



**Neal Martin**

[nmartin@mlstrategies.com](mailto:nmartin@mlstrategies.com)

**David Leiter**

[djleiter@mlstrategies.com](mailto:djleiter@mlstrategies.com)

**ML Strategies, LLC**

701 Pennsylvania Avenue, N.W.  
Washington, DC 20004 USA  
202 296 3622  
202 434 7400 fax  
[www.mlstrategies.com](http://www.mlstrategies.com)

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## CHINA UPDATE

### QUOTE OF THE WEEK

*“If you look at the original silk road, the destination on the East was for the most part China. The Chinese see this [regional integration] as a great opportunity for moving goods and people and raw materials between China and other parts of the region – Chinese manufactured goods to the West and raw materials and energy to the East, to China.”* – Under Secretary for Economic Growth, Energy, and the Environment Robert D. Hormats in remarks at The Asia Society on Asian Regional Economic Integration on December 11

### U.S.-CHINA RELATIONS

#### State Department Official Remarks on Asian Regional Economic Integration

On December 11 Robert D. Hormats, Under Secretary for Economic Growth, Energy, and the Environment delivered remarks to The Asia Society in New York City on “Asian Regional Economic Integration” at the launch of a new Asia Society report titled *The United States After Afghanistan*. In his remarks he noted that China, along with India, are the two major players in the Asia region and their buy-in is crucial to regional integration efforts. A press release from The Asia Society can be found [here](#), and Mr. Hormats’ remarks, as delivered, can be found [here](#).

#### Former President Jimmy Carter in Beijing

On December 11 former President Jimmy Carter met with Xi Jinping, head of the Chinese Communist Party, and Chinese Vice Premier Li Keqiang in Beijing. A press release on the meeting with Li, from the Chinese Embassy in Washington, can be found [here](#), and a release on the meeting with Xi can be found [here](#). Mr. Carter was in China as a guest of the Chinese People’s Association of Friendship with Foreign Countries.

### **Ambassador Gary Locke at Asia Society**

On December 17 U.S. Ambassador to China Gary Locke participated in a discussion at The Asia Society in New York City along with George Stephanopoulos of ABC News and Orville Schell, who heads up The Asia Society's Center on U.S.-China Relations. With regard to the recent "pivot" to Asia by the U.S., Ambassador Locke said, "We're not trying to contain China. The pivot also includes greater engagement with China. President Obama has actually met with president Hu Jintao 12 or 14 times. Secretary of State Clinton has been to China seven times....It's a recognition of the importance of the entire Asia-Pacific region." On U.S.-China trade relations, Ambassador Locke said, "The American people and the American Congress have to believe that we will make sure that when we lower barriers and open our markets to companies from other countries, that those other countries will also do the same for America, and that's why the president as very clear during the campaign – not rhetoric – that we're going to hold other countries' feet to the fire with respect to trade agreements and ensure a level playing field." The discussion can be viewed on The Asia Society's website [here](#).

### **Center for National Policy Event on U.S.-Taiwan Relations**

On December 20 the Center for National Policy will host a discussion on the CNP's recent U.S. Scholars Delegation to Taiwan to examine the future of U.S.-Taiwan relations. CNP President Scott Bates will lead the discussion with Michael Auslin, Resident Scholar in Foreign Defense Studies at the American Enterprise Institute; Jacqueline Deal, President of Long Term Strategy Group; Mike Breen, Executive Director of the Truman National Security Project; and Anthony Woods, 2011-2012 White House Fellow.

### **U.S. Agency Hosts Chinese Health Care Executives**

On December 12 the U.S. Trade and Development Agency (USTDA) hosted 26 senior health executives from China for an executive management training program at Harvard University. The program was a part of the U.S.-China Healthcare Cooperation Program (HCP) – a platform leveraging business and government resources in the U.S. and China to promote advanced technologies, collaboration, and sustainable development in the healthcare sector. The Chinese delegation was comprised of health executives from the Chinese Ministry of Health and seven provincial health bureaus.

### **CECC Hearing on Falun Gong**

On December 18 the Congressional-Executive Commission on China (CECC) will host a hearing on "Falun Gong in China: Review and Update." At the hearing, panels of experts on China and the Falun Gong spiritual movement will review the persecution of Falun Gong by the Chinese government and the Communist Party as well as update members of the CECC and the public on recent developments. Panelists include Bruce Chung, a Falun Gong practitioner detained in China earlier this year; Zhiming Hu, a twice-imprisoned Falun Gong practitioner; Sarah Cook, a Senior Research Analyst at Freedom House; Jianchao Xu, Assistant Professor of Medicine at Mount Sinai School of Medicine; Charles Lee, spokesman for the Global Service Center for Quitting the Chinese Communist Party; James Tong, Professor of Political Science at the University of California-Los Angeles; Caylan Ford, an Independent Researcher; and Yiyang Xia, Senior Director of Research and Policy (China) at the Human Rights Law Foundation.

