

Covering Trade

Derek Wallbank, Anne Marie Roantree,
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Derek Wallbank

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MAKE U.S.-CHINA TRADE GREAT AGAIN

or: An Examination of the American View of the Trade War and How You Can Use This to Inform Coverage Planning and Explain This to Your Readers

Derek Wallbank
Senior Editor
Bloomberg News, based in Singapore

A BIT ABOUT ME...

- I've covered U.S. politics and policy since 2006; in D.C. from 2008 to 2019.
- Head of the Washington Breaking News Desk for Bloomberg for four years, from 2015 to 2019
- Regular trade war commenter for Bloomberg TV
- @dwallbank on Twitter if you want to link up there



HOW BREAKING TRADE NEWS MOVES MARKETS

GRAB



DIP: May 30, 7:33 p.m.; White House email

“Statement from the President Regarding Emergency Measures to Address the Border Crisis”
RISE: June 8, 8:31 p.m.;
@realdonaldtrump

“I am pleased to inform you that The United States of America has reached a signed agreement with Mexico. The Tariffs scheduled to be implemented by the U.S. on Monday, against Mexico, are hereby indefinitely suspended.”

@REALDONALDTRUMP'S VIEW

- “We are not in a trade war with China, that war was lost many years ago by the foolish, or incompetent, people who represented the U.S. Now we have a Trade Deficit of \$500 Billion a year, with Intellectual Property Theft of another \$300 Billion. We cannot let this continue!” – President Donald Trump
April 4, 2018
- “China just announced that their economy is growing much slower than anticipated because of our Trade War with them. They have just suspended U.S. Tariff Hikes. U.S. is doing very well. China wants to make a big and very comprehensive deal. It could happen, and rather soon!” – President Donald Trump
Dec. 15, 2018
- Tariffs will make our Country MUCH STRONGER, not weaker. Just sit back and watch! In the meantime, China should not renegotiate deals with the U.S. at the last minute. This is not the Obama Administration, or the Administration of Sleepy Joe, who let China get away with “murder!” – President Donald Trump
May 10, 2019

TRUMP'S GOALS WITH CHINA

The U.S. side thinks the following:

- China has screwed the U.S. over for years.
- China will continue to do so if not confronted.
- **China does not respect weakness, only strength.**
- A lot of China's economy is based on fraud
- China doesn't give U.S. companies a fair shot
- Economic issues are geostrategic issues
- The U.S. could win a military war with China but fighting one would be stupid and should be avoided.
- **Diplomatic institutions for resolving trade differences are broken, especially the UN and WTO.**
- China can't be trusted to keep its deals and must implement structural changes
- Tariffs force economic adversaries to the table
- China pays more on tariffs than the U.S. long term
- **In a protracted trade war, the U.S. will lose less.**



by the Washington Post, 2018-07-10 12:00P

SOME MYTHS IN ASIA ABOUT AMERICA, GENERALLY

- China's rise isn't a threat
- The U.S. is learning to embrace rising China
 - Chinese 2nd-most sought-after second language
 - 34% of U.S. employers rely on Chinese speakers
- U.S. movie industry is increasingly pro-China
 - More heroes
 - Fewer villains
 - Location location location



SOME MYTHS IN ASIA ABOUT THE TRUMP ADMINISTRATION

- Trade War isn't about Taiwan, Tibet, Tiananmen or Hong Kong
 - Some want it to be. Not Trump
- Huawei is (mostly) separate issue
- Bipartisan support
- U.S. hard line on Trump may not end with Trump.
 - 2020 elections upcoming
 - Democrats do not want to look soft on China
 - “Rust Belt” states Pennsylvania, Michigan, Wisconsin, Ohio, are key battlegrounds

SPEAKING OF HUAWEI...



Facebook



Google



Snapchat



Twitter



YouTube

There's no doubt China is upset by the U.S. actions to block Huawei, but look at this from the American perspective.

