基建领域的合作在特朗普治下的中美关系中发挥积极意义。

2017

On June 19th, the first round of China-US comprehensive economic dialogue was held in Washington



CCG held “China-US economic and trade investment prospects from the First round of China-US Comprehensive Economic Dialogue Seminar



2017

On Sep, 28th, Sino-US cultural forum was launched



CCG launched a series of “track II diplomacy” activities



2017

On Nov, 8th, US President Donald trump visited China for the first time

CCG interpretation of Xi and Trump' s meeting, behind \$253.5 billion



2017

On Dec, 2nd Trump's tax reform bill passed



CCG discussed the global impact of US tax cuts and China's response



2018

On Jan 30th, Trump delivered State of the Union



CCG held “Learning China-US political-economic trend from Trump’s the State of Union”



2018

On March 22, 2018, the US began imposing large-scale tariff on imported Chinese goods.

CCG invited former US trade representative Michael Froman and Ambassador Susan Schwab to have discussion on current trading



2018

In June 2018, the White House issued a statement setting a \$200 billion tax list on goods imported from China.



CCG held a seminar on Sino-US relations in the shadow of trade war in Beijing, and invited Michael Pillsbury, Director of China Strategic Center of Hudson Institute, and Terry Miller, Director of International Economic and Trade Research Center of American Heritage Foundation and former U.S. Ambassador to the United Nations, to discuss and exchange views on Sino-US relations, current situation and future of Sino-US economic and trade with experts in their re



2018

On July 2018, the US-China trade friction was continually rising.



CCG released its report "Understanding and Breaking Down: A Deep Analysis of Sino-US Trade Frictions and Think Tank Suggestions"

CCG | 全球化智库
http://www.ccg.org.cn

CCG 研究报告

No.3. 7.2018

理解与破局： 中美贸易摩擦的 深度分析和智库 建议

Understanding the
US-China Trade War:
Analyses and CCG
Recommendations



摘要

中国和美国是世界上两个最大的经济体，中美关系事关两国乃至世界的稳定和繁荣发展。然而，当前的中美关系正遭受不断升级的贸易摩擦困扰，中美经贸关系陷入僵局，引发各方高度关注。贸易冲突为何发生？是什么驱动特朗普政府一意孤行对华发动关税打击？中方如何应对？等一系列问题不断发酵，各种判断和对策应运而生。如何理性看待中美贸易之争，如何通过数据和事实来说明问题，增加中美双方的沟通和交流，建立中美化解贸易战的一些共识，值得中美智库做进一步的深入分析和解读。

在此背景下，全球化智库（CCG）对中美经贸关系从几个方面进行全面和比较系统的梳理，从形成原因、美方动机、争端走向等方面进行梳理。报告认为，中美贸易逆差是由深层次结构性因素造成，并存在严重高估，用提高贸易壁垒的保护主义方式降低逆差解决不了问题。中美利益深度交融，传统的统计数据分析方法对中美经贸逆差有严重的误判。中美“竞合”成为常态，看谁合作增量符合两国利益。贸易战不是零和游戏，结果是“双输”乃至“多输”。对两个国家和全人类都是伤害。美国包括参众两院也有很多反对

2018

In July 2018, the US-China trade friction was continually rising.



CCG and Hudson Institute jointly launched the Sino-US Trade Friction Research Project



2018

On August 23, the U.S. planned to begin collecting 25 percent extra in tariffs on \$16 billion of Chinese goods.



CCG, The Geneva International Trade and Sustainable Development Center (ICTSD), and WTO Institute of UIBE jointly organized the round table seminar on "WTO Modernization Reform and Future Development"



2019

May 1, China and U.S. hold 10th round of high-level trade consultations in Beijing

At the beginning of May, CCG expert delegation, whilst in the US conducting “track II diplomacy” activities, visited several think tanks and research institutions to promote greater bilateral understanding.



