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CHINA UPDATE

QUOTE OF THE WEEK

"Secretary Kerry invited China's top foreign policy official and a very small team to come to the United States and, in an extraordinary gesture, to come to Boston, his hometown. Instead of meeting with the Chinese in Washington, D.C. and in the State Department, as is conventional, instead Secretary Kerry opened his home – his personal home – and I think over the last day, day and a half created really an unprecedented and substantive dialogue between the U.S. and China that builds on the work that he has been doing across a spectrum of issues to ensure that the U.S.-China relationship is firing on all cylinders." – A senior State Department official on Secretary Kerry's meeting with Chinese State Councilor Wang Jiechi in Boston, MA, October 18, 2014

U.S.-CHINA RELATIONS

Center for American Progress Event on U.S.-China Relationship

On October 13 and 14, the Center for American Progress hosted a group of U.S. and Chinese experts to assess progress in U.S.-China relations and to offer policy recommendations for both sides as President Obama prepares for his next China trip. A [video](#) with excerpts of the event, titled "Taking Stock of the U.S.-China Relationship" is available for viewing.

U.S.-China Young Scientist Forum

Ten science professionals focusing on disaster management from Chinese research and policy institutions met with 10 American counterparts at the Department of State in Washington on October 15 for the Seventh U.S.-China Young Scientist Forum ([YSF](#)).

Secretary Kerry Meets with Chinese State Councilor in Boston

China's State Councilor Yang Jiechi arrived in Boston, MA on October 18 for meetings with Secretary of State Kerry. Discussions included the U.S.-China bilateral relationship, the Ebola crisis, ISIS, the Iran and North Korea nuclear situations, Afghanistan, and global issues related to climate change, the environment, and energy. Secretary Kerry offered

opening [remarks](#) at the Taj Hotel, and then State Department officials provided a summary of the discussions before engaging in a [Q&A](#) session.

U.S-China Join to Train Afghan Diplomats

On October 20, a group of 15 young Afghan diplomats kicked off their training visit to the United States at a welcome reception hosted at the State Department by Special Representative for Afghanistan and Pakistan Daniel F. Feldman. The Special Representative was joined at the reception by Chinese Embassy Minister Wu Xi and Afghan Charge d'Affaires Mirwais Samadi. This is the third year the United States and China have partnered to train the Afghan diplomatic corps on diplomatic, communications, and management skills.

Chinese State Councilor in Washington, DC for Meetings

Also on October 20, Secretary of Defense Hagel met at the Pentagon with Chinese State Councilor Yang Jiechi for discussions on the U.S.-China military-to-military relationship. Other topics discussed were cooperation on humanitarian assistance and disaster relief. Mr. Yang also met with National Security Advisor Susan Rice.

State Department Special Envoy in Korea, China, and Japan

Special Envoy for Six-Party Talks Sydney Seiler will travel to the Republic of Korea (ROK) to represent the United States at the first high-level meeting of the Northeast Asia Peace and Cooperation Initiative. Special Envoy Seiler will also meet with senior officials in Seoul to discuss North Korea policy. He will then travel to Beijing and Tokyo to meet with senior officials in each country to discuss North Korea policy. Special Envoy Seiler will be in Seoul on October 27 for meetings with senior ROK government officials, including Director General for North Korean Nuclear Affairs Shin Chae-hyun. He will then travel to Beijing on October 30 for meetings with senior Chinese government officials, before visiting Tokyo on November 1 for meetings with senior Japanese government officials, including Director for Northeast Asia Division of Asian and Oceanian Affairs Bureau Keiichi Ono. Special Envoy Seiler will return to Washington, D.C. on November 4.

State Department Official in China for Talks on Afghanistan

U.S. Special Representative for Afghanistan and Pakistan Daniel F. Feldman will travel to Beijing on October 30-31, where he will join a senior U.S. delegation to participate in the 'Heart of Asia' conference. The conference is an important opportunity to discuss the effort by many in the region to expand political, security, and economic support for Afghanistan. Special Representative Feldman will also conduct bilateral meetings with key Chinese counterparts to exchange views on the situation in Afghanistan.