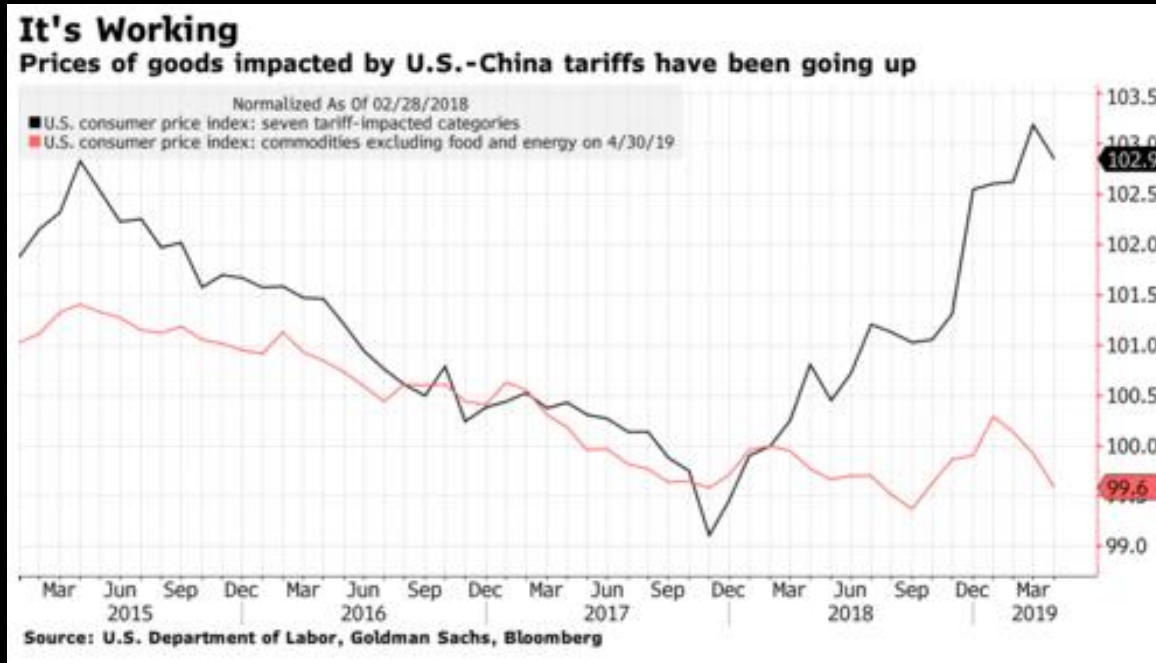
The pride of the U.S. tech industry and source of much of the emergent market value over the last two decades... is basically blocked in China behind its Great Firewall.

So from the U.S. view, these Huawei actions aren't exactly unprecedented

SO HOW DO WE COVER THIS?

- Twitter alerts
- Seek data points
 - Let the data give you not just answers, but more questions
 - What is the data telling us about what's next?
 - See anything interesting when you compare data sets?
 - When big news happens on the trade war, what else happens in concert?
- What is the next big moment?
 - What are the little moments between now and then?

ECONOMIC COSTS



- Easiest story is to look at data and explain a change
- Reports Inevitably plentiful, both government and think tanks
- Almost everyone wants to talk with you

GEOGRAPHIC CONTAGION

USD/TRY Bought on Bets Trump May Hit Turkey With Tariffs: Trader

By Michael G. Wilson

(Bloomberg) -- Clients have bought USD/TRY on speculation that U.S. President Donald Trump may hit Turkey with tariffs next given his [decisions](#) on Mexico, according to an Asia-based FX trader.

- USD/TRY climbs as much as 0.8%
- NOTE: Turkey is [considering deploying](#) a Russian missile-defense system along the country's southern coast, near where its warships are accompanying vessels exploring for energy, according to four people with knowledge of the deliberations
- Clients see a chance that the fear of tariffs on Turkey may become real given Trump's current mood where he imposed tariffs on [Mexico](#) over their border control policy, trader says

- Geographic risk is rarely contained
- Traders ask: could XX apply in YY location too?
- This can be based on actual knowledge, hunches, feelings or fears. Either way, markets move.
- Ask what has moved before to figure out what will move again!

AS BAD THINGS HAPPEN, DOUBTS EMERGE, HAVENS RISE

GRAB



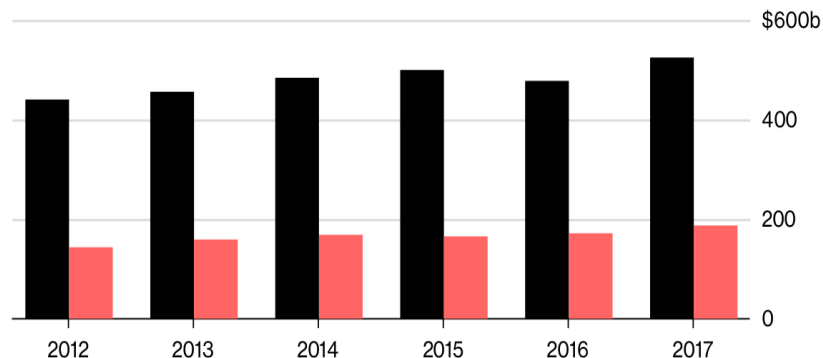
- What are Havens?
They're basically what you stash cash in when things get scary.
- Tangible assets like gold or hard currency; Japanese Yen is the local haven in Asia.
- ← Flight to Havens (JPY) from both USD and China's Yuan since April

WHAT'S NEXT WHY CONTAGION IS INEVITABLE

What's in a Trade Gap?