2019



CCG visits US think tanks

During May 1 – 3, the CCG expert delegation visited several US think tanks in Washington , including the Center for Strategic and International Studies (CSIS), Hudson Institute, Heritage Foundation, Wilson Center Kissinger Institute, American Enterprise Institute (AEI), Carnegie Endowment for International Peace, Cato Institute and Pew Research Centre.

2019



CCG visited US Chambers of Commerce

On May 2 and 3, the CCG expert delegation visited three US Chambers of Commerce in Washington, including the US Chamber of Commerce, National Foreign Trade Council (NFTC), US-China Business Council (USCBC).

2019



CCG visited UN

On May 6 and 7, the CCG expert delegation visited four UN agencies at the UN Headquarters in New York City, including the Department of Economic and Social Affairs, the UN Secretariat, the NGO/DPI Executive Committee and the UN Office for South-South Cooperation.

2019

On May 10, 2019, U.S. increased tariffs on \$200 billion worth of Chinese goods (List 3) from 10 percent to 25 percent, when the bilateral talks, led by Chinese Vice-Premier Liu He and US trade representative Robert Lighthizer, ended without a deal.

On May 21 and 22, CCG set the China-US Business Forum Roundtable at the US Congress, and revisited the Carnegie Endowment for International Peace, the Brookings Institution, American Enterprise Institute (AEI)



2019



CCG participated the Munk Debates

On May 10, CCG participated in the world-renowned Munk Debates. This engagement provided a vital chance for the voices from China to discuss the most pressing issues surrounding China's rise especially with the escalating tensions between China and US.

Under this backdrop, CGTN host and journalist Liu Xin had a debate with Fox News presenter Trish Regan.

2019

On June 11, Mr. Walter Douglas, U.S. deputy assistant secretary of State visited CCG headquarters in Beijing.

On June 11, Sir Danny Alexander, Vice President and Corporate Secretary at the Asian Infrastructure Investment Bank (AIIB), to deliver a speech on the development and future prospects of the organization at CCG.



FOUR

PART /04 CCG Suggestions

CCG Suggestions

1. Increase opportunities for US companies through opening wider and expanding the space for mutually beneficial cooperation.
2. Accelerate implementation of the new Foreign Investment Law.
3. Seek further tariff reduction through bilateral negotiations and re-engage in BIT talks.
4. Update the way that Sino-US trade is measured to more accurately reflect the value derived by each side.
5. Expand cooperation in infrastructure and explore creating a Sino-US infrastructure investment fund.
6. Strengthen cooperation with U.S. and international institutions on the Belt and Road Initiative (BRI).

CCG Suggestions

7. Promote the implement of intellectual property rights (IPR) .
8. Build on the agreements already reached through bilateral negotiations and work to increase Sino-US bilateral trade and opportunities in services trade.
9. China and the US can work together to reform the WTO.
10. If China cooperates with U.S through joining CPTPP, it could help China reduce the structural conflicts in the Sino-US trade relations.
11. Strengthen Sino-US cooperation between provinces and states.
12. Develop the role of Track II diplomacy and promote bilateral dialogue and engage more on U.S.-China relations.

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Thanks For Your Attention!

Any Questions?

CCG | 全球化智库
CENTER FOR CHINA & GLOBALIZATION

The Center for China and Globalization (CCG) is a leading Chinese non-government think tank based in Beijing. It is dedicated to the study of Chinese public policy and globalization. Boasting a strong research team, it enjoys an impressive record of publications and events with broad public policy impact.

CCG's research agenda centers on China's growing role in the world, drawing from issues of global migration, foreign relations, international trade and investment, homegrown MNCs and other topics pertaining to regional and global governance.

Dr Wang Huiyao and Dr Miao Lu founded the CCG in 2008. Today near 100 in-house researchers and staff serve this thinking hub with subsidiaries and divisions spanning across China including Shanghai, Shenzhen, Guangzhou, Qingdao and Hong Kong.

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Weibo

<http://weibo.com/ccgthoughts>



LinkedIn

<https://www.linkedin.com/company/7439095>



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