Upcoming APEC Meetings in China

- On November 5-8, the APEC Business Advisory Council is held in Beijing.
- On November 7-8, the APEC Ministerial Meeting is held in Beijing.
- On November 9-10, the APEC CEO Summit is held in Beijing.
- On November 10-11, President Obama will attend the APEC Economic Leaders meeting in Beijing.

ENERGY & ENVIRONMENT

Chinese Emissions Fees Increase

China Environment's Chamber of Commerce released a report October 9 finding that the penalties companies must pay for air and water pollution increased in about half of China's regions in the past seven years. Sixteen provincial-level administrative regions have increased discharge fees since 2007. The fees are being raised to bring them in line with a forthcoming environmental tax system, which would replace the current nominal fee system.

Chinese Compliance Tightened

China's Ministry of Environmental Protection released implementation guidelines October 17 finding that amendments to the nation's Environmental Protection Law that takes effect January 1 will increase the burden on companies operating in the country and could include daily fines for industrial polluters.

China Proposes Higher Taxes on Inefficient Automobiles

On October 24, China Automotive News reported that China is considering imposing higher taxes on inefficient vehicles as a means of encouraging the adoption of more efficient vehicles with smaller engines that use alternative energy.

China to Promote Alternative Fuel Vehicles in Air Pollution Control Region

On October 22, China's State Council unveiled a plan to promote the use of alternative fuel automobiles in the Beijing-Tianjin-Hebei region, which is one of the three air pollution control regions in the country.

TRADE

Commerce Official Visits Beijing and Shanghai

On October 16, U.S. Under Secretary of Commerce for International Trade Stefan M. Selig concluded a four-day trip to Shanghai and Beijing where he spent time promoting the expansion of the U.S.-China commercial relationship in advance of the upcoming U.S.-China Joint Commission on Commerce and Trade (JCCT) ministerial. While in Beijing, Under Secretary Selig participated in JCCT Vice-Ministerial meetings with China's Ministry of Commerce, and co-chaired the JCCT U.S.-China Industries and Competitiveness Dialogue with Deputy U.S. Trade Representative Robert Holleyman and China's Vice Minister of Information and Industry Technology Liu Lihua.

Opportunities for U.S. Firms in Taiwan's Digital Signage Market

On November 12, the State Department's Bureau of Economic and Business Affairs will host a webinar on "Opportunities for U.S. Firms in Taiwan's Digital Signage Market." The webinar will be hosted by the Director of the American Institute in Taiwan. [RSVP's](#) are required by November 11.

25th JCCT Set for December in Chicago

Secretary of Commerce Pritzker and United States Trade Representative (USTR) Froman have announced that they will co-host the 25th session of the JCCT in Chicago on December 16-18. They will be joined by Secretary of Agriculture Vilsack. These high-level plenary meetings are held annually and are co-chaired by the Secretary of Commerce, the United States Trade Representative, and the Chinese Vice Premier in charge of trade and investment issues. Sixteen JCCT Working Groups meet throughout the year to address topics such as intellectual property rights, agriculture, pharmaceuticals and medical

devices, information technology, and travel and tourism. The 24th Annual JCCT meeting was held in Beijing, China on December 19-20, 2013. At those meetings, significant progress was made on several important issues, including protection and enforcement against theft of trade secrets, government procurement, market access for U.S. testing and certification companies, and market access for American beef. USTR Froman is in China this week for bilateral meetings in Beijing.

USITC Actions

On October 23, the United States International Trade Commission (USITC) determined that a U.S. industry is materially injured by reason of imports of monosodium glutamate from China and Indonesia that the U.S. Department of Commerce has determined are sold in the United States at less than fair value. As a result of the USITC's affirmative determinations, the U.S. Department of Commerce will issue antidumping duty orders on imports of these products from China and Indonesia.

Also on October 23, the USITC determined that a U.S. industry is neither materially injured nor threatened with material injury by reason of imports of grain-oriented electrical steel from China, Czech Republic, Korea, and Russia that the U.S. Department of Commerce has determined are sold in the United States at less than fair value and from China that the Department of Commerce has determined are subsidized. As a result of the USITC's negative determinations, no antidumping duty or countervailing duty orders will be issued on imports of this product from China, Czech Republic, Korea, and Russia.

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