The U.S. imports hundreds of billions of dollars more than it exports to China

■ Imports ■ Exports



Note: Data are for goods and services
Source: U.S. Department of Commerce

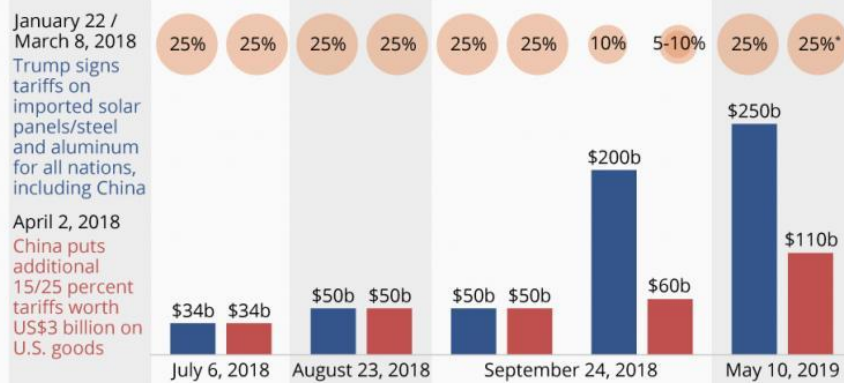
Bloomberg

IBT

How the U.S.-China Trade War Escalated

Cumulative tariffs between the U.S. and China in 2018/19

■ U.S. tariff action ■ Chinese tariff action ● Tariff rate



* Up to 25 percent, expected
@StatistaCharts Sources: Bloomberg, CNN

statista The Statistics Portal
www.statista.com

HOW U.S. GOVERNMENT REPORTERS COVER SLOW-MOVING CRISES

- Find the key deadlines and work backward from there
- The next deadline is clear: Trump-Xi meeting at G-20, likely June 28 or 29
- Coverage points up to and around that:
 - Trump decision point is afterward, per tweet
 - How does Trump break news? How does China break news?
 - Will they actually meet? Trump threatened tariffs if Xi doesn't talk at the G-20
 - Who will be in the room? Are they hawks or doves? Any pre-meetings?
 - Exclusions
 - There are usually "buts" – Who is lobbying? Is it working? Is influence changing for this campaign?
 - Retaliation preparation
 - China retaliation scope (tariff hike or contagion counter)
 - Think about possible pain points... be creative! List them out. These are your reporting targets.
 - USA: Rare earths, Boeing, agriculture; China: Huawei, other tech giants, Taiwan/Hong Kong, S. China Sea, winnable trade cases they haven't pursued
 - Who else is hurt if U.S.-China gets worse? Who stands to benefit?

COVERAGE OPPORTUNITIES

- Scale of tariffs; compare real numbers one-to-one to something else
 - ***Trump's Tariffs Have Already Wiped Out Tax Bill Savings for Average Americans***
 - (math = \$930 avg middle-earner tax cut, per Urban-Brookings Tax Policy Center; \$831 tariff cost, per New York Fed)
- Supply chain flows; compare projection changes to find winners and losers
 - ***Vietnam Tops List of Biggest Winners From U.S.-China Trade War***
 - ***Chinese Exporters Dodge Tariffs With Fake Made-in-Vietnam Labels***
 - (nobody wants to lose their shirts, so friendly/proximate countries may win... which raises incentives to cheat the new system to preserve an edge)
- NOTE: Coverage like this can be quantified both actually and relatively.
 - Actual changes (movers, simple up/downs)
 - Actual changes vs. prior results over a given time period (m/m, y/y, etc.)
 - Actual changes vs. forecasted results (beats/misses on expectations)
 - Updated forecasts vs. prior projections (revised estimates)

HOW TO KEEP IN TOUCH

- Twitter – @dwallbank
- Email – dwallbank@Bloomberg.net

Anne Marie Roantree

Bureau chief, Hong Kong, Reuters



Trade war puts new strains on America Inc's factories in China

Samantha Vadas, Adam Jourdan, Anne Marie Roantree

9 MIN READ



SHENZHEN, China/SHANGHAI/HONG KONG (Reuters) - Larry Sloven arrived in southern China three decades ago, just as the region was taking off as the low-cost manufacturing center of the world. Since then, he has exported millions of dollars of goods, ranging from power tools to LED lights, to some of America's biggest retailers.



