



ML Strategies Update

Neal Martin, rmartin@mlstrategies.com

Sarah Litke, slitke@mlstrategies.com

David Leiter, djleiter@mlstrategies.com

FOLLOW US ON TWITTER: [@MLStrategies](https://twitter.com/MLStrategies)

ML Strategies, LLC
701 Pennsylvania Avenue, N.W.
Washington, DC 20004 USA
202 296 3622
www.mlstrategies.com

MARCH 19, 2015

CHINA UPDATE

QUOTE OF THE WEEK

"On the 104th anniversary of International Women's Day, we celebrate the victories of the international women's rights movement while recognizing the challenges that remain. It is a day to honor those who have fought for an end to discrimination against women, and remember our responsibility to push for equality between the sexes and to combat gender-based violence. The United States and China have a responsibility to work together on these issues, and our collaboration is growing. Last year, high-level discussions at the Consultation on People-to-People Exchange focused attention on women's health and domestic violence. And at last November's APEC Summit in Beijing, Asia-Pacific leaders launched a milestone framework that measures each country's progress on improving economic participation for women. The APEC framework highlights our consensus that no country can sustain economic growth if women are unable to fully participate in the economy." – U.S. Ambassador to China Max Baucus on the 104th anniversary of International Women's Day

U.S.-CHINA RELATIONS

Presidential Advisor Susan Rice Meets with Senior Chinese Official

On February 25, China's State Councilor Yang Jiechi met in New York with Susan Rice, Assistant to the President for National Security Affairs. In addition to a general discussion of bilateral relations, the two discussed the nuclear issue on the Korean Peninsula, as well as the Iranian nuclear issue.

CSIS Remarks by Senator Menendez (D-NJ)

On March 9, Senate Foreign Relations Committee Ranking Member Robert Menendez (D-NJ) delivered remarks at the Center for Strategic and International Studies (CSIS) Brzezinski Institute on Geostrategy discussion on "America's Strategic Dilemma: A Revisionist Russia in a Complex World." While the remarks were focused on Russia, Ranking Member Menendez did state that "Whether it's China in the South China Sea that has territorial disputes with our allies, South Korea and Japan. Or the challenge we face

with a nuclear armed North Korea. Or the challenge of Maduro in Venezuela oppressing his people. I could go through a long list of global actors who, in the absence of assured consequence for violating the international order, will be emboldened. That is an incredibly risky world to live in.”

Increased Travel to U.S. by Chinese

On March 10, Under Secretary of Commerce Stefan Selig announced that a record 75 million international visitors traveled to the United States in 2014, a seven percent increase from 2013. Visitors from China totaled 2,188,387 – a 21% increase over 2013.

USCC Hearing: China and Central Asia

On March 18, the U.S.-China Economic and Security Review Commission (USCC) held a hearing on “Looking West: China and Central Asia” with panels focused on “China’s Silk Road Policy”: “Trade, Infrastructure, and Natural Resources in China’s Central Asia Engagement”; and “China’s Security Engagement in Central Asia and the Question of Afghanistan”.

TRADE

USCC Monthly Analysis of U.S.-China Trade Data

On March 6, the USCC issued its monthly analysis of U.S.-China Trade Data. According to the report, the U.S. trade deficit in goods with China totaled \$28.6 billion in January 2015, a 2.8 percent growth year-on-year, and an increase of \$306 million over December 2014. At the same time, the U.S. global goods deficit declined in January 2015, as both exports and imports fell. The report can be found [here](#).

USITC Review of Oil Country Tubular Goods from China

On March 6, the U.S. International Trade Commission (USITC) announced that it will expedite the five-year (sunset) reviews concerning oil country tubular goods from China. 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.

USITC Investigation of Audio Hardware and Software from China

On March 12, the USITC voted to institute an investigation of certain audio processing hardware and software and products containing the same. The products at issue in the investigations are audio codec chips and audio processing software to reduce unwanted audio noise, and products including desktop computers, all-in-one computers, notebooks, laptops, Chromebooks and computer tablets containing such chips and software. Among the respondents identified in the investigation is Chinese company Lenovo Group, Ltd.

ENERGY & ENVIRONMENT

U.S.-China Energy-Water Consortium

On March 5, as part of a new technical track at the U.S.-China Clean Energy Research Center, the Department of Energy released a funding opportunity announcement for the formation of a consortium to conduct research and development on five issue areas pertaining to the energy-water nexus. The countries will equally fund the \$50 million initiative intended to improve climate impact modeling, methods, and scenarios to support improved energy and water systems understanding, efforts to reduce thermoelectric plant water usage, improve hydropower designs, and improve water management. The agency will hold an informational webinar on March 18, and applications are due by May 4.

Canada-China Solar Trade Case

On March 5, Canada's Border Services agency issued provisional duties of as much as 286.1% against solar energy equipment from China after issuing a preliminary determination that goods are being exported into the country at dumped and subsidized prices. The same day, the Canadian International Trade Tribunal launched its inquiry on the Chinese exports, which will include a public hearing to be held in Ottawa starting June 1, with a final determination to be issued by July 3.

Chinese EVs

On March 5, China's Minister of Industry Miao Wei said that his country will encourage Internet companies like Leshi Internet Information and Technology Corporation to develop electric vehicles, since they have the potential to create a new manufacturing model for the automobile industry. China is promoting the use of electric vehicles to reduce the country's reliance on imported oil and to reduce tailpipe emissions.

Chinese Pollution Documentary

Chinese climate leaders are comparing the recent documentary titled "Under the Dome", about air pollution in China, to Rachel Carson's "Silent Spring", which helped spawn an environmental movement in the United States in the 1960s. A February 26 National Economic and Social Development Bulletin found that just over 90 percent of the 162 Chinese cities that monitor air pollution did not meet air quality standards last year. Beijing issued an updated action plan for air pollution control the previous day that runs through 2017, amending the version that took effect last March. The city faced more than \$16 million in penalties last year for air pollution violations.

Chinese Emissions Drop

Bloomberg New Energy Finance released an estimate on March 13 based on preliminary energy demand data from China's National Bureau of Statistics finding that China's CO2 emissions fell last year for the first time since 2001. Chinese emissions dropped two percent, signaling that efforts to control pollution are gaining traction.

Global Emissions Steady

On March 13, the International Energy Agency released data finding that global CO2 emissions from the energy sector remained stable last year, the first time in 40 years that a pause or reduction was not associated with an economic downturn. The agency pointed to China's changing energy consumption as a reason for the steady global emissions.

* * *

View ML Strategies professionals.

Boston · Washington www.mlstrategies.com