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CHINA UPDATE

February 11, 2014

QUOTE OF THE WEEK

"On behalf of President Obama and the American people, I am delighted to extend best wishes to the many people around the world who celebrate the arrival of the Lunar New Year on January 31. In this festive time, we should all take a moment to pause and reflect on the shared humanity that ties us together – not just here in America, but around the world. As a Pacific nation, the United States is deeply committed to strengthening our partnerships throughout the Asia-Pacific. That's why President Obama recently announced the Young Southeast Asian Leaders Initiative. That's why we're investing in the Fulbright Program. And that's why we're deepening our economic cooperation, improving regional security, and advancing mutual understanding across cultures, faiths, and nations. As millions around the world welcome the Year of the Horse, the United States sends heartfelt wishes for good health and prosperity. May the New Year bring ever greater cooperation in pursuit of our common goals." – Secretary of State John Kerry in a January 31 statement on Lunar New Year 2014

U.S.-CHINA RELATIONS

Freedom of the Press in China

On January 30, White House spokesperson Jay Carney issued a statement on freedom of the press in China, saying that the U.S. is "deeply concerned that foreign journalists in China continue to face restrictions that impede their ability to do their jobs." The full statement can be found [here](#).

Chinese Translation of CECC Annual Report Executive Summary

On January 31, the Congressional-Executive Commission on China (CECC) released a

Chinese translation of its 2013 Annual Report Executive Summary, providing information on human rights and rule of law developments in China with a focus on the following issues: Freedom of Expression; Worker Rights; Criminal Justice; Freedom of Religion; Ethnic Minority Rights; Population Planning; Freedom of Residence and Movement; Status of Women; Human Trafficking; North Korean Refugees in China; Public Health; The Environment; Civil Society; Institutions of Democratic Governance; Commercial Rule of Law; Access to Justice; Tibet; Xinjiang; and Developments in Hong Kong and Macau. The translation can be found [here](#).

House Hearing on America's Future in Asia

On February 5, the House Foreign Affairs Subcommittee on Asia and the Pacific held a hearing on "America's Future in Asia: From Rebalancing to Managing Sovereignty Disputes." Testifying at the hearing was The Honorable Daniel R. Russel, Assistant Secretary of State for East Asian and Pacific Affairs. Mr. Russel's testimony focused on the territorial disputes in the East China and South China Seas, and China's announcement of an Air Defense Identification Zone (ADIZ) over the East China Sea. His prepared testimony can be found [here](#), and the archived hearing video can be found [here](#).

Baucus Confirmed as Ambassador to China

On February 6, Senator Max Baucus (D-MT) was confirmed as the next U.S. Ambassador to China in a vote of 96-0. In his farewell address to the Senate, delivered that same day, Senator Baucus said "The U.S.-China relationship is one of the most important bilateral relationships in the world. It will shape global affairs for generations. We must get it right." The full remarks can be found [here](#).

Secretary Kerry Visiting China

On February 13, Secretary of State John Kerry begins his fifth trip to Asia in the past year traveling to Beijing, Seoul, Jakarta, and Abu Dhabi. His stops will involve meetings with senior government officials and address a range of bilateral, regional, and global issues. While in China, the secretary will meet with senior government officials, delivering the Administration's message that the U.S. is committed to pursuing a positive, cooperative, comprehensive relationship and welcomes the rise of a peaceful and prosperous China that plays a positive role in world affairs. Also slated for discussion are regional issues including the North Korea and the importance of U.S.-China collaboration on climate change and clean energy.

USCC Hearing on U.S.-China Economic Challenges

On February 21, the U.S.-China Economic and Security Review Commission (USCC) will host a hearing on "U.S.-China Economic Challenges." The hearing will be co-chaired by USCC commissioners Michael R. Wessel and Daniel M. Slane, and will examine challenges to the U.S. economy from Chinese competition in manufacturing and the role of state-owned enterprises. In addition, the hearing will assess the effectiveness of U.S. trade laws and trade enforcement in addressing these challenges. The hearing will convene three panels. Panel 1 is entitled "The Impact of the U.S.-China Relationship and Jobs" and will include: Dr. Robert Scott, Director of Trade and Manufacturing Policy Research, Economic Policy Institute; Dr. Oded Shenkar, Ford Motor Company Chair in Global Business Management, Fisher School of Business, Ohio State University; and Dr. Peter K.

Schott, Professor of Economics, Yale University. Panel 2 is entitled "Assessment of U.S. Trade Law Enforcement Effort with China" and will include: Dan DiMicco, Chairman Emeritus, Nucor Corporation; Elizabeth Drake, Partner, Stewart and Stewart; and Dr. Philip I. Levy, Senior Fellow, The Chicago Council on Global Affairs. Panel 3 is entitled "Chinese State-Owned Enterprises and Non-Market Economics Competitive Challenges" and will include: Dr. Willy C. Shih, Robert and Jane Cizik Professor of Management Practice in Business Administration, Harvard Business School; Dr. Adam Hersh, Senior Economist and China Specialist, Center for American Progress; and Joel Backaler, Director, Frontier Strategy Group. The hearing notice can be found [here](#).

CHINA NEWS

Official Visits to China

China will host state visits by President Mamnoon Hussain of Pakistan on February 18-21, and President Macky Sall of the Republic of Senegal on February 19-22.

TRADE

Chinese Concern Over US PV Investigation

China's Ministry of Commerce released a statement on January 26 stating its serious concern over the United States' Commerce Department's decision on January 23 to open investigations into subsidies and dumping of certain crystalline silicon photovoltaic solar cells, modules, and panels from China. The International Trade Commission will release a preliminary decision by February 14, with a decision on the level of duties expected from the Commerce Department between March and June.

USTIC Determinations

On February 4, the U.S. International Trade Commission (USITC) voted to expedite its five-year ("sunset") reviews concerning the antidumping duty orders on uncovered innerspring units from China, South Africa, and Vietnam, and on crawfish tail meat from China. The expedited reviews will determine whether revocation of these orders would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Uruguay Round Agreements Act requires the Department of Commerce to revoke an antidumping or countervailing duty order, or terminate a suspension agreement, after five years unless the Department of Commerce and the USITC determine that revoking the order or terminating the suspension agreement would be likely to lead to continuation or recurrence of dumping or subsidies (Commerce) and of material injury (USITC) within a reasonably foreseeable time.

Also on February 4, the USITC voted to conduct full five- year ("sunset") reviews concerning the antidumping duty orders on ferrovanadium from China and South Africa.

On February 7, with all six commissioners voting in the affirmative, the USITC determined that revoking the existing antidumping duty order on steel wire garment hangers from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. As a result of the affirmative determination, the existing order on imports of this product from China will remain in place.

USCC February Trade Bulletin

On February 6, the U.S.-China Economic and Security Review Commission (USCC) issued its February Trade Bulletin. According to the bulleting, the U.S. trade deficit with China set a new record in 2013. The bulletin can be found [here](#).

Rare Earth Legislation Introduced in Senate

On February 6, Senators Roy Blunt (R-MO) and Joe Manchin (D-WV) introduced legislation ([S. 2006](#)) to establish a National Rare Earth Refinery Cooperative. The measure would encourage domestic production and refinement of rare earth materials, making the United States less vulnerable to China's supply disruption and price manipulation.

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