That era may now be coming to an end.

For years, Sloven has seen profits whittled away by rising costs, tighter regulations and Chinese government policies aimed at building a more sustainable and services-oriented economy that have squeezed lower-end manufacturers.

But the final straw may be the prospect of tariffs stemming from a trade war between the United States and China, and a world of more protectionism.

"It's been step, by step, by step. And it's been getting more and more expensive to produce products in China," said Sloven, president of Capstone International HK Ltd, a division of Capstone Companies, from Deerfield Beach, Florida, a maker of consumer electronics goods.

Manufacturers have been feeling the squeeze as China shifts its priorities from lower-end manufacturing to high technology industries as part of a broader bid to upgrade its economy.

But with tariffs looming, "everybody finally woke up to the extent that 'maybe I should face reality'," he said. Manufacturers were increasingly worried that "the next group of tariffs would be the killer".

Sloven is now stepping up efforts to trim his exposure to China, diversifying into growing manufacturing centers like Thailand.

BUSINESS NEWS JANUARY 17, 2019 / 6:12 PM / 5 MONTHS AGO

Job jitters mount as China's factories sputter ahead of Lunar New Year

Stella Qiu, Anne Marie Roantree

DONGGUAN/HONG KONG (Reuters) - Wang Zhishen was thrilled when Danish shipper A.P. Moller-Maersk ([MAERSKb.CO](https://www.maersk.com)) gave him two months' paid leave, relishing the chance to spend time with his wife and daughters in China's remote northwestern Gansu province.

But his euphoria over what he thought was an unexpected bonus quickly turned to despair when Maersk fired Wang on January 3, less than a month after he packed his bags in the southern Chinese manufacturing center of Dongguan.

Wang said he was one of 2,000 workers laid off at the company's Dongguan transport container factory which has been idle since early December, as the impact of a trade war between Washington and Beijing ripples through industries from logistics to autos and technology.

"I was sure it was a holiday," said Wang, 35, who said he worked as a painter at Maersk for nearly six years until he was sacked two weeks ago via China's WeChat messaging service.

POLITICS JANUARY 16, 2019 / 2:01 PM / 5 MONTHS AGO

U.S. legislation steps up pressure on Huawei and ZTE, China calls it 'hysteria'

Diane Bartz, Christian Shepherd

WASHINGTON/BEIJING (Reuters) - A bipartisan group of U.S. lawmakers introduced bills on Wednesday that would ban the sale of U.S. chips or other components to Huawei Technologies Co Ltd [HWT.UL], ZTE Corp or other Chinese telecommunications companies that violate U.S. sanctions or export control laws.

The proposed law drew sharp criticism from China where Foreign Ministry spokeswoman Hua Chunying called the U.S. legislation “hysteria”, intensifying a bitter trade war between Beijing and Washington.

The bills were introduced shortly before the Wall Street Journal reported federal prosecutors were investigating allegations that Huawei stole trade secrets from T-Mobile U.S. Inc and other U.S. businesses.

The Journal said that an indictment could be coming soon on allegations that Huawei stole T-Mobile technology, called Tappy, which mimicked human fingers and was used to test smartphones.

BUSINESS NEWS MARCH 28, 2019 / 10:27 PM / 3 MONTHS AGO

Huawei urges U.S. to drop 'loser's attitude' as carrier business revenue slips

Sijia Jiang, Anne Marie Roantree

HONG KONG (Reuters) - China's Huawei Technologies called on Washington to drop the "loser's attitude" and once again rubbished U.S. allegations its gear could be used by Beijing for spying, as its network business weakened amid mounting global scrutiny.

"The U.S. government has a loser's attitude. It wants to smear Huawei because it cannot compete against Huawei," Guo Ping, rotating chairman of the world's top producer of telecoms equipment and No.3 maker of smartphones, said on Friday.

"I hope the U.S. can adjust its attitude," Guo said at a press briefing that was attended by more than 100 journalists from across the world.

The U.S. embassy in China declined to comment.

Huawei reported a slower pace of profit growth for 2018 as its network business saw its first drop in revenue in two years, overshadowing a robust 45 percent jump in its smartphone unit.