### **Brookings Discussion on the U.S., China, and Maritime Asia**

On December 17 the Brookings Institution's John L. Thornton China Center hosted a discussion on China's maritime disputes and the future of U.S.-China relations. The discussion included leading experts on Chinese

foreign policy and maritime strategy, as well as remarks by Mr. Kevin Rudd, the former prime minister and former minister of foreign affairs of Australia. Prepared remarks and presentations can be found [here](#).

### **CAP Discussion on the U.S., China, and Africa**

On December 18 the Center for American Progress hosted a panel discussion titled “One Continent, Two Approaches: The U.S. and China in Africa.” The keynote speaker was Senator Chris Coons (D-DE) and panelists include Ambassador David Shinn, Adjunct Professor at George Washington University and former U.S. ambassador to Ethiopia and Burkina Faso; Joshua Eisenman, Senior Fellow in China Studies at the American Foreign Policy Council; and Daniel Runde, Director of the Project on Prosperity and Development at the Center for Strategic and International Studies.

## **TRADE & BUSINESS**

### **U.S.-China JCCT This Week**

On December 18 and 19 United States Trade Representative Ron Kirk and Acting Commerce Secretary Rebecca Blank are hosting Chinese Vice Premier Wang Qishan in Washington for the 23<sup>rd</sup> session of the U.S.-China Joint Commission on Commerce and Trade (JCCT). Agriculture Secretary Tom Vilsack will also participate in discussions on key agriculture trade concerns.

### **U.S. Court Rules in Favor of Chinese Chemical Company on Antidumping Rate**

On December 17 the U.S. Court of Appeals for the federal Circuit, in the case Changzhou Wujin Fine Chemical Factor Co. v. United States, ruled that the Department of Commerce had used data resulting in the most adverse dumping margin possible to the company when it imposed an antidumping duty rate. The decision means the Department must recalculate the antidumping rate. In the decision, the court said that the Department had “cherry picked the single date point that would have the most adverse effect possible on cooperating voluntary respondents, in a situation where there was no need or justification for deterrence.”

### **USCC Report on Monthly Trade Data With China**

On December 13 the U.S.-China Economic and Security Review Commission (USCC) released a “Staff Report on Monthly Trade Data With China.” According to a release from the USCC, “The U.S. Census Bureau announced this week that the cumulative trade deficit with China through October 2012 amounted to \$252 billion, \$16 billion higher than at the same point last year. Last year’s trade deficit with China was a record imbalance and was the largest bilateral U.S. trade deficit in history with any country. At this pace, the bilateral trade deficit with China this year is expected to be the highest on record. Although cumulative annual U.S. exports to China were up 6.4 percent over the last year, this was offset by imports, which increased by 6.5 percent. U.S. exports to China grew by 23.1 percent in October, the strongest month-on-month growth this year. While October tends to be a strong month for U.S. exports to China, a year ago the monthly increase was just 16.4 percent. As a result, U.S. exports to China are continuing to outpace U.S. exports to the world, which actually contracted in October.” The USCC report can be found [here](#) and the Census Bureau report can be found [here](#). A statement from Acting Secretary of Commerce Blank can be found [here](#).

### **Senators Urge Enforcement of Duty Orders on Chinese OCTG**

On December 10 Senators Rob Portman (R-OH) and Sherrod Brown (D-OH), along with a bipartisan group including Senators Carl Levin (D-MI), Dan Coats (R-IN), Debbie Stabenow (D-MI), Jeff Sessions (R-AL), Amy Klobuchar (D-MN), Al Franken (D-MN), Richard Shelby (R-AL), and Bob Casey (D-PA), sent a letter to Acting

Commerce Secretary Rebecca Blank urging that the Department effectively enforce antidumping and countervailing duty orders on oil country tubular goods (OCTB) from China. The letter can be found [here](#).

## **ENERGY & ENVIRONMENT**

### **Report on Natural Gas Development**

On December 10 Accenture released a report urging oil and gas producers to the experience of the U.S. in natural gas development as a model for developing shale gas in countries with varying geologies and water conditions, such as China. Titled *Water and Shale Gas Development: Leveraging the U.S. Experience in New Shale Developments*, the report can be found [here](#).

### **Brookings Discussion on Low-Carbon Development in China**

On December 14 the Brookings Institution's John L. Thornton China Center hosted Qi Ye of the Climate Policy Initiative (CPI) at Tsinghua University for the launch of CPI's third Annual Review of Low-Carbon Development in China for a discussion with Brookings Managing Director William Antholis, a former White House climate change official. Audio of the discussion can be found [here](#).

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