BUSINESS NEWS JANUARY 25, 2019 / 4:09 AM / 5 MONTHS AGO

Alibaba slams U.S. treatment of Huawei, efforts to curb China's rise

Anne Marie Roantree, Sijia Jiang

HONG KONG (Reuters) - A senior Alibaba executive slammed the United States' treatment of China's Huawei Technologies as "extremely unfair", saying measures by the country to curb the firm's access to their markets was "very politically motivated".

Joe Tsai, the e-commerce giant's executive vice-chairman, also sharply criticized what he called an attempt by the U.S. government to curb China's rise via a trade war.

He struck an optimistic note about China's economy, saying it remained fundamentally strong despite a slowdown, and added that stimulus such as tax cuts needed to be imposed to prop it up even as it battles U.S. efforts to dent its businesses.

U.S. President Donald Trump's administration has not only slapped crippling tariffs on Chinese imports, it has also stepped up scrutiny of Chinese investments in the country and torpedoed many deals citing national security concerns.

Huawei, the world's biggest network equipment maker, has been caught up in the crosshairs, with the United States alleging its products could be used by Beijing for espionage.

BUSINESS NEWS NOVEMBER 28, 2018 / 6:05 PM / 7 MONTHS AGO

Supply chain reaction: trade war refugees race to relocate to Vietnam, Thailand

Farah Master, Orathai Sriring, Anne Marie Roantree

HONG KONG/BANGKOK (Reuters) - Fred Perrotta spent four years building a network of Chinese suppliers for his line of trendy backpacks, but as soon as the United States announced tariffs on almost half of its Chinese imports, he started looking for suppliers in other countries.

That process is now so far advanced it would be too late to reverse it even if U.S. President Donald Trump and his Chinese counterpart Xi Jinping call a truce in their growing trade war at this week's G20 summit, the 33-year-old said.

Perrotta's company, Tortuga, is joining what industry experts say is the biggest shift in cross-border supply chains since China joined the World Trade Organisation in 2001.

The shift is creating stiff competition to secure new facilities in neighboring countries and rebuild supply chains outside of China, home to a fifth of global manufacturing.

"Everyone is nervous and scrambling around," Perrotta said by phone from Oakland, California, where he recently took delivery of the first samples from a potential new supplier in Vietnam.

John Carter

Senior editor, political economy,
South China Morning Post



Agenda

- **SCMP Background**
- Reporting on China
- Know your audience
- Humanize the impact of the trade war
- The impact of trade war
- Exodus of China Firms to avoid US tariffs
- Vietnam



South China Morning Post

- A global news company
- Founded in 1903
- Headquartered in Hong Kong

- Vision:
“Elevate Thought”
- Mission:
“Lead the global conversation about China”



Global Audience



- Increasing interest in North America about China:
- 30% of audience in USA
- 40% in Asia
- 30% Rest of the world

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Reporting on China



More difficult in recent years due government crackdown

Officials, executives more reluctant to speak

Sources fear reprisals

Have to work harder

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Know Your Audience

How much technical detail do readers want/need?



**RELATE IT TO THEIR
WORLD**

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HUMANIZE the impact of the Trade War



**Too much data is
BORING**

- Stories on**
- **small export firms**
 - **consumer views**

HUMANIZE the impact of the Trade War

“Those manufacturers who mainly sell to Europe and the United States need to start taking pain killers again,” said exporter Liao Yu, who produces bags and suitcases in Dongguan.

“The cost of relocation is very high for small factories of our kind. But if you don’t move, how do you digest the tariffs? A 25 per cent [tariff] will kill everyone. Meanwhile, European and American customers are now using more suppliers in Southeast Asia to replace us. Trump is just a killer.”

HUMANIZE the impact of the Trade War

“I was so surprised when I saw that the stock market had tumbled sharply, until I saw that many of my friends had shared Trump’s tweet via WeChat,” said Shenzhen-based exporter Zheng Bo, who sends about 15 per cent of its smart helmets to the US.

“My team and I have been busy studying whether our products would be included on the list of US\$325 billion worth of goods and what we should do next. It’s really hard to absorb the news because the [Chinese] media is just reporting repeatedly that both sides had made positive progress in the latest talks and would reach a final deal soon.

“The bigger problem [with the higher tariffs] is that they will cause great uncertainty about the yuan [exchange rate]. It will cause huge damage to our orders and profits.”

HUMANIZE the impact of the Trade War

“Recently, I often chat with my classmates and clients who live and work abroad. We talk very carefully as we are afraid of our WeChat account being blocked because of any sensitive content related to trade war news. But I really need to know more about what is really happening in the trade war and what will come next,” said a Guangzhou-based exporter in his 40s, who asked not to be named.

“In just two weeks, the mentality of my friends around me has changed. We used to think [a trade war] to be absolutely impossible. Now I start to fear there will be a devaluation of the [yuan] in the near future, and even a more horrible situation ahead if the two sides engage in a full-scale war, not only in trade and technology, but also in finance and the currency market.

“I would love it if all my fears were unnecessary, but I can’t help but have them. I think I might need to make a contingency plan, like keeping a certain amount of either yen, US dollars or Australian dollars in cash at home, only for emergencies in extreme situations. A problem may not arise, but now I really need to be aware of the possibility because of my family.”

HUMANIZE the impact of the Trade War

“The yuan is sliding towards 7 to the US dollar, a 500-gram package of grapes has soared to 30 yuan (US\$4.3) at the wet market, and Vice-Premier Hu Chunhua will head the group watching job market stress. There is more and more news on the effects of the trade war and how it is starting to impact our daily life,” said Yan Chao, a 30-year-old operations manager at a Shanghai-based advertising company.

“My job is very important for me as my wife is a housewife and we have a daughter who is just two years old. My parents are retired doctors and pay most of the mortgage for me. My wife and I are going to buy a new car through a car loan, but maybe it’s better to delay that plan until maybe next year when the economic situation becomes certain.”

China's middle class growing desperate and anxious about US trade war impact

- Fears of trade war impact also appear to be affecting willingness to spend and prompting moves to safeguard wealth in foreign currencies and gold
- Rising food prices and unemployment levels adding to concerns despite state and social media urging nation to stand strong in face of adversity



He Huifeng

Published: 12:00pm, 27 May, 2019 ▾



China's exporters of Donald Trump wigs and American flags 'had no idea' they face higher trade war tariffs

- A Chinese producer of socks brandishing the face and hair of US President Donald Trump is set to be hit with a new trade war tariff
- Manufacturers of 'Trump' wigs and American national flags also face incoming tariffs, but were not aware of this when contacted



Cissy Zhou
Orange Wang

Published: 6:45pm, 15 May, 2019 ▾



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The Impact of Trade War

DIRECT IMPACT

Effect on
exports and imports

INDIRECT IMPACT

Effect on consumer
and business sentiment
- More powerful and harder to quantify

**Lead time – effects take time to have full
impact**

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Exodus of Chinese firms to avoid US tariffs

Already underway before trade war due to higher costs

- Wages, rent, raw materials, taxes
- Trade war just gave it a push

• Labor intensive industries moved first

- Clothing, shoes, furniture
- Now, some high tech firms moving

• But high-quality production staying in China due its major advantages

- Sophisticated logistical network
- Large skilled labor force

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Vietnam



- Early adopters paid low prices for land and labor
- Newcomers paying much higher prices
- Skilled labor shortage
- Chinese firms crowding out Vietnamese firms
- Historical animosity – potential for trouble, as in 2014

Trade War Stories

Global Economy

Inside China's state-owned industrial park in Vietnam, Beijing's image trumps trade war profits

- China-Vietnam (Shenzhen-Haiphong) Economic and Trade Cooperation Zone is only Chinese state-owned industrial park in Vietnam
- Venture has attracted increasing interest since start of US-China trade war, but operators say first duty is to support Xi Jinping's trade initiative



Cissy Zhou

Published: 6:00am, 3 Jun, 2019



A total of 16 of the 21 Chinese companies that have relocated to the China-Vietnam (Shenzhen-Haiphong) Economic and Trade Cooperation Zone did so after the start of the US-China trade war. Photo: Cissy Zhou

Trade War Stories

Global Economy

As trade war rages, Chinese firms in 'malignant' battle for talent and territory in Vietnam

- As firms seek alternatives to China to avoid increased tariffs imposed by US President Donald Trump, Southeast Asian nation is feeling the pressure
- One Chinese businessman says: 'You fill a job with three people in China, [in Vietnam] you probably have to recruit five'



Cissy Zhou

Published: 8:30pm, 3 Jun, 2019 ▾



Workers at a furniture plant in Binh Duong. Photo: Cissy Zhou

Trade War Stories

China Economy

Trade war pushing companies from China to Vietnam, but experts warn they may have missed the boat

- Rising land and labour costs, bottlenecks at ports, traffic jams on roads and diminishing manufacturing capacity are leading to saturation in parts of Vietnam
- Other parts of Asia, including Malaysia and Batam in Indonesia, emerge as alternative manufacturing hubs to Vietnam



Cissy Zhou
Finbarr Bermingham

Published: 6:00am, 8 May, 2019



There were 9.3 million workers in Vietnam's manufacturing sector in 2017. Photo: EPA-EFE

Trade War Stories

China Economy

Chinese companies moving to Vietnam keep quiet on trade war to avoid wrath of authorities and staff

- Many factory owners planning to relocate outside China fear response from Chinese governments, employees, suppliers and local communities
- Chinese companies also 'afraid Vietnamese society is opposed to Chinese manufacturers moving to their country'



He Huifeng

Published: 8:00pm, 16 May, 2019 ▾



People work in Wonderland nursery products company in Dongguan, Guangdong Province, China. Nursery products are excluded from US-China trade war tariffs, but many other Guangdong-based manufacturers are being forced to move to Vietnam. Photo: EPA-EFE

Trade War Stories

China Economy

US-China trade war manufacturing exodus creating boom times for Chinese logistics companies

- The trade war has created an unlikely winner: the cross-border logistics companies facilitating the exodus of Chinese manufacturers
- Guangzhou-based R&T Transportation helped 10 firms move their entire plant out of China since 2018 and 500 companies to move part of production



He Huifeng

Published: 7:30am, 22 May, 2019 ▾



Shipping containers are seen at a port in Haiphong, Vietnam. More Chinese companies are fleeing to Southeast Asia to avoid trade war tariffs, creating opportunities for Chinese logistics companies helping them to move. Photo: Reuters

Trade War Stories

China Economy

Donald Trump is a business 'killer' who 'never plays by the rules', say Chinese exporters after tariff threat

- US\$200 billion of Chinese imports into the United States set to be subject to new 25 per cent tariffs from Friday
- Chinese Vice-Premier Liu He still expected to be part of the delegation set to arrive in Washington on Thursday for talks



He Hui Feng

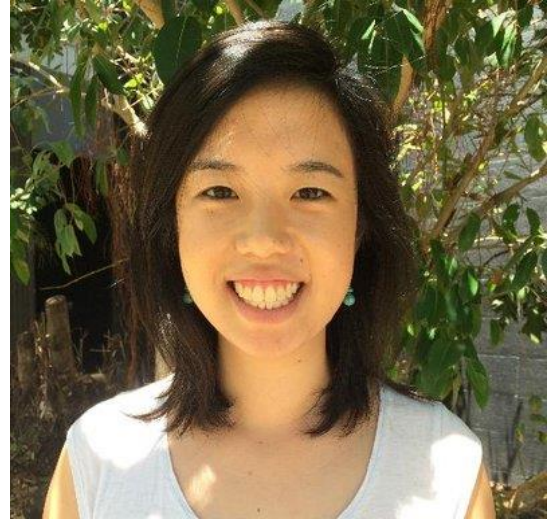
Published: 12:23pm, 7 May, 2019



Chinese Vice-Premier Liu He (third left) is still expected to be part of China's delegation set to arrive in Washington on Thursday for talks. Photo: EPA

Sue-Lin Wong

South China correspondent,
Shenzhen, Financial Times



Exclusive - North Korean traders offering cheap coal on hopes sanctions will ease: Chinese traders

Sue-Lin Wong

BEIJING (Reuters) - Some North Korean traders are offering cheap coal to Chinese buyers who are stockpiling it at ports inside the isolated country, hoping recent diplomatic moves lead to an easing of sanctions barring purchases of North Korean coal, three Chinese traders told Reuters.

Official data shows China has not imported any coal from North Korea since October last year, after the United Nations banned Pyongyang from exporting coal in September.

In 2016, China, Pyongyang's main trading partner, bought 22.5 million tonnes of coal from North Korea worth almost \$2 billion. [COAL/CN]

But the Chinese traders said offers of coal had surged after North Korean leader Kim Jong Un made a surprise visit to Beijing in March, and ahead of a planned meeting with U.S. President Donald Trump.

"The day Kim Jong Un visited Beijing, I was approached by a North Korean trader asking if I wanted inventory at Nampo port," one coal trader based in northern China told Reuters, referring to North Korea's main west coast port.

COMMODITIES NEWS AUGUST 12, 2017 / 9:00 PM / 2 YEARS AGO

INSIGHT-N.Korea factories humming with 'Made in China' clothes, traders say

By Sue-Lin Wong and Philip Wen

DANDONG, China, Aug 13 (Reuters) - Chinese textile firms are increasingly using North Korean factories to take advantage of cheaper labour across the border, traders and businesses in the border city of Dandong told Reuters.

The clothes made in North Korea are labelled “Made in China” and exported across the world, they said.

Using North Korea to produce cheap clothes for sale around the globe shows that for every door that is closed by ever-tightening U.N. sanctions another one may open. The UN sanctions, introduced to punish North Korea for its missile and nuclear programs, do not include any bans on textile exports.

“We take orders from all over the world,” said one Korean-Chinese businessman in Dandong, the Chinese border city where the majority of North Korea trade passes through. Like many people Reuters interviewed for this story, he spoke on condition of anonymity because of the sensitivity of the issue.

BUSINESS NEWS DECEMBER 20, 2016 / 10:25 PM / 2 YEARS AGO

How North Korean seafood ends up in countries that ban it

Sue-Lin Wong

YANJI, China (Reuters) - The brightly colored packages advertising “Walleye Pollock” at the West Market in Yanji, a Chinese city near the border with North Korea, say the fish came from China.

But 15 vendors interviewed at the market say the fish came in from North Korea to be processed, packaged and mostly sold in China. They say they buy the fish from Chinese wholesalers who deal with their North Korean counterparts at the border.

The packaged fish is also exported to countries that ban North Korean products, including South Korea, Japan and the United States, say the vendors, who are also involved in the export of their products.

“All the dried fish is from North Korea but we package it here so we say the fish is from here,” said one vendor who spoke on condition of anonymity.

Smaller packets sell for around 40 yuan (\$5.80) while the bigger ones which are often given as gifts sell for at least 100 yuan.

ARTS OCTOBER 4, 2017 / 5:06 AM / 2 YEARS AGO

White tiger, dark horse: North Korean art market heats up

Sue-Lin Wong, Giselda Vagnoni, Fanny Potkin

DANDONG, China (Reuters) - Seated beneath tall windows and dressed simply in singlets and trousers, North Korean painters are hard at work. The artists staple canvases to frames or copy idyllic landscapes from laptop computers. One wears headphones as he brushes a group of running horses onto his canvas.

The nine men have come to the Chinese border town of Dandong from Mansudae Art Studio, North Korea's largest producer of art. There are many outlets like this along the border; they house some of the thousands of North Korean artists who cater to burgeoning demand for their work. "Chinese have begun collecting art, and North Korean art is much easier and cheaper for them to obtain," says Park Young-jeong, a research fellow at the Korea Culture and Tourism Institute, a Seoul-based organization.

In recent years as countries have responded to North Korea's weapons tests with sanctions, Mansudae and other art studios have increasingly played a more controversial role - helping Pyongyang raise cash abroad. North Korea has long been punished for alleged underhand dealings in minerals, finance and arms; art was seen more as a channel for mutual understanding. That is changing.

Huawei warns ban set to hurt 1,200 US suppliers

Louise Lucas, James Kynge and Sue-Lin Wong in Shenzhen MAY 29, 2019

Washington's move to blacklist [Huawei](#) is set to hit about 1,200 US suppliers to the Chinese telecoms group, including companies that provide most of the backbone of the company's cyber security system.

Senior executives told the Financial Times that the Trump administration's decision to add the Chinese group and 68 affiliates to its prohibitive "[entity list](#)", which in effect bars US companies from selling to them, would have ramifications beyond Huawei.

The ban is due to come into force in mid-August, following a three-month reprieve granted by Donald Trump, the US president, to allow American companies to manage the disruption.

Huawei, which is already facing the prospect of being shut out of Google's [Android smartphone operating system](#), warned that the impact of the ban could extend beyond handsets to software used in its equipment and other businesses.

US companies reshape supply chains after China ultimatum

James Politi in Washington, **Sue-Lin Wong** in Hong Kong and **Andrew Edgecliffe-Johnson** in New York
MAY 23, 2019

At a rally in central Pennsylvania on Monday, Donald Trump had an easy answer for US businesses fretting over the breakdown in trade talks with China and the escalation in levies on thousands of products coming across the Pacific Ocean.

“Anyone who doesn’t want to pay the tariffs has a simple solution: build your product in America, bring your factories back to Pennsylvania, where you want to be anyway,” the US president said.

Mr Trump has ramped up his calls for American companies to ditch China and bring manufacturing back to the US — or move their sourcing to third countries such as Vietnam — as the prospects of a deal with Xi Jinping, Chinese president, dimmed in recent weeks. But many US businesses know that rapidly unravelling their China ties is not as simple as the White House thinks.